

Interim Report to 31 March 2001

Profit after financial items rose from SEK 2.3 million to SEK 5.0 million

- Turnover* for Q1 was SEK 68.0 million (SEK 51.7 million), up 31%. Operating profit before goodwill amortization was SEK 6.2 million (SEK 7.2 million), a 9.2% (13.9%) margin. Profit after financial items rose 117% to SEK 5.0 million (SEK 2.3 million).
- Growth in the Bioinformatics business area continues to be strong and was 84% for Q1.
- Earnings per share after tax were SEK 0.43 (SEK 0.16). Earnings per share after standard tax were SEK 0.48 (SEK 0.23).
- Equity totalled SEK 89.6 million (SEK 83.4 million) at the end of the period, representing an equity/assets ratio of 63.9% (51.6%).
- The number of employees rose 2.8% in Q1 to 293 (285). During the period, 35 employees joined and 27 employees left the company, representing a staff turnover of 9.2% (2.4%).
- A framework agreement was signed with the Sandvik Group.
- During the period, continued investments were made in product and concept development in the Bioinformatics and Telecom business areas.
- A new office was opened in Gävle.

* The turnover figure for last year is excluding the subsidiary Prevas Engineering, which was sold to ABB on 1 July 2000.

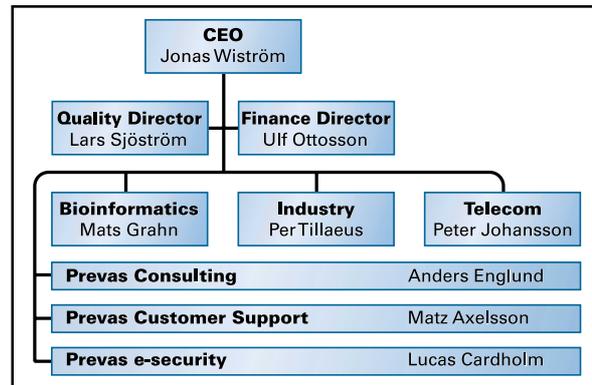


Prevas in brief

Prevas AB has offices in Stockholm, Gothenburg, Gävle, Karlstad, Linköping, Malmö, Uppsala and Västerås.

Customers include ABB, Amersham Pharmacia Biotech, AstraZeneca, Atlas Copco, Biacore, Electrolux, Ericsson, Gyros, MTH, Nokia, Personal Chemistry, Pharmacia, Pyro Sequencing, Rymdbolaget, Saab, Sandvik, Sign On, Sveriges Television and Volvo.

Delivery reliability, quality and fixed price are characteristic of Prevas' solutions.



Organizational structure

Operations to 31 March 2001

Prevas' strategy for increased growth and profitability may be summarized in three main points:

- Focusing operations on strong growth markets
- Climbing the value chain. Delivering more unique competence and solutions and less pure resource consultancy to our customers
- Strengthening our brand and targeting international markets

Growth with profitability

Growth for Q1 was 31%. The growth rate fell during March, mainly due to the reorganization of our offices in Gothenburg and Malmö. Staff turnover rose in this connection. New regional directors were recruited and are in place. The aim of the reorganization was to manage project losses and to facilitate growth within the new business areas in these locations as well.

Profitability was worse than expected, mainly due to a provision for cost variances in some fixed-price projects.

Growth in the Bioinformatics business area continues to be very strong.

Climbing the value chain

During the quarter, continued investments were made in product and concept development in our business areas. A total of approximately SEK 1.1 million was invested in internal development projects in order to climb the value chain. In Telecom, SEK 0.7 million was invested in the development of "Streaming in a box". In Bioinformatics, SEK 0.4 million was invested in the development platform "BioFrame".

Start-up abroad

During the quarter, extensive market research was begun jointly with the Swedish Trade Council (Exportrådet). Expenditure for Q1 was 0.3 SEK million. The aim is to facilitate a start-up in Denmark. Together with a new office in Lund, which opens in September, Prevas intends to establish itself as the leading IT consultant to the bioinformatics and life sciences market in this region too.

Prevas' business areas

Bioinformatics

The business area aims to be regarded by its customers as an IT partner with broad experience of various biotech application areas. Our employees are experienced in the sector and a number of them have a molecular biology education combined with IT. Prevas' ISO certified project model has resulted in high quality and high delivery reliability, providing security for our customers.

Prevas has signed long-term cooperation agreements with a number of key customers in the life sciences sector, under which Prevas as a strategic partner will provide these companies with development capacity for advanced bioinformatics solutions.

New customers during the quarter were GlobalGenomics AB, ForwardGenomics AB, BioVitrum and Linneus Center for Bioinformatics.

Prevas initiated the development of the development platform "BioFrame". The platform comprises services based on Prevas' unique competence in IT solutions in

biotech analysis and will shorten the lead time significantly for customers wanting to develop advanced bioinformatics IT solutions. Negotiations are in progress with external partners, who are important for "BioFrame's" further development.

Turnover in Bioinformatics was SEK 17.1 million (SEK 9.3 million) in Q1.

Industry

The business area's objective is to increase our customers' competitiveness by developing computer-based products (embedded systems) and making their production more efficient using IT.

Packaging our knowledge has been a successful initiative. In Q1, we signed an administration and maintenance agreement for the Shop Floor Control products worth over SEK 10 million. We also signed agreements for the further development of these products worth SEK 2 million. The Pharmaline initiatives have resulted in a strategic order from AstraZeneca.

Our broad knowledge in IT solutions for the manufacturing industry ranges from materials handling solutions to automated production processes. Our IT solutions optimize our customers' production investments and improve the information flow between business systems and production. A number of orders were won during the period, including an order from the Sandvik Group.

Knowledge in embedded systems generated a number of orders, including the further development of Atlas Copco Assembly Systems' leading product powerMACS and the development of brand new products for world-leading industrial groups.

In Q1, we signed a framework agreement with the Sandvik Group.

Turnover in Industry was SEK 23.6 million (SEK 24.7 million) in Q1.

Telecom

The business area's vision is to be the leading consultancy company in streaming media for the telecoms market. We shall focus work on system solutions for third generation mobile networks and growth areas in mobile Internet.

During the quarter:

- Prevas signed a partnering agreement for the development and maintenance of "Nokia Open TV Platform Software".
- Prevas was given responsibility for a 3G base station project. Our office in Västerås was approved as an "Ericsson Design Office" with a direct communication line between the companies.
- Prevas began development of the product concept "Streaming in a box". The product comprises services based on Prevas' unique competence in streaming combined with hardware and software. The product will reduce the costs significantly for customers wanting to start streaming media services.

Customers include Ericsson Radio in Digital Video, User Service Center, GPRS and 3G, Nokia, Telia and Sveriges Television.

Turnover in Telecom was SEK 23.5 million (SEK 15.5 million) in Q1.

Other initiatives

IT Security

The profit centre's objective is to increase customers' business value by providing reasonable security solutions based on the business's trust requirement. Prevas e-security has worked hard on a number of strategic agreements and is pleased to see that customers today are increasingly scrutinizing IT consultancy companies. This means that our ISO 9001 certified quality system is appreciated in the same way as our unique combination of systems architects, IT lawyers and business consultants.

Prevas e-security now offers its customers the opportunity to communicate using secure e-mail in projects to protect corporate secrets from breaches in security.

In Q1, Prevas e-security signed agreements with:

- Telia Mobile regarding strategic e-security
- Ericsson regarding group security services
- SCA regarding IT law and e-security services. The agreement gives the customer cost control and faster decision channels.

Customer Support

The profit centre's vision is to offer skilled support with high technical competence, where the customer always receives a rapid answer and personal treatment.

In Q1, a number of new support and administration agreements were signed with customers such as AstraZeneca, Pharmacia and Amersham Pharmacia Biotech. The assignments are characterized by operation-critical applications, where short response times, preventive support and around-the-clock support are required.

Our commitments to customers outside Sweden have increased in telecoms and pharmaceutical companies. Customers include Flextronics, Ericsson and Dynal.

At the beginning of Q1, a new case management system was brought into operation. The system is a very important tool for operations and for ensuring that the customer receives a rapid answer and is directed to the right group and employee. The system also makes it possible to follow up customer cases effectively and to provide statistics both to the customer and internally.

A remote support service has been developed and means that Prevas monitors and follows up the availability of customer applications, while preventive support can be implemented more actively.

Finance

Tender outcome

Prevas has a stable customer base and a very high level of repeat business. In Q1, 95% of orders went to Prevas and 5% to a competitor.

Capacity utilisation

The degree of chargeability rose compared with the same period last year. A degree of chargeability of 64% (60%) was reported for Q1. The degree of chargeability is measured as the number of hours invoiced divided by the total hours used in the company. All employees including management and administration are included in the measurement. Turnover per employee was SEK 235 thousand (SEK 221 thousand) during the period, up 6.3%.

Assignment distribution

During the year, 29% (32%) of assignments were charged on a fixed-price basis and 71% (68%) on a time basis.

Employees

The number of employees was 293 (285) at the end of the period, up 2.8% since the year-end. In Q1, 35 employees joined and 27 employees left the company, representing a staff turnover of 9.2%. Staff turnover was high mainly in Gothenburg and Malmö. New management was appointed in both locations during the period. In Q1, the average number of employees was 289 (234), up 23.5% compared with Q1 last year.

Turnover and profit

Turnover rose to SEK 68.0 million (SEK 51.7 million) in Q1, equivalent to 31% growth. Operating profit was SEK 6.2 million (SEK 7.2 million) before goodwill amortization and SEK 5.0 million (SEK 2.6 million) after this item. The operating margin was 9.2% (13.9%) before goodwill amortization and 7.4% (5.0%) after goodwill amortization. Depreciation totalled SEK 2.4 million (SEK 2.2 million), of which SEK 1.2 million (SEK 1.2 million) related to goodwill amortization.

Net financial income/expense amounted to SEK 0.0 million (SEK -0.3 million). Profit after financial items was SEK 5.0 million (SEK 2.3 million), representing a profit margin of 7.4% (4.5%).

Net profit was SEK 3.2 million (SEK 1.2 million). Earnings per share after tax were SEK 0.43 (SEK 0.16).

Financial position

Equity totalled SEK 89.6 million (SEK 83.4 million) at the end of the period, representing an equity/assets ratio of 63.9% (51.6%). The return on equity was 3.6% (1.5%). Liquid assets totalled SEK 1.9 million (SEK 3.6 million) at the end of the period. Cash flow was negatively affected, mainly as a result of an increase in tax paid caused by the sale of the operations of Prevas Engineering and the dividend paid during the period.

Investments

Investments for Q1 totalled SEK 3.1 million (SEK 3.4 million). All investments related to ordinary activities, and were for machinery and equipment.

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Prevas AB (publ)

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Financial reporting

- Interim Report to 30 June 20 August
- Interim Report to 30 September 24 October
- Press Release of Results 4 February 2002
- Annual General Meeting 20 March 2002

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Summary profit and loss accounts

SEK thousand	2001 Jan-March	2000 Jan-March	2000 Jan-Dec
Net sales	67 973	51 721	237 496
Raw materials and consumables	-1 913	-1 403	-9 179
Other external expenses	-11 119	-8 713	-43 673
Staff costs	-47 524	-33 420	-156 910
Depreciation according to plan	-2 395	-2 176	-8 990
Items affecting comparability *	-	-3 404	-2 189
Operating profit	5 022	2 605	16 555
Net financial income/expense	-5	-290	-671
Profit after financial items	5 017	2 315	15 884
Item affecting comparability *	-	-	-4 137
Tax	-1 780	-1 093	-6 288
Net profit	3 237	1 222	5 459

* Items affecting comparability mainly relate to the operating profit/loss for January–March 2001 and January-December 2000 respectively for the operations of Prevas Engineering sold on 1 July 2000. The item affecting comparability for tax relates to the tax effects which arose as a result of this sale.

Summary balance sheets

SEK thousand	2001 31 March	2000 31 March	2000 31 Dec
Fixed assets excl. goodwill	35 213	36 567	33 329
Goodwill	34 608	53 342	35 828
Other current assets	68 637	67 967	62 028
Liquid assets incl. short-term investments	1 923	3 584	18 891
Total assets	140 381	161 460	150 076
Equity	89 653	83 388	90 202
Provisions	11 516	11 206	11 598
Interest-bearing liabilities	12 374	23 993	12 000
Non-interest-bearing liabilities	26 838	42 873	36 276
Total liabilities and equity	140 381	161 460	150 076

Changes in equity

SEK thousand	2001 31 March	2000 31 March	2000 31 Dec
Opening balance	90 202	82 166	82 166
Issue of warrants	-	-	2 577
Dividend to shareholders	-3 787	-	-
Net profit for the period	3 237	1 222	5 459
Closing balance	89 652	83 388	90 202

Capital employed

SEK thousand	2001 31 March	2000 31 March	2000 31 Dec
Non-interest-bearing current assets	68 637	67 967	62 028
Non-interest-bearing current liabilities	-26 838	-42 873	-36 276
Net working capital	41 799	25 094	25 752
Fixed assets excl. goodwill	35 213	36 567	33 329
Provisions	-11 516	-11 206	-11 598
Capital employed excl. goodwill	65 496	50 455	47 483
Goodwill	34 608	53 342	35 828
Capital employed	100 104	103 797	83 311

Cash flow statement

SEK thousand	2001 Jan-March	2000 Jan-March	2000 Jan-Dec
Operating profit	5 022	2 605	16 555
Depreciation	2 395	2 850	10 326
Provisions	-51	-273	664
Net financial income/expense	-5	-290	-670
Tax paid	-8 575	-1 093	-6 458
Change in current receivables	-6 609	-9 052	-4 471
Change in current liabilities	-2 675	10 401	3 781
Cash flow from ordinary activities	-10 498	5 148	19 727
Sale of business divisions	-	-	13 909
Investment in fixed assets	-3 057	-3 410	-7 497
Sale of fixed assets	-	-	323
Cash flow from investment activities	-3 057	-3 410	6 735
Issue of warrants	-	-	2 577
Loans raised/Repayment of loans	374	-6 189	-18 183
Dividend	-3 787	-	-
Cash flow from financing activities	-3 413	-6 189	-15 606
Cash flow for the period	-16 968	-4 451	10 856
Opening liquid assets	18 891	8 035	8 035
Closing liquid assets	1 923	3 584	18 891
Change	-16 968	-4 451	10 856

Key ratios

	2001 Jan-March	2000 Jan-March	2000 Jan-Dec
Gross margin before depreciation and items affecting comparability, %	10,9	15,8	11,7
Margin before goodwill amortization and items affecting comparability, %	9,2	13,9	9,9
Margin after goodwill amortization and items affecting comparability, %	7,4	5,0	7,0
Profit margin, %	7,4	4,5	6,7
Earnings per share after tax, SEK	0,43	0,16	0,72
Earnings per share after standard tax, SEK	0,48	0,23	1,51
Average number of shares	7 574	7 574	7 574
Equity/assets ratio, %	63,9	51,6	60,1
Equity per share, SEK	11,84	11,02	11,91
Return on equity, %	3,6	1,5	6,3
Return on capital employed, %	5,0	2,4	15,4
Average number of employees	289	234	256
Number of employees at end of period	293	251	285
Turnover per employee, SEK thousand	235	221	928

