

# **SKANDITEK**

Industriförvaltning AB (publ)

Interim report

January 1 – December 31, 2005

- Profit after taxes amounted to SEK 454.5 m (2004: 24.0)
- Capital gains on the divestment of portfolio companies totaled SEK 376.4 m (6.4)
- Earnings per share, excluding minority interest, amounted to SEK 6.95 (0.36)
- Cash flow during the year amounted to SEK 23.4 m (neg: 58.0)
- The Board of Directors proposes a dividend of SEK 0.20 (0) per share

### Skanditek's operations

Skanditek is an industrial holding company with investments in Swedish companies. The Company's business concept is to generate sustainable and healthy value growth by means of industrial management of operational companies.

Investments are usually made at a stage when Skanditek can contribute business-development experience aimed at high and profitable growth.

### Investment operations

#### *Investments/divestments during the fourth quarter*

- In November, Skanditek acquired warrants in Bure Equity for SEK 73.8 m.
- During the fourth quarter, Skanditek divested Powerwave shares for SEK 24.4 m. The capital gain was SEK 24.0 m.

#### *Investments/divestments during the first, second and third quarters*

- In the third quarter, Skanditek acquired 30.0 percent of the shares outstanding and approximately half of the warrants outstanding in MYDATA automation. The acquisition was conducted through a non-cash issue whereby Skanditek issued 7,465,192 shares corresponding to a value of SEK 186.6 m. The non-cash issue gave rise to a dilution effect of about 11 percent for Skanditek's shareholders. Subsequent to the above transactions, Skanditek's holding in MYDATA automation amounts to 96 percent of the company's voting rights and share capital. After full dilution of the remaining warrants, Skanditek's holding amounts to 93 percent.

In June, a restructuring of the ownership of portfolio companies was conducted through the following transactions:

- In June, Skanditek acquired the outstanding minority interest, corresponding to 30 percent, in the subsidiary G Kallstrom & Co. The purchase consideration consisted of 7,946,745 Axis shares and 684,961 Powerwave shares. The total purchase consideration corresponded to a value of SEK 270.5 m. The capital gain on the transaction was SEK 197.3 m in the Group.

- In June, Skanditek's subsidiary G Kallstrom & Co acquired 13.1 percent of the subsidiary MYDATA automation. The purchase consideration consisted of 2,810,212 Axis shares corresponding to a value of SEK 78.7 m. The capital gain on the transaction was SEK 57.4 m in the Group.

During the first and second quarter, in addition to the above transactions, Skanditek:

- Purchased shares and options in Bure Equity for SEK 83.9 m and divested shares and options in Bure Equity for SEK 82.2 m. The capital gain was SEK 33.8 m.
- Divested shares in Axis for SEK 58.7 m. The capital gain was SEK 41.1 m.
- Participated in a new issue of CMA Microdialysis shares amounting to SEK 38.2 m, which corresponds to 10.3 percent in the company. Subsequently, Skanditek owns 77.9 percent of CMA Microdialysis.

#### *Total investments during January-December:*

In total, Skanditek and its subsidiary G Kallstrom & Co sold Axis shares corresponding to 19.0 percent of the company's share capital during the year, following which Skanditek owns 0.7 percent of Axis.

Accordingly, investments in portfolio companies (including the acquisition of the subsidiary G Kallstrom & Co) totaled SEK 759.1 m (59.0) during the year.

During the year, Skanditek divested shares and other securities in portfolio companies for a total of SEK 535.3 m (12.6).

The Group's net investments in tangible fixed assets amounted to SEK 2.7 m (2.6).

A summary of Skanditek's holdings in portfolio companies, following the transactions described above, is presented on page 9.

**Net sales and earnings**

Consolidated net sales totaled SEK 700.1 m (617.3). The Group reported pretax profit of SEK 458.3 m (30.8).

Capital gains on the divestment of portfolio companies totaled SEK 376.4 m (6.4). During the year, capital gains amounted to SEK 270.5 m from Axis, SEK 67.6 m from Powerwave and SEK 34.5 m from Bure Equity. The divestments will not give rise to any tax consequences. Otherwise, earnings comprised SEK 58.1 m (28.0) from shares in the earnings of associated companies and SEK 5.6 m (0) from dividends from other companies.

Changes in the fair value of financial instruments disclosed in the income statement, which are attributable to currency forward contracts in the subsidiary MYDATA automation, had an adverse impact of SEK 21.4 m (-) on consolidated profit.

The consolidated net profit amounted to SEK 454.5 m (24.0), of which SEK 455.0 m (21.0) was attributable to shareholders in the Parent Company, which corresponds to earnings per share of SEK 6.95 (0.36).

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 year, the Group's cash and cash equivalents totaled SEK 56.0 m (30.5). In addition, there were short-term investments in mutual funds and publicly traded shares with a market value of SEK 8.0 m (8.0).

Cash and cash equivalents available for investment activities (excluding portfolio companies within the Group) amounted to SEK 6.6 m (1.5) and short-term investments to SEK 8.0 m (8.0).

Interest-bearing liabilities in the Group amounted to SEK 37.8 m (25.5).

Shareholders' equity corresponded to SEK 15.55 (7.80) per share. The increase was due to the fact that certain financial instruments are reported at fair value, according to IAS 39. The switch to IFRS is reported in a separate appendix.

The equity/assets ratio in the Group was 78 percent (80).

**Listed portfolio companies**

At the end of the year, the market value of the Group's shareholdings in listed portfolio companies was SEK 1,199.0 m, corresponding to SEK 18.30 per share. On February 23, 2006, the corresponding values were SEK 1,350.9 m and SEK 20.62 per share, respectively.

The book value of the corresponding holdings at December 31 was SEK 799.0 m, or SEK 13.77 per share.

## Sales and earnings in major portfolio companies

Amounts in SEK millions	Jan – Dec 2005			Jan – Dec 2004		
	Net sales	Operating profit/loss	Operating margin	Net sales	Operating profit/loss	Operating margin
CMA Microdialysis	56.9	-9.1	-15.9	57.6	-11.6	-20.1
MYDATA automation	643.2	23.2	3.6	559.6	16.8	3.0
PartnerTech	2,013.9	88.1	4.4	1,737.6	73.5	4.2
Powerwave <sup>1)</sup>	6,033.4	529.8	8.8	3,275.3	82.8	2.5
Vitrolife	120.1	12.1	10.0	103.9	13.8	13.3

1) Pro forma, excluding acquisition costs for Remec in 2005 and LPG Allgon in 2004.

## 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 1,538 m (1,267), excluding Bure.

Similarly calculated, Skanditek's share of the portfolio companies' operating profit/loss, excluding Powerwave, amounted to a profit of SEK 80 m (54).

**Bure Equity's** net sales and operating profit will be presented on February 24 when the company publishes its year-end report. In November, Bure sold its investment in Scribona. The sale resulted in a contribution of about SEK 175 m to liquid assets and a capital loss of approximately SEK 5 m. Bure's financial position has been strengthened considerably after the sale of the company's holdings in Mölnlycke Health Care and Scribona. During the year, the price of Bure's shares rose by 37 percent and its warrants by 77 percent.

**CMA Microdialysis** reported net sales of SEK 56.9 m (57.6). An operating loss of SEK 9.1 m (loss: 11.6) was reported. During the fourth quarter, CMA Microdialysis reported break-even earnings, due to the cost-cutting program that was introduced during the summer with the objective of reducing operating costs by 20 percent and thus achieving profitability.

**MYDATA automation's** net sales for the year amounted to SEK 643.2 m (559.6). Order bookings during the year totaled SEK 645.3 m (585.0), a year-on-year increase of 9 percent. Operating profit amounted to SEK 23.2 m (16.8).

The launch of the MY500 is proceeding as planned. At the trade fairs in which Mydata has participated, the market has shown considerable interest in the MY500. During the past three years SEK 100 m has been invested in MY500 which of SEK 44 m during 2005. The investment has been charged against earnings during the year. In the Skanditek Group SEK 35.7 m has been capitalized. The proportion of investments in research and development amounted to 15 percent (16) of sales, for which

SEK 96.8 m (87.2) was charged against earnings during the year. Cash flow from operating activities amounted to SEK 17.2 m (neg: 18.3).

**PartnerTech's** net sales during 2005 totaled SEK 2,013.9 m (1,737.6), up 16 percent. The sales growth was both organic and acquired. Operating profit amounted to SEK 88.1 m (73.5). The earnings upswing derived mainly from the volume increase and PartnerTech's acquisition of the Finnish contract manufacturer KSH-Productor. Cash flow from operational activities was a negative SEK 5.8 m (neg: 59.1).

Skanditek's holding in PartnerTech was reduced to 36.3 percent from the 37.4 percent when the call options issued to PartnerTech president Mikael Jonson were exercised. The share price rose 52 percent during 2005. Following year-end, cooperation between PartnerTech and the returnable packaging company Tomra was expanded. The assignment is worth SEK 300 m during 2006.

**Powerwave's** net sales during 2005 totaled SEK 6,033.4 m (3,275.3). Powerwave's acquisition of the American company REMEC's wireless telecommunications business area was finalized in September. Operating profit, excluding acquisition costs, amounted to SEK 529.8 m (82.8). The acquisition further strengthens Powerwave's product portfolio. During the year, Powerwave launched new product generations in several product areas. The share price rose 76 percent during 2005.

**Vitrolife's** net sales totaled SEK 120.1 m (103.9), up 16 percent. Sales growth in the fourth quarter was 23 percent. Operating profit amounted to SEK 12.1 m (13.8), including a capital gain of SEK 2.5 m on the sale of shares. Compared with the previous year, operating profit during 2005 was charged with forceful investments in marketing, R&D and the expansion of production capacity. Cash flow from operational activities amounted to SEK 16.5 m (14.0). The share price rose 35 percent in 2005. SweMed Holding, which produces and markets medical products for in vitro fertilization, was

acquired following year-end. SweMed, which has annual sales of SEK 31 m and operating profit of SEK 5 m, is consolidated as of January 1, 2006.

### Parent Company

The Parent Company's net sales during 2005 amounted to SEK 0.1 m (0.0). A pretax profit of SEK 211.8 m (46.4) was reported. Profit includes a capital gain of SEK 34.5 m on the sale of shares and options in Bure Equity and a capital gain of SEK 30.2 m on the sale of Powerwave shares. A capital gain of SEK 117.8 m resulting from the restructuring of the ownership of portfolio companies was eliminated at the Group level. Management costs charged against the Parent Company amounted to SEK 14.0 m (11.1). Of the increase in management costs compared with previous years, SEK 1.6 m (0.6) is due to the results of bonus programs and SEK 0.7 m (-) to relocation costs resulting from when the company changed premises during the summer.

The Parent Company's investments in portfolio companies totaled SEK 676.1 m (59.6), of which SEK 314.7 m pertained to internal acquisitions within the Group. Sales of portfolio companies corresponded to a value of SEK 603.0 m (12.6), of which SEK 236.0 m pertained to divestments within the Group. Investments in tangible fixed assets during 2005 amounted to SEK 0.9 m (0). Cash and cash equivalents at the end of the year totaled SEK 3.9 m (beginning of the year: 0.6). In addition, the Parent Company had short-term investments in mutual funds and publicly traded shares with a fair value of SEK 7.7 m (beginning of the year: 8.0). Interest-bearing liabilities amounted to SEK 37.8 m (19.3). The equity/assets ratio was 82 percent (89).

### Accounting principles

This interim report is compiled in accordance with IAS 34 Interim Reporting, International Financial Reporting Standards – IFRS. A detailed description of the transition to IFRS is contained in Skanditek's 2004 annual report. The accounting principles described in the annual report have been applied in this interim report. Also refer to Appendix 1, for a description of the changed accounting principles and their effects on the Company's earnings and financial position. In connection with the continual acquisition of minority shares in jointly owned companies, the difference between the purchase consideration and the shareholders equity in the acquired minority is reported against shareholders equity.

### Proposed dividend

The Board of Directors proposes that a dividend of SEK 0.20 (0) be paid for the 2005 fiscal year.

### Annual General Meeting

The Annual General Meeting will be held at 5 p.m. on April 3, 2006, at Svenska Läkaresällskapet, Klara Östra Kyrkogata 10, Stockholm. See the invitation in a national newspaper and in the Official Gazette, as well as the Company's website. The Annual Report will be available on the Company's website as of the week commencing March 13, 2006.

### Nomination of Board members

The Nomination Committee proposes Tomas Billing, Tomas Fischer and Bob Persson. Shareholders wishing to make proposals regarding the nomination of Board member can do so to the following address:

Skanditek Industriförvaltning AB  
Nomination Committee  
Nybrogatan 6  
SE-114 34 STOCKHOLM

### Employees

The average number of employees in the Group during 2005 was 348 (335). The Parent Company had five employees (5), who comprise the investment-management organization.

### Information

The year-end report has been reviewed by the Company's auditors, in accordance with the recommendation issued by FAR (the professional institute for authorized public accountants).

### Forthcoming financial reports

The scheduled publication dates for forthcoming financial reports are as follows:

Interim report, Jan-March	April 28, 2006
Interim report Jan-June	July 19, 2006
Interim report Jan-Dec	October 30, 2006
Annual General Meeting	April 3, 2006

Financial reports and press releases are published in Swedish and English and are available on the Company's [www.skanditek.se](http://www.skanditek.se) website.

Stockholm, February 23, 2006  
SKANDITEK INDUSTRIFÖRVALTNING AB (publ)  
*The Board of Director*

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**Group income statements**

	<b>12 months 2005 Jan-Dec</b>	<b>12 months 2004 Jan-Dec</b>	<b>3 months 2005 Okt-Dec</b>	<b>3 months 2004 Okt-Dec</b>
Amounts in SEK thousands				
Net sales	700 146	617 280	222 439	153 972
Cost of goods sold	-426 326	-383 858	-135 984	-101 567
<b>Gross profit</b>	<b>273 820</b>	<b>233 422</b>	<b>86 455</b>	<b>52 405</b>
Result from participations in associated companies	61 855	35 016	16 763	8 276
Result from participations in other portfolio companies	378 163	-2 817	24 701	1 200
Sales expenses	-113 735	-109 213	-35 374	-26 995
Administrative expenses	-53 671	-44 313	-16 259	-11 790
Research and development costs	-62 631	-92 317	-18 095	-26 781
Change in real value of financial instruments	-21 430	-	929	-
Other operating revenues and operating expenses	-4 875	8 327	-7 189	3 744
<b>Operating profit/loss</b>	<b>457 496</b>	<b>28 105</b>	<b>51 931</b>	<b>59</b>
<i>Result from financial investments</i>				
Interest income and similar profit/loss items	4 538	9 016	345	1 018
Interest expenses and similar profit/loss items	-3 749	-6 349	-382	-1 910
<b>Profit after financial items</b>	<b>458 285</b>	<b>30 772</b>	<b>51 894</b>	<b>-833</b>
Taxes	-3 768	-6 729	-	-1 651
<b>Net profit for the period</b>	<b>454 517</b>	<b>24 043</b>	<b>51 894</b>	<b>-2 484</b>
<b>Attributable to:</b>				
Parent Company shareholders	454 974	20 988	50 885	235
Minority shareholders	-457	3 055	1 009	-2 719
<b>Net profit for the period</b>	<b>454 517</b>	<b>24 043</b>	<b>51 894</b>	<b>-2 484</b>
Earnings per share after tax (excl. minority shareholders), SEK	6,95	0,36	0,81	0,00
Number of shares at the end of the period, thousands <sup>1)</sup>	65 505	58 040	65 505	58 040
Average number of shares, thousands	60 528	58 040	65 505	58 040

<sup>1)</sup>There are no issued financial instruments that could give rise to more shares.

<b>Group cash flow statements</b>	<b>12 months 2005 Jan-Dec</b>	<b>12 months 2004 Jan-Dec</b>	<b>3 months 2005 Okt-Dec</b>	<b>3 months 2004 Okt-Dec</b>
Amounts in SEK thousands				
Cash flow from operational activities before changes in working capital	55 097	-1 086	58 719	-8 407
Changes in working capital	1 614	-29 371	-30 757	-25 332
Cash flow from operational activities	56 711	-30 457	27 962	-33 739
Cash flow from investment activities	-46 866	-46 856	-72 855	1 169
Cash flow from financial activities	13 601	19 301	34 156	7 259
<b>Cash flow for the period</b>	<b>23 446</b>	<b>-58 012</b>	<b>-10 737</b>	<b>-25 311</b>
Exchange-rate differences in cash and cash equivalents	30 465	89 670	73 195	28 018
Cash and cash equivalents, beginning of period	2 074	-1 193	192	-917
<b>Cash and cash equivalents, period end</b>	<b>55 985</b>	<b>30 465</b>	<b>62 650</b>	<b>1 790</b>

<b>Group balance sheets</b>	<b>2005 Dec 31</b>	<b>2004 Dec 31</b>
Amounts in SEK thousands		
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	71 807	29 892
Tangible assets	5 997	6 682
Participations in associated companies	268 186	217 492
Participations in other portfolio companies	594 489	173 158
Other financial assets	21 972	18 944
<b>Total fixed assets</b>	<b>962 451</b>	<b>446 168</b>
<b>Current assets</b>		
Inventories, etc.	128 207	116 400
Current receivables	128 979	120 462
Accounts receivable	42 349	33 038
Short-term investments	8 023	6 025
Cash and bank balances	55 985	30 465
<b>Total current assets</b>	<b>363 543</b>	<b>306 390</b>
<b>TOTAL ASSETS</b>	<b>1 325 994</b>	<b>752 558</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity (incl. minority interests)</b>	<b>1 032 891</b>	<b>597 944</b>
<b>Long-term liabilities</b>		
Non-interest-bearing liabilities	678	1 526
Deferred tax liability	92 583	10 398
<b>Total long-term liabilities</b>	<b>93 261</b>	<b>11 924</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	37 786	19 301
Accounts payable	68 477	63 362
Other non-interest-bearing liabilities	93 579	60 027
<b>Total current liabilities</b>	<b>199 842</b>	<b>142 690</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 325 994</b>	<b>752 558</b>

**Change in Group equity**

	Jan 1 -Dec 31, 2005			Jan 1 -Dec 31, 2004		
	Attributable to Parent Company shareholders	Attributable to minority shareholders	Total	Attributable to Parent Company shareholders	Attributable to minority shareholders	Total
Amounts in SEK thousands						
<b>Opening balance according to balance sheet</b>	<b>452 896</b>	<b>145 048</b>	<b>597 944</b>	<b>431 972</b>	<b>141 993</b>	<b>573 965</b>
Effect of changed accounting principle, IAS 39	290 792	95 480	386 272	-	-	-
<b>Opening balance adjusted according to IAS 39</b>	<b>743 688</b>	<b>240 528</b>	<b>984 216</b>	<b>431 972</b>	<b>141 993</b>	<b>573 965</b>
Change in financial instruments						
Change in financial assets available for sale	382 041	-9 733	372 308	-	-	-
Reversed to income statement during the year	-282 232	-90 331	-372 563	-	-	-
Changed tax effect	-55 009	13 299	-41 710	-	-	-
Translation differences	-6 702	7	-6 695	-63	-	-63
Non-Cash Issue	186 267	0	186 267	-	-	-
Acquisition of minority share in jointly owned subsidiary	-404 618	-138 831	-543 449	-	-	-
Net profit/loss for the period	454 974	-457	454 517	20 987	3 055	24 042
<b>Closing balance</b>	<b>1 018 409</b>	<b>14 482</b>	<b>1 032 891</b>	<b>452 896</b>	<b>145 048</b>	<b>597 944</b>

<sup>1)</sup> Taking the tax effect into account.

**Net sales per company**

	12 months 2005 Jan-Dec	12 months 2004 Jan-Dec	3 months 2005 Okt-Dec	3 months 2004 Okt-Dec
Amounts in SEK thousands				
Skanditek Industriförvaltning	86	50	16	5
CMA Microdialysis AB	56 894	57 647	18 441	16 408
MYDATA automation AB	643 166	559 583	203 982	137 559
<b>Group</b>	<b>700 146</b>	<b>617 280</b>	<b>222 439</b>	<b>153 972</b>

	12 months 2005 Jan-Dec	12 months 2004 Jan-Dec	3 months 2005 Okt-Dec	3 months 2004 Okt-Dec
<b>Operating profit/loss per company</b>				
Skanditek Industriförvaltning AB	211 404	45 924	19 467	55 106
CMA Microdialysis AB	-9 064	-11 553	-370	-3 504
MYDATA automation AB	23 150	16 821	3 631	-2 134
Other Group companies <sup>1)</sup>	303 444	-2 782	14 336	-1 084
Share in earnings of associated companies	58 102	29 761	14 102	8 417
Change in financial instruments	-21 430	-	929	-
Group adjustments	-108 110	-50 066	-164	-56 742
<b>Group</b>	<b>457 496</b>	<b>28 105</b>	<b>51 931</b>	<b>59</b>

<sup>1)</sup> Refers to companies that conduct portfolio management and securities trading activities and principally consists of dividends and capital g

**Key data, quarterly trend**

	Q 1 2004	Q 2 2004	Q 3 2004	Q 4 2004	Q 1 2005	Q 2 2005	Q 3 2005	Q 4 2005
Market capitalization at period end, SEK m	1 120	1 300	1 254	1 422	1 381	1 503	2 018	2 345
Average market capitalization, SEK m	871	1 055	1 190	1 247	1 297	1 340	1 524	2 108
Market capitalization per share at period end, SEK	19,30	22,40	21,60	24,50	23,80	25,90	30,80	35,80
Market capitalization of listed holdings per share, SEK	13,01	12,48	12,45	14,74	15,75	15,54	15,97	18,30
Shareholders' equity per share, SEK	7,66	7,73	7,92	7,80	14,82	14,81	14,79	15,55
Invested capital, SEK m <sup>2</sup>	562	566	568	560	581	978	1 164	1 227
Invested capital per share, SEK	9,68	9,75	9,79	9,65	10,01	16,86	17,77	18,73
Management costs, SEK m (rolling 12-month basis)	12,5	13,0	13,0	13,0	13,1	13,3	15,7	17,1
Management costs/Market cap, %	1,4	1,2	1,1	1,0	1,0	1,0	1,0	0,8
Equity/assets ratio, Group %	83	80	80	80	86	83	81	78

<sup>1)</sup> Key figures have not been recalculated in accordance with IFRS. IAS 39 is applied as of January 1, 2005.

<sup>2)</sup> Average market capitalization based on rolling 12-month periods.

<sup>3)</sup> Invested capital from first investment occasion, incl. book value for share exchanges.

<sup>4)</sup> Management costs based on rolling 12-month periods divided by average market capitalization.



## Skanditek's portfolio companies

Skanditek's portfolio companies and holdings shown as the percentage share of capital held on February 24, 2006 (excluding options).

COMPANY	NATURE OF BUSINESS	HOLDING
<b>IT and telecom</b>		
Powerwave Inc <sup>1)</sup>	Telecom products and advanced industrial components	2%
Aptilo Networks AB	System solutions for WLAN	10%
<b>Electronics</b>		
PartnerTech AB <sup>1)</sup>	Contract manufacturer within telecom, IT/mechatronics and medical equipment	37%
Mydata Automation AB	Advanced machinery for surface mounting of electronic components	96%
<b>Services</b>		
Bure Equity AB <sup>2)</sup>	Investment company that mainly invests in unlisted companies active in the service sector	10%
H Lundén Kapitalförvaltning AB	Asset management	20%
PBK Outsourcing AB	Turnkey solutions for management accounting	46%
Theeducation AB	Develops new products and services for the education sector	43%
The Chimney Pot AB	Post-production and effects for film and video	36%
<b>Biotechnology</b>		
CMA Microdialysis AB	Medical devices	78%
Vitrolife AB <sup>1)</sup>	High-quality nutritional solutions for storage of organs, etc.	28%

<sup>1)</sup> PartnerTech, Powerwave and Vitrolife are listed on the Stockholm Stock Exchange's O List.

<sup>2)</sup> Bure Equity is listed on the Stockholm Stock Exchange's A List.

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**Appendix 1 – Transition to reporting in accordance with IFRS**

<b>Effect of IFRS on income statement</b> (SEK 000s)	Note	Jan-March 2004	Apr-June 2004	July-Sept 2004	Oct-Dec 2004	Jan-Dec 2004
Profit according to income statement		3 824	1 116	9 808	-1 429	13 319
<i>IFRS changes:</i>						
Recalculated portion of results of associated companies	A	841	841	841	841	3 363
Reversal of goodwill amortization	A	1 120	1 118	1 241	826	4 305
Minority interest in earnings	B	-4 512	1 391	8 895	-2 719	3 055
<b>Total change to IFRS</b>		<b>-2 551</b>	<b>3 350</b>	<b>10 977</b>	<b>-1 052</b>	<b>10 723</b>
<b>Net profit according to IFRS</b>		<b>1 273</b>	<b>4 466</b>	<b>20 785</b>	<b>-2 481</b>	<b>24 042</b>

<b>Effect of IFRS on Group shareholders' equity</b> (SEK 000s)	Note	Jan 1, 2004	March 31, 2004	June 30, 2004	Sept 30, 2004	Dec 31, 2004
Shareholders' equity according to balance sheet		431 972	442 549	444 402	453 910	445 228
<i>IFRS changes:</i>						
Recalculated portion of results of associated companies	A	-	841	1 682	2 522	3 363
Reversal of goodwill amortization	A	-	1 120	2 238	3 479	4 305
Minority interest	B	139 447	134 968	136 439	145 290	145 048
<b>Total change to IFRS</b>		<b>139 447</b>	<b>136 929</b>	<b>140 359</b>	<b>151 291</b>	<b>152 716</b>
<b>Shareholders' equity according to IFRS</b>		<b>571 419</b>	<b>579 478</b>	<b>584 761</b>	<b>605 201</b>	<b>597 944</b>

**Effect of IAS 39 on shareholders' equity, January 1, 2005**  
(SEK 000s)

	Note	
<b>Closing shareholders' equity on December 31, 2004 according to IFRS</b>		<b>597 944</b>
<i>Fair valuation</i>		
Financial instruments before tax*	C	430 603
Tax effect		-44 330
<b>Effect on shareholders' equity, January 1, 2005 (prel)</b>		<b>386 272</b>
<b>Shareholders' equity, January 1, 2005 according to IFRS</b>		<b>984 216</b>

\*Including minority interest

**Note A**

In accordance with IFRS 3 Business Combinations, goodwill must not be amortized. Goodwill shall be subject to impairment (write-down) testing once annually, or when the need arises. The reversal of prior-year amortization pertains to both Group and associated companies.

**Note B**

In accordance with IAS 27 Consolidated Financial Statements, no deductions are made for minority share in net profit for the period. Instead, the profit is allocated in conjunction with the income statement between the Parent Company's shareholders and minority shareholders. In the balance sheet, minority interest is classified as shareholders' equity.

**Note C**

In accordance with IAS 39 Financial Instruments, certain financial instruments must be fair valued. In Skanditek, this mainly affects long-term shareholdings that amount to an ownership interest of less than 20 percent and that do not constitute associated companies. Unrealized changes in the value of these holdings are reported via shareholders' equity, taking tax consequences into account. Unrealized value changes are not realized via the income statement until they have been sold.

Shareholdings in associated companies are reported in accordance with the previous principle of equity accounting. Changes in the fair value of currency derivatives are reported via the income statement.