

PRESS RELEASE

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First Quarter net sales increased by 138%

Micronic Group, First Quarter Report, January 1 – March 31, 2001.

Täby, Sweden, April 24, 2001 - Micronic Laser Systems AB (Stockholmsbörsen's "Attract 40 list": MICR) is at the forefront in semiconductor and display laser pattern generators for the production of photomasks to the world wide electronic industries. Micronic today announces its first quarter results.

(Figures in brackets relate to the period January 1 – March 31, 2000, if not otherwise stated).

- Net sales increased by 138% compared to the same period last year, MSEK 117 (49).
- Profit after financial items was a loss of MSEK 34 (loss 30).
- Order intake, amounted to MSEK 110 (172).
- Closing order book of MSEK 319 (330), all of which is expected to be delivered and invoiced during 2001.
- The total number of employees was 323 (226) at the end of the quarter.

“Our products, both for display and semiconductor applications, have shown extremely strong production performance,” said Sven Löfquist, new president and CEO of Micronic. “I feel very confident that we have a strong product portfolio to suit our customers’ need for the future. Micronic's Sigma7100 pattern generator which has demonstrated a remarkable resolution for 100 nm photomask writing and the new Omega6600 enabling high speed mass production of 130 nm designs represent leading edge technology typical for a highly innovative company like Micronic.”

Key events in first quarter

- Micronic launched the Omega6600 for the production of the 130 nm photomasks. The first order for this type of system was received from a major commercial photomask manufacturer. The system is a part of an upgrade process to extend the Omega6000 product program.
- The Annual General Meeting took place on March 13. The meeting resolved to issue debentures with separable options providing the right to subscribe for 600,000 shares in the company in preparation for an employee stock-option program.



- On March 13, Micronic's board appointed Sven Löfquist as president and CEO of Micronic Laser Systems AB. The board nominated Bert Jeppsson, the previous president and CEO, as executive chairman of the company in connection with the Annual General Meeting.

Markets and Micronic products

Semiconductors

The Omega6600, Micronic's latest generation pattern generator for semiconductors, has been further enhanced to meet the production requirements of the 130 nm node. An order was placed during the quarter for this new 130 nm tool and shipment is scheduled for Q2. The tool is part of an upgrade process to extend the Omega6000 product performance.

Micronic is continuing to receive large interest in products for the 130 nm node as mask makers prepare for volume production. Although uncertainty in the world economy and the slow-down in semiconductor markets have temporarily reduced the demand for mid- and low-end pattern generators, the state-of-the-art capabilities are much in need and Micronic is well prepared with the Omega6600 and Sigma7100 products. These tools are intended to form a "Mix & Match" solution to provide volume production capability for the 130 nm and 100 nm nodes.

Displays

Micronic received a repeat order for an advanced TFT pattern generator during the quarter.

LCD manufacturers are continuing to develop new designs to get a better position in the market, leading to a healthy demand in photomasks. The move towards more advanced designs continues, which creates a demand for more advanced pattern generators.

Multi Purpose

The dominant application of the multi purpose segment is electronic packaging. The annual growth in advanced packaging is expected to be strong. According to VLSI Research, the number of electronic packages is expected to rise by 40 percent from 2000 to 2003. The requirements become more stringent over time, which means that the Micronic MP systems are suited for an increasing number of applications.

Order intake, invoiced sales and order backlog

Net sales for the quarter amounted to MSEK 117 (49), two systems were delivered.

The order intake amounted to MSEK 110 (172) for Q1 and consists of one new system, one upgrade and service. In conjunction with the acquisition of Image Technology by Suss MicroTec, an order has been placed for two advanced packaging systems from Micronic with an option to purchase an additional third system. This order replaces a previous multi system order from Image Technology.

The closing order book amounted to MSEK 319 (330), all of which is expected to be delivered and invoiced during 2001.

Operating costs

Operating costs including change in work in progress for the quarter amounted to MSEK 150 (80). These costs include cost of sales MSEK 64, R&D MSEK 62, Sales and G&A MSEK 30 and other income/costs, a positive item of MSEK 6. The company follows a plan based on the anticipated market expansion for advanced photomasks. Micronic continues to invest heavily in R&D and production to be able to increase the number of shipments during the year.

The investments and research activities are concentrated on the development of the first generation of Sigma7000 products and the development of the Omega6600 product.

The expansion of the facilities in Täby, which was started in 2000, continues according to plan. The new production areas will come into use in the end of Q2 and the remaining part will be ready by September 2001.

Profitability

The quarterly result after financial items was a loss of MSEK 34 (loss 30).

Earnings per share

The total number of shares in issue is 19,100,583. After full dilution, including warrants net after withdrawals, the company will have 20,193,733 shares in issue. Each share has a par value of SEK 1. Earnings per share, after tax and full dilution, was a loss of SEK 1,16 (loss 1,64).

Personnel

The number of employees has increased during the quarter from 304 to 323.

The expansion of the service organization continues. The number of employees outside of Sweden rose from 39 to 45 during the quarter. A new service center was opened in Japan. Service accounted for MSEK 16 (14) during the period.

Capital expenditure

Net capital expenditure during the period, MSEK 50 (9), relates mainly to investments in the parent company's property MSEK 28 and machinery MSEK 20.

Cash-flow

During the period, liquid funds decreased by MSEK 31 (increase by 359) to MSEK 288 (442). Operations have consumed MSEK -37 (-27). Funds tied up in working capital (liquid funds excluded) have increased by MSEK 57 (-34). Capital expenditure in fixed assets amounts to MSEK 50 (12). External funds supplied amount to MSEK -1 (433).

Liquid funds and financial position

The Group has a strong financial position at the end of the quarter. The closing balance of funds amounted to MSEK 288 (442), excluding an unutilized overdraft facility. The closing equity ratio was 69 (74) %.

Legal action in progress

Micronic took legal action in the United States against Etec Systems, Inc. (now an Applied Materials company) in January 2000, including a request that the court establish that Micronic is not violating one of Etec's patents. Etec filed an answer to the complaint, including a claim that Micronic is infringing this patent. The Court denied Micronic's motion for summary judgment that the patent was invalid for the on-sale bar, reserving the issue for determination at trial.

Discovery is continuing and is currently set to conclude in July 2001, with expert discovery set to conclude in August 2001. No trial date has yet been set, nor is trial expected to commence before November 2001.

Future outlook

Micronic's largest markets are Japan, Asia and the United States.

The present downturn in the semiconductor market has mainly impacted the photomask market by lowering demand for mature designs. The installed capacity for production of advanced masks for 130 nm is low, however, and thus the demand for leading edge pattern generators remains intact. The uncertainties in the semiconductor market have resulted in delayed bookings.

The demand for advanced TFT-LCD photomasks continues to be high with increased technical requirements. The demand for pattern generators in 2001 is predicted to be in line with year 2000.

The multi purpose segment is growing especially for advanced electronic packaging applications. Still the segment is estimated to be a limited part of the total revenues.

Despite the delay of orders the board of directors sees a good market potential for Micronic's advanced laser pattern generators and therefore repeats its estimates for continued strong growth in sales and for an operating margin in line with the long term financial goal of 15 percent for the year 2001.

Micronic closely monitors the market's development to make sure that the company's resources are in line with our customer needs.

Miscellaneous

This interim report has not been subject to examination by the company's auditors.

Future reports

April – June 30th 2001

July 19

July – September 30th 2001

October 23

Täby, April 24, 2001

Micronic Laser Systems AB (publ.)

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Micronic Laser Systems is a Swedish high-tech company engaged in the development, manufacture and marketing of a series of extremely accurate laser pattern generators for the production of photomasks. The technology involved is known as microlithography. Micronic's systems are used by the world's leading electronics companies in the manufacture of television and computer displays, semiconductor circuits and semiconductor packaging components.

Micronic is located in Täby, north of Stockholm and at present has subsidiaries in the United States and Japan and a service office in Taiwan.

PROFIT AND LOSS ACCOUNTS

SEK million	GROUP		PARENT COMPANY	
	Jan-Mar01	Jan-Mar00	Jan-Mar01	Jan-Mar00
Net sales	116,6	49,0	104,6	38,8
Change in work in progress	26,0	41,6	26,0	41,6
Other operating income	6,0	0,0	6,0	0,0
Operating costs incl. depreciation	-181,6	-121,1	-174,8	-115,2
Operating profit/loss	-33,1	-30,4	-38,3	-34,6
Result from financial investments	-0,9	0,9	-0,8	1,8
Profit/loss after financial items	-34,0	-29,5	-39,1	-32,8
Appropriations	-	-	-	-
Tax on profit of the year	10,6	-0,1	10,9	0,0
Net profit/loss for the year	-23,4	-29,6	-28,1	-32,8

BALANCE SHEET

SEK million	GROUP		PARENT COMP	
	Mar 31,01	Dec 31, 00	Mar 31,01	Dec 31, 00
ASSETS				
Fixed assets	157,8	112,3	157,7	112,5
Current assets				
Inventories	251,8	163,9	244,7	159,3
Current receivables	258,0	350,2	248,9	342,7
Cash and bank	287,8	318,7	282,0	310,1
Total current assets	797,5	832,7	775,5	812,1
Total assets	955,3	945,1	933,2	924,6
EQUITY AND LIABILITIES				
Equity				
Restricted equity	578,5	579,9	558,6	558,6
Non-restricted equity	75,9	99,7	71,3	99,4
Total equity	654,5	679,5	629,9	658,0
Untaxed reserves	0,0	0,0	33,6	33,6
Provisions	9,9	10,1	0,0	0,0
Long-term interest-bearing liabilities	54,6	54,8	49,9	50,2
Other liabilities	236,3	200,6	219,8	182,7
Total liabilities	290,9	255,4	269,7	232,9
Total equity and liabilities	955,3	945,1	933,2	924,6

KEY FIGURES

	Jan-Mar 01	Jan-Mar 00	Jan-Mar 01	Jan-Mar 00
Profit margin	-27,7%	-60,2%	-35,4%	-84,5%
Return on shareholders equity	-3,5%	-8,6%	-4,2%	-9,6%
Equity/total assets	69%	74%	70%	75%
Equity/share before dilution SEK	34,3	33,7	34,2	33,4
Earnings/share before dilution	-1,23	-1,82	-1,47	-2,02
Earnings/share after dilution	-1,16	-1,64	-1,39	-1,82
Average no. of employees	298	209	259	188
Capital expenditure, gross				
Buildings	27,6	6,8	27,6	6,8
Machinery and equipment	19,8	4,6	19,6	4,1
Intangible fixed assets	2,3	-	2,3	-

Q INCOME STATEMENT

SEK million	2001 Q1	2000 Q1
Net sales	116,6	49,0
Q on Q	-68%	18%
Y on Y	138%	15%
Cost of Sales	-64,2	-28,1
% of Net sales	-55%	-47%
Gross Profit	52,4	20,9
% of Net sales	45%	43%
R&D	-62,2	-32,6
% of Net sales	-53%	-67%
Sales, G&A	-29,3	-17,7
% of Net sales	-25%	-36%
Other Costs	6,0	-1,0
% of Net sales	5%	-2%
EBIT	-33,1	-30,4
% of Net sales	-28%	-62%
Interest	-0,9	0,9
% of Net sales	-1%	2%
Pretax Profit	-34,0	-29,5
% of Net sales	-29%	-60%
Tax	10,6	-0,1
% of Pretax Profit	31%	0%
Extraordinary IT	0	0
% of Net sales		
Rep Net Profit	-23,4	-29,6
% of Net sales	-20%	-61%

Key figures related to balance items calculated on the situation per March 31, 2000 distributed

Values for Q1 2000 updated: Depreciation previously included in Other costs, now

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CASH FLOW

MSEK	GROUP		PARENT COMPANY	
	Jan-Mar01	Jan-Mar00	Jan-Mar01	Jan-Mar00
Cash flow from operations	20,0	-62,9	21,3	-66,1
Cash flow from capital expenditure	-50,1	-11,7	-49,0	-17,6
Cash flow from financing	-0,7	433,0	-0,3	433,6
Increase/Decrease in liquid funds	-30,9	358,5	-28,1	350,0
Opening liquid funds	318,7	83,1	310,1	79,3
Closing liquid funds	287,8	441,5	282,0	429,3

EQUITY

MSEK	GROUP					
	Jan-Mar01			Jan-Mar00		
	Restricted Equity	Non-restricted equity	Total	Restricted Equity	Non-restricted equity	Total
Opening balance	579,9	99,7	679,5	113,1	28,2	141,3
New share issue net of issuance costs				436,9		436,9
Currency differences	-1,3	-0,3	-1,6	-1,3	-0,1	-1,4
Net profit for the year		-23,4	-23,4		-29,6	-29,6
Closing balance	578,5	75,9	654,5	548,7	-1,5	547,2

	PARENT COMPANY					
	Jan-Mar01			Jan-Mar00		
	Restricted Equity	Non-restricted equity	Total	Restricted Equity	Non-restricted equity	Total
Opening balance	558,6	99,5	658,0	90,4	24,2	114,6
New share issue net of issuance costs				436,9		436,9
Net profit for the year		-28,1	-28,1		-32,8	-32,8
Closing balance	558,6	71,3	629,9	527,3	-8,6	518,7

The same accounting principles have been applied in the quarterly closing as in the last annual reporting.