

FINANCIAL STATEMENT 2001

- Sales in the consulting business climbed by 19%
- Group sales increased by 11.9% to SEK 1,127 million (1 007 m)
- The operating profit (EBIT) reached SEK 5.7 million (30.4 m*)
- Restructuring costs amounting to of SEK 31 million affected results
- EPS of SEK 0.08 (1.99)
- The Board proposes that no dividend be paid (0.50)

Comments by CEO Hans Johansson

“Semcon is reporting an increase in sales in the consulting business of 19% for 2001 despite a market slowdown in the second half of the year that established itself more quickly than I have seen in over 20 years in this industry. The IT and telecom sectors suffered the most, and the Stockholm region was hit hardest of all.

“We began taking countermeasures immediately in the autumn. These are proceeding according to plan and will generate savings of at least SEK 50 million over the full year. These measures include reducing our workforce by over 100 employees, of whom over 30 worked in administration. We have closed down offices and departments that had weak profitability.

“But despite tough times, the year also included several successes. Zipper by Semcon, which delivers IT strategies and more efficient operation of IT infrastructure, signed strategically important agreements with Akzo Nobel and Mölnlycke Healthcare. Our new specialist operation for the Medical sector, LifeScience, signed important contracts with Novo Nordisk and Pharmadule/Emtunga. Meanwhile Informatic, our operation for technical documentation, has acquired a leading position in northern Europe thanks to its unique business offer. Our partnership with Volvo Car deepened and we signed new partnership agreements with Besam and ABB.

“The economic climate means that customers are rationalising their activities, which is creating new business opportunities. One good example of this is the letter of intent signed with Ericsson (EPMI) concerning the outsourcing of training and consulting activities connected with the PROPS project management tool. We are fulfilling our strategy for increasing the amount of value-based business and projects where we take complete responsibility. At the end of 2001 and in early 2002 we signed several important agreements that confirm that our skills and services are still in demand.

“The market as a whole will continue to be weak during the first six months of 2002. We will prioritise profits ahead of growth. I expect our restructuring measures to lead to improved profitability for the full year.”

*Excluding Alecta refund of SEK 19.6 million.

Business activities

Sales for the full year increased by 11.9% to SEK 1,127 million (1,007 m). Growth was organic and was due to outsourcing agreements. The operating profit before goodwill was SEK 12.2 million (34.9 m), representing a profit margin of 1% (3). The operating profit after goodwill amounted to SEK 5.7 million (30.4), representing a profit margin of 0.5% (3). Semcon's sales in Q4 2001 were SEK 297.6 million (278.4 m) and the operating profit was SEK -22.0 million (-0.6 m). The major downturn in the telecom market affected sales and profits in all business areas. Hardest hit was e-Design. Results were also hit by costs for closing down unprofitable activities and for restructuring. These costs totalled SEK 31.1 million.

Business areas	Sales (SEKm)		Growth (%)	Operating profit (SEKm)		Operating margin (%)	
	2001-12-31	2000-12-31		2001-12-31	2000-12-31	2001-12-31	2000-12-31
Industrial Design	570.4	485.4	+17.5	14.5	22.0	2.5	4.5
e-Design	449.5	416.9	+7.8	-1.0	50.8	- 0.2	12.2
Technology Management	106.7	44.5	+139.7	-7.8	2.7	- 7.3	6.2
SUBTOTAL	1126.6	946.8	+19.0	5.7	75.5	0,5	8,0
Competence Development*	-	60.4		-	-45.1	-	-74.6
TOTAL	1126.6	1007.2	+11.9	5.7	30.4**	0.5	3.1**

*Competence development phased out during 2000. The business area accounted for 7 % of total sales.

**Excluding SEK 19.6 million refund from Alecta.

Industrial Design

Industrial Design focuses on the development and design of products and production systems. Our strong connection to industrial design unites people and technology in a unique way.

Sales climbed 17.5% to SEK 570.4 million (485.4 m). The operating profit was SEK 14.5 million (22.0 m). Results were affected by restructuring costs amounting to SEK 3.2 million. The business area accounts for 50 % (48) of total sales. Operations continued to progress favourably thanks to stable demand from the vehicle, pharmaceutical and basic industries and the fact that Semcon is a preferred supplier to many leading businesses. Large orders were received from the Swedish Defence Materiel Administration, Novo Nordisk and Pharmadule/Emtunga. These agreements are for two to three years.

e-Design

e-Design develops embedded IT systems for products and production systems, interactive web solutions and web design, system solutions and also supplies IT products.

Sales increased by 7.8% to SEK 449.5 million (416.9 m). The operating profit was SEK -1.0 million (50.8m). The business area accounts for 40% (41) of total sales. The Group's restructuring measures hit this business area hardest. Results were affected by SEK 25.9 million in restructuring costs. Results were also affected considerably by the downturn in the Telecom sector, which resulted in companies making cost savings, laying off large numbers of staff and cutting down on projects. Prices came under pressure, but there were also opportunities for outsourcing.

Informatic

With around 200 employees providing technical information services, Informatic is progressing positively. Volvo Car expressed its trust in us by extending its partnership with us. Partnerships were also signed with Besam and ABB. Informatic complemented its activities with Zooma by Semcon, which employs over 10 employees specialising in visualisation and film. Zooma acts as a bridge between technical information and marketing information, rationalising the customer's entire information flow. Informatic's unique service means that we take an active role when discussing outsourcing.

IT Solutions

Semcon IT Solutions delivers efficient tools and methods for product development within the CAD and PDM. Activities progressed strongly during the year and staff now total over 50. IT Solutions received an order worth SEK 20 million from Saab Automobile for IT equipment. Saab Automobile has also outsourced its CEE activities to Semcon via a five-year agreement concerning outsourcing of system and operational support for the product development environment.

Technology Management

Technology Management improves customers' results by developing strategies for processes, IT, people and technology. The business area's work with strategic issues and transformation projects at senior management level creates opportunities for comprehensive undertakings where the complete range of Semcon's skills can be exploited.

Sales increased to SEK 106.7 million (44.5 m), a climb of 139,7%. The loss was SEK -7.8 million (2.7). The business area accounts for 10% (4) of total sales. Restructuring costs affected results by SEK 2 million. The reason for the weaker results was the downturn in the Telecom sector combined with faltering demand for general management consulting services. Demand remained strong for specialist services such as strategies for efficient development of products and production. A letter of intent was signed with Ericsson regarding the take-over of the PROPS activity in Karlstad during 2002.

Zipper by Semcon

Zipper focuses on strategies for IT infrastructure. Zipper helps businesses to cut IT costs by implementing effective concepts and taking complete project responsibility. The aim is to create smart and cost-effective solutions for IT infrastructure. During the year business was transacted with Akzo Nobel, Mölnlycke Healthcare and others. A new office was opened in Stockholm and a new business for systems integration, Zipper Systems AB, was started in Göteborg. Start-up costs affected results by SEK 3.5 million. Business has started positively in 2002.

Parent company

Semcon AB is the parent company in the Group and responsible for company-wide issues such as strategy, information and marketing. Sales totalled SEK 20.0 million (27.4m). The profit/loss after depreciation was SEK 0.4 million (0.4 m). The parent company's liquidity was SEK 50 million (-37.5 m). The company's investments in inventories totalled SEK 0 million (6.0).

Personnel and organisation

As of 31 December 2001 the total number of employees was 1,601 (1,623). A further 46 people will leave the company in early 2002, bringing the total number of redundancies to around 100. The average number of employees during the year was 1,585 (1,504).

Financial items and investments

The Group's total investments, mainly in computer hardware and software, totalled SEK 26.2 million (26.9 m). At the end of the period the equity/assets ratio stood at 29% (34). Liquid funds at the period's end amounted to SEK 7.0 million (12.5 m). Of a total of SEK 100 million in bank overdraft facilities, SEK 44.1 million was utilised. Investments in subsidiaries' shares amounted to SEK 6.7 million (41.1).

Dividend

The Board has established a dividends policy whereby the share dividend in the long term shall represent 30-50% of profits after tax. On 31 December 2001 the number of Semcon shares was 17,391,021. Taking the Group's results into consideration the Board has decided to propose to the AGM that no dividend be paid out for 2001 (SEK 0.5 per share for 2000).

Outlook

The long-term forces driving product development remain unchanged. Greater technology and IT content in products and demands for better design mean that our customers will continue to develop more products and more varieties of products.

The global economic situation will lead to restructuring. New business opportunities will be created in connection with outsourcing. We expect customers to continue focusing on core activities and revising supplier structures during 2002. Customers will want fewer, but larger suppliers. The close relationships that Semcon has built up over 20 years provide fertile ground for positive development over the long term.

The market as a whole will remain weak during the first half of 2002. Priority will be given to profits ahead of growth. The company's assessment is that its restructuring measures will lead to improved profitability for the full year.

Further information

All figures are based on the same accounting principles and calculation periods used in the previous financial year. This interim report has been produced in accordance with recommendations and statements by the Swedish Financial Accounting Standards Council.

Reports and AGM

The 2001 Annual Report will be published in early March and will be sent to shareholders who have indicated that they wish to receive financial information. The Annual Report will also be available from Semcon's head office at Vasagatan 45, Göteborg, Sweden. It can be ordered via tel. +46 31 721 00 00, fax. +46 31 721 03 33, or via email: lotta.magnusson@semcon.se

The AGM will be held at 6 p.m. on 18 March 2002 at Semcon's head office at Vasagatan 45, Göteborg, Sweden.

The Q1 report will be published on 24 April 2002. For further information please contact CEO Hans Johansson on Tel. +46 (0)31 721 03 05, or mobile +46 (0)70 591 43 34 or CFO Bengt Nilsson on Tel. +46 (0)31 721 03 11, or mobile +46 (0)70 447 28 68.

Göteborg, 30 January 2002

SEMCON AB (publ)

Financial information in 2002

2001 Annual Report	Date	
AGM	early March	
Q1 report	18 March	<i>New date</i>
Q2 report	24 April	
Q3 report	21 August	
	23 October	

Semcon AB, Consolidated financial summary 2001

Income statements (SEK 000s)	2001 Oct-dec	2000 Oct-dec	2001 Full-year	2000 Full-year
Operating income	297 555	278 394	1 126 628	1 007 233
Staff costs	-241 523	-199 189	-809 610	-688 100*
Other operating expenses	-69 150	-72 037	-278 183	-256 751
Refund from Alecta	-	-	-	19 648
Operating profit before depreciation	- 13 118	7 168	38 835	82 030
Depreciation of tangible assets	- 6 143	-5 724	- 25 556	- 26 884
Depreciation of intangible assets	- 1 062	-561	- 1 062	-561
Operating profit before goodwill	-20 323	883	12 217	54 585
Depreciation of goodwill	- 1 687	-1 549	- 6 567	-4 524
Operating profit after depreciation	-22 010	-666	5 650	50 061
Net financial items	-1977	-131	-3 290	-515
Profit after net financial items	- 23 987	-797	2 360	49 546
Tax	9 081	-788	-1 409	-15 879
Minority interest	781	911	411	911
Profit for the period	-14 125	-674	1 362	34 578
Number of shares	17 391 021	17 338 521	17 391 021	17 338 521
Earnings per share**, SEK			0,08	1,99
EPS incl. 163 900 options**, SEK			0,08	1,97

* Alecta refund on SEK 19.6m are excluded in staff costs.

** Including Alecta refund on SEK 19.6 m, 2000.

Balance sheets (SEK 000s)	2001- 12-31	2000- 12-31
Assets		
Intangible fixed assets	88 129	62 258
Tangible fixed assets	52 413	54 840
Financial assets	11 548	12 050
Current assets	363 810	306 798
Total assets	515 900	435 946
Shareholders' equity and liabilities		
Shareholders' equity	148 921	148 637
Provisions	68 370	44 280
Minority shares	426	297
Long-term liabilities	62 924	66 370
Current liabilities	235 259	176 362
Total shareholders' equity and liabilities	515 900	435 946

Cash Flow statement (SEK 000s)	2001 Full-year	2000 Full-year
Current activities	29 228	47 475
Changes in working capital	8 734	-2 736
Investment activities	-32 594	-76 602
Financing activities	-10 861	-21 668
Changes in liquid funds	-5 493	-53 531

Changes in Shareholders' equity (SEK 000)	2001 Full-year	2000 Full-year
Shareholders' equity at period's start	148 637	135 727
Dividend paid	- 8 669	-24 274
Revaluation reserve	3 885	2 606
Deferred tax	3 875	-
New issue in connection with redemption of options	53	-
Exchange rate difference	- 222	-
Profit for the period	1 362	34 578
Shareholders' equity at period's end	148 921	148 637

KEY FIGURES		2001 Full-year	2000 Full-year
Growth in sales, (%)		11.9	16.6
Operating margin excl Alecta refund, (%)	1	0.5	3.0
Operating margin, (%)*	1	0.5	5.0
Return on average shareholders' equity, (%)*	2	0.9	24.3
Return on average capital employed (%)*	3	7.0	27.5
Equity/assets ratio, (%)*	4	28.9	34.1
Debt/equity ratio, (multiple)*	5	0.42	0.45
Share of risk-bearing capital, (%)*	6	36.4	43.2
Interest cover ratio, (multiple)*	7	1.5	40.2
Earnings per share after tax, (SEK)*	8	0.08	1.99
EPS after tax incl 163 900 options, (SEK)*	9	0.08	1.97
Shareholders' equity per share, (SEK) *	10	8.56	8.57
Average number of employees	11	1,585	1,504
Value added per employee, (SEK 000)*	12	507	479
Profit after net financial items per employee, (SEK 000)*	13	1.5	30.3
Investments in machinery and equipment, (SEK 000)		26,196	26,886
Investments in subsidiaries' shares and associated companies (SEK 000)		6,762	41,120
Number of shares		17,391,021	17,338,521

*Including Alecta refund on SEK 19.6 million, 2000.

Notes:

1. Profit after depreciation as a percentage of operating income.
2. Net profit for the year as a percentage of average shareholders' equity.
3. Profit after net financial items plus financial expenses as a percentage of average capital employed.
4. Shareholders' equity as a percentage of the balance sheet total.
5. Interest bearing liabilities divided by shareholders' equity.
6. Shareholders' equity plus provisions, divided by the balance sheet total.
7. Profit after net financial items plus financial expenses divided by financial expenses.
8. Profit for the year divided by the number of shares issued.
9. Profit for the year divided by the number of shares issued plus options.
10. Shareholders' equity divided by the number of shares issued.
11. Average number of full-time employees.
12. Profit after depreciation plus payroll expenses and social security contributions divided by average number of full-time employees.
13. Profit after net financial items divided by the average number of full-time employees.

Other explanations:

Net profit for the year
Capital employed.

Profit for the year after tax.
Shareholders' equity plus interest bearing liabilities.

Important events during the year

- Fast growth for Zipper by Semcon; two new departments in Stockholm and Göteborg; activities divided into Zipper Tech and Zipper Systems
- LifeScience – an agreement with APV strengthens competence via new recruits in the Medical sector
- Test & Design started in Stockholm with over 10 employees, offering extensive competence in electronics
- Extended partnership with MSX International to provide Ford's *Premium Automotive Group* global service
- Semcon became a member of the Telematics Valley network
- Zooma by Semcon started to complement the Semcon range within business films and websites
- Major order from Novo Nordisk within the Medical sector
- Development assignment from Pharmadule/Emtunga for a biotechnology factory in the US
- Order from Saab Automobile worth SEK 20 million regarding IT equipment for technical development
- Order from the Swedish Defence Materiel Administration worth SEK 12 million for development of base containers
- Outsourcing agreement signed with Besam concerning technical information
- Outsourcing agreement signed with ABB Flexible Automation concerning development and production of customer documentation
- Semcon chosen as *Active Preferred Supplier* by Ericsson in west Sweden
- Extended co-operation with Kockums and Scania
- Letter of intent signed with Ericsson concerning outsourcing of PROPS.

Important events after the end of the period

- Framework agreements have been signed with ABB, Akzo Nobel, Apoteksbolaget, Bombardier, Emerson, Ericsson Microwave Systems, the Swedish Defence Materiel Administration, Gambro, Husqvarna, ITT Flygt, Kockums, Nokia, OKG, Pharmacia, Siemens-Elcoma, Saab Automobile, Sapa, Scania, Telia, and Westinghouse Atom etc.