



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

JANUARY - JUNE 2000

Bure Health Care changes its name to Capio

- **Bure Health Care Group is preparing for listing on the O list of the OM Stockholm Exchange this autumn.**
- **Net sales rose by 61 per cent and amounted to SEK 1,705M (1,056). Organic growth amounted to 10 per cent**
- **Earnings before goodwill amortization increased by 52 per cent to SEK 90M (59) including items affecting comparability, equivalent to an operating margin of 5.3 per cent (5.6)**
- **Items affecting comparability amounted to SEK 117M**
- **Earnings after financial items amounted to SEK 197M.**

After the end of the reporting period:

- **An agreement has been made to acquire the remaining 50 per cent of the shares in the Norwegian Volvat Group via a non-cash issue**
- **The Board of Directors of Investment AB Bure will propose that the Extraordinary General Meeting decide that an employee shareholder ownership programme for Bure Health Care will be established.**

” In close collaboration with our principals we realise new methods, systems and concepts which develop operations and make them more efficient for the benefit of both patients and purchasers. ”



Bure Health Care January-June 2000

Bure Health Care's fundamental philosophy - to be a complement in the comprehensive care supply market and not just an alternative to public sector produced care – is getting increasing support.

Bure Health Care is the leading private care provider in the Nordic Countries. Operations have reached a size which means that our medical expertise and operations knowledge are increasingly being requested by public sector principals as well as patients, companies and insurance companies.

The Group showed continued stable development. Especially positive is the development in the Healthcare Services business sector in which psychiatry and occupational health care enjoyed a very positive first six months.

Consolidated net sales rose by 61 per cent and amounted to SEK 1,705M (1,056).

Consolidated earnings before goodwill amortization increased by 52 per cent to SEK 90M (59), excluding items affecting comparability. Items affecting comparability amounted to SEK 117M and included a refund of SPP funds, which amounted to SEK 125M net after provision for anticipated one-off costs for pensions, and costs ahead of the stockmarket listing of the Group (SEK 8M). Earnings after financial items amounted to SEK 197M. In addition to the reported refund from SPP, information is expected about additional funds attributable to merged units.

The decision of Rikstrygdeverket in Norway to seek substantially reduced payments for certain types of X-ray examinations has meant a fall in earnings for the radiology operations in the first six months.

During the period, an agreement was entered into with the Västra Götaland Region about dialysis activities in Lundby Hospital, which will start during the autumn.

Investments in psychiatry operations intensified during the period through acquisition of AnorexiCenter in Varberg and expansion of the Florence Nightingale Hospital in London, the establishment of a new clinic in Liverpool and the opening of a branch clinic in Lausanne.

Expansion also took place through the take-over of the County Occupational Healthcare operation in Västerbotten, Sweden and acquisition of an occupational healthcare operation in Drammen, Norway. A special care clinic was also established in Hamar in Norway.

The Annual General Meeting in May of Bure Hälsa och Sjukvård AB authorised the Board of Directors to decide on a new share issue amounting to up to 10 per cent of outstanding shares before the 2001 Annual General Meeting. The intention is that the issue opportunity will be used for acquisitions.

Future

Prospects for the future are in general considered to remain very positive for all business sectors. As in all knowledge industries, the biggest challenge for the future will be in attracting, stimulating and developing skilled staff.

An prospectus for the listing on the O-list of the OM Stockholm Exchange will be distributed to Bure's shareholders.

After the end of the reporting period

Bure Hälsa och Sjukvård AB will change its name to Capio AB on 1 September.

An agreement has been made to acquire the remaining 50 per cent in the Volvat Group. This will be achieved via a non-cash issue to Foinco Invest during the third quarter. Foinco's ownership in Bure Health Care will amount to 4.75 per cent.

The Board of Directors of Investment AB Bure will propose that the Extraordinary General Meeting on 17 August passes a resolution on an employee shareholder ownership programme that will apply to Bure Health Care.

Business sectors

Against the background of the vigorous expansion of Bure Health Care the Group has been organised in three overall business sectors:

- Healthcare Services
- Diagnostic Services
- Elderly Care Services

In total, some 40 operating units are included in the Group with operations in Sweden, Norway, Denmark, Great Britain, Switzerland and Poland.

Healthcare Services

The strong growth of this business sector continues. Net sales rose by 97 per cent to SEK



1,266M (643). Key to this high growth has been the acquisition of S:t Göran's Hospital in

December 1999. Organic growth was also high during the period and amounted to 12 per cent. The earnings trend was positive and earnings before goodwill amortization amounted to SEK 75M (28). Increased sales, combined with continuous efficiency improvements, have gradually increased profitability.

Diagnostic Services

Net sales of this business sector amounted to SEK 336M (308). Earnings before goodwill amortization amounted to SEK 30M (37). The decision of Rikstrygdeverket in Norway to seek substantially reduced payments for a certain type of X-ray examinations (MR) has affected earnings negatively during the first half of the year. From mid-year, some upward price adjustment will be made. Stortinget has asked the Government to submit a proposal for payment on equal terms for private and public radiology institutions in Norway which will come into force from 2001. The payment level for MR examinations in the public sector is currently significantly higher. In Laboratories, operations continue to develop positively.

Elderly Care Services

Net sales of the Elderly Care Services business sector amounted to SEK 122M (105) with organic growth achieved of 16 per cent. During the period, an agreement was concluded about establishing housing in accordance with the concept for integrated care and guaranteed long-term accommodation in Halmstad. In addition, a number of agreements were renewed. Earnings before goodwill amortization amounted to SEK 9M (9).

Parent Company sales and result

Sales in the Parent Company, Bure Hälsa och Sjukvård AB, amounted to SEK 7.0M (9,9) and earnings before items affecting comparability to SEK -27.8M (-18.6). The Parent Company's investments amounted to SEK 0.3M (1.5).

Financial position

At the period-end, the Group's equity ratio amounted to 32 per cent. The Group's net loan liability amounted to SEK 35M and liquid funds to SEK 245M.

Personnel

The average number of employees during the period was 4,397. The number of staff amounts to approximately 5,600.

Per Båtelson
President and CEO

Gothenburg, 17 August 2000
Bure Hälsa och Sjukvård AB



Healthcare Services

This business sector supplies both planned and acute non-institutional and institutional care in some 30 medical specialties and preventive healthcare.

The operations are market leaders in Sweden and Norway. Units are also located in Switzerland and Great Britain.

The largest units are S:t Göran's Hospital, Previa, Volvat and Charter Medical of England.

Annual sales rate: approximately SEK 2,400M

Average number of employees: 3,218 (1,512).

Diagnostic Services

This business sector is a market leader in Scandinavia in both laboratory and radiology services.

The largest units are Nova Medical, Bure Radiologi and Medilab in Denmark.

Annual sales rate: approximately SEK 700M.

Average number of employees: 710 (720)

Elderly Care Services

This business sector supplies health care services with a focus on the care-intensive segment. It operates a concept developed by Bure for integrated care and guaranteed long-term accommodation.

Operations are carried out in Malmö, Linköping, Norrköping, Gothenburg and Oslo.

Annual sales rate: approximately SEK 240M

Average number of employees: 450 (416).

Bure Health Care, SEK M	Net sales			Earnings before goodwill amortization			Operating margin, %		
	Six-months 2000	Six-months 1999	Full-year 1999	Six-months 2000	Six-months 1999	Full-year 1999	Six-months 2000	Six-months 1999	Full-year 1999
Healthcare Services	1 266	643	1 412	75.1	28.1	67.6	5.9	4.4	4.8
Diagnostic Services	336	308	631	30.3	36.7	71.8	9.0	11.9	11.4
Elderly Care Services	122	105	223	8.5	8.6	19.5	6.9	8.2	8.8
Other	-20	0	1	-23.5	-14.3	-36.1	-	-	-
Subtotal	1 705	1 056	2 267	90.4	59.1	122.9	5.3	5.6	5.4
Items affecting comparability				116.6	-	-			
Total				207.0	59.1	122.9			

All comparative figures relating to 1999 and previous years are pro forma to illustrate the development of the health care Group. Bure Health Care was a business area in Investment AB Bure until 31 December 1999. From this year, Bure Hälsa och Sjukvård AB forms a separate Group.



Consolidated Income Statement, SEK M	Six-months 2000	Six-months 1999	Full-year 1999
Net sales	1 705	1 056	2 267
Operating expenses	-1 557	-956	-2 052
Depreciation	-57	-41	-92
Earnings before items affecting comparability	90	59	123
Items affecting comparability	117	-	-
Earnings before goodwill amortization	207	59	123
Goodwill amortization	-7		
Earnings before financial items	200		
Financial income	10		
Financial expenses	-12		
Earnings after financial items	197		
Minority interest	-32		
Taxes	-10		
Earnings after tax	154		

Consolidated Balance Sheet, SEK M	Six-months 2000	Full-year 1999
Goodwill	107	91
Other intangible fixed assets	9	6
Land and buildings	326	315
Machinery and medical equipment	341	345
Financial fixed assets	99	20
Accounts receivable	391	389
Other current assets	304	213
Liquid funds	245	200
Total assets	1 822	1 579
Equity	513	360
Minority interest	76	46
Accounts payable	119	146
Advances from customers	197	163
Other interest-free items	548	431
Interest-bearing liabilities	368	432
Total equity and liabilities	1 822	1 579

Consolidated Cash Flow Analysis, SEK M	Six-months 2000	Full-year 1999
Earnings before goodwill amortization	207	123
Depreciation	57	92
Adjustment for non-cash flow affecting items	-9	-31
Earnings adjusted to cash flow	255	184
Change in working capital	19	60
Net investments	-65	-188
Cash flow in operations	209	57
Financial items	1	
Paid tax	-12	
Acquisitions	-20	
Cash flow effect due to re-organisation	3	
Other	2	
Change in net debt	183	
Change in interest-bearing items	-138	
Change in liquid funds	45	



Bure Health Care, SEK M	Net sales					Earnings before goodwill amortization				
Business Sector	Q 2 2000	Q 1 2000	Q 4 1999	Q 3 1999	Q 2 1999	Q 2 2000	Q 1 2000	Q 4 1999	Q 3 1999	Q 2 1999
Healthcare Services	642	624	463	306	365	39	36	28	12	25
Diagnostic Services	164	172	182	142	156	10	20	25	10	23
Elderly Care Services	62	61	60	58	55	4	4	4	7	6
Eliminations/Other	-10	-10	-2	4	-1	-11	-13	-13	-9	-7
Items affecting comparability						117				
Bure Health Care	858	847	702	510	575	159	48	43	20	47

Distribution of Bure Health Care

In April, the Annual General Meeting of Investment AB Bure decided that Bure Health Care will be distributed to the shareholders in Investment AB Bure. The decision means that for every two shares in Investment AB Bure one share in Bure Health Care will be distributed. Quotation of the Bure Health Care share on the O list of the OM Stockholm Exchange is expected to take place during autumn 2000.

The number of shares in Bure Health Care currently amounts 54,550,000.

For the six months of 2000 this would give the following

Data per share:

	SEK/share
• earnings after tax	2.83
• earnings after tax excluding items affecting comparability	1.17
• earnings after standard tax excluding items affecting comparability	0.98
• earnings after standard tax excluding goodwill amortization and items affecting comparability	1.05
• equity per share	9.41

Taxes are referring to the period's share of calculated tax expense for the year, taking into account loss carried forward.

A separate offering memorandum will be drawn up prior to the listing.

Future Reports:

Nine-Month Report, 6 November 2000

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Information is also available on www.bure.se

Detailed 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. 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 Annual Accounts Act.

Gothenburg, 17 August 2000.

Bertel Enlund
Authorised Public
Accountant

Kristion Raa
Authorised Public
Accountant