

NB! Published earlier than previously announced: April 28, 2003 instead of May 7, 2003.

Ortivus AB (publ) Interim Report January - March 2003

- Sales increased by 40% to MSEK 58.7 (41.8).
- Operating profit amounted to MSEK 11.4 (5.3) and net result after tax amounted to MSEK 6.9 (3.5).
- Earnings per share amounted to SEK 0.50 (0.25).
- During the first quarter the company received orders for MobiMed units from Sweden, Great Britain, and China for a value of MSEK 40.7, almost half of which will be delivered during the rest of 2003.
- The opinion noted in the 2002 financial report continues to apply. Present conditions indicate that financial year 2003 will achieve consolidated earnings after financial items on a par with the outcome for 2002.

Ortivus

Ortivus develops, manufactures, and markets systems and components that monitor patient health in ambulances, at hospitals, and in the home. Ortivus' areas of operation include patient monitoring and decision-making support in the area of acute cardiac disease, pre-hospital monitoring, as well as analyzers used in investigations of sleep disturbances.

Ortivus was started in 1985 in Sweden. Subsidiaries are established in Great Britain and the United States.

Ortivus AB has been listed on the O list of the Stockholm Stock Exchange (OM Stockholmsbörsen AB) since January 1997.

Interim Report January-March 2003

Developments During First Quarter 2003

Sales and Result

During the first quarter, the Group's sales increased 40% compared with the corresponding period last year. Net sales for the Group during the period amounted to MSEK 58.7 (41.8). Revenues were distributed as follows:

Revenues, MSEK	Q 1 2003	Q 1 2002	Full-year 2002
MIDA	16.7	14.0	55.1
Technology exchange agreement, Philips Medical Systems	3.2	3.6	25.1
MobiMed	20.9	3.2	12.0
Sweet Computer Services Inc.	16.9	20.4	83.1
Other	1.0	0.6	3.8
Total	58.7	41.8	179.1

Sales for MIDA, a system that monitors oxygen levels in the cardiac muscle in real time in patients with suspect myocardial infarction and angina pectoris, amounted to MSEK 16.7 (14.0). Philips Medical Systems is licensed by Ortivus to sell MIDA in the global market. Ortivus also has a five-year joint technology and product development agreement with Philips Medical Systems. Revenues during the period from this agreement amounted to MSEK 3.2 (3.6). The slight decrease in sales for the subsidiary Sweet is almost completely due to the weakening US dollar over the past year. Sweet's sales in the local currency during the quarter were essentially identical to the figures from the previous year. MobiMed's high sales can be attributed to several major orders in Great Britain from 2002, which were delivered and taken up as revenue during first quarter 2003.

Operating profit for the period amounted to MSEK 11.4 (5.3) and the result after financial items to MSEK 11.2 (5.6). The improvement in financial performance compared with the previous year is the result of increased sales. Moreover, compared with last year, consolidated expenditures for this period decreased by MSEK 2.5, down to MSEK 29.7, as a result of efficiency measures and streamlining at the Täby office and the winding down of operations in Göteborg. Depreciation and amortization of MSEK 3.0 (3.6) is also lower, year on year.

The Group's currency inflow in dollars for revenues from sales of MIDA and the technology collaboration with Philips has been hedged at an average exchange rate of SEK 10.49 for first quarter 2003. If the company had not taken this measure, the figures reported for first quarter 2003 would have been MSEK 4.5 lower than the actual outcome for the period.

Net result after tax amounted to MSEK 6.9 (3.5), which corresponds with earnings per share of SEK 0.50 (0.25).

Cash Flow, Investments, and Liquidity

Total consolidated total cash flow for the period was strongly positive, amounting to MSEK 30.4 (-4.2).

Investments in tangible fixed assets amounted to MSEK 0.4 (2.0). The Group's liquid funds at end of period, including current investments, amounted to MSEK 99.7 (61.8). The Group has no interest-bearing liabilities. The Group's net financial items amounted to MSEK -0.2 (0.3). The worsening compared with the previous year was due to unrealized foreign currency translation losses of MSEK 0.7.

Parent Company

The parent company's operations consist of developing, producing, and marketing decision-making support systems to diagnose acute heart disease in real-time, as well as developing products to monitor medical conditions involving lack of oxygen in the cardiac muscle. The parent company's first quarter sales amounted to MSEK 37.0 (20.5) and the result after financial items and taxes amounted to MSEK 5.1 (3.9).

The parent company's liquid funds at end of period, including short-term investments, amounted to MSEK 73.1 (54.0). The company has no interest-bearing liabilities. During the period the company invested in tangible assets totaling MSEK 0.1 (0.0)

Deferred Tax

At the beginning of the year Ortivus decided to apply its accumulated loss carryforward in Swedish and foreign companies. Consequently, deferred taxes amounting to MSEK 34.8 were reported in the 2002 financial statements. Corporate taxes of MSEK 3.8 (0) attributable to pretax profits for the period have been offset against the deferred taxes.

Divisions

The Ortivus Group's operations are now divided into two divisions: Cardiology and Advanced Distance Care. Cardiology includes license revenues from MIDA sales and half of revenues from the technology exchange agreement with Philips Medical System, which represents a change compared with previous reporting. Advanced Distance Care includes revenues from MobiMed sales, half of revenues from the technology exchange agreement with Philips Medical System, and Sweet. Revenues and expenses that do not belong to either of these divisions, such as sleep studies and administration, are classified under the heading "Other."

Divisions	Cardiology		Advanced Distance Care		Other		Total	
	2003	2002	2003	2002	2003	2002	2003	2002
MSEK Jan.-March								
Net sales	18.5	15.8	39.3	25.4	1.0	0.6	58.7	41.8
Cost of sold goods	-3.0	-0.5	-12.9	-3.3	-1.8	-0.5	-17.6	-4.3
Gross profit	15.5	15.3	26.3	22.1	-0.8	0.1	41.1	37.5
Overhead/Depreciation & Amortization	-2.9	-3.4	-20.2	-22.4	-6.7	-6.4	-29.7	-32.2
Operating profit	12.6	11.9	6.2	-0.3	-7.5	-6.3	11.4	5.3

CARDIOLOGY

Collaboration with Philips Medical Systems

MIDA is now fully integrated into Philips patient monitoring systems. Some additional information has been submitted during the period to complete the application process to the United States Food and Drug Administration to obtain approval of the new method of registering MIDA in Philips' patient monitoring systems. Philips is expected to launch the system commercially during autumn 2003.

Ortivus is working on a joint project with Karolinska Hospital in Stockholm to update MIDA, called MIDA II. MIDA II is an enhanced decision-making support system that

monitor's the patient's EKG in real time. The system's new software and measurement features are expected to be ready during 2003.

Ortivus is running a research project at Uppsala University to study the use of biochemical markers to diagnose suspect myocardial infarction. The project's findings are currently being verified in patients at three hospitals in Sweden. The company will analyze the clinical value of the project during third quarter 2003.

ADVANCED DISTANCE CARE

MobiMed

MobiMed 300, a monitoring system for patients in ambulances, has achieved commercial breakthrough during 2002/2003 in markets in Sweden, Great Britain, and China. A first order was received from China with a first partial delivery scheduled for second quarter 2003.

The backlog of orders for MobiMed including MobiMed MIS, an enhanced information system for patient data gathered by MobiMed, currently amounts to MSEK 40.7, almost half of which will be delivered during 2003. The company expects MobiMed sales to continue to show strong growth as the product is currently being launched in countries such as Italy, France, and China.

Sweet Computer Services, Inc.

Ortivus is the market leading company in the United States for administrative programs for emergency medical services through its wholly owned subsidiary Sweet Computer Services, Inc. During 2002, Sweet launched new software that offers emergency medical services a complete windows-based system for dispatching, invoicing, and patient medical records. A substantial number of existing customers upgraded to the new system during 2002 and early 2003.

OTHER

Biosaca

Biosaca sales during the period amounted to MSEK 0.9 (0.4). The division's "Sleep Studio" software was localized for the US market during the period. Biosaca was positioned as a compact sleep analysis system, also tailored to the US market. Biosaca is being launched in several countries at the same time that discussions are underway with potential distributors for the US market.

Forecast for 2003

The analysis published in the 2002 financial reports and annual report for 2003 remain unchanged:

Orders for MobiMed have been healthy during early 2003. The backlog of orders currently amounts to MSEK 40.7. Revenues from the agreement with Philips are known and amount to MUSD 6.3 for 2003. Profits for Sweet Computer Services, Inc. expressed in local currency are expected to amount to the same level in 2003 as in 2002.

Consequently, conditions suggest that financial year 2003 will achieve consolidated earnings after financial items on a par with the outcome for 2002.

Täby April 28, 2003

Board of Directors

Consolidated Statement of Income

Amounts in SEK thousand	January - March	January - March	Full-year
	2003	2002	2002
Net sales	58,736	41,752	179,140
Cost of goods sold	-17,633	-4,255	-18,560
Gross profit	41,103	37,497	160,580
Selling expenses	-12,912	-13,579	-55,935
Administrative expenses	-9,010	-9,372	-36,453
R&D costs	-8,198	-9,092	-36,826
Other operating revenues/expenses	378	-173	402
Items affecting comparability	0	0	0
Operating profit 1)	11,361	5,282	31,768
Financial items, net	-179	346	1,699
Profit after financial items	11,182	5,628	33,467
Current tax	-470	-2,155	-7,572
Deferred tax	-3,834	0	35,466
Net profit for the year	6,878	3,473	61,361
1) Depreciation and amortization charged to these results	2,970	3,591	14,382
Of which amortization of intangible assets	2,639	3,021	12,511

	March 31, 2003	March 31, 2002	December 31, 2002
Net profit/share, SEK	0.50	0.25	4.44

	March 31, 2003	March 31, 2002	December 31, 2002
Number of shares outstanding (thousands)	13,805	13,732	13,805

Consolidated Balance Sheet

Amounts in SEK thousand	March 31, 2003	March 31, 2002	December 31, 2002
Fixed assets			
Intangible fixed assets	53,856	62,085	56,252
Tangible fixed assets	3,297	5,742	3,483
Financial fixed assets	38,044	6,552	42,655
Total fixed assets	95,197	74,379	102,390
Current assets			
Inventories	11,403	9,760	12,628
Current receivables	56,668	54,894	70,992
Short-term investments	5,592	29,844	5,771
Cash and bank balances	94,099	31,936	63,487
Total current assets	167,762	126,434	152,878
Total assets	262,959	200,813	255,268
Shareholders' equity	227,494	165,407	221,171
Minority interest	0	154	0
Provisions and long-term liabilities	370	590	370
Current liabilities	35,095	34,662	33,727
Total shareholders' equity and liabilities	262,959	200,813	255,268

R&D expenses for the quarter include goodwill amortization amounting to SEK 889,000 (889,000).
Selling expenses for the quarter include goodwill amortization amounting to SEK 1,041,000 (1,041,000).
R&D costs associated with a research project at Uppsala University were capitalized during the period for SEK 386,000 (174,000).

Accounting policies:

The interim report was prepared in compliance with the Swedish Financial Accounting Standards Council recommendations and Urgent Issues Task Force statements.

A total of SEK 470,000 of the year's taxes are attributable to the subsidiary Sweet Computer Services, Inc.

Consolidated Statement of Cash Flow

Amounts in SEK thousand	March 31, 2003	March 31, 2002	December 31, 2002
Current operations	13,933	6,923	44,338
Change in working capital	16,917	-9,170	-29,908
Investments	-417	-1,971	-11,170
Financing	0	0	0
Change in liquid funds	30,433	-4,218	3,260

Change in consolidated shareholders' equity

Amounts in SEK thousand	March 31, 2003	March 31, 2002	December 31, 2002
Opening balance	221,171	161,874	161,874
Translation differences in subsidiaries	-555	60	-3,064
New share issue	0	0	1,000
Result for the period	6,878	3,473	61,361
Closing balance	227,494	165,407	221,171

Key Financial Measures

	03-31-03	12-31-02	03-31-02	12-31-01	12-31-00	12-31-99	12-31-98
Net result	6,878	61,361	3,473	-65,901	-30,485	-1,244	-22,639
Net result margin	19%	19%	13%	-41%	-46%	-2%	-54%
Net profit/share, SEK	0.50	4.44	0.25	-4.80	-2.33	-0.11	-2.03
Return on shareholders' equity	14%	32%	7%	-36%	-14%	-1%	-13%
Return on capital employed	20%	18%	12%	-33%	-13%	0%	-13%
Equity/assets ratio	87%	87%	82%	80%	92%	92%	92%
Equity/share, SEK	16.48	16.02	12.05	11.79	15.90	18.16	14.68

Interim report for January – June will be published on August 28, 2003.

Interim report for January – September will be published on October 24, 2003.

Please direct any questions to Claes Stenlander, President and CEO, +46 (0)8-446 45 00, +46 (0)70-663 39 81 (claes.stenlander@ortivus.se).

This report has not been examined by the company's auditors.

This is a translation of Ortivus AB's interim report in Swedish. In the event of any discrepancy between the interim report in Swedish and the translation, the former shall have precedence.