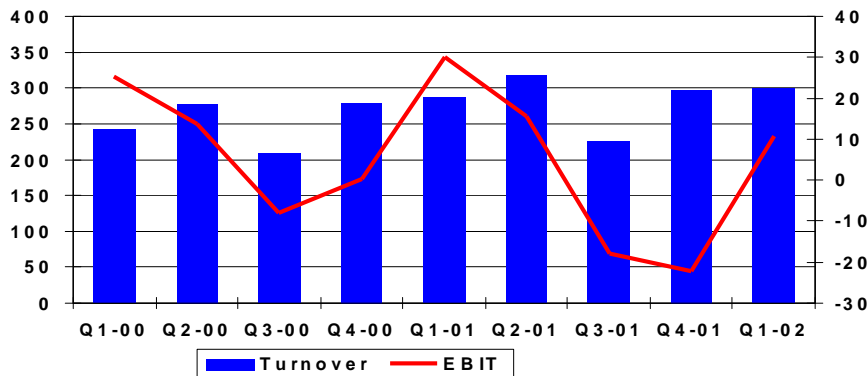


Implemented cost-cutting scheme improved profits

- Group sales rose by 4% to SEK 298.2 million (286.8 m)
- The operating profit (EBIT) reached SEK 10.8 million (30.0 m)
- Cash flow improved by SEK 6 million compared to last year

Quarterly development, SEK m



Comments by CEO Hans Johansson

“The market developed as expected during Q1. We see no signs at the moment that the market will change during the current quarter. Demand in the Stockholm region continues to be weak due to the telecom sector’s performance. Semcon did however succeed in rapidly implementing three partnership agreements with Ericsson in Copenhagen, Ålborg and Karlstad during Q1. In total this means an extra thirty employees in the development of applications for mobile phones and twenty or so experts working with the PROPS project management tool. Through these deals we have ensured business with Ericsson that will exceed SEK 100 million over the coming two years.”

“A number of primary supplier agreements have been signed with major customers. These include the Volvo Car Corporation, Ericsson Mobile Platform, Bombardier and Pharmacia, which shows that customers find our range attractive. Customers are increasing their focus on core activities and reducing costs, which is why we see significant possibilities for outsourcing and structural business where we currently have a strong position.”

“The rationalisation scheme, started in Q4 2001 was effectively completed during the period. This has led to all our business areas reporting positive results. We will continue to adapt to the prevailing market situation, which means recruiting on those businesses showing positive trends and adapting within weaker businesses.”

“During the first half of 2002, we judge that the market as a whole will continue to be bleak. Semcon’s assessment for the year remains unchanged, i.e. that successful new business coupled with the restructuring measures carried out, will lead to improved profitability.”

Business activities

Sales rose by 4% to SEK 298.2 million (286.8 m). Growth was mainly created in Western Sweden and Denmark. The operating profit before goodwill depreciation was SEK 13.4 million (31.6 m), representing a profit margin of 4.5% (11.0). The operating profit after goodwill depreciation was SEK 10.8 million (30.0 m), representing a profit margin of 3.6% (10.4). The reason for lower profits is the weaker demand on certain markets compared to last year, plus investments in a number of new activities. The office in Sundsvall was closed down, as a result of our decision to leave the markets where we lack the conditions to operate with long-term profitability. This was also a step towards focusing on Semcon's prioritised industries.

Business areas	Sales (SEK m)		Growth (%)	Operating profit (SEK m)		Operating margin (%)	
	2002-03-31	2001-03-31		2002-03-31	2001-03-31	2002-03-31	2001-03-31
Industrial Design	151.8	154.4	-1.7	7.8	17.5	5.1	11.3
e-Design	112.2	110.7	+1.4	2.2	13.3	2.0	12.0
Technology Management	34.2	21.7	+57.6	0.8	-0.8	2.3	-3.9
TOTAL	298.2	286.8	+4	10.8	30.0	3.6	10.4

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 amounted to SEK 151.8 million (154.4 m). The operating profit was SEK 7.8 million (17.5 m). The business area saw stable growth and good demand mainly in Vehicle, Medical & LifeScience and Industry. Results were however affected by the downturn in the Telecom sector and prices coming under pressure from our customers.

Semcon was chosen as the Long Term Preferred Supplier for the Volvo Car Corporation, developed concept cars for Saab Automobile and expanded its complete solutions for Scania and Bombardier. Major projects are underway in Medical & LifeScience for Novo Nordisk, Gambro and Pharmadule/Emtunga.

E-DESIGN

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

Sales amounted to SEK 112.2 million (110.7 m). The operating profit was SEK 2.2 million (13.3 m). Growth came from partnership agreements with Ericsson in Copenhagen and Ålborg plus Semcon Informatic. Results were affected by the continued poor demand from the Telecom sector. Recovery has however been seen compared to the Q4's results last year. The business area has sharpened its focus on Medical & LifeScience with customers such as Pharmacia and AstraZeneca.

Thirty or so highly qualified Ericsson employees with competence in 2.5 and 3G for developing applications for mobile phone started at Semcon Denmark in the middle of the period. Other work includes project management and process services for transfer projects in France, Germany and Croatia, where the Ericsson Group is strengthening its future development centres.

The Telematics business area was underpinned by the takeover of Integritech of Göteborg. Integritech operates in electronic verification for the auto industry.

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 transforming projects at senior management level creates opportunities for comprehensive undertakings where the complete range of Semcon's skills can be exploited.

Sales climbed 57.6% to SEK 34.2 million (21.7 m). The operating profit was SEK 0.8 million (-0.8 m). The business area's positive growth mainly came from the outsourcing agreement with Ericsson for PROPS, management activities in Göteborg and Zipper.

The PROPS outsourcing agreement means that Semcon has taken on twenty or so highly qualified Ericsson Project Management Institute's employees from former activities in Karlstad. These individuals are experienced consultants and project management instructors, who have been part of designing the PROPS model and Ericsson's websites for project management and networks. The agreement is unique, and will initially run for three years, meaning that Semcon will supply and develop training and consultancy services in Ericsson's PROPS project management model, both for Ericsson and external customers. An example of external customers during the period is BT Industries.

Zipper by Semcon

Growth continues to be good and the earnings trend stable, despite the company operating on a weak market. More effective administration is the key to reducing IT costs. An example is the current scheme for building SonyEricsson's IT infrastructure. Examples of other customers during the period are ESAB, SEB and AGA.

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 3.2 million (3.1 m). The profit after depreciation was SEK 0.4 million (-0.9 m). The parent company's liquidity was SEK 44.5 million (-47.2 m). The company's investments in stock totalled SEK 0 million (0 m).

Personnel and organisation

The total headcount was 1,596 (1,575), the average number of employees was 1,614 (1,583).

Semcon showed itself to be one of the fastest climbing companies in the "Företagsbarometer" (Company barometer) technology ranking as an attractive employer. The research company, Universum carries out this study each year and Semcon was at 47, 22 places better than last year.

At Semcon's AGM it was decided that a staff options scheme should be introduced. The price per option was set at SEK 7. Each option gives the holder the right to subscribe for new shares at a price of SEK 63 between 1 June and 31 August 2005. Full utilisation will involve 18,091,021 shares and the dilution effect will be 3.8 per cent.

Financial items and investments

The Group's total investments, mainly in computer hardware and software, totalled SEK 2.8 million (3.4 m). At the end of the period the equity/assets ratio stood at 29.7% (36.4). Liquid funds at the period's end amounted to SEK 2.3 million (1.8 m). Of a total SEK 100 million in bank overdraft facilities, SEK 39.9 million (44.6) was utilised. Investments in subsidiaries' shares amounted to SEK 91 thousand (0.2 m).

Outlook

Despite a weak market Semcon's long-term strategy remains unchanged. This means investing in the growth industries, Medical & LifeScience, Vehicle, Telecom and Industry. The focus is still on R&D and specialist areas such as embedded design, mobile internet, industrial design and interactive information. Growth will be organic and via outsourcing, where we take on staff and business from customers in prioritised industries, plus acquisitions of complementary specialist companies.

During the first half of 2002, we judge that the market as a whole will continue to be bleak. Semcon's assessment for the year remains unchanged, i.e. that successful new business coupled with the restructuring measures carried out, will lead to improved profitability.

Further information

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

The Q2 report will be published on 21 August. 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, 24 April 2002

SEMCON AB (publ)

Semcon AB, Consolidated financial summary

Income statements (SEK 000s)	2002 Jan-March	2001 Jan-March	2001 Full-year
Operating income	298 222	286 754	1 126 628
Staff costs	-213 621	-196 398	-809 611
Other operating expenses	-65 048	-51 778	-278 182
Operating profit before depreciation	19 553	38 578	38 835
Depreciation of tangible assets	-5 898	- 6 783	- 25 556
Depreciation of intangible assets	-292	-242	- 1 062
Operating profit before goodwill	13 363	31 553	12 217
Depreciation of goodwill	-2 540	-1 578	-6 567
Operating profit after depreciation	10 823	29 975	5 650
Net financial items	-444	- 488	-3 290
Profit after net financial items	10 379	29 487	2 360
Tax	-3 233	- 8 846	-1 409
Minority interest	-3	-18	411
Profit for the period	7 143	20 623	1 362
Number of shares	17 391 021	17 338 521	17 391 021
Earnings per share, SEK	0.41	1.19	0.08
EPS include. 163 900 options, SEK	0.41	1.18	0.08

Balance sheets (SEK 000s)	2002-03-31	2001-03-31	2001-12-31
Assets			
Intangible fixed assets	85 296	60 438	88 129
Tangible fixed assets	49 225	51 029	52 413
Financial assets	11 694	11 904	11 547
Current assets	378 392	317 361	363 811
Total assets	524 607	440 732	515 900
Shareholders' equity and liabilities			
Shareholders' equity	155 933	160 591	148 921
Provisions	68 373	39 780	68 370
Minority shares	439	315	426
Long-term liabilities	55 730	68 161	62 924
Current liabilities	244 132	171 885	235 259
Total shareholders' equity and liabilities	524 607	440 732	515 900

Cash flow statement (SEK 000s)	2002 Jan-March	2001 Jan-March	2001 Full-year
Current activities	16 881	29 629	28 023
Change in working capital	-15 649	-25 666	8 734
Investment activities	-2 621	-3 375	-31 389
Financing activities	-3 135	-11 361	-10 861
Change in liquid funds	-4 524	-10 773	-5 493

Changes in shareholders' equity (SEK 000s)	2002 Jan- March	2001 Jan- March	2001 Full-year
Shareholders' equity at period's start	148 921	148 637	148 637
Dividend paid	-	-8 669	- 8 669
Revaluation reserve	-	-	3 885
Deferred tax	-	-	3 875
New issue in connection with redemption of options	-	-	53
Exchange rate differences	-130	-	- 222
Profit for the period	7143	20 623	1 362
Shareholders' equity at period's end	155 934	160 591	148 921

Key figures	Note	2002 Jan- March	2001 Jan- March	2001 Full-year
Growth in sales, (%)		4.0	18.1	11.9
Operating margin, (%)	1	3.6	10.4	0.5
Return on average shareholders' equity, (%)	2	4.5	14.2	0.9
Return on average capital employed, (%)	3	4.9	21.0	3.3
Equity/assets ratio, (%)	4	29.7	36.4	28.9
Debt/equity ratio, (multiple)	5	0.36	0.42	0.42
Share of risk-bearing capital, (%)	6	37.1	45.5	36.4
Interest cover ratio, (multiple)	7	24.4	61	1.5
Earnings per share after tax, (SEK)	8	0.41	1.19	0.08
EPS after tax include. 163 900 options, (SEK)	9	0.41	1.18	0.08
Shareholders' equity per share, (SEK)	10	8.97	9.26	8.56
Average number of employees	11	1614	1583	1585
Value added per employee, (SEK 000)	12	137	139	507
Profit after net financial items per employee, (SEK 000)	13	6.4	18.6	1.5
Investments in machinery and equipment, (SEK 000)		2 844	3 375	24 991
Investments in subsidiaries' shares and associated companies, (SEK 000)		91	212	31 762
Number of shares		17 391 021	17 338 521	17 338 521

Notes:

- Profit after depreciation as a percentage of operating income.
- Net profit for the year as a percentage of average shareholders' equity.
- Profit after net financial items plus financial expenses as a percentage of average capital employed.
- Shareholders' equity as a percentage of the balance sheet total.
- Interest bearing liabilities divided by the balance sheet total.
- Shareholders' equity plus provisions, divided by the balance sheet total.
- Profit after net financial items plus financial expenses divided by financial expenses.
- Profit for the year divided by the number of shares issued.
- Profit for the year divided by the number of shares issued plus options.
- Shareholders' equity divided by the number of shares issued.
- Average number of full-time employees.
- Profit after depreciation plus payroll expenses and social security contributions divided by average number of full-time employees.
- Profit after net financial items divided by the average number of full-time employees.

Other explanations:

Net profit for the year. Profit for the year after tax.

Capital employed. Shareholders' equity plus interest bearing liabilities.

Important events during the period

- Semcon signed a partnership agreement with EPMI for PROPS
- Semcon signed a partnership agreement with LM Ericsson A/S
- Semcon signed a partnership agreement with Ericsson Mobile Platform
- Semcon was chosen as a Long Term Preferred Supplier for Volvo Car Corp.
- Framework agreements agreed with fifteen customers

Examples of assignments during the year

- CashGuard – pilot study of a new generation of equipment
- Electrolux – concept study for a door handle
- Ericsson Mobile Platform – development of applications for 3G platform
- Novo Nordisk – complete solutions for projects in pharmaceutical plant
- Pharmacia – installing and validating production data system
- Renault VI – test method development
- SaabTech Systems – development of applications for spare parts
- SAPA – introduction of PDM system
- SonyEricsson – scheme for making IT infrastructure more effective
- Westinghouse Atom – pilot study for production of measure programme