

[I N T E R I M R E P O R T]

JAN – JUN 2000

Strongest interim results ever

- **Consolidated profit after financial items amounted to SEK 2,403M (286)**
- **Profit per share amounted to SEK 18.05 (1.45)**
- **Net asset value increased by 54 per cent during the period to SEK 97 (48) per share**
- **Bure Health Care - name under change to Capio - improved its operating profit before goodwill by 52 per cent to SEK 90M (59). Operating margin amounted to 5.3 per cent (5.6)**
- **Dimension's strong growth and high profitability continues. Operating profit before goodwill depreciation rose to SEK 50M (33) and at the same time organic growth amounted to 100 per cent**
- **The Parent Company carried out investments in 20 companies to the value of SEK 724M**
- **Three stockmarket listings planned during the autumn**

After the end of the reporting period:

- **Investment AB Bure changes its name to Bure Equity AB, decision by Extraordinary General Meeting on 17 August 2000**
- **Bure's concentration continues - capital gain of SEK 332M on sale of remaining shares in Gunnebo.**

**Bure – a growth and knowledge company within
private equity**

Bure January-June 2000

Group review

Consolidated profit after financial items amounted to SEK 2,403M (286). The result includes a refund of SPP funds of SEK 201M.

During the second quarter, as in the first, business activity was high and characterised by several large divestments which made visible substantial values and capital gains. Total capital gains during the period amounted SEK 2,384M. In addition, the Parent Company carried out investments and supplementary investments in 20 companies amounting to SEK 724M and decided on participation in investment funds of SEK 400M.

In May, Innovationskapital carried out its first divestment, Altitun, which attracted much media attention. Altitun was sold to the American company, ADC Telecommunications. Bure's holding over one and a half years resulted in a capital gain of SEK 202M on an investment of SEK 3M. Payment was received in the form of shares in ADC Telecommunications, which have continued to increase in value. This meant that Bure's holding amounted to the equivalent of approximately SEK 275M on 14 August.

During the period, 9 percentage points of the holding in Gunnebo were sold, which generated a capital gain of SEK 76M. Bure owned 21 per cent in Gunnebo thereafter.

At the beginning of the year, Bure sold the majority of the Framfab shares that it received on the divestment of Guide Konsult. In total, the Guide/Framfab deal generated capital gains of SEK 1,127M. During spring, 11 percentage points of the holding in Observer was divested, which resulted a capital gain of SEK 447M.

During June, Bure sold its entire shareholding in the data distributor AxNet. At the same time the holding in Cygate increased from 62 to 67 per cent.

At 30 June, Bure's net asset value amounted to SEK 10,577M, which is equivalent to SEK 97 per share. The net asset value increased by 54 per cent during the period. Of this increase, approximately half is attributable to revaluation of Bure's unlisted holdings.

At the period-end, the share price amounted to SEK 66. The growth in share price during the year, including dividend paid to the shareholders, amounted to 19.0 per cent. During the same period, the Findata Yield Index rose by 7.3 per cent.

Ahead of the impending distribution to the shareholders and stockmarket, Bure Hälsa och Sjukvård AB will be changing its name to Capio AB (publ). Earnings continue to develop positively with high growth.

The average number of employees in the Group amounted to 8,681 (7,805), of whom 31 (26) are employed in the Parent Company.

Investment in TIME

Bure's strategy is to invest in companies within the TIME sector, i.e. Telecom, Internet, Media and 'Edutainment', with an emphasis on unlisted holdings. The strategy means being involved in growth companies in early phases, partly via funds, as well as large companies in which Bure is able to take a prominent ownership position.

The results of the first six months have meant that Bure has significantly strengthened its financial position. At mid-year, the Parent Company had net loans receivable and, with further divestments that are planned to take place during the autumn, significant scope will be created for investments within the TIME sector. In addition, the market decline for companies in the technology sector provides Bure with excellent opportunities for an increased business flow at more attractive valuations.

This financial strength, in combination with Bure's networks, forms the foundation which will enable Bure to assume a leading role as an investor in TIME on the private equity market.

To define clearly Bure's presence in the private equity sector, the Board of Directors has proposed that the Company will change its name to Bure Equity AB (publ). A decision will be made by an Extraordinary General Meeting on 17 August.

Dimension increased its sales by 100 per cent to SEK 670M. Growth is wholly organic and controlled by very high demand for the company's services. Operating profit before goodwill depreciation amounted to SEK 50M (33). Dimension is intended to be listed on the stockmarket during late autumn 2000.

CRT is one of the most interesting incubator and high technology companies in Sweden with regard to research within the IT and telecom sector. During the second quarter, Bure increased its ownership in CRT from 49 to 65 per cent. At the same time a decision was made to establish a joint fund with CRT, in which CRT's experience within start-ups and development of high technology company

concepts will also be transferred to new external companies. Bure's undertaking in the fund, which will gradually be expanded with additional investors, amounts to SEK 100M.

Following its acquisition of the British company, Romeike Group, Observer is the leading company in Europe within media and social environmental monitoring. Observer's strategy is to increase its international presence and as a result strengthen its position as a partner for large international customers.

At the beginning of the year 2000, Observer carried out a new share issue totalling SEK 825M, of which Bure accounted for SEK 413M. Sifo Research and Consulting and Sifo Interactive Media were divested during the first quarter which generated capital gains totalling SEK 384M. Bure reduced its ownership in Observer by 11 percentage points during the period. The ownership amounts to 38 per cent of the company which had a market value of SEK 2,534M on 30 June.

The companies within the Training and Education operations in Bure are developing positively and total net sales increased to SEK 547M (294). Operating profit before goodwill depreciation amounted to SEK 43M (31). The current annual sales rate is approximately SEK 1,200M. The operating margin amounts to 7.9 per cent in the first six months.

Informator Training Group (ITG) continues its investment in the e-learning sector and acquired 20 per cent of the e-learning company Boxer Technologies in Norway during June. Through this acquisition and the collaboration agreement it entered into during the spring with the American company, DigitalThink Inc, ITG has become the most complete provider of web-based interactive training in Sweden. ITG's sales amount to approximately SEK 230M on an annual basis.

As the first training and education company in Sweden, Vittra has developed an e-learning concept for compulsory and sixth-form schools. The concept, which involves training by electronic means and operates under the name Vittra's Virtuella Värld, will be launched in the sixth-form of the L'estradska School starting this autumn.

Capio to be listed during autumn 2000

Capio is the leading private health care company in the Nordic countries with operations in six countries. Capio has an annual sales rate of approximately SEK 3,300M with high organic growth. Net sales rose by 61 per cent to SEK 1,705M (1,056).

Operating profit before goodwill depreciation amounted to SEK 90M (59), equivalent to an operating margin of 5.3 per cent (5.6). In addition, Capio has taken up SEK 144M as income for refund of SPP funds. Capio publishes a separate six-month report.

Capio has entered the final phase ahead of its quotation on the O list of the OM Stockholm Exchange which is planned during autumn 2000. In connection with the listing, shares in the company will be distributed to Bure's shareholders. For every two shares in Bure, the shareholders will receive one share in Capio.

Parent Company

The Parent Company's profit after tax amounted to SEK 1,677M (292) following write-down of share values by SEK 307M. The result includes net capital gains of SEK 1,933M (145). The result was charged with a cost of SEK 12.4M relating to Bure's liability to holders of synthetic options issued during 1997. On 30 June, the Parent Company's equity ratio amounted to 81 per cent (71). At the turn of the year, the equity ratio was 69 per cent.

The net of the Company's liquidity reserve – which consists of listed shares, interest-bearing receivables less liabilities – amounted to SEK 234M (-341). In addition the Parent Company had agreed unutilised credit facilities amounting to SEK 1,510M (1,020).

Other investments

Chematur's net sales amounted to SEK 129M (284) and operating result before goodwill depreciation to SEK -13M (-24). The work of restructuring the company continues and various routes for Chematur's development and ownership are being examined. The Market for Chematur remains weak.

Gunnebo, the leading European Group within area protection, continued to develop strongly during the second quarter. Profit after financial items increased by 81 per cent to SEK 134M (74), of which items affecting comparability amounted to SEK 36M (0) net. Bure owned 21 per cent in Gunnebo and the value of Bure's holding amounted to SEK 473M at 30 June.

Nobel Biocare increased its net sales by 16 per cent to SEK 999M (860) during the period. Operating profit amounted to SEK 128M (116). On 30 June, the market value of Bure's 15 per cent holding amounted to SEK 734M.

Scribona's operating profit amounted to SEK 85M (27), including a refund of SEK 55M from SPP. For the full-year, Scribona estimates that both operating profit before items affecting

comparability and profit before taxes will improve compared with the previous year. On 30 June, Bure's ownership amounts to 50 per cent with a market value of SEK 385M.

Bure's tax dispute

With reference to the 1993 financial year (Tax 94) Bure is involved in a tax dispute regarding whether or not the Company's investment company status was complied with. Bure has won both in the County Administrative Court and the Administrative Court of Appeal. The National Tax Board has appealed against the judgement of the Administrative Court of Appeal to the Supreme Administrative Court. In the 1999 Annual Report, in which this dispute was reported under Contingent liabilities, Bure's costs were estimated at SEK 187M including interest, should the litigation be lost.

After the end of the reporting period

Change of name

Bure's operations are now clearly focused on the private equity market. The Board of Directors has therefore proposed that the Extraordinary General Meeting on 17 August

will decide to change the Company's name to Bure Equity AB (publ).

Stakeholder programme for Capio AB

The Board of Directors proposes that the Extraordinary Meeting on 17 August approve a stakeholder programme for approximately 3,600 employees and Board Members in Capio AB. The stakeholder programme is aimed at increasing the commitment and motivation of the staff and to make Capio more attractive as an employer.

Divestment of Essex

Within Nordic Capital, Bure's investment has been divested with an exit gain of SEK 25M on an original investment of SEK 16M.

Gunnebo world leader

Gunnebo has acquired Chubb Safes and thus becomes the world leader within physical security. Bure has sold its remaining holding of 4,238 shares in Gunnebo to international and Swedish institutions. The capital gain amounts to SEK 332M in the Parent Company and SEK 221M in the Group.

Net asset value

- Net asset value SEK 97 per share on 30 June.
- Net asset value increased by 54 per cent during the period.
- On 14 August, the net asset value amounted to SEK 94 per share.

Bure's net asset value is calculated as follows:

For listed holdings the market value is decided at the latest price paid per balance sheet date. This also applies to securities holdings in the Parent Company's financial operations.

For unlisted shares the market value has been determined by application of the European Venture Capital Association's (EVCA) valuation recommendations or valuation made by an external

party. EVCA's recommendations mean that the market value has been determined on the basis of the value at the latest transaction in the security in which an external party has taken part, for example at the latest new share issue.

Other unlisted shares are entered at book value. This applies to Udac, Chematur, Simonsen, Vittra, Vendator, Systeam, Locus Medicus, etc.

Bure Finans includes the Parent Company's other securities holdings, in which listed holdings have been entered at market value, and the net of all other assets and liabilities at book value.

Share data	30 Jun 2000	30 Jun 1999	31 Dec 1999	31 Dec 1998
Number of shares, 000	109 100	109 100	109 100	109 100
Number of owners	21 656	17 200	21 300	13 200
of whom non-Swedish, %	26	29	21	34
Dividend, SEK per share	-	-	3,00 ²⁾	2,88
Share price	66,00	51,00	58,00	57,50
Yield ¹⁾ , %	-	-	5,2	5,0
Total yield, %	19,0	neg.	5,9	15,3

¹⁾ Calculated on the share price on the balance sheet date

²⁾ Dividend in April 2000

Funds

Innovationskapital

Innovationskapital consists of two funds totalling SEK 200M and SEK 350M, respectively. Investments are made in companies which are in early development stages within Information & Communication Technology and Health Care. Bure's investment undertaking in Innovationskapital amounts to 23 per cent of the funds or SEK 120M. So far Bure has invested SEK 52M.

At the beginning of May, Innovationskapital carried out its first real divestment when the 15 per cent holding in Altitun was sold to the American Nasdaq listed company, ADC Telecommunications. Payment was received in shares which, when the deal was struck, were quoted at USD 62 per share. The value of the shares in ADC Telecommunications has since risen and the value of Bure's holding amounted to approximately SEK 275M on 14 August.

Innovationskapital's portfolio consists of investments in the following companies:

Altitun/ADC	MathCore
AppGate	MedEikonos
Arexis	Mitra
Biolnvent	Printeurope
Carmen	Proximion
Formex	Radians
Heptagon	Red Message
Incirco	Samba
Intermezzon	Simtra
Kreatel	Spotfire

On 30 June, Innovationskapital's investments amounted to SEK 222M whereas the market value, calculated in accordance with EVCA's recommendations, amounted to SEK 2,200M. The companies Biolnvent, Carmen Systems, Kreatel and Spotfire plan stockmarket listings during 2001.

Nordic Capital

Bure's investments within the framework of Nordic Capital amounted to SEK 375M. Bure's largest investment within the fund consists of Mölnlycke Health Care, SEK 93M and a 13 per cent ownership. During the second quarter, Nordic Capital's fourth fund was established for a total of SEK 7,000M, in which Bure participates with an investment undertaking of SEK 300M. After the end of the reporting period the holding in Essex was divested which involved an exit gain for Bure of SEK 25M on an original investment of SEK 16M.

Cross Atlantic Partner and Abbingdon Venture

These are funds that invest in American companies which are in early development stages. Bure participates in the funds with a total investment undertaking of USD 6M. The book value of Bure's investment in the funds amounts to USD 2.8M.

From the funds six companies have been listed so far at which Bure has made visible surplus values amounting to SEK 52M.

Investments within TIME

Investments within Training and Education

Mercuri International is the leading competence development company in Europe within sales and leader development. Net sales increased by 122 per cent to SEK 360M (162) mainly as a result of acquisitions. Operating profit before goodwill depreciation improved to SEK 33.5M (18.1), whereas the operating margin is lower compared with the previous year. This is because large costs for common concept and product development for the Mercuri companies are charged to profit in order to secure long-term profitability.

Informator Training Group is the leading IT training company in Sweden. Extensive

development work for introduction of e-learning models is underway and at the same time the acquisition of Boxer Technologies was carried out during the period. Informator's sales increased by 22 per cent to SEK 113M (93). Operating profit before goodwill depreciation amounted to SEK 9.2M (13.9). In spite of increased volumes the IT training market is characterised by relatively low activity pending new product launches.

Vittra is the leading independent school company in Sweden with 12 schools in operation. During the autumn, 2000 an additional four schools will start up, including the L'estradska School in Stockholm with capacity for 900 students from compulsory to

sixth form level. During the period, Vittra's net sales rose by 33 per cent to SEK 52M (39). Operating profit before goodwill depreciation amounted to SEK 1.3M (-0.9). Planning is underway for starting up an additional four schools during autumn 2001. Costs for this are charged to profit on a current basis.

Systeam

Systeam specialises in standardised business systems and IT solutions for small and medium-sized companies. The company is the leader in Sweden in consulting services relating to the implementation of the business systems, JD Edwards and Jeeves.

- Systeam's sales rose by 12 per cent compared with the previous year but with reduced operating profit. In common with other IT consulting companies, Systeam had lower capacity utilisation than expected which impacted negatively on profit.

Cygate

Cygate focuses on designing and constructing networks for the new Internet economy. Through scaleable, reliable and safe networks, Cygate makes its customers more competitive. Cygate is established in six countries around the Baltic and uses products from companies like Cisco, Ascend, Nokia, etc, in its solutions.

- Cygate turned a loss in the last six months of 1999 into a profit in the first half of the year 2000, partly through intensive consumer marketing. This led to Cygate being named the best network integrator in Denmark.

- The company's results are developing positively.

Dimension

Dimension is a leading company within infrastructure solutions for business-critical systems, server solutions, storage, middleware and services for the TIME sector, finance as well as industry and trading. Operations are located in Sweden and Norway.

- Dimension's development is very strong and its market domination in business-critical systems strengthened still further. The company's sales rose organically by 100 per cent and operating profit increased by 50 per cent.

- Through a number of large customer transactions and strong underlying growth, Dimension reports continued high order inflow.

- A listing on the OM Stockholm Exchange is planned in late autumn.

Citat

Citat is the leading market communication company in Sweden with a focus on short lead times within the communication process.

- Citat's rapid expansion continues. Sales rose by 44 per cent compared with the same period in the previous year. A fall in profit in one of the subsidiaries and the planned investments in continued high growth is having a negative effect on the period's profit.

- An agreement in principle has been made to acquire Data Unit, the IT consulting company. As a result Citat is further strengthening its full-range offer, Communication Just in Time.

- The aim is to list the company on the OM Stockholm Exchange during the year.

CRT

CRT is the leading incubation company in the Nordic countries for high technology companies in datalogy and computer technology which through advanced research and consulting work identifies and explores ideas with the aim of commercialising them. CRT's incubator operations currently include Spotfire, Appgate, Pilotfish and Gatespace. The company is established in Gothenburg, Stockholm and Linköping. During the period, Bure increased its ownership from 49 to 65 per cent.

- By extending its ownership in Gatespace, CRT made visible surplus values of SEK 34M in the form of capital gains during the period.

- According to external valuations, CRT's incubator portfolio has a value of SEK 1,630M, of which CRT's own participation amounts to SEK 255M.

Buyonet

Buyonet is a leading international reseller of directly downloadable software via the Internet with sales in more than 130 countries.

- Bure together with Pricoa Capital Group Ltd carried out a new share issue for USD 6M in Buyonet International Inc.

- Bure's ownership amounts to 27 per cent with a market value of SEK 54M.

Observer

Observer's six-month report is published on 22 August.

[SYSTEAM]

[CYGATE]

[DIMENSION]

Statement of Income, SEK M	Six months 2000	Six months 1999	Rolling 12 months	Six months 2000	Six months 1999	Rolling 12 months	Six months 2000	Six months 1999	Rolling 12 months
Net sales	338	301	661	325	288	609	670	334	1105
Operating expenses	-343	-261	-624	-322	-284	-628	-620	-301	-1013
Shares in results of associated companies	0	0	0	0	0	0	0	0	0
Operating profit before goodwill depreciation	-5	40	37	3	4	-19	50	33	92
Goodwill depreciation	-4	-3	-7	-2	0	-3	-0	0	0
Operating profit	-9	37	30	1	4	-22	50	33	92
Key figures									
Growth, %	12	20	-	13	-		100	53	-
Cash flow in operations before investments ¹	-	-	-	7	-11	16	17	12	55
Cash flow in operations after investments ¹	-	-	-	3	-16	9	14	11	46
Return on capital employed in operations, %	neg.	-	-	3	2	-	31	34.0	69
Bure's invested capital, SEK M	255	214		343	292		158	155	
Ownership of capital, %	30	30		67	62		69	69	
Average number of employees	579	459		227	190		156	106	

[CITAT]

[TRAINING AND
EDUCATION
OPERATIONS]

Statements of Income	Six months 2000	Six months 1999	Rolling 12 months	Six months 2000	Six months 1999	Rolling 12 months
Net sales	141	98	250	547	294	980
Operating expenses	-145	-91	-256	-504	-263	-912
Shares in results of associated companies	0	0	0	0	0	0
Operating profit before goodwill depreciation	-4	7	-6	43	31	68
Goodwill depreciation	-2	-1	-4	-16	-7	-25
Operating profit	-6	6	-10	27	24	43
Key figures						
Growth, %	44.2	17.3	-	185		
Cash flow in operations before investment ¹⁾	-5	12	-6	7		85
Cash flow in operations after investments ¹⁾	-13	10	-18	-7		22
Return on capital employed in operations	neg.	24		51		
Bure's invested capital, SEK M	32	33		424		
Ownership of capital, %	76	82		100		
Average number of employees	260	163		950		

1) Cash flow not available for associated companies

	Bure Group			Bure, excluding Bure Health Care		
Consolidated Statements of Income, SEK M	Six months 2000	Six months 1999	Full- year 1999	Six months 2000	Six months 1999	Full- year 1999
Net sales	4 550	7 641	15 444	2 845	6 588	13 177
Operating expenses	-4 465	-7 430	-15 262	-2 821	-6 436	-13 115
Refund from SPP**	201	-	-	56	-	-
Exit result	2 292	40	276	2 292	40	275
Shares in results of associated companies	86	27	77	85	27	75
Operating profit before goodwill depreciation	2 664	278	535	2 457	219	412
Goodwill depreciation	-308	-94	-235	-269	-65	-173
Operating profit	2 356	184	300	2 188	154	239
Dividends	23	29	33	23	29	33
Other capital gains	92	105	209	91	104	209
Interest income	36	31	59	28	26	41
Interest expenses	-105	-68	-162	-93	-53	-129
Other financial items	1	5	8	-	2	8
Profit after financial items*	2 403	286	447	2 237	262	401
Minority interest	-309	-35	-64	-278	-36	-59
Taxes	-126	-81	-159	-115	-68	-111
Net profit	1 968	170	224	1 844	158	231

* Operating profit includes write-downs of SEK 224M.

** Refund from SPP also includes our share of the associated companies' refund.

	Bure Group			Bure, excluding Bure Health Care		
Consolidated Balance Sheets, SEK M	30 Jun 2000	30 Jun 1999	31 Dec 1999	30 Jun 2000	30 Jun 1999	31 Dec 1999
Assets						
Fixed assets	8 673	6 526	8 448	6 973	-	6 924
<i>Of which goodwill</i>	3 846	2 581	4 193	2 921	-	3 253
Current assets	4 316	4 749	2 913	3 376	-	2 094
Total assets	12 989	11 275	11 361	10 349	-	9 018
Equity and liabilities						
Equity	5 732	4 020	4 054	4 401	-	2 885
Minority interest	1 090	613	264	1 014	-	218
Provisions	369	256	331	313	-	275
Long-term liabilities	1 776	1 230	2 171	1 566	-	1 921
Current liabilities	4 022	5 156	4 541	3 055	-	3 719
Total equity and liabilities	12 989	11 275	11 361	10 349	-	9 018

	Bure Group			Bure, excluding Bure Health Care		
	Six months 2000	Six months 1999	Full- year 1999	Six months 2000	Six months 1999	Full- year 1999
Consolidated Cash Flow Analysis						
Cash flow from operations	649	390	606	405	-	-
Change in working capital	-808	-418	-220	-827	-	-
Cash flow from current operations	-159	-28	386	-422	-	-
Investment operations						
Acquisition of subsidiaries and associated companies	-254	-842	-2844			
Sale of subsidiaries and associated companies	2 602	69	335			
Investment in other fixed assets	-112	-241	-402			
Cash flow after investments	2 077	-1 042	-2 525			
Financial operations	-1 637	1 045	2729			
The period's cash flow	440	3	204			

Roger Holtback
President and CEO

Gothenburg, 17 August 2000
Investment AB Bure (publ)

Future Reports:

Nine-Month Report, 30 October
Preliminary Accounts Report 21 February
2001

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Information is also available on
www.bure.se

Audit Report

We have reviewed this Interim Report. The examination has been carried out in accordance with the recommendation issued by the Swedish Institute of Authorised Public Accountants, FAR. The market-listed associated companies, which are reported in accordance with the equity method, are not included in this Report. A review is significantly limited compared with an audit. Nothing has emerged which indicates that the Interim Report does not comply with the requirements of the Stock Market and Annual Account Acts
Gothenburg, 17 August 2000.

Bertel Enlund
Authorised Public
Accountant

Lars Träff
Authorised Public
Accountant

Telephone conversation in English

On 17 August 2000, at 18.00CET, 17.00UK, a telephone conversation will take place in English with a presentation of Bure Interim Report January-June 2000 by the President, Roger Holtback. Entitled to take part are journalists and professional operators on the capital market. Notification by telephoning +44 20 8781 0563. Participants should quote Bure AB and Mr Roger Holtback.

Welcome.

Telephone conversation in Swedish

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Welcome.