

Resco AB

Interim Report January-September 2000

Strong growth, profitability in focus

- Sales for nine months rose by eight per cent to SEK 228.4M (211.6). For the third quarter, sales increased by 54 per cent to SEK 78.2M (50.9).
- Pro forma, sales for nine months improved by 37 per cent to SEK 290M (211.6).
- The operating result amounted to SEK -59.7M (-7.4). Operating result before goodwill amortisation (EBITA) amounted to SEK -51.2M (-6.2). The operating result for the third quarter (EBITA) amounted to SEK -28.4 (-13.0).
- A combination of the need to make a provision for costs relating to staff redundancies and the substantial costs which were directly attributable to the aborted transaction with Fi System has contributed significantly to the negative result for the third quarter.
- The restructuring of Resco, which was initiated during the first quarter, will lead to cost effectiveness of SEK 40M on a full-year basis. This is expected to make full impact from the first quarter of 2001.
- Relatively high sales growth and a good foundation for making an operating result around break-even (EBITA) is expected in the fourth quarter.
- The number of employees was 516 (343) at the period-end, an increase of 50 per cent. Staff turnover over a rolling 12-month period amounted to 14 (17) percent.
- A number of strategic customer agreements were signed during the third quarter. For example, Resco was appointed web supplier to British Airways in Northern Europe.
- In October, Resco signed an agreement to acquire two Internet consulting companies in Finland – Dataform Oy and Toneco Oy – with a total staff of 42. As a result, Resco has more than 150 employees in Finland. Since October 1, Resco has employed nearly 60 staff in Germany.
- The e-learning company, Involve Learning, which is the result of the merger of the Norwegian company in2win A/S and Resco Learning, continues to report very high growth. Resco's ownership in Involve Learning, which employed 115 staff at the end of the third quarter, is equivalent to 45 per cent. Resco plans to divest its participation in Involve Learning within nine months.

Comments:

- The transformation of Resco is generating significant sales increase, strong growth in the third quarter.
- The results were not satisfactory, but there is a good foundation for making an operating result around break-even (EBITA) in the fourth quarter.
- The restructuring of Resco, which was initiated at the turn of the year, will lead to cost effectiveness of approximately SEK 40M on a full-year basis from the first quarter of 2001.

Resco reports a 54 per cent growth for the third quarter compared with the corresponding period in the previous year. The growth rate for the first nine months of the year is also higher than in the corresponding period in 1999. This is clear evidence that the new strategy, organisation model and market profile are beginning to make a significant impact. The fact that a large proportion of the growth is generated outside Sweden, as well as organically, is especially satisfactory. At the end of the nine-month period, nearly 35 per cent of Resco's employees were located in Germany and Finland, compared with an insignificant proportion outside Sweden on the same date in 1999. Continued methodical expansion in strategically selected regions in Europe will be prioritised in the future.

Profitability during the third quarter did not quite meet internal expectations. Factors which have especially given rise to the negative result is the overall under-utilisation of consulting capacity; substantial costs for internationalisation; provision for restructuring costs for staff redundancies; and significant costs which were directly attributable to the aborted transaction with Fi System*. The forecast for the full-year 2000 of a total sales growth, including the participation in Involve Learning, is revised downward from 50 to 40 per cent. However, taking into account the comprehensive and demanding restructuring work in Resco, whilst the market situation at the same time was relatively weak during the first half of the year, the downward adjustment is viewed as acceptable. From an industry perspective, the forecast for full-year growth can be regarded as highly competitive. Resco is working in a very focused way to achieve improved profitability; both through the close and effective interplay between the sales and the delivery processes, and via the continuous efforts aimed at permanently reducing the total cost volume. The assessment is that these internal efforts to improve profitability will have an impact from the last quarter on. At the same time, as a result of the repositioning initiated 12 months ago, Resco is higher up the customer's value chain, which is resulting in a steady improvement in profitability. An analysis of the restructuring work in Resco, which has been underway for more than three quarters, shows a total cost effectivisation, i.e. a positive effect on the result, in the range of SEK 40M on an annual basis, starting in the first quarter of 2001. The new Resco has structured a market offer, which is primarily concentrated on cutting edge solutions within e-business, ERP and CRM. The principal line is to continue along the chosen route – with profitability as the stated key factor. During the third quarter, Resco entered into a number of strategic customer agreements, which are further evidence of a highly successful repositioning. For example, Resco was appointed as an extensive web partner for British Airways in Northern Europe. In all, Resco has a very promising order backlog for the end of the year 2000. During the third quarter, a large number of Resco's industry colleagues have faced difficulties after the Dot.com market was hit by an acute financing crisis. Resco is only marginally affected by a decline in the dot.com market, as less than five per cent of the combined sales are exposed to that sector.

Prospects for the future

Rising demand during September, combined with a relatively large number of potential orders, means that Resco is looking forward to the fourth quarter with optimism. The assessment is that Resco will achieve a relatively high growth rate and that there is a good basis for an operating result (EBITA) in the area of break-even during the fourth quarter.

The relatively established industrial and service providing companies are expected to account for the largest increase in demand through assignments linked to the integration of business systems and the Internet. As far as the merger of underlying databases and the Internet is concerned, Resco is equipped with strong references and possesses established marketing channels which indicate that there will be a very positive market response.

Acquisitions (January-September):

During the first nine months, a number of strategically important acquisitions were made.

- **Intra Kommunikation AB**, which was acquired in February, is an Internet consulting company with considerable understanding of CRM and market communication. In addition, Intra provides Resco with the knowledge about how the information can be individualised over the Internet. The acquisition of Intra is a strong supplement to the acquisition of the web bureau, Reference, which was completed during autumn 1999.
- **Canopus International AB**, which was acquired in April, develops administrative IT systems, mainly for intranets. Canopus also possesses cutting edge competence within project management, system design and data base design. The acquisition provides Resco with additional strength on the technical side and also adds a couple of developed products which makes it possible to build solutions more quickly for the customer and more profitably for Resco.
- **SandellSandberg**, which was acquired in June, is a communication company with a very considerable understanding of total communications and brandname building. The company contributes a customer base to Resco as well as an understanding of how Resco can build a strong brandname for customers and their solutions. It also provides an understanding of how the customer will communicate the solutions.

- **Major Blue Company** in Finland, which was acquired in May, possesses cutting edge competence within technology systems for HR (Human Resources) and CRM as well as implementation of business systems. Major Blue Company has developed a number of products and therefore contributes to Resco the knowledge of packaging consulting operations into products. With Major Blue Company, Resco attains a strong position in Finland where Resco now has 105 employees. The deal is in line with the increased international focus which Resco now represents.
- **In October, Resco signed a declaration of intent to acquire Dataform Oy**, which is an IT and Internet consulting company with a staff of 35 in Finland. Dataform Oy has cutting edge competence within ERP-systems and CRM via niche products that have been developed by the company's which are especially directed at the retail industry. The largest individual customers include Kesko Oy which is the largest retail chain in Finland. Dataform Oy also has customers in Sweden, Norway, Germany as well as a number of customers outside Europe.
- **In October, Resco signed a declaration of intent to acquire Toneco Oy**, which is an IT and Internet company with seven employees in Finland. Toneco Oy has developed a number of object-oriented CRM products and thus adds further competence to Resco relating to the ability to package the consulting operations into "products". In addition, the company has developed internationally marketable products which make possible an integration of SMS based communication with the underlying databases.

Aborted transaction with Fi System*

On 11 September, the French company, Fi System, made a share offer for Resco AB which amounted to approximately SEK 1,567M. This meant a premium of approximately 41 per cent calculated on Resco's closing price on 8 September 2000, and a premium of approximately 55 per cent calculated on the last 10 trading days prior to the announcement of the offer. Calculated from the offer date to 16 October, the share price in Fi System fell by approximately 60 per cent. This contributed to the fact that some of the major shareholders, who had not committed themselves to the offer and who together represented more than 10 per cent of the number of shares in Resco, indicated to Resco's board of directors that they would not accept the offer. On 17 October, Resco's board announced that, due to changed market circumstances, it no longer recommended Fi System's offer to the shareholders. During the afternoon of 17 October, Fi System announced that it was withdrawing its offer for Resco.

THIRD QUARTER 2000

Net sales in the third quarter amounted to SEK 78.2M (50.9), an increase of 54 per cent. Operating result before goodwill amortisation amounted to SEK -28.4M (-13.0) and operating result after goodwill amortisation to SEK -32.8M (-13.4),

Result after financial items amounted to SEK -32.7M (-13.4).

JANUARY - SEPTEMBER 2000

Net sales amounted to SEK 228.4M (211.6), an increase of 8.0 per cent. Operating result before goodwill amortisation amounted to SEK -51.2M (-6.2). Operating profit after goodwill amortisation amounted to SEK -59.7M (7.4).

Result after financial items amounted to SEK -55.7M (7.2). Factors which have especially given rise to the negative result include: the overall under-utilisation of consulting capacity; substantial costs for internationalisation; provision for restructuring costs for redundant staff; and significant costs which were directly attributable to the aborted transaction with Fi System.

Included in the operating result, as items affecting comparability, are: SEK 1.4M which refers to the sale during the first quarter of the subsidiaries, Resco Interactive AB and Resco Learning AB, in connection with the formation of Involve Learning AS, SEK 14.5 relating to the SPP refund (see below) and -0.2M, relating to the sale of the subsidiary, Resco IPM AB, in which Resco owned 70 per cent.

Refund from SPP

Of the surplus that has arisen within SPP, SEK 14.5M has been allocated to Resco. This refund has been reported under items affecting comparability. Out of this, SEK 1.9M has already been refunded, whereas the remaining portion of SEK 12.6M has been accounted for as receivable, of which SEK 10.9M has been reported as a current receivable and SEK 1.7M as a long-term receivable. Taking the short repayment period into account, no discounting has been made.

Investments

Net investments in goodwill amounted to SEK 257.2M (-). Investments in tangible fixed assets amounted to SEK 17.8M net (5.1), mainly indirectly through acquisitions, the majority of which were financed via non-cash issues. Investments financed via leasing have not been included as they are only of marginal importance.

Financial position

The Group's liquid funds amounted to SEK 74.0M at the period-end (31 December 1999: 19.5). Of interest-bearing liabilities at 30 June 2000, pension commitments in accordance with the FPG/PRI schedule amounted to SEK 14.9M (9.6) and subordinated loans to SEK 5.5M (5.8). To enable new employees to participate retrospectively in the incentive programme in which the convertible subordinated loan is included (1999/2000), one of Resco's subsidiaries has subscribed for part of the loan for onward sale to new employees. The subordinated loans total SEK 7.5M in the Parent Company.

The Group's tax situation

With the exception of goodwill amortisation, the Group's costs are essentially deductible. Goodwill amortisation for the first six months in 2000 amounted to SEK 8.5M (1.2). The Group's goodwill totals SEK 309.7M. Goodwill is amortised by 5-20 per cent per annum.

Shareholders' equity

Shareholders' equity amounted to SEK 512.1M (63.4) at the period-end. During the period, four new share issues were carried out in connection acquisitions (non-cash issues), and one new cash issue. In addition, a new share issue was carried out in connection with the incentive programme (warrants 1999/2000) and a small part of the convertible subordinated loan (1999/2002), which was issued to the staff, was also converted. During the period, a split 1:5 was carried out. An adjustment for this has been made in the following table.

Change in number of shares and shareholders' equity	Number of shares, Q 1-3 / 2000	Share capital, Q 1-3 / 2000, SEK	Shareholders' equity, Q1-3 / 2000, SEK M	Shareholders' equity, full-year / 1999, SEK M
At 991231 / 981231	17,191,000	8,595,500	112.5	65.5
Dividend	-	-	-	-2.8
Non-cash issues	6,650,090	3,325,045	291.2	52.1
New issue (incentive programme)	220,000	110,000	4.9	7.9
New cash issue *	2,500,000	1,250,000	160.7	-
Conversion	9,620	4,810	0.3	-
Result for the period	-	-	-57.5	-10.2
At 000930 / 991231	26,570,710	13,285,355	512.1	112.5

* The new cash issue amounted to SEK 166.5M, or 160.7M after deduction for costs of SEK 5.8M.

The Annual General Meeting on 27 April passed a resolution to authorise the Board of Directors to decide, on one or several occasions with a departure from the existing shareholders' right of preference, to carry out a new share issue or issue of convertible debt instruments or debt instruments with detachable warrants for subscription of new shares. The authorisation comprises up to 7,000,000 series B shares and remains in force until the next Annual General Meeting. The issues will be used for acquisitions on market terms. Following the acquisitions of Major Blue Company OY and SandellSandberg AB, 2,050,000 shares remain of the authorisation.

In October, Resco signed a letter of intent to acquire two companies, Dataform Oy and Toneco Oy. If the acquisitions are carried out, payment will be made in newly issued shares.

Incentive programme

Subscription of new B shares in accordance with the previous year's warrant programme (1999/2000) took place during May. Of a total of 225,000 issued warrants 220,000 new shares were subscribed, equivalent to 98 per cent, following which shareholders' equity increased by SEK 4.9M.

An offer in May 1998 from Resco's three principal owners, Jan-Olof Engström, Kjell Jacobsson and Stefan Lindell, to all staff to acquire warrants relating to B shares to be exercised in May 2000 at a price of SEK 49 each was completed. A total of 236,500 warrants had been issued and only a small number were not exercised.

The Annual General Meeting on 27 April passed a resolution to issue a subordinated loan with detachable warrants for subscription of up to 2,500,000 B shares, directed at all employees and Board Members (2000/2002). A total of 1,225,500 warrants have been acquired which is equivalent to 49 per cent of the maximum number. The outstanding warrants remain in the subsidiary of Resco AB, to which the subordinated loan was directed, with the aim of being able to offer new employees within the Resco Group to acquire these warrants on market terms. Subscription for newly issued shares will take place during the period, 11-30 April 2002. A total of up to 2,500,000 could be added, equivalent to an increase in shareholders' equity of SEK 155.5M.

On full conversion of outstanding convertibles (1999/2002) and full exercising of outstanding warrants (2000/2001 from February and 2000/2002 from April, respectively in accordance with the above), the number of shares will increase by 3,350,880, equivalent to 11.2 per cent of share capital and 6.5 per cent of number of votes. Up to SEK 195,0M could be added in shareholders' equity.

Personnel

The average number of employees during the period was 438 (321), an increase of 36 per cent. The number of employees at the period-end amounted to 516 (343), an increase of 50 per cent. Of the increase since 30 September in the previous year of 173, 226 were attributable to acquisitions, whereas the number of employees fell by 59 through sale of subsidiaries and operations. Staff turnover over a rolling 12-month period amounted to 14 per cent (17).

Operations

The organisation is based on a number of competence areas and regional districts in Sweden. Through the division into competence areas, overall solutions are facilitated as the projects are in all situations staffed with the specific competences which are required by the respective project.

Following its acquisition during the second quarter of the Finnish company, Major Blue Company OY, Resco has taken a decisive step into the Finnish market. In October, Resco signed an agreement to acquire an additional two Internet consulting companies in Finland – Dataform Oy and Toneco Oy – with a total of 42 staff. As a result, Resco has more than 150 employees in Finland. Establishment in the German market has been initiated and operations are expected to start during October. In Germany, Resco employs more than 60 staff.

Q 1-3 / 2000	Sales, SEK M	Share of total sales, %	Number of employees, 2000-09-30
Region			
Stockholm	173	71	240
Öresund	14	6	43
Gothenburg	11	4	24
Västerås	5	2	14
SandellSandberg	22	9	59
Central functions	-	-	45
Group eliminations	-15	-	-
SWEDEN	210	92	425
FINLAND	18	8	91
TOTAL	228	100	516

Associated companies

Hackås IT-Partner AB in Hackås, which is 50 per cent owned by Resco, employs seven consultants and reported sales of SEK 4.8M during the period. The subsidiary, SandellSandberg owns 50 per cent of Brand Management AB which has three employees and sales during the period of SEK 1.2M. The associated companies influenced Resco's result by SEK 0.2M (0.0).

Involve Learning AS, which is 45 per cent owned by Resco and has its head office in Oslo, operates within e-learning. The company has 115 employees in the Nordic countries and reported sales of SEK 34.8M during the period March - September. As e-learning is not included in Resco's main strategy and core operation and, taking into account that Resco intends to divest or float this company on the stockmarket within nine months, Involve Learning AS has not been consolidated in accordance with the equity method, but the shareholding is reported at its acquisition cost.

Parent company

In the first nine months of the year, Resco AB (publ) reported sales of SEK 148.1M (180.1) and result after financial items of SEK -49.0M (-3.8).

During the period, shares in subsidiaries were acquired for SEK 282.0M net. These were mainly financed via issues of own shares. Investment in tangible fixed assets amounted to SEK 7.8M. At the period-end, the Parent Company's liquid funds amounted to SEK 62.2M (31 December 1999: 14.5).

Board of directors and auditors

The Annual General Meeting passed a resolution to increase the number of board members from six to seven members. Johan Siwers, Head of Business Development within Scandinavia Online AB, was elected as new board member. A resolution was also passed to increase the number of auditors from one to two auditors. Authorised Public Accountant Lars Träff of Ernst & Young AB was appointed Auditor for a period of four years. Authorised Public Accountant Anders Roos of SET Revisionsbyrå AB was appointed by the previous year's Annual General Meeting, also for a period of four years.

CONSOLIDATED STATEMENT OF INCOME, SEK M	Q 1-3 / 2000	Q 1-3 / 1999	Full-year 1999	Rolling 99-10-01 – 00-09-30
Net sales	228.4	211.5	282.9	299.8
External costs	-89.7	-63.2	-91.5	-118.0
Personnel costs	-198.8	-150.2	-204.7	-253.3
Depreciation and amortisation	-15.5	-5.5	-8.2	-18.2
Total costs	-304.0	-218.9	-304.4	-389.5
Share in results of associated companies	0.2	0.0	0.1	0.3
Items affecting comparability	15.7	-	10.0	25.7
Operating result	-59.7	-7.4	-11.4	-63.7
Financial items	4.1	0.2	0.2	4.1
Result after financial items	-55.6	-7.2	-11.2	-59.6
Minority share of the result	-0.1	0.0	0.0	-0.1
Taxes	-1.8	0.0	1.0	-0.8
Net result for the period	-57.5	-7.2	-10.2	-60.5
CONSOLIDATED BALANCE SHEET, SEK M	2000-09-30	1999-09-30	1999-12-31	
Fixed assets	427.2	34.5	84.3	
Current receivables	126.8	76.7	76.9	
Liquid funds	74.0	11.9	19.5	
Total assets	628.0	123.1	180.7	
Shareholders' equity	512.1	63.4	112.5	
Minority interest	-	0.1	0.1	
Provisions	18.1	3.7	5.7	
Interest-bearing liabilities	27.0	14.3	15.4	
Non-interest-bearing liabilities	70.8	41.6	47.0	
Total shareholders' equity, provisions and liabilities	628.0	123.1	180.7	

CONSOLIDATED CASH FLOW ANALYSIS, SEK M	<i>Kv 1-3 / 2000</i>	Q 1-3 / 1999	Full-year 1999	Rolling 99-10-01 – - 00-09-30
Cash flow from current operations	-58.5	0.6	2.4	-56.7
Change in working capital	11.9	-18.7	-10.8	19.8
Total cash flow from current operations	-46.6	-18.1	-8.4	-36.9
Cash flow from investment operations *	-61.1	-4.7	-6.8	-63.2
Cash flow from financing operations *	162.2	11.0	11.0	162.2
Change in liquid funds	54.5	-11.8	-4.2	62.1

* Acquisitions financed via non-cash issues are reported net.

SENSITIVITY ANALYSIS Rolling 12 months	Change	Impact on consolidated result, SEK M
Hourly charge, per cent	+/- 1	2.4
Charge ratio, percentage point	+/- 1	4.4
Number of working days per annum	+/- 1	1.1
Personnel cost, per cent	-/+ 1	2.5

QUARTERLY REPORTING	Q 1	Q 2	Q 3	Q 4	Full-year
Available working days (disregarding holidays)					
2000	63	59	65	63	250
1999	62	60	66	64	252
1998	62	59	66	63	250
1997	60	61	66	62	249
1996	63	59	66	62	250
Consolidated sales, SEK M					
2000	70.8	79.4	78.2		
1999	83.8	76.8	50.9	71.4	282.9
1998	66.0	65.6	51.2	78.5	261.3
1997	45.0	48.6	41.2	60.4	195.2
1996	29.4	33.1	30.2	41.2	133.9
Consolidated operating result, SEK M					
2000	-12.2	-14.7	-32.8		
1999	5.0	1.1	-13.4	-4.1	-11.4
1998	7.5	2.0	-4.0	6.0	11.5
1997	0.5	0.8	0.3	6.6	8.2
1996	0.9	1.0	0.5	3.4	5.8
Consolidated operating margin, %					
2000	Neg	Neg	Neg		
1999	6.0	1.3	Neg	Neg	Neg
1998	11.4	3.0	Neg	7.6	4.4
1997	1.1	1.6	0.7	10.9	4.2
1996	3.1	3.0	1.7	8.3	4.3

KEY FIGURES (Group)	Q 1-3 / 2000	Q 1-3 / 1999	1999	1998	1997	1996	1995
Net sales, SEK M	228.4	211.5	282.9	261.3	195.2	133.9	106.6
Change in net sales, %	+ 8	+ 16	+ 8	+ 34	+ 46	+ 26	+ 45
Operating margin, %	-26.2	-3.5	-4.0	4.4	4.2	4.3	8.9
Operating margin before goodwill depreciation, %	-22.4	-2.9	-3.3	4.8	4.7	4.4	8.9
Profit margin, %	-24.4	-3.4	-4.0	4.7	4.4	5.4	9.9
Net margin, %	-25.2	-3.4	-3.6	3.2	2.9	3.7	7.0
Return on equity, %	-43.2	-10.8	-13.7	13.4	11.5	19.4	40.9
Return on capital employed, %	-17.4	-9.2	-10.8	19.0	16.2	19.3	60.7
Return on capital employed in operations, %	-20.9	-13.1	-14.8	28.1	33.6	48.2	144.2
Return on total capital, %	-14.3	-5.6	-7.1	11.6	10.6	14.9	28.9
Equity ratio, %	82	52	62	53	63	65	52
Acid-test ratio, %	284	228	205	173	228	257	193
Capital turnover rate, (capital employed in operations)	1.1	5.0	3.6	6.6	8.1	11.2	14.0
Cash flow after investments, SEK M	-107.7	-22.8	-15.2	-4.1	-4.5	-5.0	8.2
Number of employees at period-end	516	343	358	347	240	200	128
Average number of employees	438	321	322	277	213	165	114
Sales per employee, SEK K	522	659	879	943	917	811	935
Salaries excluding overheads as a percentage of sales	57	46	46	41	43	44	37
Value added per employee, SEK K	329	440	588	638	629	579	608
Value added ratio, %	63	67	67	68	70	71	65

SHARE DATA	Q 1-3 / 2000	Q 1-3 / 1999	1999	1998	1997	1996	1995
Number of shares at period-end, 000	26.571	14.016	17.191	13.618	13.618	13.000	10.000
Average number of shares during the period, 000	18.235	13.929	14.489	13.618	13.133	11.508	10.000
Number of shares on full conversion, 000	29.922	14.602	17.777	14.018	13.618	13.000	10.000
Result after tax per share, SEK	-3.16	-0.52	-0.70	0.61	0.43	0.43	0.75
Result after tax per share, SEK *	-2.67	-0.50	-0.67	0.60	0.43	0.43	0.75
Cash flow per share, SEK	-2.56	-1.30	-0.58	1.14	0.87	0.20	0.86
Cash flow per share, SEK *	-2.16	-1.25	-0.55	1.11	0.87	0.20	0.86
Equity per share, SEK	19.27	4.53	6.55	4.81	4.36	3.55	2.01
Equity per share, SEK *	23.63	5.24	7.06	5.24	4.36	3.55	2.01
Dividend per share, SEK	n/a	n/a	0.00	0.20	0.17	0.15	0.23

The key figures have been recalculated taking into account the share split (1:5) which was implemented during the second quarter.

* After full conversion

STOCKMARKET-RELATED KEY FIGURES	Q 1-3 / 2000	Q 1-3 / 1999	1999	1998	1997	1996	1995
Market value per share, SEK	28.50	22.00	46.00	32.40	16.90	16.60	n/a
Market capitalisation, SEK M	757	308	791	441	230	216	-
Market capitalisation per employee, SEK M	1.5	0.9	2.2	1.3	1.0	1.1	-
Market capitalisation in relation to result after tax (P/E ratio)	Neg	Neg	Neg	53	41	44	-
Capitalisation in relation to sales (P/S ratio)	2.5*	1.1*	2.8	1.7	1.2	1.6	-

The key figures have been recalculated taking into account the share split (1:5) which was implemented during the second quarter

* Calculated on rolling 12 months

Future reporting dates

Preliminary Accounts Report for 2000 will be published on February 20, 2001

Annual Report for 2000 will be published in March 2001.

The Annual General Meeting will be held in April 2001.

Annual reports and interim reports are available on Resco's website:

www.resco.se.

Stockholm, 31 October 2000

Kjell Jacobsson

Chairman

This quarterly report has not been subject to examination by the company's auditors.

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