

PRESS RELEASE

ORESA VENTURES S.A. (publ)

INTERIM REPORT 9 MONTHS TO 30 SEPTEMBER 2000

Highlights

- ■ ■ Net asset value amounted to USD 80.4m (SEK 774.6m), equivalent to USD 6.84 (SEK 65.91) per share, compared with USD 6.61 (SEK 58.08) per share as at 30 June 2000.
- ■ ■ Profit after tax amounted to USD 3.4m (SEK 32.8m) for the 9 months, compared with USD 2.7m (SEK 22.0m) for the same period last year.
- ■ ■ Strong revenue growth for Medcover, continued margin improvements in the key Polish market.
- ■ ■ Revaluation of United Entertainment Co. reflecting strong development and new round of financing.
- ■ ■ Our successful exit from Brewery Holdings Romania is pending authority approval before becoming final and being reflected in our accounts.

I am pleased to report a positive result for the third quarter of USD 2.7m (SEK 25.6m) and for the 9 months of USD 3.4m (SEK 32.8m). Profits in the third quarter were primarily derived from the revaluation of one of our unlisted investments, United Entertainment Company, following a new round of financing and a continued increase in the value of our remaining portfolio of Russian bonds.

Operating expenses for the 9 months were in line with budget, amounting to USD 2,852,000 (2,176,000). The difference versus last year is explained by the costs associated with consultancy work in Poland.

In line with our policy, we cover existing investments more extensively in our six and twelve month reports, while in the three and nine month reports we focus on new investments together with any major developments in existing holdings. Due to its relative size in our portfolio, we also cover the performance of Medcover in each quarter.

NEW INVESTMENTS

During the quarter we made a commitment of SEK 14.5m for a 30% stake in Medinsite. The company targets the European hospital supply industry, focusing on rationalising the tender and procurement processes. Medinsite is starting multiple pilot tenders with Swedish county governments before the end of the year.

MEDICOVER

Medcover continued its strong development during the quarter. Revenue for the group for the 9 months was USD 14.5m, a continued increase of more than 50% compared with the previous year. Members in all programs increased to around 65,000.

The EBITDA profit¹ for the 9 months was USD 438,000, against an EBITDA loss of USD 2.0m for the same period in 1999, continuing the positive trend reported in the previous two quarters of the year. Both Poland and Romania continue to develop better than budget, while Hungary and Estonia are still trailing.

Poland

Medcover Poland grew its revenue to USD 11.1m (USD 7.4m), contributing an EBITDA profit of USD 1.3m (loss of USD 351,000). Revenue during the third quarter amounted to USD 3.95m with an EBITDA profit of USD 555,000, illustrating strong underlying earnings growth.

A large new Health Center was opened in Warsaw at the end of the quarter, Medcover's 17th Health Center in Poland.

Romania

Medcover Romania continued its strong revenue growth, to USD 2.5m (USD 1.3 m), and recorded an EBITDA profit of USD 535,000 (loss of USD 9,000). Third quarter revenue amounted to USD 774,000 with an EBITDA profit of USD 112,000. The slightly lower contribution level in the third quarter is due

¹Medcover's results are stated in terms of EBITDA, earnings before interest, tax, depreciation and amortization.

DIRECT INVESTMENTS

Country ¹	Company	Owner-ship, %	Cost \$m	Valuation \$m	% of NAV
Poland					
	Medicover	95.0	27.2	40.5	50.4
	Office Depot	7.4	5.5	6.4	8.0
	Bev. H. Video	20.9	4.5	4.5	5.6
	UEC	29.6	5.0	7.4	9.2
	Intersource	15.0	0.5	0.5	0.6
	Subtotal		42.7	59.3	73.8
Romania					
	Flanco	46.7	1.9	2.1	2.6
	Churchill	30.3	1.5	1.5	1.9
	BHL	²	2.9	4.3	5.4
	Motoractive	47.5	1.3	1.3	1.6
	Subtotal		7.6	9.2	11.4
Russia					
	Invacorp	3.9	2.0	1.4	1.7
	RIG	4.7	2.6	1.4	1.7
	Subtotal		4.6	2.8	3.5
Czech Republic					
	Droxi	12.2	3.4	3.4	4.2
Baltics					
	Airo	23.0	1.5	1.5	1.9
Western Europe					
	Medinsite	30.0	0.5 ³	0.5	0.6
Funds					
	Fulcrum	2.8	2.3	2.7	3.4
	Ukraine	2.1	0.4	0.3	0.4
	Danube	2.2	0.5	0.5	0.6
	EMESCO	–	0.7	0.7	0.9
	Subtotal		3.9	4.2	
	Total		64.2	80.9	100.7

¹ The geographical analysis in this table is based on the primary location of the business.

² Not disclosed.

³ Part of total commitment of \$1.5m.

to lower volume in the laboratory business, which normally dips in the summer. A large new facility was opened in Bucharest during the quarter, combining a main central laboratory, a Health Center and office headquarters.

Hungary

Medicover Hungary's 9 month revenue was USD 590,000 (USD 554,000). The result showed an EBITDA loss of USD 259,000 (loss of USD 242,000). The third quarter was the first of the year, however, in which membership enrollment increased.

Estonia

Medicover Estonia increased its revenue to USD 309,000 (100,000). The result for the period was an EBITDA loss of USD 209,000 (loss of USD 172,000) but with improving quarterly performance.

Central overheads, representing group management and certain shared functions such as finance and IT, incurred an EBITDA loss in line with budget of USD 967,000 (loss of USD 1,197,000).

UNITED ENTERTAINMENT CO. (UEC)

UEC operates a chain of modern family entertainment centers across Central Europe with bowling as their main attraction. Oresa Ventures made an investment of USD 5m for a 37% stake in UEC in May 1999.

UEC successfully completed a new round of equity financing during the quarter, raising USD 5m from a private equity fund managed by the Allied Irish Bank (AIB) for a 20% stake. The new funds will finance the continued expansion of Entertainment Centers across Poland and in Central Europe. Oresa Ventures' ownership stake was diluted to 29.6%. The valuation of UEC after the financing was USD 25m, and we have consequently revalued² our investment, resulting in an unrealised capital gain of USD 2.4.

UEC is developing well and has four Centers operating in Poland, all performing in line with expectations.

BREWERY HOLDINGS LTD.

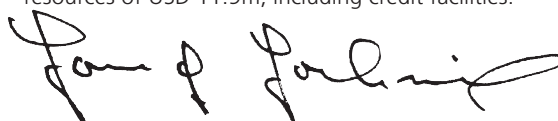
The sale of our investment in Brewery Holdings which we announced on 22 August 2000 is still under review by the Romanian competition council. The sale of Brewery Holdings to the Austrian brewery group BBAG is one of the largest and most successful private equity transactions in the region to date. The exit will provide us with a return well in excess of our stated return targets. When the transaction has final clearance by the authorities, we will be able to provide full financial details.

RUSSIAN BONDS

The value of the remaining portfolio of Russian bonds increased during the quarter from USD 2.59m to USD 3.68m, representing a gain of USD 1.08m. We expect yields to improve in the next year as oil revenues continue to strengthen Russia's foreign currency reserves. However, we do not expect the recent excellent performance to be repeated in future quarters as the recovery of these assets is now largely reflected in the price.

LIQUIDITY

At the end of the third quarter, we had available financial resources of USD 11.9m, including credit facilities.



Jonas af Jochnick
Chairman of the Board
November 2000

² For details on European Venture Capital Association (EVCA) and International Accounting Standards (IAS) guidelines on valuation of unlisted investments, see the Additional Notes on page 8.

Consolidated profit and loss account

	Qrt 3 to 30 Sept. 2000 \$'000	Qrt 3 to 30 Sept. 1999 \$'000	9 Months to 30 Sept. 2000 \$'000	9 Months to 30 Sept. 1999 \$'000
Portfolio income/(loss)	1,329	(479)	4,100	4,723
Gain on unlisted investment	2,457	0	2,457	0
Interest income	13	45	15	111
Interest cost	(208)	(130)	(402)	(321)
Dividend income	3	19	120	102
Other revenue	75	83	143	264
INCOME	3,669	(462)	6,433	4,879
Staff costs	(571)	(365)	(1,341)	(1,112)
Administrative costs	(458)	(220)	(1,511)	(1,064)
Foreign exchange	46	(4)	(113)	5
TOTAL OPERATING EXPENSES	(983)	(589)	(2,965)	(2,171)
OPERATING PROFIT/(LOSS) BEFORE TAX	2,686	(1,051)	3,468	2,708
Tax (charge)/credit	(27)	71	(65)	(3)
OPERATING PROFIT/(LOSS) AFTER TAX	2,659	(980)	3,403	2,705
EARNINGS/(LOSS) PER SHARE	\$0.23	(\$0.10)	\$0.29	\$0.28

Statement of recognized gains and losses

	Qrt 3 to 30 Sept. 2000 \$'000	Qrt 3 to 30 Sept. 1999 \$'000	9 Months to 30 Sept. 2000 \$'000	9 Months to 30 Sept. 1999 \$'000
Value adjustments upwards on unlisted direct investments not recognized in the profit and loss account	—	—	—	—
Exchange differences on translation of financial statements of foreign entities	(1)	—	(1)	—
Profit for the period	2,659	(980)	3,403	2,705
TOTAL RECOGNIZED GAINS/(LOSSES)	2,658	(980)	3,402	2,705
NET ASSETS PER SHARE	\$6.84	\$6.61		

Consolidated balance sheet

As at	30 Sept. 2000 \$'000 (Unaudited)	31 Dec. 1999 \$'000 (Audited)
ASSETS		
<i>Direct investments</i>		
Unlisted equity shares	80,864	77,130
Loan investments	3,283	2,492
	84,147	79,622
Property and equipment	145	43
NON-CURRENT ASSETS	84,292	79,665
Listed equity shares	1,590	2,222
Receivables	1,717	1,192
Bonds and other interest-bearing securities	2,896	0
Cash	158	756
CURRENT ASSETS	6,361	4,170
TOTAL ASSETS	90,653	83,835
LIABILITIES AND SHAREHOLDERS' EQUITY		
<i>Capital and reserves</i>		
Share capital	58,764	58,764
Share premium	25,648	25,648
Capital profits reserve	0	16,247
Unrealized profit reserve	0	(11,603)
Translation reserve	(1)	0
Profit and loss reserve	(4,058)	(12,104)
SHAREHOLDERS' FUNDS	80,353	76,952
Trade and other payables	887	983
Loans payable	9,413	5,900
CURRENT LIABILITIES	10,300	6,883
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	90,653	83,835

Consolidated cash flow statement

9 MONTHS TO 30 SEPTEMBER	2000 \$'000	1999 \$'000
NET CASH FLOW FROM PROFIT	(3,042)	2,260
Investing activities		
Venture capital loans (advanced)/repaid	(791)	683
Investment in unlisted securities	(1,277)	(17,639)
Sale of unlisted securities	57	1,749
Sale of bonds and interest-bearing securities	—	1,791
Purchase of tangible fixed assets	(112)	0
Investment in listed equity investments	(551)	(1,299)
Sale of listed equity investments	1,605	5,500
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,069)	(9,215)
Loans received	3,513	4,200
NET CASH FLOW FROM FINANCING ACTIVITIES	3,513	4,200
DECREASE IN CASH AND CASH EQUIVALENTS	(598)	(2,755)
CASH AND CASH EQUIVALENTS		
Balance at 1 January	756	3,128
Balance at 30 September	158	373
DECREASE IN CASH AND CASH EQUIVALENTS	(598)	(2,755)

ACCOUNTING POLICIES

For this year we are applying IAS 39, "Financial Instruments: Recognition and Measurement." The reason for this new standard is to establish ways of disclosing information about financial assets, liabilities and hedging transactions. The major impact of this standard is in the revaluations upwards of unlisted investments, which were previously accounted for as an increase in reserves rather than as a profit or loss. We will now account for such revaluations as a profit and loss movement. This will mean that our profit and loss account will reflect fully our activities and our performance on managing our investments. The adoption of IAS 39 will have no effect upon our cash flows or net asset value as at 1 January 2000.

Our revaluation guidelines give us a basis for valuing our investments once they have moved beyond their early stage. Our revalua-

tion principles are based on the guidelines issued by the European Venture Capital Association, of which we are a member. We differentiate between investments being early stage, development stage, or quoted. For early stage investments, our basis of accounting is usually cost, unless some event has occurred to indicate that this is not appropriate, such as a new investment of funds at a different price or a significantly good or poor performance against expectations. In such circumstances we will revalue the investment upwards or downwards. For development stage investments, valuations are based on proxy valuations for equivalent listed investments, with an adjustment to account for more restricted liquidity or relative size. Quoted investments are valued at quoted market prices. The above is a summary of our policies in respect of valuations of our direct investments. The full policies can be referred to in our annual report.

TABLE OF EXCHANGE RATES USED TO DERIVE INDICATIVE SWEDISH KRONA AMOUNTS

Number of Shares in Issue	Profit per Share USD	Exchange Rate	Profit per Share SEK	Net Assets per Share USD	Exchange Rate	Net Assets per Share SEK
Nine Months ended 30 September 2000				30 September 2000		
11,752,689	0.290	9.6398	2.79	6.84	9.6398	65.91
Nine Months ended 30 September 1999				30 June 2000		
9,699,283	0.279	8.1452	2.27	6.61	8.7850	58.08
				31 March 2000		
				6.51	8.2498	53.72
				31 December 1999		
				6.55	8.5074	55.70

A copy of the Annual Report for 1999 can be obtained from Oresa Ventures N.V., c/o Oriflame Management S.A., Building O, Drève Richelle 161, BE-1410 Waterloo. Phone +32 2 357 55 00, fax +32 2 357 55 05. Alternatively, you can request a copy through our web site: www.oresaventures.com

INFORMATION DATE

■ Preliminary Report 26 February 2001

ORESARENTURES

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