



INTERIM REPORT
JANUARY–MARCH 2001

Interim Report January–March 2001

- Pretax loss of SEK 7.3 m (loss: 6.0).
- Earnings charged with goodwill amortization of SEK 15.1 m (charge: 10.5).
- Skanditek's shareholding in e-learning company Theduction increased to 25 percent.

This is Skanditek

Skanditek is an exchange-listed industrial holding company that has investments in listed and unlisted Swedish companies. The Group'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

Skanditek invested a further SEK 3.7 m in the e-learning company Theduction in connection with a new share issue. As a result, Skanditek's holding rose from 19 to 25 percent. At the same time, Natur och Kultur, a publisher of teaching materials, became a new shareholder in Theduction, after acquiring a 25-percent interest.

Most of Skanditek's holding in BioNative was sold to other BioNative shareholders during the period. These sales had no effect on earnings. The agreement with the purchasers contains a clause governing possible supplementary payments in the future.

The Group's net investments in tangible fixed assets amounted to SEK 3.3 m (0.6).

Net sales and earnings

Consolidated net sales amounted to SEK 347.4 m (200.4). The increase was mainly attributable to Vellinge Electronics, which has been a Group company since the second quarter of 2000.

The Group reported a pretax loss of SEK 7.3 m (loss: 6.0).

Goodwill amortization and the reversal of negative goodwill were charged against profit in a net amount of SEK 15.1 m (charge: 10.5).

Group companies accounted for SEK 10.7 m

(4.8) and associated companies for SEK 4.4 m (5.7) of this amount. The latter amount is included in "Shares in earnings of associated companies before tax." Skanditek's principle is to amortize goodwill over five years.

If "non-operations items" were excluded from earnings, the Group would have reported a loss of SEK 11.5 m (profit: 0.9). Goodwill amortization, capital gains, refunds of pension contributions from SPP and proceeds resulting from new issues of shares in associated companies are examples of the types of items excluded.

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, as do the ownership shares in portfolio companies.

Financial position

At the end of the period, the Group's liquid funds totaled SEK 95.6 m (March 31, 2000: 101.0). It also had short-term investments in the form of investments in mutual funds and publicly traded shares in an amount of SEK 36.6 m (46.8).

Skanditek's Annual General Meeting was held on March 22. For the first time in the Company's 18-year history, the Meeting decided to pay a dividend, SEK 0.20 per share. The

total dividend amount of SEK 11.6 m was paid out during the report period.

Listed shareholdings

At the end of the period, the market value of the Group's shareholdings in listed portfolio companies was SEK 703.2 m, corresponding to SEK 12.12 per share.

On April 26, the corresponding values were SEK 707.0 m and SEK 12.18 per share, respectively.

Performance of portfolio companies

Axis's sales increase derived from the company's OEM operations and its Camera business area. The more mature product segments within the Networked Office business area may be affected by the economic slowdown in the US. However, it is too early at present to talk of a general decline, since a weak start to the period was followed by a favorable sales trend in Europe at the end, while the trend in the OEM segment remained positive. Earnings were affected by investments in the Mobile Internet business area. The rate of costs will diminish during the remainder of the year.

LGP Telecom continues to show healthy growth despite the general slowdown in the telecom sector. In Europe, LGP noted satisfactory growth, although the market continued to be characterized by caution among both system

Sales and earnings in major portfolio companies

Amount in SEK millions	January – March 2001			January – March 2000		
	Net sales	Operating profit ¹⁾	Operating margin	Net sales	Operating profit ¹⁾	Operating margin
Axis	175.9	–41.7	–23.7%	139.5	–54.4	–39.0%
CMA Microdialysis	12.1	0.1	1.2%	11.0	–1.0	–9.2%
LGP Telecom Holding	376.0	42.1	11.2%	284.7	39.2	13.8%
Mydata Automation	196.5	14.1	7.2%	181.2	33.1	18.3%
PartnerTech	310.5	4.3	1.4%	250.4	20.5	8.2%
Vellinge Electronics	138.8	–1.6	–1.1%	107.1	5.5	5.1%
Vitrolife	19.4	–13.3	–68.3%	22.0	–2.6	–11.8%

¹⁾ The results do not include items affecting comparability.

suppliers and operators. North America, South America and Asia continued to be strong markets for LGP's products. China and Brazil were hallmarked by particularly strong demand.

Mydata Automation, whose surface-mounting machines are investment items used in the electronics industry, was adversely affected by reduced demand. Orders received from the American market declined. In addition, the company's smaller machine models, which generate a lower contribution to earnings, accounted for an increasing share of sales. However, the scope of the company's forceful program of investments in R&D and marketing activities continued to increase.

PartnerTech's market segment, telecom infrastructure, was severely affected by the economic slowdown and by the considerable production shifts towards 3G that are under way or have been implemented in the Nordic region. Similarly, this segment is also being affected by the fact that investments in the US are now being made in GSM solutions and no longer in the TDMA system. Longer term, however, PartnerTech is convinced that the market potential in this segment is considerable. IT/mechatronics and medical technology continued to show growth.

Vellinge Electronics reported healthy sales growth as a result of successes noted by its industrial electronics customers. This segment accounts for approximately half of total sales. Earnings were charged with high costs for components, a factor that can be offset through higher invoiced prices, following a certain time lag. In pace with the decrease in market demand, the previous shortage of components has ceased. Accordingly, the company's production disturbances are being alleviated, which is expected to result in higher productivity in the future.

Vitrolife's sales in the Biosupportive Systems business area were relatively weak during the period. The warehousing situation at the company's distributors is leading to irregular order bookings. Earnings are being affected by the decrease in sales and by increased costs for administration and R&D. Within Transplantation Systems, the US Food and Drug Administration (FDA) has granted a marketing license for Perfadex, which is used in connection with lung transplants. Vitrolife is preparing a new share issue and a listing of its shares on the Stockholm Exchange's O List.

Skanditek's share of the associated companies' net sales during the period, calculated on the basis of Skanditek's shareholding multiplied by the companies' net sales, amounted to SEK 379.0 m (253.3).

Skanditek's share of the associated companies' operating earnings amounted to a loss of SEK 8.2 m (profit: 8.2).

	3 months	3 months	12 months
	2001	2000	2000
Amount in SEK thousands	Jan–March	Jan–March	Jan–Dec

Net sales per company

Skanditek Industriförvaltning AB	-	272	889
CMA Microdialysis AB	12,095	11,025	46,020
Fermentech Medical Ltd	-	8,121	8,121
Mydata Automation AB	196,459	181,239	896,584
Vellinge Electronics AB	138,830	-	350,772
Other companies	-	-	438
Group eliminations	-	-272	-455
Group total	347,384	200,385	1,302,369

Operating profit/loss per company

Skanditek Industriförvaltning AB	-3,358	-2,101	-13,498
CMA Microdialysis AB	146	-1,015	-1,913
Fermentech Medical Ltd	-	30	30
Mydata Automation AB	14,106	33,101	137,186
Vellinge Electronics AB	-1,564	-	23,857
Other Group companies ¹⁾	690	-527	29,001
Earnings from shares in associated companies	-4,874	-13,358	72,693
Goodwill in Group companies, net	-10,657	-4,834	-36,950
Group eliminations	-485	-	3,262
Group total	-5,996	11,296	213,668

¹⁾ Refers to companies with portfolio management and securities trade and principally consists of dividends and capital gains/losses.

Parent Company

The Parent Company's net sales amounted to SEK 0.0 m (0.3). A pretax loss of SEK 3.0 m (loss: 4.6) was reported, mainly as a result of management expenses.

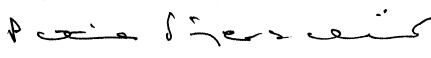
The Parent Company's investments in portfolio companies amounted to SEK 3.7 m (10.0). Investments in tangible fixed assets amounted to SEK 0.0 m (0.1).

Liquid funds at the end of the period amounted to SEK 4.2 m (year-start 4.0). In addition, the Parent Company had short-term investments in mutual funds and publicly traded shares in an amount of SEK 13.1 m (year-start 10.0).

The equity/assets ratio was 98 percent (99).

Stockholm, April 27, 2001

Skanditek Industriförvaltning (publ)



Patrik Tigerschiöld
President

Information

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and the recommendations issued by the Financial Accounting Standards Council. The accounting principles and calculation methods used in the report are the same as those applied in the 2000 Annual Report, with the exception of adjustments made in order to comply with new recommendations from the Financial Accounting Standards Council. The adjustments had no effect on comparative figures.

The report is unaudited.

Skanditek shares are listed on the Stockholm Exchange's O List.

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Forthcoming interim reports

January–June: Tuesday, August 21.

January–September: Thursday, October 25.

	3 months	3 months	12 months
	2001	2000	2000
Amount in SEK thousands	Jan–March	Jan–March	Jan–Dec

Group Income statements

Net sales	347,384	200,385	1,302,369
Cost of goods sold	–244,382	–82,062	–785,169
Gross profit	103,002	118,323	517,200
Result from divestments of portfolio companies	-	-	17,000
Shares in earnings of associated companies before tax	–4,874	–13,358	72,693
Result from participations in other portfolio companies	-	869	3,742
Sales expenses	–44,974	–43,219	–143,863
Administrative expenses	–22,957	–13,381	–58,656
Research and development costs	–28,609	–33,104	–119,908
Other operating income and operating expenses	3,073	-	–37,590
Depreciation of goodwill	–11,268	–5,345	–39,146
Reversal of negative goodwill	611	511	2,196
Operating income/loss	–5,996	11,296	213,668
<i>Result from financial investments</i>			
Other interest income and similar profit/loss items	7,444	5,953	24,160
Interest expenses and similar profit/loss items	–2,900	–8,349	–9,101
Profit/loss after financial items	–1,452	8,900	228,727
Minority interests in income	–5,885	–14,949	–89,586
Income/loss before tax	–7,337	–6,049	139,141
Tax on profit for the year	–7,939	–406	–45,983
Deferred tax	2,627	-	–10,735
Shares in tax of associated companies	–356	–2,032	–3,776
Net profit/loss for the period	–13,005	–8,487	78,647

Group Key ratios

Earnings per share after tax, SEK	–0.22	–0.15	1.36
Equity per share, SEK	12.02	8.64	12.50
Number of shares at the end of the period, thousands ¹⁾	58,040	55,044	58,040
Average number of shares, thousands	58,040	55,044	57,244
Market price at the end of the period, SEK	33.00	58.00	42.00
Market value, SEKm	1,915	3,193	2,438
Equity/asset ratio, %	57	64	56
Average number of employees	625	355	581

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

Group Cash flow statements

Cash flow from operating activities	35,005	17,758	–939
Cash flow from investment activities	–7,046	–8,726	–60,941
Cash flow from financial activities	–2,445	–5,034	35,011
Cash flow for the period	25,514	3,998	–26,869

	2001	2000	2000
Amount in SEK thousands	March, 31	March, 31	Dec, 31

Group Balance sheets

ASSETS

Fixed assets

Intangible assets	148.378	72.844	159.035
Tangible assets	32.743	18.420	34.028
Financial assets	372.568	228.123	376.774
Total fixed assets	553.689	319.387	569.837

Current assets

Inventories etc	285.342	92.288	258.021
Current receivables	269.817	184.908	355.222
Investments	28.314	66.763	72.580
Cash and bank balances	95.648	81.006	40.438
Total current assets	679.121	424.965	726.261

TOTAL ASSETS	1.232.810	744.352	1.296.098
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EQUITY AND LIABILITIES

Equity	697.770	477.242	725.259
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Minority interests	187.491	110.262	180.504
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Provisions	40.710	17.437	23.302
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Long-term liabilities

Interest-bearing liabilities	75.720	-	81.989
Non interest-bearing liabilities	1.090	11.064	1.297
Total long-term liabilities	76.810	11.064	83.286

Current liabilities

Interest-bearing liabilities	8	19.999	3.510
Non interest-bearing liabilities	230.021	108.348	280.237
Total current liabilities	230.029	128.347	283.747

TOTAL EQUITY AND LIABILITIES	1.232.810	744.352	1.296.098
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Change in Group's Equity

Opening amount	725.259	485.729	485.729
Non-cash issue	-	-	160.883
Dividend to shareholders	-11.608	-	-
Translation gains/losses on consolidation	-2.876	-	-
Net profit/loss for the period	-13.005	-8.487	78.647
Closing amount	697.770	477.242	725.259



Mark Dumenil joins CMA from a position as European Vice President Oncology at Johnson & Johnson's Ethicon Endo-Surgery division. Here, he is studying the catheter production line at CMA in Solna, outside Stockholm.

CMA recruits new market-oriented president

Mark Dumenil has been appointed president of CMA Microdialysis, a subsidiary of Skanditek. Mark Dumenil has 15 years of experience in the medical technology sector, which he derived from senior European management positions within CR Bard and Johnson & Johnson. This experience will be extremely valuable to CMA in its transformation from a research company into a market-oriented medical technology company. The company's former president, Urban Ungerstedt, the founder of the microdialysis technique, will become Chief Scientific Officer, enabling him to focus on technological development.

Please explain how an Englishman resident in Paris and with a track record in international companies is now becoming president of CMA Microdialysis, a business that few people have heard of and which is very small based on most measurements.

Mark Dumenil: Firstly, I naturally don't believe that CMA Microdialysis will remain small in the future. I believe that the technology that is now ready for launch has enormous potential, and that's where I come in with my background in marketing and with my experience in developing and launching new products.

What makes microdialysis, the technique developed by CMA, so important?

Urban Ungerstedt: By taking samples directly from tissue fluid in the part of the body that is being studied – for example, the heart, liver or a muscle – the physician or other medical personnel very quickly collects information about how a certain treatment is affecting the patient and about the consequences of a surgical operation.

The samples can be taken at very short intervals, without causing any discomfort at all for the patient and can be analyzed in the same room. It provides doctors with a unique tool in their continued treatment of patients, and the risk of unsuccessful treatment is reduced.

In other words, the microdialysis technique can help to avoid such risks?

Urban Ungerstedt: Today, blood analysis is a standard feature of our health examination process. By analyzing a few centiliters of blood, it is possible to obtain a long series of values that indicate the state of the patient's health. The problem we are faced with is that blood is found in all parts of the body, and current methods cannot show exactly where in the body the possible problem is located. This is particularly relevant in connection with surgery. After a wound is sewn up following an operation, the surgeon knows very little about what is happening in the organ that underwent the surgery.

With the help of microdialysis, it is possible to continuously monitor the patient's progress and to receive early warnings if anything goes wrong. This alone – quickly receiving an indication of any problems – saves considerable amounts of money in the healthcare sector, as well as considerable suffering.

To date, the company has not been impressive in terms of either sales or earnings. It's showing a loss of a few million kronor per year and sales have risen by only 50 percent in five years. How do you explain that?

Urban Ungerstedt: The historical business trend can be divided into five-year periods. From the time of the company's formation in 1984 to about 1990, activities focused on developing the microdialysis technology. During the following five years, the technology became established in the research community very quickly, resulting in stable sales growth. Today, microdialysis is a well-established technology in laboratories and pharmaceuticals companies.

However, because the research market is limited, the sales curve has naturally leveled off.

Since 1995, the microdialysis technology has been developed for the needs of the clinical market – that is, for use on patients in the healthcare sector. We have now developed the products and are entering a period of intense work to launch them in the market. CMA is entering a new phase. That's why Mark Dumenil has taken over as president. **Mark Dumenil:** The earnings trend has to be viewed against the background of the major research and development invest-

ments that have been made. Last year, R&D expenditure amounted to SEK 8 million, while the loss was only SEK 2 million.

How will these costs develop in the future?

Mark Dumenil: The level of about SEK 8 million will not be changed so much, but in relation to sales R&D costs will fall. At present, we're spending approximately 17 percent of our sales revenues on research and development, which is a very high level for a company of our kind.

The important projects currently under way include a new analysis machine that is better adapted for clinical use. We will also develop our own software so that it becomes easier to use by healthcare personnel. The ideal solution would be two lights – one green and the other red – which indicate to doctors and nurses whether everything is progressing normally or whether action has to be taken.

Another important step will be to conduct clinical outcome studies to determine the actual benefits that microdialysis yields for patients and the healthcare sector.

How important are these studies in the future purchasing decisions made in the healthcare sector?

Mark Dumenil: There are, of course, a number of illnesses for which cost is irrelevant. Somebody who is offered a cure for cancer would not have any problems with demand and this also applies to AIDS.

But when it comes to most other medicines or technical instruments, the healthcare sector is exposed to severe cost-cutting demands. Clinics are increasingly managed on the basis of budgets and today the heads of medical departments have to be both business administrators and physicians. A product must essentially be able to offer benefits in three areas: 1) for the patient, 2) for the hospital and 3) for the healthcare staff.

And can you prove that microdialysis can offer all of these benefits?

Urban Ungerstedt: We're convinced that it does. From the patient's viewpoint, it is literally a matter of life and death. The most common clinical cause of death is ischemia (insufficient supply of blood) to a bodily organ. Ischemia can arise after various types of surgical operations, such as an organ transplant or a surgery on a cancer tumor. The first 48 hours after an operation are critical. Regardless of whether ischemia is treated with medicine or surgically, a method that indicates any deterioration in the patient's



Professor Urban Ungerstedt can now devote his attention to the management of medical research in connection with CMA's development of clinical instruments and medical applications in the field of microdialysis.

condition is needed. Microdialysis is actually the only method that makes this possible.

The benefits for the hospital are quite obvious. A patient who dies who could have been saved, or surgery that has to be repeated, always constitutes a failure. In relation to what are often very considerable resources required for saving people after, for example, traffic accidents or major surgical operations, the cost for microdialysis is small.

The benefit for medical staff is that they have an instrument that facilitates the monitoring of patients. They receive immediate responses indicating what is happening in a patient's body and the effect that the actions taken are having in the organ concerned.

Who are CMA's competitors?

Mark Dumenil: We have no competitors at all in the microdialysis market, but there are competing technologies when it comes to assessing the condition of patients. However, these techniques are rather primitive and really only involve observation of symptoms – for example, whether a transplanted muscle becomes colder if the supply of blood decreases or ceases or changes in the color of skin appear. But only microdialysis provides healthcare staff with objective data about the condition of an organ.

Many companies that are in the development stage, like CMA, are outsourcing their production. But you haven't done that. Why?

Urban Ungerstedt: Production of catheters, the "tube" that is placed in the organ that is to be observed and through which the fluid passes, is part of our core business and will probably not be outsourced. Other, much larger companies are finding it difficult to

compete with the technology we use for this product.

With respect to other parts of our production operations, outsourcing could undoubtedly be considered. When this will happen depends on the volumes concerned.

To date, the Nordic region and the rest of Europe have accounted for most of CMA's clinical sales. When will an establishment in the US market be considered?

Mark Dumenil: The US is the world's largest market and is extremely important. But establishing operations there is very costly. The cost of obtaining approval from the FDA would exceed the total budget for all of our research and development activities. We will probably seek some form of cooperation with a partner in efforts to penetrate the US market. A similar approach could also be necessary when it comes to marketing.

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Chairman of the Board

Patrik Tigerschiöld

President

Mark Dumenil

Net sales

SEK 46 million

Number of employees

57

Skanditek's shareholding

58 percent

Skanditek's portfolio companies

Skanditek's portfolio companies and holding as share of capital at April 27, 2001 (excluding options and convertibles).

Company	Nature of business	Holding ¹⁾
IT and Telecom		
Axis AB ²⁾	Network products and mobile Internet	14%
Beep Network AB	Computer systems for retail outlets	41%
LGP Telecom Holding AB ²⁾	Telecom products and advanced industrial components	10%
Mydata Automation AB	Advanced machinery for surface mounting of electronic components	39%
TPC Security AB ³⁾	Intelligent communication solutions within machine-to-machine	18%
Sub-contract production electronics		
PartnerTech AB ²⁾	Systems supplier developing and manufacturing electronic products	24%
Vellinge Electronics AB	Sub-contract manufacture of electronic products	100%
Internet-based services		
Plenia Sweden AB	Internet-based recruitment services	34%
Theeducation AB	Education via virtual classrooms on the Internet	25%
VS Market, AB	Financial entertainment games on the Internet	34%
Financial services		
H Lundén Kapitalförvaltning AB	Asset management	14%
PBK Outsourcing AB	Management accounting total solutions	40%
Media		
The Chimney Pot AB	Post production and effects for film and video	41%
Biotechnology		
CMA Microdialysis AB	Instruments for tissue dialysis	58%
InRo BioMedTek AB	Reagents for diagnostic and therapeutic purposes	33%
Vitrolife AB	High quality nutritional solutions for storage of organs etc	45%

¹⁾ Holdings in Skanditek's subsidiary G Kallstrom & Co are calculated by 70 percent.

²⁾ Axis, LGP Telecom Holding and PartnerTech are listed on Stockholm Stock Exchange's "O" list.

³⁾ TPC Security is listed on Stockholm Stock Exchange's "New Markets" list.



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