



ANNUAL REPORT 2000

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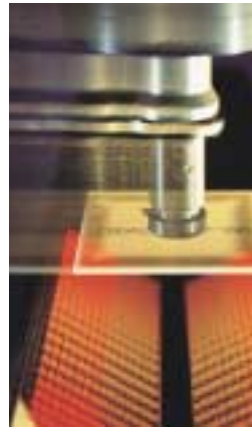
This is Skanditek

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. 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 an 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.

Highlights of the year

- Fermentech Medical was merged with Vitrolife.
- Vellinge Electronics became a wholly owned subsidiary after further shareacquisitions.
- Axis was listed on the stock exchange.
- Mydata noted a successful year.
- Theduction, active in the e-learning sector, was added to the investment portfolio.
- Pretax profit of SEK 139.1 m (3.6).



The millennium's first year was eventful

Great fluctuations in the stock market made the year unusually eventful. Now a clear return to traditional valuations is to be seen. Skanditek's portfolio companies continues to develop, some of them very well. A clear slackness in the business cycle will affect the year.

Skanditek has changed its orientation in recent years from biotechnology-related investments to investments mainly in IT and technology. Accordingly, in the early part of 2000, the name of the company was changed to Skanditek Industriförvaltning, which reflects the present operations more accurately.

Volatile currency as a means of payment

As a result of the great fluctuations in the stock market and currency market, combined with a generally changed view of the economic outlook, the year was unusually eventful.

The nearly euphoric belief in stocks and companies with Internet-related strategies persisted and strengthened during the first quarter of the year. The sharp upturn for these companies began during the autumn of 1999. Big corporate deals were announced. There was a great deal of activity. And there was a large supply of risk capital. There were many transactions in which one company bought another one, using its own shares as payment. In many cases the buyer's stock had multiplied in value in a short time. This makes me think of the classic story of the dog owner who sold his dog for the reasonable price of one million kronor. The explanation was that he received payment in the

form of two cats – each worth five hundred thousand kronor.

What is happening now is that the first generation of Internet companies is experiencing its first crises. As a result, some companies are being forced out of business when the money runs out, while others have to change their business concept and strategy. A process of consolidation has begun, due in part to the fact that the supply of risk capital has changed dramatically. Investors' willingness to take risks has declined.

A short-term set back for the companies in the new technology

One benefit that the rise in the stock market provided was that already established companies relatively quickly adopted the new technology and developed strategies for using the Internet in their business models. Since many traditional companies have been skilled in implementing their strategies, it seems clear that some of the new young companies and their financiers have in some cases underestimated the value of established brand names, customer relationships and logistics systems.

We probably cannot overestimate the long-term changes in patterns of behavior that the new technology offers. The so-called "death of dot com" is only a correc-

tion of unreasonable expectations in a number of specific company cases. Over the longer term, a number of companies will probably succeed very well in taking advantage of the business opportunities that the new technology makes possible. Skanditek has three investments that are directly Internet-related. All are in early stages of development. The companies involved are active in the fields of the labor market, training and games.

We are continuously exploring new investment opportunities. Many unsolicited inquiries about risk capital are also directed to us. The impact of the weaker stock market and of the changed preferences of investors is clear in these contacts. For example, the share prices of many listed companies have declined by 80 to 90 percent from their peak quotations in a short time.

An eventful year

■ The merger of our subsidiary Fermentech Medical with Vitrolife was one of the year's most important events. Skanditek today owns 45 percent of the new Vitrolife. I feel that the transaction creates a larger, better-balanced and well-positioned company that has great opportunities where the treatment of cells, tissues and organs is concerned, for example.

Message from the President

- The stock exchange listing of Axis was also an important event during the year. The company has a distinctly ambitious growth strategy, and its new programs made an issue of new shares necessary. The company has had a very difficult year in terms of earnings, but I believe that the measures that are now being taken are adequate and will yield results.
- Mydata's growth attracted little attention but was very impressive. With doubled sales and operating income that increased from SEK 15 m to SEK 137 m, 2000 was a record year for the company. Such measures as a special focus on research and development stretching over many years have yielded a healthy return.
- During the year, Skanditek acquired the remaining outstanding shares of Vellinge Electronics. This company is now a wholly owned subsidiary. In terms of both sales and earnings, 2000 did not have the same growth as year-earlier. This was due to a higher exchange rate for the dollar and to an occasionally severe shortage of components that resulted in lower productivity.
- New investments were made in Theducation, an educational company that focuses on combining traditional classroom instruction with Web-based learning, mainly in high schools. We believe the company has a high potential for growth and profitability, based on strong academic acceptance and a credible method that is designed to improve the quality of education.



Patrik Tigerschiöld

- During the latter part of 1999 the then Arkivator made a bid for LGP Telecom. The transaction was completed during the early part of 2000. The new group then changed its name to LGP Telecom. The company had very strong growth during the year. The value of

Skanditek's shareholding in LGP increased from SEK 227 m to SEK 627 m in 2000. In September, LGP made a public bid for Allgon. The bid was not accepted to an adequate extent and was later withdrawn by LGP's board of directors.

Message from the President

Success can be measured by growth

One way to measure Skanditek's success is naturally to note the growth in the price of the company's shares. But this depends on a number of factors, many of which are outside the company's control. A longer-term measurement is the growth in our portfolio companies, a growth that we consider should preferably be combined with a balanced financial position, in order to limit risk-taking.

If we take our share of portfolio company sales for 2000 and compare it with year-earlier sales, the increase is 78 percent. Excluding the portion of Vellinge that we paid for with Skanditek shares, the comparable figure is 44 percent. Strong growth – but it differs sharply from company to company, as it probably always will. Some companies grow one year, and the next year some others do. Thus, it is more important to monitor how the totals develop over the years.

Another way to measure a company's success is to look at reported profit. With the Group structure and operations that Skanditek has, I think that it sometimes becomes easy to misunderstand the traditional accounting. To obtain a comparable year-to-year measurement, we eliminate all types of what we regard as nonrecurring items. We also eliminate amortization of goodwill. In its accounts, Skanditek amortizes goodwill over five years.

If you make this adjustment and thereby eliminate SPP funds, capital gains, amortization of goodwill and Skanditek's share of capital in new issues, operating profit

for 2000 becomes SEK 62.2 m, compared with SEK –4.7 m for 1999. This is a distinct improvement that is due substantially to Mydata's very fine growth.

Slackness in the business cycle in sight

By our measurements, 2000 was a very fine year and we naturally hope that the present year will be just as fine. However, the signals showing a leveling off of economic growth give some reason for concern. This applies in particular to an important growth engine – the telecommunications industry.

The substantial indebtedness of many telecom operators limits their future ability to expand and invest. The corporate bond market has been an important source of financing. The trend in recent months, which has involved a dramatic increase in risk premiums, has made it much more expensive to finance in this way and is making it difficult to continue to finance expansion through borrowing. The large amounts paid for licenses for the next generation of mobile phones in some European countries reinforces this view.

I noted in last year's Annual Report that our ambition is to become an investment company. This would be an appropriate tax status for our business. However, the regulations pertaining to taxation of corporate income are currently being overhauled. The changes being discussed include a recommendation that, under certain conditions, capital gains on the sale of shareholdings could be exempted from taxation in all companies. It seems

appropriate to await developments in this area before any definite decision is made with respect to Skanditek.

In conclusion, let me express the enthusiasm that my associates and I feel as we consider the opportunities that Skanditek and its portfolio companies are facing. We are looking forward to an eventful and exciting 2001,

Stockholm, Valentine's day, 2001



Patrik Tigerschiöld
President

Farsightedness lasts longest

Skanditek is an active and long-term owner of Swedish companies. The holding company is active in the areas of electronics, information technology, biotechnology and services. Growth, strong research and development programs and rapid internationalization are the three building blocks in Skanditek's business model.

Business concept

Skanditek is an active, long-term owner of Swedish companies.

Active ownership means that Skanditek contributes its financial and industrial knowledge and experience.

Long-term commitment creates conditions in which the best conceivable decisions and priorities can be made for portfolio companies with respect to their ultimate development. Accordingly, Skanditek therefore has no exit strategy; no date for divesting a company is set in advance.

Objective

Skanditek's objective is that its shareholders obtain the highest possible growth in value through the creation of sustainable value in portfolio companies.

Investment strategy

Skanditek invests in unlisted companies. It may also invest in a listed company if it has the potential to become a successful transaction and is otherwise compatible with the investment strategy.

Skanditek's portfolio companies are active in the areas of electronics, information technology, biotechnology and services. New investments will probably be made in present operating areas since it is in these fields that Skanditek has experi-

ence and broad networks of contacts.

Investments are generally made at a relatively early stage of a company's development. Skanditek can then provide business-development experience focused on high growth and internationalization. Companies that have achieved sales of at least SEK 50 m annually, and which are facing the next phase of change in their development, are attractive choices for investment. International expansion and development-intensive shifts in technology, are examples of such phases of change.

Companies that are active in a "technology shift" and which possess unique expertise or patented technologies are especially attractive. A competent management team with the capacity to implement a program of change is another requirement.

The amount invested has historically been as much as SEK 150 m. The percentage of ownership varies and there are no preferences with respect to size. It may amount to as much as 100 percent but is often between 20 percent and 50 percent. The most important consideration is that it is large enough to enable Skanditek to be an active owner. Skanditek prefers to be the only outside owner, apart from a company's founders and management. There are then opportunities for involvement on the part of all owners. This is the same reason why Skanditek prefers not to



Skanditek's business



participate in syndicates or consortia with divided ownership.

The farsighted approach means that Skanditek exercises an active ownership role as long as it is judged to be profitable for the Skanditek's shareholders. If it is believed that a portfolio company could develop better in another ownership constellation, Skanditek will sell it.

Investment strategy

Focus on growth, strong research and development programs and rapid internationalization are the three building blocks

in Skanditek's business model. If they are combined with active long-term ownership, good results can be achieved.

Skanditek's project managers work closely with the portfolio companies on a daily basis and participate in the work of the companies' boards of directors. Boards of directors with a small number of active members are an important prerequisite for success.

Skanditek attempts to "cross-fertilize" ideas and contact networks among portfolio companies as part of the companies' development process. That is why a num-

ber of Skanditek's board members also work actively on the boards of portfolio companies.

Public listing of the shares of a portfolio company is a part of its development and is not an automatic signal that the holding is to be divested.

Risk

Although investing in a company that focuses on growth often offers the possibility of a high increase in value, it also entails higher risk. By distributing investments among companies in different industries and different phases of maturity, risks are spread and diversification is achieved.

The boards of directors of portfolio companies are fully responsible for the respective companies' business and operating risks, as well as for financial exposure in the form of currency risks, interest-rate risks, credit risks and borrowing risks. Skanditek is not exposed to the equivalent financial risks.

Skanditek's portfolio companies

Skanditek has 17 portfolio companies that are active in many industries or markets, some of which within closely related areas.

The holding period for six of these companies exceeds ten years. For two companies it is between six and nine years; for five companies it is between three and five years; and for four companies it is less than three years.

The companies differ substantially in terms of sales. Five companies have annual sales of more than SEK 200 m; two between SEK 50 m and SEK 200 m; six between SEK 10 m and SEK 50 m; and four have sales of less than SEK 10 m a year.

Skanditek's business

An attempt to illustrate the “maturity phases” of the companies is shown in the chart in page 8. The chart shows that the companies differ widely in this respect, which is beneficial from the viewpoint of risk.

Skanditek's share of sales and earnings in portfolio companies is shown in the table below, in order to present a picture of the total holding. The share of sales amounts to SEK 1,462 m (823), and the share of earnings is SEK 54 m (33).

Skanditek's calculated share of sales has accordingly increased by 78 percent during 2000. The calculated share of income has increased by 61 percent.

Looking at Skanditek's total holding in this way is valuable, if you in the future

want to follow the financial development in the portfolio. Skanditek will, in an even greater extent, use this model of calculation as a complement to the legal consolidated financial statements.

Financial strategy

The Parent Company should normally not be mortgaged. The intention is that the shareholders account for business risks but not for any financial risk. This is because it is not certain that the business can generate an even cash flow with which to pay interest on loans. The farsighted approach results in few sales of companies and the investments made in such areas as research and development result in earnings being retained in the portfolio com-

panies instead of being distributed.

Documented results

The present Skanditek has a documented background of more than ten years of success in developing companies.

Since the focus is on growth, success can be measured in part by following companies' growth in sales. In its “Growth Barometer,” Ahrens Consultants ranks the most successful growth companies. A number of Skanditek portfolio companies have been on the list at various times.

The average growth in sales of the six largest companies in which Skanditek has holdings is more than 30 percent per year, calculated from the original investment dates.

Skanditek's share of sales and earnings

Amounts in SEK m	THE COMPANY				SKANDITEK'S SHARE		
Portfolio company	Net sales	Operating profit ¹⁾	Earnings before tax	Equity interest	Net sales	Operating profit ¹⁾	Earnings before tax
Axis AB	707.7	-241.5	-219.7	13.8%	97.7	-33.3	-30.3
Beep Network AB	3.2	-10.0	-10.2	41.3%	1.3	-4.1	-4.2
BioNative AB	35.8	-2.2	-1.5	23.8%	8.5	-0.5	-0.4
CMA Microdialysis AB	46.0	-1.9	-1.7	58.4%	26.9	-1.1	-1.0
H Lundén Kapitalförvaltning AB	13.3	7.9	8.0	14.0%	1.9	1.1	1.1
InRo BioMedTek AB	0.6	0.3	0.3	33.3%	0.2	0.1	0.1
LGP Telecom Holding AB	1,299.0	190.4	181.9	9.7%	126.0	18.5	17.6
Mydata Automation AB	896.6	137.2	135.6	38.6%	346.1	53.0	52.3
PartnerTech AB	1,188.5	97.7	113.7	26.4%	313.8	25.8	30.0
PBK Outsourcing AB	54.9	-1.1	-1.0	40.4%	22.2	-0.4	-0.4
Plenia Sweden AB	11.7	-34.9	-34.4	33.7%	3.9	-11.8	-11.6
The Chimney Pot AB	36.3	-0.5	-0.6	40.5%	14.7	-0.2	-0.2
Theeducation AB	0.9	-11.2	-11.0	19.4%	0.2	-2.2	-2.1
TPC Security AB	21.5	-18.4	-18.9	17.7%	3.9	-3.4	-3.5
Vellinge Electronics AB	457.9	29.9	28.5	100.0%	457.9	29.9	28.5
Vitrolife AB	82.2	-26.1	-29.7	45.1%	37.1	-11.8	-13.4
VS Market. AB	0.2	-17.7	-17.7	33.7%	0.1	-6.0	-6.0
	4,856.3	97.9	121.6	2000:	1,462.4	53.6	56.5
				1999:	823.3	33.3	28.6

1) Operating profit/loss is adjusted for items affecting comparability, for instance refunds from SPP.

Skanditek's share of the portfolio companies's sales and earnings as if they were owned by Skanditek throughout the year and calculated at equity interest at year-end.

Skanditek's business

Another way to document success is to look at the appreciation in value of portfolio companies. This can be most easily done when companies are listed publicly. Two of the six largest companies have been listed publicly after Skanditek invested in them: LGP Telecom and Axis. Up to now the value of formerly Arkivator and LGP Telecom has increased approximately 40 times in 8 years. In the case of Axis, the value has increased approximately 50 times in 11 years. These two companies have generated a combined increase in value of 100 percent per year.

The market for risk capital

There are a number of terms that have different meanings in the risk-capital

market. As a result, there is no properly defined framework of concepts.

The market for risk capital may be divided roughly into venture capital, private equity and investments in listed companies. Government venture-capital credits are not considered risk capital.

Venture capital consists of investments in unlisted companies that are made for a limited period and characterized by active ownership. The investment strategies of venture-capital companies generally focus on investments in certain phases of a company's life cycle – an early phase, expansion phase or mature phase, for example.

Private equity also consists of investments in unlisted companies, usually with the difference that the investments are

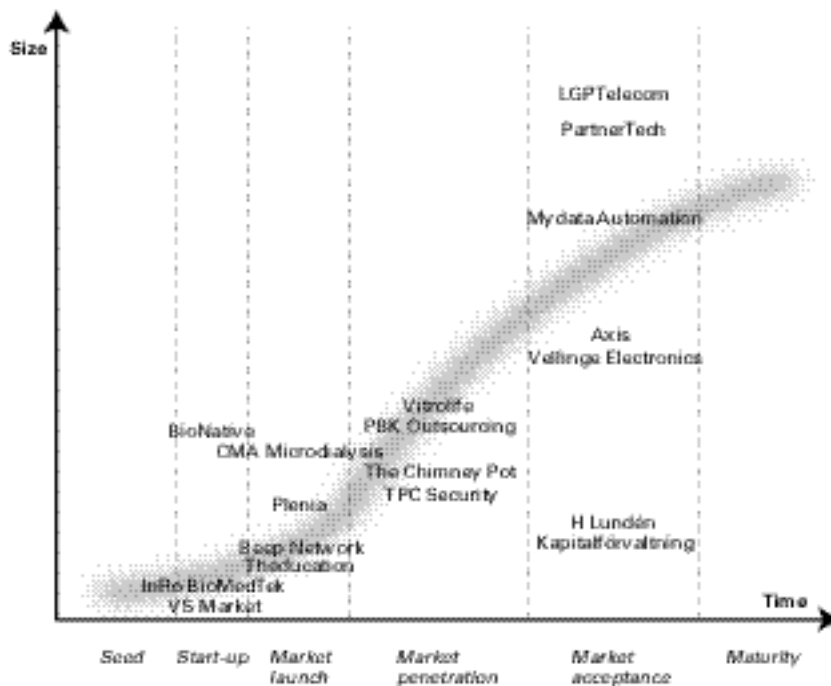
made in a later phase of a company's development and do not necessarily involve equally active ownership.

Many investors use a mixture of these approaches, but have different emphases. Skanditek uses a mixture of venture-capital and private-equity investing, with the important distinction that its involvement is active and its holdings are long-term.

Competitors

A competitive situation can arise in connection with new investments but is not so common in Skanditek's case. Notable players in the risk-capital market who operate in a manner similar to Skanditek, and who make investments of about the same size, include Affärsstrategerna, Atle and Traction.

Development phases of portfolio companies



Organization

Skanditek has seven employees. Four are active in investment operations. They analyze and evaluate new investment opportunities and deal with ownership control and development of existing holdings. A number of members of Skanditek's Board of Directors are also actively involved in the company's investment operations.

Since each new investment requires a great deal of time and work, it is important not to acquire too many portfolio companies. Considering the size of the organization today and the portfolio of 17 companies, Skanditek is in a position to make a couple of new investments.

The portfolio companies are independent units in relation to Skanditek. Thus, Skanditek has no Group-wide functions, such as quality-control or environmental programs.

Management costs

Management costs amounted to SEK 13 m in 2000, equal to approximately

Skanditek's business

0.4 percent of the average market value of the portfolio companies during the year.

Tax situation

An appropriate form of taxation for a company with Skanditek's type of business is that applied to an investment company. In an investment company, capital gains on sales of companies are not taxed. Instead, a company is taxed at a standard rate of 2 percent of the book value of its shareholdings.

Skanditek's objective is to become an investment company and the matter has been addressed during the year.

However, rules governing taxation of the companies' income may be changed in the near future. It is proposed that, under certain conditions, capital gains on the sale of shareholdings be exempt from tax for all companies. This is an interesting development, and one well worth monitoring before a decision with respect to

Skanditek's tax status is made.

In the annual report 1999 it was pointed out that the parent company had unutilized deficit carry-forwards. However, there was an uncertainty whether the deductibility was affected by the acquisition of KBB. In connection with the assessment of tax 2000, it was settled that the parent company had a right to use the deficit carry-forwards.

Skanditek's portfolio companies

Company	Business	Date of investment ¹⁾	Equity interest ²⁾
IT and telecom			
Axis AB ³⁾	Network products and wireless local networks	1990	14%
Beep Network AB	Computer systems for retail outlets	1998	41%
LGP Telecom Holding AB ³⁾	Telecom products and advanced industrial components	1993	10%
Mydata Automation AB	Advanced machinery for surface mounting of electronic components	1990	39%
TPC Security AB ⁴⁾	Intelligent communication solutions within machine-to-machine	1997	18%
Sub-contract production electronics			
PartnerTech AB ³⁾	Systems supplier that develops and manufacture electronic products	1999	26%
Vellinge Electronics AB	Sub-contract manufacture of electronic products	1996	100%
Internet-based services			
Plenia Sweden AB	Internet-based recruitment services	1997	34%
Theeducation AB	Education via virtual classrooms on the Internet	2000	19%
VS Market, AB	Financial entertainment games on the Internet	1999	34%
Financial services			
H Lundén Kapitalförvaltning AB	Asset management	1990	14%
PBK Outsourcing AB	Management accounting for film and video	1997	40%
Media			
The Chimney Pot AB	Post production and effects for film and video	1999	41%
Biotechnology			
BioNative AB	Production process for natural inteferon	1986	24%
CMA Microdialysis AB	Instruments for tissue dialysis	1991	58%
InRo BioMedTek AB	Reagents for diagnostic and therapeutic purposes	1985	33%
Vitrolife AB	High quality nutritional solutions for storage of organs etc.	1984 ⁵⁾	45%

¹⁾ Date of investment refers to the first investment.

²⁾ Holdings in Skanditek's subsidiary G Kallstrom & Co are, when applicable, calculated by 70 percent.

³⁾ Axis, LGP Telecom Holding and PartnerTech are listed on the OM Stockholm Exchange's O-list.

⁴⁾ TPC Security is listed on the OM Stockholm Exchange's New Market list.

⁵⁾ Date refers to investment in Fermentech, which merged with Vitrolife in April 2000.

Dividend for the first time in the company's history

On December 31, 2000, Skanditek's share market price was SEK 42, which corresponds to a market value of SEK 2,438 million. The share price rose during the year with 16 percent while the Affärsvärlden General Index went down with 12 percent. The Board proposes, for the first time in the company's history, dividend with SEK 0.20 per share.

Share capital and number of shares

Skanditek's share capital amounted to SEK 348.2 m as per December 31, 2000 divided among 58,039,888 shares, each having a par value of SEK 6. Each share carries one vote. All shares are entitled to dividend. There are not any convertible bonds or options which can increase number of shares.

At the start of the year, the share capital amounted to SEK 330.3 m divided among 55,043,920 shares.

In April, 2,995,968 shares were issued in connection with the acquisition of shares in Vellinge Electronics.

Shareholder structure

Number of shareholders amounted to 6,914 (6,048) at year-end, which is an increase with 14 percent.

Mutual funds accounted for 16.2 percent of total number of shares and

institutional investors for 8.7 percent.

Foreign owners accounted for 31.4 percent, whereof Johan Björkman's holding represents 28.3 percent.

Stock exchange trading

The share has been listed on the OM Stockholm stock exchange's O-list since June 19, 1984. A round lot amounts to 200 shares.

During 2000, 18.6 million shares (17.8 million) were traded, corresponding to a value of about SEK 1,030 m (400). An average of 74,109 shares (70,777) were traded per day of trading. During the first half-year, the figure was 97,534 shares and under the second half-year 51,663 shares.

During the year, the average share price was SEK 55.16 (22.57). The highest price in 2000 was registered March 6 at SEK 73.00. The lowest price of SEK 32.90 occurred January 12.

Market value

Skanditek's market value as per December 31 2000 was SEK 2,438 m (1,987), which corresponds to an increase of 22.7 percent.

Statistic measure of risk

The Beta value is a relative measure of share risk, measured as the share's docility towards stock exchange index during the last 48 months. As per December 31, 2000, the Skanditek share's Beta value was 0.98 (0.85), which means that the share has moved 2 percent (15) less than index.

Dividend

The Board of Directors propose to the Annual General Meeting that Skanditek, for the first time in the company's 18 year old history, will pay dividend with SEK 0.20 per share, corresponding to SEK 11,6 m.

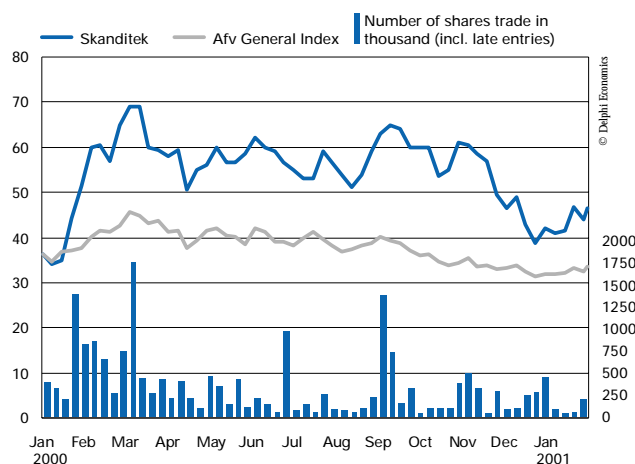
The principal shareholders as per December 31, 2000

Shareholders	Number of shares	%
Johan Björkman	16,448,369	28.3
Dag Tigerschiöld	15,324,785	26.4
SEB mutual funds	4,476,200	7.7
Banco mutual funds	2,946,655	5.1
Lars Fritzell estate	1,536,346	2.6
Catella mutual funds	1,396,000	2.4
Patrik Tigerschiöld	1,325,130	2.3
Other shareholders	14,586,403	25.2
Total	58,039,888	100.0

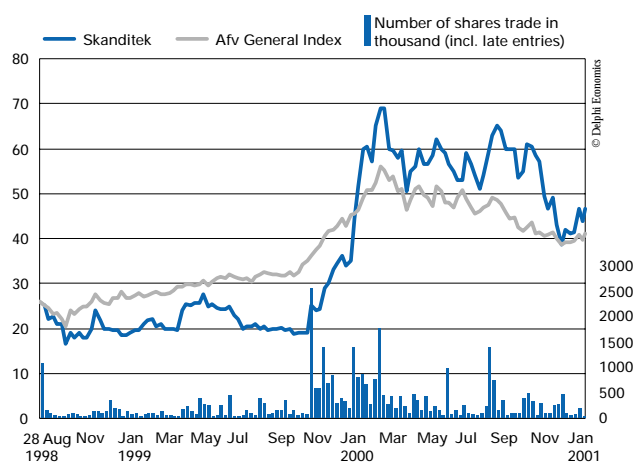
Shareholder structure as per December 31, 2000

Number of shares	Number of shareholders	Total number of shares	%
1 – 500	4,981	900,255	1.6
501 – 1,000	905	802,903	1.4
1,001 – 2,000	464	787,690	1.3
2,001 – 5,000	319	1,140,168	2.0
5,001 – 10,000	117	982,454	1.7
10,001 – 20,000	40	639,494	1.1
20,001 – 50,000	27	831,933	1.4
50,001 – 100,000	21	1,454,998	2.5
100,001 –	40	50,499,993	87.0
Total	6,914	58,039,888	100.0

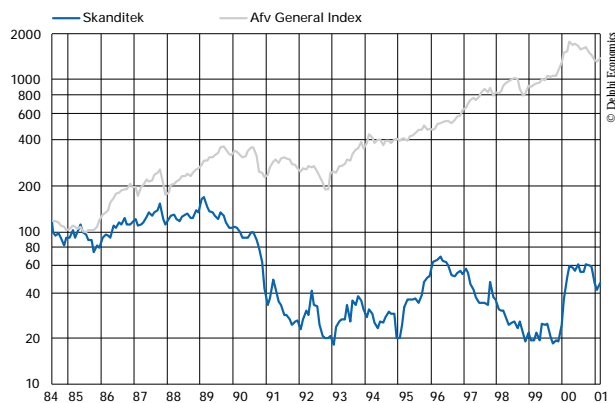
Share information



Changes in share price and number of shares traded between January 1, 2000 and January 31, 2001.



Changes in share price and number of shares traded since August 28, 1998, when Skanditek's new broadened field of activities was announced.



Changes in share price since the company was listed on the Stockholm stock exchange.

The following analysts cover Skanditek

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Five-year summary

Amount in SEK m	1999	1998	1997	1996	1995
Income Statement items					
Net sales	1,302.4	121.1	36.1	42.1	19.0
Research and development	-119.9	-23.9	-13.5	-8.7	-7.7
Goodwill, net ¹⁾	-78.3	-19.3	-	-	-
Operating profit/loss	213.7	-2.9	-9.0	-3.1	-6.7
Net financial income	15.1	6.3	0.7	0.6	11.4
Profit/loss before tax	139.1	3.6	-8.3	-2.5	4.7
Balance sheet items					
Financial fixed assets	376.8	235.9	58.5	79.7	76.3
Goodwill	159.0	77.7	-	-	-
Liquid funds/Current investments	113.0	153.7	29.5	9.7	11.7
Other assets	647.3	259.8	36.8	32.1	19.9
Equity	725.3	485.7	99.5	94.6	93.8
Long-term liabilities	83.3	15.9	-	7.6	-
Current liabilities	283.7	112.8	20.9	13.8	8.6
Balance sheet total	1,296.1	727.1	124.8	121.5	107.9
Data per share, SEK					
Equity ²⁾	12.50	8.82	10.20	10.23	10.14
Earnings ³⁾	2.40	0.06	-0.85	-0.27	0.50
Dividend ¹⁰⁾	0.20	-	-	-	-
Market price at year-end	42.00	36.10	19.60	31.00	57.50
Other					
Debt/equity ratio ⁴⁾ , times	0.1	-	0.1	0.1	-
Risk capital ratio ⁵⁾ , %	70	80	80	78	87
Return on capital employed ⁶⁾ , %	30.2	1.3	neg	neg	5
Return on equity ⁷⁾ , %	10.8	neg	neg	neg	5
Equity/asset ratio ⁸⁾ , %	56	67	80	78	87
Interest coverage ratio ⁹⁾ , times	26	6	neg	neg	292

Definitions

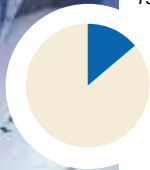
- 1) Include goodwill relating to acquisition of associated companies.
- 2) Equity divided by the number of shares at the end of each year.
- 3) Profit/loss before tax, divided by the number of shares at the end of each year.
- 4) Interest-bearing liabilities, divided by equity.
- 5) Equity and minority interests, divided by balance sheet total.
- 6) Profit/loss after financial items plus financial expenses, divided by average capital employed.
- 7) Net profit/loss, divided by equity.
- 8) Equity, divided by balance sheet total.
- 9) Profit/loss after financial items plus financial expenses, divided by financial expenses.
- 10) The Board's proposal.

Portfolio companies

- 14 Axis
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Skanditek's stock interest:
13.8% of capital



Axis

Strong growth for Camera-divisionen

Axis, which was listed on the stock exchange last year, is focusing on new markets for mobile Internet and wireless local networks. The Internet is very clearly the driving force in the company's growth, particularly for digital network cameras.

Unique skills in network communications

Axis's vision is to increase the value of its customers' networks by enabling them to connect everything, anytime and anywhere.

The business concept is to make it simple and financially viable for users to connect all types of electronic equipment to the network and enable effective and increased access to different services, resources and units. In line with the current trend toward greater mobility, Axis is also creating opportunities for new wireless services.

Based on unique skills and expertise in network communications, the company is a world leader in several of its product areas. The Group aims to further strengthen its position through profitable growth in established and new markets. Axis also plans to establish a position as a market leader in the development of local wireless networks.

Axis is organized in four divisions and local sales companies. The capacity to operate on a global basis is firmly secured through the company's own branch offices in 17 countries, distributors and strategic partners. More than 95 percent of all products manufactured by Axis are exported to over 60 countries worldwide.

Mobile access networks launched in 2000

The Networked Office and Camera Divisions develop hardware and software solutions to support communications between different types of peripheral equipment for IT-based networks, including printers, scanners, storage media and cameras.

The wide range of printer servers, which feature both external and integrated solutions, was supplemented during 2000 by Mobile Print, the first solution to support wireless printouts from mobile phones, portable computers and other devices. A new camera has also been introduced, Axis 2120, which can be connected directly to the network and controlled remotely from a computer via the Internet.

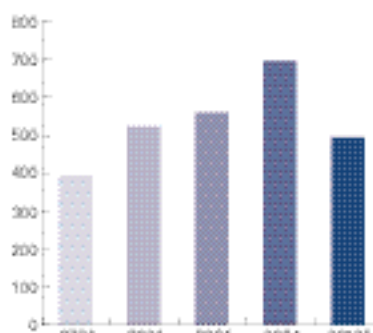
In addition, a new hard-disk server that satisfies the file-sharing and data-storage needs of businesses and project groups at a significantly lower cost than traditional servers was launched in October 2000. This is the first server of its type in Europe.

Customers include both large and medium-size companies and organizations that use networks. Sales are channeled primarily through international retailers and distributors, and also

- ▲ Axis is one of the first companies in the market to offer products based on Bluetooth.
- ▼ The Axis 2120 network camera has enjoyed major sales successes.

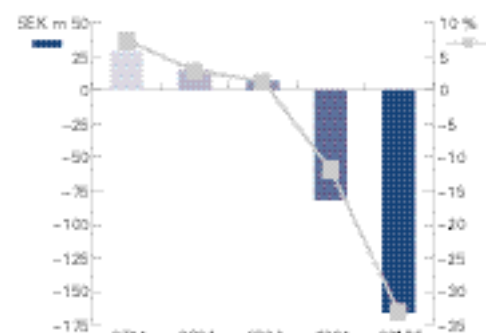


Net sales



* Refers to 8 months

Operating profit and operating margin



* Refers to 8 months

Axis

through several OEM customers, a number of which are based on strategic partnerships. The company's alliance with Canon has been intensified, which will make Axis one of Canon's largest global suppliers of network solutions. Axis has also entered a strategic partnership program with Sony for joint development of an advanced videosever.

The Mobile Internet Division develops new infrastructures for wireless broadband services in local, unlicensed mobile networks that complement licensed mobile systems, such as GSM, GPRS and 3G. In this division, products and system solutions developed by Axis support wireless broadband access to both local networks and the Internet. The solution, one of the first worldwide, consists of two components: an access point (Axis 9010) and a Mobile Internet server. The Mobile Internet server was introduced during spring 2001.

Commercial deliveries of Axis 9010 will begin during the first quarter of 2001. The product attracted widespread interest when it was presented at a large number of international trade shows and product launch campaigns in Stockholm, Hong Kong and San Jose, in December 2000. Since Axis was one of the first companies in the market to offer functional products and solutions, a large number of OEM customers have already shown an interest in the company. In addition, business discussions are under way with several Bluetooth network operators with mobile and service operators, airports, hotels and shopping chains in Europe, the US and Asia.

The Technology Division was established in 2000 to support sales of the company's technology to external interests. Axis technology can be used in a large number of different areas, but is particularly applicable as a replacement technology for built-in PC solutions. During the year, Axis also introduced Axis Etrax 100LX, a Linux-based technology platform with a new network processor. During 2000, Axis entered into technological partnerships under which the platform is now being sold for such applications as security alarm services via broadband, industrial applications featuring Bluetooth Wireless Technology and mobile positioning.

Internet driving market growth

Axis is the third largest manufacturer of printer servers, after Hewlett-Packard and Intel. The company is also one of the world's largest producers of on-line network cameras and a leading manufacturer of CD-storage servers. Axis is also one of the first companies in the world to provide functional products based on Bluetooth Wireless Technology.

The fast-growing market for Axis camera products is being driven by increased Internet utilization and a growing demand for services based on the storage and transmission of images. New development and changes in the surveillance sector of the industry are another strong force in today's market growth. Competition for digital network cameras is relatively limited in today's market, but is expected to increase. Axis already has

several competitors in the market for videosevers, mainly companies such as Panasonic and Philips that offer traditional analog CCTC solutions.

Mobile Internet and Mobile Print are active in new markets in which rapid expansion, in such areas as mobile equipment and wireless communication technologies, is expected. Mobile Internet has targeted several potential customer segments, including telecom operators, property management companies and new Mobile Internet operators that have recognized the business potential represented by offering wireless services to customers.

Comprehensive development activities

The shortened fiscal year, May to December 2000, consisted of eight months. Investments in research and development during the period amounted to SEK 133 m (92), corresponding to 27 percent (19) of sales.

As a result of these investments, the comprehensive renewal process that was initiated in 1998 will be completed in 2001. Development work is conducted in accordance with Axis's fundamental vision of providing network connectivity for all types of equipment and communications, regardless of the underlying network structure and protocol.

The millennium shift had a major effect on the IT industry in general. The resulting movements in the demand patterns of companies had a distinct impact on the more mature product segments. This resulted, among other con-

Key ratios (SEK m)

	0012 ¹⁾	0004	9904	9804	9704
Net sales	494	695	560	522	394
Operating profit/loss	-165	-82	7	15	29
Profit/loss after financial items	-171	-62	1	11	28
Total assets	627	340	249	244	227
Shareholders' equity	380	27	85	87	79
Average number of employees	540	445	313	243	165

¹⁾ Refers to 8 months

Shareholders Dec. 31, 2000

	No. of shares	Share %
Mikael Karlsson ¹⁾	22,167,764	32.2
G Kallstrom & Co ²⁾	13,539,765	19.7
Martin Gren ¹⁾	9,607,471	13.9
Fjärde AP-fonden	2,616,000	3.8
Others	20,969,000	30.4
Total	68,900,000	100.0

¹⁾ Through a company

²⁾ Skanditek owns 70 percent in Kallstrom.



▲ Mobile Print is the first solution that enables wireless printing.



Chairman of the Board
Mikael Karlsson

President
Peter Ragnarsson

Axis

sequences, in a weak European market at the beginning of the year, which had an adverse effect on sales of printers and CD servers. The OEM market was a notable exception, however, showing stable development and an increase of 33 percent. Axis implemented a number of strategic measures to strengthen its presence in the European market, which included contracts with seven new large distributors. Trends were favorable in the American and Asian markets. The Camera Division was Axis's most expansive product area, reporting sales growth of about 184 percent. The division accounts for 28 percent of total sales invoiced by Axis.

Several structural changes were implemented during the year in an effort to increase profitability, generate positive cash flows and sustain the favorable sales trend. Competencies from the former Storage Division were transferred to Camera and Mobile Internet operations. In addition, the former Document Division was transformed into two customer-oriented units: Networked Office, in which basic operations in the fields of printing and storage solutions have been integrated, and an OEM unit that is focusing on exploiting Axis's strong position as a supplier of network solutions to a number of leading manufacturers of printers and copiers. This means that the former product-line oriented structure has been replaced by one that is more distinctly market-oriented.

Netch Technologies, a 50-percent-owned Axis subsidiary, was adversely affected by a weaker market for its prod-

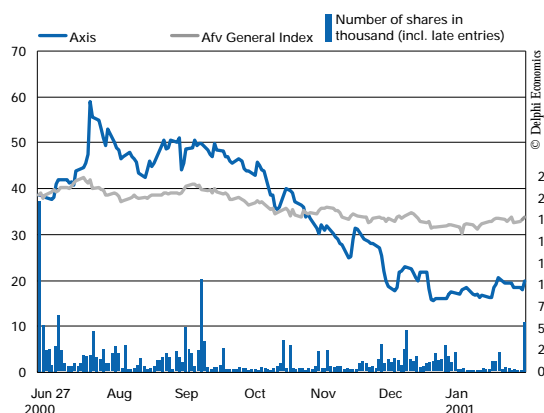
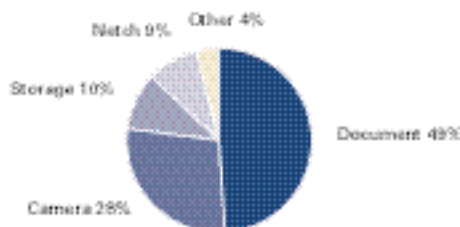
ucts and services during the year. Due to a weak sales trend, combined with new investments in the mobile services segment, the company reported an operating loss of SEK 57 m during the year.

In view of the company's excellent potential for growth and profitability, investments in market, product and business development, especially within the new business area Mobile Internet, were raised to a level that created some negative effects on Group profits. However, operating profit continues to improve in line with plan.

Axis shares were listed on the Stockholm OM Exchange's O-list in June 2000. In conjunction with the stock market listing, the company issued new shares, which generated total proceeds of SEK 446 m, after deductions for issue expenses. The objective was to provide Axis with the financial strength required for further expansion in terms of geographic coverage and new product areas and for acquisitions of companies and/or technology.

The continued growth and expansion of Internet and IP-based networks, combined with strong demand for the company's camera products, represent powerful forces for Axis's growth. One of Axis's main objectives is that its Camera and Mobile Internet Divisions will account for a substantial percentage of overall sales within the next few years. The company's growth objective for the next five years (starting with 2001) is to increase sales by an average of 30 percent annually and, to reach a profit margin before tax of 10–15 percent within three years.

Sales per product segment



LGP Telecom Holding

Flying start for new LGP Group

The merger of Arkivator and LGP Telecom was finalized during the year. Sales growth was strong and profitability rose. In brief, operations during year 2000 showed that the Group has strong skills and ambitions to expand with good profitability.

Cost-effective radio solutions

LGP's vision is to expand and become a dominant RF-supplier. To achieve its goals, the Group constantly strives to increase its technical expertise. LGP also aspires to become one of the most prominent and profitable companies in its segment.

LGP's business concept is to:

- Offer cost-effective radio solutions to systems suppliers and mobile operators as part of efforts to improve radio coverage, data transmission speeds and the capacity of mobile communication networks.
- Offer design and high volume production of precision mechanics, primarily to the telecom industry.

Global presence is one of the cornerstones of LGP's growth strategy. Having focused at an early stage on establishing international sales offices, LGP has strong positions today in Europe, North America and parts of Asia. Today the company has 10 own sales offices. Sales agencies have been established in about 20 countries.

In addition to the Parent Company, the LGP Group consists of five operating subsidiaries. LGP Telecom in Solna, outside Stockholm, has overall responsibility for development, production and

sales of telecom products. Contract-production operations are conducted in Falköping and Tullinge, Sweden, and in Vienna, Austria. Cemented carbide tools are manufactured in Linköping, Sweden.

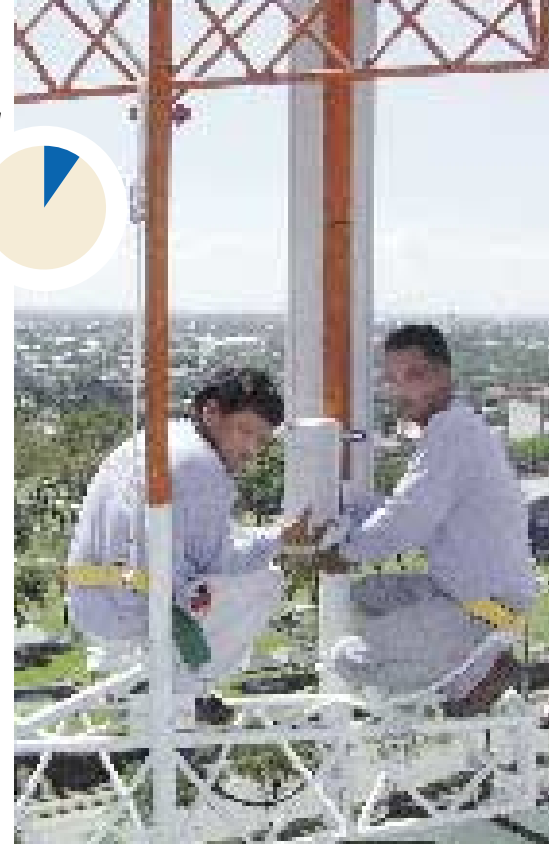
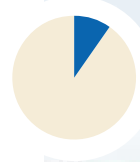
Mobile infrastructure and contract production

The Group is divided into two core areas of operation: Telecom (77 percent of sales) and Contract production (23 percent).

System suppliers and mobile phone operators are the primary customers for Telecom. Products and subsystems are delivered to all major system suppliers, such as Ericsson, Nokia, Siemens, Motorola, Lucent and Nortel, in addition to several leading operators, such as AT&T Wireless, China Telecom, Hong Kong Telecom, Mannesmann, VoiceStream, Omnitel and Vodafone.

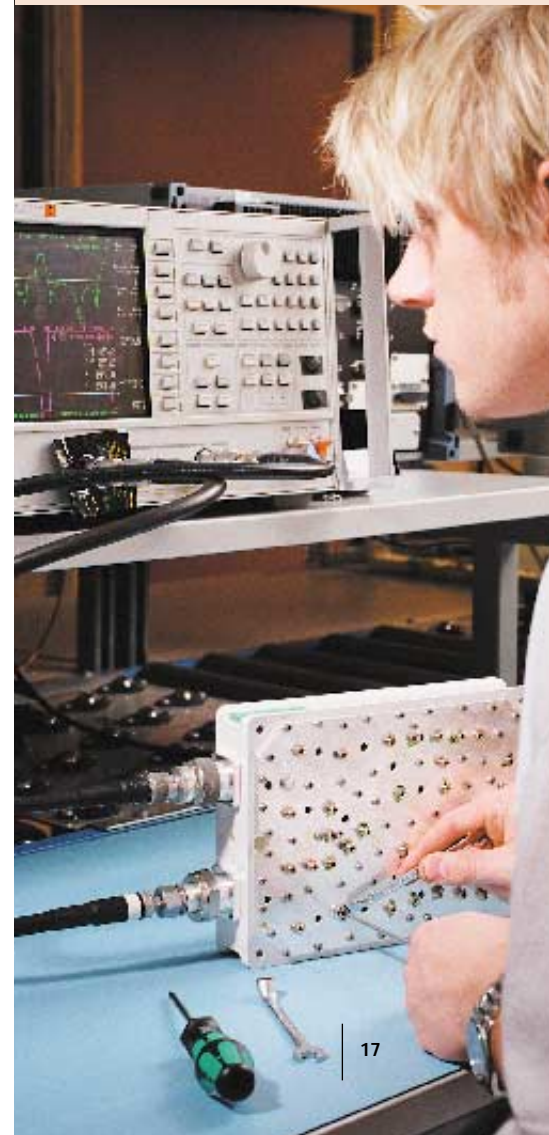
The products are divided among antenna-near systems, base station modules, indoor products, microwave systems and mechanical components.

Antenna-near systems include Tower Mounted Amplifiers (TMA), Tower Mounted Boosters (TMB) and Co-siting filters. The products are based on comprehensive systems know-how and sophisticated radio frequency (RF) technology.

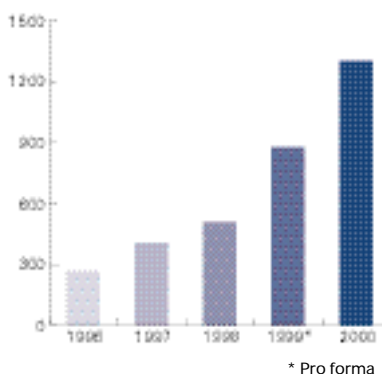


▲ LGP works with 120 of the approximately 500 mobile telecom operators in the world.

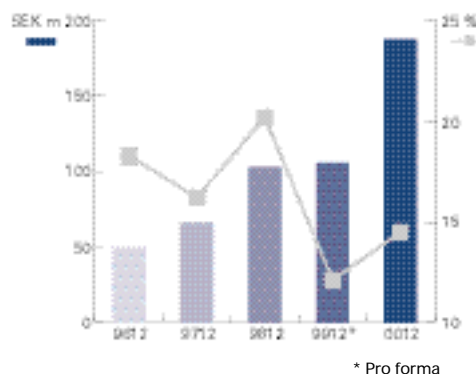
▼ LGP delivers products that improve mobile communications networks.



Net sales



Operating profit and operating margin



LGP Telecom Holding

A TMA amplifies the uplink – the signal from a mobile phone to a base station. TMAs are used mainly in macro-base stations and provide increased coverage and improved signal quality.

TMBs amplify the uplink and downlink – both signal paths between mobile phones and base stations. The major advantage of a TMB is that, in combination with a micro-base station, it provides an extremely inexpensive base station with greater coverage than a macro-base station, but with limited capacity. An upgrade with a TMB can be implemented much faster because of its limited size, and costs can be reduced by as much as 50 percent.

Co-siting filters are used to eliminate unwanted signals and combine different frequency bands on the same cable.

Base station modules consist of customer-specific subsystems in base station racks sold to system suppliers.

Indoor products consist of antennas for indoor systems. LGP has a competitive range of indoor products and a relatively large market share in Asia. Microwave systems include link filter in the frequency bands 7–38 GHz.

LGP manufactures a large number of mechanical components for the telecom industry. The components are characterized by stringent demands on mechanical precision and production volume.

LGP also handles contract production of advanced industrial components, primarily in the northern European market. The Group is a market leader in terms of high-speed treatment of sophisticated components, primarily aluminum and

steel components.

Industrial components are sold to the automotive, medical technology, food-processing and military-defense industries. Customers include Siemens-Elema, Tetra Pak, Toolex Alpha, Stratec Medical and Haldex.

New mobile systems demand more

The market for mobile infrastructure is driven by rapid growth in subscriber numbers and the continuous increase in connection times. The number of subscribers worldwide at year-end 1999 was about 450 million. According to estimates by industry analysts, the number of subscribers will increase to about 1 billion by the end of 2002, corresponding to annual growth of about 30 percent ¹⁾. The market's growth rate is placing new demands on capacity expansion in the form of base stations and other infrastructure through new networks and greater concentration and upgrades of installed mobile phone networks.

Cost-effective coverage is a critical parameter, particularly for new operators that must offer comprehensive geographic coverage quickly to attract new customers. Data communication is increasing the need for high signal quality, that results in high data transmission speeds. New systems such as UMTS and EDGE are intended for mobile data communications and demand high signal quality.

New networks are needed for third-

generation (3G) mobile-system standards. More base stations will also be needed to support 3G expansion. In order to serve the market's growing number of customers, the current trend calls for increasingly higher frequency bands. Most of the mobile telecommunications networks built today are digital networks for 1800 and 1900 MHz. The higher the frequency range used, the less the radio waves spread, which increases the need for base stations to cover a given geographic area. More cost-effective solutions to efforts to provide better coverage and signal quality can be achieved by using TMAs and TMBs.

The market for mobile phone networks is dominated by a small number of system manufacturers. A consolidation trend among mobile operators is gaining greater momentum and several players, such as Vodafone and France Telecom/Orange, are now trying to develop global operating structures. In parallel with the consolidation process, the players are also looking for fewer and more complete suppliers.

Competitors in the segment Telecom include Filtronics, Allen Telecom, Allgon and Andrew Corporation.

Higher market shares during 2000

LGP is a leading player in the TMA market, which is characterized by strong growth that is accelerating in parallel with the expansion of GSM networks in the North and South American markets and the future expansion of 3G networks in Europe and Asia.

¹⁾ Source: LM Ericsson

Key ratios (SEK m)

	0012	9912 ¹⁾	9812	9712	9612
Net sales	1,299	876	511	408	273
Operating profit/loss	188	106	103	66	50
Profit/loss after financial items	182	98	101	63	46
Total assets	1,479	1,138	530	402	244
Shareholders' equity	929	827	296	231	116
Average number of employees	765	577	411	343	240

¹⁾ Pro forma.

Shareholders Dec. 31, 2000

	No. of shares	Share %
The Gottschlich family	5,693,788	20.5
SEB mutual funds	2,880,926	10.4
Skanditek	2,689,056	9.7
Putnam mutual fund	1,889,839	6.8
Swedestart	1,138,871	4.1
Other shareholders	13,471,378	48.5
Total	27,763,858	100.0

LGP Telecom Holding

The Group showed strong growth in 2000, with a 50-percent increase in sales. LGP's growth within Telecom amounted to 72 percent. The growth rate for TMA was significantly higher than total growth in the mobile infrastructure sector, which enabled the company to capture higher market shares. It is also gratifying to note that LGP delivers products and components to six of the world's seven largest system suppliers. In October 2000, LGP also entered a partnership agreement with Nokia.

Operations in 2000 were also satisfactory in terms of profitability, with operating profit up 77 percent. 3G telephony offers substantial growth potential for LGP. In September 2000, LGP launched its 3G TMA and deliveries have already been started. Other important products launched during 2000 included TMBs and CDUs.

In September 2000, LGP tendered a merger offer to Allgon's shareholders. As a unified force, the two companies would have been able to create a larger and stronger unit with substantial future business potential. At the close of the application period on October 11, 2000, however, only 17 percent of Allgon's shareholders and owners of options had accepted the offer. As a result, LGP decided to withdraw its bid. LGP's ambition, however, remains unchanged, and the company intends to play an active role in the consolidation process now facing the telecom industry. The Group will therefore continue to evaluate new structural transactions.

During the year sales offices were opened in Brazil and China to capitalize on business opportunities in these growth markets.

Strong belief in the future

LGP is approaching the future with confidence. TMA, the Group's largest product area, continues to show favorable growth. The product's capacity to minimize the number of base stations required to cover a given area will be the driving force for sustained growth in the segment. Since the expansion of new base stations is by far the most expensive cost item for a new mobile network, TMA will remain a key product for network operators.

Research and development is a prioritized area for LGP, and the company employs 85 development engineers today. During the period 1998–2000, the Group invested approximately SEK 140 m in R&D, corresponding to about 5 percent of sales.

Investments in specific product groups will be increased during 2001. High priorities are also assigned to additional products for 3G applications. The Group already manufactures and sells third-generation mobile telephony products that have been tested and developed in close cooperation with leading system suppliers and operators.

LGP's new production plant in Tullinge will begin operations during the first half of 2001.

In 2001, the Group's goal is to achieve invoiced sales of SEK 1.85 billion with unchanged profitability.

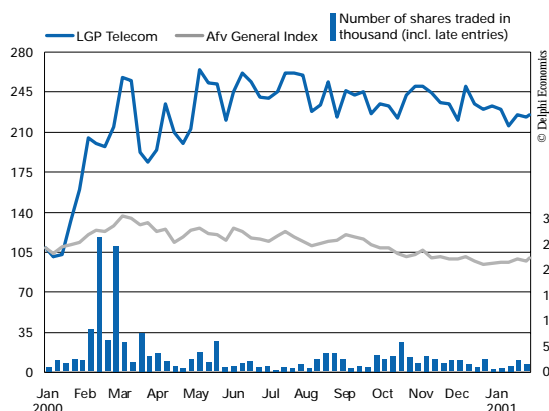


▲ The mobile phone is the most rapid growing communication tool in history.

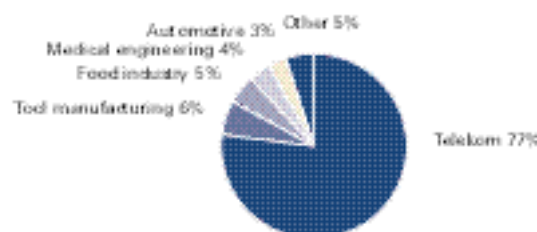


Chairman of the Board
Dag Tigerschiöld

President
Mikael Gottschlich



Sales per product segment



Skanditek's stock interest:
38.6% of capital

Mydata Automation

Doubled sales and high profitability

Mydata develops, manufactures and markets state-of-the-art equipment used to mount electronic components on printed circuit boards. Its machines produce electronics for a very expansive market – ranging from industrial robots and control systems to Internet routers and satellites.

A global player with a base in Stockholm

Since it was founded in 1984, Mydata has delivered more than 2,200 surface-mounting machines.

Surface-mounting is the second step in the process of manufacturing printed circuits. The first step is to apply soldering paste on the connections of the circuit board's components. A surface-mounting machine then picks up electronic components, inspects them and places them – with micrometer precision – on the solder paste.

In the third step, the circuit board is transported through an oven where the paste melts and the components are soldered firmly on the board. The board has then become a printed circuit board. In the final production step, the printed circuit is tested for functionality and quality before it is installed in the end product. Surface-mounting is today the clearly dominant method of manufacturing printed circuit boards.

All of Mydata's product development and production takes place at the head office in Bromma, on the outskirts of Stockholm. The company has subsidiaries in the UK, France, the Netherlands, the

United States, Japan and Singapore. In addition, it has 40 distributors throughout the world and 30 representatives in North and South America. Exports account for nearly 95 percent of the company's sales.

To increase its flexibility, Mydata has outsourced a large part of its production to subcontractors. Final assembly, quality tests and customer-configuration operations are performed at Mydata.

Mydata sought at an early stage to become internationally recognized as a supplier of surface-mounting equipment. For a number of years it was one of Sweden's fastest growing companies. During 1996–1998, growth was sluggish – in the industry as a whole and in Mydata. A new period of expansion began in 1999/2000.

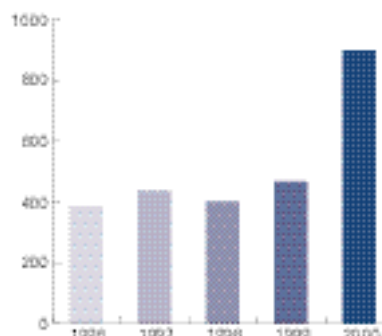
Patented technology for all types of applications

Mydata's strategy is to offer products that meet industry's demands for quality, flexibility and cost-effectiveness. Mydata's customers consist largely of manufacturers who produce on contract and whose equipment has to be extremely flexible, since they are continuously commissioned to produce new products.

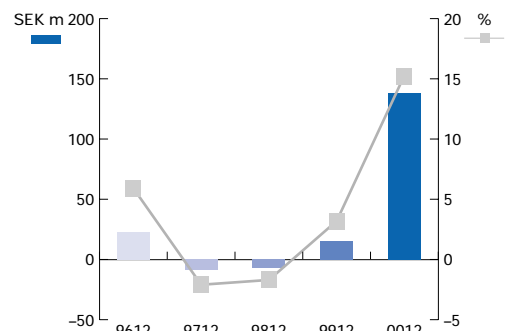
▼ All product development and production takes place in Stockholm.

▼ Today you find Mydata's machines in the plants of 14 of the world's 20 largest subcontractors.

Net sales



Operating profit and operating margin



Mydata Automation

Most of the end-users of the printed circuit board produced by Mydata's machines are active in the fields of industrial applications, space and aviation technology and in segments of the telecommunications and computer industries. Their common characteristic is that they manufacture complex products with a high degree of added value and subject to stringent demands for reliability.

Mydata's products are based on more than 20 patents. A distinguishing feature of the machines is their cost-effectiveness in connection with the manufacture of products in short series – so-called high-mix production.

Compared with those of competitors, the machines are controlled by software to a very great degree, which results in high precision throughout the life of the equipment, among other features. Thus, it is easy to adapt the machines to new technologies applicable to components and printed circuit boards.

Mydata has developed a Linux-based operating system that controls a machine and its "intelligent" accessories, such as a magazine for feeding components. Other software is used to optimize, control and plan the production of electronics. With these properties, it is possible to quickly adapt a system to the customer's requirements and wishes. It is also possible to manufacture all types of printed circuit boards. The machine is able to switch from one product to another without loss of time. This is important for "just-in-time" production.

Market trend market favors Mydata

As a result of the trend toward miniaturization of electronics, surface-mounting of printed circuit boards began to replace "hole-mounting" in the 1980s and the need for fast – but still flexible – machines has increased steadily. As companies concentrate on their core businesses, subcontractors and other manufacturers are accounting for an ever-larger percentage of electronics production.

Customers that conduct their own production of electronics account for an estimated 30 percent of Mydata's sales and specialized subcontractors for 70 percent.

For all manufacturers with a large product mix, total production costs depend more on the flexibility and set-up times of the machines than on the machines' mounting speed in operation. The ability to meet stringent quality specifications is just as important as flexibility.

Surface-mounting machines may be divided into three segments: machines suitable for low-mix, medium-mix or high-mix production. Mydata focuses on the high-mix production segment, in which printed circuit boards can be produced in a cost-effective manner in series up to as many as approximately 1,000.

The total market for surface-mounting amounts to nearly SEK 25 billion. The segment served by Mydata accounts for about 40 percent of this market. The company's share of the world market in this segment is estimated to have increased from about 7 percent to approximately 8 percent during 2000. Mydata is now recording its great-

est successes in primarily the United States and Europe.

The company's main competitors are Fuji, Panasonic, Philips, Siemens, Universal, Yamaha, Europlacer, Zevatech/Yuki, Contact and Amistar/Tenryu.

A very successful year

Mydata's sales increased by 92 percent, to SEK 897 m (467) in 2000. About SEK 60 m is explained by the US dollar rise. The increase was attributable to a favorable industrial climate, successful product introductions of the Hydra Speedmount and the Linescan Vision System, and to increased demand for production of large circuit boards. By applying supply-chain management, the company was able to double its capacity in a couple of months while maintaining delivery times.

Another factor that contributed to the company's success was Mydata's Key Account Program, which was introduced in 1999. A number of agreements have been concluded with companies during the past two years and Mydata's machines are now featured in the plants of 14 of the world's 20 largest subcontractors, including Solecron, Jabil, Celestica, Sanmina, SCI, Flextronics and CTS.

Sales were distributed as follows: North America, 59 (49) percent; Europe, 32 (38) percent; and the rest of the world, 9 (13) percent. Order bookings were higher in all markets in 2000. However, a decline in conditions in the American market has been noted during the early part of 2001.

Key figures (SEK m)

	0012	9912	9812	9712	9612
Net sales	897	467	401	437	387
Operating profit/loss	137	15	-7	-9	23
Profit/loss after financial items	136	14	-6	-6	24
Total assets	401	233	198	230	213
Shareholders' equity	215	120	111	113	122
Average number of employees	281	255	254	236	199

Shareholders Dec. 31, 2000

	No of shares	Share %
G Kallstrom & Co ¹⁾	2,905,000	47.6
Dag Tigerschiöld	1,043,500	17.1
Christer Brandberg	800,000	13.1
Johan Björkman	781,500	12.8
Skanditek	323,000	5.3
Others	247,000	4.1
Total	6,100,000	100.0

¹⁾ Skanditek owns 70 percent in Kallstrom.



▲ The machines are controlled by software to a very great degree, which results in high precision and flexibility.

Mydata Automation

Accessories and spare parts accounted for 20 (26) percent of sales. This sector, together with service and the sale of used equipment, is expected to become increasingly important in future years.

As a result of the new products introduced in autumn 1999 and the spring of 2000, Mydata entered a new product segment that is characterized by both high-mix and substantial volume. Mydata has come to be regarded as a supplement to the more traditional high-speed lines.

The marketing, sales and service organizations were further strengthened during the year. The number of employees in all parts of the Group's operations increased from 250 to nearly 350.

As a result of the further development of Mydata's Global Support program, it is now possible to offer 24-hour support through three application centers in Stockholm, Boston and Singapore.

A new sales company was formed in Holland during the year. The Benelux region has been a growing market for Mydata during the past two years.

Continued substantial investment in research and development

The company is continuing to make substantial investments in research and development, which have totaled SEK 420 m during the past ten years. Sixty-five civil engineers are active in this area. One research project involves expanding Mydata's basic concept to include applications in the semiconductor industry – the stage preceding production of printed circuit boards. Research and development costs in 2000 amounted to SEK 110 m (62), equal to 12 (14) percent of sales.

A development center that focuses on the development of mechanical systems has been opened in Gothenburg. Establishment of the center is designed to broaden the company's recruiting base and to enable closer cooperation with Chalmers University of Technology.

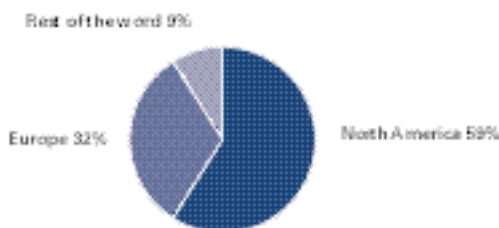
In the years ahead, Mydata intends to maintain its focus on short set-up times, fast mounting and higher productivity for its customers. The company will also continue to strengthen its service and support functions and expand its operations in Asia, Europe and North America.



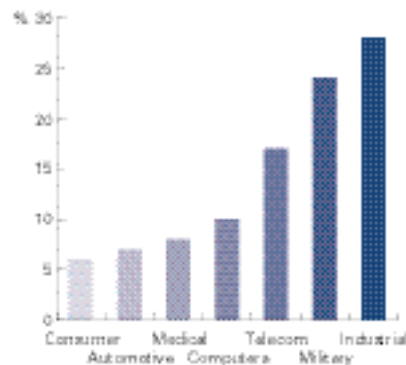
Chairman of the Board
Dag Tigerschiöld

President
Mårten Lundberg

Sales per region



Fields of applications among Mydata's customers



PartnerTech

Competence partner for growth companies

PartnerTech is a partner that assumes responsibility for the entire value chain – from product development and production to distribution and after-market service. Its goal is to meet a variety of customer demands by offering a flexible service in terms of geographic adaptations and volume changes.

Flexible competence partner

PartnerTech develops and manufactures electronic products under contract assignments from leading growth companies, primarily in telecommunications, information technology and medical technology. PartnerTech is a systems supplier that offers flexibility, widespread geographic adaptability and high service standards that promote mutual growth and development with its customers.

Through its participation in development, production and assembly of customer products, PartnerTech assumes the role of a competence partner, as opposed to the more traditional function as a supplier of components without full product responsibility.

In its partnership role, special priority is assigned to short lead-times, high delivery reliability and customer satisfaction, focus on continuous improvements and a high degree of flexibility with regard to time, place and volume, thus enabling customers to develop new products quickly, bring them to market in the shortest possible time and rapidly accelerate production to generate greater volumes.

PartnerTech works at the leading edge of new technology and is contracted by development-intensive companies in

growth industries. In its role as a competence partner with full product responsibility, the company enables customers to concentrate on their core operations and provides optimal quality standards for their products, in addition to rapid commercialization in targeted markets. PartnerTech also strives to meet customer requirements regarding flexibility, geographic presence and high service standards.

Releasing assets for customers

PartnerTech concentrates its activities in three priority market segments: telecom infrastructure, IT/mechatronics and medical technology.

PartnerTech's growth in the telecom infrastructure market segment is influenced by three driving forces:

- The pending generation shift in operating systems for wireless, mobile communications.
- A substantial increase in the number of people using mobile phones in a growing number of countries.
- The definitive breakthrough of mobile Internet.

The combined effects of these market forces will create a sharp increase in the need for equipment for products such as

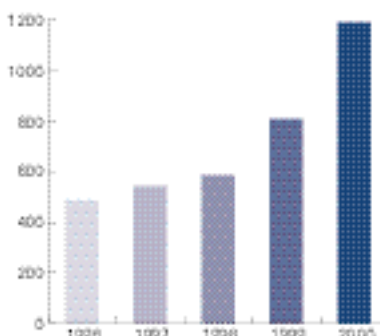


▲ Fetal diagnostics equipment – example of a total contract.

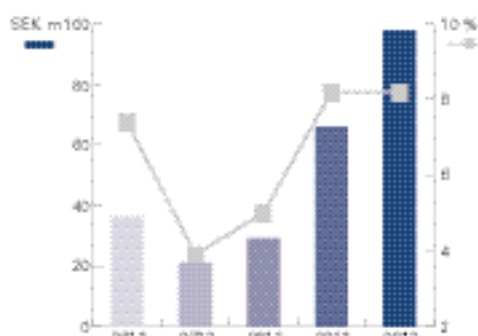
▼ Fine-tuning filters and amplifiers requires an instinctive touch and years of experience.



Net sales



Operating profit and operating margin



base stations, antenna-near products and power packages that provide power to the base stations – areas in which PartnerTech serves as a competence partner and systems supplier for customers.

In the IT/mechatronics market segment, there are distinct differences between demands by different customers, as well as several similarities. Regardless of whether customers need built-in electronics or mechanical functionality, they all need a reliable partner. Based on its comprehensive skills and expertise, PartnerTech is able to assume responsibility for development and the production of prototypes for both mechanical and electronic applications. The company also produces tools required to manufacture customer products, which represents another strength and contributes to significant reductions in time-to-market requirements. The company also offers distribution solutions to meet specific customer requests.

The medical-technology market segment is characterized by products with high development costs and stringent demands on quality systems that comply with industry standards. Development costs are normally so high that all products must be launched in the US – the world's largest market – in order to survive. Quality considerations are reflected in the form of the certification requirements laid down by the US Food and Drug Administration (FDA) and the requirement for documented experience and knowledge imposed by the US Quality System Regulation (QSR).

Greater need for total solutions

A clearly discernible trend among customers in all market segments is the increased need for development and technological support, in parallel with growing interest in total solutions – in terms of both products and processes. The trend is creating a greater need for outsourcing. By transferring all or parts of responsibility for product development, industrialization or production to PartnerTech, customers are able to allocate more time, resources and focus to their core activities. The advantages are mutual. PartnerTech lays the foundation for long-term relations and customers strengthen their competitiveness.

Examples of customers are:

- Telecom infrastructure: Ericsson, Nokia, Allgon and Emerson.
- IT/mechatronics: Axis, BT Products, C Technologies, EssNet and Kreatel.
- Medical technology: Neoventa, Pharmacia and Pyrosequencing.

The competition varies in PartnerTech's different areas of activity. Some competing companies operate only in Sweden, or work exclusively with contract production. Only a few companies compete in all areas of PartnerTech's operations. Examples of competing companies in the telecom infrastructure market include Elcoteq, Flextronics, InCap, Sanmina, SCI, Solelectron and WeCan.

In the IT/mechatronics sector, the competition includes Flextronics, HGL, SCI, Solelectron, Norrtelje Electronics and Vellinge Electronics.

In the field of medical technology, PartnerTech competes with companies such as Amersham Pharmacia Biotech, Sanmina and Tronika.

Close cooperation with product developers

It is natural for PartnerTech to treat production as a focal point in the early stages of all new product development projects. Its focus on production enables PartnerTech to influence a product's design, introduce adjustments and secure the right quality and cost structure for the production process. This type of cooperation is also a basic requirement for rapid development of prototypes and preliminary production runs prior to the start of mass production.

Total Quality Management (TQM) is one of PartnerTech's fundamental concepts throughout the entire value chain. It is intended to assure product quality, rationalize costs and provide Risk Management security. This means the company accepts responsibility for process design for operating systems, quality and environmental systems, work procedures/methods for continuous improvements and efforts to establish a true sense of quality awareness in the organization (expertise and training).

The company's structural approach quality assures subcontractors and allows them to contribute to efforts focused on continuous improvements. It also supports discoveries of both obvious and hidden quality deficiencies and helps reduce costs due to quality deficiencies.

Key figures (SEK m)

	0012 ¹⁾	9912	9812	9712	9612
Net sales	1,189	807	586	542	488
Operating profit/loss	98	66	29	21	36
Profit/loss after financial items	114	63	25	16	30
Total assets	638	445	303	215	209
Shareholders' equity	206	131	87	71	60
Average number of employees	867	625	542	537	462

Shareholders Dec. 31, 2000

	No of shares	Share %
Skanditek	1,992,600	26.4
Fleming European Technology Fund	433,256	5.7
Banco mutual funds	370,000	4.9
SEB mutual funds	362,100	4.8
Skandia	335,700	4.4
Other shareholders	4,066,344	53.8
Total	7,560,000	100.0

¹⁾ Operating profit excludes refunds from SPP of SEK 24 m.

PartnerTech

New customers and alliances

PartnerTech had a very good year in 2000. Sales increased by more than 47 percent and earnings by more than 49 percent. The company also attracted new, future-oriented customers during the year, such as Nokia, Ericsson Microwave, C Technologies and ProstaLund.

In March, PartnerTech strengthened its activities in prototype production and development for telecoms through its acquisition of Temo Finmekaniska in Järfälla. Operations were also started in Atlanta, Georgia, in March, and a cooperation agreement was signed with Sigma, a Swedish IT consulting company. The agreement is designed to support faster deliveries of total solutions to client companies in the telecom, medical-technology and other industries.

In July, PartnerTech's development into a more complete supplier resulted in the company's appointment as a partner in an industrialization project focused on Tower Mounted Amplifier (TMA) units for Ericsson Radio Access. In terms of annual sales, the project is valued at SEK 120 m. TMA units transmit radio signals from mobile phones.

In cooperation with ProstaLund, a Swedish medical technology company, PartnerTech initiated the industrialization and mass production operations for ProstaLund Compact, a newly developed product, in April 2000. ProstaLund Compact is a globally unique product developed recently for the treatment of benign enlarged prostate conditions.

In December, PartnerTech and Neoven-

ta Medical entered a program of development and production cooperation focused on a new medical engineering system used to monitor fetus development.

PartnerTech intensified its cooperation with C Technologies in January 2001 by assuming responsibility for final assembly, testing and distribution of C Pen, the company's award-winning product. Final assembly and test operations will be conducted in Ljungby from where the products will be distributed throughout the world and to the separate unit in Atlanta, GA, which was established to serve the American market. In terms of annual sales, the contract is valued at more than SEK 100 m.

Continued globalization

PartnerTech is focused strongly on continued internationalization. Supported by its comprehensive skills in both development and production, the company distinguishes itself from other suppliers through its ability to provide customers with higher value added and assume greater responsibility throughout the value chain. It also serves as a competence partner for successful customers in growth industries. Partnerships are concentrated in the selected areas of telecom infrastructure, IT/mechanics and medical technology, areas in which PartnerTech has comprehensive skills and expertise.

PartnerTech's goal is to achieve sales growth of at least 15–20 percent annually and a minimum return of 30 percent on capital employed, with an operating margin of 7–8 percent and equity/assets of not less than 30 percent.

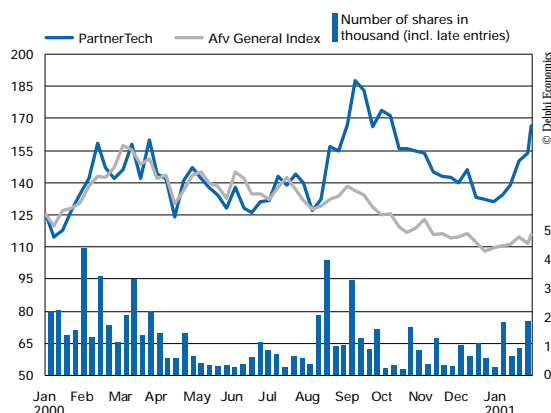


▲ As part of the company's quality assurance, printed circuit boards are examined after automated assembly.

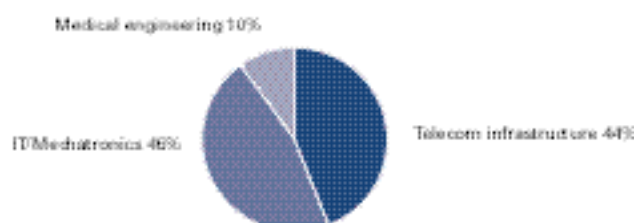


Chairman of the Board
Per Wejke

President
Mikael Jonson



Sales per product segment



Skanditek's stock interest:
100.0% of capital

Vellinge Electronics

Manufacturer of high-tech electronics

Vellinge Electronics assembles 25,000 electronic components per hour. With three shifts, this means millions of components a week. The products are designed mainly for use in telecommunications, data processing, industrial operations and the medical field. Vellinge Electronics has been a wholly owned subsidiary of Skanditek since April 2000.

"Well-invested" production facility

Vellinge Electronics is a contract manufacturer of electronic products for the Swedish engineering industry. Each week, the company assembles two million components in 300 versions of printed circuit boards, in order to create 300 different products for 30 customers. Flexibility and precision are required to be able to change setting plans and meet new demands quickly and simply. These guiding principles in Vellinge Electronics' strategy, combined with modern technology, have made the company one of the leading and most profitable contract manufacturers of electronics in Sweden.

Vellinge Electronics has one of Scandinavia's largest and most modern plants for contract manufacturing of electronic products. The company has unvested heavily in the plant in Vellinge in order to increase capacity and further improve the quality of its products. The plant has two lines for surface-mounting and one for hole-mounting and is suitable for medium-long and long series. The products are designed mainly for use in telecommunications, data processing, industrial operations and the medical field. Vellinge Electronics does not produce any products of its own.

Vellinge Electronics was among the first contract manufacturers to invest in

X-ray equipment that verifies soldering results on surface-mounted components and BGA capsules. The components and the function of the printed circuit board can thereby be tested 100 percent, which minimizes fault frequency during the life of the printed circuit boards. Inert-gas soldering – which means that more environmentally compatible agents can be used and that the printed circuit board does not have to be post-washed – represents another important competitive advantage and quality feature.

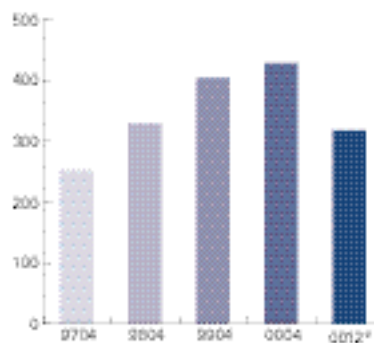
Production is really only the middle part of a whole series of services that the company provides its customers. Closer cooperation between the contract manufacturer and customer is important in connection with complex electronics production. In terms of time, this cooperation begins when the customer has an idea for producing a printed circuit board that will be used in the control system of an industrial robot, for example. Vellinge's engineers study the customers' blueprints and make suggestions for changes. These may involve improving the product's performance, achieving more economical production or selecting better or less expensive components.

Vellinge also produces test equipment

▲ Vellinge Electronics has invested in X-ray equipment that verifies the soldering result.

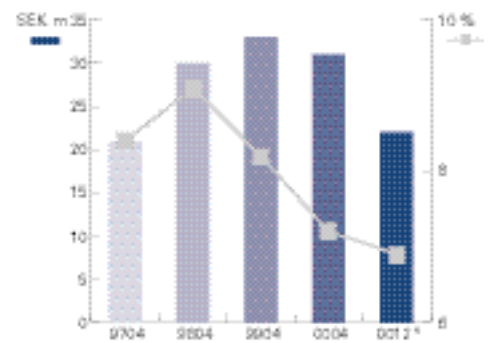
▼ The greater part of Vellinge Electronics' more than 30 customers are ranked among the elite of the Swedish engineering industry.

Net sales



* Refers to 8 months.

Operating profit and operating margin



* Refers to 8 months.

Vellinge Electronics

for products, and is always responsible for the purchase of components. Logistics and warehousing are other services that Vellinge can offer its customers.

The company's products are supplied in three different processed forms: as printed circuit boards, modules (built-in printed circuit boards), or completely finished products – packaged and containing instructions for use.

Many customers in the engineering industry

Vellinge Electronics has its roots in the Electrolux Group. In 1996 the company was purchased by – among others – Skanditek, which became the sole owner in April 2000. The company's growth has been rapid during its four years of "independent" operations, with an annual growth rate of approximately 100 percent to current sales of nearly SEK 500 m. During the same period earnings have risen from SEK 6 m per year to slightly more than SEK 30 m.

The company's industrial background is still visible in its customer structure. The percentage of consumer electronics is relatively small. The greater part of Vellinge's more than 30 customers are ranked among the elite of the Swedish engineering industry, such as ABB, Axis, Beijer Electronics, Besam, Electrolux, Ericsson, Gambro, Getinge and Tetra Pak.

One rule of thumb is that a customer should order at least SEK 15 m of electronics per year. Vellinge generally declines small orders for articles that are not expected to be growth products, a

strategy that helps to maintain the company's profitability.

Vellinge Electronics produces electronics used in a number of interesting applications. For ABB, the company manufactures electronics that control robots in the automotive industry, for example. Electronics for protocol converters and camera servers in data networks are supplied to Axis. Production for Besam involves printed circuit boards that control the engines for electronic door-openers. Electronics that control washing machines, refrigerators, freezers and vacuum cleaners are produced for Electrolux.

The cooperation with Ericsson covers the Bluetooth system and a number of future-oriented products. Electronics used to control sterilization equipment, among other articles, are produced for Getinge, while electronics used in high-frequency "welding" of packages for liquid products are supplied to Tetra Pak.

Electronics permits more precise control of a process or of information. Regardless of whether a giant paper mill or a washing machine is involved, customer demand for the control of processes is increasing.

Mostly a national business

Apart from deliveries to large consumer-electronics companies like Ericsson and Nokia, contract manufacturing is still largely a national business. The dialog between manufacturer and customer is an important element, and those companies that have arranged production in other countries very often "repatriate" it to Sweden.

The growth in contract manufacturing is high and is driven by the greater use of electronics, as well as by an increase in outsourcing, as a result of companies streamlining their operations in order to concentrate on core businesses. Swedish contract production of electronics is currently estimated at approximately SEK 12 billion, much of which is outsourced by Ericsson companies.

Contract-manufacturers of electronic components may be divided into three categories. Companies in the first category produce in very large series, often for a single customer in the telecommunications or PC-products sectors. In recent years, a number of American companies in the electronics industry have taken over from Swedish companies – Ericsson, for example – operations that were formerly handled in-house. SCI, Solectron, Avex and Flextronics are examples of the largest contract manufacturers. The medium-size category, where Vellinge Electronics competes, comprises companies like Partner Tech and Essex. A large number of small companies produce items in short series, ranging from 100 to 150 components.

High profitability

Vellinge Electronics' net sales in its 1999/2000 fiscal year increased by 6 percent to SEK 428 m. Profit after net financial items declined by 2 percent to SEK 30 m. The company's profit margin was 7 percent. The profit margin may decline slightly in the future as the company handles larger contracts with longer series.

Sales in the first eight months of the

Key figures (SEK m)

	0012 ¹⁾	0004	9904	9804	9704
Net sales	318	428	403	329	251
Operating profit/loss	22	31	33	30	21
Profit/loss after financial items	21	30	31	28	17
Total assets	255	196	187	177	110
Shareholders' equity	52	40	40	25	18
Average number of employees	248	223	204	200	186

¹⁾ Refers to 8 months.

Shareholders Dec. 31, 2000

	No. of shares	Share %
Skanditek	10,000	100.0
Total	10,000	100.0



▲ The Printed circuit boards that control the engines for Besam's electronic door-openers are made by Vellinge.

Vellinge Electronics

current fiscal year amounted to SEK 318 m, and profit after net financial items amounted to SEK 21 m, based on preliminary figures. Exports account for approximately 10 percent of the company's net sales. In addition, the company's own customers often have a high percentage of export sales.

During the past year, the company's business growth in terms of volume of has been smaller than in the past. This was because a product with a large components content was discontinued by one of Vellinge's customer. As has been the case in other industries, a shortage of components also caused production problems.

Vellinge Electronics' profit margin has consistently ranged from 6 percent to 8 percent, which is higher than in most competitors in the industry. This is attributable to the company's modern machine park and a high degree of cost-effectiveness. Sales per employee amount

to SEK 2 m, higher than in many competing companies.

Positive signs for the future

Two main factors point to continuing rapid growth for Vellinge:

- Contract manufacturing is increasing rapidly as industrial companies focus on their core business, which is to develop and market their products.
- The electronics content in all types of products is increasing rapidly. Ten years ago, for example, the electronics content in a passenger car amounted to 2 percent of the production cost. Today that figure is nearly ten times higher.

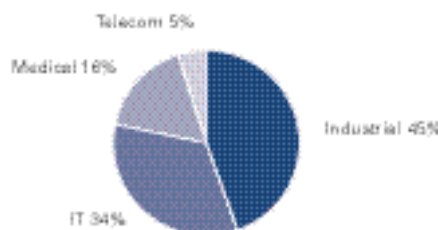
The risks in Vellinge Electronics' operations are limited. Because its business is distributed among more than 30 customers, each of which accounts for between 2 percent and 10 percent of sales, a setback for an individual customer does not have a drastic impact on earnings.



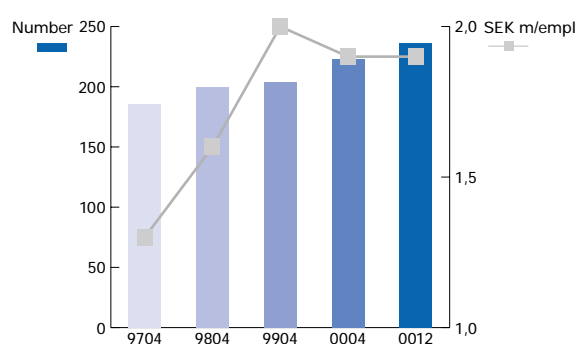
Chairman of the Board
Dag Tigerschiöld

President
Claes Wretlind

Sales per customer segment



No. of employees and sales per employee



Vitrolife

Cell and tissue technology of the future

Vitrolife is a biomedical group that is active in the global market. The company works with products used in cell and tissue technology that border on pharmaceuticals in terms of their complexity. The most important event during the year was the merger with Fermentech Medical, Skanditek's subsidiary in Scotland.

World leader in quality

Vitrolife's business concept is to develop, produce and market a complete range of high-quality products and systems for handling, cultivating, preserving and treating cells, tissue and organs.

The products are used to create a biologically correct environment outside the human body and are also introduced locally in the body to support a biological function.

Vitrolife, a worldleader in terms of quality, offers products for clinical treatment in a number of new areas that have substantial future growth potential. Many products are based on hyaluronic acid that is produced biotechnically in the company's plant.

The Group is organized in five business areas:

- Fertility systems
- Cell Therapy / Tissue Engineering Systems
- Transplantation Systems
- Biosupportive Systems
- Quality Control Testing

The company has plants in Gothenburg, Sweden, and Edinburgh, Scotland. Both are quality-certified in accordance with

ISO 9001 and EN 46001 standards. The plant in Gothenburg is primarily designed to handle early stages of research and development. The plant in Edinburgh can handle large volumes of production and also has equipment for packaging in pre-filled syringes.

Since there is a need for additional production capacity, construction of a plant was begun in Denver, Colorado, in the United States in 2001. In addition to the company's own production, contract production is conducted in Sweden, Norway, the United Kingdom and Germany.

Vitrolife cooperates with Ares-Serono, a Swiss company that is also a joint owner of Vitrolife. Well-known partners in the distribution sector include such companies as Ciba Vision. Vitrolife works with research teams that are world leaders in the company's fields.

Authorities impose stringent demands on the products

The company's product portfolio is well distributed geographically and covers various phases of the product cycle, resulting in distribution of risk. The company has a favorable competitive situation and – based on its patented technology and a

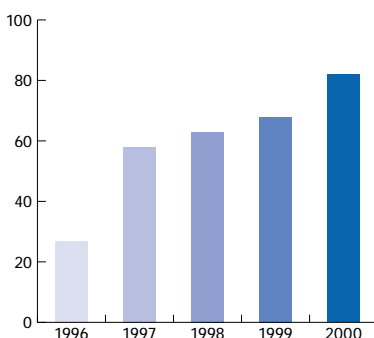


▲ Vitrolife produces high-quality nutrient solutions used in in-vitro fertilization.

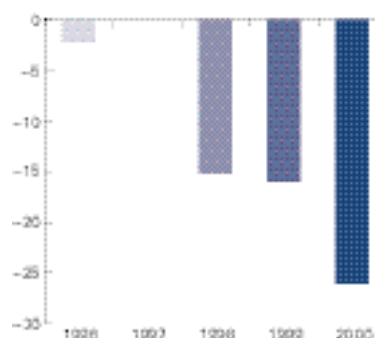
▼ Construction of a production plant has begun in Denver, Colorado, USA.



Net sales



Operating profit/loss



Vitrolife

broad international network of researchers – the ability to develop products with a substantial profit potential.

All products in the Fertility Systems business area are registered with the US Food & Drug Administration (FDA). The plant in Denver is designed to meet the strictest demands imposed by authorities any-where in the world.

Vitrolife has sales in more than 70 countries. Its marketing and distribution strategy is adapted to local market conditions through a combination of direct sales and the use of distributors. In order to establish direct relationships with customers without the need for costly intermediaries, Vitrolife will introduce an e-commerce service in the near future, including global technical service for customers via the Internet.

Strong market growth

The cell and tissue-production field has grown enormously in recent years. Academic and commercial research centers have invested substantial amounts in this area.

Cell and tissue production covers a broad area of processes and disciplines, such as moving tissue between organisms, producing tissue or an organ outside an organism, or handling tissue in organisms to increase survival time or growth. As a result, the technologies are used in many surgical and therapeutic applications where some body tissues are not growing or need to be replaced.

Cell and tissue technologies are expected to become very common in the

future, in such therapeutic areas as infertility, organ transplants and woundhealing. Processes in the field of stem-cell treatment are also expected to be highly important in the treatment of such illnesses as diabetes and neurological disturbances, which have largely been treated with drugs up to now.

Merger with Fermentech during the year

The most important event during the year was the merger with Fermentech Medical of Scotland in April. Fermentech had been a Vitrolife partner earlier. The reason for the merger was that the two companies complement and strengthen each other. As a result of the merger, idle production capacity can be utilized, expertise has been acquired and new business opportunities have arisen. The merger was effected through Vitrolife's acquisition of Skanditek's 97-percent holding in Fermentech, with payment in the form of newly issued Vitrolife shares. The transaction was reported in accordance with the so-called pooling-of-interest method. Fermentech's name was changed to Vitrolife UK in August.

A historic breakthrough in transplantation surgery was recorded in October by Professor Stig Steen at the University Hospital in Lund. At that time, Vitrolife's unique lung evaluation product was used in connection with the transplant of a lung from a heart-dead donor rather than a brain-dead donor (which had been the only possibility earlier). Vitrolife's product permits careful study of the lung's func-

tion before the transplant.

In November, a private placement of new shares in an amount of SEK 70 m was effected. The issue was subscribed by institutional investors and by Ernesto Bertarelli, chief executive officer and principal owner of Ares-Serono, one of the world's leading companies in the field of reproduction treatment. The proceeds are to be used for investments in production capacity, IT infrastructure and research and development.

In January 2001, Vitrolife signed a contract with Pharmadule covering construction of a plant in Denver, Colorado, USA, for production of nutrient solutions for in-vitro fertilization. The plant, which will be located adjacent to Vitrolife's research center, is expected to be put into production during the second half of 2002.

The increase in sales is attributable to greater demand for both Fertility Systems' and Biosupportive Systems' products. The Transplantation Systems business area also reported an increase, but is still in a development phase.

Approximately SEK 8 m was charged against profit for the year for costs incurred for legal and financial advice in connection with company mergers and capital procurement, as well as the introduction of a new business system.

Leading-edge research

Companies in the biomedical sector require a strong knowledge platform in order to generate new product concepts. Vitrolife's platform consists of a unique

Key figures (SEK m)

	0012	9912	9812	9712	9612
Net sales	82	68	63	58	27
Operating profit/loss	-26	-16	-15	0	-2
Profit/loss after financial items	-30	-13	-14	0	-2
Total assets	173	103	85	71	27
Shareholders' equity	132	85	66	59	17
Average number of employees	80	66	60	49	35

Shareholders Dec. 31, 2000

	No. of shares	Votes %	Share %
Skanditek	6,495,700	47.3	45.1
Peter Svalander ¹⁾	1,610,842	36.8	11.2
Lombard Odier & Cie	909,090	2.3	6.3
SEB Medical mutual fund	794,400	2.0	5.5
Ares-Serono	650,000	1.6	4.5
Other shareholders	2,055,667	10.0	27.4
Total	12,515,699	100.0	100.0

¹⁾ Via company.

1996–1999 is pro forma (Vitrolife and Fermentech Medical).

Vitrolife

combination of knowledge in embryology, cell and tissue-cultivation, organ preservation and production of biomaterial. In addition to expertise in research, in-depth knowledge is needed in such areas as production technology, packaging, the demands of public authorities, clinical practice and marketing.

Vitrolife conducts its own research and development in Sweden, Scotland and the US. Research and development projects are carried out in cooperation with academic and clinical centers. The company has secured rights to commercial applications through exclusivity agreements in these projects.

The following research programs are under way in the five business areas.

- In Fertility Systems, a changeover is occurring towards recombinant albumen, with the result that the systems are wholly free of components extracted from blood. This makes Vitrolife the only supplier in the world to fully guarantee cell-cultivation solutions for invitro fertilization. A number of countries, including France, Australia and the US already impose stringent demands for patient safety in connection with medical treatment.
- In Cell Therapy/Tissue Engineering Systems, cross-linked hyaluron is being used to reconstruct entire tissues by employing the body's own stem cells (embryonic stem cells) instead of artificial material.
- In Transplantation Systems, organ-

preservation solutions are being developed that will improve the possibility of transplantation for patients who currently do not receive treatment.

- In Biosupportive Systems, cross-linked hyaluron is also being used to develop products that are paving the way for new treatments – orthopedic surgery, eye surgery and cosmetic surgery, for example – that will restore the environment in certain parts of the body.
- In Quality Control Testing, highly sensitive biological tests are being conducted of the toxicity of medical-technology products.

The trend in medicine is increasingly toward advanced treatment methods in which biological material is used to cure diseases. Examples of this include organ transplants, the treatment of burn damages with artificial skin, the repair of knee-joints with cultivated cartilage cells, skeleton repair with the use of artificial legs and immuno-therapy treatment of skin cancer.

Vitrolife's core expertise is being used in these new areas to ensure that cells, tissue and organs are handled in a physiologically correct and safe manner. If living human tissue is not handled properly, there is a risk that a treatment will fail, causing serious complications. Vitrolife's basic objective is to provide medical-treatment products that offer maximum safety and function.

Vitrolife examines the possibility for a listing of its shares on the OM Stockholm Exchange during 2001.



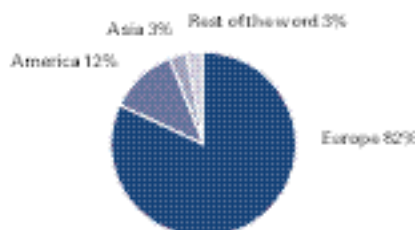
▲ Vitrolife's unique lung-evaluation product being used in pioneering surgery.

Vitrolife

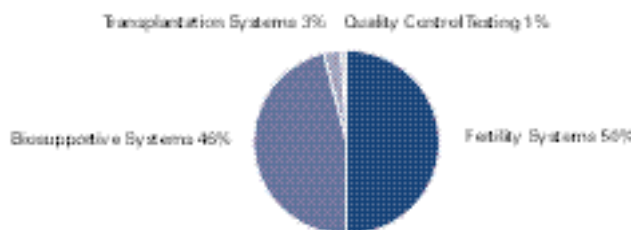
Chairman of the Board
Lars Hamberger

President
Peter Svalander

Sales per region



Sales per business area





Skanditek's stock interest:
23.8% of capital



▲ Within BioNative a high degree of expertise has been built up in process technology.



Chairman of the Board
Per-Erik Persson

President
Bo Lemar

BioNative

Production of natural interferon

BioNative has developed a large-scale process for the production of natural interferon. The company is a world leader in an attractive niche, however approaching a stiffening competition and price-cut. Its broad and valuable range of skills provides potential for cooperation with partners in a number of application areas.

BioNative was founded in 1985 and is a spin-off from the Institution of Cellular and Molecular Biology at the University of Umeå in northern Sweden. The company continues to work very closely with the research world.

The company's business concept is to produce natural interferon of the highest purity. The existence of this substance has been known since 1957 and an extensive range of clinical applications has subsequently been identified. Interferon is a protein that is naturally present in the body. It is used in the treatment of both viral diseases and cancer. Although the protein is of a simple structure from a biological viewpoint, it is more complex genetically. No less than 13 known genes govern the production of interferon in the body's cells. Similar proteins, such as insulin, are controlled by a single gene. BioNative utilizes the cells' ability to produce interferon for medical applications.

BioNative owns a unique preparation and is a world leader in an attractive niche. The company consciously develops pharmaceuticals for use within primarily virology, oncology and hematology. Slightly more than 90 percent of sales are exported through an efficiently

functioning logistics system. The company has many years of international experience in the fields of patent and brand protection. A high degree of expertise has been built up in process technology and biochemistry, particularly regarding the large-scale handling of plasma and leucocytes, protein-purification technology and biochemical analyses.

BioNative has longstanding experience in the classification of raw materials and suppliers, the installation of production lines, quality analysis and the characterization, preparation and formulation of products. This expertise can also be used in other attractive areas.

BioNative is presently, concerning the sales, dependent on one product and is expecting a temporary decline in the demand. However, during 2000 the company has started a broadening of the business towards new business areas, regarding products as well as customers. Today there are three projects of development running within the company's field of competence, there are also other strategic solutions being evaluated.

Costs relating to R&D were charged against earnings in an amount of SEK 8.2 m (7.4) in 2000.

Key figures (SEK m)

	0012	9912	9812	9712	9612
Net sales	36	40	39	41	44
Operating profit/loss	-1	-1	0	0	3
Profit/loss after financial items	-2	-1	0	0	3
Total assets	45	39	32	28	30
Shareholders' equity	19	20	21	21	22
Average number of employees	38	41	41	40	48

Shareholders Dec. 31, 2000

	No. of shares	Shares %
Management and researchers	11,720	58.6
Skanditek	4,760	23.8
Novartis AG	1,760	8.8
Hugo Thelin	880	4.4
Berndt Sjöberg	880	4.4
Total	20,000	100.0

CMA Microdialysis

Microdialysis gains acceptance in Europe

The need for time and cost-saving healthcare methods is increasing throughout the world. The introduction of leading-edge technology is gaining ground because technological innovations make these methods possible. One example is microdialysis, a completely new diagnostic technique.

Measuring the chemistry of the body is an important part of medicine. A routine physical examination today includes blood analysis. CMA's technology is bringing development to the threshold of a new era: measurement of the chemistry of individual organs. CMA, which was founded in 1984, was the first company in the world to introduce products for microdialysis. CMA still has no competitors in this clinical area.

Microdialysis technology is the only technology that makes it possible, with a low degree of risk, to take continuous samples from tissue fluid and thereby monitor the way the chemistry of a given tissue or organ is developing. The patient feels no pain and loses no blood.

The instruments provide a basis for more rapid and more reliable diagnoses. As a result of the large amount of data that is generated by microdialysis and other measurement techniques, CMA has developed proprietary software for use in intensive care. The company is alone in producing this decision-making tool.

The microdialysis method reveals – among other things – ischemia, a life-threatening condition that arises when circulation of blood in an organ is reduced. Ischemia kills more men and women than any other clinical condition. Hospitals today use

microdialysis to measure brain chemistry following skull injuries and severe cerebral hemorrhages. The method is being accepted increasingly in all parts of Europe and is also beginning to have an impact on plastic surgery and applications in such areas as intestinal surgery and diabetes.

CMA is determined to maintain its dominant position in universities and the pharmaceutical industry, and to establish microdialysis in selected clinical applications, including neurosurgery, plastic surgery and intestinal surgery. CMA already has a broad, smooth-functioning cooperation with various university clinics. This will facilitate future clinical trials.

In 1997 CMA concluded an agreement with Roche that gave the latter company exclusive rights to the use of CMA's patents on microdialysis catheters in the field of diabetes. The agreement has been broadened to include a joint venture in which CMA is developing and producing catheters for Roche's glucose monitors.

CMA has 24 distributors throughout the world. Exports accounted for 92 (89) percent of the company's sales in 2000, clinical applications for 47 (41) percent, and preclinical research for 53 (59) percent. R&D costs amounted to SEK 8 m (7), equal to 17 (16) percent of sales.



▲ Microdialysis can measure brain chemistry following skull injuries and cerebral hemorrhages.

CMA/Microdialysis

Chairman of the Board
Johan Björkman

President
Urban Ungerstedt

Key figures (SEK m)

	0012	9912	9812	9712 ¹⁾	9612
Net sales	46	43	40	38	31
Operating profit/loss	-2	-6	-5	0	-2
Profit/loss after financial items	-2	-6	-5	2	5
Total assets	28	31	33	39	37
Shareholders' equity	18	19	25	30	28
Average number of employees	57	54	52	60	56

¹⁾ The earnings includes items affecting comparability with net SEK +11 m.

Shareholders Dec. 31, 2000

	No. of shares	Share %
Skanditek	6,850	51.4
Urban Ungerstedt	3,016	22.6
Johan Björkman	2,134	16.0
G Kallstrom & Co ¹⁾	1,333	10.0
Total	13,333	100.0

¹⁾ Skanditek owns 70 percent i Kallstrom.

Skanditek's stock interest:
40.4% of capital

PBK Outsourcing

Turnkey concept for outsourcing

PBK is spearheading and driving development in the market for the outsourcing of accounting services. By outsourcing accounting activities, client companies are able to focus on their core business and reduce their costs. As a result of investments in technological development, PBK has become a market leader among companies that offer Internet-based solutions.

PBK is a leading supplier in the outsourcing of accounts-related administration. Outsourcing means that companies and organizations transfer the ownership and responsibility for certain types of functions to an external partner. This enables client companies to concentrate on their core business, at the same time as their costs are reduced.

Demand for such services is increasing in pace with rising demand for more profitable and efficient operations and greater interest in the outsourcing of accounting-related administration.

PBK's services constitute a turnkey concept that enables the company to undertake all aspects of an outsourced accounting function. Services are divided into five specialized areas: Sales ledger management, Accounting services, Payroll and personnel services, Purchase ledger services and a Debt-collection service. Customers are free to select only one or different combinations of the services offered by PBK, or the entire concept.

PBK's services are sold through its own sales organization and through agreements with partners in different sectors. Examples include the Postal Service, Telia

e-Commerce, finance and IT-consulting companies and other companies in the payment administration field.

Customers include both small and large companies and organizations in all areas of business, including the Sweden Post, banks, insurance companies and e-commerce companies. PBK is the market leader in outsourcing of accounting-related administration to e-commerce companies.

A subsidiary was established in Norway in year 2000. PBK also acquired Personalitet, a specialist in payroll and personnel administration.

PBK conducts continuous efforts to develop new accounting services. During 2000, for example, a service was developed for the electronic processing of sales ledgers. This is a digitized service that features the scanning-in of documents and digital verification.

Sales rose by 25 percent to SEK 55 M during 2000. The increase was mainly attributable to the accounting services segment. Costs for the development of new services and for establishing a production unit in Kopparberg and operations in Norway were charged against earnings during the year.

▲ PBK's sales grew by 25 percent during the year.

PBK OUTSOURCING

Chairman of the Board
Dag Sehlin

President
Lars Ahlsten

Key figures (SEK m)

	0012	9912	9812	9712	9612
Net sales	55	44	32	26	22
Operating profit/loss	-1	4	1	3	2
Profit/loss after financial items	-1	4	0	3	2
Total assets	91 ¹⁾	48	38	16	10
Shareholders' equity	4	5	3	3	1
Average number of employees	66	45	36	28	25

Shareholders Dec. 31, 2000

	No. of shares	Share %
Skanditek	11,000	40.4
Johan Brandrup-Wognsen ¹⁾	6,000	22.1
Lars Ahlsten	6,000	22.1
Other shareholders	4,200	15.4
Total	27,200	100.0

¹⁾ Via company.

¹⁾The increase is explained by a considerable amount of client funds.

Plenia

Find employees with e-hunting

Recruiting employees with the help of the Internet is beginning to be an established industry. Plenia fuses the work of a traditional headhunter with the capacity and speed provided by modern technology.

Plenia is an Internet-based market and meeting place for employers and job-seeking private individuals. The target group consists of well-educated candidates with solid professional experience. The emphasis is on information technology (IT), other forms of technology, marketing and sales, finance and employee relations, public relations and information.

Via targeted marketing activities and its own telemarketing department, Plenia searches for the expertise that is in demand. Applications from private individuals are made via the Internet.

To date, more than 800 employers have signed contracts with Plenia. They are able to search independently in Plenia's database, or obtain help from Plenia's recruiters in preparing an analysis of their needs, searching the database and preparing for initial interviews. Revenue is mainly generated when employers pay a fee for candidates that have been presented to them, and when a candidate is hired.

The anonymity of the people – totaling 65,000 to date – who have filed their résumés with Plenia is securely protected. Their identity is never disclosed to the employer until Plenia has contacted the job seeker and obtained his or her consent.

Internet-based recruiting companies became established as an industry in 2000. The largest players, along with Plenia, are Jobline, Stepstone, Wideyes and Top Jobs. Such established recruiting firms as Manpower and Proffice also started Internet channels during the year. Although the total market is growing, the increasing number of players has resulted in stiffer competition.

Plenia differs from the other companies not only in relying on technology and mechanical matching but also because it chose from the start to focus on a high degree of personal service.

Plenia has developed a new system, SeeMee, whose primary purpose is to facilitate recruiting and increase employee mobility, particularly within large companies. The development costs for this system, which have been substantial, were expensed in their entirety at the time they were incurred.

The installation of SeeMee began in June 2000 in NCC, the pilot customer, which started to introduce the system internally in December. The market prospects for SeeMee are regarded as favorable.

In April, Plenia issued new shares that contributed equity of SEK 40.5 m to the company, after issue expenses.



▲ The target group for Plenia's market place is well-educated candidates with solid experience.

Plenia



Chairman of the Board
Olof Stenhammar

President
Yngve Lundquist

Key figures (SEK m)

	0012 ¹⁾	0006	9906	9806
Net sales	7	8	2	0
Operating profit/loss	-13	-35	-39	-9
Profit/loss after financial items	-12	-34	-38	-9
Total assets	23	37	28	8
Shareholders' equity	17	29	23	7
Average number of employees	28	26	21	1

¹⁾ Refers to 6 months.

Shareholders Dec. 31, 2000

	No. of shares	Share %
Skanditek	290,948	33.7
SEB Fonder	151,133	17.5
Olof Stenhammar ¹⁾	145,459	16.9
Yngve Lundquist	105,600	12.2
Lars Sjölund	95,400	11.1
Other sholders	74,000	8.6
Total	862,540	100.0

¹⁾ Privately and via company.



TPC Security

Turnkey supplier in the M2M sector

Intelligent communications between machines, also known as machine-to-machine or M2M, is set to become a major growth market and create many services and products. TPC aims to become a turnkey supplier in this sector.

The market for applications and communication solutions in the M2M field, which comprises technology for communications between machines, has the potential to become the next major growth niche in the telecommunication and Internet sectors. From the viewpoint of users and clients, this technology generates new revenue opportunities, greater productivity, new and improved services, more efficient monitoring and faster and cheaper installations.

With the help of mobile data communications, peripheral machines and other equipment can be contacted, controlled and monitored. Up to a few years ago, this was not financially feasible, but reduced unit and transmission costs in the GSM field are now increasing the number of potential customers.

The market segments considered to have the most natural growth opportunities are the transport, retail, industrial and household sectors. A number of applications in these segments, such as security, surveillance, positioning, data collection, control and monitoring, have the potential for rapid growth.

TPC can cover the entire value chain: application, carrier, hardware and soft-

ware. TPC's customers receive a packaged solution and they only have one supplier. This is possible because TPC has concluded agreements with companies that encompass all features of the value chain, such as Ericsson and Wireless Maingate. For example, TPC has entered into a distribution agreement with Ericsson for its GSM modules.

TPC also offers after-market services in the form of surveillance via the TPC Network, a communications center that is the hub of the company's M2M solutions. This communications center also enables TPC to connect subscribers to various services related to its M2M solutions.

In July, TPC acquired Cetronic, which develops security and surveillance systems for properties. As a result of this acquisition, TPC can offer the real estate market a package that includes elevator alarms linked to the company's communications center.

TPC shares have been quoted on the New Market List in Stockholm since May 2000, after having been listed on Aktietorget since December 1997. In June 2000, a share issue contributed approximately SEK 27 m of new equity to the company, after issue expenses.

▲ With the help of mobile data communications, peripheral machines and other equipment can be contacted, controlled and monitored.



Chairman of the Board
Bo Sternbrink

President
Mats Englund

Key figures (SEK m)

	0012	9912	9812	9712
Net sales	21	2	1	0
Operating profit/loss	-18	-5	-5	-6
Profit/loss after financial items	-19	-6	-5	-5
Total assets	55	23	2	8
Shareholders' equity	38	21	2	7
Average number of employees	25	5	1	2

Shareholders Dec. 31, 2000

	No. of shares	Shares %
Atle Företagskapital	552,076	17.9
Skanditek	543,933	17.7
Mats Englund	410,010	13.3
Gunnar Skoglund	382,500	12.4
Hans J Henriksson	91,400	3.0
Other shareholders	1,098,748	35.7
Total	3,078,667	100.0

Beep Network

PC systems for retailers

Tailor Retail, Beep Network's data system for retail outlets, is sold to small and medium-sized stores, mainly in Sweden. Stores in the men's and women's clothing, sports and footwear segments are the main customer categories. Customers include NK, Benetton, Laura Ashley and Sand. The target group consists of 20,000 small and medium-sized Nordic retail outlets, of which fewer than 5 percent are estimated to have a PC-based retail-data system.

Supplementing Tailor Retail, Beep has acquired the rights to Tailor Trading, a business-support system for wholesalers.

The company initiated development work on the next generation of Tailor

Retail during the year. The aim is to create a completely new and unique product, based on earlier systems, but adapted to the needs of an emerging and more exciting new retail market.

However, this work was severely delayed, which resulted in increased costs. Due to this factor, a restructuring of operations is currently under way. The market potential for the new product generation will be assessed.

Net sales in 2000 amounted to SEK 3.2 m (8.4). A loss of SEK 10.2 m (loss: 2.6) was reported after financial items. Katarina Zätterström is the company's president and Jan Berglund is Chairman of the Board.



▲ Tailor Retail is a data system for stores in the clothing, sports and footwear segments.

▼ Harald Lundén is the founder and president of H Lundén Kapitalförvaltning.

H Lundén Kapitalförvaltning

Very good yield from Eikos Fund

H Lundén Kapitalförvaltning has conducted fund-management operations since December 1999. Prior to that, the company was a highly specialist stockbrokerage that focused on trading in Nordic equities.

The Eikos Fund, which was established on January 1, 2000, is a national hedge fund. This means it is subject to more liberal investment regulations than a traditional mutual fund. The Fund's assets, which amounted to SEK 208 m at its formation, are invested in Nordic, Estonian and Polish financial instruments, mainly publicly traded shares. The Fund is permitted to use derivative instruments and short-selling strategies, and to pledge its assets.

Investments are mainly selected in accordance with the "bottom-up" method, which means that greater importance is

attached to individual shares than to the choice of countries or sectors. Although this strategy, which is based on company analyses, was not so successful at the beginning of 2000, when the choice of sectors was more important, it proved increasingly effective as the year progressed.

The unit value rose by 24.9 percent after fees during the year, while Affärsvärlden's general index declined by 12 percent. Assets managed by the Fund amounted to SEK 371 m on January 1, 2001. Eikos has a total of 108 unit holders.

Net sales during 2001 amounted to SEK 13.3 m (9.2), resulting in profit of SEK 8.0 m (3.3) after financial items. The company had an average of three employees during the year. Harald Lundén is president and Lars Stenberg is Chairman of the Board.



Skanditek's stock interest:
33.3% of capital

InRo BioMedTek

The only test of its kind

InRo BioMedTek manufactures and sells new reagents for diagnostic and therapeutic applications. The company specializes in the development and manufacture of serological tests for brain-specific antigens. These tests can be used in diagnoses of various brain disorders and for monitoring various types of tumors.

InRo's revenues mainly take the form of royalties from Sangtec Medical, which has licensed the S-100, InRo's unique marker. Using this marker, Sangtec

Medical has developed a diagnostic test, Sangtec-100, which is the only test of its kind in the world.

With the help of the test, it is possible to distinguish between structural brain damage, short-term cerebral edema and concussion, for example.

Net sales in 2000 amounted to SEK 0.6 m (0.5). Profit of SEK 0.3 m (profit: 0.3) was reported after financial items. Torgny Stigbrand is the company's president.

▲ Sangtec Medical has licensed the S-100, InRo's unique marker.

▼ The Chimney Pot has edited many well-known videos, advertising films and feature films.

Skanditek's stock interest:
40.5% of capital

The Chimney Pot

Focus on moving pictures for new media

The Chimney Pot is Scandinavia's largest supplier of state-of-the-art digital services for feature films, advertising films and music videos. Notable services include the production of special effects, editing, scanning, film printing, 3D animations and moving graphic design features. The main customers are production companies in the advertising film and feature film sectors, although certain assignments during 2000 were conducted on behalf of advertising agencies and TV channels.

The Chimney Pot uses powerful computers from Silicon Graphics and software from Discreet Logic that are optimized for the company's activities. Projects completed during 2000 include videos for such Swedish artists as Eric Gadd, Aqua, Olle Ljungström and The Ark, advertising films for Telia, Telenor and Coca Cola and the following Swedish feature films: Pelle Svanslös, Kattbreven, Familjehemligheter, Naken and Vingar av Glas.

The 2000 fiscal year was hallmarked by major initiatives. A new business area was formed for the production and design of moving pictures for new media. In addition, a web-TV channel called SimonTV was launched as a result of a joint venture with Spray Ventures and the production company Efti.

The Chimney Pot was formed in 1996. It has offices in Stockholm, Oslo and Warsaw. The company reported net sales of SEK 34.7 m (35.6) for its July 1999 to June 2000 fiscal year, resulting in a loss of SEK 2.1 m (profit: 6.1) after financial items. The deteriorated result can be explained by several different factors: high employee turnover at the year-end 99/00, liquidated cooperation with Nordisk Film and investments in the new business area. It had an average of 27 (26) employees during the year. Henric Larsson is the company's president and Patrik Tiger-schiöld is Chairman of the Board.

The education

Improved study results via Internet

The education commenced operations in June 1999. The objective was to commercialize the experiences that Johan Thorbiörnson, Ph D in mathematics, and university lecturer Jan Nordin had gained during two years of independent activities within the area of remote education.

The company's business concept is based on a teaching form called "question-based learning." This form of teaching views student questions as a key component of the learning process.

By combining interactive web material with a virtual classroom, The education's courses support question-based learning while simultaneously creating a new and stimulating complement to traditional

educational methods. This is offered primarily to senior high schools that wish to improve the results of their students. The courses, which have a solid academic base, also provide unique opportunities for more flexible teaching.

Today, senior high schools account for most of the company sales, mainly for mathematics, physics and chemistry subjects. Net sales in 2000 amounted to SEK 1.5 m, which resulted in a loss, after financial items, of SEK 11 m. The average number of employees in the company was 12. Anders Elgemyr is acting company president and Patrik Tigerschiöld is chairman of the board.



▲ The education's courses via Internet are a complement to the traditional educational methods.

▼ VS Market develops a financial entertainment game with betting on shares.

VS Market

New gaming product for the Internet

During a 12-month period, VS Market (formerly Svenska Finanstipset) has developed a new gaming product for the Internet. The aim is to utilize two of the most popular areas of the Net, namely on-line gambling and financial information. As an alternative to betting on horses, football and other sports, VS Market is attempting to establish a form of gambling that uses shares as the underlying instrument. The product is designed to enable players to stake money on the closing price for a selected number of shares.

The new gaming product is presented on the vsmarket.com web site, where the New York Stock Exchange and NASDAQ are featured as playing lists. The coupon lines feature either a match between two players, or a competition between several different shares and have been designed by specialists at VS Market. During the period of play, which corresponds to the trad-

ing hours of the exchanges concerned, the matches and races are presented in the form of an ongoing competition within an arena. The objective is to create entertainment value, whereby share-price movements may be compared with a trotting race or a horse race.

The company has been in operation for slightly more than one year and most of the work to date has been development oriented. At the same time, important links have been made with a number of key persons in the industry. Forwards the company will above all be a game operator and a software supplier through a licence procedure. The company reported no sales in 2000. After financial items, a loss of SEK 18 m was reported. At year-end, the company had 18 employees. Gustaf Hagman is company president and Henrik Blomquist is chairman of the board.





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Report of the Directors

The Board of Directors and President of Skanditek Industriförvaltning AB (publ) with corporation number 556235-4141 and domiciled in Stockholm hereby submit the company's financial statements for fiscal 2000.

Skanditek's business

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

The company was established in 1983 under the name Skandigen AB. The business concept was to invest in companies within the biotechnology area. The stock was listed on the stock exchange in 1984. The acquisition of the three privately owned so-called KBB-companies was finalized in January 1999. Through the transaction, the company gained new main owners and the investment activities were broadened.

Owners

Skanditek had at year-end 6,914 (6,048) share-owners. The largest shareowners are Johan Björkman (28.3 percent), Dag Tigerschiöld (26.4 percent), SEB mutual funds (7.7 percent), Banco mutual funds (5.1 percent) and Lars Fritzell's estate (2.6 percent).

Organization

The company had at year-end 7 members of staff whereof 4 are active within the investment business activities. Thereto, several Directors of the Board are active within the investment business activities. The company runs the business at an office in Stockholm.

The portfolio companies are independent units in relation to Skanditek, which means that Skanditek does not hold any joint Group functions.

Group structure

Besides the Parent Company, Skanditek Industriförvaltning AB, the Group consists principally of the operating portfolio companies CMA Microdialysis AB, Mydata Automation AB and Vellinge Electronics AB.

Investment operations

Skanditek invested SEK 388 m in portfolio companies during the year, including new investments of SEK 177 m in Vitrolife and SEK 8 m in Theduction. The investment in Vitrolife includes SEK 150 m for the book value of the shares in Fermentech Medical that were used as payment for the acquisition.

In April, Skanditek acquired the outstanding 60 percent of the shares in Vellinge Electronics, which thus became a wholly owned Group subsidiary. Payment for this acquisition took the form of 2,995,968 newly issued Skanditek shares at the price of SEK 53.70 per share. The Board of Director's decision was based on the authorization received from the Annual General Meeting in May 1999.



Report of the Directors

Divestments during the year totaled SEK 173 m and pertained mainly to Fermentech Medical. Skanditek transferred this holding to Vitrolife in exchange for newly issued Vitrolife shares. The transaction had no impact on the income statement because the book value remained unchanged.

The Group's investments in tangible fixed assets amounted to SEK 9.4 m (2.9).

Consolidated net sales and earnings

Consolidated net sales during 2000 amounted to SEK 1,302 m (121), which was mainly generated by newly added Group companies. Mydata Automation became a Group company in November 1999 and Vellinge Electronics in April 2000.

Consolidated pretax profit amounted to SEK 139.1 m (3.6). Goodwill amortization and the reversal of negative goodwill were charged against profit in a net amount of SEK 78.3 m (19.3), of which Group companies accounted for SEK 37.0 m (15.2) and associated companies for SEK 41.3 m (4.1) of the goodwill amortization. Skanditek's principle is to amortize goodwill over five years.

In connection with the exchange listing of Axis on June 27, 2000, new shares were issued that contributed equity of SEK 446 m to the company. As a result, Skanditek's share of Axis's net assets rose by SEK 111.6 m, which is included in "Participations in earnings of associated companies" in the income statement. After a deduction for minority share, consolidated profit after taxes was affected in an amount of SEK 78.1 m.

As one of Axis's principal owners, Skanditek, divested, as planned, a portion of its sharehold-

ing in connection with Axis's exchange listing and IPO. The capital gain amounted to SEK 16.1 m. The holding, which is included in the 70-percent owned subsidiary G Kallstrom & Co, was reduced from 25.0 till 19.7 percent. As a result, Axis ceased being reported as an associated company as of the third quarter of 2000.

Group companies received SEK 6.6 m in refunds of surplus pension contributions from SPP. In addition, SPP funds of SEK 7.1 m are included in "Participations in earnings of associated companies."

In connection with the merger of Fermentech Medical and Vitrolife, a value adjustment provision of SEK 4.5 m for the Group's biotechnology holdings was reversed, which had a favorable effect on earnings.

If items affecting comparability are excluded from earnings, profit amounted to SEK 62.2 m. 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 noncomparable items excluded.

Consolidated net profit amounted to SEK 78.6 m (loss: 4.3), which corresponds to SEK 1.36 per share (1999: loss of SEK 0.08, based on the number of shares at that time). Excluding goodwill amortization and the reversal of negative goodwill, net profit amounted to SEK 156.9 m (15.0), which corresponds to SEK 2.70 per share (0.27).

Since Skanditek has the character of an industrial holding company, analyses of the financial statements should be conducted with caution. Ownership shares in portfolio companies vary, as does the composition of both Group and associated companies.



Report of the Directors

Parent Company

The Parent Company's net sales in 2000 amounted to SEK 0.9 m (1.4) and pertained mainly to services invoiced to Group companies. A net loss of SEK 16.7 m (profit: 22.3) was reported, which includes SEK 9.3 m (0) for write-downs of long-term shareholdings. The sale of Sibia Neurosciences had a positive effect of SEK 21.5 m on the earnings reported for 1999.

Liquidity, equity/assets ratio and number of shares

At year-end, the Group's liquid funds totaled SEK 70.1 m (97.0). It also had short-term investments in the form of publicly traded shares in an amount of SEK 32.9 m (56.7). Interest-bearing liabilities amounted to SEK 85.5 m (5.0).

The Group's equity/assets ratio was 56 percent (67). The Parent Company's equity/assets ratio was 99 percent (98). The Group's shareholders' equity amounted to SEK 12.50 (8.82) per share.

Following the issue of 2,995,968 new shares, in connection with the acquisition of Vellinge Electronics, the total number of shares is 58,039,888.

Account of Board activities

The Board of Skanditek consists of five directors without deputies. Financial manager Håkan Dahlin has been Board Secretary.

Over and above the statutory meetings, the Board held seven minuted meetings during the 2000 fiscal year when the fixed proposed at each Board meeting were discussed, such as the status of the portfolio companies, earnings and financial position, interim reports and closing accounts. In addition to these items, issues relating to strategy, acquisitions and divest-

ments were also discussed. Most meetings contain an exhaustive presentation of one of the portfolio companies. The company auditor has participated in one of the meetings during the year.

Nominations Committee

Skanditek has a Nominations Committee for Board elections, which is appointed by the Annual General Meeting. The Committee is to submit annually nominations for Directors and Auditors and their replacements to the Annual General Meeting. Prior to the 2001 Annual General Meeting, the Nominations Committee consists of Gunnar Ekdahl, Tomas Fischer and Dag Tigerschiöld.

Proposal for distribution of earnings

The Group

According to the Group financial statement, non-restricted equity amounts to SEK 39.4 m. Allocation to restricted reserves is not required

The Parent Company

According to the Parent Company's balance sheet, the following equity is at the Annual General Meeting's disposal (SEK):

Profit brought forward	94,888,269
Net profit/loss for the year	-16,740,766
Total	78,147,503

The Board of Directors and President propose that (SEK):

dividend is paid to shareholders	
SEK 0.20 per share	11,607,978
carried forward into the	
new account	66,539,525
Total	78,147,503

Income statements

Amounts in SEK thousands	Note	Group		Parent Company	
		2000	1999	2000	1999
Net sales	1	1,302,369	121,073	889	1,434
Cost of goods sold		-785,169	-66,321	-	-
Gross profit		517,200	54,752	889	1,434
Result from divestments of portfolio companies		17,000	22,878	760	22,100
Shares in earnings of associated companies before tax		72,693	3,162	-	-
Result from participations in Group companies	8	-	-	4,528	7,946
Result from participations in associated companies	9	-	-	-7,832	-
Result from participations in other portfolio companies	10	3,742	4,714	-	-
Sales expenses		-143,863	-24,027	-	-
Administrative expenses		-58,656	-25,284	-12,675	-10,990
Research and development costs		-119,908	-23,867	-304	-234
Other operating income and operating expenses	11	-37,590	-	1,136	-
Depreciation of goodwill		-39,146	-19,629	-	-
Reversal of negative goodwill		2,196	4,420	-	-
Operating income/loss	1, 2, 3, 4, 5, 6, 7	213,668	-2,881	-13,498	20,256
<i>Result from financial investments</i>					
Other interest income and similar profit/loss items	12	24,160	7,008	-3,242	2,232
Interest expenses and similar profit/loss expenses	13	-9,101	-737	-1	-314
Profit/loss after financial items		228,727	3,390	-16,741	22,174
Appropriations		-	-	-	111
Minority interests in income		-89,586	184	-	-
Income/loss before tax		139,141	3,574	-16,741	22,285
Tax on profit for the year	14	-60,494	-7,856	-	-
Net profit/loss for the year		78,647	-4,282	-16,741	22,285

Balance sheets

Amounts in SEK thousands	Note	Group		Parent Company	
		001231	991231	001231	991231
ASSETS					
FIXED ASSETS					
Intangible assets	15				
Goodwill		166,572	87,260	–	–
Negative goodwill		–7,537	–9,582	–	–
		159,035	77,678	–	–
Tangible assets	16				
Plant and machinery		23,677	10,141	–	–
Equipment, tools, fixtures and fittings		10,351	8,827	469	238
		34,028	18,968	469	238
Financial assets	17, 21, 22				
Participations in Group companies	18	–	–	839,191	736,831
Receivables from Group companies		–	–	13,965	91,680
Participations in associated companies	19	209,792	186,389	339,850	129,237
Receivables from associated companies		12,680	–	10,000	–
Participations in other portfolio companies	20	136,101	36,794	15,734	20,794
Other long-term receivables		18,201	12,754	–	–
		376,774	235,937	1,218,740	978,542
Total fixed assets		569,837	332,583	1,219,209	978,780
CURRENT ASSETS					
Inventories etc					
Raw materials and consumables		126,838	25,683	–	–
Work in progress		36,271	5,859	–	–
Finished products and goods for resale		94,912	58,461	–	–
		258,021	90,003	–	–
Current receivables					
Accounts receivable – trade		305,413	120,777	–	–
Receivables from Group companies		–	–	817	2,125
Receivables from associated companies		606	–	599	–
Other receivables		39,224	24,896	3,783	5,328
Prepaid expenses and accrued income		9,979	5,171	470	379
		355,222	150,844	5,669	7,832
Investments					
Other investments	23	72,580	106,660	10,041	75,658
		72,580	106,660	10,041	75,658
Cash and bank balances		40,438	47,003	4,035	12,750
Total current assets		726,261	394,510	19,745	96,240
TOTAL ASSETS		1,296,098	727,093	1,238,954	1,075,020

Balance sheets

		Group		Parent Company	
Amounts in SEK thousands	Note	001231	991231	001231	991231
EQUITY AND LIABILITIES					
EQUITY	24				
Restricted equity					
Share capital (58,039,888 shares at par value SEK 6)		348,239	330,263	348,239	330,263
Share premium reserve		–	–	681,739	538,832
Statutory reserve		337,583	154,737	121,025	121,025
		685,822	485,000	1,151,003	990,120
Non-restricted equity					
Profit or loss brought forward		–39,210	5,011	94,889	46,303
Profit/loss for the year		78,647	–4,282	–16,741	22,285
		39,437	729	78,148	68,588
Total equity		725,259	485,729	1,229,151	1,058,708
MINORITY INTERESTS		180,504	95,313	–	–
PROVISIONS					
Provisions for taxation		10,540	2,194	–	–
Provision for value adjustment of Biotechnology assets		–	4,459	–	–
Other provisions	25	12,762	10,749	–	–
		23,302	17,402	–	–
LONG-TERM LIABILITIES					
Liabilities to credit institutions		64,415	4,671	–	–
Liabilities to Group companies		–	–	6,892	–
Other liabilities		18,871	11,227	100	–
		83,286	15,898	6,992	–
CURRENT LIABILITIES					
Liabilities to credit institutions		3,508	–	–	–
Advance payments from customers		4,764	10,319	–	–
Accounts payable – trade		134,817	44,424	261	471
Liabilities to Group companies		–	–	69	8,356
Income tax liability		48,199	5,466	–	–
Other liabilities		26,042	11,638	317	5,006
Accrued expenses and deferred income	26	66,417	40,904	2,164	2,479
		283,747	112,751	2,811	16,312
TOTAL EQUITY AND LIABILITIES		1,296,098	727,093	1,238,954	1,075,020
PLEDGED ASSETS					
Chattel mortgage		102,700	32,700	–	–
CONTINGENT LIABILITIES					
Swedish Industrial Development Fund		14,071	13,156	–	–
Other contingent liabilities		11,423	14,129	–	–

Cash flow statements

		Group		Parent Company	
Amounts in SEK thousands	Note	2000	1999	2000	1999
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit/loss for the year		78,647	-4,282	-16,741	22,285
Adjustments for items not included		42,042	2,768	13,104	-22,201
Cash flow from operating activities prior to changes in working capital		120,689	-1,514	-3,637	84
Cash flow from changes in working capital					
Change in inventories		-64,744	-1,949	-	-
Change in current receivables and investments		-108,909	-19,884	27,780	-31,139
Change in current liabilities		52,025	-4,049	1,482	1,929
Cash flow from operating activities		-939	-27,396	25,625	-29,126
INVESTMENT ACTIVITIES					
Acquisitions of portfolio companies including Group companies		-66,768	-113,888	-64,915	-145,677
Divestments of portfolio companies		15,855	73,369	1,007	72,015
Acquisitions of tangible fixed assets		-10,028	-2,863	-432	-307
Cash flow from investments activities		-60,941	-43,382	-64,340	-73,969
FINANCING ACTIVITIES					
New issue		-	136,071	-	136,071
Change in long-term receivables		-18,127	2,561	-10,000	-5,788
Change in long-term liabilities		53,138	-327	-	-
Cash flow from financing activities		35,011	138,305	-10,000	130,283
CASH FLOW FOR THE YEAR		-26,869	67,527	-48,715	27,188
Liquid assets at beginning of year		97,003	29,476	52,750	25,562
LIQUID ASSETS AT YEAR-END		70,134	97,003	4,035	52,750



Accounting and valuation principles

Consolidated accounts

The consolidated financial statements include the Group companies, in which Skanditek, directly and indirectly, holds more than 50 percent of the voting rights.

The acquisition method has been applied. This means that the assets and liabilities of the acquired Group companies are stated at market value in accordance with an established acquisition analysis. Should the acquisition value of shares in the Group company exceed the estimated market value of the company's net assets in accordance with the acquisition analysis, the difference is stated as Group goodwill, which is written off over an estimated economic life. Thereafter, only earnings after the time of acquisition are included in the Group's equity.

The acquisition of the KBB-companies is stated as a reverse takeover, as this gives the fairest picture of the transaction. As a result of the issue, the former owners of the acquired companies obtained effective control over former Skandigen. This means that Skandigen was valued at the market value prevailing at the time of publication of the offer, based on the average share price ten days prior to publication. This share price was 20.80 kronor. This brought in goodwill of SEK 97.2 m, which will be written off over five years giving an annual expense of SEK 19.4 m.

Companies in which Skanditek directly or indirectly has a voting share of not less than 20 percent and not greater than 50 percent, are stated as associated companies. Associated companies are stated in accordance with the equity method. This means that the acquisition costs for shares together with the Group's share in the

earnings of associated companies after acquisition and after deductions for dividends received, are stated in the consolidated balance sheet under the heading "Shares in associated companies". "Earnings of associated companies" refers to Skanditek's participation in earnings after tax and after depreciation of goodwill related to the acquisition. In the consolidated income statement, "Shares in associated companies before tax" consists of Skanditek's shares in the earnings of associated companies after net financial items with deductions for depreciation of goodwill, where relevant. Shares in the tax charges of the associated companies are disclosed and included in Group's taxes. Dividends from associated companies are not included in the consolidated income statement.

Companies acquired during the year are included in the consolidated income statement at the value relating to the period following acquisition. The earnings of subsidiaries sold during the year are included in the consolidated income statement up to and including day of sale.

The accounts of foreign subsidiaries are translated into Swedish kronor in accordance with the current exchange rate method. This means that assets and liabilities are translated at the closing day exchange rate. All items in the income statement are translated at the average rate of exchange for the year. Translation differences are booked directly to the Group's equity.

General valuation principles.

Assets and liabilities have been valued at acquisition value unless otherwise stated. After individual valuation, receivables have been stated at the estimated amount at receipt.



Shares and short-term placements

Holdings of shares and convertible loan stock in the portfolio companies (i.e. holdings of a long-term nature) are stated as fixed assets under the headings “Shares in Group companies”, “Shares in associated companies” and “Shares in other portfolio companies”. By the term Group companies is meant companies in which Skanditek directly or indirectly owns more than 50 percent of the voting rights. By the term associated companies is meant companies in which voting rights direct and indirectly are at least 20 but not more than 50 percent. Other portfolio companies are consequently companies in which voting rights fall below 20 percent. The shares and participations are individually valued. If the value of a single holding is expected to remain significantly below the book value, it is written off.

Placements in shares and other placements of short-term character are stated together with short-term holdings. Valuations are made collectively at the lower of acquisition value and real value.

Depreciation of fixed assets

Depreciation according to plan is based on stated acquisition value and estimated economic life. Assets are written down in the event of a lasting decline in their value. The following depreciation times are applied:

Goodwill	5 years
Dissolution of negative goodwill	5 years
Plant and machinery	5 years
Equipment, tools, fixtures and fittings	5 years

Lease

Assets, which are financed through contracts for finance lease, are in the consolidated financial statements included in the fixed assets. Corresponding fees for lease in the future are stated as a liability.

Valuation of stocks

Purchased goods are valued at the lower of acquisition value, calculated according to the first-in, first-out method, and real value. Manufactured goods are valued at the lower of manufacturing cost and real value. Internal income generated by sales between Group companies is eliminated.

Research and development

Research and development expenses are booked on a daily basis as and when they occur.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are translated at the closing day exchange rate.

Cash flow statement

Liquid assets include, in addition to cash and bank, also short-term placements in interest-bearing valuable papers.

Notes

Amount in SEK thousands

Note 1. Sales etc per business segment and geographic market

	Net sales		Operating profit/loss	
	2000	1999	2000	1999
CMA Microdialysis AB	46,020	42,639	-1,913	-5,681
Fermentech Medical Ltd	8,121	30,533	30	-2,692
Mydata Automation AB	896,584	46,069	137,186	1,492
Skanditek				
Industriförvaltning AB	889	1,434	-13,498	20,256
Vellinge Electronics AB	350,772	-	23,857	-
Other companies	438	1,398	29,001	-977
Earnings from shares in associated companies	-	-	72,693	3,162
Goodwill in Group companies	-	-	-36,950	-15,209
Group eliminations	-455	-1,000	3,262	-3,232
Group total	1,302,369	121,073	213,668	-2,881
Net sales	Group		Parent Company	
	2000	1999	2000	1999
Sweden	391,459	9,310	889	1,434
Other Nordic countries	23,857	5,372	-	-
Europe excluding Nordic countries	249,358	57,642	-	-
USA	550,665	37,440	-	-
Rest of the world	87,030	11,309	-	-
Total	1,302,369	121,073	889	1,434

Note 2. Average number of employees

	2000		1999	
	No of employees	of which men	No of employees	of which men
Parent Company				
Sweden	7	5	5	2
Group companies				
Sweden	464	318	220	177
Denmark	1	1	1	1
Great Britain	11	8	40	20
Germany	1	0	1	-
France	18	14	14	10
USA	62	44	51	34
Asia	17	13	12	9
Group total	581	403	334	253

The average number of employees is calculated over the entire year for those companies, which form part of the Group at year-end.

Note 3. Wages, salaries and other remuneration and social security and pension costs

	2000			1999		
	Wages and other remuneration	Social costs	of which pension costs	Wages and other remuneration	Social costs	of which pension costs
Parent Company	4,264	1,906	464	3,017	1,397	416
Group companies	200,626	69,527	9,944	114,403	36,201	5,688
Group total	204,890	71,433	10,408	117,420	37,598	6,104

Of the Parent Company's pension costs, SEK 250,000 (280,000) pertain to the Group's Board of Directors and the President.
Of the Group's pension costs, SEK 1,079,000 (668,000) pertain to the Group's Board of Directors and the President.
Information concerning wages etc concerns the entire year for those companies, which form part of the group at year-end.

Note 4. Wages, salaries and other remuneration divided per country and between members of the Board etc and other employees

	2000			1999		
	Board and President	of which bonus etc	Other employees	Board and President	of which bonus etc	Other employees
Parent Company						
Sweden	1,646	150	2,618	1,349	100	1,668
Group companies						
Sweden	6,400	1,322	135,439	2,568	-	63,258
Denmark	-	-	380	-	-	362
Great Britain	1,161	652	3,498	1,813	-	9,879
Germany	-	-	345	-	-	327
France	731	241	4,470	1,227	-	4,005
USA	3,934	2,788	36,004	2,347	-	23,184
Asia	2,275	1,213	5,989	1,215	-	4,218
Group total	16,147	6,366	188,743	10,519	100	106,901

Notes

Note 5. Benefits for senior executives

At the Annual General Meeting held in May 2000, it was decided to allocate a total of SEK 500,000 for director fees up until the next Annual General Meeting. The Board decided on a sum of SEK 125,000 for the Chairman Johan Björkman and SEK 125,000 to other members of the Board.

To the President Patrik Tigerschiöld, a total salary of SEK 1,200,000 has been paid plus an additional bonus of SEK 150,000. In addition Patrik Tigerschiöld receives car benefits plus pension and sickness insurance premiums equal to 25 percent of his contracted salary. Age of retirement is 60. A 1-year period of notice is to be given on termination of employment both on the part of the company and on the part of the President.

Note 6. Fees and remuneration to auditors

	Group		Parent Company	
	2000	1999	2000	1999
Ernst & Young				
Auditing assignments	255	418	150	188
Other assignments	418	206	351	206
Other accounting firms				
Auditing assignments	1,414	779	–	–
Other assignments	553	47	121	–
Total	2,640	1,450	622	394

Note 7. Depreciation of tangible fixed assets

Depreciation is included in the following functions at:

Group	2000	1999
Costs of goods sold	11,019	4,129
Selling expenses	1,583	520
Administrative expenses	2,400	552
Research and development costs	574	581
Total	15,576	5,782

The depreciation in the Parent Company, SEK 201,000, is included in the function administrative expenses.

Note 8. Result from participations in Group companies

	Parent Company	
	2000	1999
Dividends	4,528	7,946
Total	4,528	7,946

Note 9. Result from participations in associated companies

	Parent Company	
	2000	1999
Dividends	1,418	–
Write-downs	–9,250	–
Total	–7,832	–

Note 10. Result from participations in other portfolio companies

	2000	Group 1999	Parent Company	
			2000	1999
Reversal of write-downs	–	1,354	–	–
Dividends	3,742	3,360	–	–
Total	3,742	4,714	–	–

Note 11. Other operating income and operating expenses

	2000	Group 1999	Parent Company	
			2000	1999
Other operating income	3,161	–	1,136	–
Realized losses on futures	–38,419	–	–	–
Other operating expenses	–2,332	–	–	–
Total	–37,590	–	1,136	–

Note 12. Other interest income and similar profit/loss items

	2000	Group 1999	Parent Company	
			2000	1999
Dividends	678	436	403	–
Interest	5,763	3,176	969	2,009
Sales of short-term instruments	17,755	1,249	–2,395	223
Write-downs	–2,315	–	–2,315	–
Exchange rate difference	2,279	2,147	96	–
Total	24,160	7,008	–3,242	2,232

Note 13. Interest expense and similar profit/loss items

	2000	Group 1999	Parent Company	
			2000	1999
Interest	–9,101	–701	–1	–289
Exchange rate difference	–	–36	–	–25
Total	–9,101	–737	–1	–314

Note 14. Tax

	2000	Group 1999	Parent Company	
			2000	1999
Tax on profit for the year	–45,983	–1,182	–	–
Deferred tax	–3,776	314	–	–
Shares in tax charges of associated companies	–10,735	–6,988	–	–
Total	–60,494	–7,856	–	–

The Skanditek Group's unutilized deficit carry-forwards amounted to a total of approximately SEK 131 m as per 31 Dec 2000. Skanditek does not report the tax effect of such as an asset in the balance sheet. The Parent Company's unutilized deficit carry-forwards amounted to approximately SEK 70 m. According to the decision of the tax authority, for the year of assessment 2000, the Parent Company has a right to use the deficit carry-forwards, which it had at the opening of 1999.

Notes

Note 15. Intangible assets

Group	Goodwill	Negative goodwill	Skanditek's principle is that goodwill is amortized in five years. Goodwill and negative goodwill amounted to SEK 159.0 m at the year-end and will according to plan be amortized/resolved with the amounts below:	
Opening acquisition value	106,889	-43,219		
Investments for the year	118,458	-151		
Retirement of assets	-	30,997		
Closing acquisition value	225,347	-12,373	2001	-42,625
			2002	-42,625
Opening depreciation	-19,629	33,637	2003	-42,627
Depreciation for the year	-39,146	2,196	2004	-25,237
Retirement of assets	-	-30,997	2005	-5,921
Closing depreciation	-58,775	4,836	Total	-159,035
Book value	166,572	-7,537		

Note 16. Tangible assets

Group	Plant and machinery	Equipment, tools, fixtures and fittings	Parent Company	Equipment
Opening acquisition value	43,141	33,525	Opening acquisition value	307
Purchases	4,219	5,134	Purchases	432
Sale/retirement of assets	-149	-2,042	Sale/retirement of assets	-
Group changes	20,436	5,236	Closing acquisition value	739
Closing acquisition value	67,647	41,853		
Opening depreciation	-33,000	-24,698	Opening depreciation	-69
Sale/retirement of assets	144	1,659	Sale/retirement of assets	-
Group changes	-1,597	-2,404	Depreciations for the year	-201
Depreciations for the year	-9,517	-6,059	Closing depreciation	-270
Closing depreciation	-43,970	-31,502	Book value	469
Book value	23,677	10,351		

The book value of plant and machinery and equipment, tools, fixtures and fittings include SEK 3.7 m and SEK 1.5 m respectively, relating to assets, which the Group rents through finance lease. Future payments for finance lease are for 2001 calculated to SEK 3.0 m, 2002 to SEK 0.7 m and 2003 to SEK 0.1 m. Costs relating to finance lease amounted to SEK 3.6 m 2000. As the contracts for finance lease expire there is a possibility to acquire the assets or to prolong the contracts.

Note 17. Financial assets

Group	Participations in associated companies	Receivables from associated companies	Participations in other portfolio companies	Other long-term receivables
Opening acquisition value	205,919	-	37,382	12,754
Purchases/increase	54,043	12,680	16,950	5,447
Sale/reclassifications	-	-	-323	-
Group changes	-15,777	-	82,680	-
Closing acquisition value	244,185	12,680	136,689	18,201
Opening result from participations	-3,826	-		-
This year's change in result from participations	-25,968	-		-
Closing result from participations	-29,794	-		-
Opening write-downs	-15,704	-	-588	-
Sale/reclassifications	15,704	-	-	-
Write-downs for the year	-4,599	-	-	-
Closing write-downs	-4,599	-	-588	-
Book value	209,792	12,680	136,101	18,201

Notes

Note 17. Financial assets cont.

Parent Company	Participations in Group companies	Receivables from Group companies	Participations in associated companies	Receivables from associated companies	Participations in other port- folio companies
Opening acquisition value	762,387	91,680	129,237	–	20,794
Purchases/increase	161,168	13,965	219,963	10,000	15,345
Sale/reclassifications	–81,369	–91,680	–100	–	–20,405
Closing acquisition value	842,186	13,965	349,100	10,000	15,734
Opening write-downs	–25,556	–	–	–	–
Sale/reclassifications	22,561	–	–	–	–
Write-downs for the year	–	–	–9,250	–	–
Closing write-downs	–2,995	–	–9,250	–	–
Book value	839,191	13,965	339,850	10,000	15,734

Note 18. Participations in Group Companies

	Corp ID No	Domicile	Equity	Profit/loss for the year	Number	Participa- tion % ¹⁾	Book value
CMA Microdialysis AB	556241-3749	Solna	17,655	–1,744	6,850	51	285
G Kallstrom & Co AB	556096-6227	Stockholm	22,185	22,065	400	40	344,196
AB Garant	556035-3756	Stockholm	114	0	1,000	100	–
CMA Microdialysis AB	556241-3749	Solna	17,655	–1,744	1,333	10	–
G Kallstrom & Co Transport AB	556092-6189	Stockholm	1,486	209	10,000	100	–
Handelshuset GK AB	556178-1070	Helsingborg	110	0	10,000	100	–
GK Kapital AB	556133-6719	Stockholm	680	0	10,000	100	–
Mydata Automation AB	556238-6739	Stockholm	214,775	95,956	2,905,000	48	–
RS Intressenter AB	556378-9691	Stockholm	903	0	9,200	80	–
R S Industrier i Stockholm AB	556349-6495	Stockholm	6,900	0	550,000	100	–
Sarastro AB	556141-4359	Stockholm	270	0	163,800	74	–
Mydata Automation AB	556238-6739	Stockholm	214,775	95,956	323,000	5	16,300
Skandigen AB	556321-1209	Stockholm	103	394	1,000	100	113
Skanditek AB ²⁾	556541-9065	Stockholm	49,061	24,147	8,000	100	137,413
G Kallstrom & Co AB ³⁾	556096-6227	Stockholm	22,185	22,065	300	30	–
Neptun Transport & Marine Service GmbH i L	B 12097	Tyskland	4,722	–42	1	100	–
Sarastro AB	556141-4359	Stockholm	270	0	58,200	26	–
RS Intressenter AB ⁴⁾	556378-9691	Stockholm	903	0	1,600	14	–
Skanditek Förvaltning AB	556524-6278	Stockholm	172,142	2,106	10,000	100	340,684
Skanditek Electronics Holding AB ⁵⁾	556558-4793	Stockholm	90	4	1,000	100	–
Skanditek Electronics AB ⁶⁾	556277-8729	Stockholm	1,951	939	5,050	100	–
Vellinge Electronics AB	556527-5269	Vellinge	51,690	12,182	1,850	18	–
Vellinge Electronics AB	556527-5269	Vellinge	51,690	12,182	8,150	82	–
Trion Forsknings- och Utvecklings AB	556248-3189	Sollentuna	96	0	10,000	100	100
Tuut Networks AB	556578-8162	Stockholm	100	–994	1,000	100	100
Total book value in the Parent Company							839,191

¹⁾ There are no differences in right to vote in Group company's shares.

²⁾ During 2000 Skanditek Utveckling AB and Skanditek Kapital AB were merged with Skanditek AB.

³⁾ Holding in G Kallstrom & Co AB are shown above.

⁴⁾ Holding in RS Intressenter AB are shown above.

⁵⁾ Formerly Nertlinge Holding AB, merger going on with Skanditek Förvaltning AB.

⁶⁾ Formerly Macab Food AB, merger going on with Skanditek Electronics Holding AB.

Notes

Note 19. Participations in associated companies

	Corp ID No	Domicile	Equity	Profit/loss for the year	Number	Perc of capital ¹⁾	Percent of votes
Beep Network AB	556513-5299	Stockholm	-3,380	-10,321	5,250,000	41	42
BioNative AB	556253-7877	Umeå	19,325	-1,094	4,760	24	24
H Lundén Kapitalförvaltning AB	556399-2758	Stockholm	32,378	8,926	24,999	14	20
InRo BioMedTek AB	556228-0650	Umeå	1,134	136	333	33	33
PartnerTech AB	556251-3308	Åtvidaberg	206,300	80,500	1,992,600	26	26
PBK Outsourcing AB ²⁾	556548-7351	Stockholm	3,551	-1,369	11,000	40	40
Plenia Sweden AB	556545-2272	Söderhamn	16,275	-34,350	290,948	34	34
The Chimney Pot AB	556529-5978	Stockholm	6,084	-2,448	12,358	41	41
Vitrolife AB	556354-3452	Göteborg	133,063	-28,773	6,495,700	45	48
VS Market, AB	556569-5979	Stockholm	12,518	-4,365	4,500,952	34	34

	Book value ³⁾	Book value in the Group	Market value ¹⁾	Shares in earnings before tax ⁴⁾	Shares in tax charges
Axis AB ⁵⁾	-	-	-	87,814	-1,031
Beep Network AB	-	-	-	-6,680	-
BioNative AB	-	-	-	-4,860	-
H Lundén Kapitalförvaltning AB	-	9,053	-	1,590	-444
InRo BioMedTek AB	1,001	405	-	87	-27
PartnerTech AB	127,936	129,239	261,031	11,016	-8,524
PBK Outsourcing AB	-	1,435	-	-413	-156
Plenia Sweden AB	10,010	5,485	-	-10,665	-
The Chimney Pot AB	22,531	17,480	-	-5,051	-
Vellinge Electronics AB ⁶⁾	-	-	-	3,043	-553
Vitrolife AB	167,368	42,475	-	1,537	-
VS Market, AB	11,004	4,220	-	-4,725	-
Total	339,850	209,792		72,693	-10,735

¹⁾ Holding in G Kallstrom & Co AB includes full number except at percentage of capital, whereas Skanditek's participation of 70 percent is calculated.

²⁾ Skanditek holds convertible debentures in PBK Outsourcing of SEK 2.8 m, which after a possible conversion at price SEK 250 per share during Jan 2001 to Dec 2002 will provide a holding of 49.5 percent.

³⁾ Book value in the Parent Company. In addition to this there are in certain cases holdings in other Group companies.

⁴⁾ Interest in earnings is subject to depreciation of possible goodwill relating to acquisition of the associated company.

⁵⁾ Axis AB is accounted as associated company until the end of the second quarter and there after as another portfolio company.

⁶⁾ Vellinge Electronics AB is accounted as associated company until the end of the first quarter and there after as a Group company.

Note 20. Participations in other portfolio companies

	Corp ID No	Domicile	Equity	Profit/loss for the year	Number	Perc of capital ¹⁾	Book value	Market value ¹⁾
Axis AB	556241-1065	Lund	379,745	-219,657	13,539,765	14	102,762	165,862
LGP Telecom Holding AB	556346-2620	Solna	928,600	124,400	3,571,056	10	12,821	626,550
TheEducation AB	556569-7082	Stockholm	3,757	-10,978	400	19	7,752	-
TPC Security AB	556526-3398	Söderhamn	37,620	-14,947	543,933	18	12,766	14,686
Total book value in the Group							136,101	

¹⁾ Holding in G Kallstrom & Co AB includes full number except at percentage of capital, whereas Skanditek's participation of 70 percent is calculated.

Notes

Note 21. Issued call options

Company	No of shares	Call price per share	Duration
Mydata Automation AB	91,000	54.50	020601-030530
PartnerTech AB	150,000	59.30	-030131
Plenia Sweden AB	2,814	400.00	-020831
TPC Security AB	30,000	70.00	-021231
Vitrolife AB	200,000	38.00	-011005

Note 22. Hold call options

Company	No of shares	Call price per share	Duration
Plenia Sweden AB	16,000	32.00	-020115
VS Market, AB	210,000	10.50	-020630

Note 24. Equity

Group	Share capital	Restricted reserves	Non-restricted equity	Total
Opening amount	330,263	154,737	729	485,729
Non-cash issue Vellinge Electronics	17,976	142,907		160,883
Dislocation between restricted and non-restricted reserves		39,939	-39,939	-
Profit for the year			78,647	78,647
Closing amount	348,239	337,583	39,437	725,259

Restricted reserves include SEK 77.8 m (52.5) relating to associated companies.

Parent Company	Share capital	Statutory reserve	Share premium reserve	Non-restricted equity	Total
Opening amount	330,263	121,025	538,832	68,588	1,058,708
Non-cash issue Vellinge Electronics	17,976		142,907		160,883
Given/received Group contributions				26,301	26,301
Loss for the year				-16,741	-16,741
Closing amount	348,239	121,025	681,739	78,148	1,229,151

The number of shares amounts to 58,039,888 at a par value of SEK 6. Each share carries one vote.

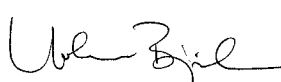
Note 25. Other provisions

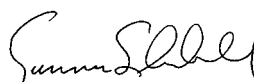
Group	001231	991231
Guarantees	11,557	10,749
Pensions	1,205	-
Total	12,762	10,749

Note 26. Accrued expenses and deferred income

	001231	Group 991231	Parent Company 001231	991231
Personnel expenses	39,605	12,732	830	833
Consultancy fees	3,266	1,892	400	1,185
Agent commissions	9,867	-	-	-
Commercial samples	-	2,881	-	-
Other	13,679	23,399	934	461
Total	66,417	40,904	2,164	2,479

Stockholm, February 14, 2001


Johan Björkman
Chairman


Gunnar Ekdahl


Dag Tigerschiöld


Mathias Uhlén


Patrik Tigerschiöld
President



Report of the Auditors

To the Annual General Meeting of Skanditek Industriförvaltning AB (publ), Corp ID No 556235-4141.

We have examined the Annual Report, the consolidated financial statements and the accounting records, and the administration by the Board and President of Skanditek for the 2000 fiscal year. The Board and the President have responsibility for the accounting records and the administration. Our responsibility is to express our opinion on the Annual Report, the consolidated financial statements and the administration on the basis of our audit.

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. These standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report and the consolidated financial statements are free of material misstatements. An audit involves examining a selection of the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, their application by the Board of Directors and the President and the overall presentation of information in the Annual Report and the consolidated financial statements. We have examined significant deci-

sions, action taken and circumstances in the company in order to be able to determine the possible liability to the Company of the Board of Directors or the President or whether they have in some other way acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Company's Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The Annual Report and the consolidated financial statements have been made up in accordance with the Annual Accounts Act and therefore provide a true and fair view of the income and financial position of the Company and the Group in accordance with accepted auditing standards in Sweden.

We therefore recommend that the income statements and balance sheets of the Parent Company and the Group be adopted; that the income of the Parent Company be dealt with in accordance with the proposal in the Report of the Directors; and that the members of the Board of Directors and the President be discharged from liability for the fiscal year.

Stockholm, February 21, 2001

Ernst & Young AB



torbjörn hanson

Authorized Public Accountant

The Board



johan björkman

Born 1944. Licentiate of Economics. Chairman and member of the Board since 1998. Chairman of the Boards of the National Pension Insurance Fund, Third Fund Board, LjungbergGruppen AB and Nordstjernan AB. Member of the Boards of Axis AB, BZ Gruppe Holding AG, Korsnäs AB, Invik AB and AB Persson Invest, among other companies. Shares in Skanditek: 16,448,369.



gunnar ekdahl

Born 1943. M Sc in Business and Economics. Member of the Board since 1995. Chairman 1995 – 1998. Chairman of the Boards of AB Anders Löfberg, G & L Beijer AB and Mekonomen AB. Member of the Boards of A-Com AB, Hagströmer & Qviberg AB, LjungbergGruppen AB, Svedala Industri AB and Poolia AB, among other companies. Shares in Skanditek: 5,000.



dag tigerschiöld

Born 1942. Member of the Board since 1998. Chairman of the Boards of LGP Telecom Holding AB, Mydata Automation AB and Vellinge Electronics AB. Member of the Boards of Axis AB, Industriförvaltnings AB Kinnevik and Investment AB Öresund, among other companies. Shares in Skanditek: 15,324,785.



mathias uhlén

Born 1954. Dr Eng Professor of microbiology and provice chancellor of KTH. Member of the Board since 1992. Member of the Boards of Affibody AB, Amersham Pharmacia Biotech Ltd, KTH Holding AB, Prevas AB, Personal Chemistry AB, PyroSequencing AB, Teknikhöjden AB and Vitrolife AB, among other companies. Member of the Royal Academy of Sciences and the Royal Academy of Engineering Sciences. Shares in Skanditek: 10,000.



patrik tigerschiöld

Born 1964. M Sc in Business and Economics. President since 1999. Member of the Board since 1999. Chairman of the Board of The Chimney Pot AB and The Education AB. Member of the Boards of Beep Network AB, BioNative AB, H Lundén Kapitalförvaltning AB, InRo BioMedTek AB, Mydata Automation AB, PartnerTech AB, PBK Outsourcing AB, Plenla Sweden AB and Vitrolife AB. Shares in Skanditek: 1,325,130. Holds a total of 1,000,000 call options with duration in 2002 and 2004.

Auditor

torbjörn hanson

Authorized Public Accountant
Ernst & Young AB
Auditor since 1994.

olof cederberg

Authorized Public Accountant
Ernst & Young AB
Deputy Auditor since 1994.

Member of the staff



[The upper row from the left:]

patrik tigerschiöld

President. See presentation of the Board on previous page.

ingrid ersmark

Chief Accountant. Born 1974. Master's degree in Economics. Employed 2001.

robert helleday

Project Manager/Analyst. Born 1969. Master of Science in Engineering physics. Employed 2000. Member of the Board of Vellinge Electronics AB.

henrik blomquist

Project Manager/Analyst. Born 1971. Master's degree in Economics. Employed 1999. Chairman of the Board in AB VS Market. Member of the Boards of Beep Network AB, The Chimney Pot AB and TPC Security AB.

[The bottom row from the left:]

håkan dahlin

Financial Manager. Born 1966. M Sc in Business and Economics. Employed 1999. Shares in Skanditek: 1,400.

gunilla larsson

Assistant to President and Chairman of the Board. Born 1941. Employed 1994. Shares in Skanditek: 100.

philip siberg

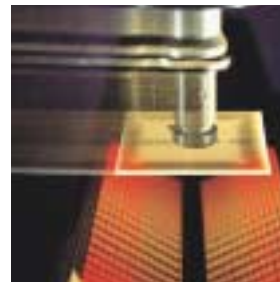
Project Manager/Analyst. Born 1973. Master of Engineering. Employed 1999. President and member of the Board of Tuut Networks AB. Shares in Skanditek: 4,000.

carin davegårdh

Former Chief Accountant. Born 1951. M Sc in Business and Economics. Employed 1993–2001.

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Annual General Meeting

Time and place

The shareholders of Skanditek Industriförvaltning AB (publ) are hereby summoned to the Annual General Meeting to be held on Thursday, 22 March 2001 at 6 p.m. at Svenska Läkaresällskapet, Klara Östra Kyrkogata 10, Stockholm.

Notification

Shareholders who wish to attend the Annual General Meeting must notify Skanditek by no later than 12 noon on Tuesday, 20 March 2001, by contacting Skanditek Industriförvaltning AB, Kungsträdgårdsgatan 18, 111 47 Stockholm, +46-8-614 00 20 (phone), +46-8-614 00 38 (fax) or info@skanditek.se. The notification must state name, address, personal identity number (where applicable) or corporate ID number, telephone number and registered shareholding.

Right to attend

In order to be entitled to attend the Annual General Meeting, shareholders must be registered in the share register main-

tained by VPC (The Swedish Securities Register Center) by 12 March 2001, at the latest. Shareholders whose stock is registered in the name of a trustee must temporarily re-register their stock in their own name in order to attend the Annual General Meeting. The shareholder must notify the trustee to this effect in good time before this day.

Dividend

The Board proposes a dividend of SEK 0.20 per share, corresponding to SEK 11.6 m, to be paid to shareholders with record day on Tuesday, 27 March, 2001 and payment planned on Friday, 30 March.

Nominations Committee

Prior to the 2001 Annual General Meeting, the Nominations Committee consists of Gunnar Ekdahl, Tomas Fischer and Dag Tigerschiöld.

Financial Information 2001

Year-end report	Wednesday, February 14
Annual report (web)	Tuesday, February 20
Annual report (printed)	Distribution February 27
Three-month report	Friday, April 27
Six-month report	Tuesday, August 21
Nine-month report	Thursday, October 25

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



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