

SKANDITEK

INTERIM REPORT

JANUARY – MARCH
2003

- Pretax loss of SEK 17.3 m reported (corresponding period of the preceding year: loss of 26.1).
- Earnings include charge of SEK 5.1 m (charge: 11.7) for goodwill amortization.



This is Skanditek

Skanditek is an industrial holding company with investments in Swedish companies. The Company's business concept is to be an active, long-term owner. As a result, Skanditek is able to contribute to the development of its portfolio companies by providing industrial and financial expertise at Board and management level.

The portfolio companies are active in the electronics, information technology, biotechnology and service sectors. Investments are mainly made at a relatively early stage of the target companies' development, since this is when Skanditek can contribute business-development experience aimed at high growth, research and development and internationalization.

Investment operations

During the first quarter, SEK 0.6 m was invested in newly formed 45/55 Greater Return on Marketing Investments AB. Skanditek's ownership share is 45.0 percent.

A capital contribution of SEK 2.0 m was granted to Phonepages of Sweden. Skanditek's ownership share is 14.9 percent.

Aptilo Networks received a shareholder contribution of SEK 2.5 m. . Skanditek's ownership share is 17.3 percent.

Investments in portfolio companies during the period amounted to SEK 6.3 m (3.4).

VS Market was divested during the period, with no impact on consolidated earnings.

The result of divestments of portfolio companies during the period was SEK 0 m.

The Group's net investments in tangible fixed assets amounted to SEK 0.3 m (0.4).

Net sales and earnings

Consolidated net sales totaled SEK 127.5 m (138.6).

The Group reported a pretax loss of SEK 17.3 m (loss: 26.1.1). Profit was charged with goodwill amortization and the reversal of negative goodwill in

a net amount of SEK 5.1 m (net charge: 11.7). Group companies accounted for SEK 4.8 m (4.7) and associated companies for SEK 0.3 m (7.0) of the amortization total. The latter amount is included in "Shares in earnings of associated companies before tax." Skanditek's principle is to amortize goodwill over five years.

The consolidated net loss amounted to SEK 14.7 m (loss: 24.0), resulting in a loss per share of SEK 0.25 (loss: 0.41).

Since Skanditek has the character of an industrial holding company, analyses of the financial statements should be conducted with caution. Skanditek's composition in terms of Group and associated companies varies over time in line with changes in Skanditek's ownership shares in the portfolio companies.

Financial position

At the end of the period, the Group's liquid funds totaled SEK 41.0 m (110.3). In addition, there were short-term investments in the form of investments in mutual funds and publicly traded shares with a market value of SEK 34.5 m (50.9). Interest-bearing liabilities amounted to SEK 12.7 m (0).

Liquid funds available for investment activities (excluding portfolio companies within the Group) amounted to SEK 19.5 m (71.1) and short-term investments to SEK 34.5 m (50.9). There were no interest-bearing liabilities (0).

The equity/assets ratio in the Group was 63 percent (71).

Shareholders' equity corresponded to SEK 7.90 (11.21) per share.

Listed portfolio companies

At the end of the period, the market value of the Group's shareholdings in listed portfolio companies was SEK 334.4 m, corresponding to SEK 5.76 per share. On April 28, 2003, the corresponding values were SEK 310.1 m and SEK 5.34 per share, respectively.

The book value of the corresponding holdings at March 31 was SEK 245.6 m, or SEK 4.23 per share.

Sales and earnings in major portfolio companies

Amounts in SEK millions	January – March 2003			January – March 2002		
	Net sales	Operating profit/loss	Operating margin	Net sales	Operating profit/loss	Operating margin
Axis	152.6	0.6	0.4	164.0	10.7	6.5
CMA Microdialysis	13.2	-4.3	-32.6	16.7	-1.2	-7.2
LGP Telecom Holding	Interim report to be released on May 6			266.0	-6.2	-2.3
MYDATA automation	114.3	-7.5	-6.6	121.9	-8.3	-6.8
PartnerTech	320.2	-12.9	-4.0	334.2	-21.0	-6.3
Vitrolife ¹⁾	25.9	-2.2	-8.5	32.8	-4.0	-12.2

Performance of portfolio companies

Skanditek's share of the portfolio companies' net sales, calculated as the ownership share multiplied by the individual companies' net sales during the period when the companies were owned by Skanditek, amounted to SEK 223.6 m (238.5).

Skanditek's share of the portfolio companies' operating profit/loss amounted to a loss of SEK 11.1 m (loss: 11.2).

LGP Telecom is excluded in above mentioned figures. LGP's interim report are not released.

Axis's net sales amounted to SEK 152.6 m (164.0). Currency movements had a negative impact of SEK 18 m on sales during the period. Continued healthy growth was noted in the video product area, with sales rising by 18 percent compared with the year-earlier period. Video accounts for 52 percent of the company's total sales, making it the largest product area, and is estimated to have long-term growth potential. Operating profit for the period amounted to SEK 0.6 m (profit: 10.7). Cash flow from continuing operations was negative in an amount of SEK 0.7 m (pos: 5.4). Ray Mauritsson became new president in February, succeeding Peter Ragnarsson.

CMA Microdialysis net sales amounted to SEK 13.2 m (16.7). An operating loss of SEK 4.3 m (loss: 1.2) was reported for the period. The weaker operating result was due to the fact that the expected sales growth did not materialize and to considerable marketing costs.

LGP Telecom's public offer to shareholders of Allgon AB (publ) has been accepted by shareholders representing 94.2 percent of the share capital. LGP

will request the compulsory redemption of the remaining shares.

Jointly, the two companies will constitute a significant player in the market for mobile telecommunications equipment, with particularly strong positions in Europe, North America and Asia. The new group will have annual sales of about SEK 2.5 billion, with approximately 1,500 employees in 13 countries.

MYDATA automation's net sales during the period amounted to SEK 114.3 m (121.9). An operating loss of SEK 7.5 m (loss: 8.3) was reported. MYDATA automation was severely affected by weaker demand in the market for equipment for the electronics industry. Order bookings remained low. Mydata maintained the same level of investment in research and development during the period, namely 20 percent (16) of sales, for which SEK 23.2 m was charged against first-quarter earnings.

PartnerTech's net sales during the period amounted to SEK 320.2 m (334.2). The acquisition of SAAB Bofors Dynamics in Karlskoga accounted for SEK 39.9 m of sales. For comparable units, total volume during the period decreased by 16 percent. The Telecom/Infrastructure business area noted the largest decrease in volume. An operating loss of SEK 12.9 m (loss: 21.1) was reported. Cash flow from continuing operations amounted to SEK 27.6 m (54.4). It is estimated that the market remains weak.

Vitrolife's net sales amounted to SEK 25.9 m (32.8). Sales within core operations rose by 18 percent to SEK 25.9 m (22.0). An operating loss of SEK 2.2 m (loss: 4.0) was reported. Vitrolife's gross margin improved significantly following the savings and restructuring program implemented around

year-end. The work aimed at focusing on the core operations of fertility and transplantation systems has proceeded well. Cash flow from continuing operations was negative in an amount of SEK 5.5 m (pos: 1.6).

Parent Company

The Parent Company's net sales during the period amounted to SEK 0 m (0). A pretax loss of SEK 2.5 m (loss: 2.9) was reported, which mainly resulted from dividend payments and expenses for management activities.

The Parent Company's investments in portfolio companies totaled SEK 5.1 m (0). There were no investments in tangible fixed assets (0.0).

Liquid funds at the end of the period totaled SEK 2.2 m (beginning of the year: 4.8). In addition, the Parent Company had short-term investments in mutual funds and publicly traded shares with a market value of SEK 18.1 m (beginning of the year: 19.0). There were no interest-bearing liabilities (0).

The equity/assets ratio was 96 percent (98).

Accounting principles

This interim report has been prepared in accordance with Sweden's Annual Accounts Act and the Financial Accounting Standards Council's

recommendations. The accounting and calculation principles used in the most recent annual report, plus the Financial Accounting Standards Council's recommendations that became effective on January 1, 2003, have been applied in this interim report.

Information

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

Forthcoming financial reports

The scheduled publication dates for interim reports during 2003 are as follows:

Second quarter: August 14

Third quarter: October 23

Interim reports and press releases are published in Swedish and English.

Stockholm, April 29, 2003

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	3 mos 2003 Jan-Mar	3 mos 2002 Jan-Mar	12 mos 2002 Jan-Dec
Amounts in SEK thousands			
Group income statements			
Net sales	127 483	138 580	508 530
Cost of goods sold	-83 873	-84 181	-318 483
Gross profit	43 610	54 399	190 047
Shares in earnings of associated companies before tax	-5 477	-16 082	-168 851
Result from participations in other portfolio companies		-	-10 030
Sales expenses	-26 266	-27 962	-109 268
Administrative expenses	-12 338	-11 739	-45 630
Research and development costs	-28 996	-20 469	-83 551
Other operating revenues and operating expenses	5 767	-5 325	7 102
Amortization of goodwill	-5 440	-5 369	-21 756
Reversal of negative goodwill	611	611	2 444
Operating loss	-28 529	-31 936	-239 493
<i>Result from financial investments</i>			
Other interest income and similar profit/loss items	7 439	5 529	9 123
Interest expenses and similar profit/loss items	-1 316	-4 186	-7 718
Loss after financial items	-22 406	-30 593	-238 088
Minority interests in profit	5 100	4 475	18 418
Loss before tax	-17 306	-26 118	-219 670
Current tax	-	-41	-33
Deferred tax	1 911	3 283	5 311
Shares in tax of associated companies	655	-1 101	1 697
Net loss for the period	-14 740	-23 977	-212 695

Group key ratios

Earnings per share after tax, SEK	-0.25	-0.41	-3.66
Equity per share, SEK	7.34	11.21	7.63
Number of shares at the end of the period, thousands ¹⁾	58 040	58 040	58 040
Average number of shares, thousands	58 040	58 040	58 040
Market price at the end of the period, SEK	7.90	21.10	10.30
Market value, SEK m	459	1 225	598
Equity/asset ratio, %	63	71	63
Average number of employees	357	379	368

¹⁾There are no issued financial instruments that could cause dilution of the number of shares.

	3 mos 2003 Jan-Mar	3 mos 2002 Jan-Mar	12 mos 2002 Jan-Dec
Amounts in SEK thousands			

Group cash flow statements

Cash flow from operating activities	-30 386	13 898	-15 070
Cash flow from investment activities	-3 658	-5 925	-18 688
Cash flow from financial activities	14 264	338	-7 476
Cash flow for the period	-19 780	8 311	-41 234

Net sales per company

CMA Microdialysis AB	13 174	16 678	61 319
Mydata Automation AB	114 291	121 902	447 211
Group total	127 465	138 580	508 530

Operating profit/loss per company

Skanditek Industriförvaltning AB	-2 524	-2 984	-224 547
CMA Microdialysis AB	-4 294	-1 179	-10 623
Mydata Automation AB	-7 508	-8 339	-26 373
Other Group companies ²⁾	-841	2 491	-160
Share in earnings of associated companies	-5 163	-9 122	-74 738
Share in goodwill of associated companies	-314	-6 960	-94 113 ²⁾
Goodwill in Group companies, net	-4 829	-4 758	-19 312
Group eliminations	-3 056	-1 085	210 373
Group cash flow statements	-28 529	-31 936	-239 493

¹⁾ Refers to companies that conduct portfolio management and securities trading activities and principally consists of dividends and capital gains/losses.

²⁾ Amount includes SEK 66.234,000 for the write-down of goodwill attributable to PartnerTech.

	2003	2002	2002
Amounts in SEK thousands	March 31	March 31	Dec 31
Group balance sheets			
ASSETS			
Fixed assets			
Intangible assets	23 783	37 951	31 401
Tangible assets	9 417	14 115	10 424
Financial assets	323 121	492 755	325 696
Total fixed assets	356 321	544 821	367 521
Current assets			
Inventories, etc.	95 059	102 485	95 847
Current receivables	155 010	132 616	154 051
Investments	30 646	27 805	29 127
Cash and bank balances	41 010	110 335	60 790
Total current assets	321 725	373 241	339 815
TOTAL ASSETS	678 046	918 062	707 336
EQUITY AND LIABILITIES			
Equity	425 921	650 651	442 715
Minority interests	137 399	163 376	142 503
Provisions	18 170	22 662	17 978
Long-term liabilities			
Interest-bearing liabilities	12 704	-	-
Non-interest-bearing liabilities	550	100	550
Total long-term liabilities	13 254	100	550
Current liabilities			
Interest-bearing liabilities	6 383	13	-
Non-interest-bearing liabilities	76 919	81 260	103 590
Total current liabilities	83 302	81 273	103 590
TOTAL EQUITY AND LIABILITIES	678 046	918 062	707 336

Change in Group' equity

Opening balance	442 715	675 058	675 058
Dividend to shareholders	-	-	-11 608
Other changes *	-2 054	-430	-8 040
Net loss for the period	-14 740	-23 977	-212 695
Closing balance	425 921	650 651	442 715

Skanditek's portfolio companies

Skanditek's portfolio companies and holding shown as the percentage share of capital held on April 29, 2003 (excluding options and convertibles).

COMPANY	NATURE OF BUSINESS	HOLDING ¹⁾
IT and Telecom		
Axis AB ²⁾	Network-based video, printing and storage products	14%
LGP Telecom Holding AB ²⁾	Telecom products and advanced industrial components	9%
MYDATA automation AB	Advanced machinery for surface mounting of electronic components	39%
Subcontract production of electronics		
PartnerTech AB ²⁾	Systems supplier that develops and manufactures electronic products	40%
Services		
H Lundén Kapitalförvaltning AB	Asset management	14%
PBK Outsourcing AB	Turnkey solutions for management accounting	50%
Theeducation AB	Education via virtual classrooms on the Internet	29%
The Chimney Pot AB	Post-production and effects for film and video	41%
Biotechnology		
CMA Microdialysis AB	Medical devices	58%
InRo BioMedTek AB	Reagents for diagnostic and therapeutic purposes	33%
Vitrolife AB ²⁾	High-quality nutritional solutions for storage of organs, etc.	35%

¹⁾ Holdings in Skanditek's subsidiary G Kallstrom & Co have been calculated to correspond to the percentage shareholding of 70 percent.

²⁾ Axis, LGP Telecom Holding, PartnerTech and Vitrolife are listed on the Stockholmsbörsen's "O" list.

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