

## Interim report January – June 2006

### Strong mid-year performance in the portfolio companies

- Bure's share in EBITA of the portfolio companies for the six-month period ended 30 June 2006 improved by 21% to SEK 149M (123).
- Consolidated operating profit declined to SEK 58M (408) for the second quarter and SEK 179M (469) for the six-month period. The decrease is explained by the fact that operating profit for the year-earlier period included exit gains of over SEK 350M. The Group posted a net profit of SEK 36M (375) for the second quarter and SEK 125M (398) for the six-month period. Earnings per share after full dilution were SEK 0.03 (0.36) for the second quarter and SEK 0.10 (0.39) for the six-month period.
- The Parent Company's profit after tax was SEK 26M (312) for the second quarter and SEK 17M (306) for the six-month period.
- The Parent Company's reported equity after full exercise of outstanding warrants increased during the period by SEK 38M to SEK 2,502M (2,408). Equity per share amounted to SEK 1.93 (1.86) (discounted value).
- In the second quarter, dividends with a combined value of SEK 19M were received from the associated company System in the form of cash and shares in Jeeves Information Systems AB.
- The extraordinary general meeting on 20 June 2006 resolved to authorise the implementation of share option and warrant programmes in the subsidiaries Citat Group AB, Cygate AB and Mercuri International Group AB.

### Subsequent events

- Bure has signed an agreement for the sale of its shares in the engineering consultancy Carl Bro. The preliminary purchase consideration amounts to SEK 1,020M, of which SEK 175M consists of shares in the buyer, the Netherlands-based engineering group Grontmij. The preliminary capital gain is estimated at around SEK 620M. All affected competition authorities have given its clearance for the acquisition. Grontmij shareholders approved the transaction on an extraordinary shareholders' meeting held on 17 August 2006. Closing is expected to take place, and hence Grontmij will gain access to the shares in Carl Bro, before the end of August 2006.
- Fredrik Mattsson has been appointed as President of Bure's subsidiary Vittra AB and will take up his post on 9 October 2006.
- Within the framework of Bure's already adopted and communicated strategy, the Board of Directors has decided to review the company's capital structure.

## BURE SETS SIGHTS ON NEW GOALS

The sale of Carl Bro has brought a significant change in Bure's risk profile. Operating risk has decreased at the same time that we today have a financial situation with a net loan receivable of SEK 1.2 billion. With the new freedom of action this has provided, Bure's attention is now focused on further developing the portfolio companies while at the same time seeking new companies/assets in which to invest. Parallel to this, efforts to improve Bure's capital structure will be intensified.

## DEVELOPMENT OF THE PORTFOLIO COMPANIES

Earnings growth in Bure's portfolio companies continued through the first half of the year. Bure's share of like-for-like EBITA improved markedly over the previous year, rising 21% to SEK 149M (123). Bure's share of first-half sales in the portfolio companies was up by 5% to SEK 2,691M (2,561). The period's earnings growth is mainly explained by the positive performance of Bure's largest portfolio company, Carl Bro. An increase in profit was also achieved by System and Vittra. Second quarter EBITA declined somewhat to SEK 67M (76), an effect caused by a lower number of workdays during the quarter than in the same period of last year. However, Bure's share in sales of the portfolio companies improved by 5% for the quarter to SEK 1,359M (1,300).

Comments on the performance of the individual companies are provided later in this report on pages 3–7.

## THE FUTURE

Last year, in connection with the mid-year report, we presented the main features of Bure's new focus. As a consequence of the changed financial and operating situation for Bure, there will be a stronger emphasis on new investments within the framework of the established strategy.

Bure is pursuing its evaluation of new investments on two fronts, partly via the existing portfolio companies and partly through new direct investments. Several of Bure's portfolio companies have strong positions in their respective sectors and favourable opportunities for both acquisition-driven and organic growth. In combination with the upheavals taking place in certain market sectors, this is creating favourable opportunities to further enhance the existing portfolio. A number of follow-on acquisitions are currently being analysed.

Intensive efforts are underway to identify new investments for the Parent Company, with an emphasis on companies capable of balancing business risk in the existing portfolio. Companies in sectors characterised by predictable and stable cash flows, recurring revenue and high barriers to entry are of particular interest. In short, Bure is seeking companies/assets consistent with a more long-term approach to ownership.

## BURE'S CAPITAL STRUCTURE

After the sale of Carl Bro, a large share of the Parent Company's assets will consist of cash and cash equivalents and short-term investments. Aside from new investments, Bure intend to work on improving the company's capital structure.

### DEVELOPMENT OF THE PORTFOLIO COMPANIES, Q1–Q2 2006 (LIKE-FOR-LIKE)

	Holding, %	Net sales, SEK M		EBITA, SEK M <sup>3</sup>		EBITA margin, %		Net loan receivable <sup>1</sup>
		6 mths 2006	6 mths 2005	6 mths 2006	6 mths 2005	6 mths 2006	6 mths 2005	30 June 2006
		Carl Bro	66.1	1 402.7	1 252.6	73.3	47.0	5.2
Cygate	94.0	375.2	448.7	11.8	16.3	3.2	3.6	54
System <sup>2</sup>	46.2	695.5	558.1	42.7	33.3	6.1	6.0	-21
Mercuri	100.0	375.6	354.9	35.0	32.9	9.3	9.3	-85
Citat	100.0	195.1	200.0	13.3	13.8	6.7	6.9	7
Vittra	100.0	274.5	248.8	18.8	9.8	6.9	3.9	104
Textilia	100.0	163.8	178.3	-6.8	-1.6	-4.2	-0.9	-96
Retea	100.0	35.9	28.8	5.2	3.6	14.6	12.7	2
Appelberg	100.0	36.4	30.8	3.5	1.9	9.7	6.3	-2
Celemi	30.1	27.7	38.9	1.8	2.4	6.6	6.3	0
<b>Total</b>		<b>3,582.4</b>	<b>3,339.9</b>	<b>198.6</b>	<b>159.4</b>			<b>79</b>
<b>Bure's share</b>		<b>2,691.0</b>	<b>2,561.0</b>	<b>148.9</b>	<b>122.9</b>			<b>46</b>

<sup>1</sup> Liability (-), receivable (+)

<sup>2</sup> Operating profit in System has been adjusted for all amortisation of intangible assets, since revaluation gains have arisen both in connection with and subsequent to acquisitions.

<sup>3</sup> EBITA is defined as operating profit before goodwill amortisation and before amortisation of revaluation gains attributable to acquisitions.

## INFORMATION ABOUT THE PORTFOLIO COMPANIES

### UNLISTED HOLDINGS

#### CARL BRO

Income statement SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	703	652	1,403	1,253	2,575
Operating expenses	-687	-619	-1,330	-1,206	-2,446
EBITA before items affecting comparability	16	33	73	47	129
%	2.3	5.1	5.2	3.8	5.0
Items affecting comparability	0	0	0	0	11
Shares in profit of associated companies	0	0	0	0	1
EBITA	16	33	73	47	141
%	2.3	5.1	5.2	3.8	5.5
Amort./write-downs of revaluation gains	0	0	0	0	0
Operating profit	16	33	73	47	141
Net financial items	-2	-2	-4	-4	-4
Profit before tax	14	31	69	43	137
Income tax expense	-4	-4	-20	-9	-38
Net profit	10	27	49	34	99

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill	111	112	112
Other intangible assets	9	8	9
Tangible assets	90	116	100
Financial assets	11	28	14
Inventories, etc.	209	175	224
Current receivables	491	495	462
Cash, bank and short-term investments	218	149	192
Total assets	1,139	1,083	1,113
Equity	380	273	338
Provisions	37	40	39
Long-term liabilities	96	166	103
Current liabilities	626	604	633
Total equity and liabilities	1,139	1,083	1,113

Key figures SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	8	7	12	3	7
Operating cash flow	25	44	53	102	209
Equity ratio, %			33	25	30
Net loan debt (-)/receivable (+)			116	-18	83
Average number of employees			2,599	2,512	2,539

- The Carl Bro group showed sustained strong performance in the second quarter, although year-on-year profit was down somewhat due to the occurrence of the Easter holiday in the second quarter. First-half EBITA rose by 20% to SEK 73M (47).
- A combination of sales growth, productivity gains and a continued focus on efficiency optimisation led to a significant improvement in profit compared with the first half of last year.
- Thanks to the period's strong results, the financial position and equity ratio remain satisfactory.

**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. Nørgaard

#### CYGATE

Income statement SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full 2005
Net sales	186	202	375	449	837
Operating expenses	-181	-197	-363	-432	-801
EBITA before items affecting comparability	5	5	12	17	36
%	2.8	2.3	3.2	3.8	4.3
Affecting comparability	0	-1	0	-1	-6
Shares in profit of associated companies	0	0	0	0	0
EBITA	5	4	12	16	30
%	2.8	2.0	3.2	3.6	3.6
Amort./write-downs of revaluation gains	0	0	0	0	0
Operating profit	5	4	12	16	30
Net financial items	0	0	0	1	0
Profit before tax	5	4	12	17	30
Income tax expense	-4	-3	-7	-4	8
Net profit	1	1	5	13	38

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill	38	34	38
Other intangible assets	0	0	0
Tangible assets	20	22	19
Financial assets	18	11	23
Inventories, etc.	44	37	45
Current receivables	139	144	178
Cash, bank and short-term investments	65	78	81
Total assets	324	326	384
Equity	158	129	154
Provisions	1	1	1
Long-term liabilities	7	8	7
Current liabilities	158	188	222
Total equity and liabilities	324	326	384

Key figures SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	-9	-6	-16	4	-2
Operating cash flow	1	23	11	33	36
Equity ratio			49	40	40
Net loan debt (-)/receivable (+)			54	42	46
Average number of employees			247	238	230

- The Swedish operations posted an EBITA of SEK 14M (12) for the quarter, although overall EBITA was SEK 5M (4), since the Finnish operations continued to deviate from plan. An action programme has been launched and will be completed in the third quarter. The planned measures include streamlining of operations and downsizing of staff.
- Second quarter sales fell by 9% to SEK 186M (202). The drop in volume was mainly attributable to product sales compared with 2005, when a large number of major contracts were signed. However, recurring revenue and service deliveries were up by 16%.
- Framework agreements have been signed with Verva (government call-off contracts) which covers systems integration and network products and is ranked as number one by eight suppliers. The agreement, with a total value of around SEK 900M, runs for two years with an option for a one-year extension.
- Cygate has signed a framework agreement with the Stockholm County Council for network equipment and with the Västra Götaland Regional Council for systems integration and network products.
- After the end of the period, the Finnish production of Managed Services was sold to Finland-based Corenet as part of the ongoing focusing of Cygate's Finnish operations.

**Cygate is a provider of 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: Jan Stenberg

President: Bengt Lundgren

## SYSTEM

Income statement SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	360	279	696	558	1,181
Operating expenses	-336	-258	-653	-525	-1,114
EBITA before items affecting comparability	24	21	43	33	67
%	6.6	7.6	6.1	6.0	5.7
Items affecting comparability	0	0	0	0	0
Shares in profit of associated companies	0	0	0	0	0
EBITA*	24	21	43	33	67
%	6.6	7.6	6.1	6.0	5.7
Amort./write-downs of revaluation gains	-5	-6	-8	-9	-17
Operating profit	19	15	35	24	50
Net financial items	-4	-1	-9	-1	10
Profit before tax	15	14	26	23	60
Income tax expense	-7	-5	-11	-7	-20
Net profit	8	9	15	16	40

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill	118	93	120
Other intangible assets		31	26
Tangible assets	36	37	36
Financial assets	11	21	45
Inventories, etc.	8	5	6
Current receivables	320	264	313
Cash, bank and short-term investments	71	112	67
Total assets	595	558	622
Equity	178	313	205
Provisions	21	4	8
Long-term liabilities	74	22	89
Current liabilities	322	219	320
Total equity and liabilities	595	558	622

Key figures SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	29	1	25	0	0
Equity ratio			30	56	33
Net loan debt (-)/receivable (+)			-22	105	-30
Average number of employees			1,023	948	957

\* System's EBITA has been adjusted for all amortisation of intangible assets, since revaluation gains have arisen both in connection with and subsequent to acquisitions.

- EBITA improved by 12.3% for the quarter and by 28.2 % for the first half.
- The billing ratio rose by 5% in the second quarter, partly as a consequence of ERP system sales in the first quarter. Sales of ERP systems remained strong in the second quarter.
- System's management operations showed continued positive development and operations analysis agreements were signed with Ragnsells, Brio and Hestra Inredningar, among others.
- Rising demand led to a number of ERP system sales during the period, including contracts with Mafa, Raketsport and Folkspel in Sweden. In Norway, agreements were signed with clients such as Flexit and AddCon.
- Operating agreement have been signed with the Municipality of Knivsta, Electrolux and a number of housing companies. Agreements regarding operation and supply of technical infrastructure were signed with SF.

**System is a strategic provider of comprehensive services in the areas of functional consulting, ERP, systems development, systems operation, IT, infrastructure and engineering. System also has a more specialised offering for clients wishing to purchase services on a nationwide basis.**

system.se

Chairman: Stig-Olof Simonsson

President: Niclas Ekblad

## MERCURI INTERNATIONAL

Income statement SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	194	197	376	355	672
Operating expenses	-171	-171	-341	-322	-634
EBITA before items affecting comparability	23	26	35	33	38
%	11.8	13.2	9.3	9.3	5.7
Items affecting comparability	0	0	0	0	0
Shares in profit of associated companies	0	0	0	0	1
EBITA	23	26	35	33	39
%	11.8	13.2	9.3	9.3	5.8
Amort./write-downs of revaluation gains	0	0	0	-1	-1
Operating profit	23	26	35	32	38
Net financial items	-3	-1	-4	-1	-3
Profit before tax	20	25	31	31	35
Income tax expense	-4	-7	-6	-8	-9
Net profit	16	18	25	23	26

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill	312	301	309
Other intangible assets		4	4
Tangible assets	19	24	21
Financial assets	28	27	28
Inventories, etc.	1	1	1
Current receivables	160	144	132
Cash, bank and short-term investments	53	72	83
Total assets	577	573	579
Equity	248	223	228
Provisions	44	45	45
Long-term liabilities	16	124	109
Current liabilities	269	181	197
Total equity and liabilities	577	573	579

Key figures SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	-1	11	6	3	6
Operating cash flow	10	19	-18	9	36
Equity ratio			43	39	39
Net loan debt (-)/receivable (+)			-85	-75	-54
Average number of employees			599	567	577

- Net sales for the first six months were up by 6% to SEK 376M (355).
- EBITA for the first half of the year was SEK 35M (33). EBITA, which was previously concentrated to a few of Mercuri's units, has stabilised and more units are now contributing to the positive outcome.
- Mercuri's largest markets at present are Sweden, France, the UK and Germany.
- Mercuri's development has been shaped by a distinct trend towards internationalisation, largely in response to client demand. A growing share of sales are generated in global projects, where Mercuri has the resources to offer multinational companies a range of uniform and qualified training and consulting services worldwide.
- In the first half of 2006 an agreement was signed with CrossKnowledge for distribution of e-learning solutions to Mercuri's clients. The partnership will enable Mercuri to meet market demand for more effective and cost-efficient learning processes.

**Mercuri International is Europe's leading sales and management training consultancy, with global coverage through wholly owned subsidiaries and franchisees.**

mercuri.net

Chairman: Lennart Svantesson

President: Nicole Dereumaux

## CITAT

Income statement SEK M	Q2		Q2 6 mths		6 mths	Full year
	2006	2005	2006	2005	2005	2005
Net sales	98	103	195	200	382	
Operating expenses	-94	-95	-182	-186	-354	
EBITA before items affecting comparability	4	8	13	14	28	
%	4.4	7.9	6.7	6.9	7.3	
Items affecting comparability	0	0	0	0	0	
Shares in profit of associated companies	0	0	0	0	0	
EBITA	4	8	13	14	28	
%	4.4	7.9	6.7	6.9	7.3	
Amort./write-downs of revaluation gains	0	0	0	0	0	
Operating profit	4	8	13	14	28	
Net financial items	0	0	0	0	-1	
Profit before tax	4	8	13	14	27	
Income tax expense	-1	-2	-4	-4	-6	
Net profit	3	6	9	10	21	

Balance sheet SEK M	30 June		
	2006	2005	31 Dec 2005
Goodwill	103	103	103
Other intangible assets		0	0
Tangible assets	12	12	11
Financial assets	1	10	5
Inventories, etc.	0	0	0
Current receivables	99	103	90
Cash, bank, short-term investments	25	0	28
Total assets	240	228	237
Equity	150	130	141
Provisions	0	2	0
Long-term liabilities	18	23	18
Current liabilities	72	73	78
Total equity and liabilities	240	228	237

Key figures SEK M	Q2		Q2 6 mths		6 mths	Full year
	2006	2005	2006	2005	2005	2005
Growth, %	-5	17	-2	13	8	
Operating cash flow	0	1	6	2	24	
Equity ratio			63	57	60	
Net loan debt (-)/receivable (+)			7	-23	5	
Average number of employees			309	301	306	

- Sustained strong order intake. Second quarter sales are reported at SEK 98M and agency revenue at SEK 79M, equal to an agency margin of 5%. First-half sales amounted to SEK 195M and agency revenue to SEK 159M, equal to an agency margin of 8%. Organic growth for agency revenue in the first half of the year was 3%.
- Second quarter EBITA was SEK 4M, representing an operating margin of 4%. EBITA for the first half of the year was SEK 13M, representing an operating margin of 7%.
- On 1 June Citat took over Unilever's in-house agency with nine employees under an outsourcing agreement. The collaboration is a strategic move for both parties and the intention is for Citat to increase, rationalise and enhance Unilever's production of below-the-line advertising in the Nordic region.
- In the second quarter, new and extended contracts were signed with clients such as Unilever, H&M Rowells, Scania, Skandia, Ericsson, Tre (HI3G), Bombardier and NK Saluhall.
- In May, Citat Journalistgruppen won the Guldeken award in the category "Best Information". At the Cannes Lions Festival, Åkestam Holsts won both gold and silver for its campaign where the Citat agency Mods Graphic Studios was responsible for retouch.

**As the Nordic region's leading communications production group, Citat makes day-to-day work easier for communications and marketing departments through a combination of consulting services, system solutions and production.**

citat.se

Chairman: Jan Stenberg

President: Dan Sehlberg

## VITTRA

Income statement SEK M	Q2		Q2 6 mths		6 mths	Full year
	2006	2005	2006	2005	2005	2005
Net sales	140	124	275	249	486	
Operating expenses	-123	-118	-248	-239	-460	
EBITA before items affecting comparability	17	6	27	10	26	
%	12.4	4.8	9.8	3.9	5.4	
Affecting comparability	-8	0	-8	0	24	
Shares in profit of associated companies	0	0	0	0	0	
EBITA	9	6	19	10	50	
%	6.6	4.8	6.9	3.9	10.3	
Amort./write-downs of revaluation gains	0	0	0	0	0	
Operating profit	9	6	19	10	50	
Net financial items	0	-1	0	-3	-5	
Profit before tax	9	5	19	7	45	
Income tax expense	-2	-2	-5	-2	-5	
Net profit	7	3	14	5	40	

Balance sheet SEK M	30 June		
	2006	2005	31 Dec 2005
Goodwill	43	35	43
Other intangible assets	0	0	0
Tangible assets	22	203	25
Financial assets	0	9	3
Inventories, etc.	0	0	0
Current receivables	47	49	46
Cash, bank and short-term investments	118	65	86
Total assets	230	361	203
Equity	112	119	98
Provisions	0	1	0
Long-term liabilities	5	148	9
Current liabilities	113	93	96
Total equity and liabilities	230	361	203

Key figures SEK M	Q2		Q2 6 mths		6 mths	Full year
	2006	2005	2006	2005	2005	2005
Growth, %	13	2	10	4	8	
Operating cash flow*	24	7	38	24	53	
Equity ratio			49	33	48	
Net loan debt (-)/receivable (+)			104	-97	66	
Average number of employees			610	586	598	

\* Operating cash flow before investment in/sale of properties.

- Vittra reported improved earnings in the second quarter of 2006, partly because profit was not charged with any new start-ups.
- In autumn 2006 Vittra will open two new compulsory schools and a preschool; Brunners in Upplands Väsby and Söderbergs in Vallentuna. The cost of these start-ups will be charged to earnings during the autumn.
- The results of the year's quality survey show continued strong results. The pupil's individual action plans set the course for day-to-day activities. To a greater extent than earlier, Vittra's employees support the company's objectives and are working to increase the life opportunities of children and youths.
- Interest in Vittra's schools remains strong.
- Vittra is one of the leading independent school operators in the market and contributes to diversity and freedom of choice for pupils and parents.
- Fredrik Mattsson has been appointed as President of Vittra and will take up his post on 9 October 2006. In connection with this, Jill Nilsson has been named Vice President as of the same date.

**Vittra was established in 1993 and is driven by a commitment "to enhancing the individual's life during the various phases of development through education and learning". Vittra has developed an educational model based on an individual development plan for each pupil. Vittra has been entrusted with the care of some 7,000 pupils aged 1-19 years at its 26 preschools, compulsory schools and high schools throughout Sweden.**

vittra.se

Chairman: Patrik Tigerschiöld

President: Jill Nilsson

## TEXTILIA

Income statement SEK M	Q2 2006	Q2 6 mths 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	83	89	164	178	357
Operating expenses	-85	-91	-171	-180	-354
EBITA before items affecting comparability	-2	-2	-7	-2	3
%	-2.9	-2.2	-4.1	-0.9	0.9
Items affecting comparability	0	0	0	0	0
Shares in profit of associated companies	0	0	0	0	1
EBITA	-2	-2	-7	-2	4
%	-2.9	-2.2	-4.2	-0.9	1.1
Amort./write-downs of revaluation gains	0	0	0	0	0
Operating profit/loss	-2	-2	-7	-2	4
Net financial items	-1	0	-1	0	-2
Profit before tax	-3	-2	-8	-2	2
Income tax expense	0	0	0	0	-2
Net profit/loss	-3	-2	-8	-2	0

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill		0	0
Other intangible assets		0	0
Tangible assets	155	132	137
Financial assets	20	20	20
Inventories, etc.	0	0	0
Current receivables	64	97	82
Cash, bank and short-term investments	0	1	20
Total assets	239	250	259
Equity	95	100	104
Provisions	7	13	11
Long-term liabilities	56	28	56
Current liabilities	81	109	88
Total equity and liabilities	239	250	259

Key figures SEK M	Q2 2006	Q2 6 mths 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	-8	4*	-8	6	7*
Operating cash flow	-21	12	-32	5	-9
Equity ratio			40	40	40
Net loan debt (-)/receivable (+)			-96	-44	-61
Average number of employees			453	453	502

\* Adjusted for sold unit.

- Second quarter sales declined by 8% year-on-year to SEK 83M (89). For the six-month period, net sales were down by 8% compared with the same period of last year and amounted to SEK 164M (178).
- EBITA fell somewhat during the second quarter. For the six-month period, EBITA decreased to SEK -7M (-2).
- Textilia is continuing to focus on the action programme aimed at optimising efficiency in production. The measures now being introduced, in areas such as staff planning and transport solutions, will yield long-term gains but have led to increased costs and lower productivity during the renewal process.

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

textiliaab.se

Chairman: Håkan Buskhe

President: Sven Ek

## RETEA

Income statement SEK M	Q2 2006	Q2 6 mths 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	18	15	36	29	59
Operating expenses	-15	-13	-31	-25	-49
EBITA before items affecting comparability	3	2	5	4	10
%	12.9	11.6	14.6	12.7	16.1
Items affecting comparability	0	0	0	0	0
Shares in profit of associated companies	0	0	0	0	0
EBITA	3	2	5	4	10
%	12.9	11.6	14.6	12.7	16.1
Amort./write-downs of revaluation gains	0	0	0	0	0
Operating profit	3	2	5	4	10
Net financial items	0	0	0	0	0
Profit before tax	3	2	5	4	10
Income tax expense	-1	-1	-1	-1	-2
Net profit	2	1	4	3	8

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill		0	0
Other intangible assets		0	0
Tangible assets	2	1	1
Financial assets	0	0	0
Inventories, etc.	0	0	0
Current receivables	18	16	18
Cash, bank and short-term investments	2	5	10
Total assets	22	22	29
Equity	12	13	8
Provisions	0	0	0
Long-term liabilities	0	0	0
Current liabilities	10	9	21
Total equity and liabilities	22	22	29

Key figures SEK M	Q2 2006	Q2 6 mths 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	18	25	25	26	29
Operating cash flow	3	2	4	3	7
Equity ratio			54	56	28
Net loan debt (-)/receivable (+)			2	5	10
Average number of employees			70	59	60

- Sales improved by 18% and operating profit (EBITA) by 33% compared with the second quarter of 2005.
- Continued strong demand for Retea's services.
- A framework agreement for international assignments was signed with the National Property Board (SFV).

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

retea.se

Chairman: Bengt Lundgren

President: Mikael Vatn

## APPELBERG PUBLISHING GROUP

Income statement SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	17	16	36	31	68
Operating expenses	-17	-15	-35	-29	-64
EBITA before items affecting comparability	0	1	1	2	4
%	0.0	3.1	1.2	6.3	6.0
Items affecting comparability	3	0	3	0	-1
Shares in profit of associated companies	0	0	0	0	0
EBITA	3	1	4	2	3
%	18.6	3.1	9.7	6.3	3.9
Amort./write-downs of revaluation gains	0	0	0	0	0
Operating profit	3	1	4	2	3
Net financial items	0	0	0	0	0
Profit before tax	3	1	4	2	3
Income tax expense	0	0	0	0	-1
Net profit	3	1	4	2	2

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill		0	0
Other intangible assets		0	0
Tangible assets		1	1
Financial assets		2	3
Inventories, etc.		0	0
Current receivables		14	12
Cash, bank and short-term investments		10	9
Total assets		27	25
Equity		9	8
Provisions		0	0
Long-term liabilities		0	0
Current liabilities		18	17
Total equity and liabilities		27	25

Key figures SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	7	-6	18	-55	6
Operating cash flow	0	2	-3	3	7
Equity ratio			38	30	21
Net loan debt (-)/receivable (+)*			-2	-6	-2
Average number of employees			41	44	42

\* Net loan debt including holding company.

- Appenberg posted a profit of around SEK 4M for the first six months of the year. Agency revenue for the six-month period was around SEK 25M (21).
- In the second quarter, the subsidiary Appenberg Magazine Förlag sold the magazine Vin&Bar Journalen as part of Appenberg Magazine's future strategy to develop publishing products together with partners that have their own exclusive distribution channel. An agreement was signed with Målarmästarna for the start-up of the new magazine Roomservice Professional.
- A strong focus on sales led to favourable results. Extended agreements were signed with clients like SCA, Microsoft, Skandia and Öhrlings PricewaterhouseCoopers.

**Appenberg Publishing Group is one of Sweden's leading providers of PR and editorial communication services. Appenberg's speciality is the development and design of professional newsletters, magazines and other printed materials, websites, communication strategy and PR.**

appelberg.se

Chairman: Carl Backman

President: Mats Edman

## CELEMI

Income statement SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	16	24	28	39	74
Operating expenses	-13	-19	-26	-37	-76
EBITA before items affecting comparability	3	5	2	2	-2
%	17.8	20.8	6.6	6.3	-2.7
Items comparability	0	0	0	0	-2
Shares in profit of associated companies	0	0	0	0	0
EBITA	3	5	2	2	-4
%	17.8	20.8	6.6	6.3	-5.5
Amort./write-downs of revaluation gains	0	0	0	0	0
Operating profit	3	5	2	2	-4
Net financial items	0	-1	-1	0	-1
Profit before tax	3	4	1	2	-5
Income tax expense	0	0	0	0	-2
Net profit	3	4	1	2	-7

Balance sheet SEK M	30 June 2006	30 June 2005	31 Dec 2005
Goodwill		5	5
Other intangible assets		0	1
Tangible assets		1	2
Financial assets		10	2
Inventories, etc.		2	5
Current receivables		19	26
Cash, bank and short-term investments		8	-5
Total assets		35	36
Equity		17	18
Provisions		0	2
Long-term liabilities		2	1
Current liabilities		16	15
Total equity and liabilities		35	36

Key figures SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Growth, %	-32	26	-29	5	-6
Operating cash flow	3	0	5	-4	-3
Equity ratio			50	51	29
Net loan debt (-)/receivable (+)			0	-8	-7
Average number of employees			33	44	45

- Net sales for the second quarter fell by around 30% to SEK 16M (24) due to the wind-up of consulting operations in Belgium and England.
- Second quarter EBITA was SEK 3M (5), equal to an operating margin of 17.8%.
- Cash flow from operating activities for the six-month period improved to SEK 3M (0) to SEK 5M (-4).

**Celemi helps large enterprises to rapidly and efficiently communicate key messages that 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 through partners in more than 30 countries..**

celemi.se

Chairman: Göran Havander

President: Margareta Barchan

## OTHER HOLDINGS

### JEEVES

In the second quarter Bure received dividends of nearly SEK 19M from the portfolio company System AB. Part of the dividend was paid as shares in the listed company Jeeves Information Systems AB. Jeeves develops Enterprise Resource Planning (ERP) systems for businesses in the manufacturing, retail and service sectors and has a strong focus on product development. Sales and consulting operations are conducted via a nationwide partner network. The company's core products, Jeeves Enterprise and Garp, have been installed by more than 3,000 companies in 35 countries. Bure holds a total of 149,349 shares in Jeeves, corresponding to just under 5% of the number of shares and votes in the company.

Jeeves' net sales for the first six months of 2006 rose by 30% to SEK 57M (44). Operating profit was SEK 6M (6).

### VENTURE CAPITAL COMPANIES

Until the end of 2003, Bure invested in the venture capital sector. Investments were made both via fund participations and direct investment in venture capital companies. At year-end Bure's venture capital portfolio consisted of Kreatel Communications AB (5%) and Mitra Medical AB (5%). In the first quarter of 2006, Bure sold its remaining holding in Kreatel, providing a capital gain of around SEK 37M. The remaining holding, Mitra, develops and provides products for improved cancer treatment and diagnostics. Mitra was founded in 1996 and has its head office in Lund with 20 employees.



## PARENT COMPANY HOLDINGS AT 30 JUNE 2006

	% of capital	% of votes	Book value, SEK M
<b>Unlisted holdings</b>			
Carl Bro	66.11	66.11	398
Cygate <sup>4</sup>	94.01	94.01	301
System <sup>1</sup>	46.23	47.34	265
Mercuri International Group <sup>4</sup>	100.00	100.00	244
Citat <sup>4</sup>	100.00	100.00	191
Vittra	100.00	100.00	95
Textilia	100.00	100.00	40
Retea	100.00	100.00	29
Appelberg (BCG)	100.00	100.00	20
Celemiab Group	30.13	30.13	9
Bure Kapital	100.00	100.00	21
CR&T Ventures <sup>2</sup>	100.00	100.00	2
Other dormant companies			1
Other direct holdings, unlisted			15
<b>Total</b>			<b>1,631</b>
<b>Listed holdings</b>			
Jeeves (149,349 shares)	4.99	4.99	10
<b>Total</b>			<b>1,641</b>
<b>Other assets and liabilities</b>			
Interest-bearing receivables from subsidiaries			9
Other interest-bearing receivables			14
Cash, cash equivalents and short-term investments			476
Other assets			24
Interest-bearing liabilities			-112
Other liabilities			-17
<b>Total other assets and liabilities</b>			<b>394</b>
<b>Parent Company equity</b>			
Increase in equity after full exercise of warrants, 687,022,459 shares at SEK 0.75 each, present value (10% discount rate)			467
<b>EQUITY (INCLUDING PRESENT VALUE AFTER FULL EXERCISE OF WARRANTS)</b>			<b>2,502</b>
<b>DATA PER SHARE AFTER FULL DILUTION</b>			
<b>Equity per share divided between 1,297,200,000 shares, present value (10% discount rate)<sup>3</sup></b>			<b>1.93</b>
<b>Equity per share (undiscounted)</b>			<b>1.97</b>

### Comments on the table:

The bulk of Bure's investments consist of unlisted holdings, which means that revaluation gains are not recognised. 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". The readers are instead given the opportunity to form their own opinion regarding the value of the respective holdings based on the provided information about the earnings and financial positions of the individual portfolio companies.

Bure carries out ongoing cash flow analyses of all its holdings to determine the need for adjustment of book values. If a discounted cash flow analysis shows that the value of a holding has fallen below its book value (impairment test), a write-down is made. Correspondingly, the value of a company that has been previously written down may be written back if its value increases again. For obvious reasons, a more critical assessment is made before deciding write back a value. Bure's internal rules place higher demands on a write-back than a write-down. Since the written-up value may not exceed historical cost, unrealised revaluation gains are not recognised in Bure's equity.

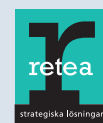
The valuation of a company is always uncertain, since it is based on an assessment of future development. The values determined in the cash flow valuations are based on the management's estimates of the future cash flows generated in the respective portfolio company.

<sup>1</sup> When assessing the market value of System it should be taken into account that an additional purchase price may be payable, provided that Bure's holding is sold by March 2007 at the latest, leading to a dilution effect for Bure at higher market values. For example, with a value of SEK 1.000M for the entire company, Bure's financial share would decrease to approximately 43 per cent. The dilution factor increases in proportion to growth in market value.

<sup>2</sup> Equity amounts to SEK 35M.

<sup>3</sup> The proceeds from the exercise of warrants are expected to be received on 15 June 2007, at the latest. A discount rate of 10% has been used to reflect the cost of the previous subordinated debentures. Information about the undiscounted value is also provided so that the shareholders can make their own assessments.

<sup>4</sup> A decision has been made to offer ownership diversification programmes in the subsidiaries Mercuri, Cygate and Citat as authorised by the AGM on 20 June 2006.



## INTERIM REPORT

### PARENT COMPANY

#### Results for the second quarter

For the second quarter of 2006 the Parent Company reported a profit after tax of SEK 26M (312), including exit gains of SEK 1M (353). No write-downs were made during the period (20), although profit was affected by write-backs of SEK 17M (0). Administrative expenses for the quarter amounted to SEK 12M (12), including project-specific costs of more than SEK 1M and bonus provisions of SEK 4M. Dividends of SEK 19M were received from System, of which SEK 10M consisted of shares in Jeeves AB.

#### Results for the six-month period

The Parent Company's profit after tax for the six-month period was SEK 17M (306), including exit gains of SEK 1M (356). Write-backs during the period amounted to SEK 17M (0) and write-downs to SEK 0M (1).

Administrative expenses totalled SEK 23M (20) and included project-specific costs of SEK 6M and bonus provisions of SEK 4M.

#### Financial position

Equity in the Parent Company, after full exercise of outstanding warrants and discounted by an annual rate of 10%, amounted to SEK 2,502M (2,408) at the end of the period. The equity ratio, adjusted for full exercise of warrants, was 95% (92). Reported equity (before full exercise of warrants) at 30 June was SEK 2,035M (1,961), and the equity ratio was 94% (75).

At the end of the period the Parent Company had cash and cash equivalents of SEK 476M (700) and had redeemed all outstanding loans (565). Adjusted for full exercise of outstanding warrants and discounted by an annual rate of 10%, the net loan receivable at the end of the period was SEK 854M (569). At 30 June, the Parent Company had a net loan receivable of SEK 387M (122) before full exercise of warrants.

#### Composition of net loan receivable/debt

SEK M	30 June 2006	30 June 2005	31 Dec 2005
<b>Interest-bearing assets:</b>			
Receivables from subsidiaries	9	29	35
Other interest-bearing receivables	13	14	14
Cash and cash equivalents	476	700	433
	<b>498</b>	<b>743</b>	<b>482</b>
<b>Interest-bearing liabilities:</b>			
Long-term bank loans	–	565	–
Current liabilities to subsidiaries	111	55	78
Other interest-bearing liabilities	–	1	–
	<b>111</b>	<b>621</b>	<b>78</b>
Net loan receivable	387	122	404
Net loan receivable, full exercise <sup>1</sup>	854	569	854

<sup>1</sup> Adjusted for full exercise of outstanding warrants

### Investments

The period's investments with a cash flow effect amounted to SEK 2M, and referred to a new share issue in the associated company Celemi and minor shareholdings in Cygate for a total of SEK 0.5M.

### Dividends

In the second quarter Bure received dividends of from System of SEK 19M, of which SEK 10M consisted of shares in Jeeves AB.

### Divestitures – exits

No divestitures were carried out by the Parent Company during the quarter.

### Reported equity per share

Equity per share after full dilution (present value, 10% discount rate, see also page 9) at the end of the period was SEK 1.93, compared with SEK 1.90 at year-end 2005. At 22 August, equity per share was calculated at SEK 1.93 (discounted value).

### 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 inclusive. 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 687 million new shares, 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	30 June 2006	30 June 2005	31 Dec 2005
No. of warrants outstanding, millions	687.0	721.5	693.6
Number of shares, millions	610.2	575.6	603.6
Warrant/share ratio	1.13	1.25	1.15

In the second quarter, holders of around 3 million warrants exercised their right to subscribe for an equal number of new Bure shares, thus increasing Bure's equity by SEK 2M.

#### The Bure share and subscription warrant

Price development, SEK	22 Aug 2006	30 June 2006	31 Dec 2005
Share	2.79	2.79	2.38
Subscription warrant	2.05	2.01	1.65
<b>Change since year-end, %</b>			
Share	17	17	37
Subscription warrant	24	22	77

Bure's two listed instruments have enjoyed positive price development in 2006, as shown in the adjacent table. The share premium, i.e. the share price relative to reported equity per share, was 45% (10) at 30 June.

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 9). Bure's market capitalisation at the end of the period, after full exercise of outstanding warrants, was SEK 3,619M, compared with SEK 3,087M at 30 June 2005.

## 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 look at development in the portfolio companies on an individual basis. More detailed information about the portfolio companies can be found on pages 3–7. IFRS 5 is applied with effect from 1 January 2005, which means that net profit from discontinued operations is recognised on the face of the income statement.

## Results for the quarter

Consolidated operating profit in continuing operations before goodwill write-downs for the second quarter was SEK 58M (408), including exit gains of SEK 1M (353). Profit for the period was affected by no write-backs of previous share write-downs (SEK 0M) and no write-downs (SEK 19M). Of total operating profit, SEK 61M (77) was attributable to profit in the subsidiaries, where the comparative figure refers to continuing operations. The remainder consists of the Parent Company's administrative expenses and group adjustments, as well as shares in profit of associated companies. Consolidated profit after financial items totalled SEK 53M (391), and was affected by no goodwill write-downs (SEK 0M).

## Results for the six-month period

Consolidated operating profit in continuing operations before goodwill write-downs for the period was SEK 179M (469), including exit gains of SEK 37M (356). Profit for the period was affected by no write-backs of previous share write-downs (SEK 0M) and no write-downs (SEK 2M). Of total operating profit, SEK 154M (123) was attributable to profit in the subsidiaries, where the comparative figure

refers to continuing operations. The remainder consists of the Parent Company's administrative expenses and group adjustments, as well as shares in profit of associated companies. Consolidated profit after financial items totalled SEK 170M (423) and was affected by goodwill write-downs of SEK 0M (1).

## Financial position

Shareholders' equity at 30 June was SEK 2,056M (1,772) and the equity ratio amounted to 51% (39). Equity per share after full dilution was SEK 1.95 (1.71). Adjusted for the full exercise of Bure's outstanding warrants and discounted by an annual rate of 10%, the net loan receivable at 30 June was SEK 709M (62). At the end of the period, the Group had a net loan receivable (before full exercise of warrants) of SEK 242M (-385), consisting of interest-bearing receivables of SEK 944M (1,078) and interest-bearing liabilities of SEK 702M (1,463).

## Share option and warrant programmes in the subsidiaries

The extraordinary general meeting on 20 June 2006 approved the implementation of share option and warrant programmes in the subsidiaries Citat Group AB, Cygate AB and Mercuri International Group AB.

## TREASURY SHARES

Bure holds one million of its own (treasury) shares, unchanged since year-end 2005. No share buy-backs have been carried out to date.

## FINANCIAL GOALS AND DIVIDEND POLICY

- The Bure share shall provide a total return of at least 10% over time.
- Administrative expenses are low and shall not exceed 1.5% of total assets.
- The Bure share shall have a dividend, over time, that reflects growth in equity. It should be possible to supplement dividends with other measures such as share buy-backs, redemption programmes and distribution of shareholdings.

## BURE'S CAPITAL STRUCTURE

In 2005 Bure obtained a court permission to reduce the legal reserve by SEK 300M in order to enable the buy-back of Bure's listed warrants during the period through June 2007. The 2006 Annual General Meeting confirmed the AGM's authorisation for such buy-backs and approved the repurchase of shares amounting to no more than 10% of all shares outstanding (a maximum of 60.3 million shares) during the period until the next AGM.

After the sale of Carl Bro, which was announced in the third quarter, a large share of the Parent Company's assets will consist of cash and cash equivalents and short-term investments. Aside from new investments, Bure intend to work on improving the company's capital structure.

## OWNERSHIP STRUCTURE

Bure's largest shareholder at 30 June 2006 was Skanditek Industrieförvaltning with a holding of 10.3%. The largest holder of warrants was also Skanditek Industrieförvaltning, with 9.8%. Since year-end, the number of shareholders is largely unchanged. After the end of the reporting period, Catella Fonder became the largest shareholder in Bure with a holding of 11.3 % according to the shareholder report issued 31 July 2006. For more information about Bure's shareholders, visit [www.bure.se](http://www.bure.se) under the heading "Investor Relations/Shareholders".

## SUBSEQUENT EVENTS

As of 22 August, only minor new subscription had taken place.

In July, Bure signed an agreement for the sale of its shares in the engineering consultancy Carl Bro to the Netherlands-based engineering group Grontmij.

In return for its 66.1% holding, Bure will receive total purchase consideration after transaction costs of approximately SEK 1,020M, of which around SEK 175M will be paid in the form of Grontmij shares which are listed on Euronext in Amsterdam. On a cash- and debt-free basis, and based on the acquisition of all shares in Carl Bro, the purchase price amounts to DKK 1,025M in cash and 400,000 newly issued shares in Grontmij. Bure's stake in Grontmij will be subject to a lockup period of six months for half of the received shares and twelve months for the other half. The preliminary capital gain in the Parent Company is estimated at around SEK 620M, which means that Bure has earned an annual return on investment of 27%. Through the transaction, Bure's reported equity will increase by SEK 0.48 per share. In connection with the sale, guarantees have been furnished regarding Carl Bro's balance sheet, whereby the sellers guarantee their share in the previously communicated HCC dispute. The assessment remains unchanged that the dispute is not expected to have any negative impact on Carl Bro's financial position.

All affected competition authorities have given its clearance for the acquisition. Grontmij shareholders approved the transaction on an extraordinary shareholders' meeting held on 17 August 2006. Closing is expected to take place, and hence Grontmij will gain access to the shares in Carl Bro, before the end of August 2006.

Gothenburg, 23 August 2006  
Bure Equity AB (publ)  
Mikael Nachemson

This report has not been subject to review by the company's auditors.

### Financial calendar

Interim report Jan–Sept 2006	27 October 2006
Year-end report Jan–Dec 2006	23 February 2007

### For additional information contact

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Anders Mörck, Chief Financial Officer	+46 31-708 64 41

## PARENT COMPANY INCOME STATEMENTS

SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
<i>Financial investments</i>					
Exit gains	0.5	353.3	0.5	356.5	359.6
Exit losses	-	-	-	-	-5.9
Dividends	18.6	-	18.6	-	-
Write-downs	-	-19.7	-	-0.7	-2.5
Write-backs	16.6	-	16.6	-	54.9
<b>Result from financial investments</b>	<b>35.7</b>	<b>333.6</b>	<b>35.7</b>	<b>355.8</b>	<b>406.1</b>
Administrative expenses	-12.1	-11.6	-22.7	-20.4	-41.3
<b>Profit before financial items</b>	<b>23.6</b>	<b>322.0</b>	<b>13.0</b>	<b>335.4</b>	<b>364.8</b>
Net financial items	2.0	-9.7	3.7	-29.8	-27.6
<b>Profit after financial items</b>	<b>25.6</b>	<b>312.3</b>	<b>16.7</b>	<b>305.6</b>	<b>337.2</b>
Income tax expense	-	-	-	-	-
<b>Net profit for the period</b>	<b>25.6</b>	<b>312.3</b>	<b>16.7</b>	<b>305.6</b>	<b>337.2</b>
Average number of shares, thousands	608,786	542,036	607,167	487,392	541,715
Average number of shares after full dilution, thousands	1,104,454	1,015,452	1,111,012	982,099	1,095,847
Earnings per share, SEK	0.04	0.58	0.03	0.63	0.62
Earnings per share after full dilution, SEK	0.02	0.31	0.02	0.31	0.31
Average number of employees	11	13	11	13	12

## PARENT COMPANY BALANCE SHEETS

SEK M	30 June 2006	30 June 2005	31 Dec 2005
<i>Assets</i>			
Tangible assets	0.9	1.1	0.9
Financial assets	1,642.2	1,848.1	1,616.1
Current receivables	44.5	55.0	59.3
Cash, cash equivalents and short-term investments	476.2	700.4	433.1
<b>Total assets</b>	<b>2,163.7</b>	<b>2,604.6</b>	<b>2,109.4</b>
<i>Equity, provisions and liabilities</i>			
Equity	2,035.4	1,961.1	2,013.8
Provisions	-	0.6	-
Long-term liabilities	-	565.0	-
Current liabilities	128.3	77.9	95.6
<b>Total equity, provisions and liabilities</b>	<b>2,163.7</b>	<b>2,604.6</b>	<b>2,109.4</b>
<i>Of which, interest-bearing liabilities</i>	<i>111.8</i>	<i>620.8</i>	<i>77.9</i>
<i>Pledged assets and contingent liabilities</i>			
Pledged assets	880.2	1 129.0	861.4
Contingent liabilities	275.3	287.8	284.5

The Parent Company's contingent liabilities consist of sureties and guarantees of SEK 13M for commitments in subsidiaries. In addition, Bure is guarantor for finance leases in Textilia and Vittra, where the residual value at 30 June 2006 was SEK 262.4M. The risk that Bure will be obligated to assume responsibility for these agreements will arise if either of the companies is unable to pay its contractual lease charges. For these commitments, there is corresponding surety in the property values of the respective companies. The commitment with respect to Vittra's lease will cease in September 2006, when the agreement is converted to an operating lease due to the sale of the property. This commitment is included in the above amount in a sum of SEK 207.5M. Furthermore, Bure has remaining investment commitments in the form of follow-on share acquisitions in subsidiaries amounting to approximately SEK 12M (19). Pledged assets consist of pledged shares in subsidiaries and associated companies.

## PARENT COMPANY CASH FLOW STATEMENTS

SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Profit after financial items	25.6	312.2	16.7	305.6	337.2
Adjusting items	-17.1	-328.6	-17.1	-337.4	-387.6
<b>Cash flow from operating activities before change in working capital</b>	<b>8.5</b>	<b>-16.4</b>	<b>-0.4</b>	<b>-31.8</b>	<b>-50.4</b>
Change in working capital	23.9	6.6	40.4	-2.8	10.3
<b>Cash flow from operating activities</b>	<b>32.4</b>	<b>-9.8</b>	<b>40.0</b>	<b>-34.7</b>	<b>-40.1</b>
Investments	-0.5	-15.1	-2.4	-84.7	14.1
Sale of subsidiaries and associated companies	0.5	509.6	0.5	604.4	787.8
<b>Cash flow from investing activities</b>	<b>0.0</b>	<b>494.5</b>	<b>-1.9</b>	<b>519.7</b>	<b>801.9</b>
<b>Cash flow from financing activities</b>	<b>2.2</b>	<b>31.2</b>	<b>4.9</b>	<b>-291.5</b>	<b>-835.5</b>
<b>Cash flow for the period</b>	<b>34.6</b>	<b>515.9</b>	<b>43.0</b>	<b>193.6</b>	<b>-73.7</b>

## CONSOLIDATED INCOME STATEMENTS

SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Net sales	1,436.7	1,396.6	2,858.2	2,742.3	5,435.0
Operating expenses	-1,383.2	-1,347.2	-2,719.8	-2,635.8	-5,136.0
<i>of which, write-downs</i>	-	-18.7	-	-2.5	-0.5
<i>of which, write-backs</i>	-	-	-	-	21.1
Exit gains	0.5	353.4	37.5	356.5	356.2
Exit losses	-	-	-0.1	-	-16.5
Shares in profit of associated companies	4.4	4.9	3.3	6.4	10.3
Goodwill write-downs	-	-	-	-0.6	-0.6
<b>Operating profit</b>	<b>58.4</b>	<b>407.7</b>	<b>179.1</b>	<b>468.8</b>	<b>648.4</b>
Net financial items	-5.3	-16.8	-9.5	-45.5	-57.1
<b>Profit after financial items</b>	<b>53.1</b>	<b>390.9</b>	<b>169.6</b>	<b>423.3</b>	<b>591.3</b>
Income tax expense	-17.2	-15.8	-44.4	-25.4	-47.6
<b>The period's profit from continuing operations</b>	<b>35.9</b>	<b>375.1</b>	<b>125.2</b>	<b>397.9</b>	<b>543.7</b>
Profit from discontinued operations	-	-	-	-	-
<b>Net profit for the period</b>	<b>35.9</b>	<b>375.1</b>	<b>125.2</b>	<b>397.9</b>	<b>543.7</b>
Profit attributable to minority interests	3.5	9.6	17.1	13.1	36.1
Profit attributable to equity holders of the Parent Company	32.4	365.5	108.1	384.8	507.6
<b>Total net profit for the period</b>	<b>35.9</b>	<b>375.1</b>	<b>125.2</b>	<b>397.9</b>	<b>543.7</b>
Average number of shares, thousands	608,786	542,036	607,167	487,392	541,715
Average number of shares after full dilution, thousands	1,104,454	1,015,452	1,111,012	982,099	1,095,847
<b>Earnings per share before dilution, SEK</b>					
- attributable to equity holders of the Parent Company in continuing operations	0.05	0.67	0.18	0.79	0.94
<b>Earnings per share after full dilution, SEK</b>					
- attributable to equity holders of the Parent Company in continuing operations	0.03	0.36	0.10	0.39	0.46
Average number of employees	4,923	4,758	4,939	4,773	4,879

## CONSOLIDATED BALANCE SHEETS

SEK M	30 June 2006	30 June 2005	31 Dec 2005
<b>Assets</b>			
Intangible assets	930.2	912.1	932.7
<i>of which, goodwill</i>	<i>916.1</i>	<i>899.7</i>	<i>918.3</i>
Tangible assets	383.1	741.5	381.6
Financial assets	290.2	541.4	346.0
Inventories, etc.	255.0	213.0	270.5
Current receivables	1,061.3	1,083.6	1,025.5
Cash, cash equivalents and short-term investments	916.4	1,049.6	891.8
<b>Total assets in continuing operations</b>	<b>3,836.2</b>	<b>4,541.2</b>	<b>3,848.1</b>
Non-current assets held for sale*	183.9	-	183.9
<b>Total assets</b>	<b>4,020.1</b>	<b>4,541.2</b>	<b>4,032.0</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of the Parent Company	1,918.1	1,672.0	1,856.9
Equity attributable to minority interests	138.2	100.4	123.3
<b>Total equity</b>	<b>2,056.3</b>	<b>1,772.4</b>	<b>1,980.2</b>
Long-term liabilities	369.6	1,438.9	484.4
Current liabilities	1,386.7	1,329.9	1,359.9
<b>Total liabilities in continuing operations</b>	<b>1,756.3</b>	<b>2,768.8</b>	<b>1,844.3</b>
Liabilities directly connected to non-current assets held for sale*	207.5	-	207.5
<b>Total equity and liabilities</b>	<b>4,020.1</b>	<b>4,541.2</b>	<b>4,032.0</b>
<i>Of which, interest-bearing liabilities</i>	<i>701.7</i>	<i>1,462.9</i>	<i>713.7</i>
<b>Pledged assets and contingent liabilities</b>			
Pledged assets	1,593.6	1,801.6	1,543.7
Contingent liabilities	223.2	283.1	297.4

\* This item refers to the property that is recognised as a finance lease, but where the contract for sale has been signed and the sale transaction will be completed in September 2006. For additional information, see Accounting Principles. The property is also recognised within pledged assets in an amount of SEK 194.7M.

## CONSOLIDATED CASH FLOW STATEMENTS

SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Profit after financial items from continuing operations	53.1	390.9	169.6	423.3	591.3
Profit after financial items from discontinued operations	-	-	-	-	-
Adjusting items	14.5	-320.4	-11.0	-316.6	-254.1
<b>Cash flow from operating activities before change in working capital</b>	<b>67.6</b>	<b>70.5</b>	<b>158.6</b>	<b>106.7</b>	<b>337.2</b>
Change in working capital	-34.0	4.0	-86.2	40.4	21.7
<b>Cash flow from operating activities</b>	<b>33.6</b>	<b>74.5</b>	<b>72.4</b>	<b>147.1</b>	<b>358.9</b>
Investments	-27.4	-24.6	-59.4	-123.1	-217.2
Sale of fixed assets	1.4	511.6	33.0	634.5	1,006.4
<b>Cash flow from investing activities</b>	<b>-26.0</b>	<b>487.0</b>	<b>-26.4</b>	<b>511.4</b>	<b>789.2</b>
<b>Cash flow from financing activities</b>	<b>12.9</b>	<b>17.8</b>	<b>-21.3</b>	<b>-397.7</b>	<b>-1,053.3</b>
<b>Cash flow for the period</b>	<b>20.5</b>	<b>579.3</b>	<b>24.7</b>	<b>260.8</b>	<b>94.8</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK M	Q2 2006	Q2 2005	6 mths 2006	6 mths 2005	Full year 2005
Opening balance, equity	2,007.6	1,597.7	2,013.8	1,504.8	1,504.8
Subscription for new shares	2.2	51.1	4.9	150.7	171.8
Net profit for the period	25.6	312.3	16.7	305.6	337.2
<b>Closing balance, equity</b>	<b>2,035.4</b>	<b>1,961.1</b>	<b>2,035.4</b>	<b>1,961.1</b>	<b>2,013.8</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	6 mths 2006			6 mths 2005			Full year 2006		
	Attributable to equity holders of the PC	Attributable to minority	TOTAL	Attributable to equity holders of the PC	Attributable to minority	TOTAL	Attributable to equity holders of the PC	Attributable to minority	TOTAL
Opening balance, equity	1,856.9	123.3	1,980.2	1,108.4	104.3	1,212.7	1,108.4	104.3	1,212.7
Acquisitions/divestitures*		-0.1	-0.1		-17.0	-17.0		-19.6	-19.6
Provision to fair value reserve**				230.6		230.6	270.3		270.3
Reversal of fair value reserve**	-38.0		-38.0	-230.6		-230.6	-230.6		-230.6
Subscription for new shares	4.9		4.9	150.7		150.7	171.8		171.8
Translation difference	-13.8	-2.1	-15.9	28.1		28.1	29.4	2.5	31.9
Net profit for the period	108.1	17.1	125.2	384.8	13.1	397.9	507.6	36.1	543.7
<b>Closing balance, equity</b>	<b>1,918.1</b>	<b>138.2</b>	<b>2,056.3</b>	<b>1,672.0</b>	<b>100.4</b>	<b>1,772.4</b>	<b>1,856.9</b>	<b>123.3</b>	<b>1,980.2</b>

\* This item refers to follow-on acquisitions (-) and divestiture of subsidiaries (+).

\*\* This item refers mainly to fair value revaluation of Bure's holding in Mölnlycke Health Care during 2005. The reversal in the first quarter of 2006 refers to the holding in Kreatel, which was divested during the period.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	Q2 2006			Q2 2005		
	Attributable to equity holders of the PC	Attributable to minority	TOTAL	Attributable to equity holders of the PC	Attributable to minority	TOTAL
Opening balance, equity	1,894.4	136.2	2,030.6	1,466.5	89.4	1,555.9
Acquisitions/divestitures*		-0.1	-0.1		1.4	1.4
Provision to fair value reserve**						
Reversal of fair value reserve**				-230.6		-230.6
Subscription for new shares	2.2		2.2	51.1		51.1
Translation difference	-10.9	-1.4	-12.3	19.5		19.5
Net profit for the period	32.4	3.5	35.9	365.5	9.6	375.1
<b>Closing balance, equity</b>	<b>1,918.1</b>	<b>138.2</b>	<b>2,056.3</b>	<b>1,672.0</b>	<b>100.4</b>	<b>1,772.4</b>

\* This item refers to follow-on acquisitions (-) and sales of subsidiaries (+).

\*\* This item refers mainly to fair value revaluation of Bure's holding in Mölnlycke Health Care during 2005.

## SEGMENT REPORTING (PRIMARY SEGMENT: COMPANIES)

Subsidiary	Net sales			Operating profit*		
	6 mths 2006	6 mths 2005	Full year 2005	6 mths 2006	6 mths 2005	Full year 2005
Carl Bro	1,402.7	1,252.6	2,575.4	73.3	47.0	140.7
Cygate	375.2	448.7	836.9	11.8	16.3	30.3
Mercuri	375.6	354.9	671.7	35.0	32.3	38.4
Citat	195.1	200.0	382.2	13.3	13.8	28.1
Vittra	274.5	248.8	485.5	18.8	9.8	50.2
Textilia	163.8	178.3	357.5	-6.8	-1.6	3.8
Retea	35.9	28.8	59.3	5.2	3.6	9.5
Appelberg	36.4	30.8	67.5	3.5	1.9	2.7
<b>Subtotal</b>	<b>2,859.2</b>	<b>2,742.9</b>	<b>5,436.0</b>	<b>154.1</b>	<b>123.1</b>	<b>303.7</b>
Shares in profit of associated companies				3.3	6.4	10.3
Write-backs						21.1
Write-downs					-2.5	-0.5
Parent Company administrative expenses				-22.7	-20.4	-41.2
Exit gains/losses				37.5	356.5	339.7
Other	-1.0	-0.6	-1.0	6.9	5.7	15.3
<b>Profit from continuing operations</b>	<b>2,858.2</b>	<b>2,742.3</b>	<b>5,435.0</b>	<b>179.1</b>	<b>468.8</b>	<b>648.4</b>
<b>Profit from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,858.2</b>	<b>2,742.3</b>	<b>5,435.0</b>	<b>179.1</b>	<b>468.8</b>	<b>648.4</b>

\* Including any write-downs of consolidated goodwill.

## ACCOUNTING PRINCIPLES

This consolidated interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is consistent with the requirements in the Swedish Financial Accounting Standards Council's recommendation RR 31, Interim Reporting for Groups. The sections of the report based on these requirements are the financial reports provided on pages 10-16.

The accounting principles applied in this interim report are the same as those described in the annual report for 2005, pages 38-41. There, it is stated that International Financial Reporting Standards (IFRS) are applied with effect from 2005 and that the comparative figures for 2004 have been retrospectively restated to the new standards. In accordance with the rules for first time adoption of IFRS, IAS 39 Financial Instruments is applied with effect from 1 January 2005 without mandatory restatement of prior period information.

According to IAS 39, financial instruments must be recognised at fair value in Bure's consolidated balance sheet. The most significant effect of the application of IAS 39 is that unlisted shareholdings which do not comprise shares in subsidiaries or associated companies are now recognised with estimated fair value changes through equity. The effect on opening equity for 2005 was SEK 230.6M. Previously, reporting at fair value was permitted only if this value was lower than historical cost. To a minor extent Bure also has financial instruments in the form of interest rate and currency swaps, which are primarily reported according to hedge accounting rules when hedge effectiveness can be established. When a hedge fails the effectiveness test, it is recognised at fair value in the income statement.

With effect from 2005, Bure applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. For discontinued operations, this means that post-tax profit from discontinued operations is presented in the income statement. Non-current assets/disposal groups where a decision for the sale has been made and the sale is highly probable must be presented on the face of the balance sheet with related liabilities.



## FIVE-YEAR SUMMARY

Data per share <sup>1</sup>	2001	2002	2003	2004	2005	6 mths 2005	6 mths 2006
Equity (net asset value), SEK <sup>2</sup>	26.19	6.58	3.86	4.02	3.34	3.41	3.34
Equity (net asset value) after full exercise of outstanding warrants, SEK <sup>2</sup>	26.19	6.58	1.40	1.58	1.90	1.86	1.93
Share price, SEK	20.47	7.17	1.04	1.74	2.38	2.05	2.79
Share price as a percentage of equity, %	78	109	74	110	125	110	145
Parent Company equity per share, SEK	21.78	6.58	3.86	4.02	3.34	3.41	3.34
Parent Company equity per share after full dilution, SEK	21.78	6.58	1.40	1.58	1.90	1.86	1.93
Consolidated equity per share, SEK <sup>5</sup>	20.16	6.65	3.05	3.24	3.28	3.08	3.37
Consolidated equity per share after full dilution, SEK <sup>5</sup>	20.16	6.65	1.19	1.35	1.87	1.71	1.95
Parent Company earnings per share, SEK	0.47	-14.94	0.31	0.49	0.62	0.63	0.03
Parent Company earnings per share after full dilution, SEK <sup>3</sup>	0.47	-14.94	0.12	0.18	0.31	0.31	0.02
Consolidated earnings per share, SEK	-1.24	-13.16	-0.77	-0.09	0.94	0.79	0.18
Consolidated earnings per share after full dilution, SEK <sup>3</sup>	-1.24	-13.16	-0.77	-0.09	0.46	0.39	0.10
Number of shares, thousands	153,495	151,108	334,874	374,575	603,583	575,660	610,178
Number of outstanding warrants, thousands	–	–	958,381	922,625	693,617	721,540	687,022
Total number of shares including outstanding warrants, thousands	153,495	151,108	1,293,255	1,297,200	1,297,200	1,297,200	1,297,200
Number of shares after full dilution according to IAS 33, thousands	153,495	151,108	688,360	982,656	1,157,716	1,049,076	1,114,023
Average number of shares, thousands	156,038	152,547	241,481	364,450	541,715	487,392	607,167
Average number of shares after full dilution according to IAS 33, thousands	156,038	152,547	635,211	972,531	1,095,847	982,099	1,111,012
<b>Key figures</b>							
Dividend paid, SEK per share	1.21	–	–	–	–	–	–
Direct yield, %	5.9	–	–	–	–	–	–
Total yield, %	-7.2	-62.8	-85.5	67.3	36.8	17.8	19.4
Market capitalisation, SEK M	3,142	1,083	348	652	1,437	1,180	1,702
Market capitalisation after full dilution, SEK M <sup>4</sup>	3,142	1,083	1,345	2,257	3,087	2,659	3,619
Net asset value, SEK M	4,025	995	1,294	1,505	2,014	1,961	2,035
Return on equity, %	1.9	-75.9	6.5	12.8	19.2	17.6	0.9
<b>Parent Company profit and financial position</b>							
Exit gains/losses, SEK M	590.4	345.1	157.7	132.2	353.7	356.5	0.5
Profit/loss after taxes, SEK M	73.5	-2,279.1	74.6	178.7	337.2	305.6	16.7
Total assets, SEK M	4,649	2,602	2,986	2,586	2,109	2,604	2,164
Equity, SEK M	3,342	995	1,294	1,505	2,014	1,961	2,035
Equity ratio, %	71.9	38.2	43.3	58.2	95.4	75.3	94.1
Net loan debt (-)/receivable (+)	-91	-686	-594	-512	404	122	387
Net loan debt (-)/receivable (+) after full exercise of outstanding warrants	-91	-686	-76	33	854	569	854
<b>Consolidated profit and financial position</b>							
Net sales, SEK M	3,996.7	6,044.5	3,767.8	5,784.5	5,435.0	2,742.3	2,858.2
Net profit/loss after taxes, SEK M	-193.2	-2,006.9	-186.9	95.9	543.7	397.9	125.2
Total assets, SEK M	7,791	4,776	4,440	4,505	4,032	4,541	4,020
Equity, SEK M	3,095	1,005	1,023	1,213	1,980	1,772	2,056
Equity ratio, %	39.7	21.0	23.0	26.9	49.1	39.0	51.2
Net loan liability (-)/receivable (+)	-1,542	-1,950	-1,405	-1,202	201	-385	242
Net loan liability (-)/receivable (+) after full exercise of outstanding warrants	-1,542	-1,950	-887	-657	651	62	709

<sup>1</sup> All historical data per share has been adjusted for shares in issue with a time-weighting factor as prescribed by IAS 33.

<sup>2</sup> Net asset value for the full years 2002-2005 corresponds to equity per share.

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

<sup>4</sup> Market capitalisation taking into account the total number of shares after full exercise of outstanding warrants multiplied by share price on the closing date for the period in question.

<sup>5</sup> The figures for the full year 2004 have been retrospectively restated to IFRS. The comparative information for prior periods has not been restated. As of 1 January 2004, minority interest in equity is included in total equity.

**Bure**  **Equity**

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