



Interim Report Perbio Science AB January – June 2003

Healthy sales growth impacted by weak US dollar

- Net sales were SEK 1,033 (1,108) million which, as a result of the weak US dollar, was a decline of 7 percent. In dollar terms sales increased 15 percent to USD 124.2 (108.4) million
- Gross margin improved to 46.6 percent (45.9 percent)
- Profit after financial items was SEK 171 (190) million, a decline of 10 percent, but rose 11 percent in US dollars to USD 20.6 (18.6) million
- Earnings per share after full dilution declined 11 percent to SEK 2.77 (3.12)
- Public offer from Fisher Scientific International Inc. to purchase for cash all outstanding shares and warrants granted under the 1999 program for SEK 142.50 per share and SEK 93.50 per warrant was made. The offer will be open until August 14

Bioresearch Division

- Sales were up 3 percent in US dollar
- The European market continues to register the strongest sales development
- Operating margin was reduced to 17.4 percent (20.4 percent) mainly due to non-recurring license revenue in the first half of 2002

Cell Culture Division

- Sales were up 17 percent in US dollar
- BioProcess Containers (BPC) showed continued healthy growth
- Operating margin remained unchanged at 17.3 percent (17.3 percent)

Medical Device Division

- Strong growth continued, sales were up 25 percent in SEK
- Operating margin rose to 23.4 percent (21.3 percent)

The half year in brief

Perbio Science has continued to strengthen its position in the market. Net sales rose by 15 percent in US dollar, which is slightly higher than the market growth. In SEK sales declined by 7 percent. 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 19 percent weaker compared to the same period the previous year.

- The gross margin increased to 46.6 (45.9) percent. The increase was primarily a function of healthy sales and improved margins in the Cell Culture and Medical Device Divisions.
- Operating profit before amortization of goodwill (EBITA) was SEK 186 (210) million, a decline of 11 percent and the EBITA margin was 18.0 (19.0) percent. The margin was down due to one time sales effects during the first half year 2002, higher costs related to the Fisher Scientific International Inc. bid and higher costs for insurance, depreciation and research and development. Increased R&D spending is mostly related to new products for protein research in the Bioresearch Division and BioProcess Containers (BPCs) in the Cell Culture Division.
- The 19 percent depreciation of the US dollar against the SEK had a major impact on sales during the period. The exchange rates impacted the operating income in the same way as net sales.

During the second quarter Fisher Scientific International Inc. (Fisher) announced a public offer to purchase all outstanding shares and warrants granted under the 1999 program. Prior to the announcement of the offer, Fisher was allowed to conduct a limited due diligence process. As part of this process Fisher has been informed about certain expectations for the future. Therefore this Report contains forward looking information about Perbio's expected performance.

Outlook for 2003

Perbio Science expects the short to medium term market growth for the Biotech Supply market to be 8 to 13 percent in local currencies. That is somewhat lower than previously stated due to uncertainty regarding both public and private financing of research and development projects. The expectation is that the company will grow somewhat faster than the market in general.

The forecast for the group in 2003 is that the sales and profit before financial items will decrease slightly in SEK. It is mainly due to the very weak US dollar, which is only partly offset by a strong EUR, SEK and GBP. In US dollars we expect 18 to 20 percent growth compared to 2002, at today's dollar rate and continued positive currency effects from the European currencies. The growth during the second half of the year is partly driven by increasing sales of BSE-tests, BPCs and serum.

The Divisions

January – June 2003

Bioresearch Division

Sales in the first and second quarters were SEK 350 (417) million, down 16 percent, but increased 3 percent in US dollars to USD 42.1 (40.8) million.

Market development

Markets showed good development in Life Science Research (LSR) products.

The Nucleic Acid Technologies business (NAT) (Milwaukee) and amidite market were negatively impacted by certain failures of nucleic acid based drugs during clinical trials.

Sales development

Sales were good in LSR products with a growth of 17 percent in US dollar compared to 2002. The BSE Test Kit sales for the Division the first six months amounted to SEK 6.1 million. Evaluating the future market trend is difficult at this stage as sales to end-users are through Prionic AG's distribution partner Roche. Roche has announced that the market launch will start in early fall 2003.

Drug Discovery products have experienced lower sales when compared to 2002. The first six months of last year contained non-recurring sales of two licenses and licensed products of SEK 21.4 million.

NAT is predominantly an industrial business and, therefore, sales change significantly from quarter to quarter. Sales development is impacted by the degrees of success of nucleic acid-based drugs in clinical trials.

Margin development

The effort in NAT during the first six months has been focused on changing the product mix to increase specialty amidites while reducing the cost of raw material to improve margins. As a result we can see a substantial improvement in margins, despite sales remaining unchanged from 2002.

Operating margin (EBIT) declined to 17.4 percent (20.4). The decline in margin is mainly a function of the non-recurring license revenue in 2002, but it has also been affected by higher insurance costs.

Investments and projects

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

Outlook for 2003

The major part of the Bioresearch Division's business is denominated in US Dollars.

The Bioresearch Division is expected to achieve slightly higher growth in revenue for the full year 2003, expressed in USD, compared to the revenue growth, expressed in USD, achieved in 2002. The operating margin for 2003 is expected to increase slightly compared to 2002.

LSR sales are strengthening as a result of new product introductions and the release of a new applications guide/catalog in late Q2. Growth rate in the second half of 2003 is expected to increase over the first half.

Nucleic Acid Technologies is expected to continue margin improvement. As a leading supplier of the DNA and RNA amidites, the unit sales will mirror the degrees of success of pharmaceutical companies working with nucleic acid based drugs.

The Prionic's Check LIA™ test is a BSE test kit manufactured by the Division. Since the approval by the European Union, sales progress is being made country by country and Roche, the test kit distribution company, will begin actively marketing the product in early fall of 2003, which is expected to further strengthen sales.

Cell Culture Division

The Division continues to grow with sales of SEK 572 (602) million, down 5 percent, but up 17 percent in US dollars to USD 68.8 (58.9) million.

Market development

Markets continued to register good growth in each product area, (sera, sterile liquids and BioProcess Containers (BPCs). European markets were especially strong.

Sales development

In US dollars sales increased by 17 percent. BPC's had a very strong period with sales up 35 percent compared to the same period last year.

Margin development

Gross margin improved due to increased operating efficiencies. Costs for sera raw material have continued to increase, but without a negative impact on margins.

Operating margin (EBIT) remains unchanged at 17.3 percent (17.3 percent), despite higher insurance costs, depreciation and research and development spending.

Investments and projects

The investment in the European production plant at Cramlington, England progressed as planned. The investment is made to increase capacity in Europe, due to the higher demand from the European market.

Outlook for 2003

The Cell Culture Division's business is also US dollar denominated.

The Division is expected to continue to grow faster than the market. Serum is expected to experience good growth with sustained margin despite increasing raw material costs. Sales growth in fetal bovine serum is related more to higher average selling price than to volume. By contrast, calf serum growth is more related to volume increase than price. Media sales are expected to grow as the new powdered media production facility in Logan (Utah) is commissioned. Likewise, bioprocess container sales are expected to continue to grow.

The operating margin for 2003 is expected to be slightly down compared to 2002 as a result of higher costs related to opening the distribution center in Hong Kong and depreciation on new building.

Medical Device Division

Sales grew by 25 percent to SEK 111 (89) million. Operating result increased by 37 percent to SEK 26 million (19).

Market development

Sales growth resulted from healthy market demand for the Swedish Adjustable Gastric Band (for obesity), and an expansion of Heat & Moisture Exchanger sales in countries, which recently have approved reimbursement for people who have undergone throat surgery. Therabite® sales are still comparatively small accounting for 4 percent of total sales. Therabite® is a training device for patients whose muscles used for chewing have been damaged as a result of surgery and/or radiotherapy.

Sales development

Sales increased significantly in the US because of more selling resources and the acquisition of the business in Therabite Corp. at the beginning of 2003. Markets in Germany, France and Belgium also have sales increases. The work to sell Therabite® in the European market continues.

Margin development

Operating margin (EBIT) increased to 23.4 percent (21.3). The improvement is mainly due to higher sales and the establishment of our own company in Germany.

Outlook for 2003

The Medical Device division business is denominated in SEK.

The Medical Device division is expected to achieve similar growth in revenue for the full year 2003, expressed in SEK, compared to the revenue growth, expressed in SEK, achieved in 2002. The operating margin for 2003 is expected to be slightly down compared to 2002 as a result of the higher goodwill amortization for the Therabite acquisition, as well as slightly higher other operating costs.

Public offer from Fisher Scientific International Inc.

Fisher Scientific International Inc. announced on 26 June 2003 a public cash offer for all outstanding shares and warrants under the 1999 program in Perbio Science. The offer means that Fisher will pay in cash SEK 142.50 per share and SEK 93.50 per warrant granted under the 1999 program. The Board of Directors of Perbio Science has unanimously recommended that shareholders and holders of warrants under the 1999 program accept the offer. The recommendation is supported by a Fairness Opinion, from a financial point of view, delivered to Perbio by its financial advisor Deutsche Bank. In providing its advise to Perbio, Deutsche Bank has taken into account, among other things, commercial assessments of Perbio's Board of Directors. The prospectus was published on July 10 and the offer will be open until August 14.

The offer from Fisher is among other things subject to a minimum shareholder acceptance of 90 percent and regulatory approvals. The transaction has now been approved by the anti-trust authorities in USA and Germany.

Financial information

Net sales

Perbio Science recorded net sales for the period of SEK 1,033 (1,108) million, a decrease of 7 percent relative to the same period last year. The USD depreciated by 19 percent against the SEK in the period, which impacted sales negatively by 16 percent units.

Net sales and sales growth 2003

	Jan-Jun	Apr-Jun
Net sales, SEK m	1,033	515
Change, SEK m	-75	-41
Change, %	-7	-7
Of which		
Volumes and price %	10	9
Acquisitions, %	0	0
Exchange rates, %	-17	-16
Sales growth in USD %	15	14

Operating profit before amortization of goodwill

EBITA was down 11 percent to SEK 186 (210) million and the EBITA margin was down to 18.0 (19.0) percent. Exchange rates impacted EBITA in the same way as net sales. Research and development expenses were down by SEK 4 million to SEK 63 (67) million, but up as a percent of sales to 6.1 (6.0). In US dollars research and development spending increased to 7.6 (6.6) million.

Profit after financial items

EBT totaled SEK 171 (190) million, a decrease of 10 percent. The net interest figure of SEK -4 (-10) million.

Net profit

Net profit for the year amounted to SEK 103 (116) million, a decrease was 11 percent.

Tax

The tax rate was 39.0 (38.5) percent.

Return

The group generated a return on equity of 18.3 (21.4) percent and a return on capital employed of 25.1 (26.7) percent. Operating capital has increased during the first six months mainly due to increased inventory of sera from the seasonal collection period and increased prices for sera raw material (up 17 percent compared to last year).

Investments

Investments in fixed assets, excluding acquisitions, totaled to SEK 56 (64) million during the period January to June. Of this, about SEK 36 (47) million was attributable to plant and buildings under construction. Depreciation totaled SEK 36 (36) million.

Cash flow

Perbio Science generated net cash flow of SEK 64 (-8) million and cash flow from operations of SEK -15 (103) million during the year. The decline in cash flow is the result of lower profit, higher and more costly inventory of serum and investments in plant and buildings.

Liquidity

The group had liquid assets of SEK 165 (78) million and unused credit facilities of SEK 230 (309) million at the end of June 2003. Net interest-bearing debt totaled SEK 395 (391) million.

Equity

Shareholders' equity increased by SEK 36 million to SEK 1,110 compared to 1,146 million December 31, 2002. This increase breaks down into a net income of SEK 103 million plus SEK 12 million from the exercise of warrants less translation differences of SEK - 96 million and dividend of SEK 55 million. The equity/assets ratio was 58 percent (59).

Personnel

The group had 1,353 (1,181) employees at the end of the period.

Benefits for leading company officials

During the period agreements have been concluded with the CFO and three other member of the senior management stating that in case of the controlling ownership of the company or in some cases the business of a division through a transaction completed or initiated during 2003 these individuals shall have the right to terminate their employment and receive severance payment in principle similar to the payment which would have been due if the employment had been terminated by the company. This right requires that the employee does not reach an agreement with the company regarding the future terms of his continued employment and the employee continues to provide his services to the company for a period of at least six months from the date of the change of ownership.

The company has previously agreed without time limit with the CFO that he may resign provided the company will be delisted from the Stockholm Stock Exchange and receive a severance payment equal to twelve months salary. The CFO is required to give six months notice of such resignation.

Further the group controller has previously agreed without time limit to receive a severance payment equal to six months salary in case his employment is terminated by the company as a result of a close down or major change of the activities at the office in Helsingborg, within twelve months from a change of the controlling ownership over the company. This right requires that he agrees to provide his services during a period of at least six months from the decision to the close down or change of the activities.

The aggregate cost for the company is approximately SEK 15 million if all the above mentioned members of the management were to be entitled to severance payment upon change of controlling ownership or delisting from the stock exchange.

Parent company

The parent company generated net sales of SEK 11 (9) million and EBT of SEK -7 (-4) million. It had liquid assets of SEK 86 (60) million and unused credit facilities of SEK 217 (295) million at the end of the period. The company made no investments in equipment during the year and had five employees.

During the period a new sales company in Hong Kong was established. To balance assets and debt in US dollar a shareholders' contribution of SEK 10 million was made into HyClone Laboratories Inc. in the first quarter 2003.

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 January 1, 2003. None of the new recommendations have resulted in changes to the accounting values.

Financial information

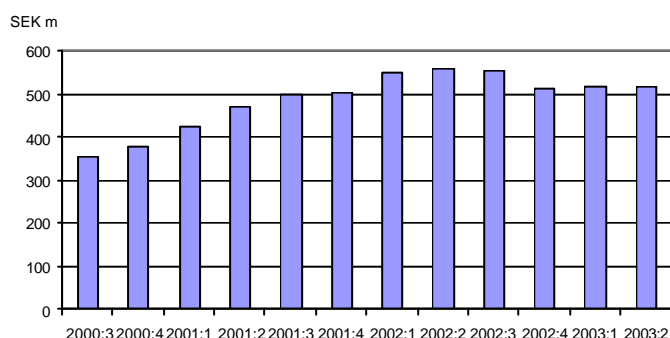
October 23 Third-quarter interim report
February 2004 Year-End-Report

Helsingborg, 1 August 2003

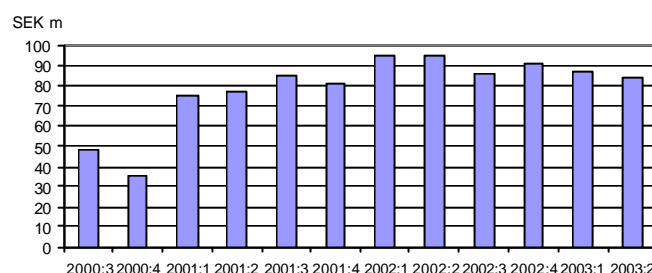
The Board of Perbio Science AB (publ.)

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

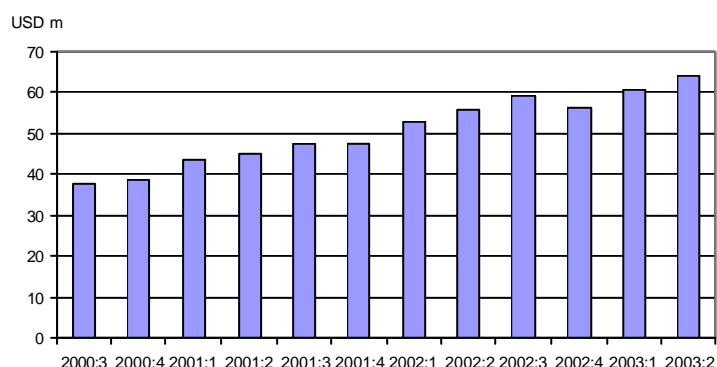
Net sales by quarter in MSEK



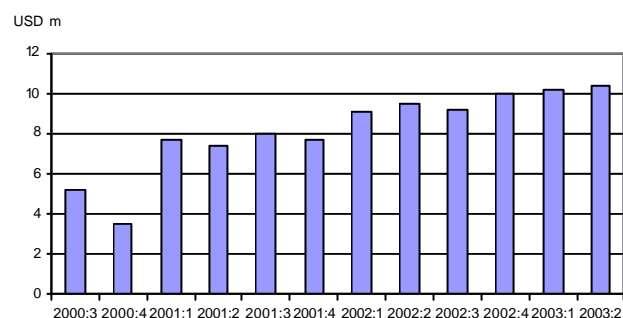
Income after financial items per quarter in MSEK



Net sales by quarter in MUSD¹⁾

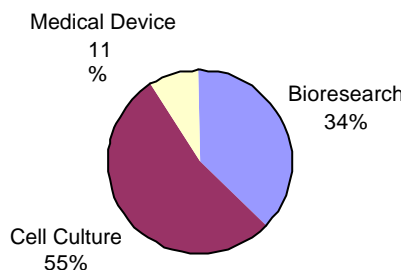


Income after financial items per quarter in MUSD¹⁾

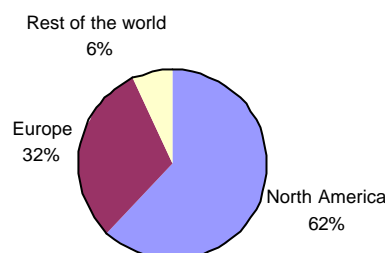


¹⁾ Proforma translation from SEK to USD based on average quarterly value SEK/USD

Net sales by division, January-March



Net sales by market, January - March



Income statement, SEK m	Jan- Jun 2003	Jan - Jun 2002	Jan - Dec 2002
Net sales	1,033	1,108	2,175
Cost of goods sold	-552	-599	-1,175
Gross profit	481	509	1,000
Selling expenses	-135	-140	-275
Administrative expenses	-98	-92	-193
Research and development expenses	-63	-67	-132
Other operating revenues and expenses	1	-	2
Operating profit before amortization of goodwill¹	186	210	402
Amortization of goodwill	-11	-10	-21
Operating profit	175	200	381
Financial net	-4	-10	-14
Profit after financial items	171	190	367
Tax	-67	-73	-135
Minority interests	-1	-1	-2
Net profit	103	116	230
Earnings per share, SEK** see page 13	2.80	3.18	6.29
Earnings per share after full dilution, SEK*** see page 13	2.77	3.12	6.20

¹The profit has been affected by cost for the ongoing bid from Fisher Scientific International Inc. (Fisher) by 5 MSEK.

Balance sheet, SEK m	30 June 2003	30 June 2002	31 Dec 2002
Consolidated Goodwill	219	247	251
Other intangible fixed assets	41	43	46
Tangible fixed assets	467	443	486
Financial fixed assets	34	52	38
Inventories	591	591	557
Current receivables	392	364	338
Cash and bank	165	78	109
Total assets	1,909	1,818	1,825
Shareholders' equity	1,110	1,071	1,146
Minority interests	6	5	6
Provisions	33	34	33
Long-term liabilities	565	475	423
Current liabilities	195	233	217
Total shareholders' equity and liabilities	1,909	1,818	1,825
Pledged assets	None	None	None
Contingent liabilities	8	7	6

Cash flow analysis, SEK m	Jan - Jun 2003	Jan - Jun 2002
Profit after financial items	171	190
<i>Adjustment for non-cash items</i>		
Amortization of goodwill	11	10
Depreciation	36	36
Tax paid	-67	-103
<i>Changes in working capital</i>		
Inventory	-77	-1
Other operating assets	-78	-45
Operating liabilities	-11	16
Cash flow from current activities	-15	103
<i>Investment activities</i>		
Capital expenditure	-56	-64
Acquisition of businesses	0	-48
Financing activities	135	1
Net cash flow for the period	64	-8
Cash at the beginning of the period	109	100
Translation differences	-8	-14
Cash at the end of the period	165	78

Movement in equity, Group, SEK m	Share capital	Restricted equity	Non-restricted equity	Jan-Jun 2003	Jan-Jun 2002	Total 2002
Equity at the beginning of the year	183	226	697	1,146	1,093	1,093
Translation differences		-60	-36	-96	-151	-190
Transfers between restricted and non-restricted equity		61	-61	0	0	0
Earnings after tax			103	103	116	230
Dividend			-55	-55	0	0
New issues	1	11		12	13	13
Equity at the end of the year	184	278	648	1,110	1,071	1,146

Income statement by quarter, SEK m	Q2 2001	Q3 2001	Q4 2001	Q1 2002	Q2 2002	Q3 2002	Q4 2002	Q1 2003	Q2 2003
Net sales	471	500	503	552	556	555	512	518	515
Cost of goods sold	-249	-266	-266	-298	-301	-309	-267	-279	-273
Gross profit	222	234	237	254	255	246	245	239	242
Selling expenses	-60	-63	-69	-70	-70	-69	-66	-63	-72
Administrative expenses	-48	-48	-50	-47	-45	-49	-52	-51	-47
Research and development expenses	-27	-26	-29	-33	-34	-33	-32	-32	-31
Other operating revenues and expenses	-1	-1	-1	0	0	1	1	1	0
Operating profit before amortization	86	96	88	104	106	96	96	94	92
Amortization of goodwill	-5	-6	-5	-5	-5	-6	-5	-6	-5
Operating profit	81	90	83	99	101	90	91	88	87
Financial net	-4	-5	-2	-4	-6	-4	0	-1	-3
Profit after financial net	77	85	81	95	95	86	91	87	84
Tax	-30	-33	-31	-37	-36	-34	-28	-34	-33
Minority interests	0	-1	0	0	-1	0	-1	0	-1
Net profit	47	51	50	58	58	52	62	53	50

Geographical breakdown of net sales and sales growth SEK million January-June				
	2003	2002	Growth	Growth %
North America	640	726	-86	-12
Europe	330	298	32	11
Rest of the world	63	84	-21	-25
Total	1,033	1,108	-75	-7

Geographical breakdown of net sales and sales growth USD million January-June				
	2003	2002	Growth	Growth %
North America	77.0	71.0	6.0	8
Europe	39.7	29.2	10.5	36
Rest of the world	7.5	8.2	-0.7	-9
Total	124.2	108.4	15.8	15

Division Bioresearch	SEK m Jan-Jun 2003	SEK m Jan-Jun 2002	%	USD m Jan-Jun 2003	USD m Jan-Jun 2002	%
Net sales	350	417	-16	42.1	40.8	3
Operating income before amortization, EBITA	68	93	-27	8.2	9.2	-11
EBITA margin	19.4%	22.3%		19.4%	22.3%	
Operating income, EBIT	61	85	-28	7.3	8.3	-12
EBIT margin	17.4%	20.4%		17.4%	20.4%	

Division Cell Culture	SEK m Jan-Jun 2003	SEK m Jan-Jun 2002	%	USD m Jan-Jun 2003	USD m Jan-Jun 2002	%
Net sales	572	602	-5	68.8	58.9	17
Operating income before amortization, EBITA	101	106	-5	12.2	10.4	17
EBITA margin	17.7%	17.6%		17.7%	17.6%	
Operating income, EBIT	99	104	-5	11.9	10.2	17
EBIT margin	17.3%	17.3%		17.3%	17.3%	

Division Medical Device	SEK m Jan-Jun 2003	SEK m Jan-Jun 2002	%
Net sales	111	89	25
Operating income before Amortization	29	19	53
EBITA margin	26.1%	21.3%	
Operating income, EBIT	26	19	37
EBIT margin	23.4%	21.3%	

Key figures	Jan – Jun 2003	Jan – Jun 2002	Full Year 2002
Sales growth, SEK, %	-7	24	15
Gross margin, %	46.6	45.9	46.0
Operating margin before amortization of goodwill, %	18.0	19.0	18.4
Operating margin, %	16.9	18.0	17.5
Net profit margin, %	10.0	10.4	10.6
Earnings per share, SEK**	2.80	3.18	6.29
Earnings per share, SEK***	2.77	3.12	6.20
Earnings per share before amortization of goodwill**	3.10	3.45	6.86
Earnings per share before amortization of goodwill***	3.07	3.39	6.76
Working capital, SEK m	788	722	678
Capital employed, SEK m	1,405	1,462	1,460
Net debt, SEK m	395	391	307
Debt/equity multiple	0.36	0.37	0.27
Equity/assets ratio, %	58	59	63
Equity per share, SEK	30.10	29.26	31.30
Equity per share after full dilution, SEK	30.22	29.52	31.54
Number of shares	36,875,920	36,558,420	36,608,420
Number of shares in average	36,831,337	36,534,149	36,571,285
Number of shares after full dilution	37,124,670	37,124,670	37,124,670
Return on capital employed, %	25.1	26.7	25.8
Return on equity, %	18.3	21.4	20.5
R&D expenses/net sales, %	6.1	6.0	6.0
Capital expenditure excl acquisitions, SEK m	56	64	158
Number of employees at the end of the period	1,353	1,181	1,266
Swedish krona/US dollar average	8.31	10.22	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 September 1, 2003. Of the stock options issued, 1,332,500 have been subscribed for. In August 2002 a further 210,000 stock options 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 stock option program. This is because the strike price is above the current share price and the life of the stock options is relatively short at, September 1, 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 June 30, 2003 a total of 1,083,750 of these warrants had been exercised.

Information on Perbio Science

CEO Leland Foster

phone +1 435 757 6432

CFO Claes Wentzel

phone +46 42 26 90 92 or +46 70 862 01 22

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 1,353 employees and offices in Sweden, the USA and a number of other countries. Its head office is in Helsingborg, Sweden.