



Year-End Report 2004

A year of positive development

- The Parent Company's profit after tax for the full year strengthened by SEK 104M to SEK 179M (75) and for the fourth quarter by SEK 65M to SEK 123M (58).
- Consolidated operating profit before goodwill amortisation rose SEK 197M for the full year to SEK 255M (58) and by SEK 152M in the fourth quarter to SEK 140M (-12). The Group reported a net result of SEK -16M (-187) for the full year and SEK 44M (-54) for the fourth quarter, equal to earnings per share of SEK -0.04 (-0.77) and SEK 0.05 (-0.16) after full dilution.
- The year's divestitures generated total exit gains of SEK 132M and net proceeds of SEK 397M in the Parent Company.
- The Parent Company's reported equity after full subscription of outstanding warrants improved during the year from SEK 238M to SEK 2,050M (1,812). Equity increased to SEK 1.58 (1.40) per share after full dilution (discounted value).
- Amortisation of SEK 520M was carried out in the Parent Company during the year.

Subsequent events

- In January 2005 Bure increased its holding in Carl Bro from 58 to 66 per cent. The purchase price amounted to SEK 70M.
- In January 2005 Bure decreased its holding Scribona from 35 to 23 per cent of the share capital. The net proceeds of the sale amounted to SEK 95M.
- On 1 February 2005 Mikael Nachemson took over as the new President of Bure Equity AB.
- An additional SEK 140M was amortised in February.
- In February, Bure signed a new financing agreement and decided to exercise its option for early redemption of outstanding subordinate debentures on 31 March 2005. These measures will provide total cost savings of approximately SEK 90M to June 2007.
- As of 24 February, Bure had raised SEK 46.1M through the exercise of warrants for subscription to 61.5 million new shares.

Bure's focus in 2004

In 2004 Bure maintained its focus on achieving financial stability. This has involved determined efforts to reduce debt in the Parent Company while at the same time boosting earnings and cash flow in Bure's portfolio companies. By signing a new financing agreement and exercising its option for early redemption of subordinated debentures, starting on 31 March 2005, Bure has taken additional steps towards stability.

Development of the portfolio companies

Bure's unlisted portfolio companies significantly improved their earnings and cash flows during 2004. Fourth quarter earnings for comparable units (not including Scribona and Mölnlycke Health Care) increased by SEK 139M year-on-year. The units (regardless of holding size) reported a combined operating profit of SEK 125M (-14) in the fourth quarter. The corresponding figure for the full year was SEK 228M (25), representing an improvement of SEK 203M.

Comments on earnings growth in the individual companies are provided further later in this report.

PARENT COMPANY

Results for the full year

The Parent Company's profit after tax for the full year was SEK 179M (75), of which exit proceeds amounted to SEK 132M (158). This figure includes write-backs for a total of SEK 203M (260) and write-downs of SEK 36M (154).

The year's administrative expenses amounted to SEK 61M (119). The restructuring measures implemented successively during the past year will reduce future administrative expenses but also generated higher costs during the period under review. Non-recurring costs totalled SEK 11M. Expenses also include a performance-related bonus of SEK 5M. The annual cost level at year-end was below SEK 40M. The ambition is to decrease this level additionally.

Results for the fourth quarter

The Parent Company's fourth quarter profit after tax was SEK 123M (58), and included exit proceeds of SEK 12M (1) and write-backs of SEK 139M (145). The write-backs refer mainly to SEK 112M in Cygate and SEK 24M in Scribona. No write-downs were made during the period (2003: -54). Administrative expenses for the fourth quarter totalled SEK 13M (17), and included non-recurring costs of SEK 4M (2).

Financial position

Shareholders' equity in the Parent Company, after full exercise of Bure's outstanding warrants and discounted by an annual rate of 10 per cent, amounted to SEK 2,050M (1,812) at 31 December 2004. The adjusted equity ratio was 79 per cent (61). Reported equity (before full exercise of warrants) at year-end was SEK 1,505M (1,294) and the equity ratio was 58 per cent (43).

On the balance sheet date, the Parent Company had liquid assets of SEK 507M (762) and a net loan liability of SEK 463M (904). No amortisation of the long-term loan was charged in fourth quarter. A total of SEK 520M was amortised during the year.

Adjusted for full exercise of Bure's outstanding warrants and discounted by an annual interest rate of 10 per cent, the net loan liability at year-end was SEK -33M (76), i.e. a net loan receivable. At 31 December the Parent Company reported a net loan liability (before full exercise of warrants) of SEK 512M (594).

A breakdown of the net loan liability is shown on the next page.

Investments

No investments were made in the fourth quarter.

The year's investments and capital contributions amounted to SEK 184M, and included Bure's follow-on investments and new share issue in Carl Bro of SEK 78M during the first quarter, the investment of SEK 22M in Vittra during the third quarter and a previously agreed additional purchase price of SEK 8M in Cygate. This amount also includes capital contributions of SEK 50M to Mercuri, SEK 16M to Textilia and SEK 6M to System. After the balance sheet date, Bure's remaining investment commitments amount to SEK 97M, of which SEK 70M was invested in Carl Bro in January 2005. The remainder thus amounts to SEK 27M.

Aside from the above, investments also included a sum of SEK 130M pertaining to conversion of subsidiary receivables into shareholders' equity.

Summary of net loan liability

SEK M	31 Dec 2004	31 Dec 2003
Interest-bearing assets:		
Receivables from subsidiaries	34	177
Other interest-bearing receivables	1	63
Liquid assets	507	762
(of which, pledged bank deposits)	38	241)
	542	1,002
Interest-bearing liabilities:		
Subordinated debenture loan	551	526
Long-term bank loans	443	900
Long-term liabilities to subsidiaries	0	60
Short-term bank loans	20	4
Current liabilities to subsidiaries	39	55
Other interest-bearing liabilities	1	51
	1,054	1,596
Net loan liability	512	594
Net loan liability, full exercise of warrants ^{1,2}	-33	76

¹ Adjusted for full exercise of outstanding warrants

² A minus sign in the sum represents a net loan receivable

Divestitures – exits

In the fourth quarter of 2004 Bure carried out two divestitures with a reported exit gain of SEK 12M, of which SEK 7M referred to Xdin. Net proceeds from the sale of Xdin amounted to SEK 37M.

In February Bure sold its holding in Dimension, generating net proceeds of SEK 19M and an exit gain of SEK 1M.

The sale of Bure's subsidiary Parere in April provided net proceeds of around SEK 340M and an exit gain of SEK 113M. Furthermore, in June Bure sold its 10 per cent holding in Elmo Leather for SEK 12M and an exit gain of SEK 8M. The subsidiary Informator Training Group (ITG) was also sold in June without any net proceeds or gain for the Parent Company.

In 2004 Bure divested its entire holding in InnKap fond III via the subsidiary Bure Kapital, thereby reducing its investment commitments by SEK 40M and raising net proceeds of SEK 10M.

Shareholders' equity (Net Asset Value)

Shareholders' equity after full exercise of warrants amounted to SEK 2,050M at year-end, equal to equity per share (NAV) of SEK 1.58 after full dilution (discounted value, 10 per cent), compared with SEK 1,812M or SEK 1.40 per share at the end of 2003. Reported shareholders' equity at 31 December before full exercise of outstanding warrants was SEK 1,505M, compared with SEK 1,294M on 1 January 2004.

Dilution effects

In 2003 Bure carried out a combined issue of shares and subordinated debentures with detachable warrants entitling the holders to subscribe for shares during the period 15 July 2003 to 15 June 2007. Each warrant grants the right to subscribe for one new Bure share at an exercise price of SEK 0.75.

Since the outstanding warrants grant the right to subscribe for a total of 922,6 million new shares, i.e. more than double the current number of shares in Bure, there will be a substantial difference between Bure's key figures before and after dilution. The relation between outstanding warrants and the number of shares is shown in the following table:

Dilution	31 Dec 2004	31 Dec 2003
Number of warrants outstanding, millions	922.6	958.4
Number of shares, millions	374.6	334.9
Warrant/share ratio	2.46	2.86

In the fourth quarter of 2004, holders of around 1.6 warrants exercised their right to subscribe for an equal number of new Bure shares, increasing Bure's equity by close to SEK 1.2M. The corresponding figure for the full year was 35,8 million, raising equity by SEK 26.9M. Furthermore, an additional 61.5 million shares were subscribed for after the end of the financial year, providing SEK 46.1M in new equity.

The Bure share and other listed instruments

	24 Feb 2005	31 Dec 2004	31 Dec 2003
Price development, SEK			
Share	1.89	1.74	1.04
Subscription warrant	1.11	0.93	0.39
Subordinated debenture	5.42	5.54	5.00
Change since year-end, %			
Share	14	67	
Subscription warrant	46	138	
Subordinated debenture	-2	11	

Bure's three listed instruments enjoyed positive development in 2004, as shown in the above table. The share premium, i.e. the share price relative to equity per share (NAV), at year-end was 10 per cent, compared with a discount of 26 per cent the year before. It should be noted that Bure's equity per share does not accurately express the fair value of Bure's holdings, for which reason the premium/discount is not entirely relevant (see also page 6). Bure's market capitalisation at year-end, after full exercise of warrants, was SEK 2,257M, compared with SEK 1 345M at the end of 2003.

GROUP

Because Bure is an investment company, the Group's composition of subsidiaries and associated companies varies in pace with acquisitions and divestitures. Since this makes the consolidated statement of income difficult to analyse, it is more meaningful to analyse development in the portfolio companies on an individual basis.

Results for the full year 2004

Consolidated operating profit before goodwill amortisation improved by SEK 197M to SEK 255M (58), a figure that includes exit gains of SEK 127M (218). Write-downs amounted to SEK 23M (33) and write-backs to SEK 0M (99). Of operating profit before goodwill amortisation, profit from subsidiaries accounted for SEK 176M (35). The remainder consists of the Parent Company's administrative expenses and group adjustments, as well as shares in profit of associated companies (see table on p. 9).

The Group's profit after financial items was SEK 45M (-191), and was affected by goodwill amortisation and write-downs of SEK 96M (128).

Results for the fourth quarter

Consolidated operating profit for the fourth quarter before goodwill amortisation improved by SEK 152M to SEK 140M (-12). This figure includes exit gains of SEK 12M (4). Profit was also affected by share write-downs of SEK 0M (10) and write-backs of SEK 10M (52). Of operating profit before goodwill amortisation, the portfolio companies accounted for SEK 100M (30). The remainder consists of the Parent Company's administrative expenses and group adjustments, as well as shares in profit of associated companies.

The Group's profit after financial items was SEK 85M (-74). Consolidated profit was affected by goodwill amortisation and write-downs totalling SEK 23M (33).

Financial position

Shareholders' equity at 31 December amounted to SEK 1,031M (1,023) and the equity ratio to 23 per cent (23).

Adjusted for full exercise of Bure's outstanding warrants, and discounted by an annual interest rate of 10 per cent, the net loan liability at year-end was SEK 657M (887). At the end of the period, the Group had a net loan liability (before full exercise of warrants) of SEK 1,202M (1,405), consisting of interest-bearing assets of SEK 805M (1 089) and interest-bearing liabilities of SEK 2,007M (2,494).

SUBORDINATED DEBENTURE LOAN

Bure's subordinated debentures, which were issued in connection with the issues carried out in the summer of 2003, mature for payment on 30 June 2007 in a total nominal amount of no more than SEK 729.7M.

In 2004 Bure redeemed debentures for a value of SEK 24.2M, corresponding to an average price at 78 per cent of the principal amount. After redemption, the remaining outstanding principal amount is SEK 698.7M.

Early redemption of subordinated debentures

Each quarter, starting at the end of the first quarter of 2005, Bure has an option to exercise early redemption of subordinated debentures at a 10 per cent discount. The early redemption option is conditional upon repayment of the debt to Bure's bank consortium (SEK 380M at year-end).

In the event of early redemption, Bure must redeem the entire debenture loan. After the end of the reporting period, Bure announced that early redemption will be carried out at the first possible opportunity, on 31 March 2005. The redemption price will be equal to 80.7 per cent of the principal amount.

DIVIDENDS AND FINANCIAL GOALS

Due to the reduction in share capital resolved by the Annual General Meeting on 21 May 2003, Bure is not able to pay dividends for the years 2004-2006 with court permission unless the share capital is increased by an amount at least equivalent to the reduction.

In 2004 Bure's Board of Directors adopted a set of long-term financial goals. Bure shall be free from debt and its adjusted net asset value shall generate an average annual return that exceeds the risk-free interest rate (5-year treasury bond rate) by 10 percentage points.

REDUCTION OF LEGAL RESERVE

The extraordinary general meeting of Bure on 9 December 2004 approved a resolution to reduce the legal reserve by SEK 207.5M for coverage of losses and by a further SEK 300M to enable the buy-back of Bure Equity AB's listed warrants, as proposed by the Board of Directors. Since court permission is required for reduction of the legal reserve by SEK 300M, Bure filed an application for court permission in December 2004 and is currently awaiting an answer.

BUY-BACK OF SHARES

Bure holds one million of its own shares. At the previous year-end, Bure held 3,945,500 of its own shares via an agreement with a bank, a so-called synthetic arrangement. This agreement expired in 2004. In addition, the employee share option program previously issued by the company was completed in 2004.

The number of outstanding shares at 31 December 2004 was 374.6 million. In addition, there are 922.6 million outstanding warrants with an exercise price of SEK 0.75 per share. After the balance sheet date, the number of outstanding shares increased to 436.1 million through the exercise of warrants.

OWNERSHIP STRUCTURE

Bure's two largest shareholders at 31 January 2005 were Skanditek Industriförvaltning with 10.3 per cent and Eikos with 6.2 per cent.

Bure's two largest holders of warrants were Sjätte AP-Fonden with 9.3 per cent and Goldman Sachs with 7.3 per cent.

NOMINATION COMMITTEE

Bure's three largest shareholders have appointed three members to the nomination committee ahead of the Annual General Meeting in 2005. One of these members is Board Chairman Patrik Tigerschiöld, and the other two are Bert Ekström and Torsten Johansson.

ANNUAL GENERAL MEETING

The Annual General Meeting of Bure will be held on 26 April 2005 at 3.00 p.m. at the Chalmers Conference Centre, Chalmersplatsen in Gothenburg. A notice of meeting will be published in the daily press.

SUBSEQUENT EVENTS

Based on an option agreement, Sydkraft sold its entire shareholding in Carl Bro to Bure during January 2005, thereby raising Bure's holding to 66.1 per cent. The purchase price was SEK 69.6M, pursuant to the terms of the option agreement.

In January 2005 Bure reduced its holding in Scribona from 35.0 per cent to 22.6 per cent of the share capital and from 29.4 per cent to 19.2 per cent of the votes, generating net proceeds of SEK 95M.

On 1 February 2005 Mikael Nachemson took over as the new President of Bure Equity AB.

After year-end, Bure has amortised a further SEK 140M of its existing bank debts.

In February, Bure signed a new bank agreement with Nordea that will replace the company's earlier syndicated loan and will be used to finance the early redemption of Bure's subordinated debentures on 31 March 2005, the first possible date on which early redemption is possible. Both the syndicated loan and the subordinated debentures were arranged in connection with Bure's crisis in 2003. Together with the new bank agreement, the early redemption will provide Bure with total interest savings of around SEK 90M, based on current interest rates, compared with if the debentures had run to maturity on 30 June 2007. The bank agreement is effective as of 15 July 2007.

The subscription for 61.5 million new Bure shares during the year through the exercise of warrants provided Bure with net proceeds of SEK 46.1 thousand.

Gothenburg, 25 February 2005
Bure Equity AB (publ)
Board of Directors

The annual report for 2005 will be available at the Bure's head office, Mössans gata 8, Gothenburg, Sweden, and at on the company's website bure.se by the end of March 2005.

Financial calendar

Interim report January – March 2005	26 April 2005
Annual General Meeting 2005	26 April 2005
Interim report January – June 2005	24 August 2005

For additional information contact

Mikael Nachemson, President	+46 31-708 64 00
Anders Mörck, Chief Financial Officer	+46 31-708 64 41
Johanna Pettersson, Head of PR/Corporate Communications	+46 31-708 64 49

PARENT COMPANY HOLDINGS AT 31 December 2004

	Share of capital, %	Share of votes, %	Book value/ equity per share, SEK M
Unlisted holdings			
Systeam	46.23	47.34	305
Cygate	93.92	93.92	301
Carl Bro	57.81	57.81	292
Mercuri International Group	100.00	100.00	244
Citat	100.00	100.00	191
Mölnlycke Health Care	7.50	7.50	169
Vittra	96.25	96.25	150
Retea	100.00	100.00	29
Textilia (formerly Simonsen Sverige)	100.00	100.00	25
Business Communication Group (Appelberg)	100.00	100.00	20
Celemiab Group	32.14	32.14	9
Bure Kapital	100.00	100.00	4
CR&T Ventures	100.00	100.00	2
Other dormant holdings			6
Other direct holdings			15
Total			1,762
Listed holdings			
Scribona (79,000 class A shares, 17,778,089 class B shares)	34.97	28.79	260
Other assets and liabilities			
Interest-bearing receivables, subsidiaries			34
Other interest-bearing receivables			1
Liquid assets and investments			468
Other assets			22
Interest-bearing liabilities			-1,014
Other liabilities			-28
Total			-517
Parent company's shareholders' equity (NAV)			1,505
Contribution to shareholders' equity after full subscription, 922,624,519 shares at SEK 0.75 each, discounted by 10%			545
SHAREHOLDERS' EQUITY AFTER FULL SUBSCRIPTION CALCULATED AT DISCOUNTED VALUE			2,050
DATA PER SHARE AFTER FULL DILUTION			
Discounted (10%) equity per share (NAV), calculated on 1,297,200 000 shares			1.58
Equity per share (undiscounted)			1.69

Comments on the table:

The bulk of Bure's investments consist of unlisted holdings, which means that revaluation surpluses are not shown. Unlisted companies are stated at book value. The previously used term "net asset value" may be misinterpreted by the readers as meaning the market value of Bure's holdings. To avoid misunderstanding, Bure now uses the term "equity per share (NAV)". The readers are instead given the opportunity to form their own opinion regarding market value of the respective holdings based on the information provided about the earnings and financial positions of the individual portfolio companies.

Bure carries out regular cash flow analysis of its portfolio holdings to evaluate if there is any indication of impairment. If the cash flow value falls below the book value of a holding, a write-down is made. Correspondingly, a previously written down value of a company may be written back if the value increases again. For obvious reasons, a more critical assessment is made before deciding to write back a value. Since the written up value may not exceed historical cost, any unrealised values above this amount will not be expressed in Bure's reported shareholders' equity.

Valuation of a company is always uncertain, since it is based on an assessment of the company's future development. The values presented in the cash flow statements are based on the management's estimation of future cash flows generated in the respective portfolio company.



PARENT COMPANY STATEMENTS OF INCOME

SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
<i>Investing activities</i>				
Dividends	-	-	-	0.2
Exit gains	11.7	0.8	134.7	157.7
Exit losses	-	-	-2.5	-
Write-downs	-	-54.4	-36.1	-153.9
Write-backs	138.9	144.6	202.7	259.5
	150.6	91.0	298.8	263.5
Administrative expenses	-12.9	-16.5	-60.7	-119.3
Profit before financial items	137.7	74.5	238.1	144.2
Net financial items	-15.1	-16.9	-59.4	-69.6
Profit after net financial items	122.6	57.6	178.7	74.6
Taxes	-	-	-	-
Net profit for the period	122.6	57.6	178.7	74.6
Average number of shares, thousands	373,162	330,954	364,450	241,481
Average number of shares after full dilution, thousands	956,739	684,440	972,531	635,211
Earnings per share, SEK	0.33	0.17	0.49	0.31
Earnings per share after full dilution, SEK	0.13	0.08	0.18	0.12
Average number of employees	18	19	18	22

PARENT COMPANY BALANCE SHEETS

SEK M	31 Dec 2004	31 Dec 2003
<i>Assets</i>		
Tangible assets	1.4	2.8
Financial assets	2,025.1	1,835.7
Current receivables	52.7	385.3
Liquid assets and short-term investments	506.8	762.1
Total assets	2,586.0	2,985.9
<i>Equity, provisions and liabilities</i>		
Shareholders' equity	1,504.8	1,293.8
Provisions	0.6	10.9
Long-term liabilities	993.9	1,486.2
Current liabilities	86.7	195.0
Total equity, provisions and liabilities	2,586.0	2,985.9
Of which, interest-bearing liabilities	1,053.2	1,596.1
<i>Pledged assets and contingent liabilities</i>		
Pledged assets	1,375.1	1,490.7
Contingent liabilities	291.5	326.6

The Parent Company's contingent liabilities consist of sureties and guarantees of SEK 22.4M for commitments in subsidiaries. In addition, Bure is guarantor for finance lease agreements in Textilia and Vittra, where the residual value at 31 December 2004 was SEK 269.1M. The risk that Bure will be obligated to assume responsibility for these agreements arises if one of the companies is unable to pay the contractual lease charges. For these commitments, there is corresponding surety in the property values of the respective companies. Furthermore, Bure has remaining investment commitments in the form of follow-on share investments in subsidiaries amounting to approximately SEK 97M. This amount decreased by SEK 70M in January 2005 when Bure acquired around 8 per cent of Carl Bro.

PARENT COMPANY CASH FLOW STATEMENTS

SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Profit after financial items	122.6	57.6	178.7	74.6
Adjusting items	-135.5	-38.6	-245.9	-234.6
Cash flow from operating activities before change in working capital	-12.9	19.0	-67.2	-160.0
Change in working capital	24.9	187.2	87.7	34.7
Cash flow from operating activities	12.0	206.2	20.5	-125.3
Investments	0.0	-81.4	-184.1	-550.3
Sale of subsidiaries and associated companies	39.0	-96.3	396.6	793.5
Cash flow from investing activities	39.0	-177.7	212.5	243.2
Cash flow from financing activities	1.1	-29.0	-488.3	369.8
The period's cash flow	52.1	-0.5	-255.3	487.7

CONSOLIDATED STATEMENTS OF INCOME

SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	1,575.2	1,021.4	5,784.5	3,767.8
Operating expenses	-1,477.3	-1,025.0	-5,681.7	-3,842.7
of which, write-downs	0.0	-10.0	-22.6	-32.6
of which, write-backs	9.8	51.8	0.0	99.2
Exit gains	12.0	4.4	134.9	217.8
Exit losses	-0.3	-	-7.9	-
Shares in profit of associated companies	30.7	-13.3	25.6	-85.0
Operating profit before goodwill amortisation	140.3	-12.5	255.4	57.9
Goodwill amortisation and write-downs	-23.4	-33.1	-96.3	-128.5
Operating profit/loss	116.9	-45.6	159.1	-70.6
Net financial items	-32.0	-28.7	-114.0	-120.8
Profit after net financial items	84.9	-74.3	45.1	-191.4
Taxes	-20.5	22.8	-40.8	0.3
Minority interests	-20.5	-2.2	-20.3	4.2
Net profit/loss for the period	43.9	-53.7	-16.0	-186.9
Average number of shares, thousands	373,162	330,954	364,450	241,481
Average number of shares after full dilution, thousands	956,739	684,440	972,531	635,211
Earnings per share, SEK	0.12	-0.16	-0.04	-0.77
Earnings per share after full dilution, SEK	0.05	-0.16	-0.04	-0.77
Average number of employees	4,727	3,016	4,687	3,038

In the annual report for 2003 and interim reports for 2004, Bure has informed that the most significant effect of IFRS adoption is that goodwill will no longer be amortised according to plan. In order to give an indication of the possible impact of these new standards on the financial statements of the Bure Group, Bure has deviated from the structure of the annual report by adding the line "Operating profit before goodwill amortisation", in the above statement of income.

CONSOLIDATED BALANCE SHEETS

SEK M	31 Dec 2004	31 Dec 2003
Assets		
Intangible assets	752.6	926.4
(of which, goodwill)	745.3	903.9
Tangible assets	777.6	599.5
Financial assets	779.2	921.4
Inventories, etc.	189.8	69.9
Current receivables	1,132.0	911.0
Liquid assets and short-term investments	789.0	1,011.8
Total assets	4,420.2	4,440.0
Equity, provisions and liabilities		
Shareholders' equity	1,030.9	1,022.8
Minority interests	96.9	31.1
Provisions	105.7	104.9
Long-term liabilities	1,854.4	2,001.5
Current liabilities	1,332.3	1,279.7
Total equity, provisions and liabilities	4,420.2	4,440.0
Of which interest-bearing liabilities	2,007.3	2,494.0
Pledged assets and contingent liabilities		
Pledged assets	2,043.5	2,050.1
Contingent liabilities	284.4	38.7

The increase in contingent liabilities is mainly due to additional engagements in Carl Bro, which is consolidated as a subsidiary as of February 2004.

CONSOLIDATED CASH FLOW STATEMENTS

SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Profit after financial items	84.9	-74.3	45.1	-191.4
Adjusting items	52.0	106.6	158.2	63.5
Cash flow from operating activities before change in working capital	136.9	32.3	203.3	-127.9
Change in working capital	-19.8	157.8	-76.3	-440.9
Cash flow from operating activities	117.1	190.1	127.0	-568.8
Investments	-39.6	-95.6	-180.2	-489.3
Sale of subsidiaries and associated companies	41.4	-38.3	371.4	1,093.2
Cash flow from investing activities	1.8	-133.9	191.2	603.9
Cash flow from financing activities	-74.4	9.6	-540.8	462.2
The period's cash flow	44.5	65.8	-222.6	497.3

CHANGES IN SHAREHOLDERS' EQUITY

	Parent Company		Group	
	Full year 2004	Full year 2003	Full year 2004	Full year 2003
Opening balance, shareholders' equity	1,293.8	994.8	1,026.7	1,005.3
Effect of changed accounting principle	-	-	-3.9	-
New share issue	-	250.0	-	250.0
Issue expenses	-	-36.5	-	-36.5
Sale of previously repurchased shares	5.5	-	5.5	-
Subscription for shares	26.8	10.9	26.8	10.9
Translation difference	-	-	-8.2	-16.1
Net profit/loss for the year	178.7	74.6	-16.0	-186.9
Closing balance, shareholders' equity	1,504.8	1,293.8	1,030.9	1,026.7

CONSOLIDATED PROFIT/LOSS BEFORE GOODWILL AMORTISATION

Subsidiary	Net sales		Operating profit/loss before goodwill amortisation	
	Full year 2004	Full year 2003	Full year 2004	Full year 2003
Cygate	854.3	787.0	37.4	4.2
Carl Bro*	2,417.6	-	77.9	-
Parere (formerly PAHR)**	50.0	211.2	7.8	40.3
Xdin**	210.5	200.1	13.4	9.4
Textilia (formerly Simonsen)	791.1	866.4	-5.2	12.0
Retea	46.0	43.1	6.0	4.5
Citat	354.1	219.0	11.6	4.9
Vittra	449.6	386.0	2.4	-12.2
Appelberg	64.2	73.1	4.0	-2.6
Stark**	41.6	58.9	0.4	-5.8
Mercuri	635.2	632.1	40.5	9.9
Informator Training Group**	27.2	152.0	-3.3	-15.2
Appgate**	10.5	17.0	-4.8	-1.7
Other**	24.7	130.9	-12.2	-12.5
Sub-total	5,976.6	3,776.8	175.9	35.2
Shares in profit of associated companies*			25.6	-85.0
Sold companies and acquired companies before acquisition date*	-190.9		3.0	0.2
Write-downs			-22.6	-32.6
Write-backs			-	99.2
Parent Company administrative expenses			-60.7	-119.1
Exit gains/losses			127.0	217.8
Other	-1.2	-9.0	7.2	-57.8
Total Group	5,784.5	3,767.8	255.4	57.9

* Carl Bro is consolidated as a subsidiary with effect from February 2004. Bure's profit share in Carl Bro for January is reported under "Shares in profit of associated companies".

** The companies were divested during the year and are included in the statement of income until the date of sale.

SEGMENT REPORTING (PRIMARY SEGMENT: COMPANIES)

Subsidiary	Net sales		Operating profit/loss after goodwill amortisation*	
	Full year 2004	Full year 2003	Full year 2004	Full year 2003
Cygate	854.3	787.0	27.3	-6.4
Carl Bro**	2,417.6	–	49.4	–
Parere (formerly PAHR)	50.0	211.2	1.5	11.8
Xdin	210.5	200.1	12.6	8.3
Textilia (formerly Simonsen)	791.1	866.4	-5.5	12.0
Retea	46.0	43.1	3.8	2.3
Citat	354.1	219.0	-0.9	-7.1
Vittra	449.6	386.0	0.0	-14.0
Appelberg	64.2	73.1	0.2	-15.8
Stark	41.6	58.9	-11.1	-11.4
Mercuri	635.2	632.1	19.7	-14.4
Informator Training Group	27.2	152.0	-1.8	-42.6
Appgate	10.5	17.0	-5.0	-1.8
Other	24.7	130.9	-12.1	-14.0
Sub-total	5,976.6	3,776.8	78.1	-93.1
Shares in profit of associated companies**			25.6	-85.0
Sold companies and acquired companies before the acquisition date**	-190.9		4.5	0.2
Write-downs			-22.6	-32.6
Write-backs			-	99.2
Parent Company administrative expenses			-60.7	-119.1
Exit gains/losses			127.0	217.8
Other	-1.2	-9.0	7.2	-58.0
Total Group	5,784.5	3,767.8	159.1	-70.6

* Including Bure's amortisation and write-downs of consolidated goodwill.

** Carl Bro is consolidated as a subsidiary with effect from February 2004. Bure's profit share in Carl Bro for January is reported under "Shares in profit of associated companies".

ADOPTION OF IFRS

Bure intends to prepare its financial statements with the full application of IFRS starting in 2005. The preliminary effects of the transition to IFRS on Bure's consolidated financial statements are shown on page 15.

ACCOUNTING PRINCIPLES

This year-end report has been prepared in accordance with the Swedish Financial Accounting Standards Council's (SFASC) recommendation RR 20, Interim reporting. With effect from 1 January 2004 Bure applies the SFASC's recommendation RR 29, Employee benefits. Retirement pension and survivor pension commitments for salaried employees in Sweden are secured through pension insurance in Alecta. According to a statement from the SFASC's Urgent Issues Task Force, URA 42, this is a multi-employer plan. For the financial year 2004 the company has not had full access to the information needed to report this plan as a defined benefit plan. The ITP-based pension plan is secured through pension insurance in Alecta is therefore reported as a defined contribution plan. The effects of RR 29 with respect to earlier periods perioder have been adjusted against shareholders' equity. In all other respects, the accounting principles are the same of those used in the latest adopted annual report.

UNLISTED HOLDINGS

SYSTEM

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	418	313	1,207	1,046
Operating expenses	-382	-279	-1,147	-986
Operating profit before goodwill amort. and items affecting comparability	36	34	60	60
%	8,6	11,0	5,0	5,7
Items affecting comparability	0	0	0	0
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	-1	-1	-1	-1
Operating profit before goodwill amort.	35	33	59	59
%	8,3	10,6	4,9	5,6
Goodwill amortisation	-7	-8	-20	-25
Operating profit	28	25	39	34
Net financial items	-1	-1	-2	-2
Profit before tax	27	24	37	32
Minority shares and taxes	-8	-4	-13	-10
Net profit	19	20	24	22

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	34	8	15	8
Total assets			573	512
Shareholders' equity			288	245
Equity ratio, %			50	48
Net loan liability(-)/receivable(+)			86	44
Average number of employees			969	865

- The year's earnings trend was on par with 2003.
- During the year, System further strengthened its position as one of the Nordic region's leading suppliers of Microsoft's ERP systems through the acquisition of Navigera.
- Several important agreements were signed in 2004 with customers such as Sweden Post, Västra Götalandsregionen, Kalmar Industrier and a number of universities and colleges.

System is a provider of IT consultancy services for small and medium-sized enterprises (SMEs) and specialised Global ERP, enterprise solutions and systems management services for large companies. System also offers a comprehensive range of managed IT and operating services in a secure environment.

system.se

Chairman: Lennart Svantesson

President: Niclas Ekblad

CYGATE

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	224	227	854	787
Operating expenses	-217	-213	-816	-763
Operating profit before goodwill amort. and items affecting comparability	7	14	38	24
%	2,9	6,1	4,4	3,1
Items affecting comparability	0	-2	0	-20
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	0	0	0	0
Operating profit before goodwill amort.	7	12	38	4
%	2,9	5,1	4,4	0,5
Goodwill amortisation	-1	-2	-5	-5
Operating profit	6	10	33	-1
Net financial items	0	1	-1	0
Profit before tax	6	11	32	-1
Minority shares and taxes	3	-2	1	-8
Net profit/loss	9	9	33	-9

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	-1	-1	9	6
Cash flow from operating activities	2	18	22	0
Total assets			350	332
Shareholders' equity			110	77
Equity ratio, %			31	23
Net loan liability(-)/receivable(+)			15	-5
Average number of employees			258	287

- Cygate reported organic growth of 9 per cent and earnings growth of 54 per cent.
- In 2004 Cygate further strengthened its market position. Agreements were signed with Systembolaget, VAG, the Finnish parliament, My Travel and Region Skåne, among others.
- The Swedish operation showed strong growth and now holds a leading position in its market. Agreements were signed for delivery of a platform for the first large-scale Triple Play solutions (data, voice and video over broadband).

Cygate offers secure and managed IP network solutions. Cygate designs, builds, implements and maintains secure IT infrastructure based on its own and partner products.

cygategroup.com

Chairman: Örjan Serner

President: Bengt Lundgren

CARL BRO

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	673	638	2,417	2,444
Operating expenses	-625	-675	-2,351	-2,474
Operating profit/loss before goodwill amort. and items affecting comparability	48	-37	66	-30
%	7,2	-5,8	2,7	-1,2
Items affecting comparability	12	-20	12	-20
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	0	0	0	-1
Operating profit/loss before goodwill amort.	60	-57	78	-51
%	8,9	-8,9	3,2	-2,1
Goodwill amortisation	-5	-4	-18	-18
Operating profit	55	-61	60	-69
Net financial items	-1	-10	-11	-19
Profit/loss before tax	54	-71	49	-88
Minority shares and taxes	-11	4	-15	6
Net profit/loss	43	-67	34	-82

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	5	-6	-1	-9
Cash flow from operating activities	31	-	38	-
Total assets			985	1,050
Shareholders' equity			212	89
Equity ratio, %			21	8
Net loan liability(-)/receivable(+)			-99	-215
Average number of employees			2,543	2,689

- After several years, consolidated earnings rose sharply over the previous year and the Group showed a profit in 2004. Fourth quarter earnings were boosted by revenue earned throughout the financial year for which the outcome was previously unknown.
- A number of measures were taken in 2004 to improve profitability in the Danish and Swedish operations.
- The renegotiation of a general agreement in the UK operations led to rising market shares, thus creating a stable platform for the coming year.

Carl Bro is an international consulting engineering company with services in building, transportation, energy, infrastructure, water & environment, industry & marine, IT & GIS and international donor-funded projects.

carlbro.com

Chairman: Lennart Svantesson

President: Birgit W. Norgaard

MERCURI INTERNATIONAL

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	180	172	635	632
Operating expenses	-161	-155	-589	-613
Operating profit before goodwill amort. and items affecting comparability	19	17	46	19
%	10.8	0.7	7.3	3.0
Items affecting comparability	1	-10	-6	-10
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	1	1	1	1
Operating profit before goodwill amort.	21	8	41	10
%	11.3	4.5	6.4	1.6
Goodwill amortisation	-7	-10	-20	-24
Operating profit/loss	14	-2	21	-14
Net financial items*	-3	-7	-10	-19
Profit/loss before tax	11	-9	11	-33
Minority shares and taxes	-1	-5	-11	-14
Net profit/loss	10	-14	0	-47

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	5	-13	1	-12
Cash flow from operating activities	33	28	25	10
Total assets			524	510
Shareholders' equity			173	94
Equity ratio, %			33	19
Net loan liability(-)/receivable(+)			-76	-141
Average number of employees			580	600

* Net financial items above include a non-recurring expense of SEK -2M.

- In 2004 Mercuri achieved robust earnings growth over the preceding year through a stronger focus on sales and enhanced operating efficiency.
- Thanks to its strong international network, Mercuri is well poised to benefit from an increased focus on international contract procurement.
- Nicole Dereumaux took up duties as the new President & CEO in March 2004.

Mercuri International one of the world's leading sales and management training consultancies, with global coverage through its wholly owned subsidiaries and franchisees.

mercuri.net

Chairman: Lennart Svantesson

President: Nicole Dereumaux

CITAT

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	99	58	354	219
Operating expenses	-95	-58	-342	-209
Operating profit before goodwill amort. and items affecting comparability	4	0	12	10
%	4.0	0.0	3.3	4.4
Items affecting comparability	0	-5	0	-5
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	0	0	0	0
Operating profit/loss before goodwill amort.	4	-5	12	5
%	4.2	-8.3	3.3	2.2
Goodwill amortisation	-2	-2	-10	-9
Operating profit/loss	2	-7	2	-4
Net financial items	0	-1	-2	-4
Profit/loss before tax	2	-8	0	-8
Minority shares and taxes	-2	10	-3	8
Net profit/loss	0	2	-3	0

Key figures

SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	70	9	62	-2
Cash flow from operating activities	11	16	18	3
Total assets			213	210
Shareholders' equity			111	47
Equity ratio, %			52	22
Net loan liability(-)/receivable(+)			-19	-84
Average number of employees			304	216

- Citat showed strong growth during the year, at the expense of somewhat weaker profit margins.
- Citat won several new customers and contracts during the year, leading to organic growth of 19 per cent. New customers include Arla, Interface Europe, Kährs, the Swedish Ministry of Defence, Ica and Swedish Match.
- In the spring of 2004 Ericsson outsourced its entire group editorial team to Citat. The contract runs for three years and is the large communications assignment in Sweden.
- For the third consecutive year, Gartner Group ranked Citat as the European market leader Marketing Resource Management.

Citat helps its customers to improve the efficiency of their marketing and communications by offering a combination of consultancy services, system solutions and production.

citat.se

Chairman: Örjan Serner

President: Magnus Lundblad

VITTRA

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	120	87	449	386
Operating expenses	-115	-97	-447	-398
Operating profit/loss before goodwill amort. and items affecting comparability	5	-10	2	-12
%	4.3	-10.9	0.5	-3.2
Items affecting comparability	0	0	0	0
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	0	0	0	0
Operating profit/loss before goodwill amort.	5	-10	2	-12
%	4.3	-10.9	0.5	-3.2
Goodwill amortisation	-1	0	-1	-1
Operating profit	4	-10	1	-13
Net financial items	-1	-1	-5	-2
Profit before tax	3	-11	-4	-15
Minority shares and taxes	1	2	1	4
Net profit	4	-9	-3	-11

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	38	41	16	37
Cash flow from operating activities*	8	1	14	3
Total assets			357	258
Shareholders' equity			111	91
Equity ratio, %			31	35
Net loan liability(-)/receivable(+)			-116	-23
Average number of employees			568	510

*Cash flow from operating activities before property investments.

- Earnings development is proceeding according to plan. Organic growth over the previous year was 16 per cent.
- The cash flow from operating activities before property investments amounted to SEK 14M.
- After a period of powerful expansion in 2002-2003, the company's focus in 2004 was on maintaining and enhancing quality in both newly opened and existing schools.

Vittra has been entrusted with the care of some 7,000 pupils at its 26 pre-schools, compulsory schools and secondary schools throughout Sweden. Part of the Vittra model is an individual development plan for each child.

vittra.se

Chairman: Lennart Svantesson

President: Stig Johansson

RETEA

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	14	13	46	43
Operating expenses	-11	-10	-40	-38
Operating profit before goodwill amort. and items affecting comparability	3	3	6	5
%	22.3	19.4	13.0	10.4
Items affecting comparability	0	0	0	0
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	0	0	0	0
Operating profit before goodwill amort. %	3	3	6	5
%	22.3	19.4	13.0	10.4
Goodwill amortisation	0	0	0	0
Operating profit	3	3	6	5
Net financial items	0	0	0	0
Profit before tax	3	3	6	5
Minority shares and taxes	-1	-1	-2	-1
Net profit	2	2	4	4

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	12	2	7	-2
Cash flow from operating activities	4	5	4	4
Total assets			23	22
Shareholders' equity			9	9
Equity ratio, %			41	41
Net loan liability(-)/receivable(+)			9	9
Average number of employees			51	51

- Continued positive earnings trend with a operating margin 13 per cent.
- Several important general agreements were signed during the year, of which Vattenfall Eldistribution and the Swedish Agency for Administrative Development were two of the most significant. A successful venture in lighting design has also generated a number of new assignments.

Retea is a Stockholm-based consulting company that delivers technical consulting and procurement services in the fields of data communication, power supply, electrical engineering, power transmission networks, telephony systems and telecommunications.

rete.se

Chairman: Bengt Lundgren

President: Mikael Vatn

TEXTILIA (FORMERLY SIMONSEN)

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	186	206	791	866
Operating expenses	-191	-202	-793	-855
Operating profit/loss before goodwill amort. and items affecting comparability	-5	4	-2	11
%	-3.0	1.9	-0.2	1.2
Items affecting comparability	-4	2	-3	1
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	0	0	0	0
Operating profit/loss before goodwill amort. %	-9	6	-5	12
%	-4.9	3.1	-0.7	1.4
Goodwill amortisation	0	0	0	0
Operating profit/loss	-9	6	-5	12
Net financial items	-1	0	-4	0
Profit/loss before tax	-10	6	-9	12
Minority shares and taxes	-12	0	-12	-1
Net profit/loss	-22	6	-21	11

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	-10	-15	-9	-8
Cash flow from operating activities	-15	-4	-31	-50
Total assets			289	323
Shareholders' equity			88	93
Equity ratio, %			30	29
Net loan liability(-)/receivable(+)			-97	-78
Average number of employees			534	525

- The year's development was weak. The effects of completed modernisations in the production facilities did not reach full effect in 2004.
- In connection with the sale of the Materials division at year-end, Simonsen Sverige AB changed name to Textilia Tvätt & Textilservice AB.
- In 2004 Textilia won a five-year contract from the County Council of Västerbotten and renewed its contract with the Swedish Defence. At the same time, the County Council of Värmland terminated its agreement with effect from March 2005.

Textilia provides total textile services solutions, primarily for the medical and health care, hotel and military sectors, including textile rental, laundering, as well as departmental and personally labelled textiles.

textiliaab.se

Chairman: Örjan Serner

President: Sven Ek

APPELBERG PUBLISHING AGENCY

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	17	18	64	73
Operating expenses	-16	-17	-59	-73
Operating profit before goodwill amort. and items affecting comparability	1	1	5	0
%	3.1	5.5	8.7	-0.3
Items affecting comparability	0	-1	-1	-2
Exit gains/losses	0	0	0	0
Shares in profit of associated companies		0	0	0
0				
Operating profit before goodwill amort. %	1	0	4	-2
%	3.1	-0.6	6.3	-3.5
Goodwill amortisation	0	-9	0	-10
Operating profit/loss	1	-9	4	-12
Net financial items	0	-1	0	-2
Profit/loss before tax	1	-10	4	-14
Minority shares and taxes	-2	0	-2	0
Net profit/loss	-1	-10	2	-14

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	-9	-39	-12	-19
Cash flow from operating activities	5	-4	5	2
Total assets			19	20
Shareholders' equity			5	4
Equity ratio, %			27	20
Net loan liability(-)/receivable(+)			7	6
Average number of employees			43	63

- During the year, Appelberg underwent a number of changes with a focus on improving the company's profitability and financial strength. Internal processes were reviewed, central costs minimised and the number of employees reduced by 20 (32 per cent) compared with the preceding year.

Appelberg Publishing Agency is one of Sweden's leading companies in PR and editorial communication. Appelberg's speciality is the creation of professional newsletters, magazines, other printed materials, websites, communication strategy and PR.

appelberg.com

Chairman: Örjan Serner

President: Mats Edman

CELEMI

Statement of income SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Net sales	24	31	79	104
Operating expenses	-21	-33	-80	-102
Operating profit before goodwill amort. and items affecting comparability	3	-2	-1	2
%	17.4	-6.1	-1.5	2.0
Items affecting comparability	-4	0	-4	0
Exit gains/losses	0	0	0	0
Shares in profit of associated companies	0	0	0	0
Operating profit/loss before goodwill amort.	-1	-2	-5	2
%	-2.1	-6.1	-6.9	2.2
Goodwill amortisation	0	0	-1	-1
Operating profit/loss	-1	-2	-6	1
Net financial items	-2	-1	-1	-1
Profit/loss before tax	-3	-3	-7	0
Minority shares and taxes	-1	0	-1	-1
Net profit/loss	-4	-3	-8	-1

Key figures SEK M	Q4 2004	Q4 2003	Full year 2004	Full year 2003
Growth, %	-23	-13	-24	-13
Cash flow from operating activities	1	5	-4	-3
Total assets			32	44
Shareholders' equity			16	24
Equity ratio, %			50	55
Net loan liability(-)/receivable(+)			-5	-2
Average number of employees			55	59

■ Celemi reported a weak result during the year and an action programme has been launched to return the company to profitability.

■ In October Margareta Barchan took over as President of Celemi.

Celemi helps large enterprises to rapidly and efficiently communicate key messages and to motivate and mobilise people to act in line with company objectives. Business simulations and customised solutions help people to understand the big picture and how they can contribute – a critical condition for strategic change and visible results. The company is active in more than 30 countries and has around 60 employees.

celemi.se

Chairman: Göran Havander

President: Margareta Barchan

OTHER HOLDINGS

SCRIBONA

■ Operating profit for the full year was SEK 98M (20) and profit after tax was SEK 54M (1). The corresponding figure for the fourth quarter was SEK 61M (59) and profit after tax was SEK 42M (52).

Scribona is the Nordic region's leading provider of IT products and solutions. The Scribona share is quoted on the A list of the Stockholm Stock Exchange and has a secondary listing on the Oslo Stock Exchange.

As of 18 January 2005, Bure's holding in Scribona amounts to 23 per cent of the share capital. At year-end the holding was 35 per cent.

scribona.se

Chairman: Mats Ola Palm

President: Tom Ekevall Larsen

MÖLNLYCKE HEALTH CARE

■ The strongest quarter in the company's history. Operating profit before goodwill amortisation rose by SEK 158M to SEK 202M (44) in the fourth quarter and by SEK 198M to SEK 622M (424) for the full year. Net sales in the fourth quarter were up by 11 per cent to SEK 1,133M (1,020). Net sales for the full year reached SEK 4,349M.

Mölnlycke Health Care is one of the world's leading providers of surgical and wound care products. Surgical products include single-use medical devices, mainly surgical gowns and supplementary drapes for hospitals, and accounts for around 75 per cent of the company's total sales. In the wound care product area, the company's in-house developed and patented Safetac technology has shown annual growth of around 30 per cent. The company has annual sales of close to SEK 4.5 billion and some 4,000 employees, of whom more than 3,000 work at the production units in Belgium, Finland, Mexico, Thailand and the Czech Republic.

Bure's holding in Mölnlycke Health Care is 7.5 per cent.

molnlycke.net

Chairman: Gösta Wiking

President: Finn Johnsson

VENTURE CAPITAL

In 2003 Bure gathered together a number of venture capital companies in the subsidiary CR&T Ventures. The objective was to carry out a structured liquidation of this portfolio. The liquidation process continued in 2004 and Bure's remaining holdings at year-end consisted of Kreatel Communications (6%), Mitra Medical (5%) and Voxi (17%).

Bure divested its holding in Innovationskapital's fond III during the year. The sale provided net proceeds of SEK 10M and a reduction in future investment commitments of around SEK 40M. Today Bure has no remaining investments commitments in the venture capital sector.

RECONCILIATION OF THE FINANCIAL STATEMENTS AGAINST IFRS (PRELIMINARY) STATEMENTS OF INCOME, GROUP

SEK M	Full year 2004	IFRS adjustment	Acc. to IFRS 2004
Net sales	5,784.5		5,784.5
Operating expenses	-5,681.7	-2.8	-5,684.5
of which, write-downs	-22.6		-22.6
of which, write-backs	0.0		0.0
Exit gains	134.9	-6.0	128.9
Exit losses	-7.9	-2.7	-10.6
Shares in profit of associated companies	25.6	20.7	46.3
Operating profit before goodwill amortisation	255.4	9.2	264.6
Goodwill amortisation and write-downs	-96.3	85.3	-11.0
Operating profit	159.1	94.5	253.6
Net financial items	-114.0		-114.0
Profit after net financial items	45.1	94.5	139.6
Taxes	-40.8		-40.8
Minority interests	-20.3	20.3	-
Net profit for the period	-16.0	114.8	98.8
Of which, minority share in profit according to IFRS			27.7

BALANCE SHEETS, GROUP

SEK M	IFRS adjustment OB 01/2004	31 Dec 2004	IFRS adjustment	Acc. to IFRS 12/2004
Assets				
Intangible assets		752.6	76.8	829.4
Tangible assets	-9.4	777.6	-3.0	765.2
Financial assets	2.7	779.2	20.7	802.6
Inventories, etc.		189.8		189.8
Current receivables		1,132.0		1,132.0
Liquid assets and short-term investments		789.0		789.0
Total assets	-6.7	4,420.2	94.5	4,508.0
Equity, provisions and liabilities				
Shareholders' equity	-6.7	1,046.9	-27.7	1,012.5
Net profit for the year		-16.0	114.8	98.8
Minority interests			104.3	104.3
<i>Sub-total, shareholders' equity according to IFRS</i>				<i>1,215.6</i>
Minority interests		96.9	-96.9	-
Provisions		105.7		105.7
Long-term liabilities		1,854.4		1,854.4
Current liabilities		1,332.3		1,332.3
Total equity, provisions and liabilities	-6.7	4,420.2	94.5	4,508.0

TRANSITION TO IFRS

The above table shows the preliminary effects of IFRS on Bure's consolidated financial statements. The transition is expected to have a significant impact on the Bure Group in two respects – changed rules for planned amortisation of goodwill according to IFRS 3 and changed rules for valuation of shareholdings which do not comprise shares in subsidiaries or associated companies according to IAS 39. Goodwill will no longer be amortised according to plan, but will continue to be written down if a decrease in value occurs. The value will continue to be assessed regularly through impairment testing. Goodwill amortisation in the consolidated statement of income amounted to SEK 85.3M in 2004. Exit gains/losses on sold companies will be changed by amortisation carried out to the date of sale. Shares in profit of associated companies improved by SEK 20.7M attributable to the associated companies' IFRS adjustments and the fact that Bure's acquired goodwill is also not amortised according to IFRS. IAS 27 states that the minority share must be stated as a separate item under shareholders' equity. Bure's unlisted holdings, which do not comprise shares in subsidiaries or associated companies, will be stated at fair value with 31 March as the first valuation date. Previously, reporting at fair value was permitted only if this value was lower than historical cost. In the financial statements of the Parent Company, it is possible to apply the rules corresponding to IAS 39 on a voluntary basis in 2005. Final reconciliation against the current standards will be carried out at the end of 2005. Reporting of financial instruments and the related disclosure requirements according to IAS 32 and 39 will be applied starting in 2005 without mandatory statement of comparative figures. Consequently, the effects of these standards have not been included in the above table. Furthermore, Bure intends to continue reporting associated companies according to the equity method as stated in IAS 28.

FIVE-YEAR SUMMARY

Data per share ¹	2000	2001	2002	2003	2004
Shareholders' equity ("net asset value"), SEK ²	47.56	26.19	6.58	3.86	4.02
Shareholders' equity ("net asset value") after full exercise of subscription warrants, SEK ²	47.56	26.19	6.58	1.40	1.58
Share price, SEK	35.50	20.47	7.17	1.04	1.74
Price/equity ratio, %	75	78	109	74	110
Parent Company equity per share, SEK	27.23	21.78	6.58	3.86	4.02
Parent Company equity per share after full dilution, SEK	27.23	21.78	6.58	1.40	1.58
Consolidated equity per share, SEK	27.75	20.16	6.65	3.05	2.75
Consolidated equity per share after full dilution, SEK	27.75	20.16	6.65	1.19	1.21
Parent Company earnings per share, SEK	11.16	0.47	-14.94	0.31	0.49
Parent Company earnings per share after full dilution, SEK ³	11.16	0.47	-14.94	0.12	0.18
Consolidated earnings per share, SEK	12.63	-1.24	-13.16	-0.77	-0.04
Consolidated earnings per share after full dilution, SEK ³	12.63	-1.24	-13.16	-0.77	-0.04
Number of shares, thousands	158,282	153,495	151,108	334 874	374,575
Number of outstanding warrants, thousands	–	–	–	958 381	922,625
Total number of shares including outstanding warrants, thousands	158,282	153,495	151,108	1,293 255	1,297,200
Number of shares after full dilution according to RR 18, thousands	158,282	153,495	151,108	688 360	982,656
Average number of shares, thousands	158,282	156,038	152,547	241 481	364,450
Average number of shares after full dilution according to RR 18, thousands	158,282	156,038	152,547	635,211	972,531
Key figures					
Dividend paid, SEK per share ^{4, 1}	13.44	1.21	–	–	–
Yield, %	37.9	5.9	–	–	–
Total yield	36.2	-7.2	-62.8	-85.5	67.3
Market capitalisation, SEK M	5,619	3,142	1,083	348	652
Market capitalisation, SEK M after full dilution	5,619	3,142	1,083	1,345	2,257
Net asset value, SEK M	7,528	4,025	995	1,294	1,505
Return on equity, %	40.6	1.9	-75.9	6.5	12.8
Parent Company results and position					
Exit gains/losses, SEK M	2,743.0	590.4	345.1	157.7	132.2
Profit/loss after tax, SEK M	1,766.8	73.5	-2,279.1	74.6	178.7
Total assets, SEK M	4,690	4,649	2 602	2,986	2,586
Shareholders' equity, SEK M	4,310	3,342	995	1,294	1,505
Equity ratio, %	91.9	71.9	38.2	43.3	58.2
Net loan liability(-)/receivable(+)	1,149	-91	-686	-594	-512
Net loan liability(-)/receivable(+) after full exercise of outstanding warrants	1 149	-91	-686	-76	33
Group results and position					
Net sales, SEK M	7,553.4	3,996.7	6,044.5	3,767.8	5,784.5
Profit/loss after tax, SEK M	2,000.3	-193.2	-2,006.9	-186.9	-16.0
Total assets, SEK M	9,106	7 791	4,776	4,440	4,420
Shareholders' equity, SEK M	4,393	3,095	1,005	1,023	1 031
Equity ratio, %	48.2	39.7	21.0	23.0	23.3
Net loan liability	-239	-1,542	-1,950	-1,405	-1,202
Net loan liability after full exercise of outstanding warrants	-239	-1,542	-1,950	-887	-657

¹ All historical data per share has been adjusted for issues with a correction factor in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 18.

² Net asset value for the full years 2002-2004 corresponds to equity per share.

³ In the event of a negative result, the average number of shares before dilution is also used for calculation after dilution.

⁴ Dividends include dividends in the subsidiaries Capio and Observer.



Bure Equity AB (publ), Box 5419, SE-402 29 Gothenburg, Tel: +46 31-708 64 00, Fax: +46 31-708 64 80
Corp. reg. no. 556454-8781, www.bure.se