

# SCRIBONA

**PRESS RELEASE FROM SCRIBONA AB (publ), corp. reg. no. 556079-1419**

**November 13, 2006**

## **Interim report of the Scribona Group for the period January 1 – September 30, 2006**

- Net sales for the third quarter were SEK 2,270 (2,470) million. For the nine-month period, net sales totaled SEK 7,904 (7,897) million.
- Operating income for the third quarter is reported at SEK -42 (-20) million. Income after tax was SEK -81 (-23) million, equal to SEK -1.59 (-0.45) per share. Operating income for the nine-month period amounted to SEK -128 (-12) million and income after tax to SEK -150 (-27) million, equal to SEK -2.94 (-0.53) per share.
- The Scribona business area's third quarter net sales reached SEK 2,103 (2,323) million, with operating income of SEK -47 (-22) million. For the nine-month period, sales were SEK 7,305 (7,405) million.
- Cash flow from operating activities for the nine-month period was SEK 232 (225) million. The positive cash flow is mainly attributable to reduced capital tied up in inventories.
- The extraordinary general meeting on October 2 resolved to distribute all shares in Carl Lamm AB to the stockholders in Scribona. Trading of Carl Lamm shares on the OMX Nordic List commenced on October 10. The distribution, including transaction costs, reduced consolidated equity by approximately SEK 46 million.
- The extraordinary general meeting on October 2 resolved to carry out a preferential rights issue whereby three new class B shares would be granted for every five currently held Scribona shares of class A or B. The subscription period expired on November 10. The issue was fully guaranteed and provided the company with SEK 142 million in equity after issue expenses. Adjusted for the distribution of Carl Lamm and the new share issue, both of which took place after the end of the period, equity at September 30 would have amounted to SEK 897 million.
- The CEO, Tom Ekevall Larsen, has today been asked to resign from his post and the CFO, Örjan Rebeling, has been named Acting CEO. The Board has initiated an evaluation of potential candidates and plans to appoint a new CEO in the near future.

### **COMMENTS FROM THE CEO**

"After carrying out significant rationalizations and restructurings, we are now in the final phases of this process. My assessment is that the events communicated earlier in the year, such as problems in deployment of the new logistics and business systems, the consequences of HP's changed distribution strategy and negative exchange effects, have together impacted earnings by around SEK 130 million during the nine-month period. With regard to our logistics center in Rosersberg, the shortcomings that caused these disruptions have been dealt with and productivity has increased markedly in the past few weeks. We have also taken additional measures to ensure optimal productivity through the end of the fourth quarter, which is normally characterized by high volumes. There is favorable outlook for profitability in the fourth quarter and we remain optimistic about attaining profitability for the full year 2007, particularly now that we have put this far-reaching process of change behind us. Once these hurdles have been passed, we expect to have the best customer offering in the market.

### **COMMENTS FROM THE CHAIRMAN**

The restructuring measures taken during the year have led to operating disruptions and substantially higher costs that originally estimated, mainly due to inadequate planning and execution. Because Tom Ekevall Larsen is ultimately responsible for this execution and restructuring, he has been asked today to leave his post as CEO. In the next few months Tom will remain available to the management in order to hand over his work duties. These management changes will not entail any departure from the established business strategy. In the future, we are convinced that the company will see the results of the completed nordification process, implementation of the new business system and the new central logistics center in Rosersberg.

### **For additional information, contact:**

Örjan Rebeling, Executive Vice President, CFO, telephone +46-(0)8-734 34 88

### **Financial calendar**

Year-end report for January – December 2006

February 9, 2007

## GROUP ORGANIZATION

Until September 30, 2006, the Group consisted of the Scribona and Carl Lamm business areas. By decision of the extraordinary general meeting on October 2, all of the shares in Carl Lamm AB were distributed to the stockholders in Scribona. Trading of Carl Lamm shares on the OMX Nordic List commenced on October 10. The distribution, including transaction costs, reduced consolidated equity by approximately SEK 46 million.

The extraordinary general meeting on October 2 also resolved to carry out a preferential rights issue whereby 3 new class B shares would be granted for every 5 currently held Scribona shares of class A or B. The subscription period expired on November 10. After estimated issue expenses, the issue will provide the Group with approximately SEK 142 million in equity.

In order to safeguard the Scribona business area's leading position in the Nordic market, the Nordic coordination and efficiency improvement programs have continued with the development of joint backoffice functions, a new infrastructure platform and a more flexible and competitive logistics solution. In 2005 the business area's Danish and Norwegian operations were acquired by the Swedish operating company Scribona Nordic AB, which subsequently manages operations in these countries as well as in Sweden. A similar change was made in Finland at the beginning of April 2006. On behalf of Scribona Nordic AB, the local companies will continue to function as agents and serve customers in the local market. Scribona Nordic manages the flow of goods from purchasing to logistics and sales throughout the Nordic region.

## GROUP DEVELOPMENT

### Sales and income in the third quarter

The Group's operations show seasonal variations, with weaker sales in the first three quarters and a traditionally much stronger fourth quarter.

Consolidated net sales totaled SEK 2,270 (2,470) million. Disruptions in connection with relocation of the central warehouse had an estimated negative impact on sales of SEK 150 million.

Consolidated operating income was SEK -42 (-20) million, including net exchange losses of SEK 10 (3) million.

Net financial items amounted to SEK -7 (-2) million.

Income before tax was SEK -49 (-22) million.

### Sales and income during the nine-month period

Consolidated net sales amounted to SEK 7,904 (7,897) million, which is largely unchanged. Excluding acquired units and at unchanged exchange rates, sales fell by 2%.

Consolidated operating income was SEK -128 (-12) million, including net exchange losses of SEK 19 (7) million. The increase in exchange losses is explained by the past year's assimilation of operations in Denmark, Finland and Norway into Scribona Nordic AB, which uses Swedish kronor as its reporting currency, while purchasing and sales are primarily denominated in local currencies.

Net financial items amounted to SEK -15 (-12) million.

Income before tax was SEK -143 (-24) million.

Income tax is reported at SEK -7 (-3) million. The tax expense is attributable to Carl Lamm AB which, due to the demerger, is not taxed jointly with Scribona in 2006. See also note on taxes at the end of this report.

Net income after tax was SEK -150 (-27) million and earnings per share were SEK -2.94 (-0.53).

## Cash flow

The Group's cash flow from operating activities for the first nine months amounted to SEK 232 (225) million. Scribona has large seasonal variations in working capital, since inventories, accounts receivable and accounts payable are highest at year-end and are significantly lower at the other quarter ends. During the nine-month period, capital of SEK 315 million was freed up through reduction of inventories.

Cash flow from investing activities was SEK -46 (-41) million. The period's investments include a sum of SEK 15 million for the acquisition of three IT infrastructure companies in the Carl Lamm business area. A detailed description of these acquisitions is provided in the most recent annual report, Note 42 Events after the closing day. A small service operation in Finland was sold for SEK 2 million. Investments in new business and logistics systems amounted to SEK 19 million and SEK 6 million, respectively, in the Scribona and Carl Lamm business areas.

Scribona's operations are financed mainly by an accounts receivable securitization program. This means that the loan amount thus follows variations in accounts receivable, which are highest at December 31 and significantly lower at the other quarter ends. Scribona has thus reduced its borrowing by SEK 224 million during the interim period.

Total cash flow for the period was SEK -38 (115) million.

## Impairment testing of carrying amounts

In view of the Group's earnings trend and share price development during 2006, the board and management have reviewed the carrying amounts of fixed assets in the Scribona business area in accordance with IAS 36, Impairment of Assets. The review was based on the Board's and Management's projections for future profits and cash flows. Cash flows were discounted to present value with a weighted cost of capital after tax of 14%. The review showed that the reported values can be justified based on the applied estimates and assumptions.

## Financial position

Net financial assets at the end of the period amounted to SEK -167 (58) million. Capital employed was SEK 968 (878) million. Cash and cash equivalents at September 30 totaled SEK 310 (481) million. The Group's liquidity situation is good with respect to the unutilized overdraft facility of SEK 100 million.

Scribona was not in compliance with all covenants for the accounts receivable securitization program at September 30, but has obtained acceptance from creditors since that time.

## Employees

The number of employees at the end of the period was 928 (934). During the first nine months of the year, 54 employees were added in the companies acquired by Carl Lamm. In the Scribona business area, the number of employees decreased by 75 to 481.

## Key ratios

Earnings per share for the nine-month period are reported at SEK -2.94 (-0.53). Earnings per share for the past 12-month period were SEK -2.78 (SEK -0.37 for the full year 2005).

Equity per share at the end of the period was SEK 15.69 (18.31).

The equity ratio at September 30 was 25.5% (29.6%), a decrease that is mainly due to the period's weak result.

Over the past 12-month period, return on capital employed was -10.7% (-0.7% for the full year 2005).

Return on equity over the past 12-month period was -15.9% (-2.0% for the full year 2005).

## DEVELOPMENT BY BUSINESS AREA

### Scribona business area

#### *The market*

Because actual market data will not be available until after the publication of this report, Scribona has made its own assessments with regard to market development. In its forecast, Gartner indicated year-on-year growth of 4% in the PC/server segment. Scribona's assessment is that growth was roughly in line with this forecast. Scribona is seeing a continued increase in manufacturer direct sales, particularly for retail and high-end products. The average PC unit price has fallen by around 12% compared with 2005. The ratio of laptop to desktop computers in the third quarter had reached a level of 50/50.

Competition in the market remains aggressive even after the completion of HP's drive to reduce the number of distributors. Despite this, Scribona has succeeded in widening its margins relative to the preceding quarter.

#### *Development in the third quarter*

The business area's third quarter net sales reached SEK 2,103 (2,323) million. Abnormally low inventories in preparation for relocation of the central warehouse at the end of August led to decreased delivery capacity in September. Furthermore, logistics problems after the move, as communicated in a press release dated October 2, resulted in further limitations in warehouse capacity. All in all, September sales were impacted by an estimated SEK 150 million. Logistics costs were higher than planned due to extra staffing. Income for the quarter was charged with exchange losses of SEK 16 million and three major accounts receivable losses amounting to SEK 5 million and executive outplacement costs of SEK 3 million. Operating income was SEK -47 (-22) million.

#### *The business area's second quarter sales by segment:*

*Personal Computers & Peripherals, SEK 1,024 (1,213) million.*

Scribona's assessment is that the market for PCs and peripherals grew somewhat during the quarter. The company has not benefited fully from this growth, due to the negative effects arising in connection with the central warehouse move in September. For the markets and manufacturers not directly affected by this move, the assessment is that Scribona has defended or increased its market shares.

*Servers, Storage & Infrastructure, SEK 447 (476) million.*

Although the market for server and storage products remains sluggish, demand for network products has picked up somewhat. Scribona has lost some market shares in the segment, which was also affected September's relocation of the central warehouse.

*Enterprise & Client Software, SEK 274 (267) million.*

This segment is showing sustained growth compared with 2005. The initiation of sales activities with selected manufacturers has paid off and Scribona anticipates a positive trend in these areas.

*Entertainment & Personal Communication, SEK 361 (339) million.*

Scribona's sales showed continued strong growth compared with the same period of 2005. Sales of PC equipment for the home market still account for the largest

volumes, but sales of LCD/Plasma TV, DVD, audio/video and photo products have also risen.

#### *Scribona by country*

*Sweden* enjoyed strong volume growth at the beginning of the quarter. September sales were negatively affected by logistics problems in the new central warehouse. This, coupled with fierce price competition and narrow margins, resulted in operating income of SEK -4 (2) million.

Sales in *Denmark* dropped sharply due to the terminated distribution agreement with HP in the first quarter, as well as disruptions in the new central warehouse. Margins have improved and downsizing of the organization led to lower costs in the third quarter. Operating income has increased, but remains weak at SEK -9 (-22) million.

In early April, *Finland* was the last country to deploy Scribona's Nordic business system. Continued disruptions in the new business system at the beginning of the quarter had an adverse impact on sales. Margins are tight in this highly competitive market. Operating income declined to SEK -6 (-4) million.

Sales in *Norway* were also affected by disruptions in the new central warehouse. Margins improved over the previous quarter and operating income was a healthy SEK 5 (9) million.

Aside from management of the business area, *Joint business area* includes central functions such as logistics, IT, etc., where budget variances are not allocated.

Logistics costs were higher than planned as a result of problems connected to the deployment of Scribona's new Nordic logistics solution. This heading also includes central exchange losses of SEK 16 which are explained by the fact that purchases and sales in Denmark, Finland and Norway are transacted in local currency but are reported in SEK in the external accounts of Scribona Nordic.

#### *Development in the first nine months*

The business area's net sales fell by 1% to SEK 7,305 (7,405) million. Operating income was SEK -151 (-31) million.

#### *Action program and cost savings*

The past years' investments in new logistics and IT infrastructure have provided a platform for simplification of the legal structure and a higher degree of centralization and nordification of backoffice functions. Together with earlier measures, this is expected to yield improvements in productivity and cash flow in 2007 and going forward.

#### *Future outlook*

So far, 2006 has been a year with many negative surprises. Scribona's original full-year forecast of an operating income of SEK 100 million has been downgraded twice. The first revision was made in response to the negative effects of HP's right-sizing strategy and clearance of the IT channel's substantial excess inventories in the first half of the year. Then, in the autumn, the forecast was adjusted mainly as a result of logistics problems in connection with the move to the new central warehouse, which had a negative effect on sales volumes. As previously announced, Scribona will not post a positive result for the full year 2006.

The outlook for 2007 is optimistic. With continued improvement in margins and the effects of our cost-cutting programs, Scribona will secure profitability.

The IT industry's severely margin-pressured distributors are in need of far-reaching consolidation to achieve a lasting solution to their profitability problems. Scribona will continue to promote this change, even if the current focus is on the company's own short-term profitability.

## Carl Lamm business area

### *The market*

Development in the Swedish market for document and information management software and hardware is assessed to have been positive in 2006, with estimated year-on-year growth of around 1% in the third quarter. Demand for document management solutions is being driven mainly by a need for equipment to manage document flows in color. Aftermarket sales, consisting of service, consumables, support and training, are increasing thanks to stable document volumes and a rising share of color printouts.

While speech recognition and franking products have shown positive development, the fax market has declined somewhat year-on-year.

The market for IT infrastructure products, such as PCs, servers, networks, etc., grew by an estimated few percent compared with 2005.

Carl Lamm's sales of copyprinters/MFP in the first nine months of the year rose 7% in value compared with the year-earlier period. For color printers, franking and speech recognition products, the increase was somewhat larger. Fax sales have continued to fall.

Carl Lamm believes that the company has strengthened its position as one of the leading providers of document management solutions in the Swedish market. Carl Lamm's extensive service operations showed strong development.

### *Acquisitions in 2006*

Three IT infrastructure companies were acquired in January 2006: Saldab AB, Megabyte System Svenska AB and Vinga Datacenter AB. These companies based in metropolitan areas have expanded Carl Lamm's customer offering with IT solutions and provided the expertise to fuel rapid regional development in this segment. With 25 Carl Lamm Centers (sales, service and support) in strategic locations throughout Sweden, the company can deliver the type of combined document and information management solutions increasingly demanded by customers.

### *Development in the third quarter*

Net sales in the third quarter reached SEK 167 (144), an increase of 16%. Excluding acquired units, sales rose by 1%. Operating income was SEK 7 (4) million.

### *Development in the nine-month period*

The business area reported net sales of SEK 599 (486) million. Operating income was SEK 27 (25) million.

### *Future outlook*

Carl Lamm has advanced its position in the Swedish market during 2006 and is expected to continue this positive trend. The share distribution and separate listing

will enable Carl Lamm to develop its business with the company's own cash flows, providing opportunities for increased growth and profitability.

## RELATED-PARTY TRANSACTIONS

During the interim period Scribona and Carl Lamm have purchased consulting services regarding financial issues on market-based terms from Nove Capital Management AB for SEK 0.6 million respectively. The services have, among other things, included preparations of the preferential rights issue and the distribution of the shares in Carl Lamm AB, including the subsequent listing.

## OTHER

On September 18, a prospectus regarding Carl Lamm was published in respect of the distribution of the company to Scribona's stockholders and separate listing of Carl Lamm.

## SUBSEQUENT EVENTS

By decision of the extraordinary general meeting on October 2, all shares in Carl Lamm AB have been distributed to the stockholders in Scribona. Trading of Carl Lamm shares on the OMX Nordic List commenced on October 10.

The extraordinary general meeting also resolved to carry out a preferential rights issue whereby 3 new class B shares would be granted for every 5 Scribona shares of class A or B currently held. The issue was guaranteed by the three largest stockholders, M2 Special Opportunities Master L.P., Nove Capital Master Fund Ltd. and QVT Fund L.P. A prospectus in respect of the issue was published on October 20. The subscription period expired on November 10. The issue provided the company with SEK 153 million in equity before estimated issue expenses of SEK 11 million. Information about the outcome of the issue will be provided in a press release on November 17.

The restructuring measures taken during the year have led to operating disruptions and substantially higher costs than originally estimated, mainly due to inadequate planning and execution. Because Tom Ekevall Larsen is ultimately responsible for this execution and restructuring, he has been asked today to leave his post as CEO. Örjan Rebeling, currently CFO of the company, has been named Acting CEO. The Board has initiated an evaluation of potential candidates and plans to appoint a new CEO in the near future.

## ACCOUNTING STANDARDS

This consolidated interim report has been prepared according to IAS 34, Interim Financial Reporting, which is consistent with the requirements in the Swedish Financial Accounting Standards Council's recommendation RR 31, Interim Reporting for Groups.

The same accounting and valuation standards have been applied as in the most recent annual report, except for reporting of exchange differences in operating income and net sales by business area.

In the annual report, exchange differences are recognized gross within other operating income and other operating expenses. In this interim report, exchange differences are recognized net within other operating expenses. The comparative figures have been restated.

Net sales by business area have replaced the previous income by business area. The comparative figures have been restated.

Solna, November 13, 2006

Scribona AB  
The Board of Directors

**REVIEW REPORT**

To the board of Scribona AB (publ)  
Corp. reg. no. 556079-1419

*Introduction*

We have reviewed the interim financial information of Scribona AB (publ) at September 30, 2006, and in respect of the nine-month period ended on the same date. The Board of Directors is responsible for the preparation and presentation of this interim report in accordance with IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

*Scope of review*

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other

review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, prepared in accordance with IAS 34.

Solna, November 13, 2006

Ernst & Young AB  
Bertel Enlund  
Authorized Public Accountant

This report can also be viewed at [www.scribona.com](http://www.scribona.com)

**Address**

Scribona AB, Röntgenvägen 7, Box 1374, SE-171 27 SOLNA, Sweden.  
Telephone +46-(0)8-734 34 00, Fax +46-(0)8-82 85 71, e-mail: [info@scribona.se](mailto:info@scribona.se)  
The company's registered office is located in Solna, Sweden.

**Facts about Scribona**

Scribona is a leading provider of IT products in the Nordic market. The product range is divided into four areas: Personal Computers & Peripherals, Servers, Storage & Infrastructure, Enterprise & Client Software and Entertainment & Personal Communication. The products are distributed by IT resellers and retailers in Sweden, Denmark, Finland and Norway. For more information, visit [www.scribona.com](http://www.scribona.com)

This document is a translation of the original published in Swedish. In the event of any discrepancies between the Swedish and English versions, or in any other context, the Swedish version shall have precedence.

**SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2006**

**Summary Consolidated Income Statement**

Amount in SEK M	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>	2006 <u>July-Sep</u>	2005 <u>July-Sep</u>	2005/2006 <u>Oct-Sep</u>	2005 <u>Jan-Dec</u>
Net sales	7,904	7,897	2,270	2,470	11,667	11,660
Other operating income	31	27	7	7	41	37
Operating expenses						
Goods for resale	-7,222	-7,154	-2,069	-2,251	-10,675	-10,607
Other external costs	-362	-322	-114	-116	-511	-471
Staff costs	-430	-416	-116	-118	-581	-567
Depreciation and write-downs	-31	-36	-10	-11	-42	-47
Other operating expenses	-19	-7	-10	-2	-24	-12
<b>Operating income</b>	<b>-128</b>	<b>-12</b>	<b>-42</b>	<b>-20</b>	<b>-123</b>	<b>-7</b>
Net financial items	-15	-12	-7	-2	-18	-15
<b>Income before tax</b>	<b>-143</b>	<b>-24</b>	<b>-49</b>	<b>-22</b>	<b>-141</b>	<b>-22</b>
Tax*	-7	-3	-32	-1	-1	3
<b>Net income for the period</b>	<b>-150</b>	<b>-27</b>	<b>-81</b>	<b>-23</b>	<b>-142</b>	<b>-19</b>

Earnings per share, SEK	-2.94	-0.53	-1.59	-0.45	-2.78	-0.37
Earnings per share after full dilution, SEK	-2.94	-0.53	-1.59	-0.45	-2.78	-0.37
Number of shares end of period	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608
Number of shares end of period after full dilution	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608
Average weighted number of shares after full dilution	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608	51,061,608

\* Note regarding taxes at the end of the report

**Summary Consolidated Balance Sheet**

Amounts in SEK M	2006 <u>30 Sep</u>	2006 <u>30 June</u>	2006 <u>31 March</u>	2005 <u>31 Dec</u>	2005 <u>30 Sep</u>
Goodwill	34	35	37	22	23
Other intangible fixed assets	63	65	58	44	37
Tangible fixed assets	31	34	38	35	36
Other fixed assets*	92	52	53	52	58
Inventories	779	702	871	1,091	826
Current receivables	1,836	1,991	1,842	2,720	1,695
Liquid funds	310	311	417	348	481
<b>Total assets</b>	<b>3,145</b>	<b>3,190</b>	<b>3,316</b>	<b>4,312</b>	<b>3,157</b>
Shareholders' equity	801	883	933	946	935
Long-term liabilities	52	24	24	17	20
Current liabilities	2,292	2,283	2,359	3,348	2,201
<b>Total liabilities and shareholders' equity</b>	<b>3,145</b>	<b>3,190</b>	<b>3,316</b>	<b>4,312</b>	<b>3,157</b>
Capital employed	968	1,129	1,195	1,299	878
Net financial capital	-167	-246	-262	-353	58

\* Note regarding taxes at the end of the report

Tangible assets were reclassified to intangible assets at December 31, 2005, and the comparative information has been comparatively restated.

## SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2006

### Net Sales by Business Area and Country

Amounts in SEK M	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>	2006 <u>July-Sep</u>	2005 <u>July-Sep</u>	2005/2006 <u>Oct-Sep</u>	2005 <u>Jan-Dec</u>
Scribona						
Sweden	2,739	2,588	761	757	4,023	3,872
Denmark	1,059	1,111	266	373	1,630	1,682
Finland	1,453	1,534	444	491	2,147	2,229
Norway	2,080	2,195	638	699	3,044	3,159
Intra-business area	-26	-23	-6	2	-32	-29
<b>Total business area Scribona</b>	<b>7,305</b>	<b>7,405</b>	<b>2,103</b>	<b>2,323</b>	<b>10,812</b>	<b>10,912</b>
<b>Carl Lamm</b>	<b>599</b>	<b>486</b>	<b>167</b>	<b>144</b>	<b>815</b>	<b>702</b>
<b>Total business areas</b>	<b>7,904</b>	<b>7,891</b>	<b>2,270</b>	<b>2,467</b>	<b>11,627</b>	<b>11,614</b>
Other/Intra-group	0	6	0	4	40	46
<b>Total</b>	<b>7,904</b>	<b>7,897</b>	<b>2,270</b>	<b>2,470</b>	<b>11,667</b>	<b>11,660</b>

### Income by Product Segment in the Scribona Business Area

Amounts in SEK M	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>	2006 <u>July-Sep</u>	2005 <u>July-Sep</u>	2005/2006 <u>Oct-Sep</u>	2005 <u>Jan-Dec</u>
Personal Computers & Peripherals	3,489	4,043	1,024	1,213	5,097	5,651
Servers, Storage & Infrastructure	1,553	1,675	447	476	2,299	2,421
Enterprise & Client Software	1,040	914	274	267	1,618	1,492
Entertainment & Personal Communication	1,252	819	361	339	1,773	1,340
Other	-29	-46	-3	28	25	8
<b>Total business area Scribona</b>	<b>7,305</b>	<b>7,405</b>	<b>2,103</b>	<b>2,323</b>	<b>10,812</b>	<b>10,912</b>

### Operating Income by Business Area and Country

Amounts in SEK M	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>	2006 <u>July-Sep</u>	2005 <u>July-Sep</u>	2005/2006 <u>Oct-Sep</u>	2005 <u>Jan-Dec</u>
Scribona						
Sweden	-4	7	-4	2	17	28
Denmark	-45	-44	-9	-22	-70	-69
Finland	-16	-13	-6	-4	-10	-7
Norway	-13	32	5	9	-4	41
Intra-business area	-72	-14	-32	-7	-89	-30
<b>Total business area Scribona</b>	<b>-151</b>	<b>-31</b>	<b>-47</b>	<b>-22</b>	<b>-157</b>	<b>-36</b>
<b>Carl Lamm</b>	<b>27</b>	<b>25</b>	<b>7</b>	<b>4</b>	<b>38</b>	<b>37</b>
<b>Total business areas</b>	<b>-124</b>	<b>-6</b>	<b>-41</b>	<b>-18</b>	<b>-118</b>	<b>1</b>
Intra-group	-4	-6	-1	-2	-5	-8
<b>Total</b>	<b>-128</b>	<b>-12</b>	<b>-42</b>	<b>-20</b>	<b>-123</b>	<b>-7</b>

**SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2006**

**Cash Flow Statement**

Amounts in SEK M	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>	2006 <u>July-Sep</u>	2005 <u>July-Sep</u>	2005/2006 <u>Oct-Sep</u>	2005 <u>Jan-Dec</u>
<b>OPERATING ACTIVITIES</b>						
Income after financial items	-143	-24	-49	-22	-141	-22
Depreciation and write-downs	31	36	10	11	42	47
Other	12	-3	5	5	23	8
Tax paid	-16	-10	-4	-6	-15	-9
<b>Cash flow from operating activities</b>						
<b>Before changes in working capital</b>	<b>-116</b>	<b>-1</b>	<b>-38</b>	<b>-12</b>	<b>-91</b>	<b>24</b>
Cash flow from changes in working capital						
Change in inventories	315	33	-73	-153	50	-232
Change in operating receivables	840	699	138	108	-96	-237
Change in operating liabilities	-807	-506	52	122	-15	286
<b>Cash flow from operating activities</b>	<b>232</b>	<b>225</b>	<b>80</b>	<b>65</b>	<b>-152</b>	<b>-159</b>
<b>INVESTING ACTIVITIES</b>						
Acquisition of operations	-15	-	-	-	-15	0
Divestment of operations	2	-	-	-	3	1
Acquisition of fixed assets	-35	-41	-5	-21	-51	-57
Divestment of fixed assets	2	0	2	0	2	0
<b>Cash flow from investing activities</b>	<b>-46</b>	<b>-41</b>	<b>-3</b>	<b>-21</b>	<b>-61</b>	<b>-56</b>
<b>FINANCING ACTIVITIES</b>						
Change in loans	-224	-69	-80	-82	52	207
<b>Cash flow from financing activities</b>	<b>-224</b>	<b>-69</b>	<b>-80</b>	<b>-82</b>	<b>52</b>	<b>207</b>
<b>Cash flow for the period</b>	<b>-38</b>	<b>115</b>	<b>-3</b>	<b>-38</b>	<b>-161</b>	<b>-8</b>
<b>Liquid assets at beginning of period</b>	<b>348</b>	<b>355</b>	<b>311</b>	<b>520</b>	<b>481</b>	<b>355</b>
Cash flow for the period	-38	115	-3	-38	-161	-8
Exchange rate difference in liquid assets	0	11	2	-1	-10	1
<b>Liquid assets at end of period</b>	<b>310</b>	<b>481</b>	<b>310</b>	<b>481</b>	<b>310</b>	<b>348</b>

**Summary of Shareholders' Equity**

Amounts in SEK M	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>	2006 <u>July-Sep</u>	2005 <u>July-Sep</u>	2005/2006 <u>Oct-Sep</u>	2005 <u>Jan-Dec</u>
Opening balance for the period	946	941	883	960	935	941
Change in translation difference	6	21	-1	-2	9	24
Net income for the period	-150	-27	-81	-23	-142	-19
<b>Closing balance for the period</b>	<b>801</b>	<b>935</b>	<b>801</b>	<b>935</b>	<b>801</b>	<b>946</b>

As of January 2004, NOK 125 million of shareholders' equity in Norway is hedged through the Parent Company's borrowing of a corresponding amount in NOK.



**SCRIBONA – INTERIM REPORT PER SEPTEMBER 30, 2006**

**Key Ratios**

	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>	2006 <u>July-Sep</u>	2005 <u>July-Sep</u>	2005/2006 <u>Oct-Sep</u>	2005 <u>Jan-Dec</u>
Operating margin, %	-1.6	-0.2	-1.9	-0.8	-1.1	-0.1
Return on capital employed, %	-	-	-	-	-10.7	-0.7
Capital turnover rate, times per year	-	-	-	-	10.2	11.0
Average capital employed, SEK M	-	-	-	-	1,148	1,056
Net financial capital, SEK M	-167	58	-167	58	-167	-353
Return on shareholders' equity, %	-	-	-	-	-15.9	-2.0
Average shareholders' equity, SEK M	-	-	-	-	891	948
Equity/assets ratio, %	25.5	29.6	25.5	29.6	25.5	21.9
Shareholders' equity per share, SEK	15.69	18.31	15.69	18.31	15.69	18.53
Earnings per share, SEK	-2.94	-0.53	-1.59	-0.45	-2.78	-0.37
Average number of employees	-	-	-	-	943	952
Number of employees end of period	928	934	928	934	928	927
Sales per employee, SEK M	-	-	-	-	12.4	12.2

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

<b>Taxes</b>	2006 <u>30 Sep</u>	2005 <u>30 Sep</u>		
<b>Deferred taxes recognized in the balance sheet</b>				
Deferred tax assets	84	52		
Deferred tax liabilities	-28	-17		
	2006 <u>Jan-Sep</u>	2005 <u>Jan-Sep</u>		
<b>Reported income tax expense for the period</b>				
Current tax	-22	-3		
Deferred tax	15	-		
<b>Total tax</b>	<b>-7</b>	<b>-3</b>		

Scribona recognizes deferred tax assets on loss carryforwards of SEK 84 million. The assessment of the Board and Management is that recent years' action and cost-cutting programs will lead to a taxable surplus of such size that these loss carryforwards can be utilized.