PRESS RELEASE FROM SCRIBONA AB

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Preliminary Report for 1998

Scribona's streamlining process and the introduction of a new business concept and organization in computer distribution operations has generated positive effects on both earnings and return on shareholders' equity more quickly than anticipated.

- **Income after net financial items was MSEK 325 (86).**

- **Income after net financial items, excluding gains on units sold, amounted to MSEK 169 (86) compared with the most recent forecast of MSEK 140-150. The final quarter of the year surpassed expectations.**

- **Sales in 1998 totaled MSEK 8,880 (7,229), an increase of 23%.**

- **Earnings per share amounted to SEK 8.32 (1.93).**

- **The Board proposes that the Annual General Meeting approve an ordinary dividend of SEK 1.50 per share, and proposes an extraordinary dividend of SEK 3.50 per share.**

PRESIDENT'S COMMENTS

In 1998 Scribona made several strategically important changes. The sale of Svanströms in January and the distribution of Sifo Group to Scribona's shareholders in September are key events. In addition, the new organization and a completely new business concept in Computer Products were introduced during the autumn.

These changes have made Scribona a more focused group with a concentration on its core business: sales and distribution of computers and high-tech office equipment to the corporate market in the Nordic and Baltic countries.

This has been a deliberate process, aimed at making the group more cost-effective and customer-oriented, which should contribute to the creation of shareholder value.

Today Scribona is the leading non-supplier affiliated distributor of computer products and solutions and high-tech office equipment in the Nordic countries. The dominant area of operation is the computer wholesaler business, Scribona Computer Products. Furthermore, through its agencies for the two market-leading brands Toshiba and Ricoh, the Group is well positioned in the laptop PC segment and digital solutions for document handling.

The Group focuses its activities on the Nordic region, but also has a presence in the strategically important Baltic region and northwestern Russia.

Our full-year forecast was that growth in market demand would be somewhat lower than in 1997. For copiers and faxes, this proved to be accurate. After a sharp increase in 1997, the market stagnated. However, a breakthrough for digital copying was noted during the year. In this segment Scribona is well prepared for 1999 with a strong range of products from both Toshiba and Ricoh.

On the other hand, the personal computer market showed stronger development than anticipated, mainly thanks to an upsurge in staff PC purchases. The number of PCs delivered in the Nordic countries rose by over 30%. The rate of increase was highest in Sweden, at more than 50%. One consequence of the market shift towards staff PC purchases has been a slackening in the corporate market, which has undermined sales of laptop computers. In 1999 staff PC purchases are expected to decrease in Sweden, but to increase in certain other Nordic countries.

Our markets are currently undergoing sweeping changes, with globalization as the primary driving force. The effects of this are a broader and more complex product offering, increased price pressure and restructuring in the distribution and sales channels. This is clearly evident in the computer channel, while office machines have not yet been affected to any noticeable extent.

The ability to rapidly adapt to the new conditions is therefore vital. By focusing on our core business and monitoring the market factors that affect Scribona, we have quickly taken action to maintain and reinforce our position in a highly fast-changing market. The goal is to consolidate our position with good profitability at all levels.

With this in mind, during the year a number of processes have been initiated to enhance Scribona's competitive strength and bolster our position for 1999 and the years ahead. For example, in Sweden and Finland we have completed the installation of the business system ASW, which will be implemented in the other countries during the first half of 1999. This will significantly improve our cost-effectiveness and enable considerable synergies on a Nordic basis. We have also carried out ambitious expertise development activities aimed at increasing our ability to meet the higher demands associated with digital document handling. The knowledge content of our customer offer is a guiding principle in our process of change.

We have a cautious but positive outlook on 1999. At Computer Products, the launch of a new business concept during the year increased the knowledge content and advanced our position in value added distribution, where we are the Nordic leader. We believe this trend will continue during 1999. Based on a number of factors, of which a weaker focus on staff PCs is the most important, we predict that demand for laptop computers will grow and thereby create better market potential for Toshiba PC. In the document handling area we expect the proportion of digital products to further increase and overtake analogue products, which will be favorable for Ricoh and Toshiba.

DEVELOPMENT IN 1998

Sales and income

Scribona's sales for the full year 1998 amounted MSEK 8,880, an increase of 23% compared with preceding year. For comparable units, and adjusted for exchange rate fluctuations, the increase was 20%.

Operating income for 1998, before items affecting comparability, amounted to MSEK 147 (117). All four divisions improved their operating income from last year's level. Operating income was charged with a provision for profit shares of MSEK 7 (0) which will now be distributed thanks to the Group's strong performance late in the year. Of the provision which was made in the 1997 accounts for final implementation of the business system ASW, an amount of MSEK 14 was utilized during 1998 to cover incurred costs. The remaining provision of MSEK 9 will be retained in 1999 to cover anticipated costs for completion of the ASW installation in the other Nordic countries.

Income after net financial items amounted to MSEK 325 (86). This includes gains on units sold of MSEK 156, of which a capital gain on the sale of Svanström s accounts for MSEK 168. The sale of the computer retailer Office Oslo, which was decided in 1998 and carried out in January 1999, is included in an amount of MSEK 13, which comprises the net loss for the year and a minor capital gain.

Sales and income for the fourth quarter

Fourth quarter sales amounted to MSEK 2,895 (2,226), which is an increase of 30% over the previous year. Operating income before items affecting comparability totaled MSEK 94 (71). This income includes additions of approximately MSEK 15, which are not entirely attributable to the last quarter but also to the first three quarters of the year. Even taking this into account, operating income for the quarter was the best Scribona has ever reported for an individual quarter.

All four divisions showed higher income than predicted in the October forecast, but the Scribona Computer Products division made the largest contribution to earnings growth. This was primarily attributable to dramatic improvement in the gross margin.

Cash flow and financial position

The Scriboma Group's cash flow before dividends amounted to MSEK 48 (60). The Group's net investments totaled MSEK 124 (76). Net financial items amounted to MSEK 1 (336).

Key ratios

Earnings per share totaled SEK 8.32 (1.93). Shareholders' equity per share amounted to SEK 24.94 (27.80). Return on shareholders' equity was 32.0% (6.8%) and return on capital employed was 37.7% (8.9%).

Earnings per share excluding items affecting comparability amounted to SEK 3.77 (3.22). Excluding items affecting comparability, return on shareholders' equity was 14.5% (11.4%) and return on capital employed was 18.3% (17.1%).

The equity/assets ratio amounted to 27.6% (34.0%).

BUSINESS AREAS

In 1998 the Scriboma Group's operations were conducted in the two business areas Computer Products, which consists of the Scriboma Computer Products and Toshiba PC divisions, and Office Machines, which is made up of the Scriboma Office Machines and Carl Lamm divisions.

Computer Products

The Scriboma Computer Products division showed excellent development during the year. A satisfactory first quarter with a maintained gross margin was followed by two weak quarters, albeit with a strong sales increase due to staff PC purchases but with a lower gross margin. A new organizational structure was introduced in the third quarter as a first step in the new business concept. This contributed substantially to the dramatic earnings growth that made the third quarter the best ever for Scriboma Computer Products. In the second quarter the division acquired two companies in the field of value added distribution (VAD), Instru Data in Finland and Routers in Norway. This played a major part in the improved income during the second half of the year.

Despite stagnating demand for laptop PCs, Toshiba PC succeeded in increasing its market shares in the Nordic countries and consolidated its number two position in the laptop market.

Sales for the Computer Product business area rose to MSEK 7,723 (5,896), an increase of 31%. Operating income improved substantially to MSEK 113 (80). Both divisions achieved their best operating income ever. Earnings growth was essentially derived from Scribona Computer Products and a considerably higher gross margin in the second half of the year. To a large extent, the new income-focused organization has bolstered this gross margin improvement as did the growing share of value added distribution. The operating margin rose to 1.5% (1.3%). In the last quarter the operating margin was 3.2% (3.0%).

Office Machines

Digital copying made a breakthrough during the year and now accounts for close to half of all new copiers, excluding low-end segment. This has had a temporarily negative impact on Scribona Office Machine's sales, since Toshiba's new digital range was not available until the end of the year. Stagnation in overall market demand has further depressed sales. During the year Carl Lamm was streamlined through the sale of the office electronics business. In connection with this, the division changed name from Enström to Carl Lamm. The division now focuses on sales of Ricoh's range of document handling equipment. Both Toshiba and Ricoh have succeeded in defending their strong market positions.

Sales in the Office Machines business area amounted to MSEK 1,158 (1,378). Adjusted for the sale of units, this represents a sales increase of 2%. The best sales development was achieved in Denmark and Finland.

Operating income rose substantially and amounted to MSEK 62 (40). The gross margin improved, among other things through increased sales of used equipment. Streamlining of operations in Carl Lamm has also enabled considerable cost cuts and a subsequent rise in operating income. The operating margin for the business area nearly doubled to 5.4% (2.9%).

OTHER

The 2000

Efforts to ensure that internal systems and the products distributed by the Group are secured for the millennium shift are progressing according to plan. This work is divided into four subprojects: business critical systems, local and global networks, servers and PCs and embedded systems. Y2K projects are directed and coordinated at the Group level. Potential problems have been identified and action plans have been drawn up. These measures are expected to be completed during the first half of 1999.

Product documentation showing that the products are secure for the millennium shift has been obtained from the suppliers. Activities are underway to prepare and provide customers and retailers with information about the products' Y2K status. Information will be supplied through the respective

Group companies' web sites, and in certain cases through supplementary information directly to the customers.

Acquisitions/Sales

After year-end, the only remaining computer retail unit in Norway, Office Oslo, was sold. In the 1998 accounts, this transaction including income for 1998 is reported under gains on the sale of units.

Dividend

In addition, the Board of Directors and the President have decided to propose that the Annual General Meeting approve an ordinary dividend of SEK 1.50 per share and an extraordinary dividend of SEK 3.50 per share.

Annual General Meeting

The Annual General Meeting will be held at 2 p.m. on April 23, 1999, at Scriboma's head office in Solna.

Financial information

Interim Report for January-March 1999, April 23
Interim Report for January-June 1999, August 5
Interim Report for January-September 1999, October 25

Scriboma AB
The Board of Directors

For further information, please contact:
Örjan Håkanson, President of Scriboma, tel +46-8-734 35 76
Lennart Bernard, Head of Economy and Finance, tel +46-8-734 36 91

Scriboma´s Preliminary Report for 1998 is also available at www.scriboma.se

SCRIBONA – REPORT ON OPERATIONS 1998
1997 figures – proforma excluding Sifo Group and Svanströms

Summary Consolidated Income Statement

SEK m.	1998 Jan-Dec	1997 Jan-Dec	1998 Oct-Dec	1997 Oct-Dec
Total income	8,880	7,229	2,895	2,226
Operating expenses				
Goods for resale	-7,688	-6,189	-2,494	-1,916
Other external costs	-395	-367	-108	-90
Staff costs	-577	-492	-174	-132
Depreciation, goodwill	-15	-10	-4	-2
Depreciation, inventories	-41	-35	-11	-10
Other operating expenses	-17	-19	-10	-5
Items affecting comparability				
Gain on the sale of operations	156	-	-5	2
Costs for implementation IT-systems	-	-56	-	-56
Income before net financial items	303	61	89	17
Net financial items	22	25	5	4
Income after net financial items	325	86	94	21
Tax	-39	-21	-22	-1
Minority interests	-1	1	-1	1
Income after tax	285	66	71	21

Summary Consolidated Balance Sheet

SEK m.	1998 Dec	1998 Sept	1998 June	1998 March	1997 Dec
Intangible fixed assets	88	77	78	40	43
Tangible fixed assets	158	147	145	137	135
Other fixed assets	33	26	37	37	33
Inventories	968	703	630	827	920
Current operating receivables	1,692	1,315	1,212	1,241	1,333
Financial assets	154	64	345	276	336
Total assets	3,093	2,332	2,447	2,558	2,800
Shareholder´s equity	854	780	778	1,148	952
Minority interests	1	-	-	-	-
Provisions	63	64	99	83	74
Long-term operating liabilities	9	10	24	16	17
Current operating liabilities	2,013	1,309	1,376	1,311	1,757
Financial liabilities	153	169	170	-	-
Total liabilities and shareholder´s equity	3,093	2,332	2,447	2,558	2,800
Capital employed	854	885	603	872	616
Net financial capital	1	-105	175	276	336

Statement of Changes in Financial Position

SEK m.	1998 Jan-Dec	1997 Jan-Dec	1998 Oct-Dec	1997 Oct-Dec
Operating income before depreciation	203	162	109	83
Items affecting comparability	156	-56	-5	-54
Tax	-39	-21	-22	-1
Cash flow before change in working capital and net investments	*320*	*85*	*82*	*28*
Change in intangible fixed assets	-60	-26	-15	1
Change in other fixed assets	-64	-50	-29	-11
Net investments in fixed assets	*-124*	*-76*	*-44*	*-10*
Change in operating assets/liabilities	*-170*	*26*	*60*	*61*
Cash flow from operations	**26**	**35**	**98**	**79**
Cash flow from financial operations	*22*	*25*	*5*	*4*
Cash flow before dividend	**48**	**60**	**103**	**83**
Translation difference	*3*	*-*	*3*	*-*

Dividend, cash	*-360*	*-205*	-	-
Correction of distribution Sifo Group	*-26*	*29*	-	*11*
Change in financial assets/liabilities	**-335**	**-116**	**106**	**94**

SCRIBONA – REPORT ON OPERATIONS 1998
1997 figures – proforma excluding Sifo Group and Svanströms

Sales by Business Area

SEK m.	1998 Jan-Dec	1997 Jan-Dec	1998 Oct-Dec	1997 Oct-Dec
Computer Products	7,723	5,896	2,549	1,895
Office Machines	1,158	1,378	348	344
Total business areas	8,881	7,274	2,897	2,239
Other	-1	-45	-2	-13
Total	8,880	7,229	2,895	2,226

Results before items affecting comparability

SEK m.	1998 Jan-Dec	1997 Jan-Dec	1998 Oct-Dec	1997 Oct-Dec
Computer Products	113	80	81	56
Office Machines	62	40	27	13
Total business areas	175	120	108	69
Joint Group	-28	-3	-14	2
Total	147	117	94	71

Key Figures

	1998 Jan-Dec	1997 Jan-Dec	1998 Oct-Dec	1997 Oct-Dec
Operating margin before items affecting comparability	1.7%	1.6%	3.2%	3.2%
Earnings per share	8.32	1.93	2.07	0.61
- excluding items affecting comparability	3.77	3.22	2.39	2.05
Shareholder´s equity per share	24.94	27.80		
Equity/assets ratio	27.6%	34.0%		
Return on capital employed before tax	37.7%	8.9%		
- excluding items affecting comparability	18.3%	17.1%		
Return on shareholder´s equity after full tax	32.0%	6.8%		
- excluding items affecting comparability	14.5%	11.4%		
Capital turnover rate	11.1	10.5		
Capital employed, average	804	686		
Shareholder´s equity, average	890	964		
Number of employees end of period	1,428	1,241		
Number of shares, thousand	34,240	34,240		