



PRESS RELEASE

97E

Company contact:

Sven Lofquist
President & CEO
+46 8 638 52 00
sven.lofquist@micronic.se

Agency contact:

Dylan McGrath
The Loomis Group, Inc.
+1 (415) 882-9494
dylan@loomisgroup.com

Micronic meets the outlook and sees recovery in booking during the second quarter

Micronic Group today announces its Second Quarter Report, April 1 – June 30, 2002.

Täby, Sweden, July 18, 2002 - Micronic Laser Systems AB (Stockholmsbörsen's "Attract 40 list": MICR), is at the forefront in semiconductor and display laser pattern generators for the production of photomasks to the worldwide electronics industry.

(Figures in brackets relate to the April 1– June 30, 2001 period, if not otherwise stated)

- Net sales in the second quarter amounted to MSEK 218 (158).
- Second quarter results after financial items amounted to MSEK 4 (-17).
- Second quarter order intake of MSEK 209 (173).
- Closing order book MSEK 250 (355).

"During the second quarter Micronic has reached strong sales, in line with expectations, as well as strong order intake in a market that has not yet shown signs of recovery", says Sven Lofquist, president and CEO of Micronic Laser Systems and continues "The strong quarterly order intake proves that Micronic's unique technology as well as its broad product range offer advanced solutions for present and future needs within the industry".



Key events during the second quarter

- Micronic received an order from Photronics, for a Sigma7000, with shipment in the third quarter.
- Micronic received an order for an advanced LRS11000 pattern generator from a major customer in Asia with delivery scheduled for the fourth quarter. In addition to this order the customer has an option for an extension of an existing system due in the fourth quarter.
- Delivery of the first Sigma system took place, which is expected to have a significant impact on maskwriting in the semiconductor industry.
- Micronic appointed Carl-Johan Blomberg to the position of Senior Vice President and CFO with responsibility for Micronic's overall financial management.

Markets and Micronic products

Semiconductors

In light of the world economy, the semiconductor industry recovery is mild at best and investments in capital equipment are especially being affected by the overall economic climate. Pressure from new designs will create demand for pattern generators beginning in the fourth quarter of 2002 and through 2003. Micronic's customers have also indicated an increased need for capacity at the 130 nm technology node. Simultaneously, preparations for 100 nm production capability has begun.

Micronic judges the company is well positioned to meet these needs with the Omega6000 and Sigma7000 product lines. During the second quarter Micronic received an order for a Sigma7000 from Photronics and also delivered the first Sigma system to DuPont Photomasks.

Display

Capacity utilization in the flat panel display market was high during the first half of 2002. The display manufacturers are profitable and a number of new fabs are being built that will start production late 2002 and during 2003. The demand for photomasks is expected to increase when the fabs are starting up production.

The order received for an advanced system in the LRS11000 series is in line with previous estimates of stable sales within the display pattern generator market, in line with last year.

Multi Purpose

Micronic's pattern generators are well positioned for advanced electronic packaging requirements. The unstable situation in the semiconductor industry is also affecting electronic packaging. An increase in the semiconductor market is expected to influence the packaging market positively. The MP80+ is ideally positioned to meet the packaging demands of 300 mm substrates, as well as requirements for a variety of multi purpose applications.

Direct Write

The semiconductor industry and its fundamental problems with escalating costs for photomasks, was again in focus during the yearly Advanced Reticle Symposium. Micronic's unique SLM technology makes it possible to develop a programmable stepper where pattern is transferred directly on to the wafer, without using photomasks. This tool could strongly contribute to the development of semiconductors for which the cost for photomasks now has become a barrier.

Micronic continues the process to establish the form for co-operation with both semiconductor manufacturers and equipment suppliers, in order to develop the programmable stepper.



Key financials

Accounting principles

In the interim report, covering the group, the parent company stands for more than 90 percent of net sales.

Starting January 1, 2002, Micronic accounts for R&D expenses in accordance with the Swedish Financial Accounting Standards Council recommendation no 15, Intangible assets. Apart from this the same accounting principles and calculation methods are used as in the most recent annual report.

Order intake and order backlog

Order intake in the second quarter amounted to MSEK 209 (173), consisting of two new systems and service.

Closing order book amounted to MSEK 250 (355), and is expected to be shipped and invoiced in the second half of 2002.

Net sales

Net sales for the second quarter reached MSEK 218 (158), including three systems and service.

Operating costs

Operating costs, including change of work in progress, amounted to MSEK 215 (175). These costs include cost of sales MSEK 111 (73), R&D MSEK 50 (64), G&A MSEK 44 (48) and other operating income/costs MSEK -10 (11), mainly exchange rate differences.

After an individual valuation of all R&D projects, Micronic is accounting for R&D costs, amounting to MSEK 29, as intangible fixed assets. Other R&D costs, for the second quarter amounting to MSEK 50, has been accounted for as general R&D and is therefore accounted for as they occur. Out of this, MSEK 9 is related to direct write development.

During the first six months in 2002, R&D costs, amounting to MSEK 48, has been accounted for as intangible fixed assets.

Profitability

The EBIT results were MSEK 2 (-17) while the results after financial items were MSEK 4 (-17). Had R&D costs been accounted for in accordance with former accounting principles, EBIT results would have been MSEK -26.

Earnings per share

The total number of shares issued are 19 215 283. After full dilution, including warrants net after withdrawals, the company will have 21 793 733 shares. Each share has a par value of SEK 1.

Earnings per share, after tax and full dilution, were SEK 0.74 (-0.47).

Capital expenditure

Net investments on premises as well as in machinery and equipment amounted to MSEK 14. Investments in intangible assets related to R&D amounted to MSEK 29.

Personnel

During the second quarter the number of employees increased from 329 to 339.



Cash-flow, liquid funds and financial position

During 2002 so far liquid funds decreased by MSEK 207 (-152), totalling MSEK 346 at the end of the quarter, excluding an unutilised overdraft facility.

Operations have used MSEK 60 (-53), while cash flow used for changes in working capital amounted to MSEK 81 (-12). Net capital expenditure amounted to MSEK 72 (86), and comes from additional investments on premises, machinery and equipment as well as intangible assets.

Funds from external sources amounted to MSEK 6 (-1).

The equity/assets ratio was 50 (71) percent at the end of the quarter.

Future outlook

The semiconductor market is still far from recovery. However, a recovery in the capital equipment industry is expected. Gartner Dataquest foresee a growth in the pattern generator market of more than 35 percent in 2003.

The interest for Micronic's technology continues to be strong and supports the outlook for the full year. The Board of Directors estimates that net sales for the full year will be in line with what is previously announced.

Miscellaneous

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

Future reports

1 July – 30 September 2002

October 23

Taby, 18 July, 2002

Micronic Laser Systems AB (publ.)

Sven Lofquist, President and CEO

For further information, please contact

Sven Lofquist, President and CEO

Tel: +46 8 638 52 00

e-mail: sven.lofquist@micronic.se

Micronic Laser Systems is a Swedish high-tech company engaged in the development, manufacture and marketing of a series of extremely accurate laser pattern generators for the production of photomasks. The technology involved is known as microlithography. Micronic's systems are used by the world's leading electronics companies in the manufacture of television and computer displays, semiconductor circuits and semiconductor packaging components. Micronic is located in Taby, north of Stockholm and at present has subsidiaries in the United States and Japan and a service office in Taiwan. The company has 339 employees. Micronic maintains a web site at: <http://www.micronic.se>

PROFIT AND LOSS ACCOUNTS, Group

SEK million	Apr-Jun 02	Apr-Jun 01	Jan-Jun 02	Jan-Jun 01
Net sales	217.7	157.8	269.8	274.4
Change in work in progress	-16.5	37.0	13.9	63.0
Own use and capitalized	12.2	-	19.9	0.0
Other operating income	-9.8	11.0	-11.7	17.0
Operating costs incl. depreciation	-201.3	-222.8	-351.5	-404.4
Operating profit/loss	2.3	-17.0	-59.6	-50.0
Result from financial investments	1.9	0.4	1.7	-0.5
Profit/loss after financial items	4.2	-16.6	-57.9	-50.5
Tax on profit of the year	12.0	6.8	29.2	17.4
Net profit/loss for the year	16.2	-9.8	-28.7	-33.1
Earnings/share before dilution, SEK	0.84	-0.51	-1.49	-1.73
Earnings/share after dilution, SEK	0.74	-0.47	-1.32	-1.63
No of shares before dilution, thousands	19 203	19 101	19 209	19 101
No of shares after dilution, thousands	21 794	20 414	21 794	20 304

BALANCE SHEET, Group

SEK million	30 Jun, 02	31 Dec, 01
ASSETS		
Intangible fixed assets	74.4	21.7
Other fixed assets	228.4	222.8
Total fixed assets	302.8	244.5
Current assets		
Inventories	315.6	279.6
Current receivables	361.8	257.0
Cash and bank	345.7	552.4
Total current assets	1 023.1	1 088.0
Total assets	1 325.9	1 333.5

EQUITY AND LIABILITIES

Equity		
Restricted equity	592.1	592.4
Non-restricted equity	74.4	104.8
Total equity	666.5	697.2
Provisions	10.3	10.3
Convertible loan	320.0	320.0
Long-term interest-bearing liabilities	107.7	103.1
Other liabilities	221.4	202.9
Total liabilities	659.4	636.3
Total equity and liabilities	1 325.9	1 333.5

CASH FLOW, Group

SEK million	Jan-June 02	Jan-June 01
Cash flow from operations before change in working capital	-59.7	-53.2
Change in working capital	-81.3	-11.7
Cash flow from operations	-141.0	-64.9
Cash flow from capital expenditure	-71.8	-86.3
Cash flow from financing	6.1	-0.7
Increase/Decrease in liquid funds	-206.7	-151.9
Opening liquid funds	552.4	318.7
Closing liquid funds	345.7	166.8

KEY FIGURES, Group

	Jan-June 02	Jan-June 01
Profit margin, %	-21.5	-17.0
Return on shareholders equity, %	-4.2	-5.0
Equity/total assets, %	50.3	71.0
Equity/share before dilution, SEK	34.7	33.7
Average number of employees	333	309
Capital expenditure, gross MSEK		
Buildings	2.5	54.2
Machinery and equipment	14.6	28.1
Intangible fixed assets	52.8	2.4

EQUITY, Group						
SEK million	Jan-Jun 02			Jan-Jun 01		
	Restricted Equity	Non Restricted Equity	Total	Restricted Equity	Non Restricted Equity	Total
Opening balance	592.4	104.8	697.2	579.9	99.7	679.6
Currency differences	-0.3	-1.7	-2.0	-2.7	0.2	-2.5
Net profit for the year		-28.7	-28.7		-33.1	-33.1
Closing balance	592.1	74.4	666.5	577.2	66.8	644.0

Q INCOME STATEMENT, Group				
SEK million	Apr-Jun 02	Apr-Jun 01	Jan-Jun 02	Jan-Jun 01
Net sales	217.7	157.8	269.8	274.4
Q on Q	318%	35%	N/A	N/A
Y on Y	38%	18%	-2%	50%
Cost of Sales	-111.2	-73.2	-137.4	-137.4
% of Net sales	-51%	-46%	-51%	-50%
Gross Profit	106.5	84.6	132.4	137.0
% of Net sales	49%	54%	49%	50%
R&D	-50.3	-64.4	-107.7	-126.6
% of Net sales	-23%	-41%	-40%	-46%
Sales, G&A	-44.1	-48.1	-72.6	-77.4
% of Net sales	-20%	-30%	-27%	-28%
Other Costs	-9.8	11.0	-11.7	17.0
% of Net sales	-5%	7%	-4%	6%
EBIT	2.3	-16.9	-59.6	-50.0
% of Net sales	1%	-11%	-22%	-18%
Interest	1.9	0.4	1.7	-0.5
% of Net sales	1%	0%	1%	0%
Pretax Profit	4.2	-16.5	-57.9	-50.5
% of Net sales	2%	-10%	-21%	-18%
Tax	12.0	6.8	29.2	17.4
% of Pretax Profit	286%	-41%	-50%	-34%
Rep Net Profit	16.2	-9.7	-28.7	-33.1
% of Net sales	7%	-6%	-11%	-12%