



Interim Report Obducat AB (publ) January – September 2003

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- **Full-year forecast: Sales of SEK 40 million with improved result and cash flow**
- **Increased capital base via new share issue and conversion of debenture loan in the first quarter**
- **Need for capital contribution in 2004 envisaged**
- **The semiconductor industry announces delayed evaluation process regarding NIL**
- **Gross margin strength maintained**
- **Amended Rules of Procedure of the Board of Directors**

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Obducat AB is an innovative developer and supplier of technologies, products and processes used for the production of advanced micro- and nano structures. Obducat's products and services are intended to serve the demands of companies within the information storage, semiconductor, printed circuit board, and sensor industries. Obducat's technologies include electron beam, and nano imprint technology. Obducat has offices in Sweden, and the UK, with the head quarter located in Malmö, Sweden. The Obducat shares are publicly traded on the Swedish NGM. Read more on www.obducat.com



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Sales

The total order intake by Obducat for the period January - September was SEK 35 million. A strong order intake over the first three months of the year was followed by a relatively weak second quarter, again followed by a significant increase in the third quarter.

Sales over the period amounted to SEK 24,5 million (corresponding period the previous year: 18,8), of which NIL* and Stampers* account for 56 % and SEM* for the remaining 44 %. Compared with the corresponding period the year before, the result for the year reflects an increase for NIL/Stampers of 88 %, whereas SEM – adjusted for exchange rate effects – increased by 3 %.

The significantly improved gross margin in comparison with 2002 continued, being 48 % (39 %) for the period.

At the end of the reporting period the order backlog reached SEK 13 million, all of which is estimated for delivery during the last quarter.

As reported earlier in the year, the order volume – which is regarded as a significant indicator of forthcoming business volumes – has seen a continuous rise. This mirrors primarily business area NIL in which, together with business area EBR*, the central point of value regarding quotations lies in larger systems.

Ongoing customer projects are run with several leading players worldwide in a number of different trades. All projects related to NIL, Stampers and EBR referred to previously in this connection, are running and new ones have been added during the reporting period. Such projects are run with customers in the areas of semiconductors, magnetic storage and display technology.

*) "NIL" = Nano imprint lithography; "Stampers" = Lithography originals type consumer goods; "SEM" = Scanning Electron Microscope; "EBR" = Electron beam lithography on rotating discs.



In the period Obducat has further strengthened its leadership position as the premier provider of NIL-systems for the market segment universities and research institutes, including a number of shipments both to Asia and US.

Research and Development

Obducat is pursuing extensive research and development work, mostly in close cooperation with customers. In this respect the NIL segment is prioritised, which during the year was enhanced with several new and valuable system functionalities. Obducat estimates that research and development efforts have reinforced and strengthened its position, and the Company is of the opinion that it has a technological advantage over its competitors in NIL.

The result of this work is evaluated continuously from a patent point of view and when commercial grounds are considered feasible, a patent application is filed. At the end of the reporting period there were 23 patents covering inventions approved and a further 9 patent applications regarding inventions submitted. In this matter NIL is both predominant and deliberately prioritised.

Sales and result

Group sales for the first nine months of the year were SEK 24,470 thousand (18,794), generating a gross profit of SEK 11,714 thousand (7,321), equivalent to a 48 (39) % gross margin.

The operating loss was charged with depreciation according to plan amounting to SEK 9,236 thousand, compared with SEK 2,788 thousand for the corresponding period in 2002. The increase is owing to the depreciation plans adopted as from the end of the preceding year in respect of all intangible fixed assets. Total costs for Market & Sales, R & D and Administration were, excluding the depreciations mentioned, 10 % lower than for the corresponding period the previous year. Operating loss for the period amounted to SEK -22,623 (-22,797) thousand.

Loss for the period after taxes was SEK -24,403 thousand (-26,664). The loss for the corresponding period the year before was adjusted by SEK -1,514 thousand in respect of interest expenses not taken into consideration relating to increased liability pertaining to the convertible debenture loan within the framework of RR3 applicable at the time (as from 2003: RR27). In addition, the figures for the preceding year, both in respect of the entire reporting period and the full year, have been adjusted in so far as depreciations (SEK -2,788 and SEK -5,103 thousand respectively) have been redistributed in a more true and fair way to the three operating functions Market & Sales, R & D and Administration. In short this adjustment means that R & D bears a significantly larger share and Administration a significantly smaller share of the depreciations, reflecting to a greater degree in which functions the fixed assets have been utilised. With this adjustment full comparison between this year's result and last year's result is achieved

Cleared for the effects of the higher depreciation rate in 2003, the result for the period improved by almost SEK 9 million compared with 2002. Increased sales with better margins, in combination with reduced costs and noticeably lowered interest expenses, have managed to compensate for considerably increased depreciations according to plan.



Financing and Liquidity

At the end of the reporting period shareholders' equity amounted to SEK 57,773 thousand compared with SEK 14,747 thousand at the beginning of the year. Early in the year a preferential rights issue for cash was implemented, which yielded SEK 39,864 thousand after issue expenses. In addition, a temporary offer – subsequent to a decision by the extraordinary general meeting in March 2003 – was directed at holders of the Company's convertible debenture loan 2001/2004, offering the said holders during a period of two weeks at the end of March the possibility to convert the loan to shares on greatly favourable conditions. The offer resulted in the nominal value of the debenture loan being reduced from SEK 46,6 million to SEK 17,8 million, whereby approx. 19,2 million new series B shares were issued. The debenture loan matures in May 2004, bearing a nominal interest at 5 %.

Equity/assets ratio on September 30, 2003 was 63 %, compared with 17 % on December 30, 2002.

The Annual General Meeting in May decided on an employee incentive program in the Group's Swedish company. Within the scope of this program, such employees are offered to acquire warrants on market conditions. 817,500 warrants have so far been acquired by employees, generating subscription payments totalling SEK 270 thousand, carried directly to restricted equity. An additional offer based on the same program is planned before the end of the year.

Said warrants extend until June 15, 2006-06-15, each of which give entitlement to subscribe for one new series B share during the period June 15, 2004 – June 15, 2006 at a price of SEK 1,57. The maximum amount of shares within the scope of this program is 2,362,500, entailing a deferred maximum dilution of capital of approx. 1,3 % and not more than 1 % of the voting rights.

Liquid assets amounted to SEK 13,377 thousand at the end of the period.

Cash flow for the period was SEK 13,145 thousand (1,521), primarily reflecting – in addition to the reported result and effects of financing activities during the year – an increase in tied-up working capital as well as significant investments mainly in intangible fixed assets.

Investments

The Group's net investments over the period were SEK 5,745 thousand (6,085), of which approx. 80 % represents development expenditure (carried forward in accordance with RR15) and patents. The remainder refers mainly to testing and development equipment in business area NIL.

Organisation

At the end of the reporting period the Group had a total of 36 employees (of which 3 women), doing services corresponding to a total of 34 full time positions. The average number of employees during the period was 33. In the third quarter management was reinforced both in respect of Purchasing & Production and Research & Development.



External factors

Obducat estimates that currency and interest rate fluctuations will have no material effect on the business and that the Company's product prices may be regarded as stable. There is however a limited currency risk with regard to business deals based on public procurement in US dollars. In situations when the US dollar weakens, there are limited possibilities to compensate for currency exposure by increasing prices, and at the same time it is not appropriate to apply currency hedging. The business is not especially dependent upon or limited by circumstances affecting suppliers.

Obducat believes that its competition by comparison has remained unchanged during the period. Tangible results from competing businesses in NIL – such as shipments – have, to the best of the Company's knowledge, been very limited. One might point out that Obducat has had the opportunity to maintain a higher price level than its competitors, contributing to the expanded gross margin.

Parent Company

The parent company generated no sales for the period. Pre-tax loss was SEK –16,322 thousand (–17,772). Net investments totalled SEK 1,877 thousand (34), comprising mainly patents.

Third Quarter (July – September)

As estimated in the previous interim report, sales in the third quarter weakened compared with the previous two quarters, generating invoicing of SEK 4,445 thousand (7,508), of which NIL and Stampers accounted for 72 % and SEM the remainder. Gross margin for the period was 44 % (40 %). Operating loss was SEK –9,164 thousand (–6,793) and the loss after taxes amounted to SEK 1 –9,573 thousand (–8,525).

In comparison with Q2 the order intake increased significantly during the period July-September, resulting in orders totalling about SEK 12 million being signed in Q2.

Costs excluding depreciations have remained notably lower than in the corresponding period 2002, amounting for the quarter to SEK 8,089 (9,672) thousand.

Net investments for the quarter were SEK 1,904 thousand (3,290), with distinct emphasis on intangible fixed assets.

A previously announced internal merger process was completed during the quarter, resulting in the practically dormant subsidiaries Obducat Development AB and Obducat Xicon AB being merged with the parent company. These transactions have not resulted in any effect on earnings.

Accounting principles

Accounting principles adopted by Obducat comply with the Annual Accounts Act and the general guidelines, statements and recommendations issued by the Swedish Financial Accounting Standards Council and other standard organisations. The accounting principles are unchanged in comparison with the previous interim report and the annual report for 2002.



With regard to managing the convertible debenture loan 2001/2004 in the accounts, relevant parts of RR27 have been adopted as from the previous interim report, replacing the previously adopted RR3. This has not resulted in any substantial alterations.

Other significant events

In view of the new status as official stock exchange achieved by NGM in April, the Board in May decided to discontinue the then almost completed process of having the Company's share listed on the O list of the Stockholm Stock Exchange. As a result of this decision, Obducat's series B share will continue to be noted on NGM Equity.

During the period Obducat received two acclaimed awards confirming the view of the Company's technical and commercial status: In connection with the international exhibition "Nano Tech 2003" held in Tokyo last February, the Company was given the "Super Small Technology Award". Obducat was the only non-Japanese company to receive an award at this exhibition. Furthermore, at the international conference "NanoTrends – Markets and Applications" in Cologne at the end of June, Obducat was awarded the "Nano Trends Award 2003" for the most innovative novelty in nano technology.

Obducat received a great deal of attention in the September issue of the American newsletter "Nanotech Report" (Forbes/Wolfe) and was also during September analysed by the Swedish newsletter "Stockpicker".

Share Data and Ownership Structure

On September 30, 2003 Obducat had 18,051 shareholders. At the same time the total number of shares amounted to 186,637,616, of which 6,500,000 series A shares and the remainder series B shares.

During the reporting period a total of 43,006,901 series B shares were traded, equivalent to an average amount of 237,607 per trading day at an average price of SEK 1,31. During September slightly more than 12,1 million shares were traded.



The ownership structure on September 30, 2003 was as follows:

<i>Owner</i>	<i>A shares</i>	<i>B shares</i>	<i>% of votes</i>	<i>% of capital</i>
Henri Bergstrand (incl family & company)	3 350 000	55 568	13,7 %	1,8 %
Lennart Olsson (do)	3 150 000	554 581	13,1 %	2,0 %
Banco Teknik- & innovationsfond	-	7 098 153	2,9 %	3,8 %
Royal Skandia Life Insurance	-	2 719 251	1,1 %	1,5 %
Caroline Hamilton	-	2 468 312	1,0 %	1,3 %
SIS Segaintersettle	-	2 439 926	1,0 %	1,3 %
Hedensbergs Godsförvaltning AB	-	2 274 976	0,9 %	1,2 %
Clearstream Banking	-	2 049 972	0,8 %	1,1 %
SEB Private Bank	-	1 913 940	0,8 %	1,0 %
Seaman Invest AB	-	1 601 000	0,7 %	0,9 %
Carnila AB	-	1 339 062	0,5 %	0,7 %
HVB Banque	-	1 200 000	0,5 %	0,6 %
Ulf Crona (incl company)	-	1 195 042	0,5 %	0,6 %
Swedbank	-	1 047 971	0,4 %	0,6 %
Pågengruppen AB	-	1 000 000	0,4 %	0,5 %
Total	6 500 000	28 957 754	38,3 %	19,0 %
Others	-	151 179 862	61,7 %	81,0 %
Total	6 500 000	180 137 616	100,0 %	100,0 %

Significant events after the reporting period

After the reporting period Obducat secured a SEK 1,3 million order for a NIL system to be delivered in 2003.

On October 22, 2003, subsequent to a proposal submitted by board chairman Peter Ahlgren, the board of directors decided to amend its rules of procedure in order to more effectively utilise the respective competences of the board members, and therefore appointed working teams primarily for the marketing, technology and financing areas. This will result in a large part of the work, which up to now has rested upon the chairman, being divided among all members of the board. In future the chairman will primarily serve the purpose of coordinating the board. As a result the board decided to appoint legal adviser Peter Jonsson as chairman. Peter Ahlgren, chairman until present time with a heavy workload, will remain on the board as vice-chairman and engage in matters concerning marketing and financing in accordance with the new rules of procedure.

To co-ordinate Obducat's IR issues, financial director Johan Boman was appointed IR manager.

Outlook

In view of the strong rise recorded in order intake starting at the end of the summer in respect of both NIL and SEM the prospect, presented already at the beginning of the year, of reaching the sales target of SEK 40 million for 2003 will be met. The chances that previous estimations will be realised, outlining considerably improved result and cash flow proportionate to the previous year, are also considerable. The full-year outcome for 2003 will improve noticeably, despite 2003 being charged with increased depreciation of about SEK 7 million compared to last year.



Concurrent with NIL volumes showing healthy growth, the weak SEM business trend in the Obducat CamScan subsidiary during the past few years has now been turned around. It is probable that CamScan will not affect the Company negatively for 2003, neither in respect of result nor cash flow, when the effects of the implemented cost cutting measures and the synergies between this business and the rest of the Company are emerging.

The Company's estimated future outcome based on all collaboration projects with a number of active industrial players worldwide in several application areas can today be summarised as follows.

Given the focus on substantial future investments, the semiconductor industry at large in 2003 revised the schedule outlining the time for new production technology for mass production to be realised. In this connection Obducat wishes to emphasise that such revised plans are entirely attributable to the semiconductor industry's internal decisions.

Concerning Obducat's connection with a leading semiconductor player, it is expected, as indicated above, that the six-month delay of the distribution of significant feedback from the semiconductor that was communicated and estimated in April 2003 will be further increased.

The belief that collaboration with GE Plastics has a good opportunity of resulting in orders for equipment for mass production prevails. To sum up, Obducat's previous expectations regarding the commercial potential for the projects are equally positive.

In addition to the above collaborations, there are further co-operations underway of increased intensity and the same importance and commercial potential, in respect of applications such as hard disk drives, opto components and OLED displays. In this connection, the company emphasises the opinion that the actual applications are of greater importance than the individual customer.

Obducat's internal research & development progress during the year and the results of application development efforts by all the players finally reaching consumers, is of such importance that one may assume that the foundation beyond any doubt has been laid for NIL as a future technique for mass production, with Obducat as a highly probable and appropriate technology provider. It is also highly likely that mass production based on NIL will gradually commence beginning at the end of 2005. This opinion is based on information about timetables communicated to Obducat by its customers and partners.

Operations in Obducat's EBR business have during the year seen a positive technical progress. The expected business potential is considerable, as far as can be judged especially thanks to the Company's technical lead over its competitors. Commercial realisation of EBR is expected to generate income starting already in 2004/2005.

For the time being Obducat is working on finalising its strategy for the next two years. In view of the adjusted time schedules, implying industrial NIL orders expected in 2004 and income generated starting 2005, the Company has identified the need to accelerate its activities. This will entail increased capital requirements compared to previous calculations arising primarily in 2004. The Company aims to raise this issue again towards the end of the year when the strategy for 2004-2005 has been established. Efforts to provide future financing – including the authorisation obtained by the board to implement a directed share issue comprising 15 million series B shares – are ongoing.



The Company remains positive about future sales growth despite the semiconductor industry's delayed introduction of NIL as a technological production platform. Together with good opportunities for a gradual increase in SEM sales, Obducat expects to be able to achieve organic sales growth of 25-30 % in 2004, as well as sales of approx. SEK 100 million and positive cash flow for full year 2005.

Future reports

Interim Report 4 / Year-end Report 2003	February 27, 2004
Annual Report 2003	May 2004
Annual General Meeting	May 25, 2004
Interim Report 1 2004 (January – March)	April 28, 2004
Interim Report 2 2004 (January – June)	August 2004
Interim Report 3 2004 (January – September)	October 28, 2004

Malmö, October 23, 2003

On behalf of the Board of Directors of Obducat AB (publ), corporate identity number 556378-5632

Patrik Lundström
President

This interim report has not been subject to review by the Company's accountants.



Consolidated Income Statement (amounts in SEK 000)	July - Sep 2003	July - Sep ¹ 2002	Jan - Sep 2003	Jan - Sep ¹ 2002	Full year 2002
Net sales	4 445	7 508	24 470	18 794	24 310
Costs of goods sold	- 2 469 -	- 4 509 -	- 12 756 -	- 11 473 -	- 14 153
Gross profit	1 976	2 999	11 714	7 321	10 157
Marketing and selling expenses	- 1 380 -	- 1 593 -	- 4 891 -	- 5 028 -	- 5 672
Research and development expenses	- 7 123 -	- 4 314 -	- 19 765 -	- 10 269 -	- 15 731
Administrative expenses	- 2 642 -	- 4 868 -	- 9 175 -	- 14 796 -	- 21 188
Exchange rate effects	5	983 -	506 -	25 -	762
Operating loss	- 9 164 -	- 6 793 -	- 22 623 -	- 22 797 -	- 33 196
Interest income	76	78	397	381	372
Interest expenses	- 485 -	- 1 802 -	- 2 177 -	- 4 232 -	- 5 133
Loss before taxes	- 9 573 -	- 8 517 -	- 24 403 -	- 26 648 -	- 37 957
Taxes	- -	8	- -	16	1 347
Net loss for the year	- 9 573 -	- 8 525 -	- 24 403 -	- 26 664 -	- 36 610
Depreciations included in the operating loss ¹	- 3 056 -	- 1 103 -	- 9 236 -	- 2 788 -	- 5 103
Loss per share before dilution (SEK) ²	-0,05	-0,06	-0,14	-0,20	-0,27



Consolidated cash flow statement (amounts in SEK 000)	July - Sep 2003	July - Sep ¹ 2002	Jan - Sep 2003	Jan - Sep ¹ 2002	Full year 2002
<u>Operating activities</u>					
Loss after financial items	- 9 573	- 8 517	- 24 403	- 26 648	- 37 957
Adjustment for items not affecting cash flow	3 313	2 780	11 011	4 057	5 631
Income taxes	- -	8	- -	16	16
Change in operating funds	690	930	5 395	6 620	8 136
Cash flow from operating activities	- 5 570	- 6 675	- 18 787	- 29 227	- 24 206
<u>Investment activities</u>					
Net investments	- 1 903	- 3 290	- 5 745	- 6 085	- 16 383
Cash flow from investment activities	- 1 903	- 3 290	- 5 745	- 6 085	- 16 383
Total cash flow	- 7 473	- 9 965	- 24 532	- 35 312	- 40 589
<u>Financing activities</u>					
Issue of shares for cash	-	-	42 344	42 571	42 571
New share issue via conversion of debenture loan	-	-	28 784	-	-
Issue expenses ⁴	- 92	- -	3 526	2 132	2 132
Change in debenture loan as a result of conversion	-	- -	28 784	-	-
Exercised warrants	-	-	-	755	755
Subscription payments	-	-	270	-	-
Change in liabilities to credit institutions	638	572	1 411	4 361	2 080
Cash flow from financing activities	546	572	37 677	36 833	39 114
Cash flow for the year	- 6 927	- 10 537	13 145	1 521	- 1 475
Opening balance liquid assets	20 304	13 765	232	1 707	1 707
Closing balance do.	13 377	3 228	13 377	3 228	232
Change in liquid assets	- 6 927	- 10 537	13 145	1 521	- 1 475



Consolidated balance sheet
(amounts in SEK 000)

<u>Assets</u>	<u>Sep 30, 2003</u>	<u>Sep 30, 2002¹</u>	<u>Dec 31, 2002</u>	<u>Equity and liabilities</u>	<u>Sep 30, 2003</u>	<u>Sep 30, 2002¹</u>	<u>Dec 31, 2002</u>
Capitalised development expenditure	27 064	30 096	29 553	Share capital	18 664	13 720	13 720
Patents	19 394	16 027	19 129	Restricted reserves ³	65 354	214 697	214 884
Goodwill	2 619	3 224	3 073	Accumulated deficit	- 1 842	- 175 811	- 177 247
Plant and machinery	11 368	5 543	11 759	Net loss for the year	- 24 403	- 26 664	- 36 610
Equipment	449	947	871	Total shareholders' equity	57 773	25 942	14 747
Total fixed assets	60 894	55 837	64 385				
Inventories	9 077	15 750	8 667	Convertible debenture loan	-	43 945	43 882
Accounts receivable	5 299	7 316	4 830	Liabilities to credit institutions	3 273	3 273	3 273
Other receivables	992	1 385	2 743	Total long-term liabilities	3 273	47 218	47 155
Prepaid expenses and accrued income	2 783	3 374	3 776	Convertible debenture loan	17 316	-	-
Cash and bank balances	13 377	3 228	232	Liabilities to credit institutions	870	-	2 281
Total current assets	31 528	31 053	20 248	Accounts payable	4 589	6 744	8 325
Total assets	92 422	86 890	84 633	Other current liabilities	979	1 606	1 238
Equity/assets ratio	63%	30%	17%	Accrued expenses and deferred income	7 622	5 380	10 887
Pledged assets	6 012	10 450	10 450	Total current liabilities	31 376	13 730	22 731
Contingent liabilities	None	None	None	Total equity and liabilities	92 422	86 890	84 633



Changes in equity (SEK 000) THE GROUP	Share capital		Restricted reserves		Non-restricted reserves		Total	
	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep	Jan - Sep
	2003	2002	2003	2002	2003	2002	2003	2002
Opening balance	13 720	9 456	214 884	180 411	- 213 857	- 178 210	14 747	11 657
Issue of shares for cash	3 025	4 215	39 320	38 357			42 345	42 572
Do. via exercise of warrants		25		730				755
New issue via conversion of debenture loan	1 919	24	26 865	611			28 784	635
Subscription payments			270				270	
Issue expenses ⁴			- 3 526	- 3 831			- 3 526	- 3 831
Allocations resolved by the general meeting			- 208 560		208 560			
Displacements of restricted and non-restricted reserves			- 3 211		3 211			
Translation difference			- 688	- 1 581	244	2 399	- 444	818
Net loss for the year					- 24 403	- 26 664	- 24 403	- 26 664
Closing balance	18 664	13 720	65 354	214 697	- 26 245	- 202 475	57 773	25 942



Segmental reporting (Amounts in SEK 000)

In accordance with RR 25 (Reporting by segment), which in its entirety is compulsory on an annual basis as from 2003, but which as part of interim reporting during the year shall provide information to the same extent as the annual report for 2002, the information below is submitted with regard to sales by segment.

Obducat has chosen to define the following lines of business as "segments":

NIL Business carried out with regard to Nano imprint lithography and related activities, all of which take place within the scope of the Group's Swedish operations.

SEM Business involving Scanning Electron Microscopes, managed by Obducat's UK subsidiary Obducat CamScan Ltd.

Sales per segment	<u>NIL</u>		<u>SEM</u>		<u>Elimination</u>		<u>Total</u>
	External sales	Internal sales	External sales	Internal sales	Internal sales		
July - Sep 2003	3 181	-	1 264	-	-		4 445
July - Sep 2002	3 988	-	3 520	-	-		7 508
Jan - Sep 2003	13 723	-	10 747	145	-	145	24 470
Jan - Sep 2002	7 314	-	11 480	1 979	-	1 979	18 794



Notes

¹ In last year's report for the period Jan-September the adjustment upwards of the debenture loan within the scope of RR3 had not been taken into consideration. The amount in question, SEK 1 514 thousand, (of which SEK 500 thousand regard July-Sep) has now been included in interest expenses in order to be fully comparable. The error was later adjusted in the result for the full year 2002. Reported values regarding the full year 2002 are thus correct and not adjusted. As from 2003, RR3 has been replaced by RR27.

As from 2003 depreciation according to plan is distributed to the different functions using a changed model in order to better reflect a more true and fair view. For correct comparability the reported values for 2002 – both interim periods and full year – have been adjusted in accordance with the same model.

Average number of shares	Jan - Sep		July - Sep		Full year
	2003	2002	2003	2002	2002
Average No. of shares	176 880 598	132 242 828	186 637 616	137 199 856	133 482 088
Do. incl. full dilution	188 196 159	151 395 295	195 123 982	152 716 768	151 725 666
Number of shares at the end of each period:	186 637 616	137 199 856	186 637 616	137 199 856	137 199 856

In accordance with RR18, the result per share after dilution is not reported, in the circumstances that the future shares that could be subscribed for via conversion of debenture loans and exercising warrants could result in improved earnings per share.

³ Previous interest expense and interest entered as liability in respect of the convertible debenture loan corresponding to the conversion rate in March 2003 has been transferred to the share premium reserve as premium on the submitted shares, seeing that this interest will not be paid.

⁴ Issue expenses 2003 regard issue of shares for cash (2 480), temporary conversion offer (424) and warrants program (622). All issue expenses in 2002 regard issue of shares for cash, including also 1 699 regarding non-deductible VAT on issue expenses pertaining to 2001.