



*Press information, February 20*

## **Poolia AB**

Poolia's operating result before write-downs for the fiscal year improved compared with 2002. However, the cost and productivity improvements that we achieved were not sufficient to enable us to report a profit. We are focusing on continued productivity improvements and are intensifying our sales efforts.

As a result of an assessment of goodwill valuations in accordance with current accounting rules and applying a cautious estimate of future cash flow from completed acquisitions, goodwill was written down by SEK 41.6 M.

Following fiscal year-end, Poolia Professionals established a position in Europe's largest market for staffing services by acquiring British staffing services company Parker Bridge.

## **Market and business climate**

Market conditions during the year were characterized by a certain degree of stabilization and, in some areas, faint signs of an upswing. However, the German market remained weak.

## **Poolia Professionals**

Poolia Professionals captured market share in Sweden during the year and showed favorable volume growth between the third and the fourth quarter. Operations in other Nordic markets have been strengthened and the fourth quarter operating result will be close to breakeven.

## **Uniflex**

Uniflex's business trend was strong during the year, resulting in growth of 36.5% compared with the preceding year. The subsidiary continued to capture market share in its segments and posted an operating profit for 2003, before write-downs.

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Poolia is a leading player in the market for professional staffing and is active in approximately 20 locations in Sweden, Norway, Denmark, Finland, Germany and the United Kingdom. Operations include the Temporary Staffing, Recruitment/Search and Outsourcing service areas. Poolia is divided into Poolia Professionals and Uniflex. Poolia Professionals provides professional staffing in the Accounting, Bank & Finance, IT, Office, Human Resources, Payroll, Technical, Sales & Marketing, Legal, Healthcare and Life Science service segments. The subsidiary Uniflex is one of the largest companies in the generalist-staffing segment in Sweden. Uniflex offers services in the receptionist, customer service, switchboard, call-center, industry & warehousing and facility services areas.



- Sales declined 3.3% to SEK 766.3 M (792.5).
- A loss of SEK 62.4 M was reported after tax (loss: 44.3).
- The loss per share was SEK 2.82 (loss: 1.93).

The loss after financial items was SEK 63.0 M (loss: 48.8) and the operating loss was SEK 73.5 M (loss: 64.5), an improvement before write-downs of SEK 32.6 compared with 2002.

- Goodwill was written down by SEK 41.6 M (-).
- A dividend of SEK 0.25 (0.25) per share is proposed.
- During the fourth quarter, the Group's operating result before write-downs improved by SEK 6.0 M compared with the fourth quarter of 2002.
- Sales growth was noted between the third and the fourth quarter.
- Following fiscal year-end, UK staffing services company Parker Bridge was acquired.

## Sales

Sales declined 3.3% to SEK 766.3 M (792.5). Sales from operations outside Sweden amounted to SEK 140.3 M (140.5). The operations of the subsidiary Uniflex AB generated sales of SEK 184.4 M (135.1). Temporary Staffing continued to be the predominant service area. Accounting was the largest occupational segment in absolute terms.

Sales were distributed as follows by service area:

SEK M	Jan - Dec 2003	Jan - Dec 2002	% change	% share 2003	% share 2002
Temporary Staffing	717.3	744.5	-3.6	94	94
Recruitment	30.5	30.5	0.0	4	4
Outsourcing	18.5	17.5	5.7	2	2
<b>Total</b>	<b>766.3</b>	<b>792.5</b>	<b>-3.3</b>	<b>100</b>	<b>100</b>

## Earnings

Before write-downs, the Group reported a loss of SEK 63.0 M after financial items (loss: 48.8). The operating loss was SEK 73.5 M (loss: 64.5) an improvement before write-downs of SEK 32.6 M compared with 2002. As a result of an assessment of goodwill valuations in accordance with current accounting rules, goodwill was written down by SEK 41.6 M. The goodwill write-downs were distributed as follows by business sector: Professionals Sweden by SEK 8.2 M, Professionals Germany by SEK 20.0 M and Uniflex by SEK 13.4 M. As a result, Poolia's consolidated balance sheet no longer contains any goodwill related to Uniflex.

## Fourth quarter

During the fourth quarter, the operating result improved by SEK 6.0 M, excluding goodwill write-downs, compared with the fourth quarter of 2002. Before goodwill write-downs of SEK 2.1 M, Poolia Professionals Sweden posted a weaker operating result. Uniflex reported an operating profit for the quarter and the year, excluding goodwill write-downs, and noted sales

growth of 50% in the fourth quarter. German operations reported an operating result of almost breakeven, excluding goodwill write-downs. Operating results in the other Nordic countries was SEK 1.6 M higher than in the year-earlier period.

The Group's financial net for the period amounted to income of SEK 10.5 M (15.7).

### Information about operating sectors and geographic regions

Oct – Dec	Professionals Sweden		Professionals Other Nordic countries		Professionals Germany		Professionals Total		Uniflex		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
<b>SEK M</b>												
External sales	107.3	127.2	13.2	15.9	21.0	23.0	141.5	166.1	56.9	37.9	198.4	204
Operating results before write-downs	-7.8	-5.7	-0.5	-2.1	0.1	-3.7	-8.2	-11.5	1.6	-1.1	-6.6	-12.6
Goodwill write-downs	-8.2				-20,0		-28,2		-13,4		-41,6	
Operating profit/loss	-16.0	-5.7	-0.5	-2.1	-19.9	-3.7	-36.4	-11.5	-11.8	-1.1	-48.2	-12.6
Financial items											1.4	4.0
Loss after financial items											-46.8	-8.6
Tax											1.3	-4.6
Net loss											-45.5	-13.2
Jan – Dec	Poolia Professionals Sweden		Poolia Professionals Other Nordic countries		Poolia Professionals Germany		Poolia Professionals Total		Uniflex		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
<b>SEK M</b>												
External sales	441.6	516.9	54.3	43.9	86.0	96.6	581.9	657.4	184.4	135.1	766.3	792.5
Operating results before write-downs	-18,7	-22,4	-6,4	-14,7	-7,9	-15,9	-33,0	-53,0	1,1	-11,5	-31,9	-64,5
Goodwill write-downs	-8,2				-20,0		-28,2		-13,4		-41,6	
Operating loss	-26.9	-22.4	-6.4	-14.7	-27.9	-15.9	-61.2	-53.0	-12.3	-11.5	-73.5	-64.5
Financial items											10.5	15.7
Loss after financial items											-63.0	-48.8
Tax											0.6	4.5
Net loss											-62.4	-44.3

### Liquidity and financing

On December 31, 2003, the Group's liquid assets amounted to SEK 239.5 M (376.8). Cash flow during the year from continuing operations was positive in an amount of SEK 10.3 M (negative: 16.3). As a result of the redemption of 4,565,744 shares, SEK 137.0 M was refunded to shareholders. The Board of Directors proposes an unchanged dividend of SEK 0.25 (0.25) per share.

The equity/assets ratio was 65.8% (76.6).

### Investments

The Group's investments in fixed assets amounted to SEK 2.8 M (48.0).

### Employees

The average number of employees was 1,871 (2,013) on an annualized basis. The total number of employees on December 31, 2003 was 2,225 (2,238).

## Parent Company

The Parent Company engages in general corporate management, development and financial management activities. Sales amounted to SEK 6.7 M (6.7) during the year and a loss of SEK 18.9 M (profit: 30.5) was reported after financial items. SEK 27.3 M was charged against earnings for write-downs of shares in subsidiaries

## The Swedish market

According to SPUR (the Swedish Association of Temporary Work Businesses and Staffing Services), sales in the Swedish staffing services sector totaled SEK 4,372 M during the first half of 2003. Poolia's market share in the period was 7.3%. The market share in Poolia Professional's segment was 9.8%, an increase of 0.4 percentage points compared with the year-earlier period. Uniflex's market share during the same period was 5.6%.

## Condensed consolidated income statement

	Full year 2003	Full year 2002	Oct-Dec 2003	Oct-Dec 2002
<b>MSEK</b>				
<b>Net sales</b>	<b>766.3</b>	<b>792.5</b>	<b>198.4</b>	<b>204.0</b>
Personnel costs	-701.7	-730.7	-181.8	-183.0
Other expenses	-74.6	-101.8	-18.2	-26.9
<b>Profit/loss before depreciation</b>	<b>-10.0</b>	<b>-40.0</b>	<b>-1.6</b>	<b>-5.9</b>
Depreciation of tangible fixed assets	-11.2	-13.8	-2.3	-3.6
Goodwill amortization	-10.7	-10.7	-2.7	-3.1
Write-down of goodwill	-41.6	-	-41.6	-
<b>Operating loss</b>	<b>-73.5</b>	<b>-64.5</b>	<b>-48.2</b>	<b>-12.6</b>
Financial items	10.5	15.7	1.4	4.0
<b>Loss after financial items</b>	<b>-63.0</b>	<b>-48.8</b>	<b>-46.8</b>	<b>-8.6</b>
Tax	0.6	4.5	1.3	-4.6
<b>Net loss for the period</b>	<b>-62.4</b>	<b>-44.3</b>	<b>-45.5</b>	<b>-13.2</b>
Loss per share before dilution, SEK *	-2.82	-1.93	-2.33	-0.58
Loss per share after dilution, SEK *	-2.82	-1.93	-2.33	-0.58

## Condensed consolidated balance sheet

	Dec 31, 2003	Dec 31, 2002
<b>SEK M</b>		
<b>Assets</b>		
Goodwill	71.9	124.8
Other fixed assets	10.9	20.6
Deferred tax receivable	8.9	11.6
Current receivables	138.9	144.0
Liquid assets	239.5	376.8
<b>Total assets</b>	<b>470.1</b>	<b>677.8</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	309.4	519.2
Restructuring costs	1.2	3.5
Deferred tax liability	6.7	10.0
Long-term liabilities	6.7	5.1
Current liabilities	146.1	140.0
<b>Total liabilities and shareholders' equity</b>	<b>470.1</b>	<b>677.8</b>
Assets pledged and contingent liabilities	1.7	1.6

## Change in Group shareholders' equity

SEK M	Jan-Dec 2003	Jan-Dec 2002
<b>Amounts on January 1</b>	<b>519.2</b>	<b>571.0</b>
Option program	0.1	0.6
Dividend	-5.7	-5.7
Share redemption	-139.9	-
Translation differences	-1.9	-2.4
Net loss for the period	-62.4	-44.3
<b>Amounts on December 31</b>	<b>309.4</b>	<b>519.2</b>

## Condensed cash flow statement, Group

MSEK	Full year 2003	Full year 2002	Oct-Dec 2003
Cash flow from continuing operations	10.3	-16.3	16.4
Cash flow from investing	-2.5	-46.1	-0.2
Cash flow from financing	-144.0	-0.1	-139.6
<b>Cash flow during the period</b>	<b>-136.2</b>	<b>-62.5</b>	<b>-123.4</b>
Liquid assets on January 1	376.8	441.8	361.2
Exchange-rate differences in liquid assets	-1.1	-2.5	1.7
<b>Liquid assets at period end</b>	<b>239.5</b>	<b>376.8</b>	<b>239.5</b>

## Key figures

SEK M	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002
Operating margin, %	-9.6	-8.1	-24.3	-6.2
Profit margin, %	-8.2	-6.2	-23.6	-4.2
Return on capital employed, %	-14.8	-8.7	-11.4	-1.5
Return on total capital, %	-10.8	-6.8	-8.2	-1.2
Equity/assets ratio, %	65.8	76.6	65.8	76.6
Share of risk-bearing capital, %	67.2	78.1	67.2	78.1
Number of employees, average for period	1 871	2 013	1 950	2 093
Revenues per employee, SEK thousands	410	394	102	97
Average number of shares, after dilution*(thousands)	22 127	22 999	19 497	22 999
Number of shares outstanding, after dilution* (thousands)	18 456	22 999	18 456	22 999
Earnings per share before dilution, SEK*	-2.82	-1.93	-2.33	-0.58
Shareholders' equity per share, before dilution, SEK*	16.78	22.58	16.78	22.58
Earnings per share after dilution, SEK*	-2.82	-1.93	-2.33	-0.58
Shareholders' equity per share, after dilution, SEK*	16.76	22.58	16.76	22.58

\* The dilution effect of option programs outstanding during 2003 has been taken into account. When calculating key figures for 2003, the redemption of shares has been taken into account.

## **Events after the closing date**

Parker Bridge, a British staffing services company that is active in London and Edinburgh, has been acquired, effective January 1, 2004. The acquired company is expected to report sales of SEK 240 M during the current fiscal year (which ends on April 30, 2004), combined with retained profitability. Parker Bridge has about 500 employees.

## **Annual General Meeting and forthcoming financial reports**

The Annual Report for Poolia AB (publ) will be available to shareholders not later than during the week beginning March 15, 2004, at which time it will also be posted on the Company's website [www.poolia.se](http://www.poolia.se).

March 31	Annual General Meeting, at the company's premises in Stockholm, Warfvinges väg 20, 5th floor, 4 p.m.
May 7	Interim Report, January-March
August 16	Interim Report, April-June
November 2	Interim Report, September-December
February 2005	Year-end Report, 2004

*Stockholm, February 20, 2004*

### ***Board of Directors***

#### **Information**

This interim report has been prepared in accordance with the Financial Accounting Standards Council's Recommendation RR20 – Interim Reporting. The accounting and calculation principles are unchanged compared with the 2002 Annual Report. From 2003 onwards, the Financial Accounting Standards Council's Recommendation RR25 on segment accounting is applicable. Poolia's primary segments are Professionals Sweden, Professionals Other Nordic Countries, Professionals Germany and Uniflex.

This interim report has not been reviewed specifically by the Company's auditors.

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