



Interim report Perbio Science AB January – March 2003

Continued healthy sales growth although impacted by weak dollar

- Net sales first quarter were SEK 518 (552) million, which was a decline of 6 percent. The decline is only an effect of the weak USD. In dollar terms sales increased 15 percent to USD 60.6 (52.8) million
- Gross margin improved 46.1 percent (46.0 percent)
- Profit after financial items first quarter was SEK 87 (95) million, which was a decline of 8 percent, but rose 13 percent measured in dollars to USD 10.2 (9.0) million impacted by higher insurance costs and depreciation
- Profit after financial items was the groups highest ever in USD.
- Earnings per share after full dilution down 8 percent to SEK 1.43 (1.56)

Bioresearch Division

- Sales up 5 percent in USD
- Strong sales growth in Europe
- Operating margin lower to 17.0 percent (19.5 percent) due to product mix, higher insurance costs, non-recurring license revenue 2002 and increased research and development spending
- BSE-test (Mad Cow Disease) approved by the European Union Scientific Steering Committee

Cell Culture Division

- Sales up 16 percent in USD
- BioProcess Containers (BPC) showed strong growth
- Operating margin declined slightly to 16.6 percent (16.8 percent) due to higher insurance, depreciation costs and increased research and development spending

Medical Device Division

- Strong growth continues, sales up 22 percent
- Operating margin up to 25.7 percent (22.5 percent)

Group

January – March 2003

Perbio Science has continued to strengthen its position in the market. While net sales rose by 15 percent in USD, they declined by 6 percent in SEK terms. Weak US research market in January was followed by a March rebound. With close to 80 percent of sales and an equally large share of cost in US dollars, significant changes in the exchange rate have a major impact on the reported SEK earnings. The US dollar was 18 percent weaker compared to the same period last year.

- The gross margin increased to 46.1 (46.0) percent, primarily because a positive product mix with higher-margin and occurred despite the Cell Culture Division growing faster than Bioresearch Division which has higher gross margin.
- Operating profit before amortization of goodwill was SEK 94 (104) million a decline of 10 percent and the EBITA margin was 18.1 (18.8) percent. The margin was down due to among other things higher insurance costs, increased depreciation, and research and development expenses, mostly related to new products for protein research in the Bioresearch Division and BioProcess Containers (BPCs) in the Cell Culture Division.
- The 18 percent depreciation of the USD against the SEK had a major impact on sales in quarter one. The exchange rates impacted the operating income in the same way as net sales. The EUR and GBP have been strengthening against the US dollar.

The Divisions

January – March 2003

Bioresearch Division

Sales first quarter were SEK 176 (205) million, down 14 percent, but increased 5 percent to USD 20.6 (19.6) million.

Market development

Sales have been negatively affected by the delayed approval of National Institute of Health (NIH) budget in USA, by the geopolitical situations and weather-related disruption in East Coast US markets. In March there was a clear recovery in the market. NIH is the largest source of government funds for life science research in the world. Its budget was approved after the start of the quarter. During the period European growth has been stronger.

Sales development

Despite a slow start to the quarter, sales increased by 5% measured in US dollars. Life Science Research leading Pierce brand, which supplies reagents and kits for protein studies, showed growth at 13 percent. During the period the company received the expected approval from the EU Scientific Steering Committee of the Prionics LIA Test Kit for BSE (Mad Cow Disease), which clears the way for a launch of the test kit during second quarter 2003.

Multiplex protein profiling, which is a protein tests methodology providing multiple variable analysis of single samples, showed rapid growth, but from a small base. Drug Discovery's other

product lines sales were slower. This partly reflects the phasing out and divestments of product lines and non-recurring license revenue in Q1 2002.

The Nucleic Acid Technologies business (Milwaukee) is predominantly industrial and, therefore, lumpy changing significantly from quarter to quarter. Sales were approximately the same as in the first quarter last year. Work continues to improve margins by strengthening our position as a leading specialty supplier of amidites with high quality carrying higher prices while lowering production costs as manufacturing moves into lower cost raw material.

Margin development

Operating margin (EBIT) declined to 17.0% (19.5). The decline in margin is mainly a function of slower sales in the first two months of the year, but it has also been affected by product mix change, higher cost for insurance, and non-reoccurring license fees.

Investments and projects

The investment in the Rockford, Illinois plant to improve production environment and capacity in support of the growth in the protein studies areas is progressing as planned.

Cell Culture Division

The Division continues to grow with sales of SEK 289 (304) million, down 5 percent, but up 16 percent in to USD 33.8 (29.1) million.

Market development

Markets continued to register good growth in all product areas, (sera and cell culture media, sterile liquids and BioProcess Containers (BPCs) sterile liquids handling systems). Markets in Europe were especially strong.

Sales development

In USD terms sales increased by 16 percent. BPC's had a very strong quarter with sales up 40% compared to the same period last year.

Margin development

Operating margin (EBIT) showed a slight decline to 16.6 percent (16.8). Increasing insurance costs, higher depreciation and research and development spending impacted the margins. Strong demand for animal sera has pushed up cost of raw material but without affecting margins.

Investments and projects

Inventory of fetal bovine serum (FBS) increased as expected resulting both from the current harvest season and from bringing on line operations in Canada and Australia.

Investment in the European Cell Culture Division production plant at Cramlington, England continues. The good development of business in Europe has required this capacity increase.

Medical Device Division

Sales first quarter were SEK 53 (43) million an increase of 22 percent. Operating result increased by 39 percent to SEK 13.5 million (9.7).

Market development

Sales growth resulted from good general market development and the December acquisition of Therabite Corporation.

Sales development

Sales doubled in the US and grew significantly in France and Belgium.

The new product line Therabite® has continued to develop well. Therabite® is a training device for patients whose muscles used for chewing have been damaged as a result of surgery and/or radiotherapy. Therabite® received the "CE" mark during the quarter and distribution in Europe has begun.

Margin development

Operating margin (EBIT) increased to 25.7% (22.5). The improvement is mainly due to higher sales, the establishment of our own distribution company in Germany and the addition of Therabite.

The margin and profit improvement during the quarter have partly been a function of temporarily lower cost of 1 MSEK.

Financial information

Net sales and sales growth 2003

Net sales

Perbio Science recorded net sales for the period of SEK 518 (552) million, a decrease of 6 percent relative to the same period last year. The USD depreciated by 18 percent against the SEK in the first quarter, which impacted sales negatively by 15 percent units.

	Jan - Mar
Net sales, SEK m	518
Change, SEK m	-34
Change, %	-6
Of which	
Volumes/Price %	10
Acquisitions, %	0
Exchange rates, %	-16
Sales growth in USD %	15

Operating profit before amortization of goodwill

EBITA down 10 percent to SEK 94 (104) million and the EBITA margin down to 18.1 (18.8) percent. Exchange rates impacted on EBITA in the same way as on net sales. Research and development expenses down by SEK 1 million to 32 SEK (33) million, but up as a percent of sales to 6.2 (6.0). In US dollar spending was 3.7 USD (3.2) million.

Profit after financial items

EBT totaled SEK 87 (95) million, a decrease of 8 percent. The net interest figure of SEK -1 (-4) million.

Net profit

Net profit for the year amounted to SEK 53 (58) million, a decrease of 9 percent.

Tax

The tax rate was 39 (38.5) percent.

Return

The group generated a return on equity of 18.3 (20.9) percent and a return on capital employed of 24.2 (26.3) percent. More operating capital has been required during Q1 as a result of increased accounts receivable due to high sales in March and higher inventory of FBS.

Investments

Investments in fixed assets, excluding acquisitions, totaled SEK 25 (32) million during the period January to March. Of this, around SEK 18 (25) million was attributable to plant and buildings under construction. Depreciation totaled SEK 19 (18) million.

Cash flow

Perbio Science generated net cash flow of SEK -9 (54) million and cash flow from operations of SEK -19 (120) million during the year. The decline in cash flow is an effect of higher inventory of FBS and large increase of account receivables in March, which is a result of sales in March.

Liquidity

The group had liquid assets of SEK 95 (143) million and unused credit facilities of SEK 387 (266) million at the end of the year. Net interest-bearing debt totaled SEK 329 (423) million.

Equity

Shareholders' equity increased by SEK 29 million to SEK 1,175 compared to 1,129 million December 31, 2002. This increase breaks down into a net income of SEK 53 million plus SEK 12 million from the exercise of warrants less translation differences of SEK - 36 million. The equity/assets ratio was 63 percent (56).

Personnel

The group had 1,314 (1,155) employees at the end of the period.

Parent company

The parent company generated net sales of SEK 6 (4) million and EBT of SEK 2 (-2) million. It had liquid assets of SEK 62 (91) million and unused credit facilities of SEK 374 (252) million at the end of the period. The company made no investments in equipment during the year and had five employees.

To balance assets and debt in US dollars a shareholders' contribution of SEK 10 million was made into HyClone Laboratories Inc.

Accounting policies

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation on interim reporting (RR20). The accounts are based on the same accounting policies as the last annual report and on the recommendations from the Swedish Financial Accounting Standards Council entering into force on 1 January 2003. None of the new recommendations have resulted in changes to the accounting values.

Financial information

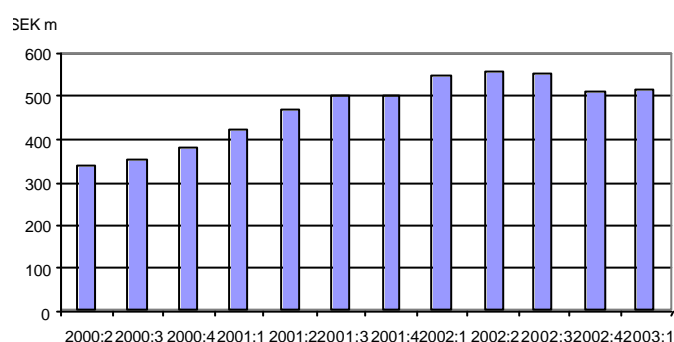
August 5 Second-quarter interim report
 October 23 Third-quarter interim report
 February 2004 Year-End-Report

Stockholm, 28 April 2003

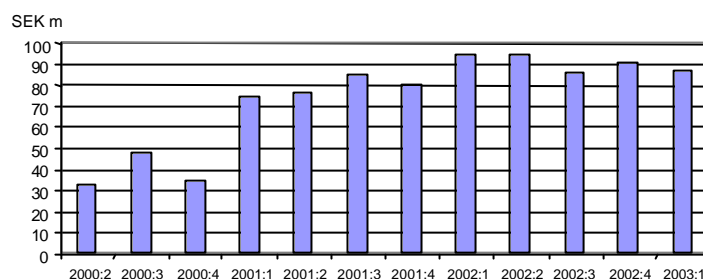
The Board of Perbio Science AB (publ.)

This quarterly report has not been audited by the company's auditors

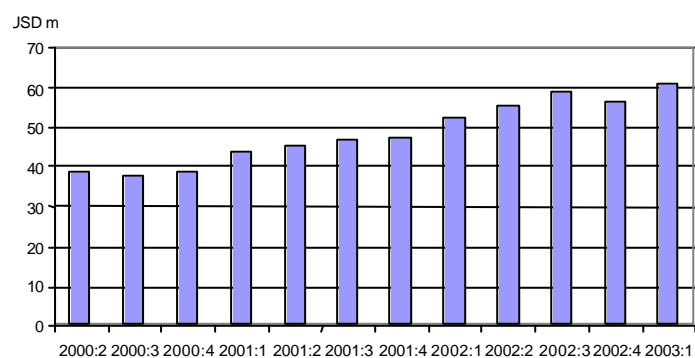
Net sales by quarter in SEK m



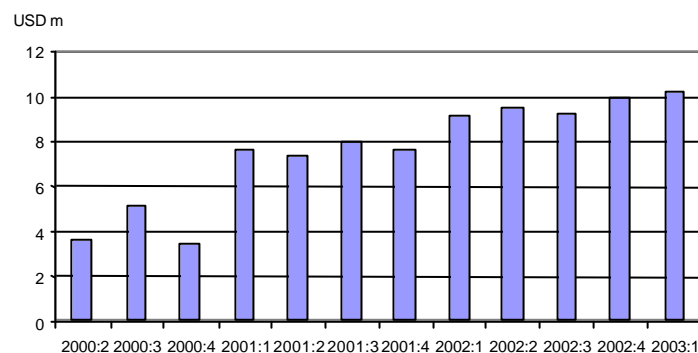
Profit after financial items per quarter in SEK m



Net sales by quarter in USD m*

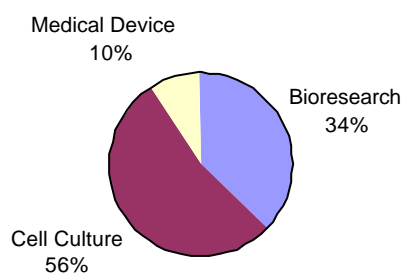


Profit after financial items per quarter in USD m*

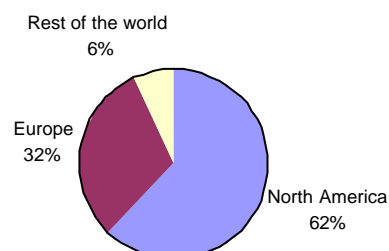


*) Proforma translation from SEK to USD based on average quarterly value SEK/USD

Net sales by division, January-March



Net sales by market, January - March



Income statement, balance sheet and cash flow analysis

Income statement, SEK m	Jan – Mar 2003	Jan – Mar 2002	Jan - Dec 2002
Net sales	518	552	2,175
Cost of goods sold	-279	-298	-1,175
Gross profit	239	254	1,000
Selling expenses	-63	-70	-275
Administrative expenses	-51	-47	-193
Research and development expenses	-32	-33	-132
Other operating revenues and expenses	1	0	2
Operating profit before amortization of goodwill	94	104	402
Amortization of goodwill	-6	-5	-21
Operating profit	88	99	381
Financial net	-1	-4	-14
Profit after financial items	87	95	367
Tax	-34	-37	-135
Minority interests	0	0	-2
Net profit	53	58	230
Earnings per share, SEK* see page 11	1.44	1.59	6.29
Earnings per share after full dilution, SEK** see page 11	1.43	1.56	6.20

Balance sheet, SEK m	31 March 2003	31 March 2002	31 Dec 2002
Consolidated Goodwill	237	285	251
Other intangible fixed assets	44	47	46
Tangible fixed assets	478	479	486
Financial fixed assets	37	55	38
Inventories	602	621	557
Current receivables	366	390	338
Cash and bank	95	143	109
Total assets	1,859	2,020	1,825
Shareholders' equity	1,175	1,129	1,146
Minority interests	6	5	6
Provisions	32	35	33
Long-term liabilities	430	571	423
Current liabilities	216	280	217
Total shareholders' equity and liabilities	1,859	2,020	1,825
Pledged assets	None	None	None
Contingent liabilities	6	8	6

Cash flow analysis, SEK m	Jan - Mar 2003	Jan - Mar 2002
Profit after financial items	87	95
<i>Adjustment for non-cash items</i>		
Amortization of goodwill	6	5
Depreciation	19	18
Tax paid	-3	-25
<i>Changes in working capital</i>		
Inventory	-61	34
Other operating assets	-53	-2
Operating liabilities	-14	-5
Cash flow from current activities	-19	120
<i>Investment activities</i>		
Capital expenditure	-25	-32
Acquisition of businesses	0	-48
Financing activities	35	14
Net cash flow for the period	-9	54
Cash at the beginning of the period	109	100
Translation differences	-5	-11
Cash at the end of the period	95	143

Movements in equity

Group, SEK m	Share capital	Restricted equity	Non-restricted equity	Jan-Mar 2003	Jan-Mar 2002	Total 2002
Equity at the beginning of the year	183	226	697	1,146	1,093	1,093
New issues	1	11		12	11	13
Transfers between restricted and non-restricted equity		24	-24	0		0
Earnings after tax		0	53	53	58	230
Translation differences		-23	-13	-36	-33	-190
Equity at the end of the year	184	278	713	1,175	1,129	1,146

Income statement by quarter, SEK m	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Q1 2002	Q2 2002	Q3 2002	Q4 2002	Q1 2003
Net sales	425	471	500	503	552	556	555	512	518
Cost of goods sold	-226	-249	-266	-266	-298	-301	-309	-267	-279
Gross profit	199	222	234	237	254	255	246	245	239
Selling expenses	-55	-60	-63	-69	-70	-70	-69	-66	-63
Administrative expenses	-44	-48	-48	-50	-47	-45	-49	-52	-51
Research and development expenses	-24	-27	-26	-29	-33	-34	-33	-32	-32
Other operating revenues and expenses	2	-1	-1	-1	0	0	1	1	1
Operating profit before amortization	78	86	96	88	104	106	96	96	94
Amortization of goodwill	-5	-5	-6	-5	-5	-5	-6	-5	-6
Operating profit	73	81	90	83	99	101	90	91	88
Financial net	2	-4	-5	-2	-4	-6	-4	0	-1
Profit after financial net	75	77	85	81	95	95	86	91	87
Tax	-30	-30	-33	-31	-37	-36	-34	-28	-34
Minority interests	0	0	-1	0	0	-1	0	-1	0
Net profit	45	47	51	50	58	58	52	62	53

Geographical breakdown of net sales and sales growth				
	Sales 2003 SEK m	Sales 2002 SEK m	Sales growth SEK m	Sales growth %
North America	322	356	-34	-10
Europe	167	154	13	8
Rest of the world	29	42	-13	-31
Total	518	552	-34	-6

Geographical breakdown of net sales and sales growth				
	Sales 2003 USD m	Sales 2002 USD m	Sales growth USD m	Sales growth %
North America	37.6	34.1	3.5	10
Europe	19.6	14.7	4.9	33
Rest of the world	3.4	4.0	-0.6	-15
Total	60.6	52.8	7.8	15

Division Bioresearch	SEK m Q1 2003	SEK m Q1 2002	%	USD m Q1 2003	USD m Q1 2002	%
Net sales	176	205	-14	20.6	19.6	5
Operating income before amortization, EBITA	33	44	-25	3.9	4.2	-7
EBITA margin	18.8%	21.4%		18.8%	21.4%	
Operating income, EBIT	30	40	-25	3.5	3.8	-8
EBIT margin	17.0%	19.5%		17.0%	19.5%	

Division Cell Culture	SEK m Q1 2003	SEK m Q1 2002	%	USD m Q1 2003	USD m Q1 2002	%
Net sales	290	304	-5	33.8	29.1	16
Operating income before amortization, EBITA	49	52	-6	5.7	5.0	14
EBITA margin	17.0%	17.1%		17.0%	17.1%	
Operating income, EBIT	48	51	-6	5.6	4.9	14
EBIT margin	16.6%	16.8%		16.6%	16.8%	

Division Medical Device	SEK m Q1 2003	SEK m Q1 2002	%
Net sales	52.6	43.1	22
Operating income before amortization	14.7	9.7	52
EBITA margin	27.9%	22.5%	
Operating income, EBIT	13.5	9.7	39
EBIT margin	25.7%	22.5%	

Key figures	Jan – Mar 2003	Jan – Mar 2002	Jan- Dec 2002
Sales growth, SEK, %	-6	30	15
Gross margin, %	46.1	46.0	46.0
Operating margin before amortization of goodwill, %	18.1	18.8	18.4
Operating margin, %	17.0	17.9	17.5
Net profit margin, %	10.2	10.5	10.6
Earnings per share, SEK*	1.44	1.59	6.29
Earnings per share, SEK**	1.43	1.56	6.20
Earnings per share before amortization of goodwill*	1.60	1.73	6.86
Earnings per share before amortization of goodwill**	1.59	1.70	6.76
Working capital, SEK m	752	731	678
Capital employed, SEK m	1,510	1,557	1,460
Net debt, SEK m	329	423	307
Debt/equity multiple	0.28	0.37	0.27
Equity/assets ratio, %	63	56	63
Equity per share, SEK	31.86	30.88	31.30
Equity per share after full dilution, SEK	31.97	31-14	31.54
Number of shares	36,875,920	36,558,420	36,608,420
Number of shares in average	36,786,753	36,476,545	36,571,285
Number of shares after full dilution	37,124,670	37,124,670	37,124,670
Return on capital employed, %	24.2	26.3	25.8
Return on equity, %	18.3	20.9	20.5
R&D expenses/net sales, %	6.2	6.0	6.0
Capital expenditure excl acquisitions, SEK m	25	32	158
Number of employees at the end of the period	1,314	1,155	1,266
Swedish krona/US dollar average	8.55	10.45	9.73

* Based on the average number of shares in issue.

** After full dilution.

1,870,000 warrants were issued in December 1999. These warrants can be exercised up until 1 September 2003. Of the warrants issued, 1,332,500 have been subscribed for. In August 2002 a further 210,000 warrants were issued with a strike price of SEK 156.50. The key figures above are based on 37,124,670 shares, i.e. they ignore the 2002 warrant program. This is because the strike price is significantly above the current share price, the life of the warrants is relatively short at, 1 September 2003, and the impact on the group's key figures is limited given maximum dilution of just 0.6 percent. The strike price for the 1999 warrants outstanding is and SEK 49. As at 31 March 2003 a total of 1,049,375 of these warrants had been exercised.

Information on Perbio Science

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More information on Perbio Science can be found on the company's website at www.perbio.com.

Perbio Science AB (publ.) is a listed Swedish biotechnology company with research institutes, pharmaceutical companies and diagnostics companies as its customers. The USA accounts for the bulk of its business. Perbio Science supplies products, systems and services for the study and production of proteins, and develops products in the Bioresearch, Cell Culture and Medical Device fields. The group has 1,314 employees and offices in Sweden, the USA and a number of other countries. Its head office is in Helsingborg, Sweden.