

ANNUAL REPORT  
2002



**B u r e**  **Equity**

**Reports**

Interim Report January–March 2003	21 May 2003
Interim Report January–June 2003	26 August 2003
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## ANNUAL GENERAL MEETING OF BURE

The Annual General Meeting of Bure Equity AB will be held in Kongresshallen, Svenska Mässan, in Gothenburg at 3.00 p.m. on Wednesday 21 May 2003.

### Participation

Shareholders who are entered in the register of shareholders maintained by the Swedish Securities Register Centre, VPC, on Friday 9 May 2003 are entitled to participate in the Annual General Meeting. Shareholders whose shares are registered in the name of a trustee must have their shares re-registered in their own name well in advance of Friday 9 May 2003.

Shareholders must notify Bure no later than 12 noon Thursday 15 May 2003 in writing to Bure Equity AB, Box 5419, SE-402 29 Gothenburg, by e-mail: [info@bure.se](mailto:info@bure.se), by fax +46 31-778 58 38 or by telephone +46 31-708 64 39/708 64 49.

When notifying the company, shareholders must state their name, personal/corporate identity number, address and telephone number. A confirmation will be mailed after Thursday 15 May 2003.

Bure's Year-End Report was published on 28 February 2003. After its publication, the Board of Directors decided to make additional write-downs of SEK 822M, which was announced in a news release on 7 April 2003. This Annual Report reproduces the final annual accounts.



## BURE 2002

- The net asset value amounted to SEK 995M or SEK 9.55 per share at the 2002 year end.
- The parent company's result after tax amounted to SEK -2,279M (74).
- The sale of Nycomed during the fourth quarter freed up SEK 414M and generated an exit gain of SEK 313M.
- Write-downs totalling SEK 2,417M were made.
- Bure's tax matters relating to its status as an investment company were finally settled. The tax demands were removed.
- No dividend is proposed for the 2002 financial year.

### Subsequent events

- Proposal for financial strengthening. Bure intends to implement issues totalling SEK 750M, of which SEK 600M is guaranteed. A new credit agreement has been concluded with the banks.
- Håkan Larsson took over as the new Chairman from 6 March 2003.
- Lennart Svantesson took over as the new President from 12 March 2003.
- In March 2003, Bure sold 50 per cent of its holding in Innovationskapital's Fund III. Through the sale, future investment undertakings are reduced by SEK 102M.
- It is expected that an issue memorandum will be distributed around 30 May 2003.

KEY FIGURES, PARENT COMPANY	2002	2001	2000
Net asset value per share, SEK	9.55 <sup>1</sup>	38.00	69.00
Investments SEK M	273	1 276	893
Exit result, SEK M	345	590	2 743
Result after tax, SEK M	-2 279	74	1 767
Total assets, SEK M	2 602	4 649	4 690
Shareholders' equity, SEK M	995	3 342	4 310
Equity ratio, %	38	72	92
Market price, SEK	10.40	29.70	51.50
Dividend per share, SEK	0.00 <sup>2</sup>	1.75	19.50 <sup>3</sup>
Yield, %	–	5.9	37.9
Total yield, %	-62.8	-7.2	36.2

For definitions, see page 51.

<sup>1</sup>The net asset value for 2002 is equivalent to equity per share.

<sup>2</sup>Proposed dividend.

<sup>3</sup>Includes distribution of the subsidiaries, Capio and Observer.

## FINANCIAL STABILITY RESTORED AFTER A DIFFICULT YEAR

2002 was the third year in succession with a fall in the stock market. The fall on the Stockholm Exchange was the largest since 1931 and the market value has halved in three years. Many shareholders, including the Bure shareholders, have seen their shares fall in value. However, we can assure you that a great deal of hard work has been carried out in Bure and in our portfolio companies during the past year with the aim of defending and creating value for our shareholders.

### Strengthening the holdings

The continuing fall in the market for several of our companies meant that Bure focused on cost adaptations, rationalisations and intensified sales activities. Significant cost reductions were implemented and management changes were also implemented in most companies. Our expressed ambition was that the companies should be adapted to the current market situation and be strong ahead of a future upturn in the economy. During the year, Bure participated in a number of company reconstructions and supported some holdings via capital contributions.

A number of investments were also made to improve the companies' positions. Cygate was strengthened through the acquisition of Måldata. Business Communication Group acquired SandbergTrygg and we continued to invest in Vittra's establishment of new schools. In addition, we made several supplementary investments via Nordic Capital in, for example, Mölnlycke Health Care.

### Difficult exit market

Bure's operations are based on the principle that our investments and other outflows of capital are balanced by an inflow of capital – mainly from exits in the form of stock market flotations and industrial divestments.

The continued fall in the stock market during the year created a weak and unstable capital market with very limited exit opportunities. This meant that the advan-

ced plans for a stock market flotation of, for example, Mölnlycke Health Care were postponed. Industrial divestments were also difficult to implement as a result of the increasingly difficult market situation.

During the year, Bure succeeded in implementing some exits despite the very difficult exit market. As planned, the pharmaceutical company, Nycomed Pharma, was divested via Nordic Capital which strengthened Bure's liquidity by more than SEK 400M. We also reduced our investments within the Venture Capital sector, which freed up values of approximately SEK 120M.

### Write-downs

The increased external uncertainty has affected the economic trend. This, in turn, is reflected by uncertainty in the world's stock markets and increased uncertainty about the assessment of growth and profitability in the portfolio companies. In addition, the protracted process relating to Bure's long-term financing has had a negative effect on the values of the holdings. In some of the holdings, company-specific departures from previously made forecasts have also occurred which has affected the valuation. Against this background, Bure has made write-downs and provisions totalling SEK 2,417M.

### Issues and action plan

As a result of non-materialised exits, falling results and increased interest expenditure, Bure's liquidity deteriorated rapidly during the late autumn. The liquidity was also affected by amortisation demands from the company's lenders and a number of other financial undertakings. The Board of Directors, therefore, decided that work on a financial reconstruction should be initiated and that Bure's orientation should also be reviewed. A decision was also taken about a review of the company's management function, organisation and staffing.

In the past few months, we have been involved in intensive discussions and negotiations with the company's financiers and



Håkan Larsson



Lennart Svantesson

principle owners aimed at securing a long-term financing arrangement and thus achieve financial stability and increased freedom of action. The negotiations have been carried out by the Board of Directors, mainly represented by the undersigned who both took up their appointments earlier than planned in order to contribute to securing Bure's future.

The agreement, which Bure could announce at the beginning of April, contained both a proposal for new issues for SEK 750M, of which SEK 600M is guaranteed by Bure's principal owners and banks, and a long-term credit limit from the company's lenders.

We can confirm that, as a result, it will be possible to restore financial stability.

Bure will now secure and make visible values in the portfolio through sales without time pressure and focus on profitability-increasing and value-creating measures in the portfolio companies. In addition, the parent company's administrative costs and indebtedness will be reduced. As a result, prerequisites are created which will enable Bure to refine and realise assets in order to create shareholder value. This will also ensure the continued development and security for our companies and their staff.

Gothenburg, April 2003

Håkan Larsson, Chairman

Lennart Svantesson, President

## CONTINUED CONSOLIDATION

Private equity is a collective term for venture capital investments in unlisted companies. The term includes both investments in early phases, venture capital, and investments in later phases, expansion capital and buy-out capital.

The buy-out segment accounts for the majority of the total capital invested in the sector. However, the largest number of operators is found in the segments which focus on investments in early phases.

The private equity market grew very rapidly during the latter part of the 1990s, both globally and in Sweden. Globally, investments during 1995–2000 are estimated to have increased by 37 per cent per annum. In 2000, the highest level ever was reached with annual investments in the region of SEK 1,700–1,800 billion. During 2001 and 2002, there was a significant decrease as a result of falling market prices and limited exit opportunities.

Private equity investments in Sweden are equivalent to approximately one per cent of global investments. Very rapid growth also took place in Sweden during 1994–2000. The average annual rate of increase amounted to 188 per cent. Between 1999 and 2000, invested capital increased from SEK 11 billion to SEK 19 billion and remained at the higher level during the following year. During 2002, private equity investments in Sweden are estimated to have reduced significantly.

During 2001, a consolidation began in the Swedish venture capital market. This development accelerated during 2002. The number of operators has reduced through elimination, mergers and acquisitions. In the latter instance, this is partly because foreign venture capital companies have established operations in Sweden.

The venture capital market is important for dynamism and growth in industry and commerce. The private equity companies ensure that new research and development results reach the market. They contribute financial and other resources which enable entrepreneurial companies to

grow. Through restructuring of existing companies and mature sectors, the private equity companies create new and more robust companies and sector structures.

The venture capital companies also contribute to enabling completely new sectors to develop as Bure has done, for example, for private health care (Capio) and independent schools (Vitra).

### Market out of balance

The private equity companies' operations are based on their investments and other outflows of capital being balanced by an inflow of capital from stock market flotations, industrial divestments and dividends from portfolio companies. During 2002, the venture capital market was characterised by imbalance as a result of a lack of inflow of capital. The situation in the stock market has significantly limited the opportunities for exits through stock market flotations. Industrial buyers have been impeded by the weak economy and, in some cases, also by the fact that their shares have been valued low.

At the same time, the weak economy in many sectors has meant that the venture capital companies have been required to implement sustainable financial and other investments in the portfolio companies.

The venture capital market will not be in good balance until the situation in the stock market has stabilised and the interest in new flotations has returned.

### Bure's positioning

In the Swedish private equity market, a role distribution between different operators can be discerned. Their investments differ in size and at which stages in the companies' development they are made.

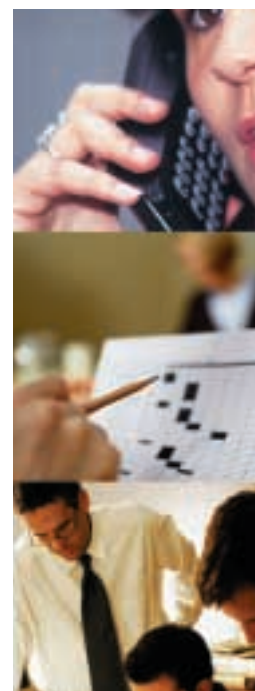
The vast majority of operators concentrate on investments in newly established companies and early stages in the companies' development. The average investment amounts to less than SEK 10M.

Another group of venture capital companies is focused on large transactions,

buy-outs or international structural deals. The size of these investments is generally in the region of SEK 500M or more. Both national and international operators act in this market.

In these two segments, the smallest and the largest investments in the Swedish private equity market, Bure has only become involved to a small extent and through indirect investments. Bure's involvement in start-up companies has been made through indirect ownership via funds and incubator companies. Bure does not become involved as a direct owner until a company has reached a certain size and has entered into a phase of expansion. In larger companies, Bure has become a stakeholder via Nordic Capital.

The majority of Bure's direct investments in recent years have been made in an 'average sized' segment of the venture capital market in which only a small number of domestic operators act. An average investment in this segment is in the region of SEK 100–300M.



## KNOWLEDGE-INTENSIVE SERVICE COMPANIES

Since the start in 1992, Bure has developed from being an asset management company with a broad investment focus into a private equity company with a focus on proactive value building in selected sectors.

The sector focus is varied but the strategy is still the same: to build value by identifying and developing knowledge-intensive service companies with good development and growth potential. This is mainly achieved within fragmented sectors with high growth rates in which there is the potential for developing competitive companies and creating new structures through proactive ownership.

During 1999–2000, Bure initiated a strategic refocusing on investments in unlisted holdings. To mark this, Bure changed its company name from Investment AB Bure to Bure Equity AB. At the same time, a period of extensive exits started. During autumn 2000, the health-care company, Capio, was distributed to the shareholders. At the beginning of 2001, the IT integrator, Dimension, was listed on the stock market. In addition, the holding in Observer, a world leading company within business and communication intelligence, was distributed to the shareholders. These divestments were imple-

mented during a strong economic trend and with significant interest from the stock market. In addition, the position of the stock market was generally good.

Following these divestments, Bure faced a phase when the investment portfolio was to be renewed. During 2001, investments were made in 14 companies. Four of the 14 acquisitions consisted of hub companies, i.e. companies which will form the base for Bure's continued investments within a sector or a sector segment. These companies will be developed into market-leading positions through business development and supplementary acquisitions. The number of hub companies increased from six to ten through the acquisitions made during 2001.

### 2002 – Value building in the portfolio companies

Following this intensive investment period, Bure entered a phase in 2002 which focused on the build-up and development of newly acquired and previous holdings.

However, the weak economic trend, combined with an imbalance in the private equity market, meant that the work had to focus on mustering resources around existing holdings and securing financial stability.

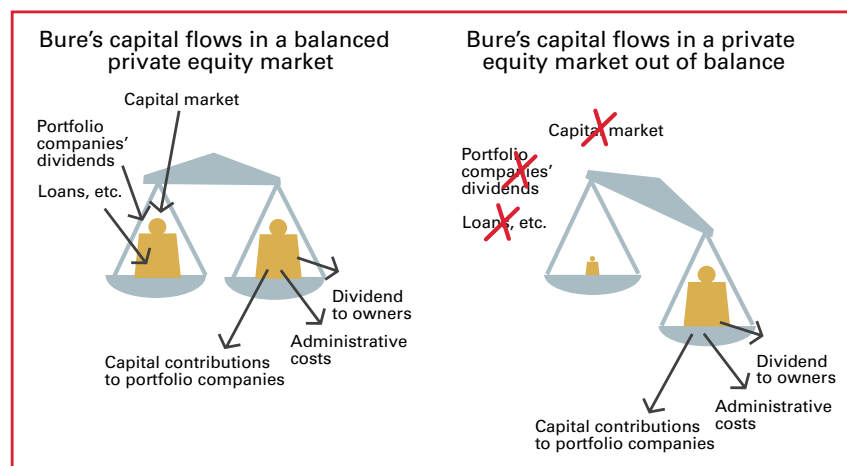
No additional hub companies were acquired during 2002. The priority has been to develop operational efficiency and profitability in the companies in which Bure is a proactive owner. Activities have been concentrated on utilising synergies, adapting costs and strengthening the companies' managements. Implemented investments have aimed at strengthening and developing existing hub companies.

### Re-examination of Bure's orientation

During 2002, the conditions for Bure's operations gradually changed as Bure's capital flows got out of balance. As a result, the Board of Directors decided to re-examine the Group's overall strategy and orientation.

The ambition is to create a structure which also enables a balance to be created in Bure's capital flows in a situation characterised by a weak economy and unstable capital markets.

In the short-term perspective, the focus will be on profitability in the portfolio companies which will enable us to make visible and realise value.



During 2002, the inflow of capital stopped as a consequence of a weak economy and low interest in new shares in a significantly falling stock market.

## PORTFOLIO ANALYSIS

At the end of 2002, Bure's investment portfolio contained a total of 45 companies. Of these, ten are hub companies. The total investment portfolio had a book value of SEK 1,901M (3,345) and a net asset value of SEK 995M (4,025) after deduction for liabilities.

Bure invests both directly and indirectly. In addition to the hub companies – Carl Bro, System, PAHR Svenska, Cygate, Vittra, Business Communication Group, Mercuri International Group, Xdin, Citat and Informator – Bure has invested directly in unlisted companies – Celemi, Retea and Simonsen – and listed companies – Scribona, Dimension and Teleca. Bure's indirect investments consist of the funds, Nordic Capital and Innovationskapital, and of investment area Venture Capital & Incubators.

The table on the following page gives an overview of Bure's portfolio holdings at 31 December 2002.

### Directly owned and unlisted

The majority of the investment portfolio consists of directly owned companies, i.e. approximately 62 per cent of the portfolio's total book value. Unlisted companies account for approximately 87 per cent of the portfolio's book value.

### Spread over several sectors

The investments are spread over a number of sectors with an emphasis on IT, Life Science, Technology Consultants and Manufacturing Industry. The IT sector consists of the sub-sectors, IT-Consulting, IT-Distribution and Integration as well as software and IT-equipment. Life Science accounts for 19 per cent of the portfolio's total net asset value, mainly through Bure's holding via Nordic Capital.

### Portfolio changes in 2002

During 2002, Bure made total investments of SEK 273M, of which SEK 127M related to supplementary investments, mainly in the hub companies System, Business Communication Group and Xdin.

In addition to investments of SEK 273M, investments of SEK 652M have been made in existing portfolio companies through capital contributions. Of this, SEK 261M was made through cash contributions and SEK 391M through the conversion of existing receivables into shareholders' equity.

The capital contributions of SEK 652M in total relate mainly to covering the loss in Bure's listed stock portfolio in its subsidiary, Bure Kapital (315), and Informator (115) and Simonsen (113).

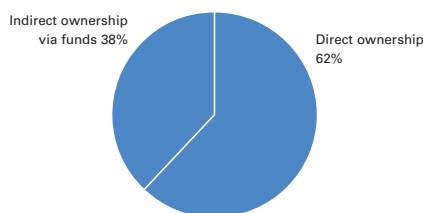
In total, Bure implemented divestments of SEK 577M with a total exit

result of SEK 345M (590). Through the sale of Nycomed via Nordic Capital at the end of the year, Bure freed up SEK 414M. In June, SEK 122M was freed up as a step in reducing Bure's exposure within Venture Capital.

### Valuation principles for net asset value

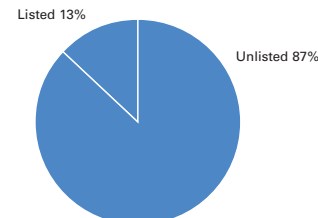
The net asset value is calculated as the parent company's visible equity and over and under values in listed and unlisted assets. The unlisted assets are entered at their book value.

**Direct/indirect ownership of book value**



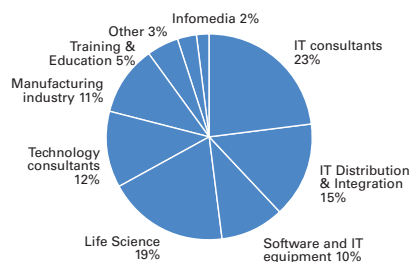
Bure's investment portfolio is dominated by directly owned companies.

**Unlisted/listed assets, book value**



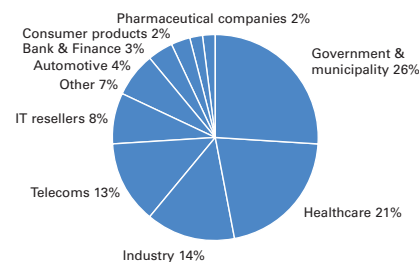
The unlisted holdings account for approximately 87 per cent of the portfolio's total book value.

**Sector distribution of book value**



The holdings represent a number of sectors.

**Distribution of customer sectors, sales weighted with book value**



The portfolio companies are directed at many different customer sectors.



## Investment portfolio 31 December 2002

	Share of capital %	Share of votes %	Book value SEK M	Net asset value SEK M	Book value/ Net asset value SEK/share
<b>Hub companies*</b>					
Carl Bro	50.45	50.45	250	250	2.40
Systeam	48.00	48.00	213	213	2.00
PAHR Svenska	100.00	100.00	206	206	2.00
Cygate	72.71	72.71	73	73	0.70
Vittra	85.00	85.00	58	58	0.55
Business Communication Group	87.79	87.79	34	34	0.35
Mercuri International Group	98.20	98.20	22	22	0.20
Xdin	57.46	59.16	18	18	0.20
Citat	74.90	74.90	11	11	0.10
Informator Training Group	100.00	100.00	0	0	0.00
<b>Total</b>			<b>885</b>	<b>885</b>	<b>8.50</b>
<b>Other direct investments</b>					
Retea	100.00	100.00	29	29	0.30
Celemiab Group	32.14	32.14	19	19	0.20
Simonsen Sverige	95.28	95.28	0	0	0.00
Bure Kapital	100.00	100.00	4	4	0.05
Other direct holdings			2	2	0.00
Other dormant companies			2	2	0.00
<b>Total</b>			<b>56</b>	<b>56</b>	<b>0.55</b>
<b>Listed companies</b>					
Scribona	34.97	28.79	203	203	1.95
Dimension	32.67	32.67	35	35	0.35
Teleca***	16.07	16.89	1	1	0.00
Other listed companies			2	2	0.00
<b>Total</b>			<b>241</b>	<b>241</b>	<b>2.30</b>
<b>Holdings via Nordic Capital</b>					
Mölnlycke Health Care****	16.64	16.64	367	367	3.50
Trenor Holding	4.70	4.75	78	78	0.75
Sound Holding	4.37	4.40	47	47	0.45
Wilson Logistics	8.65	9.13	39	39	0.35
Dynal Biotech	3.22	3.22	37	37	0.35
Other holdings			151	151	1.50
<b>Total</b>			<b>719</b>	<b>719</b>	<b>6.90</b>
<b>Venture Capital &amp; Incubators</b>					
Newmad Technologies	26.62	26.62	0	0	0.00
Kreatel Com – parallel investment	7.36	5.65	0	0	0.00
Spotfire – parallel investment	0.87	0.97	0	0	0.00
CR&T	64.93	48.57	0	0	0.00
Other direct holdings			0	0	0.00
<i>Indirect holdings</i>					
CR&T Ventures			0	0	0.00
<b>Total</b>			<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Bure Finans**</b>					
Interest-bearing receivables, subsidiaries			283	283	2.70
Other interest-bearing receivables			115	115	1.10
Liquid funds and investments			274	274	2.60
Other assets			29	29	0.30
Interest-bearing liabilities			-1 346	-1 346	-13.00
Other liabilities			-261	-261	-2.40
<b>Total</b>			<b>-906</b>	<b>-906</b>	<b>-8.70</b>
<b>PARENT COMPANY EQUITY</b>			<b>995</b>	<b>995</b>	<b>9.55</b>

Valuations in these accounts are based on going concern assumption. From 31 December 2002, unlisted holdings are entered at their book values.

\* Hub company = a company which will form the foundation or 'the hub' for Bure's continued investments within a sector or a segment.

\*\* Bure Finans includes the parent company's other assets and liabilities.

\*\*\* Bure's investment in Teleca has partly been made through a subsidiary. The book value of this company is SEK 1M following a write-down of SEK 107M. The investment has been financed through loans in the subsidiary. The total purchase price could amount to not less than SEK 375M and not more than SEK 545M. If the market price exceeds SEK 33.40 per share during a period before the date of each payment, the purchase price could exceed SEK 375M. At the turn of the year, a total of SEK 150M of the purchase price had been paid. The remaining portion will be partly paid during 2003 and partly in January 2004.

\*\*\*\* A write-up of SEK 140M was made at 31 December. The ownership after dilution is estimated at approximately 14 per cent.

## NET ASSET VALUE DEVELOPMENT AND BUILD UP

At the 2002 year end, Bure's net asset value was SEK 995M or SEK 9.55 per share, compared with SEK 4,025M or SEK 38 per share in 2001. The fall, excluding cash dividend, was 75 per cent with the following distribution:

<b>Net asset value (SEK/share) on 1 January 2002</b>	<b>38.00</b>
cash dividend	-1.75
change in value of listed shares	-5.45
revaluation of unlisted holdings	-20.15
uplifts	1.00
effect of buy-backs, administrative costs and interest	-2.10
<b>Net equity (net asset value) (SEK/share) at 2002 year end</b>	<b>9.55</b>

During the fourth quarter, the share portfolio was divested as a step in reducing the net indebtedness but also as a step in Bure's changed orientation.

At the year end, an individual review was made of the values of the unlisted assets with an impairment test. The respective companies' current situation, budget and owner agendas are applied as the basis for assumptions about future cash flows.

After the publication of Bure's Year-End Report on 28 February 2003, decisions have been taken about additional write-downs and provisions.

The increased external uncertainty has affected the economic trend. This, in turn, is reflected by uncertainty in the world's stock markets and increased uncertainty about the assessment of growth and profitability in the portfolio companies. In addition, the protracted process relating to Bure's long-term financing is deemed to have had a negative effect on the values of the company's holdings. In some of the company's holdings, company-specific departures from previously made forecasts have also occurred which has affected the valuation of the holdings.

The yield requirement has been increased to amount to at least 14 per cent. Against this background, the Board of Directors has found it appropriate to make certain revaluations of Bure's assets compared with the Year-End Report published on 28 February 2003.

The unlisted holdings are currently entered at their book value.

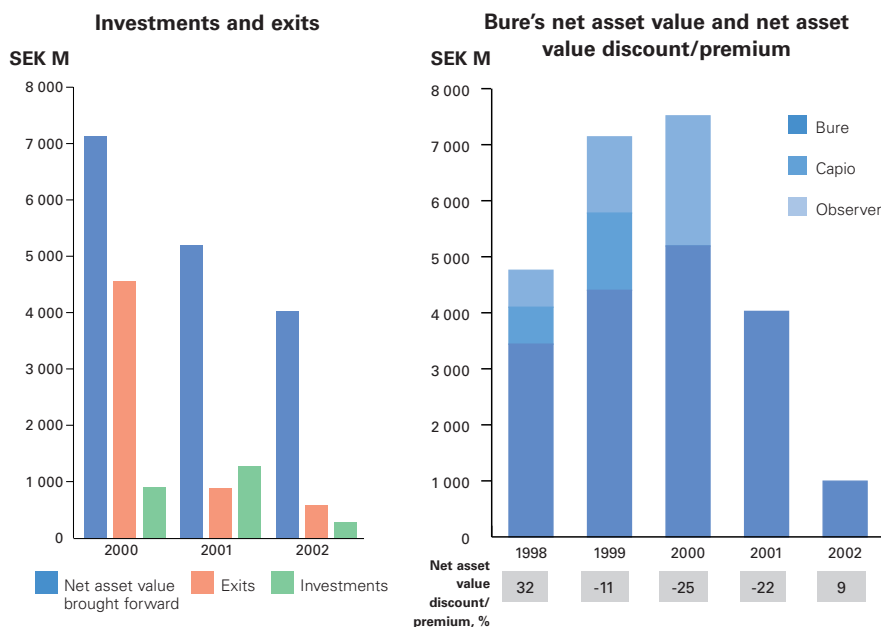
### Bure's net asset value from a risk perspective

The build up of Bure's balance sheet and the composition of Bure's net asset value is illustrated on the next page.

Bure's net asset value consists of the net of the value of investments (assets) in Bure's balance sheet with deduction for Bure's liabilities.

Bure has an equity ratio of 38 per cent which means that 38 per cent of assets have been financed with shareholders' equity and 62 per cent with external capital. In a similar way, one could state that gross assets in the net asset value are 38 per cent financed with shareholders' equity and 62 per cent financed with external capital.

As the assets are pledged, the shareholders' values are more exposed than if the assets had been unpledged. The variation in the value of the assets, regardless if it consists of an error of judgement of the value of the asset or an actual change in value, affects the shareholders' value by a factor of 2.6, both in a positive and negative direction, based on the situation that prevails at the turn of the year.



The diagram shows the development of the proportion of investments and exits over the past few years. In 2002, investments amounted to SEK 273 M.

The diagram shows how Bure's net asset value developed during 1998–2002. At the 2002 year end, Bure's premium was nine per cent. For 1998–2000 the net asset value in Capio and Observer, which were distributed to the shareholders in 2000 and 2001 respectively, is also shown.

In other words, if the value of the assets changes by 10 per cent, shareholders' equity and net asset value are influenced by 26 per cent. At the start of the year, Bure's equity ratio was 72 per cent and the corresponding sensitivity factor was then 1.4.

### Business risk

Bure's business risk consists of the investments that exist in the company's portfolio. Investment companies like Bure offer the shareholders a natural spread of risk by investing in a number of companies with various business operations. Although Bure has elected to concentrate its operations on mainly unlisted companies within sectors characterised by a high growth potential and a high knowledge content, a review of the companies shows that the sensitivity to the current economy is different for different portfolio companies.

### Financial risk

Significantly reduced exit opportunities combined with falls in the value of Bure's holdings have affected the company's

financial position. Against this background, Bure initiated a programme during the autumn aimed at significantly reducing its debt/equity. In particular, the programme contains activities for freeing up capital, as well as activities aimed at limiting the outflow of capital, and cost reductions. In line with the programme, the listed stock portfolio was phased out during the fourth quarter. The parent company's administrative costs have been reduced and the organisation adapted. In addition, the holding in Nycomed via Nordic Capital, was divested. In total, this generated a capital inflow of approximately SEK 650M of which SEK 300M was used to reduce bank credits which amounted to SEK 1,200M at the turn of the year.

Bure's liquidity situation deteriorated gradually and became acute at the beginning of 2003. The liquidity situation was affected by amortisation demands from the company's lenders and a number of other financial undertakings.

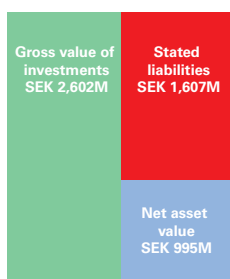
After the 2002/2003 turn of the year, the Board of Directors has negotiated a financial strengthening comprising two

issues: share capital and a subordinated debenture with detachable warrants which will contribute a total of SEK 750M to the company before issue costs, and extended credits until 31 December 2006.

On 6 April 2003, an agreement was made with all parties. SEK 600M of the issues is guaranteed by Sjätte AP-fonden and a bank consortium. A proposal for the issues will be made for approval by the Annual General Meeting on 21 May 2003.

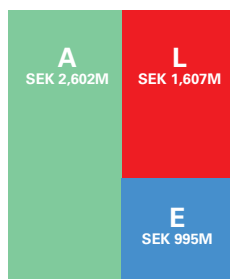
The Board of Directors is of the opinion that the issues and the credit terms will give Bure the financial scope to implement an orderly new and focused business orientation. Bure will secure and make visible values in the portfolio through sales and focus on profitability-increasing and value-creating measures in the portfolio companies. In addition, the parent company's administrative costs will be reduced. Sales of non-strategic assets can now be made without being pressed for time. As a result, prerequisites are created which will enable Bure to refine and realise assets to create shareholder value.

### Net asset value



Bure's net asset value amounts to SEK 995M. It consists of the net value of the investments less Bure's liabilities.

### Equity ratio



Bure has an equity ratio of 38 per cent. The debt/equity ratio amounts to 1.2.  
A = Assets L = Liabilities E = Equity

## THE SHARE IN 2002

The Bure share was listed on the Stockholm Exchange on 1 October 1993. Since June 1995, the share has been traded on the Exchange's A list.

During 2002, the number of shareholders increased from 25,060 to 25,936. The proportion of foreign investors was 14.3 per cent at the year end.

Bure's largest owner, Sjätte AP-fonden, has a shareholding amounting to 17.0 per cent of votes and capital at the year end. Stena Metall Finans, Bure's second largest owner, increased its holding in Bure from 11.9 to 14.2 per cent during the year. In April 2003, Stena sold its holding in Bure.

### Price development and total yield

At a start of the year, Bure's share price was SEK 29.70. At the year end, the market price was SEK 10.40. The shareholders' total yield was -62.8 per cent in 2002. This can be compared with the SAX-index, which fell by 37.4 per cent during the year, and the Affärsvärlden Investment & Asset Management Company Index which fell by 35.9 per cent.

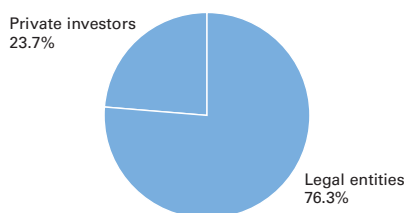
### Trading

Trading of the Bure share amounted to SEK 731M or 36 million shares (98). This means that 33 per cent (92) of Bure's shares were traded during 2002.

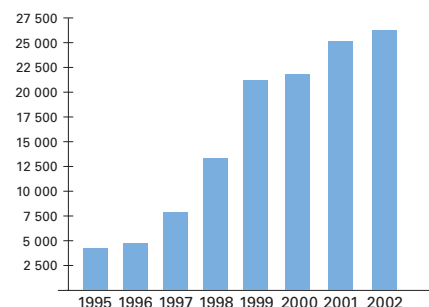
### The ten largest owners 31 December 2002, %

Sjätte AP-fonden	17.0
Stena Metall Finans	14.2
Orkla ASA	7.6
Skandia Liv	6.2
SEB	4.7
Alecta	3.0
Carlson fonder	1.6
Robur fonder	1.5
Svolder	1.3
SHB fonder	1.0

### Shareholder structure 31 December 2002



### Number of shareholders 31 December 2002



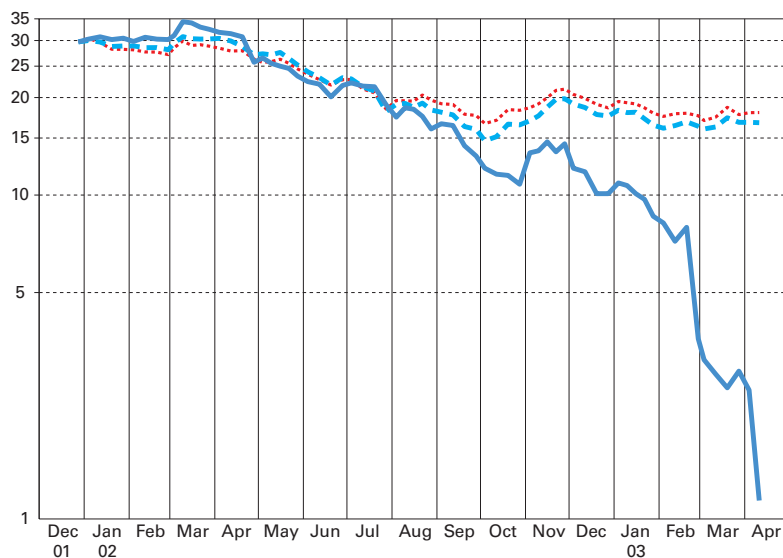
Bure had just under 26,000 shareholders at the year end. The number of shareholders has increased steadily in recent years.

### Key figures per share 31 December 2002

Net asset value, SEK	9.55
Share price, SEK	10.40
Share price as a percentage of net asset value, %	109
Number of shares, 000	104 155
Parent company's earnings per share, SEK	-21.68
Parent company's equity per share, SEK	9.55

For information of analysts who monitor Bure, visit [www.bure.se](http://www.bure.se)

### Development of the Bure share, SEK/share



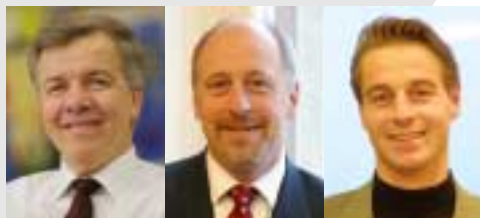
— The Bure share  
 ..... The SAX-index  
 ..... The Affärsvärlden Investment & Asset Management Company Index

The diagram shows the development of the Bure share since 1 January 2002.

## BURE – A PROACTIVE OWNER

The hub companies play a strategic role in Bure's operations. These are companies in which Bure has invested as a proactive owner with the aim of developing the company to achieve a market-leading position through supplementary acquisitions and work of change.

At the 2002 year end, Bure had 10 hub companies. On the following pages, we give an account of these companies and their operations and results for 2002. In connection with each company, an account is also given of Bure's owner involvement in the company. The companies are reported in order of size, according to their book value.



**Börje Bengtsson** Senior Investment Manager for Carl Bro, System, PAHR, Cygate and Xdin.  
**Per Grunewald** Senior Investment Manager for Mercuri International and Informator.  
**Örjan Serner** Senior Investment Manager for Vittra, Business Communication Group and Citat.

- Carl Bro** \_\_\_\_\_

Carl Bro is an international technology consulting company which operates within the construction, transport, infrastructure, energy, environment and industrial sectors and within international aid and development projects.

14
- System** \_\_\_\_\_

System works as a value-creating IT partner for its customers by supporting their business development with efficient information systems.

15
- PAHR Group** \_\_\_\_\_

PAHR Group develops and provides software and services aimed at helping operations refine and administer efficiently their human and structural capital.

16
- Cygate** \_\_\_\_\_

Cygate offers secure infrastructure solutions for voice, data and video communication and security.

17
- Vittra Utbildning** \_\_\_\_\_

Vittra Utbildning (Vittra), which has 5,000 students, is one of the largest independent school companies in Sweden. The company has schools at pre-school, compulsory and sixth form level.

18
- Business Communication Group** \_\_\_\_\_

Business Communication Group helps its customers to achieve their targets via customer adapted communication, independent of the media.

19
- Mercuri International** \_\_\_\_\_

Mercuri International is the market leader in Europe within training and consulting for sales and leadership.

20
- Xdin** \_\_\_\_\_

Xdin strengthens innovative companies in developing competitive products and processes by providing services, training and creative tools.

21
- Citat** \_\_\_\_\_

Citat provides marketing and information departments with services and system solutions, which make the process for market communication and information more efficient.

22
- Informator** \_\_\_\_\_

Informator carries out training programmes aimed at strengthening companies' IT competence at all levels, from the most advanced leading-edge knowledge to certification and user training.

23



## AMONG THE LARGEST IN SCANDINAVIA



Birgit W. Nørgaard,  
President

The Danish company, Carl Bro, which was founded more than 40 years ago, has approximately 3,000 staff in Denmark, Sweden, Norway, United Kingdom, Ireland and Germany following its acquisition of Sycon in December 2001. The company is also involved with development and aid projects in Asia and Africa. Customers include Danmarks Radio, Danske Bank, World Bank, EU, Seven Trent, Scottish Office, Sydkraft and Stockholms Stad.

**Operations with breadth and depth**  
With its geographic presence and range of expertise, Carl Bro is a fully-comprehensive supplier of technology consulting solutions.

**Environment, building and construction.**  
The area includes consulting services in building technology counselling, environmental research and planning for construction and infrastructure projects. Customers include building companies, private industrial and trading companies and public institutions.

**Industry and marine.** Operations include production planning, automation, process development, product and design development, industrial environment, ship planning and ship inspection. Customers include the pharmaceutical industry, telecoms and shipping.

**The IT & GIS area** The area develops geographic information systems and IT services which support the other operations of the Carl Bro Group.

**Energy.** Carl Bro delivers services to the energy sector, for example to Sydkraft. The company has a high level of expertise in all segments of the energy chain such as the dimensioning of production capacity, production development and distribution/transfer.

**International aid projects.** Carl Bro delivers projects to around 50 countries, partly within the aid and development sector. The competence area includes financial development analysis, water, energy and environmental analyses and human resource development.

### The year in brief

- The market for technology consulting services in Sweden and the United Kingdom

was stable during the year, whereas the Danish market slowed down significantly during the second half of the year.

- Carl Bro's British operation expanded to comprise approximately 600 employees.
- Measures aimed at improving profitability were implemented in Denmark and Sweden which involved staff reductions. In addition, a number of unprofitable IT companies and Carl Bro's German operation were phased out.
- Integration and restructuring the acquired company, Sycon, were implemented.
- Operating profit after goodwill amortisation in the core operation amounted to SEK 68M. Operating result before goodwill amortisation of non-core operation including one-off costs amounted to SEK -110M.
- Birgit W. Nørgaard took over as President in March 2003.

STATEMENT OF INCOME, SEK M	2002	2001*	2000*
Net sales	2 694	2 713	2 379
Operating expenses	-2 726	-2 728	-2 359
Adj. operating result bef. goodwill amortisation	-32	-15	20
%	-1.1	-0.6	0.8
Items affecting comparability	-10	-63	-
Exit result	0	0	-
Share in results of ass. companies	0	2	-
Oper. result bef. goodwill amortisation	-42	-76	-
%	-1.5	-2.8	-
Goodwill amortisation	-16	-50	-
Operating result	-58	-126	-
Financial income and expenses	-25	-14	-
Result before taxes	-83	-140	-
Minority interest and taxes	11	-14	-
Net result	-72	-154	-

KEY FIGURES, SEK M	2002	2001*	2000*
Growth, %	-1	14	-
Total assets	1 174	1 523	-
Shareholders' equity	176	275	-
Equity ratio, %	15	18	-
Net debt/receivable	-210	-183	-
Total number of employees	2 961	-	-
Average number of employees	3 080	3 227	2 943
Value added per employee	0.5	0.5	0.5

\*pro forma including Sycon

After Bure's Year-End Report was published on 28 February, the accounts for Carl Bro have been amended. The amended accounts are presented above.

For further information, visit [www.carlbro.com](http://www.carlbro.com)

Bure's ownership in Carl Bro amounts to more than 50 per cent. Other large shareholders are Sydkraft, Lønmodtagarnas Dyrtdsfond and Carl Bro's corporate management.

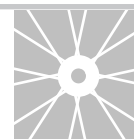
Bure invested in Carl Bro at the end of 2001 after having identified the technology consulting sector as a market during consolidation. One month later, the Swedish technology consulting company, Sycon, was acquired which provided the Danish company, Carl Bro, with supplementary competence and a stronger market position within the energy, environment, infrastructure and construction sectors.

During 2002, Sycon was integrated with Carl Bro. At the same time, measures were implemented to concentrate the operations and improve profitability. Five unprofitable IT companies were phased out and the German operation closed. A strong expansion in the United Kingdom was also realised.

In October 2002, an agreement in principle for the sale of the holding in Carl Bro was made between Bure and the Swedish technology consulting company, Sweco. However, this deal was not implemented. Bure, therefore, returned to its original strategy: to continue as a principle owner to develop Carl Bro into a leading North European technology consulting company and to play a proactive role in the on-going consolidation of the European technology consulting market.

Bure's ownership, %	50
Date of acquisition	2001
Book value, SEK M	250
Book value, SEK/share	2.40





## VALUE CREATING IT PARTNER



Niclas Ekblad, President

System works as a generalist IT consultant for medium-sized companies and as a specialist in ERP (Enterprise Resource Planning), system development and management

services for large companies. The Group has around 800 staff and is established in some 40 locations in Sweden, Denmark, Norway and Finland.

Customers are approximately 3,000 companies in a large number of sectors. Some of the most important sectors are industry and commerce, the healthcare industry, in which System is one of Sweden's leading IT operators, and the forestry industry, in which the company is the market leader in IT solutions for medium-sized sawmills.

### Well-focused customer offer

System's operations are organised into the areas of IT Partner, Enterprise Solutions, Enterprise Applications, Network

Center and Health & Care.

IT Partner works with small and medium-sized commercial and industrial companies and is divided into a Swedish and an international organisation. For these customers, who frequently utilise the company's entire service offer, System becomes a strategic partner with an overall perspective and ability to contribute to the customer's own business development.

Large operations often have an internal IT department. System offers them strategy and business development, system development, system integration and sector solutions through enterprise solutions and business systems through enterprise applications.

### The year in brief

- System's profitability outperformed the sector in a falling market. The company has also improved its market position within the SME segment (small and medium-sized enterprise) and within Health & Care.
- At the beginning of the year, System concluded an extensive agreement with three county councils and with the Karo-

linska Hospital for development assignments relating to a new pharmaceutical module.

- During the third quarter, System acquired Infogrator Group, a group of companies that focuses on system development based on Oracle and Microsoft technology.
- During the fourth quarter, JD Edwards Business System was sold to Stena Line Scandinavia.

STATEMENT OF INCOME, SEK M	2002	2001	2000
Net sales	975	953	753
Operating expenses	-928	-905	-751
Adj. operating result bef. goodwill amortisation	47	48	2
%	4.8	5.0	0.3
Items affecting comparability	-3	-7	1
Exit result	0	0	0
Share in results of ass. companies	-2	-1	0
Oper. result bef. goodwill amortisation	42	40	3
%	4.3	4.2	0.5
Goodwill amortisation	-16	-8	-15
Operating profit	26	32	-12
Financial income and expenses	0	-2	-1
Profit before taxes	26	30	-13
Minority interest and taxes	-8	-10	-2
Net profit	18	20	-15

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	2	26	22
Operational cash flow	-	-6	-48
Total assets	448	408	392
Shareholders' equity	228	129	106
Equity ratio, %	51	32	27
Net debt/receivable	52	-53	-23
Average number of employees	760	771	664
Value added per employee	0.7	0.6	0.5

For further information, visit [www.System.se](http://www.System.se)

## BURE'S INVOLVEMENT

Bure's ownership in System amounts to 48 per cent. The company's founders own 45 per cent and the staff own seven per cent.

System has grown strongly since Bure's original investment in the company in 1999. Approximately half of the growth is organic and half is through acquisition.

During 2000, System acquired the IT consulting company, Udac from Bure. The acquisition made System one of Sweden's leading operators within IT for healthcare. The acquisition of Business Medical System (BMS) in the following year meant a further strengthening of System's position as a leading supplier of IT solutions to the care sector.

System's acquisition of CA Business solutions during autumn 2001, combined with significant organic growth, made System the leading Scala system supplier in the Nordic countries.

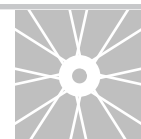
During 2002, System strengthened its relative market position in a weak IT consul-

ting market. Compared with its competitors, System was able to report high profitability and a strong financial position.

In March 2002, Bure exercised its option to acquire an additional 18 per cent of votes and capital in System. At the same time, an option agreement was made which gives Bure the right to acquire an additional three per cent of the shares in System.

Bure's intention is that System should become a leading consulting company within administrative IT services in the Nordic countries. The long-term operational work is focused on continued growth with maintained profitability.

Bure's ownership, %	48
Date of acquisition	1999
Book value, SEK M	213
Book value, SEK/share	2.00



## TOTAL SUPPLIER WITHIN HRM



Ulf Ericsson, President

The PAHR Group is one of Sweden's leading suppliers of HRM systems (Human Resource Management). The Group consists of the following companies: Svenska

PA System, Palett HRM, QuickIT and Time Recorder Data.

PAHR Group offers total payroll and personnel administration solutions and has more than 150 staff in Sweden and Norway. Staff are mainly consultants, customer support personnel and development personnel. Customers are large and medium-sized companies and organisations in Sweden, Norway and Denmark. Through Palett HRM, the Group is also one of the leading operators in the Swedish county council and municipality market.

### Four companies in one

Through the combination of four prominent HR companies operating within complementary operations and markets, PAHR Group is able to offer its customers a complete range of products and services.

The Group's success is based on competitive systems, combined with in-depth HR competence and long-term customer relationships.

### The year in brief

- In the first quarter, PAHR acquired QuickIT, a company with web-based PA products.
- During the second quarter, a number of customer agreements were signed with companies such as the Tine and Elkem Groups in Norway, and Alfred Berg and Access in Sweden.
- A collaboration agreement was signed with Löneanalyser AB, which gave Svenska PA the opportunity to market Löneanalyser's system in combination with its own product, POL Personalsystem.
- During the fourth quarter, PAHR signed an agreement with Umeå municipality.

STATEMENT OF INCOME, SEK M	2002	2001	2000
Net sales	212	200	119
Operating expenses	-172	-154	-87
Adj. operating result bef. goodwill amortisation	40	46	32
%	18.8	23.0	26.7
Items affecting comparability	0	-1	0
Exit result	0	0	0
Share in results of ass. companies	0	0	0
Oper. result bef. goodwill amortisation	40	45	32
%	18.8	22.5	26.7
Goodwill amortisation	-12	-11	-3
Operating profit	28	34	29
Financial income and expenses	-7	-10	-1
Profit before taxes	21	24	28
Minority interest and taxes	-9	-7	-9
Net profit	12	17	19

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	6	68	27
Operational cash flow	34	37	-
Total assets	326	305	268
Shareholders' equity	99	76	53
Equity ratio, %	30	25	20
Net debt/receivable	-124	-149	-143
Total number of employees	151	133	72
Average number of employees	149	126	65
Value added per employee	1.0	1.1	1.2

## BURE'S INVOLVEMENT

Bure has 100 per cent ownership of the Group.

Bure's investment was made during the last quarter of 2001 when the company was called Svenska PA Group. The background to Bure's involvement was the Group's strong position and prerequisites for growth in the human resource management sector. The Group has an impressive list of customers, both with regard to the companies on the list and through the volume of different sectors represented.

During the first quarter of 2002, PAHR acquired QuickIT, a company with fully developed web-based PA products. This supplementary acquisition strengthened the Group's position in the HRM market.

Taking the weak economy into account, PAHR Group's development has been

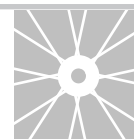
good and has seen continual growth.

It was possible to maintain profitability at a satisfactory level. During 2002, operations were characterised by marketing activities and investment in products, services and competence to enable long-term growth.

Bure's ownership, %	100
Date of acquisition	2001
Book value, SEK M	206
Book value, SEK/share	2.00

For further information, visit [www.svenska-pa.se](http://www.svenska-pa.se)





## A SPECIALIST IN NETWORK INTEGRATION



Bengt Lundgren, President

The Cygate Group was formed in 1999 through a merger of Salcom AB and the Finnish company, Santa Monica Software. The company has a strong market position and

approximately 300 staff. The operations in Estonia and Lithuania were divested at the beginning of 2003. Customers include Nokia, Posten, Socialstyrelsen, Systembolaget, Song and SchlumbergerSEMA.

### Strengthened position in Sweden

Through its acquisition of Sigma Måldata Network Solutions, Cygate has strengthened its market position in Sweden. The company operates in the complex network solutions, monitoring, wireless applications, data storage and security segments. Sigma Måldata will be integrated with Cygate's existing operations, Cygate AB and Cygate ITM AB, and will form a company under the

name of Cygate Måldata AB from 1 January 2003.

### Comprehensive solution

Cygate offers integrated solutions which meet customer needs in voice, data and video communication. Cygate designs, installs and maintains secure network solutions based on IP technology, which combines Cygate's own solutions with products from partners. Cygate also provides solutions for administration and monitoring of systems and networks. The company's training operation ensures optimum use of IT investments.

### The year in brief

- The year was characterised by a weak, wait-and-see IT and telecom market, with an increased focus on customer utility and less interest in innovative technical solutions.
- To meet the reduced demand, Cygate implemented an efficiency programme, which involved reducing the workforce during 2002.
- At the beginning of the year, Cygate received awards for growth and technical

competence from Cisco, Nokia and Checkpoint. In June, Cygate Sweden became a gold partner of Cisco.

- During the second quarter, Cygate signed a three-year agreement about network management with the Finnish operator, Kaukoverkko Ysi and a two-year agreement about a management platform with Volvo IT.
- During the third quarter, Cygate signed an agreement for network solutions with Song, TietoEnator and Avesta Polarit.
- In October, Cygate acquired Sigma Måldata Network solutions, which operates within complex network solutions, monitoring, wireless applications, data storage and security.
- Bengt Lundgren took over as president on 1 January 2003.

STATEMENT OF INCOME, SEK M	2002	2001	2000
Net sales	740	964	730
Operating expenses	-775	-945	-717
Adj. operating result bef. goodwill amortisation	-35	19	13
%	-4.7	2.0	1.8
Items affecting comparability	-10	-7	0
Exit result	0	0	0
Share in results of ass. companies	0	0	0
Oper. result bef. goodwill amortisation	-45	12	13
%	-6.0	1.2	1.8
Goodwill amortisation	-25	-6	-3
Operating result	-70	6	10
Financial income and expenses	-1	0	0
Result before taxes	-71	6	10
Minority interest and taxes	-11	-18	-10
Net result	-82	-12	0

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	-23	32	28
Operational cash flow	5	25	11
Total assets	391	366	339
Shareholders' equity	36	123	105
Equity ratio, %	9	34	31
Net debt/receivable	-44	30	37
Total number of employees	342	276	245
Average number of employees	291	261	253
Value added per employee	0.6	0.8	0.7

For further information, visit [www.cygategroup.com](http://www.cygategroup.com)

Bure's ownership in Cygate amounts to 73 per cent. The remaining portion is owned by Conventum and by the founders of Salcom and Santa Monica Software.

Cygate was formed by Bure in 1999 through the merger of the Swedish company Salcom and the Finnish company, Santa Monica, two leading network integration companies in the Nordic countries.

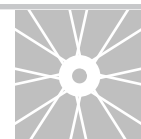
During 2000, Bure acquired Taide, the leading network integrator in Lithuania, and, in 2001, acquired the network division of the Danish company, Benau. As a result, Cygate was established in Sweden, Finland, Lithuania, Estonia and Denmark.

Cygate's market was very weak in 2002. An efficiency programme aimed at reducing costs was, therefore, implemented. In October 2002, Cygate acquired Sigma Måldata Network Solutions, whose operation supplements and strengthens Cygate Sweden.

Bure intends to continue to concentrate and separate Cygate's operations in Sweden, Finland and Denmark.

Bure's ownership, %	73
Date of acquisition	1999
Book value, SEK M	73
Book value, SEK/share	0.70

Vittra Utbildning (Vittra), which has 5,000 students, is the largest independent school company in Sweden. The company has schools at pre-school, compulsory and sixth form level. Vittra's objective is to increase life opportunities during the various stages of life through training and learning.



## SWEDEN'S LEADING INDEPENDENT SCHOOL COMPANY



Stig Johansson, President

Vittra's independent school operations have expanded rapidly since the start in 1993. The company currently operates 22 schools in the Gothenburg and Stockholm

regions and in Halland, Skåne and Östergötland. The number of staff amounts to around 450. The development is based on strong demand from parents and students for independent school alternatives. Approximately five per cent of students in Sweden currently attend an independent school.

### Successful education model

Since the start, Vittra has developed an educational model which is based on an individual development plan for each student. The individual development plan contains three parts, personal development, knowledge and learning to learn. The parts are equally important and are each other's prerequisites for life-long learning.

In addition to the controls and quality mea-

surements of the municipalities and the National Agency for Education, Vittra implements its own quality controls among parents, students and staff with the aid of an independent research institute. The year's measurement shows that the perception of the quality of the operations is very good. The formal results, grades and national tests for schools established more than three years also remain high. With regard to grades in form 9, Vittra's results have varied between 240 and 260 merit points which can be compared with the average in Sweden of 202 merit points.

### Revenue structure of the independent schools

The price of Vittra's services is set politically and based on the municipalities' average costs for school operations. Vittra receives the equivalent of 90–95 per cent of the municipalities' average cost per student in the form of school fees.

### The year in brief

- Operations developed according to plan during the year, with strong demand from municipalities, parents and students.

- Vittra expanded its operations with seven new compulsory schools in Alingsås,

Halmstad, Gothenburg, Linköping, Malmö, Norrköping and Solna. It meant a total addition of 1,500 new students and 100 new staff.

- All schools established in 2001 or earlier operated at full capacity at the start of the school year in the 2002 autumn term.

- Intensive educational development work was carried out during the year. Vittra has several company-wide projects which relate to method development for learning, personal development, knowledge, case study and examination.

- The educational tool with subject integrated projects and case was introduced in all Vittra's compulsory schools and sixth form schools during the autumn term.

- The year's quality measurement, carried out by Temo, shows that Vittra's parents, students and teachers continue to perceive the quality of the operations to be very good.

STATEMENT OF INCOME, SEK M	2002	2001	2000
Net sales	282	205	133
Operating expenses	-283	-211	-131
Adj. operating result bef. goodwill amortisation	-1	-6	2
%	-0.4	-3.2	1.6
Items affecting comparability	-2	0	1
Exit result	0	0	0
Share in results of ass. companies	0	0	0
Oper. result bef. goodwill amortisation	-3	-6	3
%	-1.1	-3.2	2.2
Goodwill amortisation	-2	-1	0
Operating result	-5	-7	3
Financial income and expenses	-1	-1	0
Result before taxes	-6	-8	3
Minority interest and taxes	1	4	-2
Net result	-5	-4	1

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	38	53	57
Operational cash flow	-21	-14	-1
Total assets	126	95	67
Shareholders' equity	32	26	6
Equity ratio, %	25	28	8
Net debt/receivable	-14	0	6
Total number of employees	469	341	250
Average number of employees	404	251	190
Value added per employee	0.4	0.4	0.4

For further information, visit [www.vittra.se](http://www.vittra.se)

Bure owns 85 per cent of Vittra. The remaining 15 per cent is owned by the founder, Stig Johansson.

Bure became a shareholder in Vittra during 1999, when the company had run school operations in the Stockholm region since 1993.

Vittra is what Bure calls a platform construction. By this it means that it is an operation which grows mainly organically in a market which is potentially very large. It is characteristic for this way of developing operations that it does require a long-term sustained owner.

Bure has valuable experiences from a previous platform construction. Through its development of the care company, Capio, at the end the 1990s, Bure acquired knowledge about the construction of new market structures within previously publicly owned sectors.

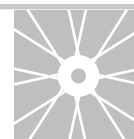
As a principal owner, Bure contributed to the establishment of the teacher training programme, Vittra Kompetens, in 1999. Through joint training, the quality level of Vittra's education can be guaranteed.

Vittra's expansion and growth has been 30-40

per cent per annum since the start and this development continued during 2001 and 2002. During the second quarter of 2002, Bure contributed capital to secure the establishment of the seven new Vittra schools which were established in time for the start of the 2002 autumn term. The continued expansion means that Vittra will also need a contribution of operating capital during 2003. With around 5,000 students at 22 schools, Vittra is currently the leading independent school company in Sweden.

Bure's plan is that Vittra will grow organically with a continued high expansion rate. Demand for Vittra schools from parents, students and municipalities remains high and Vittra plans to establish seven or eight schools in southern and central Sweden during autumn 2003.

Bure's ownership, %	85
Date of acquisition	1999
Book value, SEK M	58
Book value, SEK/share	0.55



## HUB AREA WITHIN BUSINESS COMMUNICATION



Erik Strand, President

Business Communication Group is a hub company within Bure which has been built to meet customers' increasing demand for communication. The business objective is to help

both the commercial and public sectors to achieve their objectives through customer adapted business communication independently of the media.

### Leading edge competence in collaboration

Business Communication Group consists of the communication agency, Journalistgruppen; Stark Film & Event, which produces film for internal and external company communication; Appelberg Publishing Agency,

which focuses on company magazines with an international flavour; and SandbergTrygg, which is one of Sweden's foremost advertising agencies within the business-to-business segment.

The companies listed work separately under their own brand, but also with joint customer offers under the slogan "leading edge competence in collaboration."

### The year in brief

- The market was characterised by recession and extensive activities were implemented to concentrate the companies' offers and adapt their organisation to the changed market situation.
- The Group increased its sales during the year. This increase can be attributed to new acquisitions and to assignments from customers such as Telia.
- Profitability was affected by the economic trend and increased price competition.

a well-established advertising agency with more than 80 staff, was acquired. After a supplementary investment in Appelberg, all companies are wholly owned by Business Communication Group.

Bure plans to continue supplementing the operation with companies from different niches of the communication market. The objective is to become a leading operator within business communication in the Nordic countries.

The focus of the operations will be on specialist communication, i.e. communication services which fall outside traditional advertising and media communication.

Bure's ownership, %	88
Date of acquisition	2001
Book value, SEK M	34
Book value, SEK/share	0.35

### Journalistgruppen

Year of establishment: 1989

Net sales: SEK 93M

Number of staff: 106

### Stark Film & Event

Year of establishment: 1991

Net sales: SEK 101M\*

Number of staff: 42

\*Including sales of Convivio, January–October

### Appelberg Publishing Agency

Year of establishment: 1990

Net sales: SEK 89M

Number of staff: 77

### SandbergTrygg

Year of establishment: 2001

Net sales: SEK 60M (9 months)

Number of staff: 62

STATEMENT OF INCOME, SEK M	2002	2001*	2000*
Net sales	341	264	214
Operating expenses	-370	-260	-204
Adj. operating result bef. goodwill amortisation	-29	4	10
%	-8.6	1.6	4.9
Items affecting comparability	-20	-1	1
Exit result	0	0	0
Share in results of ass. companies	0	0	0
Oper. result bef. goodwill amortisation	-49	3	11
%	-14.4	1.3	5.1
Goodwill amortisation	-10	-	-
Operating result	-59	-	-
Financial income and expenses	-1	-	-
Result before taxes	-60	-	-
Minority interest and taxes	13	-	-
Net result	-47	-	-

KEY FIGURES, SEK M	2002	2001*	2000*
Growth, %	29	24	24
Operational cash flow	-32	-	-
Total assets	181	137	69
Shareholders' equity	50	66	17
Equity ratio, %	28	48	24
Net debt/receivable	-58	25	8
Total number of employees	288	218	160
Average number of employees	287	251	154
Value added per employee	0.5	0.5	0.6

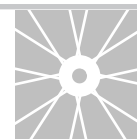
\*pro forma Journalistgruppen, Stark and Appelberg.

For further information, visit [www.businesscommunicationgroup.com](http://www.businesscommunicationgroup.com)

Bure's ownership of Business Communication Group amounts to 88 per cent. The company's management owns the remaining 12 per cent.

Business Communication Group's first building block was the customer magazine company, Appelberg, in which Bure acquired 34 per cent at the beginning of 2001. The film companies, Stark and Propello, were acquired later in the same year and merged under the name of Stark Filmproduktion. Bure's acquisition of the communication agency, Journalistgruppen, during summer 2001 provided the Group with competence in strategic counselling, internal communication, PR and publications expertise.

In 2002, Bure formed the parent company, Business Communication Group, to develop customer offers. The Group has also been strengthened with additional companies. The event company, Convenio, was added to the Business Communication Group at the beginning of 2002. It is currently included in Stark which is now called Stark Film & Event. In May, Sandberg Trygg,



## A GLOBAL PARTNER WITHIN SALES AND DEVELOPMENT



Håkan Hederstierna,  
President

For more than 40 years, Mercuri International has developed from being a supplier of sales training into a group that is able to meet the total needs of global operating companies for competence

development within sales, management, marketing and service functions. Mercuri International has operations in around 40 countries and approximately 700 staff. The company carries out a total of approximately 5,000 development projects every year in close collaboration with its customers.

### Develops the customer's business

Mercuri International's offer is aimed at helping customers develop and upgrade their sales function, including management and service activities. Under the slogan, 'Taking Sales to a Higher Level', the company takes responsibility for the entire development process, from current situation analysis and selection of development activities, to im-

plementation support and result measurement.

During the poor market conditions that prevailed during 2002, Mercuri International developed positively in relation to its competitors. The focus has been on operational efficiency and short-term sales stimulation with specific action in units which have not contributed positively to the consolidated result. Mercuri International's ambition is to increase the proportion of multi-national assignments, where the company has competitive advantages, both through its extensive geographic network and through its work models which are adapted to large organisations.

### The year in brief

- During autumn 2002, Håkan Hederstierna was appointed President, taking over in January 2003. In total, the strengthened management work is aimed at creating better profitability before growth.
- During the year, weaker units in the Group were restructured. This is expected to contribute to increasing the stability of the company's earning capacity in the future.
- Several large projects, with companies

such as Chubb and Alto, were established during the year in which Mercuri International has shown a unique ability to offer large international clients uniform service and quality. There has been a strong demand for these international projects which resulted in a two-fold increase in volume during 2002. Additional activities focusing on international sales will be implemented for 2003.

- Within Mercuri International Business School, the web-based tool, Learning Path Selector, has been launched to attract individuals who require tailor-made development within Mercuri International's areas of competence.

STATEMENT OF INCOME, SEK M	2002	2001	2000
Net sales	715	773	669
Operating expenses	-692	-746	-670
Adj. operating result bef. goodwill amortisation	23	27	-1
%	3.3	3.5	-0.1
Items affecting comparability	-7	0	2
Exit result	0	0	0
Share in results of ass. companies	0	1	1
Oper. result bef. goodwill amortisation	16	28	2
%	2.2	3.6	0.3
Goodwill amortisation	-40	-49	-19
Operating result	-24	-21	-17
Financial income and expenses	-14	-8	-5
Result before taxes	-38	-29	-22
Minority interest and taxes	-22	-25	36
Net result	-60	-54	14

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	-8	16	54
Operational cash flow	22	20	48
Total assets	764	766	689
Shareholders' equity	201	244	223
Equity ratio, %	26	32	33
Net debt/receivable	-152	-131	-118
Total number of employees	678	695	666
Average number of employees	716	736	652
Value added per employee	0.7	0.7	0.7

Bure owns 98 per cent of the shares in Mercuri International.

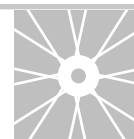
Bure's build-up of Mercuri began at the end of 1998 with the acquisition of the holding company, Mercuri International Group, and Mercuri International Scan Asia, with operations in Scandinavia and Asia.

With Bure as a proactive owner, the Mercuri operations in Western Europe, Australia, Eastern Europe and Central Europe, were acquired and have since been integrated. Scandinavian Retail Centre, a training company which specialises in fast-moving consumer products, has also been added to the Group.

During 2002, Bure produced a new owner agenda for Mercuri. At the same time, Bure has restructured and strengthened Mercuri's management and Board of Directors. Bure is of the opinion that there is a significant improvement potential in the company's internal structures and routines.

The market for competence development is undergoing structural change in which the buyers move from local training activities to more centrally procured services within competence development. Bure's ambition is that Mercuri should grow in this market.

Bure's ownership, %	98
Date of acquisition	1998
Book value, SEK M	22
Book value, SEK/share	0.20



## A CREATIVE DEVELOPMENT COMPANY



Tomas Ängkulle, President

Xdin provides services, training and creative tools for change and development processes in companies. The company was formed in 1991 with the aim of becoming its customers' main partner. A large proportion of Xdin's customers are in the automotive, aerospace, energy and public administration sectors. Customers include Volvo Group, Volvo Car Corporation, Saab, Fortum and Göteborgs Kommun. Xdin has approximately 240 staff and operations in Gothenburg, Stockholm and Lidköping in Sweden, and in Virginia Beach and Greensboro in the USA.

**Width and holistic outlook**  
Xdin works across the borders in a process-oriented organisation. For each project, a working party is created with the resources, experiences and competence the project demands. Experience has shown that this way of working shortens the lead times significantly. At the same time, it is a cost-efficient way of working which leads to a better end-result.

Xdin offers a broad spectrum of services:

- Construction and product development, mainly within the automotive, aerospace and electronics sectors.

- Training activities which also comprise CAD applications, method development and support.

- Analysis of a company's different processes with the aim of improving them, partly through the use of the graphic analysis tool, Business Viewer, which has been developed by Xdin.

- Development of IT technology as a support for the company's business processes and for producing software for embedded systems.

- Animation and simulation of the behaviour and functions in products and logistics systems and of the collaboration between humans and machines.

### The year in brief

- The automotive industry was forced to rate its ongoing projects in order of priority with consequent reductions from manufacturers. Xdin, nevertheless, increased its

market share in the automotive industry.

- As part of an action programme, aimed at reducing the cost level, unprofitable offices in Alingsås and Detroit were closed during the first quarter.

- A strategic agreement was signed with a European vehicle manufacturer relating to pilot studies within engine development.

- Xdin also signed an agreement with Volvo Powertrain about licences for the PipeChain software, for automation of the product flow vis-à-vis around 40 sub-contractors in Skövde and Köping.

STATEMENT OF INCOME, SEK M	2002	2001	2000
Net sales	179	173	139
Operating expenses	-188	-179	-140
Adj. operating result bef. goodwill amortisation	-9	-6	-1
%	-5.2	-3.4	-0.8
Items affecting comparability	0	-6	2
Exit result	0	0	0
Share in results of ass. companies	0	-1	0
Oper. result bef. goodwill amortisation	-9	-13	1
%	-5.2	-7.2	0.7
Goodwill amortisation	-4	-2	-1
Operating result	-13	-15	0
Financial income and expenses	-2	-4	-2
Result before taxes	-15	-19	-2
Minority interest and taxes	0	0	0
Net result	-15	-19	-2

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	3	24	14
Operational cash flow	-17	-	-
Total assets	117	114	114
Shareholders' equity	48	41	32
Equity ratio, %	41	36	28
Net debt/receivable	-22	-24	-38
Total number of employees	232	234	205
Average number of employees	234	201	177
Value added per employee	0.5	0.6	0.5

Bure is the principal owner in Xdin with 57 per cent of capital. The remaining portion is owned by Xdin's founders and staff.

Bure made its first investment in Xdin at the end of 2001. The company was at that time identified as an attractive investment on the basis of its innovative ability and its strong position in the Swedish automotive industry.

During 2002, Bure contributed to a strengthening of the management team and a reduced cost level in the company.

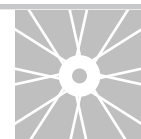
In September 2002, Bure implemented a new share issue in Xdin for SEK 22M. This strengthened the company's financial position ahead of further expansion and resulted in Bure increasing its ownership from 35 to 57 per cent.

Bure's assessment is that the market for product development within the automotive industry is relatively stable.

Bure's ownership, %	57
Date of acquisition	2001
Book value, SEK M	18
Book value, SEK/share	0.20

For further information, visit [www.xdin.com](http://www.xdin.com)





## PUTS MARKET COMMUNICATION INTO SYSTEMS



Magnus Lundblad,  
President

Through a combination of IT and product services, Citat helps its customers make the communication process more efficient. It means that customers get control over brand, time and costs.

Citat works with the following areas of operation: Marketing Resource Management, Information Management, Datawarehouse Management and security-critical systems. Citat has around 230 staff and offices in Stockholm, Gothenburg, Malmö and Västerås. Customers include Ericsson, Volvo Lastvagnar, Apollo, H&M, Skandia, Fritidsresor and Canal+.

### Control over brand, time and costs

Citat helps companies handle their information and marketing faster and more cost-efficiently with the aim of getting control

over brand, time and costs. Citat offers consulting services, system solutions and production within these areas.

### The year in brief

- Citat succeeded in advancing its position despite the weak economy. At the beginning of the year, Gartner Group ranked the company as the market leader in Europe. This was strengthened by a rise in its order intake at the end of the year.
- Cost adaptations totalling SEK 24M were implemented to improve profitability for 2003.
- Citat's presence was extended to southern Sweden, with an office in Malmö.
- An exclusive partner agreement for Scandinavia was signed with Aprimo, a leading American company within Marketing Resource Management.
- Adrian, which specialises in IT solutions for market communication, was acquired and a new image management company was established.

STATEMENT OF INCOME, SEK M	2002	2001	2000
Net sales	222	280	303
Operating expenses	-228	-272	-313
Adj. operating result bef.			
goodwill amortisation	-6	8	-10
%	-2.7	2.6	-3.3
Items affecting comparability	-11	-21	-2
Exit result	0	37	0
Share in results of ass. companies	0	0	0
Oper. result bef. goodwill			
amortisation	-17	24	-12
%	-7.7	8.4	-4.1
Goodwill amortisation	-8	-7	-6
Operating result	-25	17	-18
Financial income and expenses	-4	-4	-2
Result before taxes	-29	13	-20
Minority interest and taxes	6	-8	-4
Net result	-23	5	-24

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	-21*	-8*	45
Operational cash flow	-17	4	-24
Total assets	187	195	220
Shareholders' equity	47	68	58
Equity ratio, %	25	35	26
Net debt/receivable	-77	-58	-77
Total number of employees	223	241	316
Average number of employees	232	262	280
Value added per employee	0.6	0.6	0.5

\*Adjusted for divested units, sales fell by 14 per cent for 2002 and increased by 16 per cent for 2001.

## BURE'S INVOLVEMENT

Bure is the principal owner of Citat with a 75 per cent shareholding. The remaining portion is owned by the founders and staff.

Bure acquired its holding in Citat in 1996. Since then, Citat has grown rapidly, both organically and via acquisition. Bure has contributed to the company's expansion by providing experience within the InfoMedia sector and financial resources for structural transactions.

During 1999, Citat acquired daCapo, a supplier of marketing and sales systems which later changed its name to Citat Solutions. In the following year, Citat acquired Reptil, which operates in the digital handling segment, and Data Unit, an IT consulting company. These acquisitions strengthened Citat's offer of comprehensive communication.

At the beginning of 2001, Citat divested the event company, Convenio, and the film production company, Stark. The sale meant a consolidation of Citat's operations within system solutions for marketing communications.

In April 2002, Citat acquired Adrian, which specialises in IT solutions for market communication. The acquisition strengthened Citat as a leading supplier of services and system solutions which make the process for communication more efficient.

Citat signed two partner agreements during 2002. Aprimo, a leading US company within market communication, and Interwoven, which supplies content solutions, were linked to Citat. The partnerships involve close collaboration relating to sales and within research and development.

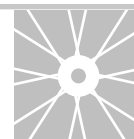
Citat's market has matured in the past year and there are now several operators in the international arena similar to Citat.

Bure's ownership, %	75
Date of acquisition	1996
Book value, SEK M	11
Book value, SEK/share	0.10

For further information, visit [www.citat.se](http://www.citat.se)



Informator carries out training programmes aimed at strengthening companies' IT competence at all levels, from the most advanced leading edge knowledge, to certification and user training.



## LEADS COMPETENCE DEVELOPMENT WITHIN INFORMATION TECHNOLOGY IN SWEDEN, GERMANY AND NORWAY



Peter Gudmundson,  
President

Informator has been in business for more than ten years and now has a well-established brand name in the markets in which the Group operates. The Group has around 160 staff in Sweden, German and Norway. Customers include Ericsson, Electrolux, Cap Gemini Ernst & Young, the Swedish Parliament, the German Parliament and Renault in Germany. In Germany, the Group works under the name Prokoda and is represented in ten locations.

### Strategic competence development

Informator has a well-tested method for strategic competence development within IT and project management. The method, the Informator model, is based on long-term planning and is aimed at supporting cus-

tomers in their continual competence development.

### Broad and extensive product supply

Informator offers comprehensive training programmes in IT and project management, including:

- High quality, leading edge courses and pioneering training programmes within advanced IT training for system developers, programmers and network engineers as well as for administrative and leading staff within IT functions.
- User training which includes basic courses for less experienced computer users as well as more advanced courses for skilled users. The supply consists mainly of courses developed by Informator, partner training programmes for major manufacturers such as Microsoft and Novell, and a large supply of the market's foremost e-learning products.

### The year in brief

- The market for IT training programmes was very weak and saw increased price

competition as a result. Many companies in the IT training sector were forced out of business.

- The German IT training company, Prokoda, was acquired at the end of 2001 and was integrated into Informator Training Group during 2002.
- During 2002, the focus was on adapting the cost volume to the companies' earning capacity.
- In December, Informator Training Group reduced its ownership in its Norwegian subsidiary to 19.9 per cent.

STATEMENT OF INCOME, SEK M	2002**	2001*	2000*
Net sales	186	166	212
Operating expenses	-224	-185	-190
Adj. operating result bef. goodwill amortisation	-38	-19	22
%	-20.5	-11.4	10.4
Items affecting comparability	-11	-11	0
Exit result	0	0	0
Share in results of ass. companies	0	0	0
Oper. result bef. goodwill amortisation	-49	-30	22
%	-26.2	-18.4	10.4
Goodwill amortisation***	-120	-9	-9
Operating result	-169	-39	13
Financial income and expenses	-6	-11	-4
Result before taxes	-175	-50	9
Minority interest and taxes	0	2	-1
Net result	-175	-48	8

\* Only Informator Group

\*\* Informator/Prokoda pro forma

\*\*\* Of which, a one-off write-down of SEK 108M

KEY FIGURES, SEK M	2002	2001	2000
Growth, %	12 <sup>1</sup>	-22	13
Operational cash flow	-32	-23	20
Total assets	189	184	264
Shareholders' equity	40	50	109
Equity ratio, %	21	27	42
Net debt/receivable	-26	-95	-84
Total number of employees	155	93	88
Average number of employees	194	114	142
Value added per employee	0.2	0.3	0.6

<sup>1</sup> Including acquired sales of Prokoda. Excluding the acquisition, sales fell by 50 per cent.

For further information, visit  
[www.informator.com](http://www.informator.com)

## BURE'S INVOLVEMENT

Bure has 100 per cent ownership of Informator.

Informator has expanded significantly since Bure became its owner in 1998. The build-up has largely been achieved through the acquisition of companies with complementary activities within IT training. Fama Datautbildning, Nordisk Datautbildning AB and Informator Utbildning Svenska AB were acquired in 1998. During 1999, Bure acquired Network Management, Net Center Svenska and Scribona Education Center. At the end of 2001, the German IT training company, Prokoda was acquired.

Bure has contributed to integrating the operations acquired over the years.

During 2002, the focus was on adapting Informator's cost volume with the aim of improving the profitability of the operation and on integrating Prokoda into Informator.

Bure anticipates a continued weak market for IT training programmes.

Bure's ownership, %	100
Date of acquisition	1998
Book value, SEK M	0
Book value, SEK/share	0.00



Simonsen provides materials, laundry and capital goods, in particular for the health-care sector. The company is established in Sweden, where it has seven locations, and Denmark. It is organised in three divisions: Materials, Laundry and Products.

The Materials division provides the care sector with frequent use consumables with the aid of the One-Stop concept. This involves overall responsibility for the supply function, including purchasing, stock-keeping, electronic orders, deliveries packed by department, feedback and advice. The Laundry division offers different laundry service solutions. The Product division sells leading brand capital goods such as surgical instruments, ultrasound and surgical equipment.

Simonsen reports annual sales of approximately SEK 1,000M and around 720 staff. Ulf Jungberg is President.

Bure's initial investment in Simonsen was made in 1996, which gave it 80 per cent ownership. In December 2002, Bure acquired an additional 15 per cent of the company. At the same time, a compulsory purchase procedure was initiated for the company's outstanding shares.

To improve Simonsen's financial position, Bure paid a shareholders' contribution of SEK 113M on 31 December 2002. During 2003, Simonsen will require additional capital contributions for investments in machinery.

For further information, visit [www.simonsen.se](http://www.simonsen.se)



Celemi creates permanent change and raises competence in companies and organisations through an educational process supported by simulation models. Customers are mainly large international companies wanting to ensure attitude changes in large groups of staff. The company operates in more than 30 countries and has around 60 staff. Celemi's sales for 2002 amounted to approximately SEK 120M. Arne Leeb-Lundberg has been President since 1 November 2002.

Bure invested in Celemi during summer 2001. Its ownership amounts to 32 per cent.

For further information, visit [www.celemi.se](http://www.celemi.se)



Retea is a consulting company based in Stockholm, which offers procurement services within the data communication, electrical engineering, electricity supply,

telephony systems and teletechnology segments. The company has around 50 staff and reports sales of approximately SEK 45M. The majority of Retea's customers are in the public sector. Michael Vatn has been President since the turn of the year.

Bure became the principal owner of Retea in autumn 2001. Its ownership is 100 per cent.

For further information, visit [www.retea.se](http://www.retea.se)



## SCRIBONA

Bure's ownership in Scribona amounts to 35 per cent of the capital. Bure became principle owner of the listed company, Scribona, in 1995.

The company's business area Information Services became the platform for Bure's investment in the information sector. In 1998, Scribona was consolidated when business area Information Services was demerged and listed on the stock market. Scribona became focused on distribution of IT products and IT solutions as well as high technology office equipment with supplementary services.

In Spring 2001, Scribona acquired the Norwegian IT distributor PC LAN.

Scribona is currently the leading supplier of IT products and IT solutions in the Nordic countries. The staff numbers are approximately 1,500. Scribona's customers are offered leading edge knowledge about the products, the leading e-business systems in the sector, optimised product accessibility and a wide range of supplementary services.

Operations are organised into three business areas: Scribona Solutions is involved with value added distribution of products and services within IT infrastructure; Scribona Distribution offers volume distribution of IT products; Scribona Brand Alliance is an exclusive agent for a number of leading brands in the Nordic IT market.

The Scribona share is quoted on the A list of the Stockholm Exchange and has a secondary listing on the Oslo Stock Exchange.

For 2002, Scribona reported net sales of SEK 12,808M (11,872). Operating profit before goodwill amortisation amounted to SEK 28M (9).

Tom Ekevall Larsen took over as President in March 2003.

For further information, visit [www.scribona.se](http://www.scribona.se)

## DMSN

Bure's ownership in Dimension amounts to 33 per cent. Bure's original investment in the company was made in 1998.

Dimension is an integrator of business-critical IT infrastructures. The company offers products and services relating to advanced data storage, security and service solutions. Dimension also offers leading edge competence for integration of software in the telecom industry and catalogue services for efficient and secure IT operations. The company possesses market-leading technical competence within IT infrastructure and creates revenues from three different types of business: Consulting operations, Support & Operation and Systems, which involves delivery of product-based solutions. The company has around 300 staff.

Following a strong sales and profit trend in Sweden, Dimension expanded in the Nordic countries and the Baltic States during 2000 and 2001. The Group currently operates in Sweden, Norway, Denmark, Finland, Latvia and Lithuania.

2002 was characterised by a very weak will to invest among its customers. The Support and Consulting businesses developed significantly better.

At the beginning of 2003, the majority shareholding in the distributor operation of Next Nordic was divested. The sale is estimated to generate a strengthening of liquidity of approximately SEK 50M.

The Dimension share has been quoted on the O list of the Stockholm Exchange since February 2001.

Dimension's net sales for 2002 amounted to SEK 1,118M (1,173). Operating result before goodwill amortisation amounted to SEK -187M (-20). This includes restructuring costs of SEK -42M (-11).

Örjan Frid took over as President in March 2003.

For further information, visit [www.dimension.se](http://www.dimension.se)

## teleca

In January 2002, Bure acquired approximately 16 per cent of the share capital in the newly formed company, Teleca/AU-System.

Together with AU-System, a leading consulting company in the mobile internet segment, Teleca formed an international consulting company with a focus on new technology and R&D. The Group has a strong position in a global market which faces growth and consolidation.

The business objective is to strengthen the customers' position in the market and to shorten their development times. Customers are offered professional teams with specialist competence who work in collaboration with development-intensive companies all over the world. The Group has around 2,400 employees in 13 countries.

In February 2003, Bure sold 164,000 A shares to Danir, which is owned by Teleca's Chairman, Dan Olofsson. Thereafter, Bure owns 15.8 per cent of capital and 14.8 per cent of votes.

The share is quoted on the O list of the Stockholm Exchange, Attract 40.

Teleca's net sales for 2002 amounted to SEK 2,090M (1,188). The Group's operating profit before goodwill amortisation amounted to SEK 198M (181).

For further information, visit [www.teleca.se](http://www.teleca.se)

## Holdings via Nordic Capital

Bure has invested in the venture capital fund, Nordic Capital, since 1993. Nordic Capital has a diversified fund portfolio with holdings in unlisted, mainly mature companies. A large proportion of the holdings are in the Life Science segment.

In parallel with investments via Nordic Capital's funds, Bure has made direct investments in among others the following Nordic Capital companies: Mölnlycke Health Care, Gislaved Folie and Elmo Leather.

On 31 December 2002, the book value of Bure's indirect and direct investments in the Nordic Capital companies amounted to SEK 719M (681). Bure's investments during the year amounted to SEK 39M.

Several of the companies in Nordic Capital's portfolio are ready for a stock market flotation or sale when the capital market has stabilised.

Bure's remaining investment undertakings amount to SEK 120M.



Bure's ownership in Mölnlycke Health Care amounts to approximately 16.7 per cent in total and around 14 per cent after dilution.

Mölnlycke Health Care is one of the world's leading companies in the surgical and wound treatment products sectors. Surgical products consist of single use articles for the emergency care sector and account for approximately 75 per cent of the company's total sales. Mölnlycke's wound treatment products are used both in emergency care and for home care. The company has around 4,000 staff, of whom 3,300 work at the production units in Belgium, Finland, Mexico, Thailand and the Czech Republic. The head office is located in Gothenburg.

Finn Johnsson is President and Gösta Wiking is the Chairman. The three largest owners are Nordic Capital, Bure and Sjätte AP-fonden.

For further information, visit [www.molnlycke.net](http://www.molnlycke.net)



Bure's ownership in Ahlsell amounts to 4.7 per cent.

Ahlsell is one of the largest trading companies in the installation products and tool sectors in the Nordic countries. The Group has a broad range of products and related services within the heating, ventilation and sanitation; electricity; tools; and refrigeration product areas. A proportion of the sales of heating, ventilation and sanitation, and electric products are sold to retail companies in the DIY sector. Ahlsell mainly carries out operations in Sweden, Denmark, Finland and Norway and, to a lesser extent, in Poland and Russia. The company has around 2,800 staff.

Göran Näsholm is President and Lars Westerberg is the Chairman. The largest owners are Nordic Capital and Trelleborg AB.

For further information, visit [www.ahlsell.se](http://www.ahlsell.se)



Bure's ownership in Hilding Anders totals 4.3 per cent.

Hilding Anders is one of the largest bed manufacturers in Europe. Some of Hilding Anders' best known bed brands are Bico, Pullman, Ekens, Billerbeck and Slumberland. The company is also a leading supplier of bed products to resellers which sell under own brands. The Group has 23 plants in 14 countries, including Belgium, Denmark, Finland, France, the Netherlands, Poland, Switzerland, Sweden, Germany and Hungary.

Anders Pålsson is President and Bengt Adolfsson is the Chairman. The largest owners are Nordic Capital followed by the investment company, Ratos.

For further information, visit [www.hildinganders.se](http://www.hildinganders.se)

## Holdings in early phases

By investing in Bure Venture Capital & Incubators, Bure gains an insight into the early development phases, especially within the IT sector, such as advanced IT application.

In accordance with its adopted strategy, Bure reduced its investments within the Venture Capital sector during the second quarter of 2002. Values of the holdings within Innovationskapital were realised as a result of which SEK 122M was freed up and an exit result of SEK 40M generated. The reduced exposure within Venture Capital is in line with Bure's objective of focusing on large industrial holdings within selected sectors.

Bure's largest incubators and 'think tanks' – companies which help to develop ideas into fully fledged and divestible companies – are CR&T and Newmad. Both companies carry out consulting operations and have a broad network within research which gives them access to both competence and high quality ideas.



CR&T (Carlstedt Research & Technology AB) is a research oriented consulting company with extensive incubator operations, which develops high technology solutions and products in collaboration with institutes of technology and industrial companies. The majority of the 37 staff have undergone research training at post-graduate level within data science and computer technology.

CR&T identifies business concepts and develops them by contributing technical and business competence. At the same time, CR&T becomes a stakeholder in the newly started companies.

2002 was a weak year with low consulting utilisation and no exits. Net sales amounted to SEK 20M (34) and operating result before goodwill amortisation to SEK -36M (-50). This result was charged with shares in results of associated companies of SEK -23M (-50).

CR&T's Incubator operation includes the following companies: Appgate, Gatespace, Integri, Pilotfish, SmartEye and Spotfire.

For further information, visit [www.carlstedt.se](http://www.carlstedt.se)



Newmad was formed in 1998 as a spin-off from two research institutes. Newmad is currently a commercial research and consulting company with a focus on wireless IT.

Net sales for the year amounted to SEK 13M (7) and operating profit to SEK 1M (-8).

For further information, visit [www.newmad.se](http://www.newmad.se)

## Innovations Kapital

Bure has a remaining investment undertaking of EUR 27.5M in Innovationskapital's fund III, of which call-offs of EUR 4.4M have been made at the turn of the year.

In March 2003, Bure sold 50 per cent of its holding in the fund to Tredje AP-fonden. Through the sale, future investment undertakings are reduced by SEK 102M.

For further information, visit [www.innkap.se](http://www.innkap.se)

## Operations and orientation

Bure Equity AB is an investment company which focuses on investing in knowledge-intensive companies with a high growth potential. The objective of the investments is to develop the acquired companies with the aim of creating a higher value of the company, and thus, for Bure and its shareholders. Through financial and industrial expertise, Bure operates as a proactive owner in the companies in which it invests.

## 2002

2002 was characterised by a weak exit market which, combined with amortisation demands from the company's lenders and a number of other financial undertakings meant that Bure's liquidity situation gradually deteriorated. At the beginning of 2003, the liquidity crisis became acute which generated a need for financial strengthening (see below under Financial strengthening).

Following a period of extensive divestments, and distributions to the shareholders during 2000 and the beginning of 2001, Bure entered an investment phase during 2001. Bure implemented extensive investments during 2001 and at the beginning of 2002. The balance between exits and investments is a long-term prerequisite for the operations. During the year, the continued fall in the stock market created a weak and unstable venture capital market with extremely limited exit opportunities.

No exits through the listing of direct holdings were planned for Bure during 2002. However, there had been plans for the stock market flotation or the sale of several indirect holdings via Nordic Capital. The conditions in the stock market meant that these plans have been delayed. For example, the planned stock market flotation of Mölnlycke Health Care was postponed. However, the holding in Nycomed was sold in December 2002 which freed up liquidity of more than SEK 400M.

In October, Bure signed an agreement in principle with Sweco to sell its shareholding in Carl Bro. The sales process was broken off in November. The work undertaken to develop Carl Bro into a leading North European technology consultant is now continuing according to plan.

## Revaluations after publication of the Year-End Report

After the publication of Bure's Year-End Report on 28 February 2003, decisions have been taken – in connection with the submission of the Annual Report – about additional write-downs and provisions. These were reported in a news release published on 7 April 2003.

The protracted process relating to Bure's long-term financing is deemed to have had a negative effect on the values of the company's holdings. In some of the company's holdings, company-specific departures from previously made forecasts have also occurred which has affected the valuation of the holdings. The yield requirement has been increased to amount to at least 14 per cent. The increased external uncertainty has affected the economic trend. This, in turn, is reflected by uncertainty in the world's stock markets and increased uncertainty about the assessment of growth and profitability in the portfolio companies. Against this background, the Board of Directors has found it appropriate to make some revaluations of Bure's assets compared with the Year-End Report published on 28 February 2003. These revaluations mean that Bure's stated equity will reduce by an additional SEK 822M to SEK 995M or SEK 9.55 per share.

## Parent company results and position

The parent company's result after tax amounted to SEK -2,279M

(74). This includes exit results of SEK 345M (590). The result has been charged with write-downs of SEK 2,417M (497).

Administrative costs for the year amounted to SEK 197M (157). Of this, SEK 86M (69) represented personnel costs. Costs include a provision of SEK 26M for staff changes. In addition, SEK 20M was charged to the result for hedging the staff share option scheme launched in 2001.

At the turn of the year, the parent company had a net loan liability of SEK -692M (-91). The net loan liability includes interest-bearing receivables of SEK 298M from the portfolio companies. The equity ratio amounted to 38 per cent (72).

On the balance sheet date, the parent company had liquid funds of SEK 274M (323) and a granted short-term credit limit of SEK 1,200M which was fully utilised. During spring 2003, the company has secured its long-term financing (see below under Financial strengthening).

## Valuation of the holdings

Bure is continually evaluating the value of the holdings. Listed holdings have been valued at their market value on 31 December 2002. Indirect holdings, i.e. investments managed by a third party, are based on the valuation in the respective management company. For unlisted holdings, Bure is continually updating its cash flow valuations. The implemented valuations have a forecast horizon of five years. In 2002, the lowest yield requirement was raised from 10 to 14 per cent. However, a number of holdings have been valued with a higher yield requirement.

The holding in Mölnlycke Health Care was written up by SEK 140M. The write-up was made against shareholders' equity.

## Financial action programme

Significantly reduced exit opportunities, combined with falls in the value of Bure's holdings, have affected the company's financial position. Against this background, Bure initiated a programme during the autumn aimed at significantly reducing its debt/equity ratio. In particular, the programme contains activities for freeing up capital as well as initiatives aimed at limiting the outflow of capital and cost reductions. In line with the programme, the listed stock portfolio was phased out during the fourth quarter. The parent company's administrative costs have been reduced and the organisation adapted. After the balance sheet date, conditions on the exit market have not improved. The Board of Directors, therefore, took a decision in April 2003 to implement a combined new issue of shares and subordinated debentures with detachable warrants, subject to the approval by the annual General Meeting (see below under Financial strengthening).

## Acquisitions

During 2002, Bure made investments totalling SEK 273M (1,276). The investment rate slowed down gradually during 2002. In addition to investments of SEK 273M, investments of SEK 652M were made in existing portfolio companies through capital contributions. Of these, SEK 261M was made through cash contributions and SEK 391M through the conversion of existing receivables into equity.

## Exits

In Bure's investment operation, divestments totalling SEK 577M (871) were made during 2002. These divestments generated an exit result of SEK 345M (590). At the end of the year, Bure sold its

holding in Nycomed via Nordic Capital in connection with an industrial sale. The exit gain amounted to SEK 313M and strengthened Bure's liquidity by more than SEK 400M. In June, Bure reduced its exposure within venture capital investments by re-insuring some values. This generated an exit result of SEK 40M. Together, these items represent the majority of the parent company's exit results during 2002.

### Group results and position

The consolidated result after financial items amounted to SEK -2,016M (-187).

The consolidated result was affected by amortisation and a write-down of goodwill totalling SEK 823M. Of this amount, SEK 676M represents an extra write-down of goodwill values. In addition, the result has been charged with write-downs of shares by SEK 680M. Financial income and expenses were charged with a capital loss of SEK 265M for the divested stock portfolio.

At the year end, shareholders' equity amounted to SEK 1,005M (3,095) and the equity ratio to 21 per cent (40).

At the year end, the Group had a net loan liability of SEK -1,950M (-1,542). This consisted of interest-bearing assets of SEK 578M (799) and interest bearing liabilities of SEK -2,528 (-2,341).

Carl Bro has been reported as a subsidiary to 31 October 2002 inclusive. From 1 November 2002, Carl Bro is reported as an associated company. See note 19.

### Personnel and salaries

Information about average number of employees, salaries and benefits for senior executives are shown in notes 29–32.

### Lex Leo matters

Bure's Annual General Meeting in April 2002 approved new share issues to senior executives in the subsidiaries: Business Communication Group Scandinavia AB, Retea AB, Svenska PA System AB (currently PAHR Svenska AB) and Citat AB.

With reference to Business Communication Group Scandinavia AB, the AGM approved a new share issue for not more than SEK 38,807.50 of not more than 77,615 shares at a nominal value of SEK 0.50 each to ten senior executives. The subscription price is SEK 172 per share. The new share is entitled to a dividend for the first time for the 2002 financial year.

With reference to Retea AB, the AGM approved a new share issue for SEK 9,939.50 of not more than 39,758 shares at a nominal value of SEK 0.25 each to four senior executives. The subscription price is SEK 74.63 per share. The new share is entitled to a dividend for the first time for the 2002 financial year.

With reference to Svenska PA System (currently PAHR Svenska AB), the AGM approved a new share issue for SEK 40,816.30 of not more than 408,163 shares at a nominal value of SEK 0.10 to four senior executives. The subscription price is SEK 10.50 per share. The new share is entitled to a dividend for the first time for the 2002 financial year.

With reference to Citat AB, the AGM approved a new share issue for SEK 3,580.70 of 35,807 shares at a nominal value of SEK 0.10 each to the companies of senior executives. Payment for the subscribed shares is made in the form of the subscriber's total number of shares (300) in Citat Communication Management AB. For each share in Citat Communication Management AB, 35,807/300 shares are received in Citat AB. The subscription price

is 50.27 per share. The new shares are entitled to a dividend for the first time for the 2002 financial year.

### Board of Directors and its operational procedures

In accordance with a resolution of the 2002 Annual General Meeting, Bure's Board of Directors comprises seven ordinary members. The former President, Peter Sandberg, was a member of the Board of Directors. After the year end, the President has resigned from the Board of Directors, as has the Chairman, Gösta Wiking. The Board currently consists of five Members. Håkan Larsson is the new Chairman.

The Board of Directors' rules of procedure, which are adopted for one year at a time, contain information about the distribution of responsibility between the Board of Directors, the Chairman, the President and the Remuneration Committee of the Board of Directors.

In accordance with the rules of procedure, the Board will make decisions on matters which are not included in the current administration or are of major importance such as significant financial commitments and agreements, and important changes to the organisation. The company's finance policy and investment instruction will also be decided by the Board of Directors.

The Board of Directors' work adheres to an annual agenda, with a fixed agenda for each Board Meeting. Other officers of the company also attend Board Meetings as persons reporting and secretaries.

During the year, 12 Board Meetings were held. During the meetings, significant efforts were devoted to the company's strategic development and to evaluating the proposals for investments and sales that the Board had to consider.

The company's auditors attend at least once a year in connection with the annual accounts meeting and, when required, more frequently. The auditors report their observations from the year's examination directly to the Board of Directors.

### Nomination and Remuneration Committee

The composition of the Board of Directors is decided by the Annual General Meeting. A Nomination Committee has been appointed to draw up a proposal for members to be decided by the AGM. Ahead of the 2003 Annual General Meeting, the Nomination Committee consists of Gösta Wiking, Caroline af Ugglas, Lars Ingelmark and Martin Svalstedt.

The Remuneration Committee of the Board of Directors will discuss, and make decisions on, issues relating to remuneration in the form of salaries, pensions, bonus payments and other terms of employment for the President and staff who report directly to the President. During the year, the Remuneration Committee comprised Gösta Wiking, Erling Gustafsson and Håkan Larsson.

### Tax Matters

During the financial year, Bure's tax matters were finally settled.

In an advanced ruling, the Supreme Administrative Court has confirmed the earlier decision of the Council for Advanced Tax Ruling that Bure can carry out asset management in the parent company without it affecting Bure's status as an investment company.

This decision led the tax authority to withdraw the remaining tax cases relating to Bure's investment company status for the 1998 and 1999 financial years in October.

### Holdings of own shares

During 2002, Bure implemented buy-backs of the company's own

shares for SEK 31.1M (99.9). This is equivalent to 1.5 per cent of the registered share capital or 1,645,500 shares with a nominal value of SEK 10 per share or SEK 16.5M in total. Total buy-backs during 2001 and 2002 are equivalent to 4.5 per cent of the registered share capital or 4,945,500 shares. 3,945,500 of the bought back shares were repurchased through an agreement with a bank, a so-called synthetic arrangement. The financing costs for this agreement are reported in the statement of income.

The acquisitions were made in accordance with the decisions of the Annual General meeting.

## After the end of the financial year

### Financial strengthening

Bure has for some time been in negotiations with the company's lenders and its largest owner, Sjätte AP-fonden. These negotiations have taken place against the background of the acute liquidity crisis and the need to secure long-term financing in Bure. In a news release dated 7 April 2003, Bure presented the details of the agreement with the principal owner and the lenders, which are reported below.

The Board of Directors, subject to approval by the Annual General Meeting, has taken a decision about a combined new issue of shares and subordinated debentures, respectively, as follows:

- An issue with right of preference for the shareholders involving an offer to subscribe to one unit consisting of two new shares and a subordinated debenture with nine detachable warrants for every existing share. For each subscribed unit, SEK 6.94 will be paid to Bure. This amount is distributed as follows: SEK 1.50 for two new shares, SEK 4.63 in payment for the subordinated debenture (SEK 6.75 nominally) and SEK 0.81 for the nine detachable warrants.
- On full subscription, the total issue payment will amount to SEK 750,214,000 before issue and guarantee costs.
- An issue of two new shares for each existing share at an issue price of SEK 0.75 per new share. In total, the issue comprises 216,200,000 shares and generates an issue payment of SEK 162,150,000. In connection with this, the share capital will be reduced by SEK 1,009,175,000 to SEK 81,825,000 for the immediate cover of the loss in accordance with the adopted balance sheet for the 2002 financial year. The reduction will be implemented through a reduction of the nominal amount of the share from the current level of SEK 10 per share to SEK 0.75 per share.
- An issue totalling SEK 588,064,000 of subordinated debentures with nine detachable warrants for a nominal value of SEK 6.75 for each existing share. Of the issue payment, SEK 500,203,114 represents payment for the debt instrument and SEK 87,860,886 payment for the warrants. The subordinated debenture is constructed as a 'zero coupon', which means that no interest will be paid during the tenor of the subordinated debenture. The subordinated debenture matures for payment on 30 June 2007 with a nominal amount of SEK 729,675,000 which means an annual yield of 10 per cent. The warrants entitle their holders to subscribe for 972,900,000 new shares for SEK 0.75 per share. Subscription can be made from 15 July 2003 to 30 June 2007 inclusive.
- The issues are guaranteed at SEK 600M. The guarantee has been provided by Sjätte AP-fonden, which owns 17.0 per cent of the shares in Bure, at SEK 300M and jointly by Handelsbanken, Nordea and Danske Bank at SEK 300M. With the aim of increasing the prerequisites for a fully-subscribed issue, the guarantee commitment will not be reduced by the first SEK 150M which will be subscribed by owners other than Sjätte AP Fonden. A guarantee commission of 2.0 per cent will be paid for a guarantee which related to subscription of shares and debentures in addition to what is subscribed with support of right of preference.
- On full subscription of both issues and full exercising of issued warrants, the total number of shares will amount to 1,298,200,000.
- It is anticipated that the issue memorandum will be distributed around 30 May 2003. The subscription period is expected to run from 30 May 2003 to 19 June 2003 inclusive.
- Bure's intention is that the subscription rights, as well as debentures and warrants, will be listed on the Stockholm Exchange.

An agreement has been made with Handelsbanken, Nordea and Danske Bank which means that short-term financing will run until the issue payment has been received during July 2003 at the latest. Thereafter, an agreement has been made for a long-term credit limit of SEK 1,200M which will run to 31 December 2006 inclusive. During the tenor, some amortisation will be made in connection with exits. The bank agreement has, as has the current credit agreement, been based on Bure's pledging of shares in subsidiaries and associated companies.

The agreement with Bure's lenders and the mainly guaranteed issue will secure Bure's short-term financing and enable the long-term financing by contributing the capital the company needs to complete successfully the development of existing portfolio companies. The issue payment is primarily intended to be used to finance the current operations, including supplementary investments in subsidiaries and associated companies. As a result of the financial solution, Bure's opportunities to pay a dividend for the next three years will be restricted in accordance with legislation.

The Board of Directors is of the opinion that the issues and the credit terms will give Bure the financial scope to implement an orderly new and focused business orientation. Bure will secure and make visible values in the portfolio through sales; focus on profitability-increasing and value-creating measures in the portfolio companies; and reduce the parent company's administrative costs. Sale of non-strategic assets can now be made without being pressed for time. As a result, prerequisites are created which will enable Bure to refine and realise assets to create shareholder values.

### Other events after the end of the financial year

- The Board of Directors appointed Håkan Larsson as the new Chairman from 6 March 2003.
- Lennart Svantesson took over as President on 12 March 2003.
- In March 2003, Bure sold 50 per cent of its holding in Innovationskapital's Fund III to Tredje AP-fonden. Through the sale, future investment undertakings are reduced by SEK 102M.



# Proposal for the appropriation of profits

Non-restricted equity in the Group amounted to SEK -1,292.9M at balance sheet date. No appropriations to restricted reserves are required.

Gothenburg, 25 April 2003

Profits at the disposal of the AGM in accordance with the parent company's balance sheet (SEK M):

Profits brought forward	951.9
Net loss for the year	-2 279.1
	<u>-1 327.2</u>

Håkan Larsson  
Chairman

Maria Lilja

Ulf Berg

The Board of Directors proposes that the loss be distributed as follows:  
To be carried forward

-1 327.2

Erling Gustafsson  
Björn Björnsson  
Lennart Svantesson  
President

Our Audit Report was submitted on 25 April 2003

In connection with the implementation of the planned financial strengthening, the share capital will be reduced by SEK 1,009,175,000 to SEK 81,825,000 for the immediate cover of the loss in accordance with the adopted balance sheet for the 2002 financial year. The reduction will be implemented through a reduction of the nominal amount of the share from the current level of SEK 10 per share to SEK 0.75 per share.

Bertel Enlund  
Authorised Public Accountant  
Ernst & Young

Anders Ivdal  
Authorised Public Accountant  
KPMG

## Five-year review

Key figures	1998	1999	2000	2001	2002
<b>Data per share</b>					
Net asset value, SEK	43.50	65.00	69.00	38.00	9.55 <sup>1</sup>
Share price, SEK <sup>2</sup>	57.50	58.00	51.50	29.70	10.40
Share price as a percentage of net asset value, %	132	89	75	78	109
Number of shares, 000 <sup>1</sup>	109 100	109 100	109 100	105 800	104 155
Average number of shares	109 100	109 100	109 100	107 553	105 147
Parent company earnings per share, SEK	5.37	4.69	16.19	0.68	-21.68
Parent company equity per share, SEK	38.55	40.37	39.51	31.60	9.55
<b>Yield</b>					
Dividend paid, SEK per share	2.88	2750 <sup>3</sup>	19.50 <sup>3</sup>	1.75	0.00 <sup>4</sup>
Yield, %	5.0	47.4	37.9	5.9	-
Total yield, %	15.3	5.9	36.2	-7.2	-62.8
Market value, SEK M	6 273	6 328	5 619	3 142	1 083
Return on equity, %	14.4	11.9	40.6	1.9	-75.9
<b>Parent company results and position</b>					
Exit result, SEK M	463.9	529.3	2 743.0	590.4	345.1
Result after tax, SEK M	585.4	511.8	1 766.8	73.5	-2 279.1
Total assets, SEK M	5 265	6 361	4 690	4 649	2 602
Shareholders' equity, SEK M	4 206	4 404	4 310	3 342	995
Equity ratio, %	79.9	69.2	91.9	71.9	38.2
<b>Consolidated results and position</b>					
Consolidated earnings per share, SEK	4.60	2.05	18.33	-1.80	-19.09
Consolidated equity per share, SEK	38.07	37.16	40.26	29.25	9.65
Net sales, SEK M	13 885.8	15 444.1	7 553.4	3 996.7	6 044.5
Result after tax, SEK M	501.4	224.0	2 000.3	-193.2	-2 006.9
Total assets, SEK M	10 537	11 361	9 106	7 791	4 776
Shareholders' equity, SEK M	4 153	4 054	4 393	3 095	1 005
Equity ratio, %	39.4	35.7	48.2	39.7	21.0

<sup>1</sup> The net asset value per share for 2002 is equivalent to equity per share.

<sup>2</sup> Adjusted for bonus issue 1:1 during 1999.

<sup>3</sup> Dividends include distribution of the subsidiaries, Capio and Observer.

<sup>4</sup> Proposed dividend.

Definitions, see page 51.

# Statements of income

## Parent company

SEK M	Note	2002	2001
<b>Investment Operations</b>			
Dividends	7	4.5	47.3
Exit results	5	345.1	590.4
Write-downs	4	-2 417.4	-497.2
		<b>-2 067.8</b>	<b>140.5</b>
<b>Administrative costs</b>			
Personnel costs	30, 31, 32	-85.9	-69.1
Other external costs		-109.3	-86.4
Depreciation		-1.9	-1.6
		<b>-197.1</b>	<b>-157.1</b>
<b>Result before financial income and expenses</b>		<b>-2 264.9</b>	<b>-16.6</b>
<b>Financial income and expenses</b>			
Interest income	2	58.4	80.6
Interest expenses	2	-72.6	-19.9
		<b>-14.2</b>	<b>60.7</b>
<b>Result before taxes</b>		<b>-2 279.1</b>	<b>44.1</b>
Taxes	8	-	29.4
<b>Net result for the year</b>		<b>-2 279.1</b>	<b>73.5</b>
Average number of shares, 000			
		105 147	107 553
Earnings per share, SEK			
		-21.68	0.68



## Group

SEK M	Note	2002	2001
<b>Operating income</b>			
Invoiced sales		5 941.9	3 949.5
Other income		102.6	47.2
<b>Total net sales</b>	1	<b>6 044.5</b>	<b>3 996.7</b>
Exit results	5	361.2	668.1
Other operating income		10.8	23.4
Share in results of associated companies	3	-166.7	-142.3
<b>Total operating income</b>		<b>6 249.8</b>	<b>4 545.9</b>
<b>Operating expenses</b>			
Raw materials and necessities		-499.1	-184.5
Goods for resale		-1 168.1	-1 048.6
Other external costs		-1 326.0	-955.4
Personnel costs	30, 31, 32	-3 139.3	-1 765.8
Depreciation and write-downs		-954.4	-248.0
Items affecting comparability	4	-767.1	-464.5
Other operating expenses		-20.1	-20.9
<b>Depreciation</b>		<b>-7 874.1</b>	<b>-4 687.7</b>
<b>Operating result</b>		<b>-1 624.3</b>	<b>-141.8</b>
<b>Financial income</b>			
Dividends	7	13.4	23.6
Interest income		51.6	48.1
Other financial income		1.0	6.0
<b>Total financial income</b>		<b>66.0</b>	<b>77.7</b>
<b>Financial expenses</b>			
Interest expenses		-189.5	-77.7
Capital result	5	-267.0	-45.0
Other financial expenses		-1.3	-
<b>Total financial expenses</b>		<b>-457.8</b>	<b>-122.7</b>
<b>Result after financial items</b>	1, 8	<b>-2 016.1</b>	<b>-186.8</b>
Minority interest	8	33.6	15.6
Taxes	8	-24.4	-22.0
<b>Net result for the year</b>		<b>-2 006.9</b>	<b>-193.2</b>
Average number of shares, 000		105 147	107 553
Earnings per share, SEK		-19.09	-1.80

# Balance sheets

SEK M	Note	Parent Company		Group	
		2002	2001	2002	2001
<b>Fixed assets</b>					
<b>Intangible fixed assets</b>					
Patents, licences, etc	10			16.4	46.6
Goodwill	11			980.7	1 803.6
<b>Total intangible fixed assets</b>				<b>997.1</b>	<b>1 850.2</b>
<b>Tangible fixed assets</b>					
Buildings, land and land improvements	12			317.6	391.8
Machinery and other technical plant	13			8.5	7.2
Equipment, tools and installations	14	4.7	4.2	209.2	287.4
New construction in progress	15				0.8
<b>Total tangible fixed assets</b>		<b>4.7</b>	<b>4.2</b>	<b>535.3</b>	<b>687.2</b>
<b>Financial fixed assets</b>					
Participations in Group companies	16, 17, 18	458.0	1 631.9		
Participations in associated companies	19, 20	720.3	892.9	663.5	916.3
Participations and convertible debt instruments	21	723.0	822.8	1 036.4	1 467.1
Other long-term securities holdings		4.0		4.8	9.1
Other long-term receivables			2.9	9.9	45.7
Deferred income taxes recoverable	8			43.0	52.9
<b>Total financial fixed assets</b>		<b>1 905.3</b>	<b>3 350.5</b>	<b>1 757.6</b>	<b>2 491.1</b>
<b>Total fixed assets</b>		<b>1 910.0</b>	<b>3 354.7</b>	<b>3 290.0</b>	<b>5 028.5</b>
<b>Current assets</b>					
<b>Inventories, etc</b>					
Raw materials and necessities				0.9	4.4
Finished products and goods for resale				105.2	141.9
Work in progress				21.4	27.8
Advance to suppliers				0.1	247.6
<b>Total inventories, etc</b>				<b>127.6</b>	<b>421.7</b>
<b>Current receivables</b>					
Trade debtors		1.6	0.1	532.1	1 105.2
Receivables from Group companies		339.8	809.1		
Receivables from associated companies		2.4	18.1	2.4	18.1
Other current receivables		63.4	131.9	106.6	218.2
Prepaid tax		4.5	4.5	29.6	28.1
Prepaid expenses and accrued income	22	6.2	7.8	171.3	244.1
<b>Total current receivables</b>		<b>417.9</b>	<b>971.5</b>	<b>842.0</b>	<b>1 613.7</b>
Short-term investments		200.0	250.0	212.6	322.8
Cash at bank		74.4	73.1	304.0	404.2
<b>Total current assets</b>		<b>692.3</b>	<b>1 294.6</b>	<b>1 486.2</b>	<b>2 762.4</b>
<b>Total assets</b>		<b>2 602.3</b>	<b>4 649.3</b>	<b>4 776.2</b>	<b>7 790.9</b>

SEK M	Note	Parent Company		Group	
		2002	2001	2002	2001
<b>Shareholders' equity</b>					
<b>Restricted equity</b>					
Share capital (109,100,000 shares at a nominal value of SEK 10 each)					
	23	1 091.0	1 091.0	1 091.0	1 091.0
	23	1 091.0	1 091.0	1 207.2	1 075.1
		140.0			
		<b>2 322.0</b>	<b>2 182.0</b>	<b>2 298.2</b>	<b>2 166.1</b>
<b>Non-restricted equity</b>					
		951.9	1 086.0	714.0	1 121.9
		-2 279.1	73.5	-2 006.9	-193.2
	23	<b>-1 327.2</b>	<b>1 159.5</b>	<b>-1 292.9</b>	<b>928.7</b>
		<b>994.8</b>	<b>3 341.5</b>	<b>1 005.3</b>	<b>3 094.8</b>
<b>Minority interest</b>					
				<b>59.7</b>	<b>195.7</b>
<b>Provisions</b>					
				20.7	19.8
				39.5	55.4
				22.5	41.8
		90.0		49.5	19.6
	24	<b>90.0</b>	<b>-</b>	<b>132.2</b>	<b>136.6</b>
<b>Liabilities</b>					
<b>Long-term liabilities</b>					
			1 000.0	552.0	1 705.8
		75.6			
			7.2	308.0	416.3
	25, 27	<b>75.6</b>	<b>1 007.2</b>	<b>860.0</b>	<b>2 122.1</b>
<b>Current liabilities</b>					
	27	1 243.4		1 346.5	244.7
				75.6	306.3
		4.8	16.1	313.0	475.8
		114.8	75.8		
		2.0		2.0	
		0.0		18.2	19.4
		12.4	155.6	575.2	456.8
	26	64.5	53.1	388.5	738.7
		<b>1 441.9</b>	<b>300.6</b>	<b>2 719.0</b>	<b>2 241.7</b>
		<b>1 517.5</b>	<b>1 307.8</b>	<b>3 579.0</b>	<b>4 363.8</b>
<b>Total equity, provisions and liabilities</b>					
		<b>2 602.3</b>	<b>4 649.3</b>	<b>4 776.2</b>	<b>7 790.9</b>
<b>Pledged assets</b>					
	27	<b>631.3</b>	<b>57.5</b>	<b>1 692.0</b>	<b>1 033.3</b>
<b>Contingent liabilities</b>					
	28	<b>535.4</b>	<b>1 038.1</b>	<b>50.2</b>	<b>1 478.0</b>

# Cash flow analyses

SEK M	Note	Parent Company		Group	
		2002	2001	2002	2001
<b>Current operations</b>					
Profit after financial items		-2 279.1	44.1	-2 016.1	-186.8
Depreciation and write-downs		2 329.7	213.1	1 634.1	248.0
Shares in results of associated companies				166.7	142.3
Dividends received from associated companies				4.4	38.9
Capital result, investment operations		-345.1	-579.9	-361.2	-645.6
Paid tax				-35.2	-10.4
<b>Cash flow from current operations before changes in working capital</b>		<b>-294.5</b>	<b>-322.7</b>	<b>-607.3</b>	<b>-413.6</b>
<b>Cash flow from change in working capital</b>					
Change in inventories				-8.0	21.6
Change in current receivables		168.5	446.9	403.3	-215.5
Change in shares and bond portfolio				488.5	187.7
Change in provisions		90.0	-77.6	25.2	-76.9
Change in current liabilities		-65.8	-39.6	61.1	86.3
<b>Cash flow from change in working capital</b>		<b>192.7</b>	<b>329.7</b>	<b>970.1</b>	<b>3.2</b>
<b>Cash flow from current operations</b>		<b>-101.8</b>	<b>7.0</b>	<b>362.8</b>	<b>-410.4</b>
<b>Investment operations</b>					
Acquisition of subsidiaries	17	-360.1	-812.6	-201.9	-711.3
Acquisition of other fixed assets		-2.5	-2.9	-146.1	-247.4
Acquisition of intangible fixed assets				-8.9	-132.2
Acquisition of associated companies and other shares		-174.3	-382.2	-323.0	-125.6
Sale of subsidiaries	17	35.8	776.8	-69.0	671.1
Sale of associated companies and other shares		561.9	120.6	572.0	
<b>Cash flow from investment operations</b>		<b>60.8</b>	<b>-300.4</b>	<b>-176.9</b>	<b>-545.4</b>
<b>Financial operations</b>					
Raised loans/amortisation of liabilities		200.0	1 000.0	-205.8	1 365.3
Granted loans/amortisation of receivables				29.0	-14.2
Cash dividend and cost of distribution		-176.6	-329.9	-176.5	-753.6
Buy-back of own shares		-31.1	-99.9	-31.1	-99.9
Payment to/from minority				-12.0	17.4
<b>Cash flow from financial operations</b>		<b>-7.7</b>	<b>570.2</b>	<b>-396.4</b>	<b>515.0</b>
<b>The year's cash flow</b>		<b>-48.7</b>	<b>276.8</b>	<b>-210.5</b>	<b>-440.8</b>
<b>Liquid funds on 1 January</b>		<b>323.1</b>	<b>46.3</b>	<b>727.1</b>	<b>1 167.9</b>
<b>Liquid funds on 31 December</b>		<b>274.4</b>	<b>323.1</b>	<b>516.6</b>	<b>727.1</b>

The Annual Report and consolidated accounts of Bure Equity AB have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendations and pronouncements.

The new accounting principles, issued by the Swedish Financial Accounting Standards Council and which came into force in 2002 have been applied in this Annual Report. This has not had any effect on the reported result and position.

## Consolidated accounts

The consolidated accounts have been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR1:00 regarding consolidated accounts with application of acquisition accounting. The consolidated accounts comprise all companies in which the parent company has a controlling influence in addition to the parent company. This normally applies to companies in which Bure directly or indirectly holds more than 50 per cent of the votes.

Companies acquired during the year are consolidated from the date of acquisition. Subsidiaries divested during the year are included in the consolidated accounts to the date of sale.

Associated companies are consolidated in accordance with Swedish Financial Accounting Standards Council's recommendation No 13. Associated companies are reported in accordance with the equity method in the consolidated accounts. Companies in which Bure has a significant influence, usually when the number of votes amounts to between 20 and 50 per cent, are treated as associated companies. The equity method means that the acquisition cost of the shares, plus the Group's share in the results of the associated companies with deduction for dividends received, is reported under the heading 'Shares in capital of associated companies' in the consolidated balance sheet.

In the consolidated statement of income, 'Shares in results of associated companies' constitute Bure's share of the results of the associated companies after financial items, with deduction for amortisation of goodwill where applicable. Amortisation of goodwill is made according to a plan which is established in accordance with the same principles that are applied for Group companies. The share in the taxes of the associated companies is reported separately and is included in the Group's taxes.

The foreign subsidiaries' assets and liabilities in the balance sheet are translated in accordance with the current method. This means that a translation is made in the balance sheet at the exchange rate applicable on the balance sheet date and that all items in the statement of income are translated at the average rate for the year. Exchange rate differences which have arisen as a result have been posted directly to shareholders' equity. Over and undervalues which have arisen in connection with the acquisition analysis, and which relate to assets in foreign currency, are also translated in accordance with the current method.

Where investments in foreign subsidiaries have been hedged by raising loans in foreign currency, exchange rate differences that have arisen on the loans have been reported directly to shareholders' equity to the extent that they correspond with the translation difference attributable to the foreign subsidiary.

## Intangible fixed assets

Intangible fixed assets are reported at their acquisition cost with deduction for accumulated depreciation according to plan.

Goodwill attributable to acquired subsidiaries is reported as a fixed asset and is amortised according to plan over the estimated economic life. The economic life is determined after individual examination. The economic life within the Group varies between five and 20 years.

An economic life in excess of five years can be put on long-term strategically acquired companies with stable operations and good growth. Bure frequently has an investment horizon in its investments of around five years, following which the objective is to make a successful exit. Bure's prerequisites, therefore, differ from a normal operating group in which the acquired unit is often integrated with the other units. During the period of the holding, the intention is that the business value of the acquired company should normally increase. Depreciation periods could, therefore, be set higher than five years and, in many cases, at 20 years. An individual evaluation is made on a regular basis and write-down of goodwill is made where there is an individual need.

## Tangible fixed assets

The tangible fixed assets are reported at their acquisition value with deduction for accumulated depreciation according to plan. Depreciation has been calculated on the depreciable amount which normally constitutes the original acquisition values, where applicable, with estimated residual value at the end of the period of use. Depreciation is made in a straight line over the economic life of the assets. Bure has subsidiaries whose operations differ greatly which means that it is not appropriate to set fixed rules for depreciation periods. However, the following basic guidelines are given:

Machinery and equipment	3–7 years
Buildings	50 years
Land improvements	20–27 years

## Leasing

In accordance with the Swedish Financial Accounting Standards Council's recommendation No 6, financial lease contracts are reported as fixed assets and financial liabilities, respectively, in the consolidated balance sheet. In the consolidated statement of income, the leasing cost is distributed on depreciation of the leased asset and interest expense if the asset has been acquired directly. Some minor, standard financial lease contracts relating to company cars and office equipment are reported as operating lease contracts.

## Financial fixed assets

In the parent company's balance sheet, Bure's investments are valued at their acquisition value including costs which are directly attributable to the acquisition. The participations are valued at the lower of acquisition and recovery value.

By recovery value is meant the highest of net sales value and value of use. The value of use consists of the current value of estimated future net cash flows.

When the recovery value is less than the book value, a write-down is made to this value. A write-up can also be made in accordance with the Annual Accounts Act when an asset is deemed to have a reliable and permanent value which exceeds the book value.

Shares in listed and unlisted companies

which are not subsidiaries or associated companies are reported at their acquisition values under the item 'Participations and convertible debt instruments' among financial fixed assets. The investments are valued at the lower of acquisition and recovery value, item by item. For unlisted holdings, cash flow valuations are continually drawn up to assess the recovery value.

Investments in interest-bearing securities with a tenor of up to one year are reported as current assets under 'Short-term investments'. Investments with a tenor of more than one year are reported as fixed assets under 'Other long-term securities holdings'.

## Current assets

Inventories are valued in accordance with the lowest value principle at the lower of acquisition value and actual value. Deduction for estimated actual obsolescence has been made.

Receivables and liabilities in foreign currency have been valued at balance sheet date rate or at the forward rate where forward cover has taken place. Exchange profits and exchange losses on financial receivables and liabilities are reported among financial items. Operations-related exchange profits and exchange losses are reported in the operating result.

For work in progress, gradual income recognition is applied which means that work in progress is valued at an estimated sales value with deduction for anticipated losses.

## Provisions

Obligations which are attributable to the financial year, and which on balance sheet date are probable in their existence but uncertain with regard to amount or date, have been reported as provisions.

## Untaxed reserves

The equity portion of untaxed reserves is included in restricted reserves. The tax portion of untaxed reserves has been reported as deferred tax included in the provisions.

## Minority interest

The minority's share of the consolidated net profit is stated in the consolidated statement of income. The minority's share of the Group's shareholders' equity is reported in a separate item between long-term liabilities and shareholders' equity.

## Tax

Deferred income taxes recoverable and deferred tax liabilities, respectively, are reported when there are loss carry-forward and temporary differences between book value and written-down value, respectively. Deferred income taxes recoverable relating to loss carry-forward have been reported to the extent it is probable that the deductions can be offset against future surpluses on taxation.

The year's tax expense refers to tax payable on the year's taxable profit (current tax), deferred tax and share of tax in the associated companies.

## Cash flow analysis

The Group applies the Swedish Financial Accounting Standards Council's recommendation No 7 Reporting of cash flows. By liquid assets is meant bank deposits and short-term investments with a tenor of less than three months.

## Buy-back of own shares

Buy-back of own shares has reduced non-restricted equity.

## NOTE 1 – Distribution of net sales

SEK M	Net sales		Result after financial items	
	2002	2001	2002	2001
<b>Operations owned at the year end</b>				
<b>Subsidiaries</b>				
Cygate	740.0	963.5	-71.1	6.2
Simonsen	943.6	826.2	-113.2	-21.6
Mercuri	715.0	773.3	-38.6	-28.9
Vittra	282.4	204.7	-6.3	-7.5
Business				
Communication Group	341.1	102.5	-60.2	2.4
Citat	222.4	279.5	-28.4	13.4
PAHR	212.1	200.4	20.7	24.0
Xdin	178.6		-14.7	
Informator	186.3	165.6	-175.1	-49.8
Retea	44.2	43.6	6.5	6.9
Bure Kapital	0.0	0.0	-321.4	-40.4
Cindra	0.0	0.0	-107.2	0.0
<b>Subtotal</b>	<b>3 865.7</b>	<b>3 559.3</b>	<b>-909.0</b>	<b>-95.3</b>
Carl Bro consolidated to 31 October 2002	2 277.0	165.5	15.9	-17.7
Sold and deconsolidated companies	3.3	444.5	-2.4	-5.4
Acquired companies before the date of acquisition	-93.1	-172.2	0.0	-19.6
Shares in results of associated companies, note 3			-166.7	-142.3
Parent company result after financial income and expenses			-2 279.1	44.1
Elimination of group transactions	-8.4	-0.4	1 325.2	49.4
<b>Total Group</b>	<b>6 044.5</b>	<b>3 996.7</b>	<b>-2 016.1</b>	<b>-186.8</b>

## Net sales distributed by type of income:

SEK M	Net sales	
	2002	2001
Sales of goods	1 269	1 434
Service assignments	4 747	2 438
Other sales	29	125
<b>Total</b>	<b>6 045</b>	<b>3 997</b>

## Net sales are distributed by geographic markets as follows:

SEK M	Net sales	
	2002	2001
Sweden	4 170	2 015
Other Nordic countries	1 307	1 240
Europe, excluding the Nordic countries	517	665
North America	17	8
Asia	28	49
Other markets	6	20
<b>Total</b>	<b>6 045</b>	<b>3 997</b>

## NOTE 2 – Purchases and sales between Group companies

Purchases and sales between the parent company and Group companies are insignificant. Inter-company interest income and interest expenses are included in the parent company's results as SEK 40.5M (45.0) and SEK -1.3 M (-1.9) respectively.

## NOTE 3 – Share in results of associated companies

SEK M	Group	
	2002	2001
System	-2.3	-3.9
CR&T	-33.9	-41.8
Dimension	-77.0	-9.8

## cont. note 3

Carl Bro from 1 November 2002	-40.9	-
Customer Group	-6.8	-11.4
Celemi	-1.0	-8.2
Xdin	-1.1	-7.2
Innkap Management	5.2	1.0
Newmad	-1.8	-4.0
Scribona	-7.0	-48.3
Buyonet	-	-4.0
Övriga	-0.1	-4.7
<b>Total</b>	<b>-166.7</b>	<b>-142.3</b>

## NOTE 4 – Items affecting comparability

SEK M	Group		Parent company	
	2002	2001	2002	2001
<b>Investment operations, write-downs</b>				
Mercuri International Group	-	-	-341.0	-
Cygate	-	-	-314.0	-
Bure Kapital	-17.9	-	-272.9	-135.4
Informator	-	-	-270.5	-
Simonsen	-13.0	-	-200.2	-51.0
Scribona	-91.4	-	-152.0	-
System	-131.4	-	-151.0	-
CR&T	-64.6	-	-120.6	-
Business Communication Group	-	-	-113.0	-
Cindra/Teleca	-94.9	-	-107.1	-
Dimension	-87.0	-	-56.0	-
Other write-downs	-179.5	-280.4	-319.1	-310.8
<b>Total write-downs</b>	<b>-679.7</b>	<b>-280.4</b>	<b>-2 417.4</b>	<b>-497.2</b>
<b>Asset management</b>				
Write-downs	-	-107.4	-	-
<b>Results of subsidiaries</b>				
Restructuring costs, etc	-87.4	-76.7	-	-
<b>Total</b>	<b>-767.1</b>	<b>-464.5</b>	<b>-2 417.4</b>	<b>-497.2</b>

Against the background of the result development in the Group's holdings of shares in subsidiaries, associated companies and other companies and the fall in value in the stock market, a valuation has been made of the Group's significant holdings. On the evaluation of possible needs for write-down the recovery value for unlisted companies has consisted of the value of use. The value of use consists of the current value of estimated future net cash flows. On calculation of the net cash flow, a forecast period of five years has normally been applied. The discount factor applied has been determined individually for each holding within the range of 14–17 per cent. For listed companies, the recovery value has consisted of the net sales value. The net sales value has been determined on the basis of current market values at 31 December 2002.

The distribution of write-downs by type of asset is shown in Notes 11, 14, 16, 20 and 21.

## NOTE 5 – Exit results and capital results

SEK M	Group		Parent company	
	2002	2001	2002	2001
Exit results, investment operations	361.2	668.0	345.1	590.4
Exit results from subsidiaries	-	0.1	-	-
<b>Total exit results</b>	<b>361.2</b>	<b>668.1</b>	<b>345.1</b>	<b>590.4</b>
Capital results, asset management	-264.5	-39.9	-	-
Capital results, subsidiaries	-2.5	-5.1	-	-
<b>Total capital results</b>	<b>-267.0</b>	<b>-45.0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>94.2</b>	<b>623.1</b>	<b>345.1</b>	<b>590.4</b>

**NOTE 6 – Fees to auditors**

SEK M	Group		Parent company	
	2002	2001	2002	2001
<b>Fees to Ernst &amp; Young</b>				
Audit fees	5.1	3.9	0.4	0.3
Fees for consultations	5.2	11.4	2.0	6.0
<b>Total fees</b>	<b>10.3</b>	<b>15.3</b>	<b>2.4</b>	<b>6.3</b>
<b>Fees to KPMG</b>				
Audit fees	0.4	–	0.2	–
Fees for consultation	1.0	–	0.5	–
<b>Total fees</b>	<b>1.4</b>	<b>–</b>	<b>0.7</b>	<b>–</b>
<b>Audit fees, other auditors</b>				
	0.7	0.3	–	–

The note 'Fees to auditors' does not include information relating to subsidiaries divested during the year.

**NOTE 7 – Dividends**

SEK M	Group		Parent company	
	2002	2001	2002	2001
<b>Investment operations</b>				
Dividend from associated companies	–	–	4.4	38.9
Dividend from other companies	6.7	8.4	0.1	8.4
<b>Total</b>	<b>6.7</b>	<b>8.4</b>	<b>4.5</b>	<b>47.3</b>
<b>Asset management</b>				
Dividend from shares in stock portfolio	6.7	15.2	–	–
<b>Total</b>	<b>13.4</b>	<b>23.6</b>	<b>4.5</b>	<b>47.3</b>

**NOTE 9 – Lease contracts**

SEK M	Group			Parent company		
	2002			2002		
<b>The period's leasing charges (operational):</b>						
Cars	24.7			0.0		
Premises	154.4			4.7		
Other equipment	34.2			0.5		
<b>Total</b>	<b>213.3</b>			<b>5.2</b>		
<b>Contracted leasing charges:</b>						
	2003	Group 2004–2007	>2008	2003	Parent company 2004–2007	>2008
<b>Operational leasing contracts:</b>						
Cars	18.6	25.6	–	0.0	0.0	–
Premises	133.1	351.7	210.4	5.1	5.9	–
Other equipment	25.3	37.3	0.1	0.5	0.1	–
<b>Total</b>	<b>177.0</b>	<b>414.6</b>	<b>210.5</b>	<b>5.6</b>	<b>6.0</b>	<b>–</b>
<b>Financial leasing contracts:</b>						
Cars	10.3	13.4	–	0.8	0.3	–
Premises	24.5	95.8	24.4	0.0	0.0	–
Other equipment	7.7	18.5	0.1	0.0	0.0	–
<b>Total</b>	<b>42.5</b>	<b>127.7</b>	<b>24.5</b>	<b>0.8</b>	<b>0.3</b>	<b>–</b>

No significant leasing contracts were entered into during the year.

**NOTE 8 – Taxes**

SEK M	Group	
	2002	2001
Current tax	-32.4	-24.0
Deferred tax	-3.8	-2.6
Share in taxes of associated companies	11.8	4.6
<b>Total</b>	<b>-24.4</b>	<b>-22.0</b>

Bure Equity has a status as an investment company which means that exit results are exempt from taxation and that an allowance is made for cash dividend.

The Bure Group reports deferred income taxes recoverable totalling SEK 43.0M (52.9). This amount is almost exclusively attributable to loss carry-forward in the subsidiaries which can be expected to be offset against future surpluses. In addition, there are loss carry-forward and temporary differences between book values and fiscal values for a total value of SEK 827.8M for which deferred income taxes recoverable have not been taken into account. The majority of this amount consists of loss carry-forward. Additional future tax relief of approximately SEK 231.8M can be expected if the loss carry-forward can be utilised.

The minority's share of result after financial items amounts to SEK 29.5M. The minority's share of taxes amounts to SEK 4.1M.

**Derivation of tax expense**

SEK M	Group
	2002
Stated result before taxes	-2 016.1
Tax in accordance with the applicable tax rate	564.5
<b>Derivation to reported tax expense:</b>	
Tax effect of non-deductible costs	
Amortisation and write-downs of goodwill	-238.0
Write-downs of shareholdings	-190.3
Other	-21.5
Tax effect of taxable revenues	
Exit results	101.1
Other	4.3
Tax effect of loss carry-forward not taken into account	-231.0
Other	-13.5
<b>Stated tax expense</b>	<b>-24.4</b>



**NOTE 10 – Patents, licences, etc**

SEK M	Group	
	2002	2001
Opening acquisition value	90.2	125.8
Acquisition during the year	12.7	66.5
Sales/Reclassifications	-66.0	-103.1
Translation differences	-1.2	1.0
<b>Closing acquisition value</b>	<b>35.7</b>	<b>90.2</b>
Opening depreciation	-27.8	-50.9
Depreciation taken over on acquisition	-2.2	-10.7
Sales/Reclassifications	16.9	44.8
The year's depreciation	-6.6	-10.6
Translation differences	0.4	-0.4
<b>Closing accumulated depreciation</b>	<b>-19.3</b>	<b>-27.8</b>
Opening write-downs	-15.8	-
Write-downs taken over on acquisition	0.0	-15.5
Sales/Reclassifications	15.4	-
Translation differences	0.4	-0.3
<b>Closing accumulated write-downs</b>	<b>0.0</b>	<b>-15.8</b>
<b>Book value</b>	<b>16.4</b>	<b>46.6</b>

**NOTE 11 – Goodwill**

SEK M	Group	
	2002	2001
Opening acquisition value	2 163.1	3 537.0
Acquisition during the year	283.9	1 003.0
Sales/Reclassifications	-498.9	-2 400.8
Translation differences	-19.1	23.9
<b>Closing acquisition value</b>	<b>1 929.0</b>	<b>2 163.1</b>
Opening amortisation	-313.8	-429.7
Amortisation taken over on acquisition	-4.5	-36.2
Sales/Reclassifications	189.1	261.2
The year's amortisation	-146.8	-111.2
Translation differences	5.7	2.1
<b>Closing accumulated amortisation</b>	<b>-270.3</b>	<b>-313.8</b>
Opening write-downs	-45.7	-170.1
Write-downs taken over on acquisition	0.0	-17.6
Sales/Reclassifications	40.1	170.1
The year's write-downs	-675.8	-27.2
Translation differences	3.4	-0.9
<b>Closing accumulated write-downs</b>	<b>-678.0</b>	<b>-45.7</b>
<b>Book value</b>	<b>980.7</b>	<b>1 803.6</b>

**The largest goodwill items are attributable to:**

	Book value	Amortisation and write-down
PAHR	335.0	-25.3
Mercuri	309.2	-227.6
Cygate	95.6	-236.4
Citat	82.9	-45.7
Business Communication Group	71.9	-58.8

**NOTE 12 – Buildings, land and land improvements**

SEK M	Group	
	2002	2001
Opening acquisition value	469.7	192.2
Acquisitions/additions during the year	68.7	402.0
Sales/Reclassifications	-196.9	-129.3
Translation differences	-4.8	4.8
<b>Closing acquisition value</b>	<b>336.7</b>	<b>469.7</b>
Opening depreciation	-52.5	-11.3
From acquired companies	-2.0	-39.6
Sales/Reclassifications	45.1	5.8
The year's depreciation	-10.1	-6.1
Translation differences	0.9	-1.3
<b>Closing accumulated depreciation</b>	<b>-18.6</b>	<b>-52.5</b>
Opening write-downs	-25.4	-
From acquired companies	-	-25.0
Sales/Reclassifications	24.3	0.0
Translation differences	0.6	-0.4
<b>Closing accumulated write-downs</b>	<b>-0.5</b>	<b>-25.4</b>
<b>Book value</b>	<b>317.6</b>	<b>391.8</b>
Tax assessment values, buildings	50.8	159.1
Tax assessment values, land	7.2	4.5

Not all properties have been given tax assessment values.

Properties which are held in accordance with financial lease contracts with the following amounts are included in the stated values:

SEK M	Group	
	2002	2001
Opening acquisition value	260.6	115.1
Acquisition during the year	37.0	206.0
Sales during the year	-	-60.5
<b>Closing acquisition value</b>	<b>297.6</b>	<b>260.6</b>
Opening accumulated depreciation	-8.0	-6.0
The year's depreciation	-5.8	-5.3
Sales during the year	-	3.3
<b>Closing accumulated depreciation</b>	<b>-13.8</b>	<b>-8.0</b>
<b>Book value</b>	<b>283.8</b>	<b>252.6</b>

**NOTE 13 – Machinery and other technical plant**

SEK M	Group	
	2002	2001
Opening acquisition value	20.8	21.2
Acquisition during the year	3.6	0.2
Sales during the year	-0.5	-0.6
<b>Closing acquisition value</b>	<b>23.9</b>	<b>20.8</b>
Opening depreciation	-13.6	-12.2
Sales/Reclassifications	0.1	0.6
The year's depreciation	-1.9	-2.0
<b>Closing accumulated depreciation</b>	<b>-15.4</b>	<b>-13.6</b>
<b>Book value</b>	<b>8.5</b>	<b>7.2</b>



**NOTE 14 – Equipment, tools and installations**

SEK M	Group		Parent company	
	2002	2001	2002	2001
Opening acquisition value	800.9	654.4	12.0	9.2
Acquisition during the year	165.1	469.6	2.5	2.9
Sales/Reclassifications	-361.0	-334.8	-0.2	-0.1
Translation differences	-10.8	11.7	–	–
<b>Closing acquisition value</b>	<b>594.2</b>	<b>800.9</b>	<b>14.3</b>	<b>12.0</b>
Opening depreciation	-513.5	-395.4	-7.8	-6.1
Acquisition during the year	-37.4	-234.6	–	–
Sales/Reclassifications	272.2	216.9	0.1	–
The year's depreciation	-108.0	-92.2	-1.9	-1.6
Translation differences	7.1	-8.2	–	-0.1
<b>Closing accumulated depreciation</b>	<b>-379.6</b>	<b>-513.5</b>	<b>-9.6</b>	<b>-7.8</b>
Opening write-downs	0.0	–	–	–
Reclassifications	-0.4	–	–	–
The year's write-downs	-5.1	–	–	–
Translation differences write-downs	0.1	–	–	–
<b>Closing accumulated write-downs</b>	<b>-5.4</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Book value</b>	<b>209.2</b>	<b>287.4</b>	<b>4.7</b>	<b>4.2</b>

Stated values include machinery held in accordance with financial lease contracts with the following amounts:

SEK M	Group	
	2002	2001
Opening acquisition value	13.9	–
Acquisition during the year	30.1	–
Sales during the year	-4.7	–
<b>Closing acquisition value</b>	<b>39.3</b>	<b>–</b>
Opening depreciation	-3.7	–
Acquisition during the year	-1.2	–
Sales/Reclassifications	2.8	–
The year's depreciation	-6.6	–
<b>Closing accumulated depreciation</b>	<b>-8.7</b>	<b>–</b>
<b>Book value</b>	<b>30.6</b>	<b>–</b>

**NOTE 15 – New construction in progress**

SEK M	Group	
	2002	2001
Opening acquisition value	0.8	–
Acquisition during the year	–	0.8
Sales/Reclassifications	-0.8	–
<b>Closing acquisition value</b>	<b>0.0</b>	<b>0.8</b>

**NOTE 16 – Participations in Group companies**

SEK M	Parent company	
	2002	2001
Opening acquisition value	1 765.0	2 140.7
Acquisition/contribution during the year	795.1	822.1
Anticipated repayment of shareholders' contribution	-9.6	–
Sales	-67.1	-1 066.6*
Reclassification	-242.9	-131.2
<b>Closing acquisition value</b>	<b>2 240.5</b>	<b>1 765.0</b>
Opening write-downs	-133.1	-314.5
The year's write-downs	-1 667.3	-66.3
Sales	17.9	247.7
<b>Closing accumulated write-downs</b>	<b>-1 782.5</b>	<b>-133.1</b>
<b>Book value</b>	<b>458.0</b>	<b>1 631.9</b>

\*The amount includes the distribution of Observer with SEK 612M.

**NOTE 17 – Participations in Group companies – information regarding the year's acquisitions****Acquisitions during the year**

During the year, acquisitions of Group companies totalling SEK 201.9M were implemented. The most significant acquisition was Måldata with SEK 59.4M.

**Total value of acquired assets and liabilities for all acquisitions during the year:**

SEK M	2002
Intangible assets	287.8
Tangible assets	53.1
Financial assets	-28.8
Current assets	177.2
Liquid funds	58.6
Liabilities	-287.4

**Total purchase price for all acquisitions during the year within the Bure Group**

Liquid assets in acquired subsidiaries	-58.6
Payment flows over year-ends	–

**Effect on the Group's liquid assets** **201.9**

**Total value of sold and deconsolidated assets and liabilities for all divestments during the year:**

Intangible assets	250.3
Tangible assets	220.8
Financial assets	-196.6
Current assets	884.7
Liquid funds	88.4
Liabilities	-1 219.3
Capital result	-8.9

**Total purchase price for all divestments within the Bure Group**

Liquid assets in divested subsidiaries	-88.4
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**Effect on the Group's liquid assets** **-69.0**

When an associated company is transformed into a subsidiary, the item 'financial assets' is reduced by the previous value of the associated company participation. This explains why financial assets become negative in the above specification. The opposite applies when a subsidiary is transformed into an associated company.

**NOTE 18 – Shares in subsidiaries**

SEK M	Number of shares	Share of capital/ votes, %	Book value in parent company	Corporate identity number	Registered office
<b>Hub companies</b>					
Mercuri International Group AB	982	98	21.9	556518-9700	Gothenburg
PAHR Svenska AB	20 000	100	205.5	556346-2646	Stockholm
Cygate AB	17 607 187	73	72.7	556364-0084	Stockholm
Business Communication Group Scandinavia AB	1 000 000	88	34.1	556548-1297	Gothenburg
Vittra AB <sup>1</sup>	10 000	100	57.9	556402-8925	Stockholm
Citat AB	6 746 689	75	11.3	556382-3656	Gothenburg
Xdin AB	16 701 611	57/59	18.4	556420-7453	Gothenburg
Informator Training Group International AB	5 000	100	0.0	556561-0408	Gothenburg
			<b>421.8</b>		
<b>Other companies</b>					
Retea AB	402	100	28.9	556536-7918	Stockholm
Länia Material AB <sup>2</sup>	1 000	100	0.0	556548-1289	Gothenburg
Sancera AB <sup>3</sup>	1 000	100	4.0	556551-6910	Gothenburg
Cindra AB <sup>4</sup>	1 000	100	1.2	556542-7415	Gothenburg
			<b>34.1</b>		
<b>Dormant companies</b>					
Bure Framtid AB	1 000	100	0.1	556566-3357	Gothenburg
Bure Hälsa och Sjukvård AB	1 000	100	0.1	556548-1230	Gothenburg
Bure Information Group AB	1 000	100	0.1	556548-8169	Gothenburg
Bure Interactive Group AB	1 000	100	0.1	556551-7355	Gothenburg
Bure Tillväxt AB	1 000	100	0.1	556566-4512	Gothenburg
Bure Utvecklings AB	10 000	100	1.2	556472-7112	Gothenburg
Cintera AB	1 000	100	0.1	556554-6958	Gothenburg
Gårda Äldrevård Holding AB	1 000	100	0.1	556548-8144	Gothenburg
Investment AB Bure	1 000	100	0.1	556561-0390	Gothenburg
SG Intressenter AB	1 000	100	0.1	556508-6211	Gothenburg
			<b>2.1</b>		
<b>Total</b>			<b>458.0</b>		

Owned share of operating subsidiaries:

<sup>1</sup> Vittra Utbildning AB, 85 %

<sup>2</sup> Simonsen Sverige AB, 95 %

<sup>3</sup> Bure Kapital AB, 100 %

<sup>4</sup> Cindra owns 16% of capital and 17% of votes in Teleca

**NOTE 19 – Proportion of equity in associated companies**

SEK M	Number of Shares	Share of capital/votes, %	Book value in parent company	Book value in Group	Market value	Corporate identity number	Registered office
<b>Hub companies</b>							
System Aktiefbolag	12 000 500	48	213.0	213.0		556237-3877	Jönköping
Carl Bro A/S	110 006	50	249.9	191.4		48233511	Glostrup, Denmark
			<b>462.9</b>	<b>404.4</b>			
<b>Other companies</b>							
Scribona AB	17 857 089	35/29	203.3	203.3	203.3	556079-1419	Solna
Dimension i Stockholm AB	10 096 550	33	35.1	35.1	35.1	556328-2754	Stockholm
Celemiab Group AB	129 005	32	19.0	19.0		556562-3997	Malmö
Newmad Technologies AB	510 000	27	0.0	0.0		556576-6705	Gothenburg
InnovationsKapital Management i Göteborg AB	4 000	40	0.0	0.0		556541-0064	Gothenburg
InnovationsKapital Fond 1 AB	244	24	0.0	0.0		556541-0056	Gothenburg
Nordic Capital Svenska AB	9 375	19/32	0.0	0.0		556475-7044	Stockholm
Carlstedt Research & Technology CRT Holding AB	235 814	65/49	0.0	0.0		556524-3176	Gothenburg
Customer Group Scandinavia AB	177 171	42	0.0	0.0		556543-0146	Stockholm
			<b>257.4</b>	<b>257.4</b>			
<b>Other equity shares</b>					<b>1.7</b>		
<b>Book value</b>			<b>720.3</b>	<b>663.5</b>			

The difference between book value in the Group and the parent company is because shares in results in associated companies are included in accordance with the equity method. The difference, SEK 56.8M, consists of accumulated shares in results of associated companies with deduction for depreciation of surplus values and dividends received, and of reported shares of equity from subsidiaries.

subsidiary when an owner has a decisive influence. Against the background of a renewed examination of the meaning of the existing agreements between Bure and the other owners in Carl Bro, Bure cannot be deemed to have a decisive influence in Carl Bro. With effect from 1 November 2002, Carl Bro has, therefore, been reported as an associated company.

In accordance with the Swedish Financial Accounting Standards Council's recommendation No 1, a company shall be regarded as a

The reclassification of Carl Bro is included under the heading Sales/Reclassifications in notes 9–15.

**NOTE 20 – Participations in associated companies**

SEK M	Parent company	
	2002	2001
Opening acquisition value	1 303.5	1 077.6
Acquisition during the year	106.0	94.6
Sales	-3.6	0.0
Reclassification	208.7	131.3
<b>Closing acquisition value</b>	<b>1 614.6</b>	<b>1 303.5</b>
Opening write-downs	-410.6	-363.4
The year's write-downs	-483.7	-47.2
Sales	0.0	0.0
<b>Closing accumulated write-downs</b>	<b>-894.3</b>	<b>-410.6</b>
<b>Book value</b>	<b>720.3</b>	<b>892.9</b>

**NOTE 21 – Participations and convertible debt instruments**

SEK M	Group		Parent company	
	2002	2001	2002	2001
Opening acquisition value	1 578.0	1 636.0	929.3	791.5
Acquisition during the year	596.0	1 069.3	70.0	362.1
Sales	-1 019.3	-1 131.8	-253.0	-228.8
Reclassification	0.0	4.4	0.0	4.5
Translation differences	0.0	0.1	0.0	-
<b>Closing acquisition value</b>	<b>1 154.7</b>	<b>1 578.0</b>	<b>746.3</b>	<b>929.3</b>
The year's write-ups	140.0		140.0	
<b>Closing accumulated write-ups</b>	<b>140.0</b>		<b>140.0</b>	
Opening write-downs	-110.9	-119.7	-106.5	-110.7
The year's write-downs	-219.3	-110.9	-106.5	-106.5
Sales	71.9	119.7	49.7	110.7
<b>Closing accumulated write-downs</b>	<b>-258.3</b>	<b>-110.9</b>	<b>-163.3</b>	<b>-106.5</b>
<b>Book value</b>	<b>1 036.4</b>	<b>1 467.1</b>	<b>723.0</b>	<b>822.8</b>

For indirect investments via funds, i.e. Nordic Capital, Innovationskapital and CR&T Ventures, profit sharing agreements exist which result in dilution of potential exit gains in addition to a certain basic return on the original investment.

A write-up by SEK 140M has been made of Mölnlycke Health Care based on transactions in the share and supported by higher valuations made by independent parties.

**NOTE 22 – Prepaid expenses and accrued income**

SEK M	Group		Parent company	
	2002	2001	2002	2001
Prepaid rentals	37.8	39.9	1.4	1.0
Accrued interest income	1.2	2.1	0.8	0.2
Accumulated income	26.2	21.5		
Accrued compensation from supplier	0.8	2.6		
Other items	105.3	178.0	4.0	6.6
<b>Total</b>	<b>171.3</b>	<b>244.1</b>	<b>6.2</b>	<b>7.8</b>

**NOTE 23 – Change in shareholders' equity**

SEK M Group	Share Capital	Restricted reserves	Non-restricted reserves	
			2002	2001
Amount on 1 January	1 091.0	1 075.1		928.7
Transfer between non-restricted and restricted reserves		-7.9		7.9
Translation differences				-15.0
Cash dividend to shareholders				-189.2
Cancellation of cost in connection with distribution of subsidiary				12.7
Write-up		140.0		
Buy-back of own shares				-31.1
Net result for the year				-2 006.9
<b>Amount on 31 December</b>	<b>1 091.0</b>	<b>1 207.2</b>		<b>-1 292.9</b>
Parent Company	Share Capital	Statutory reserve	Revaluation reserve	Non-restricted reserves
Amount on 1 January	1 091.0	1 091.0	0.0	1 159.5
Change in revaluation reserve			140.0	
Cash dividend to shareholders				-189.2
Cancellation of cost in connection with distribution of subsidiary				12.7
Buy-back of own shares				-31.1
Net result for the year				-2 279.1
<b>Amount on 31 December</b>	<b>1 091.0</b>	<b>1 091.0</b>	<b>140.0</b>	<b>-1 327.2</b>

Accumulated translation differences amount to SEK 36.3M.

**NOTE 24 – Provisions for restructuring reserve**

SEK M	Group			
	2002	2001		
<b>Opening restructuring reserve</b>	<b>41.8</b>	<b>120.3</b>		
<b>Increase during the year in connection with acquisitions:</b>				
Cygate AB	10.0	-		
<b>Total</b>	<b>10.0</b>	<b>-</b>		
<b>Increase during the year in connection with restructuring within subsidiaries:</b>				
Carl Bro A/S		39.0		
Business Communication Group Scandinavia AB	3.8			
Mercuri International Group AB	7.4			
<b>Total</b>	<b>11.2</b>	<b>39.0</b>		
<b>Dissolved during the year in accordance with established plan:</b>				
Informator Training Group International AB	-0.2	-0.5		
Mercuri International Group AB	-1.2	-3.6		
<b>Total</b>	<b>-1.4</b>	<b>-4.1</b>		
<b>Less divested/distributed/deconsolidated operations</b>	<b>-39.0</b>	<b>-113.6</b>		
Translation differences	-0.1	0.2		
<b>Closing restructuring reserve</b>	<b>22.5</b>	<b>41.8</b>		
<b>Estimated cancellation of provisions</b>				
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>&gt;2006</b>
Restructuring reserve	20.4	2.1	0.0	0.0
Provisions for pensions	0.0	0.0	0.0	20.6
Deferred tax liability	0.8	3.8	3.3	31.6
Other provisions	37.7	3.6	3.6	4.7
<b>Total</b>	<b>58.9</b>	<b>9.5</b>	<b>6.9</b>	<b>56.9</b>

The total amount of the Parent company's provisions, SEK 90M, is expected to be claimed during 2003.

**NOTE 25 – Long-term liabilities**

SEK M	Group		Parent company	
	2002	2001	2002	2001
Total long-term liabilities	860.0	2 122.1	75.6	1 007.2
Of which, mature for payment later than five years after closing date	288.0	282.5	–	–

After the closing date, Bure has concluded a long-term credit agreement with a limit of SEK 1,200M which runs to 2006 inclusive. In addition to this, the parent company has short-term bridging financing of SEK 300M until the issue payments have been made.

**NOTE 26 – Accrued expenses and prepaid income**

SEK M	Group		Parent company	
	2002	2001	2002	2001
Holiday pay liability	70.8	238.2	1.4	1.5
Payroll overheads	50.0	76.4	0.5	4.8
Other accrued expenses	223.2	382.9	62.6	46.8
Prepaid income	44.5	41.2	–	–
<b>Total</b>	<b>388.5</b>	<b>738.7</b>	<b>64.5</b>	<b>53.1</b>

**NOTE 27 – Pledged assets**

SEK M	Group		Parent company	
	2002	2001	2002	2001
<b>For own liabilities and provisions</b>				
<b>Relating to long-term liabilities to credit institutions</b>				
Floating charges	163.3	148.1		
Shares in subsidiaries	517.2	407.7	315.3	
Other shares	519.7		238.6	
Property mortgages	28.7	112.6		
Blocked bank deposits	15.7	15.3		
Pledged trade debtors	63.4	–		
Pledged properties	283.8	256.4		
Other	0.2	0.5		
<b>Total</b>	<b>1 592.0</b>	<b>940.6</b>	<b>553.9</b>	
<b>Other</b>				
Pledged trade debtors	–	6.9		
Floating charges	21.0	19.2		
Shares against issued warrants	77.4	57.5	77.4	57.5
Blocked bank deposits	0.3	0.3		
Other	1.3	8.8		
<b>Total</b>	<b>100.0</b>	<b>92.7</b>	<b>77.4</b>	
<b>Total pledged assets</b>	<b>1 692.0</b>	<b>1 033.3</b>	<b>631.3</b>	<b>57.5</b>

For raised credits, shares at a book value of SEK 554M have been pledged on the closing date. In accordance with agreements with banks, additional pledging shall be made by other subsidiaries and associated companies to the extent this is possible taking into account shareholder agreements. At the same time, the parent company has undertaken not to pledge assets to other lenders.

At the balance sheet date, the parent company has a short-term credit agreement for SEK 1,200M with the lenders and bank overdraft facilities totalling SEK 60M. In total, in the Group, there are total granted bank overdraft facilities of SEK 102M, of which SEK 32M have been utilised at balance sheet date.

After the closing date, Bure has concluded a long-term credit agreement with a limit of SEK 1,200M which runs to 2006 inclusive. In addition to this, the parent company has short-term bridging finance of SEK 300M until the issue payments have been made.

**NOTE 28 – Contingent liabilities**

SEK M	Group		Parent company	
	2002	2001	2002	2001
Guarantees	11.4	310.3	3.3	–
Ongoing tax disputes	–	888.1	–	888.1
Guarantee commitment on behalf of subsidiaries	–	–	240.4	150.0
Other contingent liabilities	38.8	279.6	291.7	–
<b>Total</b>	<b>50.2</b>	<b>1 478.0</b>	<b>535.4</b>	<b>1 038.1</b>

The parent company's contingent liabilities consist of guarantee commitments and guarantees for undertakings on behalf of subsidiaries of SEK 240M and that Bure is the guarantor of financial rental agreements in Simonsen and Vittra, in which the residual value amounts to SEK 292M. For these commitments, there is a corresponding real estate value.

In addition to the reported contingent liabilities, the parent company has also issued support letters for certain subsidiaries' dealings with banks. Through its participation in funds within Innkap, Nordic Capital and CR&T Ventures, Bure also has remaining investment undertakings of SEK 389M, of which SEK 212M relates to Innkap III (in March 2003, 50 per cent of Innkap III was sold. Thereafter, the investment undertaking amounts to SEK 102M) via the subsidiary, Bure Kapital. In addition, Bure has, through agreements, undertaken to acquire additional shares in subsidiaries for SEK 50M. These undertakings are not regarded as contingent liabilities.

**NOTE 29 – Average number of employees**

	2002		2001	
	Number of employees	Of whom, women	Number of employees	Of whom, women
Parent Company	35	16	40	17
Subsidiaries	3 034	1 460	2 557	1 189
<b>Total Group</b>	<b>3 069</b>	<b>1 476</b>	<b>2 597</b>	<b>1 206</b>
<b>Geographic distribution of employees:</b>				
<b>Parent Company</b>				
Sweden	35	16	40	17
<b>Subsidiaries</b>				
Sweden	2 049	1 063	1 552	822
Denmark	127	62	248	91
United Kingdom	47	19	82	28
Finland	218	68	188	60
Norway	55	21	37	12
Germany	175	69	61	21
USA	7	1	–	–
Other countries	356	157	389	155
<b>Total Group</b>	<b>3 069</b>	<b>1 476</b>	<b>2 597</b>	<b>1 206</b>

**NOTE 30 – Salaries, other remuneration and payroll overheads**

SEK M	2002			2001		
	Salaries and other remuneration	Payroll overheads	Pension costs <sup>1</sup>	Salaries and other remuneration	Payroll overheads	Pension costs <sup>1</sup>
Parent Company	33.8	15.0	22.8	41.0	13.7	9.3
Subsidiaries	1 158.5	323.7	113.5	1 041.9	235.6	83.4
<b>Total Group</b>	<b>1 192.3</b>	<b>338.7</b>	<b>136.3</b>	<b>1 082.9</b>	<b>249.3</b>	<b>92.7</b>

	2002			2001		
	Board of Directors and President	(of which, bonus)	Other employees	Board of Directors and President	(of which, bonus)	Other employees
<b>Parent Company</b>						
Sweden	3.6	–	30.3	4.7	0.9	36.3
<b>Subsidiaries<sup>2</sup></b>						
Sweden	34.3	0.8	681.9	23.3	1.3	496.8
Denmark	3.6	–	65.0	5.1	0.1	151.1
United Kingdom	5.4	0.4	26.8	5.3	0.2	42.6
Finland	4.9	–	103.2	4.8	0.4	97.9
Norway	2.6	–	27.1	1.5	–	23.2
Germany	6.5	0.6	64.1	7.2	0.9	33.8
USA	–	–	3.3	–	–	–
Other countries	19.6	1.9	110.1	24.1	3.2	125.2
<b>Total Group</b>	<b>80.5</b>	<b>3.7</b>	<b>1 111.8</b>	<b>76.0</b>	<b>7.0</b>	<b>1 006.9</b>

The 2002 Annual General Meeting decided that the Board of Directors should be paid remuneration of SEK 1.0M, of which the Chairman received SEK 0.3M. Other Board Members, who are not permanently employed, received remuneration of SEK 140K each.

<sup>1</sup> Of the Parent Company's pension costs, SEK 1.6M relates to the Board of Directors and the President. Pension costs are stated including payroll tax, distributed by country between the Board of Directors, the President and other employees.

<sup>2</sup> Information about salaries and other remuneration does not include companies which have been sold or reclassified during the year.

**NOTE 31 – Benefits for Senior Executives**

The cost of salary and remuneration for the former President, Peter Sandberg, amounted to SEK 2.6M. A pension insurance premium has been paid by a monthly amount equivalent to 51 per cent of his monthly salary. No bonus has been paid for 2002. In the accounts, a provision has been made for severance pay for the President with a total cost effect of SEK 10.5M.

The Chairman was paid a remuneration of SEK 310,000.

Salaries to other senior executives in the parent company's management group have been paid totalling SEK 10.9M. No bonus was paid for 2002. The employment agreements for the management group normally contain the rights to a pension from the age of 65 and 12 months' term of notice. In some cases there is a right to pension from the age of 60 and severance pay which gives protection for 24 months on notice given by the company.

During the year, pension premiums of SEK 4.1M were paid for other senior executives. In addition, severance pay of SEK 8.6M in the form of pension premiums has been paid in connection with a reorganisation in the management group. For information about the operational and decision making procedures applied by the company, reference is made to the Directors' Report. For details about senior executives and their respective holdings of shares and warrants, reference is made to page 49.

Lennart Svantesson, who has recently taken over as President, has an annual salary amounting to SEK 3.0M. The pension insurance premium amounts to 35 per cent of his annual salary. A bonus can be paid of up to 50 per cent of his annual salary and is determined as a combination of achieved results and qualitative factors. On notice of termination by the company, Lennart Svantesson has 12 months' term of notice and severance pay equivalent to an additional 12 monthly salaries.

**NOTE 32 – Staff options**

In 2001, Bure launched a warrant scheme for the parent company's staff. The scheme comprises a total of 750,000 warrants, equivalent to approximately 0.7 per cent of the company's outstanding shares. The President has been allocated 80,000 warrants, other senior executives 50,000 shares each and other staff 1,500–30,000 warrants each. The duration of the warrants is five years with an opportunity to exercise the warrants after an initial three-year lock-in period. The exercise price has been set at SEK 36. In order to secure the delivery of the shares and to cover the social security contributions which will arise as a result of the scheme, the company has made an agreement with a Swedish bank for a so-called share derivative arrangement. During the tenor of the scheme, Bure could be hit by a cost for the scheme if the Bure share price falls below SEK 32. During 2002, this involved a cost for Bure of SEK 20M.

**NOTE 33 – Information about transactions between the company and related parties**

SEK M	Counterparty	Purchase	Claim	Comment
	Sven-Åke Lewin	0.7		Via Growth factory
	Björn Björnsson	0.3		Via Björn Björnsson Konsult
	CR&T Holding AB		0.0	
	Customer Group Scandinavia AB		2.4	

Bure has made purchases of computer equipment from the associated companies and of consulting services from Scribona and Dimension. However, the extent is limited and the purchases are always made on market terms.

**To the Annual General Meeting of  
Bure Equity AB (publ)  
Corporate identity number 556454 – 8781**

We have audited the parent company and the consolidated financial statements, the accounts and the administration of the Board of Directors and the President of Bure Equity AB (publ) for 2002. These accounts and the administration of the company are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion on the financial statements and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. These standards require that we plan and perform the audit to obtain reasonable assurance that the statements are free of material mis-statements. An audit includes examining evidence supporting the amounts and disclosures in the financial statements on a test basis. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President as well as evaluating the overall presentation of information in the financial statements. To form a basis for our opinion, we examined significant decisions, actions taken and circumstances of the company in order to be able to assess the possible liability

to the company of any Board Member or the President. We have also examined whether any Board Member or the President has in some other way acted in contravention of the Companies Act, the Annual Accounts Act, or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

In our opinion, the parent company and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and therefore give a true and fair picture of the company's and the consolidated Group's results and position in accordance with generally accepted auditing standards in Sweden.

We recommend that the Annual General Meeting adopt the statement of income and the balance sheet for the parent company and for the Group, appropriate the profit in the parent company in accordance with the recommendation in the Directors' Report, and that the Board of Directors and the President be discharged from liability for the financial year.

Gothenburg, 25 April 2003

Bertel Enlund	Anders Ivdal
Authorised Public Accountant	Authorised Public Accountant

## Information about the Auditors

### Auditors

Bertel Enlund, Authorised Public Accountant  
Ernst & Young AB, Gothenburg  
Born 1950

Anders Ivdal, Authorised Public Accountant  
KPMG, Gothenburg  
Born 1951

### Deputy Auditors

Staffan Landén, Authorised Public Accountant  
Ernst & Young AB, Gothenburg  
Born 1963

Roger Mattsson, Authorised Public Accountant  
KPMG, Gothenburg  
Born 1950





From left: Björn Björnsson, Håkan Larsson, Erling Gustafsson, Maria Lilja, Gösta Wiking, Ulf Berg and Peter Sandberg.

#### **Håkan Larsson**

Gothenburg, born 1947  
Board Member since 2002  
Chairman from 6 March 2003

President of B&N Nordsjöfrakt  
Chairman of Schenker North AB and Schenker AB  
Board Member of Scribona, Platzer Fastigheter and Ahlsells

Shareholding in Bure, own shares and shares owned by related parties: 0

#### **Ulf Berg**

Frillesås, born 1951  
Board Member since 2002

President of Ericson AB  
Chairman of Ericson Microwave Systems  
Board member Chalmers University of Technology, Chalmersinvest and Chalmers Lindholmen Teknikpark

Shareholding in Bure, own shares and shares owned by related parties: 0

#### **Björn Björnsson**

Stockholm, born 1946  
Board Member since 2002

Own consulting operation in the financial sector  
Board Member of Billerud, JM, Skandia and Öhman Kapitalförvaltning

Shareholding in Bure, own shares and shares owned by related parties: 10,000

#### **Erling Gustafsson**

Kungsbacka, born 1958  
Board Member since 2000

President of Sjätte AP-fonden  
Board Member of Nordico Equity and SLS Venture

Shareholding in Bure, own shares and shares owned by related parties: 2,000

#### **Maria Lilja**

Stockholm, born 1944  
Board Member since 1997

Chairman of Cell Network  
Vice Chairman of Stockholms Handelskammare  
Board Member of Bilja, Observer, Poolia, Vasakronan, E Öhman Jr, Intrum Justitia, Skandia and Diageo Plc

Shareholding in Bure, own shares and shares owned by related parties: 2,000

#### **Gösta Wiking**

Chairman  
Malmö, born 1937  
Board member since 1992  
Chairman until 5 March 2003. Resigned from the Board of Directors on 5 March 2003.

Chairman of Mölnlycke Health Care, Tribon Solutions and AngioGenetics.  
Vice Chairman of SEB.  
Board member of Bong Ljungdahl, Karlshamns and Xcounter

Shareholding in Bure, own shares and shares owned by related parties: 20,000

#### **Peter Sandberg**

Torslanda, born 1959  
Board Member since 2001. Resigned from the Board of Directors on 12 March 2003

President of Bure until 11 March 2003  
Vice Chairman of Teleca  
Board member of Green Cargo, IVA's näringslivsråd and Handelshögskolan vid Göteborgs Universitet

Shareholding in Bure, own shares and shares owned by related parties: 31,000 and 80,000 warrants

**Lennart Svantesson**  
President and CEO from  
12 March 2003  
Born 1953  
Employed since 2003  
Shareholding in Bure, own  
shares and shares owned by  
related parties: 6,000



Peter Sandberg resigned as President and CEO on 11 March 2003.

**Benny Averpil**  
Chief Financial Officer  
Born 1948  
Employed since 2000  
Shareholding in Bure,  
own shares and shares  
owned by related  
parties: 0 and 50,000  
warrants



**Iréne Axelsson**  
Head of Investor Relations  
and Corporate  
Communications  
Born 1962  
Employed since 1993  
Shareholding in Bure, own  
shares and shares owned by  
related parties: 2,400 and  
50,000 warrants

**Börje Bengtsson**  
Senior Investment Manager  
Born 1947  
Employed since 2001  
Shareholding in Bure, own  
shares and shares owned by  
related parties: 14,000 and  
50,000 warrants



**Örjan Serner**  
Senior Investment Manager  
Born 1964  
Employed since 2001  
Shareholding in Bure, own  
shares and shares owned by  
related parties: 10,000 and  
50,000 warrants

**Senior Advisors**  
Per-Henrik Berthelius, Strategy  
Björn Boldt-Christmas, Venture Capital



**Per Grunewald**  
Senior Investment Manager  
Born 1954  
Employed since 2002  
Shareholding in Bure, own  
shares and shares owned by  
related parties: 0 and 50,000  
warrants

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In the Annual Report, there are a number of terms and key figures whose meaning is defined below:

## **Buy-back of own shares**

For a number of years, Swedish companies have had an opportunity to acquire up to 10 per cent of its own outstanding shares within the framework of the non-restricted equity, subject to the approval of the Annual General Meeting. Buy-back is used as an instrument to improve key figures per share and thus as an instrument to transfer value to the shareholders.

## **Debt/equity ratio**

The parent company's own liabilities and liabilities in subsidiaries in which the company has issued support letters divided by the parent company's shareholders' equity.

## **Equity per share**

The parent company's shareholders' equity divided by the outstanding number of shares.

## **Equity ratio**

Shareholders' equity in relation to total assets.

## **Exit result**

The capital result on divestment of a company calculated as the purchase price received minus the book value and selling expenses.

## **Fragmented market**

A market with many operators in which no one is predominant.

## **Going concern**

A financial term which means an assumption that an operation will continue to operate in an unchanged or similar way.

## **HR (Human Resources)**

A function the role of which is to support the management within an organisation in personnel matters.

## **Hub company**

A company which will form the base, the "hub", for Bure's continued investments within the sector or a sector segment.

## **Incubator company**

An incubator company offers a process for the development of ideas into companies. The incubator assists the innovator with proactive and adapted management, financial technical and commercial competence.

## **Infomedia**

Infomedia means the creation and distribution of information via some type of media.

## **Impairment test**

A regular valuation that is made of an asset's value to assess if there is a need for write-down. When assessing Bure's value of portfolio companies, anticipated cash flows generated in the portfolio are discounted.

## **Net asset value**

Bure's net asset value consists of the parent company's assets and liabilities adjusted for the surplus values which exist in the parent company's listed investments.

## **Net asset value discount/premium**

The net asset value discount consists of the difference between the market value and the net asset value per share, divided by the net asset value per share.

## **Net debt**

Financial interest-bearing assets minus interest-bearing long-term current liabilities and provisions.

## **Private equity**

Private equity is sometimes used as a synonym for venture capital. Private equity is, as is venture capital, risk capital investments in companies which are not listed on the stock market. The difference is that private equity is usually investments made in companies which are in the later stages of development.

## **Profit per share**

Profit after taxes divided by number of shares.

## **Return on equity**

Profit after tax divided by the average shareholders' equity.

## **SAX index**

The most recognised index for describing the development on the Stockholm Exchange (since 2001).

## **Subordinated debenture**

A debenture issued by a limited company, usually directed at all the shareholders of the company. Debentures of this type, raised by a limited company, must be registered with the Swedish Patent and Registration Office.

## **Support letter**

A document which expresses an intention to work to ensure that a party, for example a subsidiary, will fulfil its obligations vis-à-vis a bank. The document is generally not legally binding.

## **Total yield of the share**

The total of the year's growth in price and dividend paid divided by share price on 1 January.

## **Uplift**

Uplift is a measurement of the difference between the net asset value of an asset at the start of the financial year compared with the value on a stock market listing or the sales value. Uplift thus gives an indication of the reliability of the reported net asset value.

## **Venture capital**

Venture capital is investments made in companies which are not listed. However, venture capital is not only a capital investment but it also assumes that the investor (the venture capital company) makes a proactive ownership involvement, for example, through representation on the company's board of directors.

## **Warrant**

A warrant which gives its holder the right to subscribe to new shares at a predetermined price per share.

## **Key figures which are used in the presentation of the hub companies:**

### **Growth**

Increase in net sales in relation to the previous year's net sales. The key figure thus includes both organic and acquired growth.

### **Value added per employee**

Operating profit before goodwill amortisation and items affecting comparability plus personnel costs in relation to average number of employees. The added value is an expression for the company's underlying development potential and ability to transform individuals' knowledge into value.

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