

Proact Jan. – Sept. 2006



**PROACT**

# The best third quarter ever

- Revenues increased during the third quarter with 15% to SEK 155,3 (135,1) m, nine months with 13% to SEK 531,7 (472,0) m
- Profit before tax improved during the third quarter to SEK 6,3 (2,1) m, nine months SEK 15,5 (-14,9) m
- Profit after tax for the third quarter was SEK 9,7 (1,7) m, nine months SEK 18,1 (-14,5) m

# Company update

We secure mission critical information



# PROACT

# Proact in brief

- Proact is a specialist company within services and solutions for storage and archiving
- We have a dominating position in the Nordics incl. the Baltic states
- The turnaround was finished during 2005
- Making more money with fewer people
- Double digit growth with a gross margin on 5-7%
- Employ 50 people

# Press releases from Q2 and Q3 2006

- Storage Environment for SPV

Information about pensions at Statens Pensionsverk (SPV) is secured in a new storage system. Proact delivers the new, disaster-secured storage environment, which is easy for administration and expansion without operation interruptions

- Storage for CSC

Replacement and upgrade of systems for file services, storage and backup/recovery for a big customer of Computer Sciences Corporation (CSC). The system has a failover-functionality, which creates even bigger security at operation interruptions

- Reacquisition of own stock

Decision taken in the board of directors to perform reacquisition of own stock up to 10 % of total number of shares. This is made to optimise the capital structure in the Company. Until September 30, Proact has bought back 6.3 % of the stock.

- Record size agreement worth 20 mkr

One big international enterprise customer has chosen to subcontract Proact for responsibility to operate their storage and backup/recovery services. This is the biggest single services contract ever for Proact.

# Press releases from Q2 and Q3 2006 (cont'd)

- New employments

The demand for specialist knowledge within storage and archiving increases. The technical development goes very fast, and to meet the increased demand for knowledge Proact will hire about 50 new employees within the next year

- Expanded co-operation with EMC

The historical multi year co-operation between Proact and EMC within software has been expanded to involve the total EMC offering. The co-operation is important from a strategic point of view for both companies, and one effect is a strengthened position on the whole Nordic market.

- Proact and EMC analyses E-mails

The E-mail systems contains more and more mission-critical information, and many organisations use them as their general business archive for the increasing information volumes. A new services, based on software from EMC has been developed to analyse and propose improvements to optimize security, accessibility and traceability of E-mails.

# Press releases from Q2 and Q3 2006 (cont'd)

- Storage to DSS (= Departementenes Servicesenter)

DSS will during 2006 run salary and accounting services for 15 Department of State in Norway. Proact has been chosen by DSS for a secure Storage solution because of Proact's specialist focus on Storage, and because of the experience of big installations, both centralized and decentralized. The agreement also includes development of supporting systems for among other things e-mail

- Proact Support important for the University of Oslo

Low costs and high availability on the Storage solution for both students and staff at the University is essential. The solution from NetApp combined with Proact specialist knowledge, experience and support services was the base for the agreement

- Licenses agreement with a large international telecom company

By consolidation of the Storage environment on one software solution for backup and recovery (EMC Networker), the customer will make big savings. The order value for Proact is 30 MSEK over three years. Proact will take a total responsibility for backup and recovery of business critical applications like e-mail, financials and project management systems

# Storage market drivers

## Political drivers

- SOX
- EU regulations

## Economical drivers

- Efficiency
- Recovery

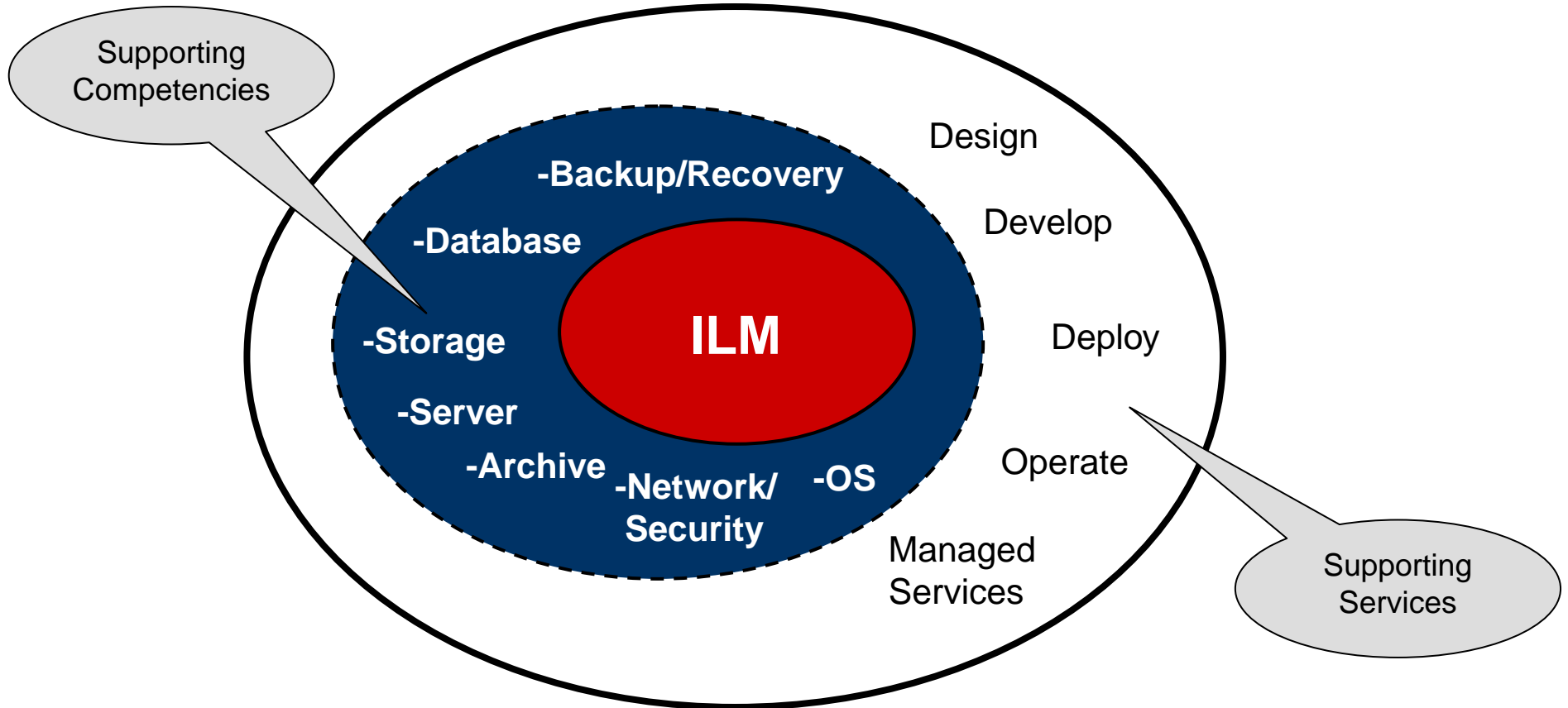
## Business drivers

- Data management
- Information management
- Knowledge management

## Technological drivers

- New solutions
- New standards

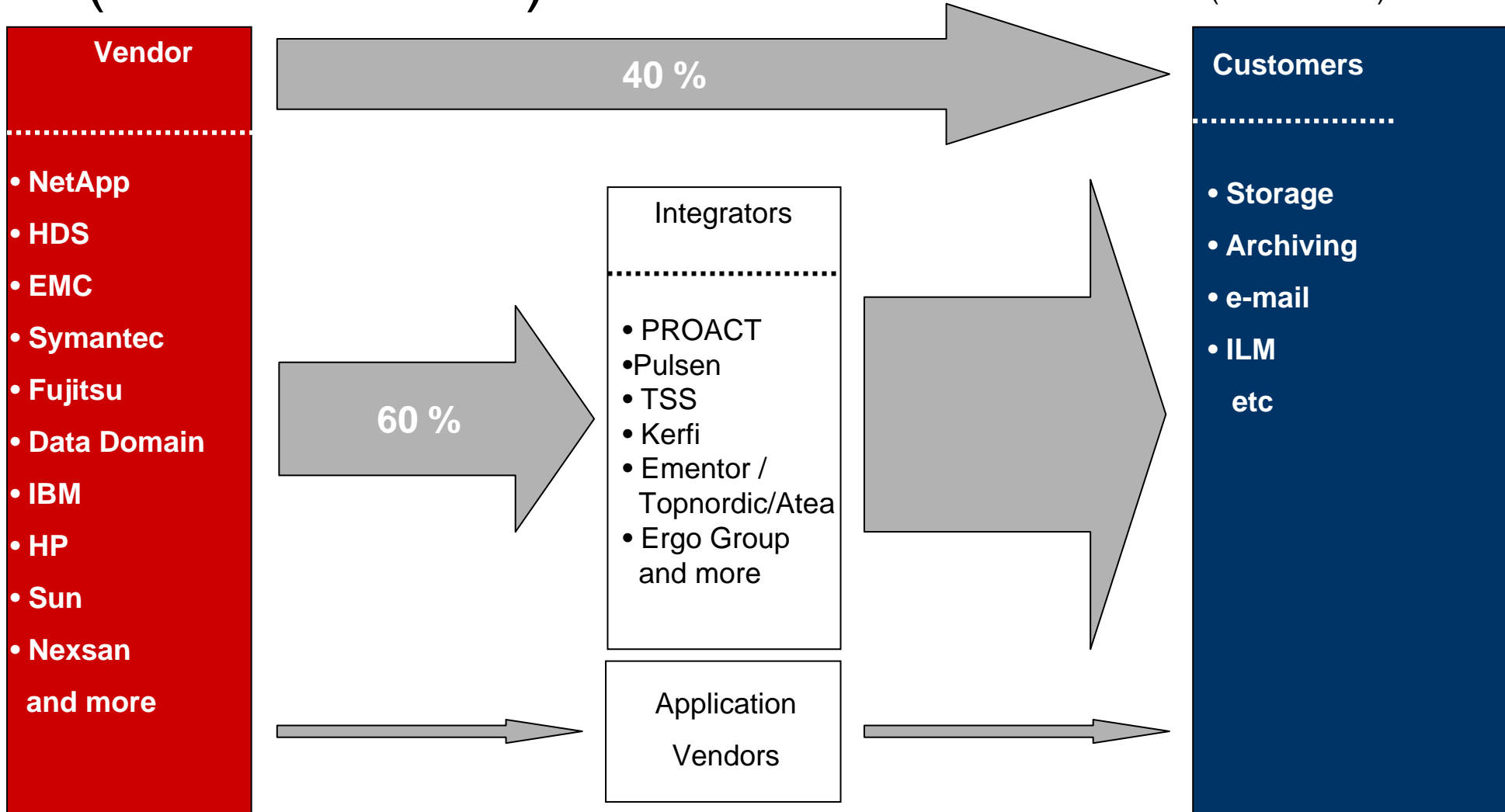
# We secure mission-critical information



The combination is the key

# The Nordic Enterprise Storage Market (10 Billion SEK)

(Source: IDC)



# Partners / Vendors

- **PROACT** will continuously develop its portfolio of strategic vendors
  - Big and market leaders in their respective areas
  - Niche vendors coming with improved technologies
- **NetApp**: Market leader within NAS
- **EMC**: Broad vendor within Storage
- **Sun / StorageTek**: Strong vendor within Servers and Storage
- **Hitachi**: Focused vendor within Storage
- **Symantec**: Broad software vendor within Storage and Security
- **DataDomain**: Niche vendor within Storage. New technologies
- **Nexsan**: Focused vendor within Storage

# Working close to the customer creates knowledge and flexibility



# Some PROACT customers

| Oil            | Telecom                    | Media                  | Public                   | Energy            | Bank/Finance       | Others           |
|----------------|----------------------------|------------------------|--------------------------|-------------------|--------------------|------------------|
| BP Amoco       | 3                          | Aftenposten            | City of Motala           | BKK               | SEB                | AstraZeneca      |
| Chevron Texaco | Bite GSM                   | Aftonbladet            | City of Tampere          | Fortum            | Alfred Berg        | Carmen Systems   |
| ConocoPhillips | Ericsson                   | Agderposten            | CSC Scientific           | Lithuanian Energy | AP Pension         | CSC (SAS)        |
| Norsk Hydro    | Finnnet                    | Bergens Tidene         | Dansk Jordbrugsforskning | Lyse Energy       | Astrup Fearnly     | Eniro            |
| Shell          | Flextronics                | Bergensavisen          | Defence                  | Statnett          | Baltic Trust Bank  | Felleskjøpet     |
| Statoil        | Lattelekom                 | Lithuania Radio and TV | Foreign office           | Troms Energy      | Bank of Finland    | Fujitsu          |
| Western Geco   | Latvijas Mobilais Telefons | TV2                    | Hospitals                | Vattenfall        | DnB NOR            | GENO             |
|                | NextGentel                 | YLE                    | Kriminalvårdsstyrelsen   |                   | FöreningSparbanken | H. Lundbeck      |
|                | Nokia                      |                        | Lithanian Patent Bureau  |                   | Gyllenberg         | Harald A. Møller |
|                | Omnitel                    |                        | Lithuanian Parlament     |                   | Lateko Banka       | ICA              |
|                | Oulun Puhelin              |                        | Police                   |                   | Latvijas Unibanka  | MAN B&W          |
|                | Siemens                    |                        | SMHI                     |                   | Norges Bank        | Microsoft        |
|                | Sonera                     |                        | SSHP                     |                   | Parex Bank         | Orkla Foods      |
|                | TDC                        |                        | Stavanger Commune        |                   | Rietumu Banka      | Patria           |
|                | Telenor                    |                        | Tampere University       |                   | Siauliu Bankas     | Personec         |
|                | Telia                      |                        | Technical Univerisity    |                   | Sparebank 1        | Pfizer           |
|                | TeliaSonera                |                        | Toll                     |                   | Tieto-Tapiola      | Riksbyggen       |
|                | Vodafone                   |                        | Veikkaus                 |                   | Vilniaus Bankas    | Rikstoto         |
|                |                            |                        | Vilnius University       |                   |                    | Skanska          |
|                |                            |                        | Ålborg Sygehus           |                   |                    | TetraPak         |
|                |                            |                        |                          |                   |                    | Tieto Enator     |
|                |                            |                        |                          |                   |                    | WM-data          |
|                |                            |                        |                          |                   |                    | Volvo            |

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# Tactics

## More of the same => Growth with profit

- More Business Makers both among sales representatives and consultants
- New sales channels
- Industry-focus

## More value add => Higher margin

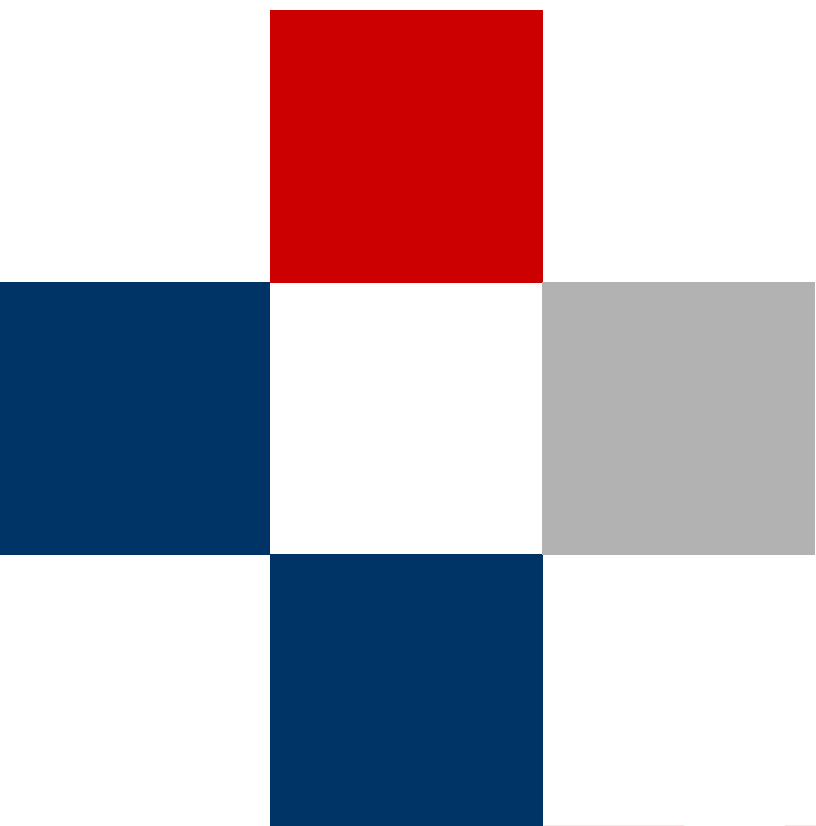
- Archiving
- More software
- More service

## Cost control / Simplicity

- Procurement
- Guide lines
- Simple and useful

# Interim report Jan. – Sept. 2006

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# PROACT

# Income statement Q3-2006

| (Mkr)                    | Q3<br>2006   | Q3<br>2005   |
|--------------------------|--------------|--------------|
| System Sales             | 79,6         | 58,8         |
| Services                 | 75,5         | 74,8         |
| Other revenue            | 0,2          | 1,5          |
| <b>Revenue</b>           | <b>155,3</b> | <b>135,1</b> |
| Gross Profit             | 65,1         | 63,8         |
| Costs                    | -58,8        | -61,7        |
| <b>Result before tax</b> | <b>6,3</b>   | <b>2,1</b>   |
| <i>Net margin</i>        | <i>4.1%</i>  | <i>1.6%</i>  |

## Comments versus last year

### Revenue

- Total revenue +15%
- System sales +35%

## Comments versus Q2

### Costs

- Vacation period

# Income statement 2006

| (Mkr)                    | Jan-Sep<br>2006 | Jan-Sep<br>2005 |
|--------------------------|-----------------|-----------------|
| System Sales             | 295,7           | 231,0           |
| Services                 | 235,6           | 238,3           |
| Other revenue            | 0,4             | 2,7             |
| <b>Revenue</b>           | <b>531,7</b>    | <b>472,0</b>    |
| Gross Profit             | 218,6           | 214,4           |
| Costs                    | -203,1          | -220,9          |
| Non-recurr. costs        | -               | -8,4            |
| <b>Result before tax</b> | <b>15,5</b>     | <b>-14,9</b>    |
| <i>Net margin</i>        | <i>2,9%</i>     | <i>-3,2%</i>    |

## Comments versus last year

### **Revenue**

- Total revenue +13%
- System sales +28%

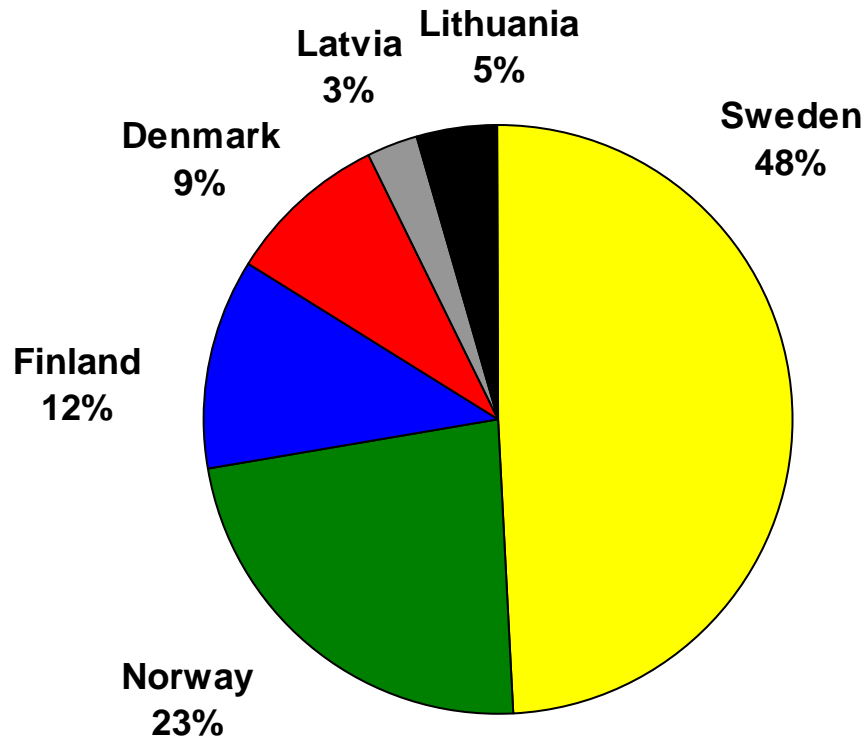
# Key ratios

# Balance Sheet

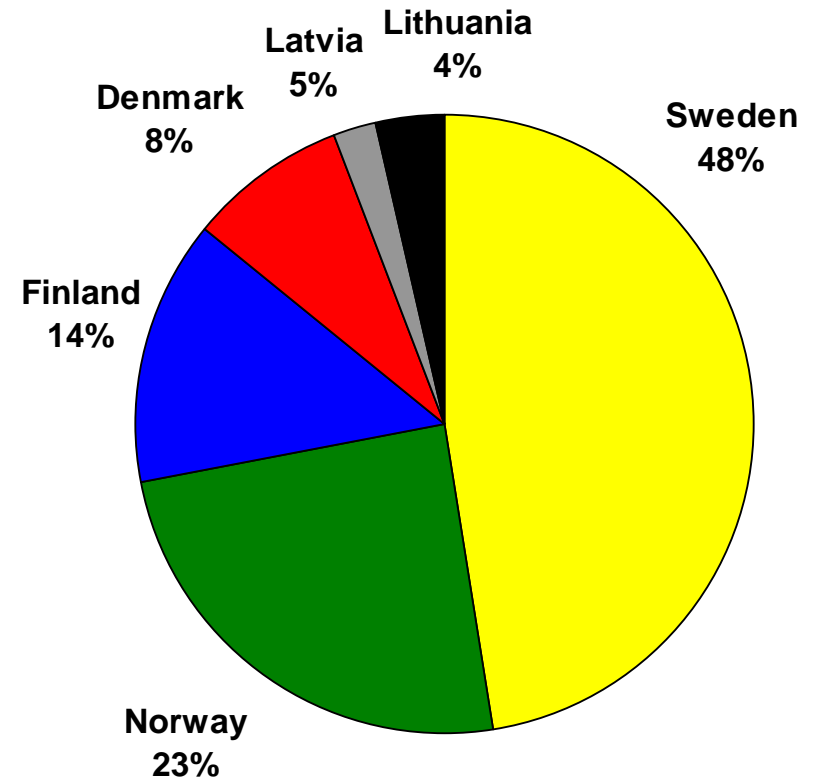
| <b>(MSEK)</b>                   | <b>2006<br/>Sep 30</b> | <b>2006<br/>Jun 30</b> | <b>2005<br/>Dec 31</b> |
|---------------------------------|------------------------|------------------------|------------------------|
| Total Assets                    | 380                    | 426                    | 439                    |
| whereof Goodwill                | 71                     | 72                     | 72                     |
| whereof Intangible fixed assets | 16                     | 16                     | 17                     |
| Equity                          | 155                    | 152                    | 161                    |
| Solidity %                      | 41%                    | 36%                    | 37%                    |
| Cash and bank                   | 44                     | 41                     | 58                     |

# Revenue per country

## Jul - Sep 2006



## Jul - Sep 2005



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# Cash flow

## July – Sept 2006

|                                      |     |           |
|--------------------------------------|-----|-----------|
| <b>Liquid Funds June 30, 2006</b>    |     | <b>41</b> |
| Cash-flow from current operations    |     | +4        |
| Current operations                   | +13 |           |
| Change in working capital            | -9  |           |
| Cash-flow from investment activities |     | 0         |
| Fixed assets                         | 0   |           |
| Cash-flow from financial activities  |     | -1        |
| Buy-back of shares                   | -6  |           |
| Overdraft facilities                 | +5  |           |
| Change in liquid funds               |     | +3        |
| <b>Liquid Funds Sep 30, 2006</b>     |     | <b>44</b> |

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# Cash flow

## Jan - Sep 2006

|                                       |     |            |
|---------------------------------------|-----|------------|
| <b>Liquid Funds December 31, 2005</b> |     | <b>58</b>  |
| Cash-flow from current operations     |     | +7         |
| Current operations                    | +26 |            |
| Change in working capital             | -19 |            |
| Cash-flow from investment activities  |     | -5         |
| Fixed assets                          | -5  |            |
| Cash-flow from financial activities   |     | -16        |
| Buy-back of shares                    | -20 |            |
| Overdraft facilities                  | +5  |            |
| Dividend                              | -1  |            |
| <b>Change in liquid funds</b>         |     | <b>-14</b> |
| <b>Liquid Funds Sep 30, 2006</b>      |     | <b>44</b>  |

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# PROACT share – Top 10 owners

|                             | 2006<br>September 30 | 2005<br>Dec 31 |
|-----------------------------|----------------------|----------------|
| IGC Industrial Growth       | 17.0%                | 14.2%          |
| Skandia Liv                 | 7.3%                 | 7.2%           |
| PROACT IT Group AB          | 6.3%                 | -              |
| RBC Dexia Investor Services | 5.2%                 | 5,1%           |
| Nordea Fonder               | 3.7%                 | 5.0%           |
| SIF                         | 3.1%                 | 3.1%           |
| Goldman Sachs & Co          | 1.9%                 | -              |
| Marit Fagervold             | 1.8%                 | 1.8%           |
| Andra AP-Fonden             | 1.2%                 | 5.1%           |
| DFA Intl Small Company Fund | 1.1%                 | 1.1%           |
| Others                      | 51.4%                | 57.4%          |
| <b>Total</b>                | <b>100%</b>          | <b>100%</b>    |

# Revenue and result excl non-recurrent costs

| (Mkr)                   | Q3 2006    |            |             | Q3 2005    |            |             |
|-------------------------|------------|------------|-------------|------------|------------|-------------|
|                         | Revenue    | P.b.t      | Net margin  | Revenue    | P.b.t      | Net margin  |
| Sweden                  | 78         | 3,4        | 4.4%        | 66         | 4,9        | 7,4%        |
| Norway                  | 36         | 1,3        | 3,6%        | 33         | -2,3       | -7,0%       |
| Finland                 | 18         | 1,0        | 5,4%        | 19         | 0,1        | -0,5%       |
| Denmark                 | 14         | 0,5        | 3,9%        | 11         | -0,7       | -6,4%       |
| Latvia                  | 4          | -0,5       | -11,8%      | 3          | -0,1       | -3,3%       |
| Lithuania               | 7          | 0,4        | 5,7%        | 4          | -0,1       | -2.5%       |
| Parent company          | 0          | 0,0        |             | 0          | 0,0        |             |
| Adj/Am. Intang.ass      | -2         | 0,2        |             | -1         | 0,3        |             |
| <b>Excl non-recurr.</b> | <b>155</b> | <b>6,3</b> | <b>4,1%</b> | <b>135</b> | <b>2,1</b> | <b>1.4%</b> |
| <b>GROUP</b>            | <b>155</b> | <b>6,3</b> | <b>4,1%</b> | <b>135</b> | <b>2,1</b> | <b>1.4%</b> |

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# Revenue and result excl non-recurrent costs

| (Mkr)                   | Q1 - Q3<br>2006 |             |             | Q1 - Q3<br>2005 |              |              |
|-------------------------|-----------------|-------------|-------------|-----------------|--------------|--------------|
|                         | Revenue         | P.b.t       | Net margin  | Revenue         | P.b.t        | Net margin   |
| Sweden                  | 269             | 8,8         | 2.9%        | 238             | 0,1          | 0,1%         |
| Norway                  | 135             | 4,8         | 3.5%        | 114             | -5,1         | -4,5%        |
| Finland                 | 59              | 1,4         | 1.0%        | 57              | -0,5         | -0,9%        |
| Denmark                 | 36              | -1,0        | -7.3%       | 37              | -1,4         | -3,8%        |
| Latvia                  | 19              | 0,9         | 10.0%       | 15              | 0,4          | 2,7%         |
| Lithuania               | 19              | 1,5         | 8.3%        | 17              | 0,7          | 4,1%         |
| Parent company          | 0               | -0,2        |             | 0               | -0,8         |              |
| Adj/Am. Intang.ass      | -5              | -0,7        |             | -7              | 0,1          |              |
| <b>Excl non-recurr.</b> | <b>532</b>      | <b>15,5</b> | <b>2,9%</b> | <b>471</b>      | <b>-6,5</b>  | <b>-1,4%</b> |
| Non-rec. costs          |                 | -           |             |                 | -8,4         |              |
| <b>GROUP</b>            | <b>532</b>      | <b>15,5</b> | <b>2.9%</b> | <b>471</b>      | <b>-14,9</b> | <b>-3,2%</b> |

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