Stockholm, October 24, 2000

Interim Report, Mind AB (publ)
Nine months ended September 30, 2000

- » Sales increased by 284 percent during the period to SEK 237.0 M[1] (61.7[2]). Sales for the third quarter amounted to SEK 59.1 M (23.9), an increase of 147 percent.
- » Operating loss before amortization of goodwill amounted to SEK 106.9 M (loss: 5.9). Operating loss before amortization of goodwill for the third quarter totalled SEK 60.0 M (5.7).
- » The number of employees increased during the period by 313, from 178 to 491. During the third quarter, the total number of employees in Mind declined by two persons.
- » During the period, Mind has successively increased focus on the prioritised segments Finance and Insurance and TIME.
- » As a result of the sharply weakening market conditions for Network Pioneers, the exposure in this segment was reduced, which resulted in a decreased utilisation. The impact on sales and earnings of this shift was heavy.
- » Both sales and earnings will be affected adversely by the devident market conditions also in the fourth quarter.
- » Mind's goal is to achieve positive earnings before goodwill amortization during the first half of 2001. In order to fulfill this goal, Mind is working on preparing a powerful action program that will include both efficiency and structural measures.
- » In September, Sun awarded Mind the title of "e-integrator of the Year" in Sweden.
- » In October, Mind became the first Swedish company to receive "most influential e-business partner" status from Oracle in the Europe, Middle East and Africa region.

Significant changes in market conditions

The market for Internet services changes very rapidly. Since 1999, Mind has worked successfully with the Network Pioneers segment. During the summer, the capital market conditions for Network Pioneers changed drastically. Due to these changed conditions, many of the companies in this segment experienced liquidity problems, which in certain cases resulted in bankruptcy. Accordingly, the demand for Internet consulting services from Network Pioneers declined dramatically.

Based on Mind's strength and good demand in Finance and Insurance and TIME and in response to the sharply weakened market conditions for Network Pioneers, Mind has increased its focus on the prioritised segments.

Comments on sales

Mind's sales during the period amounted to SEK 237.0 M (61.7), an increase of 284 percent compared with the year-earlier period. Sales in the third quarter amounted to SEK 59.1 M (23.9), an increase of 147 percent. During the third quarter, Mind reached its growth goal of 100 percent for full-year 2000.

In the report for the period January-June 2000, the Board of Directors assessed that seasonal effects and the decline in the Network Pioneers segment would affect sales and earnings negatively, which was the case. The weak sales trend during the quarter is due to a seasonally weaker third quarter and a conscientious slowdown in the pace of growth. The increased focus on the existing segments Finance and Insurance and TIME (telecom, information, media and entertainment) could not compensate the decline in the Network Pioneers segment. Sales were also affected adversely by provisions (see below).

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[1] In 2000, Mind has changed the accounting principles whereby the revenue and expenses of cquired subsidiaries are reported in the consolidated accounts. Revenues and expenses are reported beginning in the quarter in which the acquisition occurred. The income
statement for 1999 has been adjusted in a corresponding manner. In accordance with the principle applied earlier, revenue and expense was reported for the entire fiscal year in which the acquisition occurred. In accordance with the new accounting principle, sales in 1999 amounted to 84.9 M, compared with earlier reported sales of SEK 90.6 M, as shown in the 1999 annual report.

[2] Comparable figures pertain to the corresponding period of 1999. Comparable figures are pro forma, based on the operations that would come to constitute today's Mind Group. These operations include Mind Improvement Group AB (MIG), Innovative Media Consulting AB (IMC), Mind AB, Mind Norge AS for the full year 1999 and Inventa Affärsutveckling AB for the fourth quarter of 1999. The Mind Group was formed through a merger of IMC and Mind AB, which then acquired the business of MIG and the Inventa Affärsutveckling company. Pro forma data includes and expenses in MIG in the first six months of 1999, which are not shown in the official accounts because the business in MIG was acquired in July 1999. Excluding pro forma adjustments, sales in the period amounted to SEK 38.6 M, with a loss of SEK 6.8 M before allocations and taxes.

Comments on earnings

The operating loss for the period, before amortization of goodwill, amounted to SEK 106.9 M (loss: 5.9). The operating loss before amortization of goodwill in the third quarter amounted to SEK 60.0 M (loss: 5.7). The loss before tax for the reporting period was SEK 121.9 M (loss: 6.0). The consolidated loss after tax amounted to SEK 123.7 M (loss: 6.0).

The prevailing capital market for Network Pioneers continued to result in customers terminating projects or determining that they cannot fulfill their obligations to Mind. Negotiations are under way with these customers and Mind has made provisions attributable to these projects that affected the rate of growth adversely by 32 percentage points (SEK 19.7 M) and resulted in a charge against earnings of SEK 22.0 M. The provisions affected sales in the third quarter by SEK 8.0 M and earnings by SEK 8.1 M.

Strong action plan for profitability

Mind is working on developing a strong action plan for achieving profitability during the first half of 2001. The program will involve efficiency enhancement and structural measures. The change to a focus on strategic segments and the efficiency enhancements are expected to gain full effect during the first half of 2001.

Relative to the other segments, Mind will reduce operations in the Network Pioneer segment sharply. Network Pioneers that Mind considers are financially stable will continue to be attractive since these largely conduct operations on the Internet. Mind has rules whereby in signing new contracts the company demands various forms of security from these types of companies to ensure payment. In the sharply reduced portfolio of projects from this segment, there are some remaining that in the prevailing market conditions still involve a risk of bad debt and discontinued projects during the fourth quarter.

Both sales and earnings will be affected adversely by the significant market changes also during the third quarter.

Goals, strategy and prospects

Mind's goal is to secure a leading position in Internet-related services in the Finance and Insurance and TIME segments in Europe. The favorable demand in the Finance and Insurance segment is expected to prevail. The financial market in Europe has not yet undergone the extensive changes with regard to Internet services that the Swedish banks have implemented, resulting in increased profitability.

Mind also assesses that the TIME segment will continue to invest heavily in interactive media. Mind is developing many applications within various technologies in order to be able to use several different distribution channels, such as wireless Internet and digital TV.

Mind's goal is to achieve positive earnings before goodwill amortization during the first half of 2001.

Mind will grow at the pace permitted by the market and profitability. Growth will be balanced so that prioritized profitability can be achieved. The company assesses that market growth will be 50-70 percent annually in the prioritized segments.

When Mind achieves profitability, the international expansion will continue and then be concentrated on financially strong regions that are important for the prioritized segments in Europe.

Increased focus on Finance and Insurance and TIME

During all of 2000, Mind has continued to intensify its efforts in Finance and Insurance, which has resulted in the acquisition of solid expertise and a leading position in this area. During the third quarter, order bookings in the segment have been highly satisfactory, with new customers and increased confidence among existing customers. The factors leading to the increased demand for services in the finance sector are that the banks have seen the positive results of their investments in new technology and the growing market for fund and asset management. The new and expanded assignments encompass both systems development and Internet strategy, operations development, and the development of new services for customers, such as SEB, FöreningsSparbanken, MeritaNordbanken, Kreditkassen, Unibank, OM, Postgirot, Fora and SIX.

Many companies in the TIME sector are implementing comprehensive operational changes based on changed market conditions driven by the Internet, broadband, mobility and telephony. Mind has positive experience of the sector and in-depth understanding of both the technology and the business strategies that drive these companies. Many of the most successful companies involved in these developments are among Mind's customers – Telia, Glocalnet, Ericsson and Nokia.

Mind has a high customer value and high delivery quality that is being continuously developed within prioritized sectors. This is confirmed by the Finance and Insurance segment receiving a rating of 4.7 of 5 in a subjective survey of customer satisfaction for assignments completed during the most recent 12 months.

Assignments and recognition

During the period, Mind secured an assignment from Prenax, the main actor within the Swedish subscription handling, to further develop its Internet solution that was previously created for the Swedish market. The portal will now be used as Prenax expands in the US and in the European market.

Strategic cooperation has been initiated with the Glocalnet communications company. Mind continued its cooperation with the Scandinavian Leisure Group and began new strategic cooperation with Spies for the development of Spies' websites in Denmark, Finland and Sweden.

Sun awarded Mind the title of "e-integrator of the Year" in Sweden and, in October, Mind became the first Swedish company to receive "most influential e-business partner" status from Oracle in the Europe, Middle East and Africa region.

Employees

During the period January 1 – September 30, 2000, the number of employees increased by 313, of which 146 through acquisitions, from 178 to 491, or 176 percent. Mind had a total of 480 persons under contract, including 17 who had not yet begun their employment and 28 employees who had not yet concluded their employment.

Investments

Excluding acquisitions of subsidiaries, investments for the period amounted to SEK 38.1 M. Expenditures pertained mainly to ongoing investments in operations.

Financial position

Liquid funds at the end of the period amounted to SEK 136.6 M (0.1). The equity/assets ratio was 83 (minus 7) percent.

Parent Company[3]

Sales of the Parent Company during the period amounted to SEK 149.9 M, with a loss before allocations and taxes of SEK 105.6 M. As of September 30, 2000, the Parent Company had 312 employees. Investments, excluding acquisitions of subsidiaries, amounted to SEK 33.0 M during the period. As of September 30, 2000, liquid funds amounted to SEK 124.7 M.

Future reporting dates

The preliminary report on full-year 2000 operations will be issued in February 21, 2001.

The Annual Report for 2000 is scheduled to be issued in April 2001.

Stockholm, October 24, 2000

The Board of Directors

Auditors' statement

We have reviewed the interim report for the nine months ended September 30, 2000 in accordance with the Recommendation issued by the Swedish Institute of Authorized Public Accounts (FAR). A review is considerably limited in scope compared with an audit. Nothing has come to our attention that causes us to believe that the interim report does not comply with the requirements of the Annual Accounts Act.

Stockholm, October 24, 2000

Ernst & Young AB
Hamish Mabon
Authorized Public Accountant

For additional information, please call:
Jörgen Larsson, CEO, +46 733-61 10 10
Maria Andark, Investor Relations, +46 733-61 10 19

Mind AB is a third-generation Internet consulting company that specializes in portals that are designed to develop and strengthen the businesses of its clients. Mind has approximately 500 employees and focuses on the TIME (Telecom, Information, Media and Entertainment) and Finance and Insurance. Mind's customers include Ericsson, Göteborgs-Posten, Kreditkassen, MeritaNordbanken, Nokia, OM, Scandinavian Leisure Group, Telia and Unibank. The company is represented in Sweden, Norway and France and is traded on the O-List of the OM Stockholm Exchange.

3 Comparable figures for the Parent Company's sales in 1999 are not given since the company did not report any sales during the period

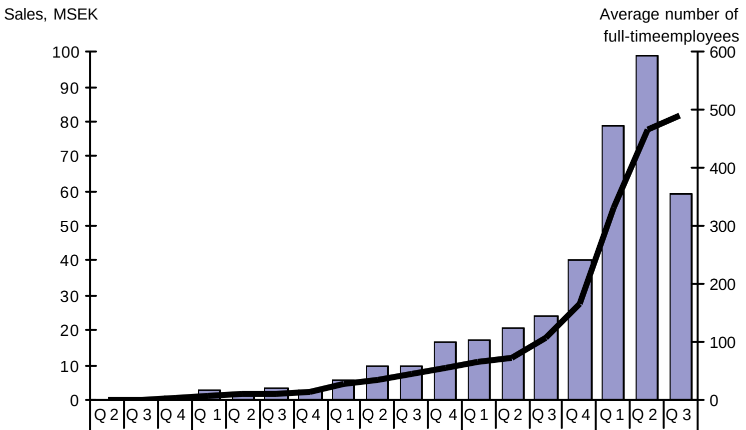
Condensed consolidated income statement

	1 Jan–30 Sept 2000	Proforma[2] 1 Jan–30 Sep 1999	1 Jan – 31 Dec[5] 1999	Proforma[4] 1 Jan–31 Dec 1999
Sales	237.0	61.7	84.9	102.2
Cost of operations	-336.0	-67.2	-110.9	-128.1
Operating results before depreciation	**-99.0**	**-5.5**	**-26.0**	**-25.9**
Depreciation/amortization of tangible and intangible assets, excluding goodwill	-7.9	-0.4	-0.6	-0.6
Operating result before amortization of goodwill	**-106.9**	**-5.9**	**-26.6**	**-26.5**
Amortization of goodwill	-12.7	-0.0	-0.4	-0.4
Operating result	**-119.6**	**-5.9**	**-27.0**	**-26.9**
Financial items, net	-1.7	-0.1	-0.1	-0.1
Result after financial items	**-121.3**	**-6.0**	**-27.1**	**-27.0**
Income/loss in subsidiaries during portion of year when they were not part of the Group	-0.6	0.0	0.3	0.3
Taxes	-1.8	0.0	-0.2	-0.2
Loss for period	**-123.7**	**-6.0**	**-27.0**	**-26.9**

Condensed consolidated quarterly income statements

	Proforma[4] Q 1 1999	Proforma[4] Q 2	Q 3	Q 4	Q 1 2000	Q 2	Q 3
Sales	17.2	20.6	23.9	40.5	78.9	99.0	59.1
Cost of operations	-17.1	-20.7	-29.4	-60.9	-94.1	-126.5	-115.4
Operating result before depreciation	**0.1**	**-0.1**	**-5.5**	**-20.4**	**-15.2**	**-27.5**	**-56.3**
Depreciation of tangible assets	-0.1	-0.1	-0.2	-0.2	-1.5	-2.7	-3.7
Operating result before amortization of goodwill	**0.0**	**-0.2**	**-5.7**	**-20.6**	**-16.7**	**-30.2**	**-60.0**
Amortization of goodwill	0,0	0.0	0.0	-0.4	-1.9	-4.5	-6.3
Operating result after amortization	**0.0**	**-0.2**	**-5.7**	**-21.0**	**-18.6**	**-34.7**	**-66.3**
Financial items, net	0.0	0.0	-0.1	0.0	-0.9	-1.9	1.1
Result after financial items	**0.0**	**-0.2**	**-5.8**	**-21.0**	**-19.5**	**-36.6**	**-65.2**
Income/loss in subsidiaries during portion of year when they were not part of the Group	0.0	0.0	0.0	0.3	-0.3	-0.3	0.0
Taxes	0.0	0.0	0.0	-0.2	-0.5	-1.7	0.4
Inome/loss period	**0.0**	**-0.2**	**-5.8**	**-20.9**	**-20.3**	**-38.6**	**-64.8**
Number of employees at end of period	**64**	**81**	**118**	**178**	**376**	**493**	**491**

Sales and average number of employees



	1996 Q 2	Q 3	Q 4	1997 Q 1	Q 2	Q 3	Q 4	1998 Q 1	Q 2	Q 3	Q 4	1999 Q 1	Q 2	Q 3	Q 4	2000 Q 1	Q 2	Q 3
Sales	0	0	1	3	2	3	3	6	10	10	17	17	21	24	41	79	99	59
Average number of full-timeemployees	0	1	3	7	8	10	13	28	34	44	56	64	73	105	166	331	467	490

Sales — Average number of full-timeemployees

4 Comparable figures pertain to the year-earlier period. Comparable figures are pro forma, based on operations that would come to constitute today's Mind Group. These operations include Mind Improvement Group AB (MIG), Innovative Media Consulting AB (IMC), Mind AB, Mind Norge AS for the full year 1999 and Inventa Affärsutveckling AB for the fourth quarter of 1999. The Mind Group was formed through a merger of IMC and Mind AB, which then acquired the business of MIG and the Inventa Affärsutveckling company. Pro forma data includes and expenses in MIG in the first six months of 1999, which are not shown in the "official" accounts because the business in MIG was acquired in July 1999.

5 In 2000 Mind has changed the accounting principles whereby the revenue and expenses of acquired subsidiaries are reported in the consolidated accounts. Revenues and expenses are reported beginning in the quarter in which the acquisition occurred. The income statement for 1999 has been adjusted in a corresponding manner. In accordance with the principle applied earlier, revenue and expense was reported for the entire fiscal year in which the acquisition occurred.

Condensed consolidated balance sheets

Asset	30 sept 2000	30 sept 1999	31 dec 1999
Goodwill	226.0	0,0	13,0
Other intangible assets	6.6	0.2	2.1
Financial assets	**12.2**	**0.0**	**0.0**
Tangible assets	35.7	2.8	7.3
Accounts receivable	**61.5**	**9.6**	**32.7**
Other current assets	**29.3**	**12.4**	**15.3**
Cash and bank deposits	**136.6**	**0.1**	**10.7**
Total assets	**507.9**	**25.1**	**81.1**
Shareholders' equity and liabilities			
Shareholders' equity	421.5	-1.8	1.5
Provisions	0.9	0.0	0.1
Long-term interest-bearing liabilities	0.0	0.0	19.2
Short-term interest-bearing liabilities	0.5	5.3	9.8
Short-term noninterest-bearing liabilities	85.0	21.6	50.5
Total liabilities and shareholders' equity	507.9	25.1	81.1

Condensed consolidated cash flow

	1 Jan–30 Sept 2000	1 Jan–30 Sept 1999	1 Jan–31 Dec 1999
Cash flow from current operations	-122.5	0.0	-13.5
Cash flow from investment operations	**-47.5**	**-3.9**	**-23.5**
Cash flow from financing operations	295.9	0.1	47.7
Change in liquid funds	**125.9**	**-3.8**	**10.7**

Data per share before full dilution

	1 Jan–30 Sept 2000	Proforma 1 Jan–30 Sept 1999	Proforma 1 Jan–31 Dec 1999
Average number of shares	33 034 275	21 159 334	26 175 302
Number of shares at year-end	41 538 296	21 739 000	30 925 907
Loss per share after tax, SEK	-3.74	-0.28	-1.03
Shareholders' equity per share, SEK	10.15	-0.08	0.05

Data per share after full dilution

	1 Jan–30 Sept 2000	Proforma 1 Jan–30 Sept 1999	Proforma 1 Jan–31 Dec 1999
Average number of shares	36 945 835	22 773 467	29 989 769
Number of shares at year-end	45 529 296	24 160 200	34 916 907
Loss per share after tax, SEK	-3.35	-0.26	-0.90
Shareholders' equity per share, SEK	9.26	-0.08	0.04

Key data

	1 Jan–30 Sept 2000	Proforma 1 Jan–30 Sept 1999	Proforma 1 Jan–31 Dec 1999
Operating margin before amortization of goodwill, %	neg	neg	neg
Operating margin, %	neg	neg	neg
Profit margin, %	neg	neg	neg
Return on shareholders' equity, %	neg	neg	neg
Return on capital employed, %	neg	neg	neg
Number of employees at end of period	491	118	178
Average number of full-time employees	429	81	102
Sales per employee, SEK 000	552	762	1 002
Sales per consultant, SEK 000	696	896	1 177
Equity/assets ratio, %	83	-7	2

DEFINITIONS

Number of contracted employees: At a given point in time, the number of employees in service, with the addition of the number of employees that have signed an employment contract, but have not yet begun their employment, and the deduction of the number of employees that have resigned their positions, but have not yet left the company.
Number of full-time employees, average: The sum of the number of employees at the end of each month divided by the number of months in the period.
Shareholders' equity per share: Shareholders' equity as a percentage of the number of shares at year-end.
Shareholders' equity per share after full dilution: Shareholders' equity as a percentage of the number of shares at year-end, corresponding to the number if full dilution occurred.
Sales per employee: Sales in the period as a percentage of the average number of full-time employees.
Sales per consultant: Sales in the period as a percentage of the average number of full-time consultants.
Return on shareholders' equity: Earnings in the period as a percentage of shareholders' equity.
Return on capital employed: Earnings in the period after net financial items, plus financial expenses, in relation to the average capital employed.
Operating margin: Operating margin as a percentage of sales.
Operating margin before amortization of goodwill: Operating result before amortization of goodwill in relation to sales.
Equity/assets ratio: Shareholders' equity in relation total assets.
Capital employed: Total assets, less provisions and non-interest-bearing liabilities.
Profit margin: Earnings after net financial items in relation to sales.
Earnings per share: Earnings in the period as a percentage of the average number of shares.
Earnings per share after full dilution: Earnings in the period as a percentage of the average number of shares, increased by the number of shares added on full dilution.