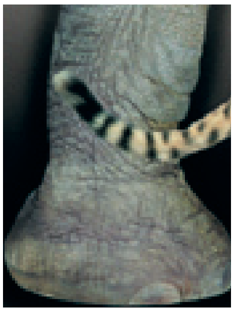
SCRIBONA

2003

ANNUAL REPORT

Annual Report 2003



High flexibility and innovative thinking are needed for enterprises to maintain their market positions and remain competitive. The dynamics of the industry also create new business opportunities for companies that are alert.

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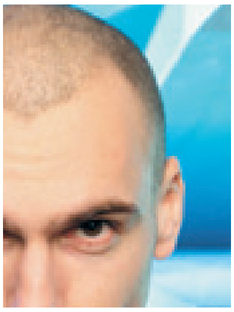

To give our customers the right advice, we keep abreast of the latest technical developments in order to know the type of products that tomorrow's technology will bring.

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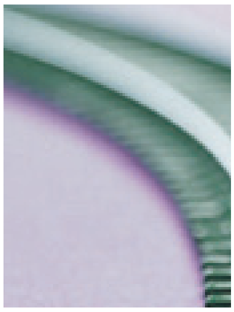

Scribona stands at the center of IT developments and effectively links the world's leading IT providers – both electronically and commercially – with resellers and end customers across the Nordic region.

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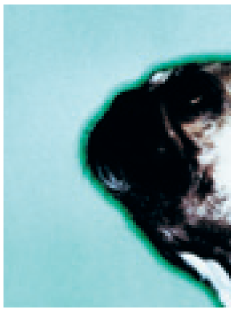

Information and ordering processes have become much more efficient with electronic communications and the Internet. Production processes are also accelerated and the distance between customers and suppliers is shrinking.

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Scribona in brief

Scribona offers resellers, end customers and vendors an effective supply chain of IT products, e-business and complementary services backed by a high level of service and expertise. We have the broadest range of products and services in the industry. We can also provide complete integrated solutions ranging from PDAs to advanced products and services for IT infrastructure and document management.

Highlights of 2003

- The year started out weakly with stiff competition between manufacturers, falling prices and soft demand in Scribona's main market – personal computers and related accessories. The trend turned in the fourth quarter and demand increased.

  According to the market intelligence companies IDC and IT Research, the market for PCs in the Nordic region increased 20 percent in volume in the fourth quarter. The market grew 11 percent for the year as a whole. Demand for portable computers increased the most, up to 60 percent, in the fourth quarter. In the Nordic countries, one out of every three sold computers is now a portable. Within the document management systems market, the number of sold copiers increased a few percent in the Nordic region.

- With its strong offerings, Scribona benefited from the market's growth and expanded its market shares within all business areas.

- Prices for PCs fell sharply, due to cutthroat competition between PC manufacturers and a weak U.S. dollar rate. The average price reduction for PCs sold by Scribona was 18 percent, compared with 2002. In the fourth quarter, prices stopped falling and the average price of a PC, compared with the third quarter, was slightly higher. Prices were unchanged in the document management systems market.

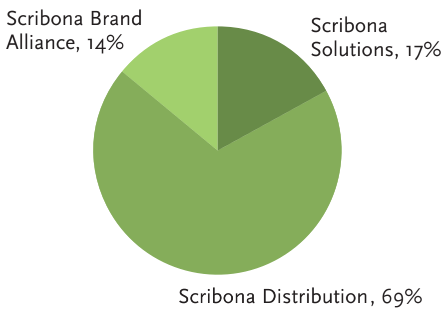
- During the year, Scribona carried out comprehensive efficiency-enhancement and structural measures to reduce costs and improve margins. Among other changes, the Toshiba Digital Media division was closed down, which is expected to improve earnings by approximately SEK 15 m. as of 2004.

- Although sales were 7 percent lower than in 2002, Scribona handled a higher number of transactions and delivered more units than in previous years. Revenues declined primarily because of lower unit prices and the close down of Toshiba Digital Media. However, it was gratifying that Scribona's overall financial performance has improved, which indicates that action programs are starting to have an effect and that Scribona has become much more efficient.

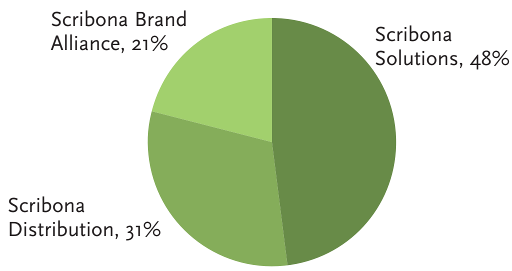
Key figures

Sales	**SEK 11,857 m.**	**(12,808)**
Operating income	**SEK 20 m.**	**(7)**
Net income for the year	**SEK 1 m.**	**(-33)**
Equity/assets ratio	**24%**	**(24)**
Earnings per share	**SEK 0.02**	**(-0.65)**
Equity per share	**SEK 17.31**	**(18.74)**
Price of B-shares at December 31	**SEK 14.30**	**(11.40)**
Number of employees at December 31	**1,310**	**(1,469)**

Sales by business area



Operating income by business area



President's statement

You become stronger in the face of setbacks

We usually say that things happen fast in the IT industry and that an ordinary calendar year contains several IT years. In circumstances like these, it can be difficult to predict the future. At the same time, you have the advantage of being able to accomplish quite a lot in a single year. The year 2003 was like that. While it swished by us, we had the time to achieve quite a lot in our way of doing business.

The incredible final spurt

While reviewing 2003, I would like to first comment on our incredible final spurt to the finish line, which resulted in the fourth quarter being one of the best we have ever experienced. In the last quarter, we could also see how improvement programs were starting to pay off. It gives me great satisfaction to note that decisions made and implemented during the year had positive effects on our financial performance.

2003 was also a year filled with much hard work and a few tough decisions that had major consequences for many of our employees. We strengthened our position in terms of markets and business, but Scribona is still in the middle of a change process. The next few years will bring many new challenges and interesting opportunities.

I took over as Scribona's new Chief Executive Officer in March 2003 and the year was very exciting and challenging for me personally. During certain times of the year we were down in the deepest of valleys, and at other times, we were standing on the highest mountain tops with a view you can only dream about. When I look back on 2003, I see a year marked by major changes in the market. Price pressure and falling PC prices were probably the most prominent change, with average prices decreasing by about 18 percent.

Sales volumes recovered in the PC market

2003 was also a year when sales volumes recovered in the PC market. Sales of personal computers were in excess of 3 million units in the Nordic market, a level we have not experienced since 1998. Scribona has never sold so many servers, workstations, desktop and portable computers, but our sales were lower, calculated in Swedish kronor. Growth was very strong in portable computers and servers. Scribona has a strong tradition in these product areas. Sales of tax-subsidized home computers for the employees of companies were previously very irregular but have now stabilized, mainly in Sweden and Norway.

New exciting products

The year also meant a real breakthrough for a number of new exciting products of "gadget status", such as large and small flat screens, projectors, digital cameras, simple wireless networks and storage solutions. The prices of these products have also become more affordable for most users. Products function act like a stimulus in a world where the investment climate has had a wait-and-see attitude.

However, some market segments showed no growth at all, such as IT infrastructure equipment and the traditional document management systems market.

In the IT infrastructure area, we noted during the year how many large investments were being postponed. We do not have to look further than our own investment needs to understand what our customers have on their agenda. Server consolidation, increased security and data storage, and the standardization of workstations and clients, are top priority investment needs for our customers and Scribona. Our strategy to broaden product offerings in the high-end range for storage and software was therefore right and it showed its clear benefits during the latter part of the year.

Product convergence

The document management market was at a standstill during 2003 but major changes are

occurring in this area. Conventional copiers are shifting from analog to digital technology, and from black-and-white copies and printouts to color. Considering the potential of the digital world, multifunctional products will become more and more common. Large corporate copiers have become copyprinters, a combined printer and copier, which are integrated with other resources in data networks. Small copiers have evolved into a combined printer, copier, scanner and fax. The convergence of products creates new opportunities that we are leveraging to have wider coverage of the market. Due to the digitalization of images, text and sound, new products and solutions are being constantly introduced. The traditional channel for document management systems is utilizing these possibilities effectively.

After a few years of investment restraint, we are seeing a large pent-up need for new IT infrastructure solutions at enterprises and organizations. We are still waiting for the big wave after the millennium shift and four years have passed since the major upgrade program called Y2K. When will customers start to replace the equipment that was installed then? Maybe it will take a few more years. New technology is often the driving force behind system changes, but outsourcing trends can also be a market driver. The need for server consolidation could possibly increase new investments fur-ther. The only thing we can say with any certainty is that a need exists and it will soon manifest itself in the form of larger investments in new IT infrastructure.

Thus, 2003 was an up-and-down year that had periods when we could report all time highs, as well as periods when we wondered if the market had come to a complete halt. Now that we know how things turned out, we can note that the first eight months were characterized by waiting to see what would happen, while we experienced a market on the level of previous years, if not even slightly better, during the late autumn and winter months. The year meant many new opportunities for Scribona and we know that we have entered 2004 with stronger market positions.

Weak start but strong finish

The first quarter was very weak in terms of sales and earnings. We had our biggest problems in Denmark. In the first round of cost-cutting measures, 45 employees in the Danish organization were laid off. This was the first of three major programs to reduce Scribona's headcount during the year. The second round of layoffs started in the second quarter and affected 50 people, primarily those working within Toshiba Digital Media, logistics and IT in all Nordic countries. The Group posted a loss at the close of the second quarter and additional programs were necessary to restore balance to our cost structure.

During the summer we decided to sell the entire Toshiba Digital Media division and another 45 employees had to leave Scribona. In addition to the three major programs affecting personnel, we also implemented structural measures to simplify decision-making processes and build a platform for increasing our efficiency. This work is being continued and will further reduce our costs.

Measures to reduce personnel will not have an immediate impact. It usually takes about a quarter before we can see the effects in the income statement. I believe the single most important event in 2003 was when we presented our third-quarter report and could note that our actions were starting to produce the desired results. Reporting good financial results in the fourth quarter was also a source of great satisfaction.

In the fourth quarter, the market completely recovered and we strengthened our position in all areas of strategic importance. According to the market intelligence company IDC, the Nordic PC market grew by 11 percent in 2003. Scribona achieved growth of 17 percent in the number of sold PC units. We also grew market shares considerably in product areas such as copyprinters, advanced storage solutions and software.

After the close of the 2003 fiscal year, Scribona reached an agreement to sell its Toshiba Document Solutions division to Toshiba TEC. The divestment was a further step in the restructuring of the Group. By focusing on our remaining divisions, and their development, we will increase the Group's profitability.

New strong executive management

When I succeeded Lennart Svantesson as CEO, he had taken Scribona through three very crucial years. Through the major and important acquisition of PC LAN and strategic positioning, he managed to establish Scribona as the leading IT distributor in the Nordic region within a short time. During this period Scribona also established many strong relationships with internationally important companies in the industry. Lennart left Scribona to take over the role as CEO of Bure Equity AB but remains involved in Scribona as a member of our board.

Scribona's new Executive Management feels both strong and competent to me. Its members are the four divisional presidents Jens Viggo Rasmussen (Solutions), Tom Ekevall Larsen (Distribution), Håkan Wiktorin (Toshiba Document Solutions) and Hans Johansson (Carl Lamm) together with Magnus Johansson (Group Customer Services/IT & Logistics) and Örjan Rebeling (CFO).

We started 2003 sailing against the wind. As we enter 2004, we have the wind at our backs.

Tom Ekevall Larsen, *President and CEO*

The importance of size

The business structure of distribution and sales channels is changing continuously and transforming rapidly. During the past few years, competition has stiffened considerably and customers are demanding more and more from their suppliers. This requires a high degree of flexibility and innovative thinking for a company to maintain market positions and keep its competitive edge sharp. The dynamics of the industry are also creating new business opportunities for companies that are alert.

Because we are established locally in markets, we can act fast. Our strong market positions reflect this capability. During the past 15 years, we have evolved from being a mixed business with office products, IT and information services to become a specialized distributor of IT products.

We have also developed from a small niche player into the market-leading IT distributor in the Nordic countries. Manufacturers are now carefully pruning the branches of their distribution channels, which will be of crucial importance to our future. Their choice will naturally fall on the provider with the broadest market coverage, who is highly competent and has well-oiled logistics and stock management activities. We could foresee this trend at an early stage and have been working for several years on our strategy to become the leader in the Nordic region.

Scribona's size has also created the right prerequisites for achieving economies of scale in logistics, stock management and administration. We have come far in this work and have fine-tuned operations with effective IT, stock management and logistics functions, all for the purpose of raising our level of service for customers and increasing the efficiency of our product management process.

Due to our market position, we are positioned at the cutting edge of industry and technological developments. Scribona is a member of the international trade association Global Technology Distribution Council, an association of the world's largest distributors dedicated to driving industry trends forward.

Being large is no end in itself, but in this industry, it is condition for being able to create a strong offering for customers, vendors, employees and shareholders.

Elite competence

Scribona's product range covers the entire IT industry and includes everything from hand-held computers (PDAs) to large advanced server systems. New products, new applications and new technology are being steadily introduced. To give our customers the right advice, we stay up-to-date on the latest technological developments in order to know what tomorrow will bring in the way of new products and new technology.

Our broad product range has given us very broad expertise, as well as extensive competence in many areas. This gives us the ability to solve the IT problems of customers down to integrated circuit board level and to create customized total solutions of high quality. Our broad competence also means we can support customers during the entire life cycle of product, from the moment we analyze their requirements to configuration, service and support during the product's useful life.

We have cutting-edge expertise in advanced server, network and storage solutions and we know everything about the personal computer world. This includes mobile solutions, advanced data security systems and office applications, to home PC solutions for the employees of enterprises and digital video and image processing. We also possess leading competence in complex but user-friendly solutions for document and printout management.

In order to better meet customer requirements for expertise, we have developed competence centers for specific products. For example, we have an IBM Business Partner Innovation Center and an IBM SAN Center. Here the partners of Scribona and IBM can test and evaluate business solutions in complete WebSphere and SAN-based environments. These technical centers allow closer cooperation with IBM's technicians and researchers, which further enhances our competence. Together with our suppliers and partners, we can create better customer solutions faster and increase our sales.

Strong competence in information technology is of crucial importance for Scribona in its offerings to customers, but it is just as important within the company. IT is a central part of our business processes and our IT systems are being constantly developed to create greater benefits for customers in the form of better logistics and e-business solutions.

All these strengths, in combination with more than 20 years of experience in the practical applications of logistics, give us elite competence in more than one area.

The hub of the IT industry

Scribona stands at the center of IT developments and efficiently links the world's leading IT vendors – electronically and commercially – with resellers and end customers all over the Nordic region. We are the hub for a large part of the product and information flows in this market. Scribona distributes one out of every seven new computers purchased the Nordic countries. Our e-business solution is industry-leading and more than half of our business transactions are electronic.

We have relations with more than 6,000 resellers in the Nordic region. The majority of our customers have been with us for many years. Through us, resellers gain access to most of the IT industry's combined product offerings in a simple and cost-effective manner. We supply the market with the right product at the right time, thanks to our extensive expertise competence and well-developed and highly effective logistics.

We cooperate with the leading vendors of IT products and help them reach and understand the market in an effective way. With our comprehensive market contacts, we can offer a complete picture of the entire Nordic IT market, which also includes the market for document management systems.

Manufacturers value our customer relationships and market knowledge highly and we regularly participate in their forums for strategic product and market development. Scribona is a member of the Cisco Advisory Board, the HP Partner Advisory Board and the IBM EMEA Distributors Board.

We have also created special competence teams for the largest vendors, such as Cisco, HP and IBM. This allows us to develop their offering, create added value for products and improve forms of collaboration.

Our close cooperation with suppliers gives us sound knowledge of the latest technological and product developments. We know the products and technology that are just around the corner and those that are on their way out. Many of our deliveries contain integrated products and solutions from different suppliers. This gives us knowledge of the way products work together in large systems, which benefits both customers and suppliers.

We offer the IT industry a gateway into the Nordic market and a window on the entire IT world for our customers.

An industry that is being reshaped

They say that one ordinary calendar year contains seven IT years, and in accordance with Moore's law, the capacity of semiconductors is doubled every 18 months. Products are growing in number, their life cycles are shorter and the production models of manufacturers are becoming more efficient.

With electronic communications and the Internet, information and ordering processes have become much more efficient. Production processes are being speeded up and the distance between customers and suppliers is shrinking. This trend has led to new business models, in which many computers and other IT products are being manufactured the moment they are ordered.

Competition between manufacturers has become much tougher, resulting in increased consolidation across the entire IT industry and stiffer price competition. The merger of HP and Compaq created the world's largest PC producer. HP's business model and actions therefore set the tone for the entire IT industry, especially for distribution and resale channels.

Direct sales to end customers have increased sharply in parts of the world. In the U.S., half of all computer sales are directly to customers and only 15 percent are shipped through distributors. The situation is different in the Nordic countries, where there is a greater need for distributors. Close to half of all computer sales are made through distributors.

The Nordic market is heterogeneous with many resellers and different languages. This requires the supply of products geared to different language requirements and effective customer communications and logistics. Demand for distributor services in the Nordic region is therefore expected to remain strong in the future. With a steadily expanding product range, shorter product life cycles and many sales outlets, distributors are fulfilling an increasingly important function for both resellers and manufacturers – a role that includes contributing to greater efficiency in the industry.

Due to tougher competition, several manufacturers are cutting down on the number of distributors. In return, distributors are having greater influence over the product and market strategies of manufacturers and are handling much larger product volumes. In the final analysis, this is leading to a higher level of customer service and greater product expertise, a more efficient product supply chain and lower prices for end customers.

We see solutions where customers see problems

The focus used to be on the individual performance properties of products. Now it's on the integration of various products. Customers need fast solutions that function in existing IT systems – not a "brand X server" or "Y firewall" – but a complete integrated solution for data security, storage or communication problems. Scribona Solutions devoted 2003 to developing a stronger and broader offering based on a solutions-oriented business and competence platform.

Our business

Scribona Solutions is a leading Nordic player in the distribution of hardware, software and solutions for IT infrastructure. The business area has offices and operations in all Nordic countries and collaborates with hundreds of resellers in the region.

Scribona Solutions offers a leading product range consisting of servers, intermediate software, network equipment and data storage devices from major vendors, such as IBM, Lotus, Cisco, HP, Microsoft, Novell and 3Com.

The business area is organized into two units: High-End Products and Platform Partner. High-End Products offers resellers IT infrastructure products and software backed by product support and business-driving sales and marketing programs. The division's expertise is grouped in five areas of focus: Communications, Security, Storage, Software and Servers.

During the year, Scribona Solutions added a number of new suppliers, products and competence areas to build a stable platform with the mission to provide active support to different types of resellers. With the new platform, Scribona Solutions can provide both peripheral solutions and complete solutions for IT infrastructure.

Through Platform Partner, Scribona helps suppliers of enterprise systems and other application solutions in the form of analyses, prestudies, system configuration and the distribution of server and hardware platforms and accessories for end customers. Platform Partner also offers expertise and consulting services for network solutions. In Finland, Platform Partner also provides service, operation and support to end customers and partners.

Our customers

Customers include companies operating in a number of Nordic countries, such as Ementor, Atea, WM-data and the EDB Group. Local resellers include Martinsson, Software Spectrum, Kerfi and Enjoyit in Sweden; TSS in Denmark; Disnet and Tieto Enator in Finland and Bravida, Concrea and Cluster in Norway.

Market and competition

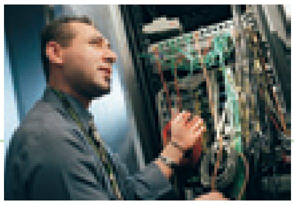
The market is fragmented with many companies operating in specific segments and geographic markets. On the supplier side, there are major players like IBM, Cisco, HP, EMC, among others. Products find their way to end customers in several different ways. Suppliers with low-volume products, or niche products, often sell directly to end customers. Products from major vendors are sold to end customers either through resellers or a combination of distributor and reseller.

Scribona Solutions is facing competition mainly from large international distributors, such as Tech Data and Magirus, and to some extent from Ingram Micro, but also from local players like Four Leaf and X-way. Computer service and application companies, which purchase directly from suppliers, could also be called competitors.

Scribona Solutions' competitive advantages are its extensive and wide-ranging expertise, Nordic market coverage, broad offering and unique market contacts through its collaboration with local partners and niche resellers. The division's offerings are further strengthened by its partnerships with IBM, Cisco and HP, and Scribona Solutions' ability to

PARTNERSHIPS FOR BETTER CUSTOMER SOLUTIONS

Scribona is one of 14 IBM Business Partners in the world that runs an IBM Business Partner Innovation Center. Here, IBM's partners can test and evaluate business systems in a complete demo and lab environment. We collaborate with our partner Rogus Systemoptimering and others to develop system solutions based on IBM's Lotus products.



offer the broadest range of IT products in the industry together with Scribona Distribution.

Factors controlling market growth are the steadily increasing quantity of produced data, e-commerce, business and system integration, mobile telephony and the mobile office with wireless networks. Trends are leading to a greater need for communications, security and storage solutions. Scribona Solutions is very strong in these areas.

Developments in 2003

The overall market for IT infrastructure solutions was weak during the first half of 2003 but made a clear improvement during the latter part of the second half. With the improved market, and initiatives in new complementary product areas, Scribona Solutions achieved growth during the second half, primarily in the data sto-

rage, mobile communications and security solutions. Demand for servers also increased, notably during the last quarter.

In combination with relatively weak development of the market, price competition has been tough between suppliers, with prices generally decreasing more than 10 percent. Scribona Solutions has given priority to business with higher margins and succeeded in maintaining margins on about the same level as last year. The business area defended its market shares effectively and maintained its leading position in the Nordic market. Market shares were also increased during the year in the product areas Storage and Software.

Scribona Solutions also had major sales successes with Intel-based IBM eServers. Scribona is the largest Nordic distributor of IBM servers, storage solutions and system software.

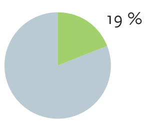
The business area's role as an authorized HP CDP (Channel Development Partner) for HP's infrastructure and network products was strengthened with expertise and an expanded focus.

Platform Partner was affected negatively by the general decline in enterprise systems sales (ERP) in 2003, although there were some positive trends in local markets. In May 2003, IFS signed an agreement with Platform Partner for outsourcing its hardware operations, which further strengthened the division's competence and offerings as a hardware provider of enterprise systems.

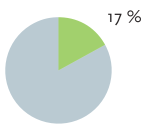
Outlook for 2004

Scribona Solutions will expand its offering to partners focusing on small and medium-size companies. The biggest growth in infrastructure solutions is expected to occur within this market segment. After a few years of depressed demand, there is now a major need for upgrading and integrating both existing and new IT infrastructure equipment in this market. With more integrated and packaged solutions, Scribona Solutions' offerings will be more attractive to small and medium-size businesses.

Percentage of personnel



Percentage of sales



Small companies generate big business

Growth in the computer products area has shifted from conventional PCs to areas such as portable PCs, flat panel monitors, digital cameras, data projectors and software. These new areas are not just targeted for large corporations – there is considerable growth in small and medium-size companies and the home market. Scribona Distribution is benefiting from this trend by enhancing competence and organizing operations on the basis of fast-growing product and customer categories.

Our business

Scribona Distribution is one of the leading Nordic distributors of IT products and cooperates with about 6,000 resellers in the region. The business area focuses on distributing large product volumes effectively and providing the best possible access to a broad range of PCs, PDAs (handheld computers), printers, software, network products, data projectors and digital cameras. The range includes products from suppliers like Microsoft, IBM, HP, Toshiba, Fujitsu Siemens, Sony, Philips, Samsung, Minolta, 3Com and D-Link, among others. Of the total number of personal computers sold in the Nordic market, Scribona Distribution delivers one out of seven.

Scribona Distribution operates in a market where the competition is cutthroat. The business area has captured a prominent market position by offering customers effective order processing and logistics, as well as market-leading e-business tools for product information and ordering processes. Through the Internet and EDI-based business integration, Scribona Distribution is increasing its level of service to customers and improving, simplifying and streamlining internal processes. Today, e-commerce accounts for more than 50 percent of all the division's business transactions.

Our customers

Scribona Distribution cooperates with the following resellers in the Nordic region: Office, Dustin, Siba, QD and Ementor in Sweden; TopNordic, Ementor, Commitment, Munk IT and Siemens Business Services in Denmark; Data-Info, Fujitsu Services, Atea, Expert and Disnet in Finland, and Ementor, Move, Bravida, Computerland, Itet and Telehuset in Norway.

Market and competition

The resale industry in the Nordic countries consists of many different players ranging from Internet and mail order companies, to computer sales outlets and system suppliers. The conditions, needs and purchasing patterns of resellers vary considerably. For example, resellers with their own warehouses buy large stocks of campaign products and thus have a major need for effective transaction management and financing. Traditional computer equipment resellers and system suppliers without warehouses have a big need for configuration solutions and coordinating deliveries directly to end customers. More than half of Scribona Distribution's deliveries go directly from Scribona's own stock directly to the end customers of resellers.

Today, it is common for manufacturers to enter into direct agreements with large organizations and enterprises in order to defend their own market positions. The role of resellers is very limited in some of this business, although Scribona often participates as the logistics partner for the manufacturer.

Small and medium-size companies constitute the most attractive market segment. These companies have a major need, for example, for configuration assistance, logistics services, marketing and complete solutions. Together with partners, Scribona Distribution is developing a stronger offering with a broader and more defined service content for this segment.

As a full-range supplier, Scribona Distribution

SUPPLIER OF THE YEAR 2003

Big projects require a lot of preparation. This was the case with the AFA insurance company, which replaced all its computer hardware. Thanks to careful planning, the reseller Caperio and Scribona Distribution could complete the project despite a very tight deadline. Installing all the equipment during the weekend was an absolute requirement. In 2003, Caperio named Scribona Distribution "Supplier of the Year" for the second year in a row. Scribona received the reward for its efforts in connection with a delivery to AFA, which consisted of 600 computers and 1,000 monitors from Fujitsu Siemens.

competes mainly against the major global players, such as Ingram Micro, TechData and Actebis, and against local Nordic companies like SMG and GNT.

Scribona Distribution's competitive edge is the business area's broad and extensive competence, its coverage of the Nordic market, its complete product offering and broad network of resellers. The business area's competitive edge has been further sharpened by the fact that the leading manufacturers IBM, Cisco and HP have selected Scribona as a strategic partner. Scribona Distribution, together with Scribona Solutions, can also offer the broadest product range in the industry consisting of complete solutions in IT products and IT infrastructure systems.

Developments in 2003

According to IDC, demand grew by about 11 percent in terms of the number of PCs sold in the Nordic market, compared with 2002. Sales increased in spite of a decline in tax-subsidized home computers for employees of companies, primarily in Sweden. In the overall Nordic market, sales of desktop computers were unchanged from last year. Portable computer sales increased 36 percent and PC servers were up 24 percent. Due to stiffer price competition between manufacturers, which resulted in price erosion, the value of the total Nordic PC market declined.

Scribona Distribution took market shares in both desktop and portable computers and currently has around 14 percent (13) of the entire Nordic market.

Portable computers are increasingly replacing desktop computers – this has been a clear trend during the past few years. In addition, there is the whole mobile trend, which is strongly gaining ground and includes handheld computers, digital cameras, wireless connections and small networks. However, desktop computers experienced a renaissance in 2003, mostly due to flat panel monitors, which are driving a large part of desktop sales.

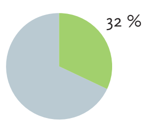
Other growth areas are digital image processing, data storage and security solutions and data/video projectors. Scribona Distribution sharpened its focus on these areas during 2003 and gained a larger market share in all these growth areas.

Outlook for 2004

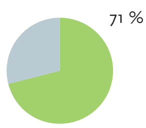
To take better advantage of areas of strong growth, Scribona Distribution has organized its competence and sales on the basis of a number of focus areas, including PCs, servers, mobility, imaging and print, monitors and projectors, software, storage and network products.

With a greater concentration on growth areas, and more customer-specific services for resellers working with small and medium-size companies, Scribona Distribution should be able to increase its profitability and strengthen its market position. This creates a favorable platform for 2004.

PERCENTAGE OF PERSONNEL



PERCENTAGE OF SALES



Making business life more colorful

Virtually all information processing today is digital, yet the volume of paper-based information has not stopped increasing. On the contrary – the need for users to make paper printouts has increased, due to the steadily growing amount of information processing and Internet usage. Technical developments have transformed the traditional copier into a combined digital copier, printer, fax and scanner that is connected to a network. This enhances the flexibility and efficiency of customers, as well as their communications potential. Business opportunities and the value of the after market, in the form of services and supplies, are increasing for Scribona Brand Alliance.

Scribona Brand Alliance operates as the exclusive agent for manufacturers of leading brands, which it focuses on developing and marketing by building up an effective distribution structure for each vendor's range, stimulating end user demand and providing support. Ricoh and Toshiba are the foremost brands marketed by Scribona Brand Alliance.

In 2003, operations were conducted through three divisions: Carl Lamm, Toshiba Document Solutions and Toshiba Digital Media.

Toshiba Digital Media, closed-down in the fall of 2003, was the Nordic general agent for Toshiba portable computers and mobile servers.

Carl Lamm and Toshiba Document Solutions are agencies but also operate as distributors and resellers. The two divisions are focused on equipment for document management. Toshiba Document Solutions operates in the Nordic market and Carl Lamm is active in the Swedish market.

Markets and trends

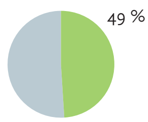
The main market for Carl Lamm and Toshiba Document Solutions comprises copiers and combined copiers and printers, called copyprinters, as well as multifunctional products. Competition is both regional and local with suppliers with direct sales and resellers.

The Nordic market developed weakly during 2003. Growth was negligible and price competition was tough. However, demand increased for services and advanced equipment with color functions, which enlarged the market for service, accessories and supplies.

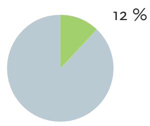
During 2003, demand was strong in the public sector, while the private sector showed weaker demand because of the economic climate. This favored both Toshiba Document Solutions and Carl Lamm, which signed new general agreements for deliveries to authorities, county councils and municipalities in Sweden. The general agreements run up to August 2005.

The information processing of companies is made more efficient and simplified when integrated document management systems are used. This requires hardware in the form of scanners, printers, copyprinters and data/video projectors, but also software and services. As document management products and systems become more business-critical, customers are increasingly demanding that their equipment must be up and running at all times. Toshiba Document Solutions and Carl Lamm offer complete solutions, based on analysis of the customer's requirements, as well as training, service and support programs.

Percentage of personnel



Percentage of sales



AT CARL LAMM, EXPERTISE IS FURTHER DEVELOPED IN SEVERAL WAYS

Starting our own training school – The Carl Lamm Academy – is one way to ensure a high level of expertise. At the academy, we arrange advanced educational courses for technicians, sales personnel and specialists on a continuous basis so we can stay in the forefront of developments and technology, and also maintain a high level of efficiency and quality.

Carl Lamm
Our business

With its own distribution and resale operations in more than 40 locations in Sweden, including 25 wholly owned branch offices and 17 outlets owned by partners, Carl Lamm offers high availability all over the country. Carl Lamm also collaborates with about 200 independent resellers. The division has a well-developed service and support business for all the products it markets.

Carl Lamm is the Swedish general agent for Ricoh's document management equipment, which includes copyprinters, printers, scanners, faxes and multifunctional products. Since mid-2003, Carl Lamm is also the Swedish general agent for Samsung faxes and multifunctional printers. The division also deals in HP and Lexmark printers, data/video projectors from Geha, Hitachi, NEC and Sanyo, and Francotyp-Postalia mailing systems, Philips dictation machines and digital speech processing systems, and Intimus document shredders. In addition, Carl Lamm is the general agent for Francotyp-Postalia and Philips Speech Processing.

Our customers

Carl Lamm's end customers include SAS, SKF, SEB, the City of Stockholm, the County Council of Stockholm County and the VHS/Swedish Agency for Administrative Development.

Market and competition

Carl Lamm is one of the market leaders in document management systems in Sweden with about 16 percent of the total market for black-and-white and color copyprinters. The division's main competitors are Canon, Sharp, Toshiba, Xerox and HP.

During the year, the division expanded or maintained its market shares for the most important product areas.

Developments in 2003

Sales increased the most in the segment black-and-white copyprinters with color capability. Carl Lamm has very competitive products and increased its market shares in several areas of importance.

During 2003, the division introduced a new organization with increased local profit responsibility. Today, operations are organized in 25 Carl Lamm Centers. The change is expected to help the division reach additional goals and boost its profitability.

Outlook for 2004

With a stronger type of organization, a broader sales channel and several new attractive products, Carl Lamm expects to increase its share of the market for copyprinters and printers. The division also aims to expand its offering in all product categories for color processing and thereby grow in these areas.

Carl Lamm is further strengthening its offering with a greater focus on service development and complete solutions for hardware, software, service and support. This will enable the division to better satisfy the growing needs of customers for service and increase its profitability.

A WORLD OF COLOR AT BLACK-AND-WHITE PRICES

With Toshiba's new technical breakthrough, the Color Capable e-STUDIO 3511 and 4511, customers can print, copy and scan in color at the cost of a black-and-white system. The secret is that the machine is basically a black-and-white multifunctional copyprinter, but is also equipped with a color function, all in the same machine. The e-STUDIO 3511/4511 systems are easily connected to a network and the Internet and also have fax, scanner, Scan-to-email and Scan-to-file as standard features.

Toshiba Document Solutions

Our business

Toshiba Document Solutions has its own distribution and resale operations and is the general agent in the Nordic region for Toshiba's document management products. These include copyprinters, printers, faxes and multifunctional products. A separate unit handles Toshiba's visual products, such as data/video projectors and plasma screens. The division is complementing the range with products from Oki, Panasonic and other manufacturers.

Toshiba Document Solutions conducts resale operations through ten wholly owned branch offices in the principal towns and cities in the Nordic region and through exclusive agreements with independent resellers. In this partner concept, independent resellers are granted the exclusive right to sell Toshiba's products within a specified district. In return, these partners do not deal in any competitor brands. Resale operations are conducted under the Office Document brand in Sweden and Norway, and under the Toshiba Stores brand in Denmark. In Finland, products are sold through independent resellers without a common brand name.

Our customers

Toshiba Document Solutions' end customers include Handelsbanken, Länsförsäkringar, Nokia, the City of Stockholm, SAS, TeliaSonera and VHS/Swedish Agency for Administrative Development.

Market and competition

Toshiba Document Solutions has a leading position in the Nordic region with approximately 10 percent of the total market for black-and-white and color copyprinters. The main competing brands to Toshiba in the Nordic market include Canon, Sharp, Ricoh, Xerox and HP.

Toshiba Document Solutions has a very strong position with major corporations and organizations in the public sector.

Developments in 2003

In 2002, the division started to work on creating a central purchasing, logistics and inventory management function for the entire Nordic region. In the first phase, warehousing and purchasing activities for Sweden and Denmark were centered in Stockholm. As of 2004, the central warehouse in Stockholm is serving all of the division's markets.

During 2003, a better and more efficient structure was developed for the agency business. The efficiency of administration and logistics functions was also increased within distribution and resale operations.

Outlook for 2004

In the beginning of 2004, Toshiba is launching a new generation of cost-effective multifunctional products that will reduce the cost of producing color printouts to the level of black-and-white systems. Toshiba Document Solutions expects these new products to be in great demand.

In order to take better advantage of increased demand for services and service/maintenance, the division is developing more service solutions and complete solutions. The division is also further developing solutions for analyzing requirements and document flows, and for cost control.

The rapid market growth in the data/video projector market is expected to continue during 2004 and Toshiba Document Solutions is expecting to capture additional market shares. These products are in an early phase of the product life cycle. The market is broad and consists of enterprises, organizations and private consumers.

Toshiba Digital Media

Toshiba Digital Media was closed down during the fall of 2003. The division was the Nordic general agent for Toshiba portable computers and mobile servers.

The agency contract for Toshiba portable computers and home electronics products was cancelled in August. Toshiba Digital Media took care of planning and deliveries up to October 1, 2003, and customer support until December 1. The division was closed down because of its poor profitability.

Scribona Distribution continues to distribute Toshiba portable computers as before. The close down of the agency business for Toshiba portable computers and home electronics does not affect Scribona's continuing relations with Toshiba.

Executive Management

President and Chief Executive Officer and President of the Scribona Distribution Division, born 1962. Employed since 1988. Holds options to subscribe for 10,000 shares.

Tom Ekevall Larsen

Executive Vice President and Chief Financial Officer, born 1948. Employed since 2002.

Örjan Rebeling

President of the Scribona Solutions Division, born 1955. Employed since 2003.

Jens Viggo Rasmussen

President of the Carl Lamm Division, born 1954. Employed since 1986. Holds 1,000 Scribona shares and 20,000 options to subscribe for shares.

Hans Johansson

Head of Group Customer Services, born 1954. Employed since 1987. Holds 5,000 Scribona shares and 10,000 options to subscribe for shares.

Magnus Johansson

President of the Toshiba Document Solutions Division, born 1954. Employed since 1978. Holds 2,000 Scribona shares and 20,000 options to subscribe for shares.

Håkan Wiktorin

Scribona share data

Trading

Scribona is registered on the A-List of the Stockholm Stock Exchange under the stock abbreviation SCRI. The company was delisted from the Oslo Stock Exchange in 2003.

In 2003, a total of 853,962 A-shares and 5,363,673 B-shares were traded, corresponding to a turnover of 0.30 and 0.11 times, respectively. The number of traded shares represented approximately 12.2 percent of the total average number of outstanding shares. Shares are traded in blocks of 2,000.

Trend of share prices

At year-end 2003, the price of Scribona's A-share was SEK 14.80 (11.70). The price of the B-share was SEK 14.30 (11.40). The OMX index, consisting of the 30 most traded shares on the Stockholm Stock Exchange, increased 29.1 percent in 2003. In 2003, the highest and lowest quotation for A-shares was SEK 14.80 (20.50) on December 30 and SEK 7.60 (7.60) on March 10, and for B-shares, SEK 14.80 (20.90) on December 2 and SEK 8.60 (8.90) on March 13. Based on year-end share prices, Scribona's market capitalization was SEK 731 m. (583) m. at December 31, 2003. The closing price for the B-share was SEK 20.20 at February 13, 2004.

Share capital

Scribona's share capital amounted to SEK 102.1 m. at December 31, 2003 and was distributed over 51,061,608 shares. Each share has a par value of SEK 2.00. The share capital is distributed over two classes of shares carrying different voting rights. A-shares, totaling 2,828,732, carry five votes each and B-shares, totaling 48,232,876, carry one vote each.

The company's Articles of Association give holders of A-shares the right to convert their shares into an equal number of B-shares. In 2003, holders of A-shares converted 251,517 of their shares into B-shares.

Shareholders

The number of shareholders decreased in 2003 and totaled 10,270 at December 31, 2003 (11,382). The ten largest owners hold 69.1 percent (66.8) of the total shares and control 58.5 percent (55.7) of the voting rights. Institutional owners are estimated to hold 88.4 percent (88.6) of the total shares and control 81.0 percent (80.9) of the total votes. Foreign owners hold 31.7 percent (34.9) of the shares and control 27.2 percent (29.7) of the votes.

Subscription options

The Parent Company has issued subscription options to senior executives in Scribona. Holders of these options have the right to subscribe for one class B-share at a price of SEK 41 per share during the period July 1, 2000 to June 30, 2004. If all options are exercised, the number of shares will increase by 550,000.

The dilution effect, if all options are fully exercised, corresponds to 1.1 percent of the total shares outstanding at December 31, 2002, and approximately 0.9 percent of the total number of votes. Due to the current price of shares, there is only a slight probability that the subscription options will be utilized, which is why they have not been included in the tables.

Financial information for shareholders

Internet

Scribona's financial reports are published on www.scribona.com as soon as they are released.

Printed reports

Keeping shareholders informed about the company's performance is a priority at Scribona. At the same time, Scribona feels it is important not to produce and distribute more printed materials than necessary for both cost and environmental reasons. The Annual Report can be ordered by e-mailing info@scribona.com or by phoning +46 8 734 3400. The Annual Report is produced in Swedish and English. Interim reports are not printed.

Notice of the Annual General Meeting

Scribona notifies shareholders of the Annual General Meeting to the extent and in the way required by the company's Articles of Association and in accordance with the regulations of the Stockholm Stock Exchange. The notice of the meeting is published by placing an advertisement in the Post- och Inrikes Tidningar and Svenska Dagbladet and by issuing a press release. The notice is also published on www.scribona.com. No special notice is sent to shareholders. Shareholders who have requested to receive the annual report get information about the Annual General Meeting in the report.

Largest shareholders at December 31, 2002

Shareholders	Number of A-shares	Number of B-shares	% of share capital	% of voting rights
Bure Equity AB	79,000	17,778,089	35.0%	29.1%
Fidelity Funds	-	3,066,800	6.0%	4.9%
Segaintersettle AG	34,472	2,517,374	5.0%	4.3%
KS Norsk Vekst 1	-	2,255,198	4.4%	3.6%
Electro Medicinska AB	10,000	1,925,800	3.8%	3.2%
Livförsäkrings AB Skandia	169,396	1,735,268	3.7%	4.1%
LGT Bank AG	-	1,500,000	2.9%	2.4%
S I F	-	1,432,100	2.8%	2.3%
Eirik Naess-Ulseth	-	1,430,477	2.8%	2.3%
Alfred Berg Norway	-	1,372,018	2.7%	2.2%
Total, ten largest owners	**292,868**	**35,013,124**	**69.1%**	**58.5%**
Of which, foreign owners	199,789	15,986,040	31.7%	27.2%

Share data at December 31, 2003

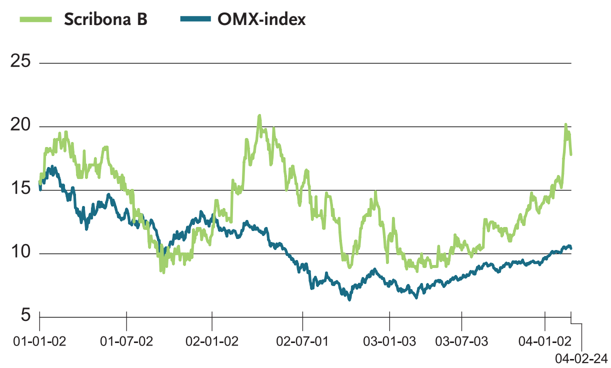
	2003	2002	2001	2000	1999
Revenues/share, SEK	232,21	250,84	253,37	276,84	241,77
Earnings/share, SEK	0.02	-0.65	-2.56	3.77	1.16
– excluding items affecting comparability, SEK	0.02	-0.65	-1.82	2.32	2.13
Cash flow/share, SEK	-2.70	-5.76	9.63	3.83	0.32
Equity/share, SEK	17.31	18.74	18.82	23.95	21.04
Dividend/share (proposed 2003), SEK	-	-	-	0.50	1.50
Market price of B-share:	-				
Average price, SEK	11.03	14.46	14.27	23.00	28.13
Year-end price, SEK	14.30	11.40	11.40	15.50	30.30
Direct yield, %	0.0	0.0	0.0	3.2	5.0
P/E ratio	517	neg.	neg.	4.11	26.12
P/S ratio	0.06	0.05	0.05	0.06	0.13
Number of shares	51,061,608	51,061,608	51,061,608	34,239,628	34,239,628
Newly issued shares	-	-	16,821,980	-	-
Average weighted number of shares	51,061,608	51,061,608	46,856,113	34,239,628	34,239,628

Shareholder statistics at December 31, 2003

Number of shares held	Number of shareholders	%	Total shareholders	%
1 - 500	7,864	76.6%	1,203,610	2.4%
501 - 1,000	1,242	12.1%	1,051,592	2.1%
1,001 - 10,000	1,044	10.2%	3,118,032	6.1%
10,001 - 50,000	71	0.7%	1,601,437	3.1%
50,001 - 100,000	18	0.2%	1,319,226	2.6%
100,001 -	31	0.3%	42,767,711	83.8%
Total	**10,270**	**100,0%**	**51,061,608**	**100.0%**

Share classes at December 31, 2003

Share class	Number of shares	%	Number of votes	%
A-shares:	2,828,732	5.5%	14,143,660	22.7%
B-shares:	48,232,876	94.5%	48,232,876	77.3%
Total	**51,061,608**	**100.0%**	**62,376,536**	**100.0%**



The Board of Directors and the President of Scribona AB (publ), corporate identity number 556079-1419, hereby present their report on operations for the fiscal year 2003. The financial performance of the Parent Company and Group are reported in the following income statements, balance sheets, cash flow analyses, statement of changes in stockholders' equity, and notes to the financial statements.

Ownership

Scribona AB, with registered office in Solna, Sweden, is listed on the A-List of the Stockholm Stock Exchange. During 2003, the company was delisted from the Oslo Stock Exchange. The largest owner of the company is Bure Equity AB with 35.0 percent of the share capital (35.0) and 29.1 percent of the votes (28.7). Scribona's ten largest shareholders together own 69 percent of the share capital (67) and 59 percent of the votes (56).

Organization and operations

The Scribona Group is organized into five divisions grouped in three business areas: Scribona Solutions, Scribona Distribution and Scribona Brand Alliance.
The Scribona Solutions business area, consisting of the Solutions division, is a leading Nordic player in value-added distribution of hardware for IT infrastructure. The business area cooperates with several hundred resellers in the Nordic region.
Together with its partners, Scribona Solutions also sells directly to end customers. The business area offers a leading product range consisting primarily of servers, operating systems, network products and data storage solutions, along with cutting-edge expertise in these areas. Scribona Solutions markets and distributes products from IBM, Lotus, Cisco, HP, Microsoft, Novell and 3Com, among other manufacturers.

The Scribona Distribution business area, consisting of the Distribution division, is the leading Nordic distributor of IT products with about 6,000 resellers. The business area offers effective volume distribution and high accessibility to a broad range of leading brands in PCs, PC servers, PDAs (handheld computers), printer devices, software, network products, data projectors, computer accessories and consumables. The range includes products from vendors like Microsoft, IBM, HP, Toshiba, Fujitsu Siemens and other manufacturers.
The Scribona Brand Alliance business area, comprising the divisions Carl Lamm and Toshiba Document Solutions, operates as the exclusive agent for manufacturers of leading brands, which the business area focuses on developing and marketing by building up an effective distribution structure for each vendor's range, stimulating end user demand and providing support. Ricoh and Toshiba are the foremost brands marketed by Scribona Brand Alliance. As the general agent for Ricoh in Sweden, Carl Lamm focuses on Ricoh's document management equipment and printer devices but also has a distribution and resale business. Toshiba Document Solutions is the general agent in the Nordic region but also distributes and resells Toshiba's equipment for document management (duplicating, printing and faxing) and video projectors. All divisions are leaders in their respective markets. Toshiba Digital Media, which was the Nordic general agent for Toshiba portable computers for many years, was closed down in the fall of 2003 after experiencing profitability problems the past few years.

At December 31, 2003, the Group's legal organization consisted of 15 (21) operating subsidiaries with activities in Sweden, Denmark, Finland and Norway. The number of subsidiaries totaled 34 (41) on the same date.

Five-year summary

During the past five-year period Scribona made a major acquisition having a significant impact on Scribona's key figures – the purchase of PC LAN, which was listed on the Oslo Stock Exchange and consolidated on April 1, 2001. After the acquisition, the two companies have gone through a comprehensive merger and restructuring process, which is why the effects of the acquisition on Scribona's performance in 2001 cannot be directly estimated. For comparative reasons, the corresponding key figures for PC LAN, from the company's consolidated financial statements for 2000, are given in the right-hand column of the following table, recalculated into Swedish kronor.

	2003	2002	2001	2000	1999	PC LAN 2000
Total income, SEK m.	11,857	12,808	11,872	9,479	8,278	4,364
growth, %	-7	8	25	15	-7	
Operating income, SEK m.	20	7	-91	174	64	11
– excluding items affecting comparability, SEK m.	20	7	-43	105	100	11
Income before tax, SEK m.	10	-20	-140	180	76	10
Net profit for the year, SEK m.	1	-33	-120	127	40	4
Operating margin, %	0.2	0.1	-0.4	1.1	1.2	0.3
Net margin, %	0,0	-0,3	-1,0	1,3	0,5	0,1
Net cash flow for the year, SEK m.	-138	-294	451	131	11	-29
Return on capital employed, %	2	1	-7	16	7	3
– excluding items affecting comparability, %	2	1	-3	10	10	3
Capital turnover rate, times/year	11.6	13.5	9.3	8.8	8.5	11.5
Average capital employed, SEK m.	1,025	946	1,273	1,096	978	380
Return on equity, %	0	-3	-13	17	5	1
– excluding items affecting comparability, %	0	-3	-9	10	10	1
Average stockholders' equity, SEK m.	868	964	941	780	750	489
Stockholders equity at December 31, SEK m.	884	957	961	820	721	491
Equity/assets ratio, %	24	24	21	22	26	31
Equity per share, SEK	17.31	18.74	18.82	23.95	21.04	
Price of B-share at December 31, SEK	14.30	11.40	11.40	15.50	30.30	
Earnings per share , SEK	0.02	-0.65	-2.56	3.77	1.16	
– excluding items affecting comparability, SEK	0.02	-0.65	-1.82	2.32	2.13	
Cash flow per share, SEK	-2.70	-5.76	9.63	3.83	0.32	
Dividend per share (proposed 2003), SEK	-	-	-	0.50	1.50	
Average number of employees	1,376	1,505	1,473	1,382	1,416	300
Number of employees at December 31	1,310	1,469	1,539	1,337	1,386	312
Sales per employee, SEK m.	8.6	8.5	8.1	6.9	5.8	14.5

A change in the accounting principle for income taxes had an effect of SEK 2 m. on the net profit for 2000. Figures for 1999 have not been recalculated. Excluding this change, the accounting principles are basically the same for the five-year period.

Since the classification of "Accrued compensation from suppliers" was changed in 2003, the key figure for the equity/assets ratio was adjusted for 2002 (see Note 25). No other key figures were affected. Adjustments have not been made for earlier years.

Market

Demand in Scribona's main markets was weak during the first half of 2003 but grew stronger in subsequent months to improve considerably during the last quarter, compared with 2002.

Compared with 2002, growth in the number of sold PCs in the Nordic region was 11 percent, according to the market intelligence company IDC. The corresponding statistic for market growth in the fourth quarter was in excess of 20 percent. However, exceptional price erosion, caused by intensive competition between PC manufacturers and the trend of the U.S. dollar exchange rate, reduced the value of sales by approximately 18 percent between 2002 and 2003. Scribona estimates that the volume of document management equipment sales increased 1-2 percent with stable prices.

The merger between HP and Compaq created the world's largest PC manufacturer. HP's business model and actions set the tone for the entire industry, not least for distribution and resale channels. For the Scribona business areas Solutions and Distribution, the three largest manufacturers (HP, IBM and Fujitsu Siemens) accounted for more than two-thirds of total sales in 2003. Scribona's operations are therefore dominated by the products and business models of a small number of suppliers.

Comments to the income statement

Sales of the Scribona Group totaled SEK 11,857 m. (12,808), a decrease of 7 percent, compared with last year. Adjusted for acquired units and changes in the exchange rates for Nordic currencies, sales decreased 6 percent. Lower unit prices for PC products, especially for PCs (portable, desktop and PC servers), reduced the total value of sales by approximately 15 percent. The volume, in terms of the number of units, is estimated to have increased by around 10 percent. The net of new products and products eliminated from the range is estimated to be -1 percent. Other operating income, consisting primarily of exchange gains on operating liabilities, totaled SEK 39 m. (35).

Scribona's sales outside Sweden amounted to SEK 7,352 m. (7,688), corresponding to 62 percent (60) of total sales. Distributed by countries, and recalculated in Swedish kronor, sales decreased 12 percent in Sweden, 19 percent in Denmark and 5 percent in Norway. Sales in Finland increased 16 percent. Calculated in local currencies, the changes was the same except in Norway, where sales increased 2 percent. Sales trends in different countries very much reflected the general development of the market.

The trading margin was 11.5 percent (11.2). All business areas increased their margins. Price increases, and a focus on products with higher margins, had positive effects.

Programs implemented to reduce costs and increase efficiency have produced good results. Costs were reduced, despite significant increases in volumes, and offset the negative effects of sharply falling unit prices for PC products.

Other external costs amounted to SEK 495 m. (536), with most types of costs developing positively. However, the trend of low bad credit losses in 2002, amounting to 0.10 percent of total sales or SEK 13 m., did not repeat itself. Bad credit losses in 2003 totaled 0.17 percent of sales or SEK 21 m.

Personnel costs totaled SEK 750 m. (801), a decrease of 6 percent. Several personnel reduction programs were carried out during the year. At the beginning of the year, there were 1,469 employees, as against 1,310 at year-end. The average number of employees decreased 8 percent during 2003.

Depreciation increased between the years from SEK 63 m. to SEK 74 m. Depreciation of licenses totaled SEK 8 m. (0). Licenses refer mainly to financial leasing agreements from the end of 2002 and 2003 for parts of the Group's enterprise systems. Amortization of goodwill totaled SEK 26 m. (21). The increase was attributable to additional goodwill relating to the acquisition of IFS's Nordic hardware business and the write-down of goodwill pertaining to the Norwegian company Oppland Dokumentutvikling AS. Machinery and equipment were depreciated in the amount of SEK 40 m. (42).

Other operating expenses, a total of SEK 25 m. (24), consisted of exchange losses on operating liabilities.

The Group's operating income was SEK 20 m. (7). Operating income includes net exchange gains totaling SEK 6 m. (10). Companies in Finland and Norway enjoyed a positive trend of sales and improved operating income. In Sweden, operating income was reduced by weaker demand and lower sales. Operations in Denmark posted large losses for the full year 2003, although they were reduced gradually by personnel cuts and higher margins. The Group's operating margin was 0.2 percent in 2003 (0.1).

Net financial items totaled SEK -10 m. (-27). Borrowings and interest rates were lower, on average, during 2003 than last year. The weighted interest rate on the Group's loans at December 31 was 3.6 percent (4.8). The securitization program for trade account receivables through the international capital market has reduced the costs of the Scribona Group for financing operations. During the year, exchange rate gains on internal financial dealings, which were temporarily not hedged, totaled SEK 6 m. (-1). In addition, the Group had net penalty interest income of SEK 7 m. (4).

The Group's income before tax was SEK 10 m. (-20).

The year's tax expense totaled SEK -9 m. (-13). The Group's tax expense is affected by the effects of revaluations of previous deductions for losses, tax deficits for which deferred tax receivables have not been reported, non-deductible amortization of goodwill and other non-deductible costs.

The net result for the year improved and totaled SEK 1 m. (-33).

Earnings per share were SEK 0.02 (-0.65).

Scribona Solutions

Investments in IT fell short of the market's expectations in 2003, despite industry analysts agreeing that there is a strong underlying need for equipment expenditures because of the growing amount of data and increased requirements for data security. Compared with last year, Scribona estimates that the total volume of the market was unchanged between 2002 and 2003 , and that price erosion was more than 10 percent. A weaker willingness to invest, and continuing lower average prices for the IT industry, had a further negative effect on the trend of sales. It is estimated that the value of the market declined by more than 10 percent between 2002 and 2003.

In 2003, Scribona maintained its leading position as a distributor of products for IT infrastructure. Scribona is continuing to streamline operations and to drive the positive development of this important area towards complex IT infrastructure products requiring expertise. The takeover of IFS's Nordic hardware business in the second quarter further strengthened Solutions's operations in ERP systems. The agreement gives Scribona the exclusive right to supply products to IFS's customers in the Nordic region over a three-year period. The business area, which has strong development potential, constitutes an important part of Scribona's future.

Sales of the business area totaled SEK 2,080 m. (2,342), a decrease of 11 percent, compared with 2002. Adjusted for comparable units and changes in exchange rates, sales were 10 percent lower. In the tough competitive climate, Scribona is prioritizing business with higher margins, focusing on new complementary product areas and eliminating products with poor profitability from the range. Streamlining measures reduced costs by 10 percent between 2002 and 2003.

Operating income totaled SEK 23 m. (17).

Scribona Distribution

During 2003, the market for PC products developed favorably in the Nordic region. According to IDC, PC sales totaled 3,082,000 units and growth in the number of sold PCs was 11 percent, compared with 2002. Sales increased in all Nordic countries, with the exception of Sweden, where the number of units decreased 3 percent. Price erosion was exceptional between the years, due to the lower U.S. dollar exchange rate and intensive competition between PC manufacturers. Scribona's average sales price for a PC fell 18 percent between the years. It is estimated that the Nordic market for PC products lost about 7 percent of its value between 2002 and 2003.

Scribona Distribution further increased its high market shares in the Nordic countries. During 2003, the business area delivered 434,000 personal computers (372,000), or 14 percent (13) of all PCs sold in the Nordic market.

Sales of the business area amounted to 8,448 m. (9,145), 8 percent lower than last year. Adjusted for comparable units and exchange rate changes, sales declined 6 percent. Profitability improved as a result of higher margins, notably in Denmark, and streamlining measures to reduce costs.

Operating income totaled SEK 15 m. (-3). The Danish company, which is operating in a difficult market situation, improved its operating results by raising margins and reducing personnel, but is still unprofitable. The effects of action programs are expected to improve the company's financial performance further during 2004.

Scribona Brand Alliance

According to Scribona's own evaluation, the market for document management products increased 1-2 percent in volume between 2002 and 2003. It was also estimated that prices were basically unchanged. The total value of the market is therefore estimated to have increased by a few percent.

The document management divisions Carl Lamm and Toshiba Document Solutions maintained their overall market shares, while the Toshiba Digital Media division continued to lose sales and market shares because of prices that were too high. The division was closed down in the fall of 2003.

Sales of the business area totaled SEK 1,688 m. (2,106), of which Toshiba Digital Media accounted for SEK 434 m. (850). Adjusted for Toshiba Digital Media and exchange rate changes, the combined sales of the document management divisions were unchanged between the years. Operating income was SEK 10 m. (26), of which Toshiba Digital Media accounted for SEK -20 m. (-8).

Comments to the balance sheet

Financial assets and liabilities are commented on in the section "Financing and liquidity" below.

Operating assets

Licenses, SEK 22 m. (23), refer mainly to financial leasing agreements pertaining to parts of the Group's enterprise systems.

Goodwill, SEK 73 m. (78), includes the year's acquisitions, which totaled SEK 21 m. (9). The year's acquisitions refer partly to SEK 16 m. for IFS's Nordic hardware business and partly to SEK 5 m. for Oppland Dokumentutvikling AS in Norway. The agreement with IFS gives Scribona the exclusive right to supply products to IFS's customers in the Nordic countries over a three-year period.

Tangible fixed assets amounted to SEK 46 m. (90). Net investments in tangible fixed assets totaled SEK 13 m. (33). The Group's real estate property in Denmark was sold in 2003, generating a capital gain of SEK 2 m.

Deferred tax receivables, SEK 69 m. (69), are reported only to the extent they are estimated to most likely result in lower tax payments in the future.

Inventories amounted to SEK 806 m. (923), corresponding to 7.7 percent (8.1) of the cost of goods for resale in operating costs. Strong sales in December reduced inventories at year-end.

Trade accounts receivable amounted to SEK 1,943 m. (1,765), corresponding to 16.4 percent (13.8) of net sales. Strong sales in December increased trade accounts receivable at year-end. The securitization program for accounts receivable had no effect on the accounting of such receivables. Because the credit risk remains with Scribona, the number of sold accounts receivable is reported as accounts receivable in the consolidated balance sheet.

Prepaid expenses and accrued income amounted to SEK 370 m. (389). This balance sheet item consisted mainly of accrued compensation from suppliers that is outstanding from sales made to customers.

Operating liabilities

Provisions, SEK 30 m. (2), refer partly to deferred tax liabilities, SEK 18 m., and partly to provisions concerning mainly the costs for selling Toshiba Digital Media.

Long-term liabilities, SEK 15 m. (19), refer mainly to the long-term portion of leasing fees for the financial leasing agreement that is reported under the heading "Licenses".

Trade accounts payable totaled SEK 1,983 m. (2,308), corresponding to 16.8 percent (18.1) of net sales. During the year, HP, Scribona's largest supplier, changed its payment terms, which reduced accounts payable considerably.

Comments to the cash flow analysis

Cash flow from operations in 2003 totaled SEK -317 m. (424). A strong trend of sales at the end of the year increased trade accounts receivable, compared with year-end 2002. During the year, HP, Scribona's largest supplier, changed its payment terms, which reduced accounts payable considerably. Cash flow from investing activities totaled SEK -8 m. (-42). Capital expenditures on tangible fixed assets amounted to SEK -13 m. (-33), corresponding to 33 percent (79) of depreciation on tangible fixed assets. Cash proceeds from the sale of the Group's real estate property in Denmark totaled SEK 15 m. Cash flow from financing activities was SEK 187 m. (-676), due to increased borrowing to finance the higher level of sales and shorter credit periods for suppliers. Net cash flow for the year was SEK -138 m. (-294).

The securitization program did not have any effect on the change in working capital.

During the year, Scribona signed a financial leasing agreement pertaining to parts of the Group's enterprise systems. This includes purchased software and consulting services totaling SEK 5 m. for the installation and adaptation of the systems.

Financing and liquidity

The Group's prime source of financing is the securitization program, which has a term of five years. The financing facility totals a maximum of SEK 570 m. plus EUR 15 m., for a total of approximately SEK 700 m., and refers to the ongoing sale of trade accounts receivable in parts of operations in Sweden and Finland. The effective financing is lower than the accounts receivable that are sold, since there is a reduction for a risk reserve for uncertain receivables, credits, etc. The securitization therefore provides about 70-75 percent of the financing for the total number of accounts receivable. In addition to securitization, there are granted credit facilities at several banks totaling SEK 314 m., including overdraft facilities.

On December 31, 2003, current financial assets, including liquid funds, amounted to SEK 322 m. (456). Liquid funds totaled SEK 268 m. (452) and customer payments received through the securitization program, which have not yet become available to Scribona, amounted to SEK 51 m. (program did not exist in 2002).

Current financial liabilities amounted to SEK 397 m. (151), of which SEK 390 m. through the securitization program (the program did not exist in 2002). At year-end, the Group had unutilized borrowing facilities totaling SEK 308 m. (596).

In 2003, financial net capital decreased by SEK 374 m. to SEK -67 m. at year-end. Financing needs increased at year-end after a strong trend of sales in December that resulted in a higher number of accounts receivable, compared with year-end 2002. During the year, HP, Scribona's largest supplier, changed its payment terms, which reduced accounts payable and increased financing needs.

Capital employed at December 31, 2003 amounted to SEK 952 m. (651). Shareholders' equity totaled SEK 884 m. (957), corresponding to an equity/assets ratio of 24 percent (24).

Financial risk management is described in Note 41.

Pledged assets

Pledged assets totaled SEK 630 m. at December 31, 2003 (837) and consisted of assets pledged for the Group's financing.

Capital expenditures, depreciation and amortization

The Group's capital expenditures on fixed assets amounted to SEK 13 m. during the fiscal year (33). Depreciation in 2003 amounted to SEK 74 m. (63), of which amortization of goodwill totaled SEK 26 m. (21).

Acquisitions

In May, an agreement was signed to take over IFS's hardware business in the Nordic region. The agreement gives Scribona the exclusive right to supply products to IFS's Nordic customers over a three-year period. The effect on Group sales and results was marginal.

The business of the Norwegian company Oppland Dokumentutvikling AS, a former customer of Scribona Document Solutions, was taken over by Scribona, in connection with a restructuring of the company, by converting receivables to share capital. Goodwill arising in connection with the acquisition has been partially written down.

Discontinuation of business

In August 2003, Scribona decided and made public that it was discontinuing the Toshiba Digital Media division. The close down was accomplished by year end.

Personnel

The average number of employees in the Group was 1,376 (1,505), a decrease of 9 percent. The number of employees declined during the year, due mainly to three large personnel reduction programs. The number of employees changed the most in Toshiba Digital Media, which was discontinued, and within operations in Denmark. However, all business areas and country operations were affected by personnel cutbacks. The percentage of women employees was 28 percent (30). The average income per employee increased to SEK 8,617,000 (8,510,000). Wages, salaries and compensation amounted to SEK 550 m. (593), a decrease of 7 percent. Statutory and contract-regulated social costs totaled SEK 186 m. (175).

Research and development

Scribona does not conduct R&D activities.

Environment

Scribona does not conduct operations requiring environmental permits or reporting in accordance with Sweden's environmental laws. Due to the nature of Scribona's operations, the Group has no environmental liabilities. The subsidiaries Carl Lamm AB and Scribona Document Solutions AB work actively with environmental issues and are environmentally certified to ISO 14001.

Important events occurring after the balance sheet date

On February 24, 2004, an agreement was signed between Scribona AB and Toshiba TEC to sell the Toshiba Document Solutions division, part of the Scribona Brand Alliance business area. April 1, 2004 is the date for transferring the division and Scribona will report the divestment in the second quarter of 2004.

Toshiba Document Solutions is the Nordic general agent but also distributes and resells Toshiba's products for document management (copiers, printer devices and faxes) and video projectors. The division's sales totaled SEK 650 m. in 2003, with positive operating results, and the number of employees was 241 at December 31, 2003.

The sale of Toshiba Document Solutions is expected to have a positive, one-time effect on Scribona's results and cash position. Both parties have agreed not to disclose the sales price.

Expected future growth

After going through several years of weak growth since the millennium shift, the IT market started to recover slightly during the latter part of 2003 and PC product sales have increased, although under strong price pressure. The market intelligence company IDC estimates that volume will grow during the first half of 2004, compared with the same period of 2003, after which it will soften somewhat. Based on its prerequisites for planning operations, Scribona aims to participate in this market growth and also continue to increase its internal efficiency.

Transition to IFRS

In 2005, listed companies in the EU will adopt International Financial Reporting Standards (IFRS). Swedish companies have been gradually adopting the standards for a number of years by introducing the Swedish Financial Accounting Standards Council's recommendations, which are based on IFRS. The most significant difference between the Council's recommendations and those of the IFRS today concerns the reporting of financial instruments in accordance with IAS 39. However, no decision has yet been made in the EU about IAS 39, which is why the regulations can change before 2005. Furthermore, Swedish companies are affected by the transition regulations to IFRS concerning the reporting of defined benefit pension plans. These exceptions also affect Scribona (see "Note 1, General accounting principles" and the subheading "IAS/IFRS").

Regarding financial instruments, which are to be reported at fair value in accordance with IFRS, starting 2005, Scribona has inventoried and valued them. The effects of such valuation at December 31, 2003, are described in "Note 42, Fair value of financial assets and liabilities". Regarding the reporting of defined benefit pension plans, there is still uncertainty whether the ITP plan, insured by Alecta, can be reported as a defined benefit plan as of 2005, which is why the effects on shareholders' equity, when adopting IFRS, cannot be quantified.

In addition to the IAS 39 regulations concerning financial instruments, and the regulations for adopting IFRS to report defined contribution pension plans, Scribona has not identified any other reporting areas of significance that are affected by the transition to IFRS. Any further significant differences in reporting principles that Scribona identifies after the publication of this annual report will be described in interim reports released during 2004.

According to IFRS, shareholders' equity on January 1, 2004 and the result for 2004 are to the reconciled, based on the difference between earlier accounting principles and IFRS. Scribona intends to present this type of reconciliation in the year-end financial statements for 2004.

As noted above, Scribona has started to analyze the difference between its applied reporting standards and those of IFRS. Scribona has identified the most important differences and the effects of adopting IFRS, and has also made the necessary preparations, including the adaptation to requirements for reporting more detailed information. During 2004, Scribona will continuously inform the market about its transition to IFRS.

Parent Company

Scribona AB is the Parent Company of the Scribona Group. The Parent Company provides central functions, such as Executive Management, accounting and finance.

Parent Company sales consist mainly of invoiced sales to Group companies for rent. During 2003, 100 percent (100) of income was from subsidiaries and 3 percent (2) of purchases from subsidiaries.

Parent Company sales totaled SEK 18 m. (18). The result before financial items was SEK -30 m. (-29). The result after financial items was SEK -110 m. (-64). The Parent Company received dividends from subsidiaries totaling SEK 107 m. (-). The Parent Company's results were charged with write-downs of shares in subsidiaries, and receivables in subsidiaries, amounting to SEK 186 m. (30).

Total assets rose during the year from SEK 962 m. to SEK 1,201 m., due to increased borrowing, compared with last year.

Capital expenditures on fixed assets amounted to SEK 6 m. (1). During the year, the Parent Company acquired the sub-subsidiary companies SBA Office Document Finans AB and Manora Components AB. Net financial capital totaled SEK 182 m. (289) at year-end. Cash flow for the year amounted to SEK -7 m. (2).

A process has been initiated to merge the subsidiaries Copy Consult Svenska AB, Scribona IT AB, Office Peking AB, Scribona Fastighetsservice AB, Scribona Office AB and Scribona Solutions AB with the Parent Company.

Executive Management

Procedural plan of the Board of Directors

Scribona AB's board is composed of seven regular members elected by shareholders at the Annual General Meeting and two members and a deputy appointed by the employees. The President of Scribona AB serves on the board.

The procedural plan for the board complies with the Swedish Companies Act with regard to how tasks are to be divided between the board and financial reporting requirements. The procedural plan, which is formulated annually, regulates board meetings, business that is to be taken up at board meetings, the division of tasks between the board, the Chairman and the President, and certain other matters. The board also approves and issues instructions to the President. These instructions regulate the tasks of the President and his reporting obligations to the board.

The board's work is based on an annual plan for meetings and an established agenda for each board meeting. Other executives in the Company also participate in board meetings to make presentations, or to function as secretary. At least five board meetings are to be held per year in addition to a statutory meeting. The board held 12 meetings during the 2003 financial year

The board's work is focused on strategic matters, such as the orientation of operations, organization, budget, major investments, financial results and position, and information about the year-end financial statements. The Chairman leads the board's work and monitors the progress of operations. Within the framework established by the board, the President manages operations and keeps the Chairman continuously informed about significant business events. Each month the board receives a report on the company's financial results and position.

Compensation Committee

The members of the Compensation Committee include the Chairman of the board and two regular board members, with the President as the person reporting to the committee. The committee makes proposals to the board concerning the principles for establishing compensation for senior executives. The board approves these principles. The Compensation Committee approved the compensation for the President and other senior executives for the 2003 fiscal year.

Presentations by auditors to the board

To secure the board's needs for information, the company's auditors personally present their findings at several board meetings. Before starting the year's audit, the auditors report their evaluation of risks and plans for the year's audit work at a board meeting. At two meetings held later during the year, the auditors present their findings from the audit and their assessment of the company's internal control procedures following the audit they conduct during the fall, and at the meeting when the consolidated year-end financial statements and year-end report are discussed. Their presentation is made to the entire board. Against this background, no audit committee has been appointed.

Nomination of board members

Board members are nominated for election at the Annual General Meeting after consultations between the Chairman of the board and the largest shareholders. The proposed board of directors is described in the notice to the Annual General Meeting. Compensation for board members is approved by the regular Annual General Meeting based on a proposal that is developed in consultations between the Chairman and the largest shareholders.

Executive Management Group

In February 2004, Scribona's Executive Management Group consisted of six members which include – in addition to the President and the CFO, who is also Executive Vice President – the three Presidents of the divisions and the President of Group Customer Services, who also represents the IT, Logistics and Customer Service units. The Scribona Group strives to have a flat, simple and decentralized organization. In the annual budget planning process, the board and Executive Group Management establish the framework for operations. The Group's finance and reporting policy establishes the framework for financial control and follow-up.

Annual General Meeting

The Annual General Meeting decides if the presented income statements and balance sheets are to be approved, the dividend to shareholders, if the board and President are to be discharged from liability for the fiscal year, the fees paid to the board and auditors, and the election of the new board. The Annual General Meeting in 2004 will decide on the election of new auditors for a four-year period.

Dividend policy

The dividend, over time, is to correspond to approximately one-third of the Group's income after tax.

Proposed distribution of earnings

No allocation is required to the Group's restricted shareholders' equity. The Group's unrestricted shareholders' equity, including the net result for the year, amounted to SEK 333 m.

The Board of Directors proposes that the amount in the Parent Company available for distribution at the Annual General Meeting:

Unappropriated earnings carried forward	SEK 298,579,508
Net result for the year	SEK -95,171,658
	SEK 203,407,850
be carried forward	SEK 203,407,850
	SEK 203,407,850

Solna, March 1, 2004

MatsOla Palm
Chairman of the Board

Per-Henrik Berthelius — Lisbeth Gustafsson

Stig-Olof Simonsson — Lennart Svantesson — Carl Espen Wollebekk

Torbjörn Friberg — Johan Hedström

Tom Ekevall Larsen
President

Our audit report was submitted on March 1, 2004.

Ernst & Young AB
Bertel Enlund
Authorized Public Accountant

Deloitte & Touche AB
Björn Sundkvist
Authorized Public Accountant

Income Statement

SEK m.	Note	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
Net sales	2	11,818	12,773	-	-
Other operating income	3	39	35	18	18
TOTAL INCOME	2, 4	**11,857**	**12,808**	**18**	**18**
OPERATING EXPENSES					
Goods for resale		-10,493	-11,377	-	-
Other external costs	5	-495	-536	-24	-23
Personnel costs	6	-750	-801	-24	-24
Depreciation and amortization	4, 7	-74	-63	0	0
Other operating expenses	8	-25	-24	0	0
OPERATING INCOME	4	**20**	**7**	**-30**	**-29**
RESULT FROM FINANCIAL INVESTMENTS					
Result from participations in Group companies	9	-	-	107	-
Write-downs of financial assets	10	-	-	-186	-30
Interest income and similar profit/loss items	11	24	26	23	25
Interest expense and similar profit/loss items	12	-34	-53	-24	-30
RESULT AFTER FINANCIAL ITEMS		**10**	**-20**	**-110**	**-64**
Appropriations	13	-	-	9	37
RESULT BEFORE TAX		**10**	**-20**	**-101**	**-27**
Tax	14	-9	-13	6	-1
Minority interests in net result for the year	15	0	0	-	-
NET RESULT FOR THE YEAR		**1**	**-33**	**-95**	**-28**
Result per share, SEK		0.02	-0.65		
Number of shares at December 31		51,061,608	51,061,608		
Average weighted number of shares		51,061,608	51,061,608		

The stock option program has not been taken into account because it does not have any dilution effect.

Proposed, but not approved, dividend per share, SEK		0.00	0.00

For comments, see the Board of Directors' Report and Financial Review on page 22.

Balance Sheet

		GROUP		PARENT COMPANY	
ASSETS, SEK m.	**Note**	**12/31/03**	**12/31/02**	**12/31/03**	**12/31/02**
OPERATING ASSETS					
Intangible fixed assets					
Licenses	16	22	23	-	-
Goodwill	17	73	78	-	-
Total intangible fixed assets		**95**	**101**	**-**	**-**
Tangible fixed assets					
Land and buildings	18	-	13	-	-
Equipment	19	46	77	1	1
Total tangible fixed assets		**46**	**90**	**1**	**1**
Other fixed assets					
Participations in Group companies	10, 20	-	-	462	457
Deferred tax receivables	21	69	69	3	2
Other long-term receivables	22	10	12	-	-
Total other fixed assets		**79**	**81**	**465**	**459**
Current assets					
Inventories, goods for resale	23	806	923	-	-
Accounts receivable – trade	24	1,943	1,765	6	0
Receivables from Group companies		-	-	1	4
Tax receivables		9	5	1	-
Other receivables		69	110	5	2
Prepaid expenses and accrued income	25	370	389	1	6
Total current assets		**3,197**	**3,192**	**14**	**12**
TOTAL OPERATING ASSETS	4	**3,417**	**3,464**	**480**	**472**
FINANCIAL ASSETS					
Long-term receivables					
Receivables from Group companies		-	-	149	150
Other long-term receivables	26	8	3	8	-
Total long-term receivables		**8**	**3**	**157**	**150**
Current receivables					
Receivables from Group companies		-	-	543	330
Other receivables	27	52	4	18	2
Prepaid expenses and accrued income	28	2	-	2	-
Total current receivables		**54**	**4**	**563**	**332**
Cash and bank balances	29	268	452	1	8
TOTAL FINANCIAL ASSETS		**330**	**459**	**721**	**490**
TOTAL ASSETS		**3,747**	**3,923**	**1,201**	**962**
Capital employed	4	952	651	451	439
Net financial capital		-67	307	182	289
PLEDGED ASSETS	35	**630**	**837**	**32**	**32**

For comments, see the Board of Directors' Report and Financial Review on page 22.

SHAREHOLDERS' EQUITY AND LIABILITIES, SEK m.	Note	GROUP 12/31/03	GROUP 12/31/02	PARENT COMPANY 12/31/03	PARENT COMPANY 12/31/02
SHAREHOLDERS' EQUITY					
Restricted equity					
Share capital		102	102	102	102
Restricted reserves		449	443	250	250
Total restricted equity		**551**	**545**	**352**	**352**
Unrestricted equity					
Profit brought forward		332	445	299	319
Net result for the year		1	-33	-95	-28
Total unrestricted equity		**333**	**412**	**204**	**291**
TOTAL SHAREHOLDERS' EQUITY	30	**884**	**957**	**556**	**643**
MINORITY INTEREST IN SHAREHOLDERS' EQUITY	15	**1**	**1**	**-**	**-**
UNTAXED RESERVES	13	-	-	77	85
OPERATING LIABILITIES					
Provisions					
Deferred tax liabilities	21	18	0	-	-
Other provisions	31	12	2	6	-
Total provisions		**30**	**2**	**6**	**-**
Long-term liabilities					
Other liabilities	32	15	19	-	-
Total long-term liabilities		**15**	**19**	**-**	**-**
Current liabilities					
Accounts payable – trade		1,983	2,308	4	10
Liabilities to Group companies		-	-	6	0
Income tax liabilities		1	5	-	4
Other liabilities		167	216	2	1
Accrued expenses and deferred income	33	269	263	11	18
Total current liabilities		**2,420**	**2,792**	**23**	**33**
TOTAL OPERATING LIABILITIES	4	**2,465**	**2,813**	**29**	**33**
FINANCIAL LIABILITIES					
Long-term liabilities					
Liabilities to Group companies		-	-	80	50
Other liabilities		0	1	-	-
Total long-term liabilities		**0**	**1**	**80**	**50**
Current liabilities					
Short-term loans	34	396	150	3	150
Liabilities to Group companies		-	-	455	-
Accrued expenses and deferred income		1	1	1	1
Total current liabilities		**397**	**151**	**459**	**151**
TOTAL FINANCIAL LIABILITIES		**397**	**152**	**539**	**201**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,747**	**3,923**	**1,201**	**962**
CONTINGENT LIABILITIES	36	**51**	**51**	**1,001**	**1,513**

Cash Flow Analysis

SEK m.	Note	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
FUNDS FROM OPERATIONS					
Income after financial items	37	10	-20	-110	-64
Adjustments for items not included in cash flow, etc.					
Depreciation and write-downs	7	74	63	0	0
Other	38	-18	8	101	30
Paid tax		-9	-10	-5	-2
Cash flow from operations before changes in working capital		**57**	**41**	**-14**	**-36**
Cash flow from changes in working capital					
Change in inventories		83	104	-	-
Change in operating receivables		-210	514	-1	2
Change in operating liabilities		-247	-235	-6	-7
Cash flow from operations		**-317**	**424**	**-21**	**-41**
INVESTING ACTIVITIES					
Acquisitions of operations/subsidiaries	39	-10	-9	-6	-1
Acquisitions of fixed assets	19	-13	-33	0	0
Sales of fixed assets		15	0	0	0
Cash flow from investing activities		**-8**	**-42**	**-6**	**-1**
FINANCING ACTIVITIES					
Change in loans		187	-676	20	44
Cash flow from financing activities		**187**	**-676**	**20**	**44**
Net cash flow for the year		**-138**	**-294**	**-7**	**2**
Liquid funds at January 1		**452**	**738**	**8**	**6**
Net cash flow for the year		-138	-294	-7	2
Exchange difference in liquid funds		-46	8	-	-
Liquid funds at December 31	29	**268**	**452**	**1**	**8**

The cash flow analysis has been prepared in accordance with the indirect method.
The reported cash flow comprises transactions resulting in cash receipts and payments.

For comments, see the Board of Directors' Report and Financial Review on page 23.

Statement of Changes in Shareholders' Equity

SEK m.	Note	Share capital	Restricted reserves	Unrestricted reserves	Net result for the year	Total shareholders' equity
		RESTRICTED EQUITY		UNRESTRICTED EQUITY		
GROUP						
Shareholders' equity at December 31, 2001		**102**	**448**	**531**	**-120**	**961**
Distribution of income				-120	120	0
Change between unrestricted and restricted equity			-6	6		0
Exchange rate differences			1	28		29
Net result for the year					-33	-33
Shareholders' equity at December 31, 2002		**102**	**443**	**445**	**-33**	**957**
Distribution of income				-33	33	0
Change between unrestricted and restricted equity			6	-6		0
Exchange rate differences			-	-74		-74
Net result for the year			-	-	1	1
Shareholders' equity at December 31, 2003	30	**102**	**449**	**332**	**1**	**884**
PARENT COMPANY						
Shareholders' equity at December 31, 2001		**102**	**250**	**378**	**-21**	**709**
Distribution of income				-21	21	0
Merger result				-14		-14
Group contributions/shareholders' contributions, net deferred tax				-24		-24
Net result for the year					-28	-28
Shareholders' equity at December 31, 2002		**102**	**250**	**319**	**-28**	**643**
Distribution of income				-28	28	0
Group contributions/shareholders' contributions, net deferred tax				8		8
Net result for the year					-95	-95
Shareholders' equity at December 31, 2003	30	**102**	**250**	**299**	**-95**	**556**

Note 1 General accounting principles

All amounts in millions of SEK (SEK m.) unless specified otherwise. Items related to income statements refer to the period January 1-December 31. Items related to balance sheets refer to December 31. Figures in parentheses refer to the preceding year.

The Annual Report is prepared in accordance with the Swedish Annual Accounts Act and financial reports in accordance with the recommendations of the Swedish Financial Accounting Standards Council.

Recommendations RR 2:02 Inventories, RR 22 Presentation of the Financial Statements, RR 26 Events after the Balance Sheet Date, RR 27 Financial Instruments, Disclosure and Presentation and RR 28 Accounting for Government Grants were adopted on January 1, 2003. Their application has not resulted in any changes to the accounting principles that would require recalculation of figures for comparative years. Recommendation RR 24 of the Swedish Financial Accounting Standards Council concerning Buildings held for investment purposes was also adopted on January 1, 2003. Scribona does not own assets of the type referred to in RR 24.

Costs in the income statement have been divided up by type of expense in accordance with the Swedish Annual Accounts Act.

Applied principles are described in further detail in each of the following notes.

Balance sheet classifications

Assets and liabilities have been divided into operating assets/operating liabilities and financial assets/financial liabilities. Interest-bearing assets/liabilities have been classified as financial.

Assets/liabilities with an economic life longer than one year are classified as long-term.

Use of estimated figures

In order to prepare the financial statements in accordance with generally accepted accounting principles, Executive Management and the board make estimates and assumptions that impact reported items for assets and liabilities and for revenues and costs, and other information that is provided. The actual results may differ from these assumptions. The effect of changes in estimates and assumptions are reported in the income statement for the period during which the changes were carried out and with unchanged classification of these items.

Consolidated financial statements

The consolidated financial statements comprise the accounts of the Parent Company Scribona AB and all subsidiaries. Subsidiaries are companies in which the Parent Company has the right to exercise, or actually exercises, direct control on its own. The consolidated year-end financial statements are based on accounts prepared for all Group companies at December 31.

The consolidated financial statements are prepared in accordance with the purchase method, whereby the Parent Company's acquisition costs for shares in subsidiaries are eliminated against adjusted shareholders' equity in the subsidiaries at the acquisition date. Adjusted shareholders' equity is shareholders' equity and the equity portion of untaxed reserves. Consolidated shareholders' equity therefore consists only of the financial results of subsidiaries earned after the acquisition date.

In associated companies, the outstanding shareholders' share of equity and untaxed reserves is reported as minority interest in the balance sheet. Minority share of income after tax is reported in the income statement.

Companies acquired or divested during the year are included in the consolidated income statement with income and expenses for the period up to the date of acquisition or divestment. In the consolidated financial statements, assets and liabilities in acquired companies are reported at market value and at the exchange rate on the transaction date. If there is a difference between the acquisition cost and net market value of the acquired assets and liabilities, including deferred tax, this difference is reported as goodwill.
Revenues and costs, receivables and liabilities, and intra-Group profits, are eliminated in the consolidated financial statements.

Translation of financial statements of foreign subsidiaries

All of Scribona's foreign subsidiaries have been classified as independent foreign companies. These companies all have their own local management. All sales are basically made to the companies' own customers in local markets, and basically all purchases are made locally, mainly from the local subsidiaries of global suppliers. The income statements and balance sheets of foreign subsidiaries are translated to SEK using the current method, whereby balance sheets are translated at balance-sheet date exchange rates, and income statements are translated at the average exchange rate for the year. Any translation differences are reported directly in consolidated shareholders' equity. Net investments in foreign countries are not hedged. Parent Company loans to foreign subsidiaries are hedged.

Receivables

Receivables are stated in the amount that is expected to be paid after individual valuation.

Transactions in foreign currency in Group companies in Sweden

Transactions in foreign currency have been translated into Swedish kronor at the exchange rate at the date of the transaction, with the exception of Parent Company loans to foreign subsidiaries which are translated at the forward rate. Receivables and liabilities in foreign currency are translated into SEK at year-end exchange rates, or at forward rates if forward contracts have been obtained. Operating receivables and operating liabilities in foreign currency are usually not covered by forward contracts. Realized and unrealized exchange rate differences are thus reported in the income statement. Exchange rate differences related to operating receivables and operating liabilities are reported in operating income, while exchange rate differences attributable to financial assets and liabilities are reported as results from financial investments.

The Parent Company's financial receivables and liabilities with foreign subsidiaries are covered by forward contracts.

New recommendations from the Swedish Financial Accounting Standards Council in 2004

As of January 1, 2004, Scribona is applying the new recommendation RR 29 Employee Benefits, issued by the Swedish Financial Accounting Standards Council. The recommendation does not involve any changes to the accounting principles for calculating defined benefit pension plans. The recommendation does require the reporting of additional information in Scribona's financial reports.

IAS/IFRS

In accordance with the European Union's regulations regarding International Accounting Standards (IAS), all companies in the EU will be required to prepare their consolidated financial statements in accordance with IAS, which are now designated IFRS (International Financial Reporting Standards). The EU has still not decided on the standards for reporting financial instruments (IAS 32 and IAS 39). The International Accounting Standards Board (IASB) is currently making an extensive review of a large number of existing IFRS. It is therefore not entirely clear what the implications will be of applying IFRS in 2005. The IASB has stated that IFRS published not later than the first quarter of 2004 will apply in 2005.

The recommendations of the Swedish Financial Accounting Standards Council agree to a large extent with present IFRS standards. Since Scribona's financial reports are in agreement with the recommendations of the council, the consequences of reporting according to full IFRS are not expected to be significant, with the exception of the reporting of financial instruments. In accordance with IAS 39 Financial Instruments, these are to be reported at fair value in the balance sheet. Derivative financial instruments have not been previously reported in Scribona's balance sheet. However, the scope of these instruments in Scribona is limited to the hedging of internal financial dealings within the Group and the effects on shareholders' equity and the result when adopting IFRS is limited, see Note 42 Fair values.

IFRS 1 regulates how companies prepare complete consolidated financial statements in accordance with IFRS for the first time. According to the main rule, IFRS valid as of 2005 are to be applied retroactively to the comparative year, which will be 2004. The opening balance for IFRS is thus January 1, 2004. IFRS 1 contains a number of exceptions to the main rule regarding retroactive application of IFRS adopted in 2005. One of these exceptions refers to RR 29 Employee Benefits and the treatment of accumulated actuarial profits and losses on defined benefit pension plans in the balance sheet. The allocation of pension commitments and assets under management to different companies in the Swedish ITP plan for supplementary pensions for salaried employees has not been possible, according to Alecta, which is why ITP plans are to be considered as defined contribution plans in 2004. However, according to Alecta, these calculations will most likely be made at December 31, 2004, whereby ITP plans will be treated as defined contribution plans as of this date.

Accumulated actuarial losses on defined benefit pension plans in Scribona Norway, which have not been taken into account in the consolidated financial statements, amounted to SEK 5 m. at December 31, 2003. In connection with the transition to IFRS in 2005, according to the regulations for adopting IFRS1, the increased liability is to be immediately booked against shareholders' equity in the opening balance on January 1, 2004 (the main rule), or alternatively, to be distributed in accordance with the straight-line method over a maximum period of five years as of 2004 (exception to the rule).

After Alecta has made the above-mentioned calculations, it will be possible to compare the effects on shareholders' equity and earnings according to the main rule and the exception to the rule. Scribona will then decide if the Group will apply the main rule or the exception to the rule. Thus, the effects on shareholders' equity and earnings, when IFRS is applied in full, cannot be quantified until these calculations have been made.
Except for the regulations in IAS 39 Financial Instruments, and RR 29 Employee Benefits, Scribona has not identified any other areas of significance in the financial statements that are affected by the adoption of IFRS. Any further significant differences in accounting principles that Scribona identifies after the publication of this annual report, will be described in the company's interim reports during 2004.

In accordance with IFRS 1, shareholders' equity at January 1, 2004 and earnings for 2004 are to be reconciled by comparing previous accounting principles with IFRS. Scribona intends to present such a reconciliation in connection with the year-end report for 2004.

Deviations between accounting principles of the Group and Parent Company

Tax legislation in Sweden gives companies the possibility to defer tax payments by making appropriations to untaxed reserves in the balance sheet through the income statement item "Appropriations". The Parent Company therefore reports untaxed reserves in the balance sheet and appropriations in the income statement. In the consolidated balance sheet, these reserves are treated as temporary differences, meaning that they are divided into deferred tax liabilities and shareholders' equity. In the consolidated income statement, appropriations to, or transfers of, untaxed reserves are divided into deferred tax and net result for the year.

Changed classification

Up to 2002, accrued compensation from suppliers has been offset against accounts payable – trade. Since this is strictly prohibited in the Swedish Financial Accounting Standards Council's recommendation RR 22, Presentation of Financial Statements, Scribona has changed the classification of accrued compensation from suppliers in the 2003 statements. Such compensation is no longer offset – instead, accrued compensation from suppliers is reported gross as a receivable in "Prepaid expenses and accrued income". Comparative figures for 2002 have therefore been recalculated and adjusted for offsets that amounted to SEK 300 m. at December 31, 2002.

Note 2 Revenue recognition

Net sales are reported at the sales value plus invoiced freight and after deduction for rebates, bonuses, value added tax and the effects of foreign currency translation. Net sales consist mainly of product sales but also include sales of services, such as equipment service and maintenance, consulting services and training.

Revenues from product sales are reported at the date when basically all risks and benefits are transferred to the buyer, and when the Group no longer possesses, or has control over the products, and when revenues can be measured in a reliable manner. Revenues from the provision of services are reported when the service has been completed. Revenues from service and maintenance contracts, when service is provided to customers at a fixed price, are reported in accordance with the straight-line method over the term of the contract.

Product sales account for approximately 99 percent of the Group's sales. Services account for about 1 percent of the Group's sales.

The change in Group sales between 2002 and 2003 has been calculated and distributed by volume, price, structure and currency effects as follows:

SEK m.		Change %
Revenues 2002	12,808	
change in volume	1,329	10%
price changes	-1,940	-15%
structural changes	-75	-1%
currency effects	-265	-2%
Revenues 2003	**11,857**	

Price changes refer mainly to PC products and largely to PCs (portable, desktop and PC servers). Structural changes refer mainly to the net of added and discontinued product areas/suppliers during the fiscal year.

Note 3 Other operating income

Income from secondary activities conducted within regular operations, and exchange gains on operating receivables and operating liabilities, are reported as "Other operating income". Other operating income in the Group includes mainly realized and unrealized exchange gains on operating liabilities. Exchange rate differences, net, affected consolidated operating income by SEK 6 m. (10). Exchange rate differences were reduced by SEK 0 m. (0) by hedging measures.

Other operating income in the Parent Company includes mainly invoicing to Group companies regarding leasing of premises.

Note 4 Segment reporting

The business areas are the primary format for managing and reporting the Group's operations and geographic markets are the secondary format. Segments are consolidated in accordance with the same principles for the Group as a whole.

Business areas
The Group's business areas are managed and organized separately, based on the nature of the products and services they offer. The Group is organized into three business areas – Scribona Solutions, Scribona Distribution and Scribona Brand Alliance – which cover the Nordic market in Sweden, Denmark, Finland and Norway. Scribona Solutions' operations consist of valued-added distribution of products and solutions for IT infrastructure. Scribona Distribution focuses on volume distribution of PC-related IT products. Scribona Brand Alliance conducts agency business for manufacturers of leading brands, which it also develops and markets, but also conducts distribution and resale activities. The agency business conducted within Scribona Brand Alliance does not involve transactions requiring deviations to the principles used for the accounting of sales of goods and services described in Note 2.

Countries
The Group conducts operations in Sweden, Denmark, Finland and Norway. Revenues are classified by country according to the location of the assets that generate the revenues. External sales are in local currency.

Groupwide functions
Costs for Groupwide support functions, such as IT, Logistics, Customer Services, Accounting, etc., are distributed over the business areas and countries in accordance with their degree of utilization.

Business areas	Solutions		Distribution		Brand Alliance		Groupwide		Eliminations		Group	
SEK m.	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Revenues												
External sales	2,025	2,182	8,413	9,096	1,438	1,540	-19	-10	-	-	11,857	12,808
Internal sales	56	160	35	49	250	565	18	11	-359	-785	-	-
Total revenues	**2,080**	**2,342**	**8,448**	**9,145**	**1,688**	**2,106**	**-**	**-**	**-359**	**-785**	**11,857**	**12,808**
Income												
Operating income	23	17	15	-3	10	26	-28	-33	-	-	20	7
Other information												
Assets at December 31	871	815	2,093	1,974	406	680	83	75	-36	-80	3,417	3,464
Liabilities at December 31	-618	-650	-1,447	-1,632	-414	-564	-22	-47	36	80	-2,465	-2,813
Capital employed at December 31	**253**	**165**	**646**	**342**	**-8**	**116**	**61**	**28**	**-**	**-**	**952**	**651**
Investments	13	7	0	6	2	9	14	20	-	-	29	42
Depreciation	-24	-25	-5	-8	-16	-12	-29	-18	-	-	-74	-63
Revenues not matched by cash receipts	6	-	8	-	9	-	4	0	-	-	27	0
Costs in addition to depreciation not matched by payments	0	-	0	-	-5	-	-4	-8	-	-	-9	-8
Number of employees at December 31	247	276	420	471	630	706	13	16	-	-	1.310	1.469

Countries	Sweden		Denmark		Finland		Norway		Groupwide/elimin.		Group	
SEK m.	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
External sales	4,505	5,120	1,991	2,453	2,078	1,787	3,283	3.448	-	-	11,857	12,808
Operating income	21	50	-59	-68	23	7	42	27	-7	-9	20	7
Assets at December 31	1,324	1,326	591	579	616	469	925	813	-39	-23	3,417	3,164
Investments	26	20	1	11	1	4	1	7	-	-	29	42
Number of employees at December 31	738	792	167	212	201	215	204	250	-	-	1,310	1,469

Capital employed: Operating assets in each business area include all operating assets that are used within the business area, mainly intangible fixed assets, tangible fixed assets, inventories and trade accounts receivable. The greater part of the assets is directly attributable to each business area. In addition, some assets common to two or more business areas are distributed over the business areas. Operating liabilities in each business area include all operating liabilities used within the business area, mainly trade accounts payable, other liabilities and accrued expenses and deferred income. The greater part of the liabilities is directly attributable to each business area. In addition, some liabilities common to two or more business areas are distributed over the business areas. Deferred tax is not included in capital employed of the business areas.

For 2002, it has not been possible to make post-calculations of revenues and costs not matched by cash receipts and payments for each business area.

Intra-Group deliveries: Revenues, costs and income for the business areas have been affected by intra-Group deliveries. Intra-Group transfer prices are market-based. Intra-Group deliveries are eliminated in the preparation of the consolidated financial statements.

Discontinuation of the Toshiba Digital Media division: Toshiba Digital Media was one of three divisions in the Scribona Brand Alliance business area. The discontinuation of the division has not been reported in accordance with recommendation RR 19 Operations under Liquidation, since the business as a whole has not comprised a significant organizational unit of the Group. The decision to close down the division was made in August 2003 and the termination of the division's activities was completed in December 2003. Sales of the division amounted to SEK 434 m. in 2003 (850). In the fourth quarter of 2003, during which the division's activities were terminated, sales totaled SEK 9 m. (221). Operating income, including costs for terminating operations, amounted to SEK -20 m. (-8) for the full year. At December 31, 2002, capital employed totaled SEK 35 m. and the division had 64 employees.

An agreement to sell the Toshiba Document Solutions division was reached in February 2004. The planned transfer date is April 1, 2004.

Note 5 Other external costs

SEK m.	Group 2003	Group 2002
Costs for premises	-103	-99
Freight costs	-92	-95
IT costs	-73	-74
Travel expenses	-72	-80
Consulting services	-51	-68
Marketing costs	-32	-32
Bad debt losses	-21	-13
Telecom/postage	-20	-26
Other costs	-31	-49
Total	-495	-536

Compensation paid to auditors SEK m.		Group 2003	Group 2002	Parent Company 2003	Parent Company 2002
Ernst & Young	Auditing	3,1	2,6	0,6	0,3
	Other assignments	3,1	0,8	2,0	0,2
Deloitte & Touche	Auditing	0,2	0,2	0,2	0,2
	Other assignments	-	0,5	-	0,1
Arthur Andersen	Auditing	-	0,1	-	-
	Other assignments	-	0,3	-	0,2
Total		**6,4**	**4,5**	**2,8**	**1,0**

Auditing assignments include the auditing of the annual report, bookkeeping and the administration of the Board of Directors and the President, other assignments that the company's auditors are requested to perform, as well as advising or other forms of assistance related to findings made in such audits or the execution of other tasks. All other work is classified as "other assignments". "Other assignments" includes SEK 1.3 m. for auditing in connection with the securitization program.

Note 6 Personnel costs

Wages, salaries, other compensation and social security costs, SEK m.
This section has been prepared in accordance with recommendation R4 of the Swedish Accounting Standards Board.

Boards of Directors and Presidents/ Executive Vice Presidents		2003 Wages, salaries and other compensation (of which, bonus, etc.)	2003 Social security costs (of which pension costs)	2002 Wages, salaries and other compensation (of which, bonus, etc.)	2002 Social security costs (of which, pension costs)
Sweden	Parent Company	12 (2)	6 (3)	5 (1)	4 (2)
	Subsidiaries	3(0)	1(0)	6 (1)	3 (1)
Denmark		2(0)	0(0)	3(0)	0(0)
Finland		3 (-)	1(0)	4 (-)	0(0)
Norway		- (-)	- (-)	1(0)	0 (-)
Total		**20 (2)**	**8 (3)**	**19 (2)**	**7 (3)**

Compensation in the Parent Company includes severance pay for two Executive Vice Presidents who left the company during 2003.

Other employees		2003 Wages, salaries and other compensation	2003 Social security costs (of which pension costs)	2002 Wages, salaries and other compensation	2002 Social security costs (of which, pension costs)
Sweden	Parent Company	4	2 (0)	6	4 (1)
	Subsidiaries	251	127(28)	261	117(20)
Denmark		91	5 (4)	108	6 (4)
Finland		70	17 (13)	76	17 (14)
Norway		116	26 (9)	123	24 (5)
Total		**532**	**177 (54)**	**574**	**168(44)**

Wages, salaries and other compensation, and social security costs, are the amounts expensed during the year, including accrued expenses at December 31.

Average number of employees (recalculated as full-time employment).
This section has been prepared in accordance with recommendation R4 of the Swedish Accounting Standards Board.

		2003 Total	2003 Of whom, women	2002 Total	2002 Of whom, women
Sweden	Parent Company	15	7	17	7
	Subsidiaries	752	197	782	220
Denmark		181	60	217	77
Finland		210	66	222	69
Norway		218	57	267	72
Total		**1,376**	**387**	**1,505**	**445**

The average number of employees is calculated as the average number at the close of the four quarters during the year.

Full-time employment in the Group
At year-end 2003, Scribona had 1,310 employees (1, 469), calculated in terms of full-time employment. Of this number, 738 (792), corresponding to 56 percent (54) of the total workforce, were employed in Sweden. The number of workplaces in 2003 was 1 (1) in the Parent Company and 25 (25) in subsidiaries in Sweden.

Gender distribution in all managements of Group companies at December 31	2003 Total	2003 Of whom, women
Board (excl. Presidents)	67	2
Presidents	13	-
Other (excl. Presidents)	65	12
Total	**145**	**14**

Gender distribution in management of Parent Company at December 31	2003 Total	2003 Of whom, women
Board (excl. Presidents)	6	1
Presidents	1	-
Other (excl. Presidents)	1	-
Total	**8**	**1**

Absenteeism due to illness in the Parent Company
Total absenteeism due to illness in the Parent Company during the second half of 2003, as a percentage of the combined regular working hours of employees, was 0.0 percent. There was no absenteeism due to illness over a continuous period of 60 days or more.

Pensions
All of the Scribona Group's pension commitments are fulfilled through continuous payments to authorities or organizations that administer the plans. A pension expense is reported on an ongoing basis for defined contribution pension plans and is matched by paid fees. Pension expenses and pension commitments for defined benefit pension plans are reported in accordance with local rules and regulations in each country. In the consolidated financial statements, pension expenses reported by subsidiaries have been included without any adjustments.

In Sweden, senior executives and union employees have defined contribution pension plans. ITP pensions for salaried employees in Sweden, which have been insured with Alecta, are defined benefit plans but are reported as defined contribution plans (see comment to Note 1 under "IAS/IFRS"). In Denmark and Finland, all pension plans are defined contribution plans. In accordance with local regulations, the reporting of defined benefit plans in Norway is based on actuarial calculations of pension commitments.
It is Scribona's assessment that present premiums being paid to the Swedish ITP plan for supplementary pensions for salaried employees should cover current commitments, although there is a certain premium liability for premiums for past periods attributable to salary changes. Surpluses arising in the ITP plan are established by Alecta's board. The surplus that arises is used primarily for guaranteeing the value of pensions and paid-up policies. The Group's future premium payments can be affected by future premium reductions determined by Alecta.

As of January 1, 2004, Scribona will apply the new recommendation RR 29 Employee Benefits, issued by the Swedish Financial Accounting Standards Board. The recommendation will result in changes to the accounting principles for defined benefit pension plans and will also require the reporting of additional information in Scribona's financial reports.

Accumulated actuarial losses on defined benefit pension plans in Scribona in Norway, which have not been taken into account in the consolidated financial statements, amounted to SEK 5 m. at December 31, 2003. In connection with the transition to IFRS in 2005, the increased liability is to be immediately booked against shareholders' equity in the opening balance on January 1, 2004, or alternatively, to be distributed in accordance with the straight-line method over a maximum period of five years as of 2004.

Compensation paid to senior executives
This section has been prepared in accordance with the regulations of the Swedish Industry and Stock Exchange Committee (NBK).

Principles
The Chairman of the board and board members receive compensation that is decided by the Annual General Meeting. No special compensation is paid for committee work. The President and employee representatives are not paid a board fee.

Compensation for the President and other senior executives consists of basic salary, variable salary, other taxable benefits, pension and financial instruments. "Other senior executives" refers to the eight people who were members of Executive Management, along with the President, for a period of time in 2003. See page 19 for the composition of Executive Management as of February 2004.

The distribution between basic salary and variable salary is to be in proportion to the executive's responsibilities and authorities. For the President, variable salary amounts to a maximum of 65 percent of basic salary. For other senior executives, variable salary amounts to a maximum of 50 percent of basic salary. Variable salary is based on the fulfillment of goals that have been individually set for each executive.

Pension benefits and compensation in the form of financial instruments, etc., as well as other benefits for the President and other senior executives, are paid as part of the total compensation package.

Compensation and other benefits during the year

SEK 000s	Basic salary/ board fees	Vari- able salary	Other benefits	Pension costs	Finan- cial instru- ments, etc.	Other compen- sation	Total
Chairman of the board	225	-	-	-	-	-	225
Other board members (five persons)	575	-	-	-	-	-	575
President	1,624	416	93	515	-	-	2,648
Other senior executives (eight persons)	6,857	726	500	1 857	-	-	9,940
Total	**9,281**	**1,142**	**592**	**2 372**	**-**	**-**	**13,388**

Comments to the table

- Compensation to board members who are elected as representatives for their employer is paid in accordance with instructions from the employer.
- Compensation for the President refers to Tom Ekevall Larsen for the period March 12-December 31, 2003. Compensation for the former President is not included in the table. It is described below.
- Compensation for other senior executives refers to the people who have been members of Executive Management during the entire year, or part of the year. Compensation is only included for the time they were members of Executive Management. Tom Ekevall Larsen was a member of this group from January 1- March 11, 2003. The number of per sons is the actual number in Executive Management, independent of the time period.
- Basic salary refers to basic monthly salary less any deductions for sick leave plus vacation pay.
- Variable salary refers to bonuses expensed for fiscal 2003, which are paid in 2004. See information below about the method used to calculate variable salary.
- Other benefits refer to company cars, including fuel, food benefits, and for one senior executive, a benefit covering air travel.
- Pension plans are defined contribution plans, with the exception of some senior executives, who follow the ITP plan for parts of salary up to 30 basic income amounts, and a senior executive who has a defined benefit pension between the age of 62 and 65. Pension costs refer to the cost that affects the net result for the year. See below for further information about pensions.
- No benefits in the form of financial instruments or other compensation were paid during 2003.

The former President and CEO, Lennart Svantesson, has received SEK 791,000 in salary and other benefits for the period January 1- March 31, 2003. Paid pension premiums for the same period amounted to SEK 226,000. Board fees, for the period starting from the Annual General Meeting on May 7, 2003 and ending December 31, 2003, amounted to SEK 77,000 and are included in the figure for board fees above.

Variable salary

For the President, the bonus for 2003 was based on 62 percent of the Group's operating income and 38 percent on the fulfillment of personal goals established by the board. The bonus amount for 2003 corresponded to 26 percent of basic salary.

For other senior executives, the bonus for 2003 was based on 35 percent of the Group's operating income, 35 percent on the performance of the executive's own area of responsibility, and 30 percent on personal goals. The bonus amount for other senior executives for 2003 corresponded to 11-19 percent of basic salary. The two senior executives who left Executive Management during the year did not receive a bonus.

Financial instruments, etc.

	Programs from previous years Subscription options 1999/2004 Number
President	10,000
Other senior executives (five persons, of whom three are covered by the program)	50,000
Total	**60,000**

Fifty-two executives were offered the opportunity to subscribe for stock options in 1999 and 2000. The senior executives above, who were employed during these years, were offered to participate and all of them subscribed for the allotted number of options. One option gives the holder the right to subscribe for one Class B share during the period July 1, 2000-June 30, 2004 at a price of SEK 41 per share. A total of 550,000 options were issued in 1999, which were priced on market terms that were not renegotiable. The original number of options remained at December 31, 2003. The objective of the subscription options was to get key persons with valuable competence committed to the company, to stimulate greater interest in the company's operations and profit development through a personal and long-term ownership commitment, to increase motivation and create a stronger identity and feeling for the company.

If all options would be exercised, the dilution effect would correspond to about 1.1 percent of the total number of outstanding shares at December 31, 2003. If fully exercised, share capital would increase by SEK 1,100,000 and SEK 21,450,000 would be transferred to the share premium reserve. However, the price per option, SEK 41, is considerably higher than the actual share price at December 31, 2003, SEK 14.30, which means that it is not very likely that the options will be exercised. Scribona has therefore not made any provision to cover the costs of outstanding options. The paid premium, SEK 669,000, was reported as an increase in restricted reserves.

Pensions

The retirement age for the President is 60. The pension premium amounts to 28 percent of his pension-based salary. Pension-based salary refers to basic salary. Severance pay is entitled to pension benefits. The pension premium for the President who left the company amounted to 35 percent of his pension-based salary for the period January 1-March 31, 2003.

The retirement age for other senior executives varies between 60 and 65. For some of these executives, the pension premium is fixed at 22-25 percent of their pension-based salary. The pension premium for one senior executive pension amounts to 18 percent for his defined contribution pension and 22 percent for his defined benefit pension in 2003. The defined benefit pension is vested and amounts to 70 percent of the pension-based salary between the age of 62 and 65. For others, the pension terms follow the ITP plan, with the exception of parts of salary higher than 30 basic income amounts, for which the pension premium is 15 percent. Pension-based salary refers to basic salary. Severance pay is entitled to pension benefits.

Termination of employment and severance pay

When dismissed by the company, the President is given 12 months notice, and if the President resigns, he must give six months notice. If the company dismisses the President, he will receive severance pay corresponding to 12 months of salary. Severance pay is not deducted from other income. If the President resigns, no severance pay is paid.

A mutual three-to-six-month term of notice applies between the company and other senior executives. Some senior executives in the company have contracts entitling them to severance pay should their employment be terminated at the Company's request. In no case does the severance pay, including termination pay, exceed 18 months of salary.

Severance pay is not deducted from other income. No severance pay is paid if a senior executive resigns.

Preparation and decision-making process

The Compensation Committee consists of the Chairman of the board and two board members, with the President reporting to the committee. The committee met twice during 2003 and made recommendations to the board about the principles for paying compensation for senior executives. The recommendations covered the proportions between basic and variable salary, and the size of possible salary raises. The Compensation Committee also proposed criteria for evaluating performance for awarding bonuses, pension terms and severance pay. The board discussed the Compensation Committee's proposal and made decisions based on the committee's recommendations. The Compensation Committee approved the compensation for the President and other senior executives for fiscal 2003.

Note 7 Depreciation and amortization

For intangible and tangible fixed assets, depreciation is based on historical acquisition values and the estimated useful life of different categories of facilities. Estimated useful lives were not changed during 2003 or 2002. For assets acquired during the year, depreciation is calculated from the date of acquisition. Depreciation is calculated with the straight-line method with the following estimated useful lives:

Licenses	3 years
Goodwill	3-10 years, depending on the estimated useful life. Goodwill arising in connection with strategic acquisitions, which have broadened Scribona's operations to encompass new product areas, customers and geographic markets, or combinations of these, has an estimated useful life longer than five years. The weighted average amortization period for goodwill amounts to 6.3 years.
Equipment	
Computers	3 years which is estimated to be the average useful life.
Office machines and furniture	5 years which is estimated to be the average useful life.
Vehicles	5 years which is estimated to be the average useful life.
Rebuilding of rented premises	5 years, but not longer than the contract period.

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Licenses	-8	-	-	-
Goodwill	-26	-21	-	-
Equipment	-40	-42	0	0
Total	**-74**	**-63**	**0**	**0**

The carrying values of fixed assets are reviewed on a continuous basis to determine if there is any indication that the assets might be impaired. If there is an indication that the fixed asset may be impaired, the recoverable amount of the asset is estimated at the higher of its net selling price and value in use. The net selling price consists of the estimated price of the asset when it is sold, less selling costs. Value in use is calculated by estimating future inflows and outflows of cash for the asset during day-to-day operations and when the asset is sold, and a discount of future payments with a suitable discount factor. If the estimated recoverable value is less than the reported value, the recoverable value is impaired.

Impairment of assets in 2003, after calculating the value in use, consisted of goodwill totaling SEK 4 m. and is included in the depreciation figure reported above.

To the extent that tax legislation permits higher depreciation, this is reported in individual Group companies as appropriations and untaxed reserves.

The Group has owned real estate property in Denmark that was not utilized during most of 2002. The building was not depreciated in 2002 and 2003, and was sold in the beginning of 2003.

Depreciation per business area is reported in Note 4, Segment Reporting.

Note 8 Other operating expenses

Costs for secondary activities conducted within ordinary operations, and exchange losses on operating receivables and operating liabilities, are reported as "Other operating expenses". Other operating expenses in the Group include mainly realized and unrealized exchange losses on operating liabilities.

Note 9 Result from participations in Group companies

During the year, the Parent Company received a dividend from a subsidiary totaling SEK 107 m. (0). The dividend was from Scribona AS (Norway).

Note 10 Write-downs of financial assets

Book values of shares in subsidiaries are evaluated continuously to determine if there is a need for a write-down. A financial asset is written down in cases when it is considered to have declined in value, taking into account the discounted future cash flows that the asset is expected to generate. If the book value is higher than these estimated cash flows, the asset is written down to the level of the cash flow estimates.

During the year the Parent Company wrote down the value of shares and receivables in subsidiaries by SEK 186 m. (30). The write-down for the year is for the subsidiary Scribona Danmark Holding A/S (Denmark). The Danish company has been unprofitable for a number of years, whereby shareholders' equity has been consumed. A capital contribution was made during 2003, after which shares in the company were written down to zero value and receivables were written down to a value that is estimated to correspond to needs for additional capital contributions to Scribona Danmark Holding A/S.

Note 11 Interest income and similar profit/loss items

Interest income is reported as it earned.

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Penalty interest received	8	10	0	0
External financial interest income	6	9	4	6
Internal interest income	-	-	12	19
Exchange gains	10	7	7	0
Total	**24**	**26**	**23**	**25**

The Group receives interest on bank deposits in accordance with a floating interest rate based on the banks' daily investment rate.

Exchange rate differences, net, affected the Group's net financial items by SEK 7 m. (-2). Hedging measures reduced exchange rate differences in the Group and Parent Company by SEK 19 m. (5).

Note 12 Interest expense and similar profit/loss items

Interest expense is reported as it arises.

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Paid penalty interest	-2	-6	0	0
External financial interest expense	-27	-37	-17	-29
Internal financial interest expense	-	-	-3	0
Other financial income/expense	-2	-1	0	-1
Exchange losses	-3	-9	-4	-
Total	**-34**	**-53**	**-24**	**-30**

External financial interest expense includes charges related to loans. Costs for setting up the securitization program, a total of SEK 13 m., have been capitalized and distributed, using the straight-line method, as external financial interest expense over the program's five-year term.

The weighted interest rate on the Group's loans, including the above-mentioned distributed costs for setting up the securitization program, was at year end 3.6 percent (4.8).

Note 13 Appropriations and untaxed reserves

Tax legislation in Sweden allows companies to defer tax payments by making appropriations to untaxed reserves in the balance sheet through the income statement item "Appropriations".

In the consolidated balance sheet, these appropriations are treated as temporary differences and are divided into deferred tax liabilities and shareholders' equity (restricted reserves). In the consolidated income statement, appropriations or the utilization of untaxed reserves are divided into deferred tax and net income for the year.

	Parent Company	
Appropriations, SEK m.	**2003**	**2002**
Utilization of foreign exchange reserve	0	0
Utilization of tax allocation reserve	9	37
Total	**9**	**37**
Untaxed reserves, SEK m.		
Foreign exchange reserve	-	0
Tax allocation reserves	77	85
Total	**77**	**85**
The following has been appropriated to the tax allocation reserve, SEK m.		
Tax 1998	-	8
Tax 1999	26	26
Tax 2000	20	20
Tax 2001	31	31
Total	**77**	**85**

Note 14 Tax

Current tax and deferred income tax are reported in the income statement item "Tax".

Companies in the Group are required to pay tax in accordance with current tax regulations in each country. Income tax is calculated on booked income plus non-deductible items, and with deduction for nontaxable income – the income for the year that is taxable. Current tax is tax calculated on income for the year that is taxable. This also includes adjustments of current tax from earlier periods.

Tax legislation in the countries where Scribona conducts operations have other regulations than those in accordance with generally accepted accounting principles with regard to the time that certain business events are to be taxed. Deferred tax is reported for differences arising between the tax values and the reported values of assets and liabilities – so-called temporary differences – and also for deductions for losses for tax purposes. The calculated amounts are based on the way the temporary differences are expected to be utilized and with application of the tax rates and tax regulations that are approved and reported at year-end. Deferred tax receivables in deductible temporary differences and deductions for losses are reported only to the extent that they will most probably result in lower tax payments in the future.

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Current tax	0	-3	5	3
Deferred tax	-9	-10	1	-4
Total	**-9**	**-13**	**6**	**-1**

Summary of the Group's combined weighted average tax, based on national tax rates compared with the average effective tax rate:

	Group	
SEK m.	**2003**	**2002**
Result before tax	10	-20
Weighted average tax based on national tax rates	-1	6
Tax effect of:		
Nondeductible goodwill amortization	-2	-2
Other nondeductible expenses	-1	-1
Tax deficit for which deferred tax receivables have not been reported	-23	-6
Revaluations of previous deficits for tax purposes	18	-4
Adjustments from previous year	-	-3
Other items	-	-3
Reported tax	**-9**	**-13**
Effective tax rate	**90%**	**-65%**

The tax deficit for which deferred tax receivables have not been reported is related to the operations in Denmark.

Revaluations of previous deficits refer to previously unreported tax on tax receivables that are related to unutilized deductions for losses in Norway. The revaluations are motivated by the fact that the Norwegian subsidiary further improved its profitability during 2003.

The Parent Company's effective tax rate is 6 percent (-2). The difference compared with the corporate tax rate in Sweden, 28 percent, is due mainly to write-downs of shares in subsidiaries that are not tax deductible and to dividends from subsidiaries that are not taxable.

Note 15 Minority interests in net result for the year/ Minority interests in shareholders' equity

These interests refer to the subsidiaries Office Document Sverige AB and Office Trademark Holding OTH AB in Sweden.

Note 16 Licenses

Licenses are reported in the balance sheet at historical acquisition values with deduction for accumulated depreciation and any write-downs. For licenses acquired during the year, depreciation is calculated from the date of acquisition. The useful life applied for licenses is described in "Note 7, Depreciation and amortization". Licenses are depreciated with the straight-line method during their useful life.

	Group	
SEK m.	**2003**	**2002**
Acquisition value at January 1	23	0
Reclassifications	2	-
Investments for the year	5	23
Acquisition value at December 31	**30**	**23**
Accumulated depreciation at January 1	0	0
Reclassifications	0	-
Depreciation for the year	-8	0
Accumulated depreciation at December 31	**-8**	**0**
Reported value at December 31	**22**	**23**

Investments for the year and the preceding year include mainly financial leasing agreements for parts of the Group's enterprise system. This includes software and consulting services for the installation and adaptation of some software programs. The leasing agreements are for three years. The useful life is estimated to be as long as the underlying leasing agreements.

Note 17 Goodwill

Goodwill is reported in the balance sheet at historical acquisition values with deduction for accumulated amortization and any write-downs. For goodwill acquired during the year, amortization is calculated from the date of acquisition. The useful life applied for goodwill is described in "Note 7, Depreciation and amortization". Goodwill is depreciated with the straight-line method during its useful life.

	Group	
SEK m.	**2003**	**2002**
Acquisition value at January 1	210	273
Acquisitions of operations	21	9
Eliminated goodwill	-	-71
Exchange rate differences	0	-1
Acquisition value at December 31	**231**	**210**
Accumulated amortization at January 1	-132	-132
Eliminated goodwill	-	21
Amortization for the year	-22	-21
Accumulated amortization at December 31	**-154**	**-132**
Accumulated write-downs at January 1	0	-50
Write-down	-4	-
Eliminated goodwill	-	50
Accumulated amortization at December 31	**-4**	**0**
Reported value at December 31	**73**	**78**

Goodwill acquired during 2003, SEK 16 m., mainly refers to the takeover of IFS's hardware business in the Nordic region. The additional purchase price, which depends on the sales volume that is achieved, is included in the amount of SEK 6 m. The additional purchase price is expected to be paid during 2004.

The Norwegian company Oppland Dokumentutvikling AS, a customer of Scribona Document Solutions, was taken over by Scribona in connection with a restructuring of the company, in which receivables were converted to share capital. Goodwill amounts to SEK 5 m. The recoverable amount has been calculated for the company and goodwill was written down by SEK 4 m. in 2003.

Note 18 Land and buildings

	Group	
SEK m.	**2003**	**2002**
Acquisition value at January 1	21	22
Sales	-21	-
Exchange rate differences	0	-1
Acquisition value at December 31	**-**	**21**
Accumulated depreciation at January 1	-8	-8
Sales	8	-
Exchange rate differences	0	0
Accumulated depreciation at December 31	**-**	**-8**
Reported value at December 31	**-**	**13**

The Group has owned real estate property in Denmark that was not utilized during most of 2002. The building was not depreciated in 2002 and 2003, and was sold in the beginning of 2003. The purchase price exceeded the book value by SEK 2 m. The capital gain is reported among "Other external expenses".

Note 19 Equipment

Equipment is reported in the balance sheet at historical acquisition values with deduction for accumulated depreciation and any write-downs. For equipment acquired during the year, depreciation is calculated from the date of acquisition. The useful life applied for equipment is described in "Note 7, Depreciation and amortization". Equipment is depreciated with the straight-line method during its useful life.

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Acquisition value at January 1	275	276	2	2
Reclassifications	-2	-	-	-
Investments for the year	13	28	0	0
Sales and disposals	-11	-31	0	0
Exchange rate differences	-12	2	-	-
Acquisition value at December 31	**263**	**275**	**2**	**2**
Accumulated depreciation at January 1	-198	-184	-1	-1
Reclassifications	0	-	-	-
Sales and disposals	11	31	0	0
Depreciation for the year	-40	-42	0	0
Exchange rate differences	10	-3	-	-
Accumulated depreciation at December 31	**-217**	**-198**	**-1**	**-1**
Reported value at December 31	**46**	**77**	**1**	**1**

Note 20 Participations in Group companies

SEK m.	Reg. no.	Registered office	Number of Shares	Percentage holding	Par value in respective currency x 1000	Reported value in Parent Company
Scribona Sverige AB	556064-2018	Solna	1 000	100	100	64
PC LAN AB	556559-1418	Stockholm	2 000	100	200	0
Scribona Platform Partner AB	556138-3927	Solna	1 000	100	100	
Scribona TPC AB	556174-2072	Solna	10 000	100	1,000	1
Scribona Document Solutions AB	556091-2106	Solna	24 000	100	2,400	3
Office Document Sverige AB	556354-4948	Stockholm	5 100	51	510	
Office Trademark Holding OTH AB	556612-6339	Stockholm	628	63	63	0
Carl Lamm AB	556228-8851	Solna	1 000	100	100	40
Scribona Danmark Holding A/S	25 11 34 46	Copenhagen	2	100	DKK 27,500	0
Scribona Danmark A/S	73 39 90 17	Copenhagen	3	100	DKK 31,500	
Connectus Data ApS	13 49 47 97	Copenhagen	5	100	DKK 500	
Scribona Oy	FI-1437531-3	Esbo	10	100	EUR 10	0
Scribona Solutions Oy	FI-07057827	Esbo	545 050	100	EUR 1,090	
Hard Group Oy	FI-08325088	Esbo	345	100	EUR 10	
Instru Data Latvia SIA	336189	Riga	20	100	LVL 2	
Instru Data UAB	1150626	Vilnius	100	100	LTL 10	
Scribona Eesti OU	10167221	Tallinn	1	100	EEK 40	
Scribona Latvia AS	336229	Riga	10	100	LVL 2	
Scribona Lietuva UAB	1160365	Vilnius	100	100	LTL 10	
Scribona Suomi Oy	FI-01956389	Esbo	4 400	100	EUR 4,400	7
Scribona AS	979 460 198	Oslo	5 067	100	NOK 5,067	331
Office Document AS	982 912 725	Oslo	20	100	NOK 200	
Oppland Dokumentutvikling AS	979 730 748	Gjövik	1 000	100	NOK 1,000	
Connectus AS	980 758 540	Oslo	200	100	NOK 200	0
Copy Consult Svenska AB	556157-8096	Solna	20 250	100	2,025	4
Manora Components AB	556368-0411	Gothenburg	2 500	100	250	2
Nordic Datadistribution AB	556404-9244	Mark	1 000	100	100	
Office Peking AB	556458-1683	Norrköping	1 000	100	100	1
SBA Office Document Finans AB	556369-6748	Gothenburg	1 000	100	100	3
Copy Consult Team Göteborg AB	556214-6331	Gothenburg	4 000	100	400	
Scribona Fastighetsservice AB	556222-3155	Solna	11 500	100	1,150	1
Scribona IT AB	556277-5014	Solna	2 000	100	200	2
Scribona Office AB	556224-1694	Solna	100	100	100	0
Scribona Solutions AB	556332-9563	Solna	1 000	100	100	0
Total						**462**

The consolidated financial statements comprise the Parent Company Scribona AB and the subsidiaries in the table above. Companies in the left margin are subsidiaries of Scribona AB. Companies that are indented are subsidiaries of subsidiaries. Operating subsidiaries are marked in bold text. The Parent Company has started to merge the subsidiaries Copy Consult Svenska AB, Office Peking AB, Scribona Fastighetsservice AB, Scribona IT AB and Scribona Solutions AB. The Baltic subsidiaries Instru Data UAB, Scribona Eesti OU, Scribona Latvia AS and Scribona Lietuva UAB are being liquidated. During the year, the Parent Company wrote down shares in subsidiaries by SEK 123 m. (30). See "Note 10, Write-downs of financial assets".

Note 21 Deferred tax receivables and liabilities

Deferred tax receivables and liabilities in the Group refer to the following:

SEK m.	2003 Assets	2003 Liabil-ities	2003 Net balance	2002 Assets	2002 Liabil-ities	2002 Net balance
Intangible fixed assets	-	-	-	11	-	11
Tangible fixed assets	15	9	6	18	9	9
Inventories	2	-	2	9	-	9
Current receivables	7	-	7	6	-	6
Deductions for losses for tax purposes	55	-	55	54	-	54
Untaxed reserves	-	23	-23	-	25	-25
Other	5	1	4	7	2	5
Deferred tax receivables/liabilities	**84**	**33**	**51**	**105**	**36**	**69**
Assets/liabilities, net	-15	-15	0	-36	-36	0
Deferred prepaid tax, net	**69**	**18**	**51**	**69**	**0**	**69**

At year-end, the Group had total losses that were deductible for tax purposes, and temporary differences, totaling SEK 300 m. (411), corresponding to deferred tax receivables in the amount of SEK 87 m. (117). Of these amounts, SEK 51 m. (69) has been reported as a receivable, since it is considered that the tax surplus will exist in the future in all probability, and that these losses/temporary differences can be offset against it. The valuation reserve, SEK 26 m. (38) is related to deductions for losses in the Danish subsidiary due to tax deficits during 2003 in Denmark that were not included in the calculation of deferred tax receivables. Tax on tax receivables that was not reported earlier, which pertains to unutilized deductions for losses in Norway, has been revalued. The revaluation is motivated by the fact that the Norwegian subsidiary further improved its profitability during 2003. There are no significant tax disputes.

Accumulated deductions for tax purposes can be utilized not later than the following years:

SEK m.	
2004	2
2005	-
2006	8
2007	-
2008 and later	240
Unlimited life	26
Total	**276**

Note 22 Other long-term receivables

SEK m.	Group 2003	Group 2002	Parent Company 2003	Parent Company 2002
Surplus pensions	8	11	-	-
Other	2	1	-	-
Total	**10**	**12**	**-**	**-**

Surplus pensions refer to the difference between the fair value of pension funds and actuarially calculated pension commitments for defined benefit pension plans in subsidiaries in Norway. Accumulated actuarial losses that are not taken into account in this calculation amounted to SEK 5 m. at December 31, 2003. See "Note 6. Personnel" (section on "Pensions").

Note 23 Inventories

Inventories are valued at the lower of acquisition cost in accordance with the first-in, first-out principle or fair value (net selling price). The net selling price corresponds to the estimated sales price less the estimated costs required to complete the sale. The necessary provisions are made for obsolescence by making individual valuations and collective valuations. When assessing the obsolescence, the age and turnover rate of the item are taken into account. The obsolescence reserve amounts to 5.2 percent (4.8) of the acquisition cost. The change between the obsolescence reserve at January 1 and December 31 is charged in full against operating income. Intra-Group profits are eliminated.

	Group	
SEK m.	**2003**	**2002**
Acquisition cost	850	970
Obsolescence reserve	-44	-47
Reported value	**806**	**923**

The Group's inventories consist entirely of finished products.

Note 24 Accounts receivable – trade

Provisions for uncertain trade accounts receivable are based on individual valuations of potential losses per customer supplemented with standard methods for overdue invoices and historically established potential risks for losses.

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Invoiced receivables	1,970	1,802	6	0
Reserve for uncertain receivables	-27	-37	-	-
Reported value	**1,943**	**1,765**	**6**	**0**

Trade accounts receivable sold in the securitization program are reported in the consolidated balance sheet as "Accounts receivable – trade" (see "Note 34, Short-term Loans"). These trade accounts receivable amounted to SEK 390 m. at December 31.

Bad debt losses are reported in "Note 5, Other external expenses".

Note 25 Prepaid expenses and accrued income

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Prepaid rent	5	12	-	5
Other prepaid expenses	22	33	1	1
Accrued compensation from suppliers	334	331	-	-
Other accrued income	9	13	-	-
Total	**370**	**389**	**1**	**6**

The classification used previously in the Group for "Accrued compensation from suppliers", which was offset against trade accounts payable, was changed during 2003. Recommendation RR 22 of the Swedish Financial Accounting Standards Council, "Presentation of financial statements", does not allow the offset of such compensation, which is why Scribona is reporting these items gross as of 2003. In the balance sheet at December 31, 2002, items were offset in the amount of SEK 300 m. Comparative figures from the 2002 balance sheet have been changed with this amount.

Note 26 Other long-term financial receivables

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Arrangement fees for loans	8	-	8	-
Loans to customers	-	3	-	-
Total	**8**	**3**	**8**	**-**

Arrangement fees for loans refer to the long-term portion of the initial prepaid arrangement fees for the securitization program for the years 2005-2007 (see "Note 34, Short-term loans").

Note 27 Other current financial receivables

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
Alecta pension insurance	-	4	-	2
Cash from customers	51	-	18	-
Other	1	-	-	-
Total	**52**	**4**	**18**	**2**

Cash from customers refer to cash payments from customers to the securitization program that will later become available to Scribona.

Note 28 Financial prepaid expenses and accrued income

This refers in its entirety to the short-term portion of the initial prepaid arrangement fees for the securitization program for the year 2004 (see "Note 34, Short-term loans").

Note 29 Cash and bank balances

	Group		Parent Company	
SEK m.	**2003**	**2002**	**2003**	**2002**
SEK	6	6	-	6
DKK	30	62	-	1
EUR	86	76	1	1
NOK	141	308	-	-
Other currencies	5	0	-	-
Total	**268**	**452**	**1**	**8**

Cash and bank balances include cash and cash deposits in banks. In this annual report, the term "Cash and bank balances" is synonymous with "Liquid funds".

Note 30 Shareholders' equity

Shareholders' equity
The Articles of Association for Scribona AB state that the share capital is to amount to no less than SEK 60,000,000 and no more than SEK 240,000,000. All shares, 51,061,608 with a par value of SEK 2 each, are fully paid and carry rights to an equal share of the company's assets. Class A-shares, 2,828,732 in number, carry 5 votes per share. Class B-shares, 48,232,876 in number, carry 1 vote per share. No shares are held by the company or by its subsidiaries.

The Articles of Association give holders of Class A-shares the right to convert their shares into an equal number of Class-B shares. During 2003, holders of Class A-shares converted 251,517 of their shares into Class B-shares.

Restricted and unrestricted equity
According to Swedish law, shareholders' equity is to be divided into non-distributable (restricted) and distributable (unrestricted) funds. In a group, only the lowest of the Parent Company's or Group's unrestricted funds can be distributed to shareholders.

Share capital and the share premium reserve/legal reserve consist of restricted equity. In the consolidated financial statements, the Group's unrestricted equity consists, in addition to the Parent Company's unrestricted equity, only of the Group's share of the portion of unrestricted equity in a subsidiary that can be distributed to the Parent Company without requiring the write-down of the shares in the subsidiary. The Group's portion of the accumulated deficits in subsidiaries can be deducted from this amount only to the extent that it is not taken into account in the Parent Company's valuation of the shares.

In the consolidated balance sheet, the equity portion of untaxed reserves is reported as restricted equity.

Group contributions, and the tax effects of such contributions and shareholders' contributions to subsidiaries in Sweden, are charged in the Parent Company directly against shareholders' equity and consequently do not affect the net result for the year.

Accumulated exchange rate differences
The Group's shareholders' equity has been affected by exchange rate differences that arise as a result of using the current method. The Group's accumulated exchange rate differences amounted to SEK -34 m. (41). The change for the year, SEK -74 m., is the combined effect of the change in the value of the Swedish krona against DKK, EUR and NOK when translating shareholders' equity in companies outside Sweden. More than the entire amount, SEK -76 m., can be explained by the weakening of the Norwegian krone. No hedging measures are taken for shareholders' equity in foreign subsidiaries.

Earnings per share
The Group's net income for the year was SEK 1 m. (-33). The average weighted number of shares was 51,061,608 (51,061,608). Earnings per share amounted to SEK 0.02 (-0.65). The stock option program has not been taken into account since it will not have any dilution effect. The subscription price of SEK 41 is higher than the actual value of the Scribona share.

Dividend
Unrestricted equity in the Parent Company amounted to SEK 203,408,000 at December 31 (291,580,000). Unrestricted equity in the Group amounted to SEK 332,507,000 at December 31 (411,812,000).

The dividend is decided by the board in accordance with the regulations of the Swedish Companies Act and is approved by the Annual General Meeting. The proposed but not yet approved dividend for 2003 amounts to SEK 0.

Note 31 Other provisions

Obligations related to the fiscal year, for which payment is probable on the balance-sheet date but their amounts or payment date are uncertain, are reported as provisions. A provision is reported when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount. A provision for restructuring measures is made when a detailed, formal action plan has been adopted, and when the persons affected by the measures have well-founded expectations.

	Group		Parent Company	
SEK m.	Restructuring reserve	Premises	Restructuring reserve	Premises
Balance at January 1	-	2	-	-
Provisions	14	3	4	2
Utilization of provisions	-5	-2	-	-
Balance at December 31	**9**	**3**	**4**	**2**

The restructuring reserve in the Group consists mainly of provisions that remain at December 31 to cover the costs of terminating the Toshiba Digital Media division. Payment will be made during 2004.

Provisions for premises refer to the estimated costs of premises that are unoccupied and unutilized. Payment will be made mainly during 2004 and a small portion will be paid in 2005.

Note 32 Other long-term liabilities

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Leasing commitments	11	14	-	-
Other	4	5	-	-
Total	**15**	**19**	**-**	**-**

Leasing commitments refer to the agreement covering parts of the Group's enterprise system that was reported under licenses. The long-term portion of leasing fees is due 2005 and 2006.

Note 33 Accrued expenses and deferred income

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Vacation pay liabilities	70	71	4	3
Accrued personnel expenses	47	31	0	0
Payroll tax	14	14	1	1
Deferred rent/service revenues	47	58	0	5
Other accrued expenses	91	89	6	9
Total	**269**	**263**	**11**	**18**

Note 34 Short-term loans

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Securitization of accounts receivable – trade	390	-	-	-
Bank overdraft facilities	6	-	3	-
Bank loans	-	150	-	150
Total	**396**	**150**	**3**	**150**

The securitization program through the international capital market was set up in the beginning of 2003. The program has a term of five years. The financing facility totals a maximum of SEK 570 m. plus EUR 15 m., for a total of approximately SEK 700 m., and refers to the ongoing sale of trade accounts receivable in parts of operations in Sweden and Finland. Sold trade accounts receivable are reported in the balance sheet as "Accounts receivable – trade", since the credit risk remains with Scribona. Sales proceeds are reported as short-term loans. Cash paid by customers, which becomes available to Scribona later, is reported as "Other short-term financial assets". The costs for setting up the securitization program have been balanced and divided into a long-term and short-term financial asset that is expensed over the term of the program, 5 years, and is reported as a financial expense. The floating interest rate for loans consists of the basic interest rate for STIBOR and EUROBOR and a margin that was 0.93 percent and 0.52 percent, respectively, at December 31. The terms for the securitization program include the customary limit values.

Utilized financing through the securitization program amounted to SEK 390 m. (-) at December 31.

Bank overdraft facilities granted to Scribona amounted to SEK 164 m. (162) in the Group and SEK 100 m. (100) in the Parent Company, of which SEK 6 m. has been utilized in the Group (2) and SEK 3 m. (2) in the Parent Company.

Other credit facilities in the Group and Parent Company amounted to SEK 150 m. (586), of which SEK 0 m. (150) has been utilized.

Note 35 Pledged assets

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Chattel mortgages	144	144	32	32
Accounts receivable – trade	378	567	-	-
Inventories	108	126	-	-
Total	**630**	**837**	**32**	**32**

Assets are pledged for the Group´s and the Parent Company's financing.

Note 36 Contingent liabilities

A contingent liability is a possible obligation dependent on past events and whose occurrence is confirmed only by one or more uncertain future events, which are not completely in the company's control, which occur or do not occur, or an obligation dependent on past events which is not reported as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation, or the size of the obligation cannot be estimated with sufficient reliability. Information about contingent liabilities is provided if their settlement is not very improbable.

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Guarantees	11	25	51	67
Warranties	40	26	-	1
Warranties for subsidiaries	-	-	950	1.445
Total	**51**	**51**	**1.001**	**1.513**

Group
Guarantees are mainly for employee loans for car purchases.
Warranties are mainly for the residual value of leasing contracts for office equipment rented through financing companies.

Parent Company
Guarantees are mainly for the bank overdraft facilities of subsidiaries and employee loans for car purchases. Warranties are mainly on behalf of subsidiaries and are for their liabilities to suppliers.

Note 37 Interest received and paid

Income after financial items includes the following interest paid/received:

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Interest received	23	18	22	24
Interest paid	-44	-48	-33	-32
Total	**-21**	**-30**	**-11**	**-8**

Note 38 Adjustments for items not included in cash flow, etc.

	Group		Parent Company	
SEK m.	2003	2002	2003	2002
Change in reserves for intra-Group profits	-12	8	-	-
Change in reserves for accounts receivable – trade	-10	0	-	-
Change in reserves for obsolescence	-3	0	-	-
Change in provisions	10	0	6	-
Unrealized exchange gains/losses	-1	0	-	-
Capital gain on sale of real estate property	-2	-	-	-
Write-down of shares in subsidiaries	-	-	123	30
Write-down of receivables in subsidiaries	-	-	63	-
Unpaid portion of dividends from subsidiaries	-	-	-91	-
Total	**-18**	**8**	**101**	**30**

Note 39 Acquisitions of operations/subsidiaries

During 2003, Scribona took over IFS's hardware business in the Nordic region and Oppland Dokumentutvikling AS in Norway. For both acquisitions, the purchase prices were related in their entirety to goodwill. SEK 6 m. of an estimated supplementary purchase price remains to be paid for IFS. Oppland was paid for by writing down receivables.

	Group	
SEK m.	**2003**	**2002**
Goodwill	-21	-9
Purchase price	-21	-9
Purchase price entered as a liability	6	-
Write-down of receivables in acquired company	5	-
Purchase price paid in cash	-10	-9
Liquid funds in acquired companies	-	-
Effect on Group's liquid funds	**-10**	**-9**

Note 40 Leasing

Leases are classified in the consolidated financial statements either as finance or operating leases. In finance leases, the risks and rewards associated with ownership are basically transferred to the lessee. Significant assets acquired through finance lease contracts are recognized in the consolidated financial statements as fixed assets from the date of the contract. An asset is valued at the present value of the leasing fees for the leasing period. Assets under finance leases are written off over the shortest period of their estimated useful life and the term of the lease contract. The future obligation to the lessor is recognized as a liability in the balance sheet. Payment of leasing fees is divided into financial expenses and amortization of the liability in a way that enables a constant interest rate for the interest expense for the reported liability. A lease contract that is not a finance lease is an operating lease. No item is shown in the balance sheet for an operating lease – the leasing fees are expensed continuously over the term of the contract.

As the lessee, Scribona has entered finance and operating lease arrangements and rental agreements. The principal assets that the Group leases under finance leases are reported as licenses according to note 16. The principal assets that the Group leases under operating leases are mainly premises for offices and warehousing stock, and vehicles, computers and other equipment. The nominal amounts of future payment commitments in the Group at December 31, 2003, for non-cancelable lease contracts, are distributed as follows:

SEK m.	Finance leases	Operating leases	Of which, premises
2004	10	102	74
2005	10	82	59
2006	2	56	41
2007	-	33	32
2008	-	29	28
2009 and later	-	61	61
	22	**363**	**295**

The year's payments of rent and leasing fees amounted to SEK 128 m. (106), of which SEK 8 m. (0) for finance leases. Leasing fees for vehicles totaled SEK 12 m. (not included in the comparative figure for last year). Leasing revenues for objects that have been rented to others totaled SEK 4 m.
At year-end 2003, rental agreements for premises covered approximately 79,000 square meters of space. The contract periods varied between 2 and 9 years, with an average remaining term of about 3.3 years. Rental agreements are based on the customary market terms. Vehicles under finance leases do not involve substantial amounts and have therefore been included in operating leases.

Note 41 Financial risk management

The Group's financing sources consist of bank loans, the securitization of trade accounts receivable, finance leases and liquid funds.
The Group's policy is not to trade with financial instruments.
The Parent Company conducts transactions with derivatives, primarily forward exchange agreements and currency swaps, to manage currency risks that arise in connection with the financing of foreign operations.
In its operations, the Group is exposed to different types of financial risk. These risks are primarily credit risks, liquidity risks, interest rate risks and currency risks. In addition, there are risks associated with property and liabilities that can be insured. The board reviews risks and decides how they should be managed. The following is a summary of the Group's principles for financial risk management:

Credit risks
The Group's credit policy regulates the decision-making process for credit commitments, guarantees, sales and payment terms, order control based on credit limits, credit monitoring, payment reminder procedures and reporting. The credit worthiness of all customers is checked before granting credit. Credit is usually granted for 30 days. Trade accounts receivable are monitored on a continuous basis to limit risk exposure. The largest single customer balance in the Group's sales ledger was SEK 232 m. at December 31 (216). Provisions are continuously made to the trade accounts receivable reserve. Bad debt losses as a percentage of the Group's revenues were 0.18 percent during the year (0.11).

Liquidity risks
Liquidity risks are defined as the risk that payments cannot be made on a continuous basis because of insufficient liquidity or difficulties in obtaining external financing. Scribona has broadened the base for the Group's estimated financing needs, excluding major acquisitions, through the securitization of trade accounts receivable.
During the year, Scribona's biggest supplier, HP, changed the payment terms and credit periods for its customers as part of the company's new business model. Normal credit terms were reduced to 15 days, in which case a cash discount is given on all purchases. The change involves a considerable financial burden for HP's customers, including Scribona.

Interest rate risks
The financing sources for the Scribona Group consist primarily of stockholders' equity, cash flows from day-to-day operations and borrowings. The borrowings are interest-bearing, which means that the Group is exposed to interest rate risks. Changes in interest rate levels have a direct impact on Scribona's net interest income/expense, but they may also have an indirect effect on the Group's operating income, since interest rate levels affect the entire economy. The Group's financing is entirely based on floating interest rates. In Scribona's opinion, floating interest rates lead to lower borrowing costs over time. The current interest rate on the Group's borrowings at year-end, excluding the distribution of arrangement costs for the securitization program, was 3.4 percent (4.8). The Group's interest-bearing liabilities at year-end amounted to SEK 396 m. (150). A one-percent change in interest rates at a constant debt level would reduce or increase interest expenses by SEK 4 m.

Currency risks
Currency risks affect Scribona mainly through the translation of capital employed and net debt, what is termed the *Translation exposure;* the translation of shareholders' equity in foreign subsidiaries, *Exposure of the Group's shareholders' equity;* the translation of the results of foreign subsidiaries, *Exposure of the Group's results;* and through the flow of products between different countries, the *Transaction exposure*.

Translation exposure. The effects of translating capital employed are limited by financing foreign subsidiaries through the Parent Company and always by means of forward exchange agreements. As a result, the movements of a single currency have a limited impact on the Group's debt/equity ratio.

Exposure of the Group's shareholders' equity. Net investments in independent foreign companies, translated into SEK, amounted to SEK 284 m. (264) at December 31 and were distributed as follows: DKK -65 m. (-112), EUR 46 m. (29) and NOK 303 m. (347). A change in the value of the Swedish krona against these currencies, when translating shareholders' equity in foreign subsidiaries, affects the Group's shareholders' equity. Shareholders' equity in foreign subsidiaries is not hedged. If the value of the Swedish krona declines 1 percent against the currencies in which Scribona has foreign net assets, the Group's shareholders' equity is positively affected by SEK 3 m., based on exposure at December 31, 2003.

Exposure of the Group's results. If the Swedish krona weakens by 1 percent during the fiscal year against the other currencies that the Group conducts operations in, the translation into SEK affects Group sales positively by about SEK 74 m., based on average exchange rates in 2003. The Group's income is not affected.

Transaction exposure. Currency risks in the form of transaction exposure, or the export/import of goods, are limited in the Group. Sales between countries are on a small-scale within the Group. All external sales are in local currency in each Nordic country. Approximately 84 percent (86) of all product purchases were in the local currency of each subsidiary. Of the total purchasing volume, the most important product purchases in foreign currency were as follows: 10 percent (11) in EUR (excluding Finland) and 5 percent (3) in USD. The Group's policy is to purchase foreign currency normally at the spot rate. The effects of exchange rates related to the purchase of goods in foreign currency are included in operating income.

Financial derivative instruments
The Parent Company's financial receivables and liabilities with foreign subsidiaries, amounting to SEK 410 m. at December 31 (456), are continuously secured at forward rates. As a consequence, neither the Parent Company nor Group has to assume any currency risks for intra-Group financial transactions. The forward exchange agreements are not reported in the balance sheet.

Insurable risks
The Parent Company manages the insurance coverage for the entire Group excluding personal insurance that is handled by each employer and vehicle insurance that foreign subsidiaries manage locally. Through the insurance policies it has, the Group has satisfactory protection against traditional insurable risks, such as fire, theft, liability and similar risks.

Note 42 Fair values

The acquisition value of trade accounts receivable corresponds to the fair value, since payment terms only in exceptional cases exceed 30 days. The fair value of cash deposits in banks consists of the nominal amount on the balance-sheet date, since this cash is immediately available. The acquisition value of trade accounts payable corresponds to the fair value, since payment terms only in exceptional cases exceed 45 days. The acquisition value of loans corresponds to the fair value, since borrowings through the securitization program are established at the end of each month to determine the maximum amount and interest rate for one month ahead, and the fixed term for other loans is shorter than 30 days.

If all outstanding forward exchange agreements were closed on December 31, the net effect on the Group's results, before tax, would be SEK -1 m. (3).

Note 43 Events after the balance sheet date

Sale of Toshiba Document Solutions

On February 24, 2004, an agreement was signed between Scribona AB and Toshiba TEC to sell the Toshiba Document Solutions division, part of the Scribona Brand Alliance business area. April 1, 2004 is the planned date for transferring the division and Scribona will report the divestment in the second quarter of 2004.

Toshiba Document Solutions is the Nordic general agent but also distributes and resells Toshiba's products for document management (copiers, printer devices and faxes) and video projectors. The division's sales totaled SEK 650 m. in 2003, with positive operating results, and the number of employees was 241 at December 31, 2003.

The sale of Toshiba Document Solutions is expected to have a positive, one-time effect on Scribona's results and cash position. Both parties have agreed not to disclose the sales price.

Adopting of the balance sheets and income statements

Balance sheets and income statements for the Group and Parent Company are to be approved by the Annual General Meeting.

Note 44 Related party transactions

Group companies

Products are delivered between Group companies on business terms and with market prices.

Relations with affiliated parties

Relations with affiliated parties that have a controlling influence are limited to Scribona's largest owner Bure Equity AB and its subsidiaries and associated companies. Other relations with affiliated parties with significant influence include Scribona's board members and Executive Group Management, including family members, and companies in which these persons have board assignments or hold positions as senior executives and/or have considerable holdings of shares. Transactions with the Bure Group totaled approximately SEK 85 m. (62) and were related to sales to Bure Equity AB's subsidiaries and associated companies, which were made on market terms, and SEK 1 m. (0) related to purchases from Bure Equity AB's subsidiaries and associated companies, which were made on market terms. On December 31, trade account receivables with the Bure Group amounted to approximately SEK 13 m. (7) and trade account payables to SEK 0 m. (0). The Group's transactions with other affiliated parties with significant influence totaled about SEK 83 m. (4) in sales on market terms and approximately SEK 30 m. (1) in purchases on market terms. On December 31, trade account receivables with these affiliated parties amounted to about SEK 8 m. and trade accounts payable approximately SEK 1 m.

Note 45 Exchange rates

The weighted average exchange rates and year-end exchange rates for the currencies used within the Group and for USD, in relation to SEK, were as follows on December 31:

	Average exchange rate		Year-end exchange rate	
	2003	**2002**	**2003**	**2002**
DKK, Denmark	1.23	1.23	1.22	1.24
EUR, Finland	9.12	9.16	9.09	9.19
NOK, Norway	1.14	1.22	1.08	1.26
USD, USA	8.09	9.77	7.28	8.83

Note 46 Definitions

Terms and key ratios

Average number of employees. Average number of employees at the end of the four quarters of the fiscal year.
Number of employees. Number of employees calculated as full-time employees.
Average shareholders' equity. Average shareholders' equity at the end of the four quarters of the fiscal year.
Equity per share. Equity at the close of the period divided by the number of shares at the close of the period.
Net financial capital. Financial assets less financial liabilities.
Capital turnover rate. Total income divided by average capital employed.
Cash flow per share. Cash flow for the year divided by the average number of shares.
Net investments. Investments at the acquisition value after deduction for sales at the sales value.
Net margin. Net profit for the year as a percentage of total income.
Sales per employee. Total income divided by the average number of employees.
Operating cash flow. Operating income plus the change in capital employed.
Earnings per share. Net profit for the period divided by the average number of shares.
Return on equity. Net profit for the year as a percentage of average shareholders' equity.
Return on capital employed. Operating income before financial items as a percentage of average capital employed.
Operating margin. Operating income before financial items as a percentage of total income.
Equity/assets ratio. Shareholders' equity as a percentage of total assets.
Capital employed. Operating assets less operating liabilities.
Average capital employed. Average capital employed at the close of the four quarters of the fiscal year. In the tables in the sections on business areas, it is the average capital employed at the end of each of the 12 months of the fiscal year.

Audit Report

To the Annual General Meeting of Scribona AB (publ)

Registration number 556079-1419

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Scribona AB for the year 2003. These accounts and the administration of the Company are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and their application by the Board of Directors and the President, as well as assesing the important estimations done by the Board of Directors and the President when preparing the annual accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any board member or the President. We also examined whether any board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinions set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the Company's and the Group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the general meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit for the Parent Company be dealt with in accordance with the proposal in the Board of Directors' report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

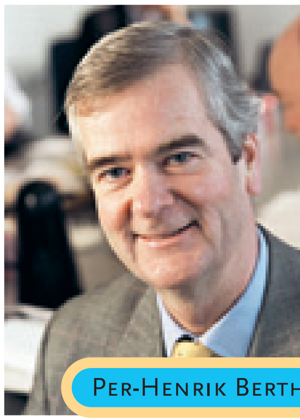
Stockholm, March 1, 2004

Ernst & Young AB
Bertel Enlund
Authorized Public Accountant

Deloitte & Touche AB
Björn Sundkvist
Authorized Public Accountant

Board of Directors and Auditors

MatsOla Palm, *Chairman*



Per-Henrik Berthelius

Stig-Olof Simonsson

Lisbeth Gustafsson

Lennart Svantesson

Carl Espen Wollebekk

Board members elected by the Annual General Meeting

MatsOla Palm, born 1941, Chairman since 2000. Chairman, Svolder AB and Åby Travsällskap. Board member, Svedbergs i Dalstorp AB. Holds 30,000 Scribona shares.

Per-Henrik Berthelius, born 1944, board member since 2000. Senior Advisor, Bure Equity AB. Chairman, Panacé AB. Board member, Tivox AB.

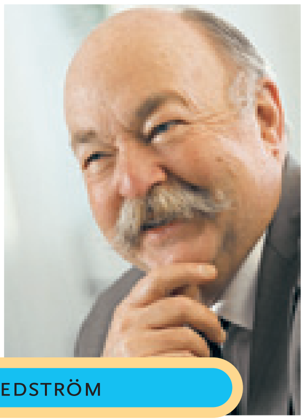
Stig-Olof Simonsson, born 1948, board member since 2000. Chairman, TEmballage AB, JIBS Executive School, Smedjan AB, Brain Books AB and Handelsbanken i Jönköping AB. Board member, SYSteam AB, Jeeves AB and ITAB AB. Holds 40,000 Scribona shares.

Lisbeth Gustafsson, born 1947, board member since 2003. Senior Vice President Sales, Posten Sverige AB. Vice Chairman, Svensk Handel. Board member, Invest in Sweden Agency (ISA), WM-data AB, Karolinska Sjukhuset, Prevas AB and IT-företagen. Holds 2,000 Scribona shares.

Carl Espen Wollebekk, born 1961, board member since 2001. President of Formentor AS. Board member, Norman ASA, Invistra ApS, Heest Invest AS and Joca Eiendom AS.

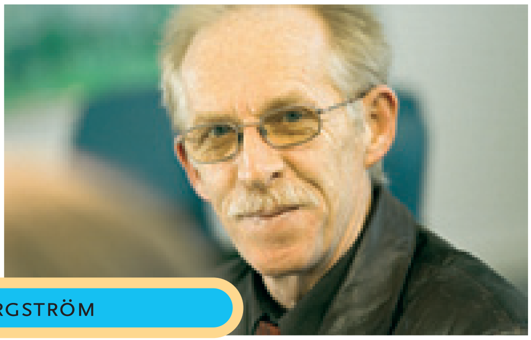
Lennart Svantesson, born 1953, board member since 1998. CEO of Bure Equity AB. Chairman, Viamare Boats AB. Board member, Bure Equity AB and Viamare Invest AB. Holds 20,500 Scribona shares.

Tom Ekevall Larsen, born 1962, President of Scribona AB and CEO of the Scribona Group, board member since 2003. Holds options to subscribe for 10,000 Scribona shares



Johan Hedström

Torbjörn Friberg



Kjell Bergström

Tom Ekevall Larsen, *CEO*

Bertel Enlund

Authorized Public Accountant, Ernst & Young AB

Björn Sundkvist

Authorized Public Accountant, Deloitte & Touche AB

Board members appointed by the employees

Johan Hedström, born 1937, board member since 1992. Employed by Scribona Fastighetsservice AB since 1979. Representative for the Industrial Salaried Employees Association (SIF). Holds 1,822 Scribona shares.

Torbjörn Friberg, born 1943, board member since 2000. Employed by Carl Lamm AB since 1974. Representative for the Industrial Salaried Employees Association (SIF).

Kjell Bergström, born 1947, deputy member since 2003. Employed by Scribona Sverige AB since 1996. Representative for HAF. Holds 500 Scribona shares.

Auditors

Ernst & Young AB
Bertel Enlund, Gothenburg

Deloitte & Touche AB
Björn Sundkvist, Stockholm

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Tuesday, March 30, 2004 at 3.00 p.m. in Scribona's auditorium, Sundbybergsvägen 1, Solna, Sweden.

Shareholders who wish to participate in the meeting must:

- be recorded in the share register maintained by VPC (the Swedish Securities Register Center) not later than March 19, 2004.
- notify Scribona, at the address below, of their intention to participate not later than 4:00 p.m. on March 26.

To be eligible to vote at the meeting, shareholders whose shares are registered in the name of a trust department of a bank or a private broker must temporarily re-register the shares in their own name not later than Friday, March 19, 2004.

Dividend

The Board of Directors proposes no dividend payment to shareholders for fiscal 2003.

Change of address

Shareholders whose names, addresses or account numbers have changed should notify VPC AB, Box 7822, SE-103 97 Stockholm, Sweden, or their trustee, without delay. Special forms for this purpose are available at banks.

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E-mail: info@scribona.com

FINANCIAL CALENDAR

Interim Report, January-March 2004	April 28, 2004
Interim Report, January-June 2004	July 15, 2004
Interim Report, January-September 2004	October 20, 2004

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