

# Weak first half of the year but successive improvements during second quarter

Interim report January-June 2010

## Second quarter

- Operating income was SEK 516 million (602)
- The operating loss was SEK 25 million (-63), giving an operating margin of -4.8% (-10.5)
- The loss after tax was SEK 19 million (-51)
- Earnings per share (EPS) was SEK -1.06 (-2.80)

## January-June

- Operating income was SEK 1,037 million (1,265)
- The operating loss was SEK 29 million (-105), giving an operating margin of -2.8% (-8.3)
- The loss after tax was SEK 24 million (-82)
- Earnings per share (EPS) was SEK -1.32 (-4.54)

*“We’ve seen a wait-and-see attitude from many customers in the first half of the year, mainly in the automotive sector, resulting in a low utilization ratio and weak results. The utilization ratio successively increased in Q2 as more companies saw an improved business climate. New deals signed in July, along with more enquiries in all our sectors mean that we now need to recruit in many areas.”*

Kjell Nilsson, President and CEO

*Semcon is a global company active in the areas of engineering services and product information. The Group has around 2,600 employees with extensive experience from many different industries. We develop technologies, products, plant and information solutions along the entire product development chain and also provides many services including quality control, training and methodology development. Semcon boosts customers' sales and competitive strength by providing them with innovative solutions and solid engineering solutions. The Group had sales of SEK 2.3 billion in 2009 with activities at more than 40 sites in Sweden, Germany, the UK, Brazil, Hungary, India, China, Spain, Malaysia and Russia.*



## Income and result

### Second quarter

Operating income fell by SEK 86 million during the period to SEK 516 million (602) and organic growth was -12%. The fall in sales is mainly due to the lower sales volumes in the automotive sector where many customers still have a wait-and-see attitude in starting new development projects.

The operating loss was SEK 25 million (-63), giving an operating margin of -4.8% (-10.5). A low utilization ratio in some areas, along with the introduced cost-cutting scheme, had a negative affect on results. Of the cost-cutting scheme of SEK 15 million for 2010, SEK 8 million had an effect on results on the quarter, with the remaining amount expected to affect the second half of the year. Last year results were affected by one-off items of SEK - 39 million.

Net financial items amounted to SEK -2 million (-4). The operating loss before tax was SEK 27 million (-68). The operating loss after tax was SEK 19 million (-51) and the EPS after dilution was SEK -1.06 (-2.80).

### January-June

Operating income for the period was SEK 1,037 million (1,265) and organic growth was -15%. The fall in sales is mainly due to the wait-and-see attitude from customers starting new development projects and a very poor start during the first months of the year. The downturn remains largest for the units active in the automotive sector.

The operating loss was SEK 29 million (-105), giving an operating margin of -2.8% (-8.3). The cost-cutting scheme affected results by SEK 8 million. Last year results were affected by one-off items of SEK -49 million. The operating loss, excluding these one-off items, was SEK 21 million (-56) and the operating margin was -2.0% (-4.4).

Net financial items amounted to SEK -4 million (-6). The operating loss before tax was SEK 33 million (-111). The operating loss after tax was SEK 24 million (-82) and EPS after dilution was SEK -1.32 (-4.54).

### Financial position

The operating cash flow from current activities was SEK -53 million (147). The Group's cash and bank balances amounted to SEK 33 million (47) with additional non-utilized credit of SEK 233 million as of 30 June. A new credit agreement was signed at the beginning of Q3. The credit agreement consists of a bank overdraft facility of SEK 100 million (100) and a revolving credit facility of EUR 32.8 million (42.8) to run until 22 July 2011 with an option available for the company, before the due date, to extend the revolving credit to a three-year loan.

Investments in hardware, licences, office supplies and equipment, amounted to SEK 8 million (13). Shareholders' equity amounted to SEK 359 million (517) and the equity/assets ratio was 31% (36). Net debt was SEK 332 million (292) and the debt/equity ratio was 0.9 times (0.6).

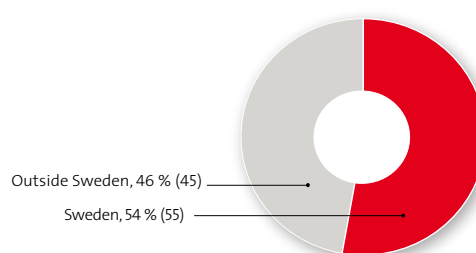
### Events during the year

- Semcon has signed a two-year contract with EuroMaint Rail for supplying construction services, meaning Semcon taking over EuroMaint Rail's construction department in Örebro.
- Westinghouse has appointed Semcon as a preferred supplier, enhancing cooperation in engineering services.
- Semcon has appointed Henry Kohlstruck as the new country manager for the German business from 21 March. He joined Semcon from the German development company Edag, where he was most recently vice president for the product/production division.
- Semcon has received yet another order from FMV worth SEK 9 million. The order was for 19 special composite containers intended for the Swedish Armed Forces and for the Swedish task forces including the Nordic Battlegroup.
- Semcon has signed an order worth SEK 6 million with an auto manufacturer in Germany for safety simulations for a future car platform. Semcon's Indian and German simulation specialists will carry out the assignment.

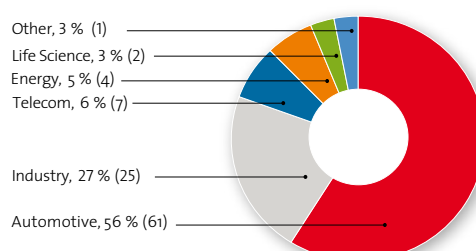
### Events after the end of the period

- Semcon has been chosen by a German auto manufacturer as its development partner for producing a new car model. The overall order is worth around SEK 150 million and will run for three years.
- Semcon has been chosen as a partner for developing product information for a med-tech company in Sweden. Both parties have signed an initial 3-year contract.

**Distribution of earnings**  
Jan-June 2010



**Group sales per industry**  
Jan-June 2010



## Automotive R&D

The wait-and-see attitude from customers in starting new projects continued into the second quarter. This caused a low utilization ratio that affected the business area's income and results. Despite this there is a cautious optimism from automotive manufacturers.

A major project in Germany is in its final phase, which mean a drop in manning levels. This, along with weak demand for modeling/prototyping services had a negative affect on income and results. Enquiries continued to rise however and a major order was placed in July worth around SEK 150 million. This project is expected to be fully manned in 2011, even though manning levels will gradually increase throughout the autumn.

The business volumes are still low at the Swedish activities, although an improvement was seen at the end of the second quarter. We're seeing major variations between the automotive manufacturers' programmes for new development projects, meaning both expansion and consolidation of activities within the business area.

Semcon's business in Brazil signed deals in Q2 worth around SEK 15 million with both global and local customers. The market in Brazil is expanding which is expected to give additional business this autumn.

Development projects are being carried out in India for local and global customers. Semcon signed an order in Germany in Q2 for safety simulation for a future car platform that will mainly be carried out by the Indian business.

Activities in the UK have seen low business volumes, but enquiries are up from the automotive and energy sectors.

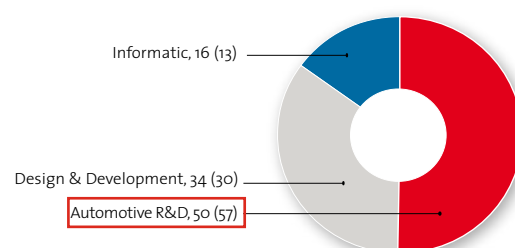
The automotive market is gradually recovering overall, even if from a low level. Business opportunities are mainly in areas such as environmental and hybrid technologies, electronics, simulation and concept services, as well as in complete inter-functional projects.

### About Automotive R&D

*The business area's 1,500 or so employees provide services to customers in the global automotive industry. Its offer includes focusing on concepts, design, calculation, construction, prototyping, testing, simulations and production. Semcon is a complete supplier and the services supplied by the business area complement automotive manufacturers' own resources. Implementation and delivery are adapted according to customers' requirements, from participating in customers' teams to in-house development projects. Business activities are in Sweden, Germany, Brazil, the UK, India, Spain and Russia. Customers include some of the world's largest car manufacturers such as Audi, BMW, Daimler, Opel, Porsche, Saab Automobile, Scania, Volvo Cars, Volvo Trucks and VW.*

Key figures Automotive R&D	April-June 2010	April-June 2009	Jan-June 2010	Jan-June 2009	Jan-Dec 2009
Operating income, SEK m	256.7	336.5	520.0	727.4	1 276.9
Operating profit/loss, SEK m	-29.2	-60.6	-44.0	-103.7	-245.5
Operating margin, %	-11.4	-18.0	-8.5	-14.3	-19.2
Operating profit/loss excl. one-off items, SEK m	-26.9	-29.5	-41.7	-65.8	-99.0
Operating margin excl. one-off items, %	-10.5	-8.8	-8.0	-9.0	-7.8
Number of employees at period's end	1,463	1,670	1,463	1,670	1,497

Share of Semcon's total sales, %



## Design & Development

Design & Development's various divisions' utilization ratio gradually improved in Q2 and its business position strengthened.

Product development, which is the business area's largest division, showed continued improvement in order intake, partly in the energy and offshore sectors, but also in the more general industry sector.

Medical Life Science (MLS) continued its positive trend, both in sales and results for the pharmaceutical, med-tech and bio-tech industries.

Following a weak start to the year Product Lifecycle Management (PLM) improved its order intake. More enquiries mean that there's potential for PLM to expand in a number of Semcon's priority industries.

Embedded Intelligent Solutions (EIS) also had a weak start to the year, which meant remedial measures were needed.

Business volumes are expected to rise in the second half of the year. The announced deal with Tritech for taking over employees has not been carried out.

Semcon Project Management continues its negative trend due to several major customers cutting their order volumes. This has led to a cost-cutting scheme being put into place. The business situation improved however following the launch of a next-generation XLPM

project methodology, based on the tried and tested Props V4. Since its launch at the end of May, around 2,000 XLPM licences have been sold.

The overall cost for implementing remedial measures in the quarter negatively affected the business area's results by SEK 6 million (-4).

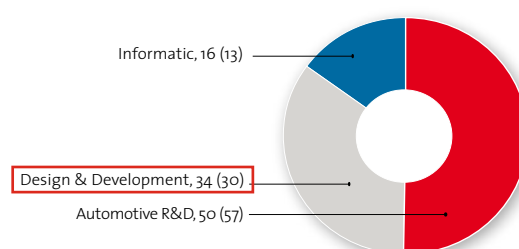
The increased activity on the market makes the business area positive about increasing its business volumes during the second half of the year.

### Om Design & Development

*The business area has around 800 employees working with industrial and product development, production development and plant design. The business area provides expertise and experience to achieve quicker, improved product development. Services include requirement and concept studies, design, construction, embedded systems, testing, prototyping, verification, project management and production development. The business area carries out projects around the world from offices in Sweden, Germany and Malaysia. The business mainly focuses on the industrial, energy, telecoms and Life Science sectors. Customers include ABB, Alstom, Astra-Zeneca, Bombardier, Fortum, General Electric, Husqvarna, Pfizer, Saab AB and companies in the telecom industry.*

Key figures Design and Development	April-June 2010	April-June 2009	Jan-June 2010	Jan-June 2009	Jan-Dec 2009
Operating income, SEK m	171.0	187.3	350.9	376.1	688.1
Operating profit/loss, SEK m	-1.8	-2.8	4.1	-5.1	-15.6
Operating margin, %	-1.1	-1.5	1.2	-1.4	-2.3
Operating profit/loss excl. one-off items, SEK m	4.0	0.9	9.9	1.0	4.4
Operating margin excl. one-off items, %	2.3	0.5	2.8	0.3	0.6
Number of employees at period's end	760	838	760	838	784

Share of Semcon's total sales, %



## Informatic

Demand for the business area's services remains strong, even though activities, mainly in Sweden, saw a weak start to the year. Despite this, the business area reported better operating income for the first half of the year than last year.

The business area signed new deals during the period with many existing customers. Overall, the international part of the business is continuing its positive trend, even if the performance on various geographic markets is mixed.

Semcon was chosen as a partner for developing product information for a med-tech company in Sweden. The parties have signed an initial 3-year contract, starting 1 October.

The business area's subsidiary in interactive marketing, Zooma by Semcon, continued its positive trend in Q2.

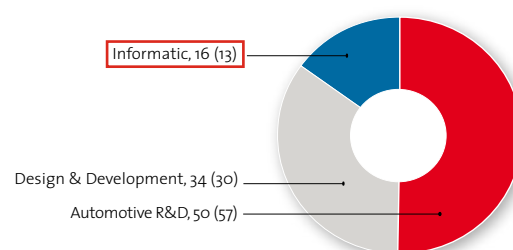
The business area sees continued opportunities for growth on all markets where the business area is currently active.

### Om Informatic

*Informatic's just over 350 employees provide complete information solutions for the aftermarket and interactive market communication. Informatic supports customers' products throughout the entire product lifecycle, from sales and marketing to installation, maintenance and repair. The business area currently has offices in Sweden, the UK, Hungary and China. Customers are mainly in the automotive, telecoms and manufacturing industries and include ABB, AB Volvo, Bombardier, Jaguar Land Rover, Saab Automobile and Volvo Cars.*

Key figures Informatic	April-June 2010	April-June 2009	Jan-June 2010	Jan-June 2009	Jan-Dec 2009
Operating income, SEK m	88.2	78.5	165.7	161.3	316.1
Operating profit/loss, SEK m	6.3	0.1	10.7	3.7	19.9
Operating margin, %	7.1	0.1	6.5	2.3	6.3
Operating profit/loss excl. one-off items, SEK m	6.3	4.6	10.7	8.6	24.2
Operating margin excl. one-off items, %	7.1	5.8	6.5	5.3	7.7
Number of employees at period's end	363	363	363	363	350

Share of Semcon's total sales, %



### Staff and organization

The headcount on 30 June was 2,586 (2,871) of which 1,427 (1,704) in Sweden and 1,159 (1,167) abroad. The number of employees actively employed was 2,438 (2,769). The average number of employees was 2,471 (3,029). The number of employees in the respective business areas was: Automotive R&D 1,463 (1,670), Design & Development 760 (838) and Informatic 363 (363).

### Ownership structure

As of 30 June, the JCE Group owned 30.5% (30.5) of Semcon's shares, Skandia Liv 12.4% (13.6), Swedbank Robur Fonder 8.2 % (10.0) and Andra AP-fonden 3.3% (0.2). Foreign ownership was 10.3 % (12.8) and the number of shareholders was 4,290 (4,188). The number of ordinary shares at the end of the period was 18,112,534 (18,112,534) all with a quotient value of SEK 1 and with equal voting rights. On 30 June Semcon owned 289,546 (311,210) shares in the company. These shares will be used in conjunction with matching savings shares to cover social costs in accordance with the share saving scheme. Semcon is listed on the NASDAQ OMX Stockholm under the SEMC ticker.

### Acquisition and divestment of companies

No acquisitions or divestments of companies were carried during the first half of the year.

### Risks and instability factors

The Group's and parent company's significant risks and instability factors include business risks in the form of high exposure towards a single industry or customer. An economic downturn and disruptions to financial markets can badly affect demand for the Group's servi-

ces. In general terms the acquisition of businesses involves increased risk. This also includes financial risks mainly concerning interests and currency risks. Semcon's Annual report 2009, pages 36-37 and 54-55, include a detailed description of the Group and parent company's risk exposure and risk management.

### Accounting principles

Semcon follows the IFRS standards and principles as adopted by the EU (IFRIC). This report has been produced in accordance with IAS 34. In accordance with the statements given in the Annual Report, Note 2, concerning new accounting principles for 2010, a number of new standards and IFRIC statements have been included from 1 January 2010. None of this has had an effect on the Group's accounts in the first half of 2010. In all, the same accounting principles have been applied in this report as in the latest annual report.

### Outlook

Products, plants and systems are becoming increasingly complex, requiring extensive development and documentation. Meanwhile demands are being placed on more rapid development processes and to cut development costs through more effective working models. In all, these trends mean improved business opportunities for the Group.

The utilization ratio improved gradually during the second quarter as an increasing number of companies are sensing an improved business climate. New deals signed in July, along with more enquiries from all our prioritized industries mean there will be a need to recruit in a number of areas over the rest of the year.

The Board and CEO certify that the interim report provides an accurate picture of the parent company's and Group's activities, positions and earnings, and describes the significant risks and uncertainties facing the parent company and Group companies.

Göteborg, 16 July 2010

SEMCON AB (PUBL)  
Org.nr. 556539-9549

Hans-Erik Andersson  
Chairman

Håkan Larsson  
Board member

Jorma Halonen  
Board member

Kjell Nilsson  
President and CEO

Marianne Brismar  
Board member

Gunvor Engström  
Board member

Stefan Novakovic  
Staff representative

Roland Kristiansson  
Staff representative

Christer Eriksson  
Staff representative

#### Financial reporting

Quarterly report Q3: 22 October 2010  
Financial statement: 10 February 2011  
Quarterly report Q1: 28 April 2011  
Annual General Meeting: 28 April 2011  
Interim report: 15 July 2011  
Quarterly report Q3: 27 October 2011

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*This report has not been subject to review by the company's auditors. Semcon discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. This information was submitted for publication at 11.30 a.m. on 16 July 2010.*

# Consolidated Financial, summary

## Income statements

SEK m	Note	April-June		Jan-June		Jan-Dec
		2010	2009	2010	2009	2009
Operating income		515.9	602.3	1,036.6	1,264.9	2,281.1
Purchase of goods and services		-81.0	-103.7	-160.5	-226.1	-377.9
Other external operating expenses		-61.4	-68.1	-120.2	-149.4	-321.3
Staff costs	1	-390.7	-485.5	-770.3	-976.5	-1,704.7
<b>Operating profit/loss before depreciation</b>		<b>-17.2</b>	<b>-55.0</b>	<b>-14.4</b>	<b>-87.1</b>	<b>-122.8</b>
Depreciation and impairment of tangible fixed assets		-5.6	-6.4	-11.2	-13.0	-29.6
Write-down of goodwill		-	-	-	-	-72.0
Depreciation of intangible assets		-1.9	-1.9	-3.6	-5.0	-10.6
Write-down of shares in associated companies		-	-	-	-	-6.2
Write-down of shares in associated companies		<b>-24.7</b>	<b>-63.3</b>	<b>-29.2</b>	<b>-105.1</b>	<b>-241.2</b>
Net financial items		-2.0	-4.2	-4.1	-6.0	-15.5
<b>Profit/loss before tax</b>		<b>-26.7</b>	<b>-67.5</b>	<b>-33.3</b>	<b>-111.1</b>	<b>-256.7</b>
Tax		7.5	16.7	9.3	28.9	48.1
<b>Profit/loss after tax *</b>		<b>-19.2</b>	<b>-50.8</b>	<b>-24.0</b>	<b>-82.2</b>	<b>-208.6</b>
EPS per share, SEK		-1.08	-2.85	-1.35	-4.62	-11.72
EPS after dilution, SEK		-1.06	-2.80	-1.32	-4.54	-11.52
* Of which parent company shareholders		19.2	-50.8	-24.0	-82.2	-208.6
Average number of shares		18,112,534	18,112,534	18,112,534	18,112,534	18,112,534
Average number of shares after dilution		17,820,798	17,798,569	17,819,402	17,792,670	17,800,645
No. of days in period		59	59	121	121	250

## Statement of comprehensive income

SEK m	April-June		Jan-June		Jan-Dec
	2010	2009	2010	2009	2009
Profit/loss after tax	-19.2	-50.8	-24.0	-82.2	-208.6
Translation differences including hedging effects for foreign Group companies.	4.5	-0.1	7.8	3.2	4.8
Tax referring to effects of hedging	-3.1	-0.9	-10.3	-0.6	-7.5
<b>Total comprehensive income for the period **</b>	<b>-17.8</b>	<b>-51.8</b>	<b>-26.5</b>	<b>-79.6</b>	<b>-211.3</b>
** Of which parent company shareholders	-17.8	-51.8	-26.5	-79.6	-211.3



## Quartely information by business area

	2008				2009				2010	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Operating income (SEK m)</b>										
Automotive R&D	550.1	563.3	441.7	503.2	390.9	336.5	273.3	276.2	263.3	256.7
Design & Development	225.4	235.3	169.4	221.6	188.9	187.3	131.9	180.0	179.9	171.0
Informatic	105.0	103.7	84.5	95.6	82.8	78.5	72.5	82.3	77.5	88.2
<b>Total</b>	<b>880.5</b>	<b>902.3</b>	<b>695.6</b>	<b>820.4</b>	<b>662.6</b>	<b>602.3</b>	<b>477.7</b>	<b>538.5</b>	<b>520.7</b>	<b>515.9</b>
<b>Operating profit/loss (SEK m) *</b>										
Automotive R&D	23.8	21.1	6.3	13.0	-36.3	-29.5	-16.5	-16.7	-14.8	-26.9
Design & Development	31.0	27.1	17.2	26.2	0.1	0.9	-11.4	14.8	5.9	4.0
Informatic	13.8	14.6	7.2	14.8	4.0	4.6	3.6	12.0	4.4	6.3
<b>Total excl one-off items</b>	<b>68.6</b>	<b>62.8</b>	<b>30.7</b>	<b>54.0</b>	<b>-32.2</b>	<b>-24.0</b>	<b>-24.3</b>	<b>10.1</b>	<b>-4.5</b>	<b>-16.6</b>
Write down of goodwill and of shares in associated companies	-	-	-	-	-	-	-	-78.2	-	-
One off items **	6.0	8.0	10.0	-90.2	-9.6	-39.3	-20.8	-22.9	-	-8.1
<b>Total incl. one-off items</b>	<b>74.6</b>	<b>70.8</b>	<b>40.7</b>	<b>-36.2</b>	<b>-41.8</b>	<b>-63.3</b>	<b>-45.1</b>	<b>-91.0</b>	<b>-4.5</b>	<b>-24.7</b>
<b>Operating margin (%)</b>										
Automotive R&D	4.3	3.7	1.4	2.6	-9.3	-8.8	-6.0	-6.1	-5.6	-10.5
Design & Development	13.8	11.5	10.2	11.8	0.1	0.5	-8.6	8.2	3.3	2.3
Informatic	13.1	14.1	8.5	15.5	4.8	5.8	5.0	14.6	5.7	7.2
<b>Total excl. one-off items</b>	<b>7.8</b>	<b>7.0</b>	<b>4.4</b>	<b>6.6</b>	<b>-4.9</b>	<b>-4.0</b>	<b>-5.1</b>	<b>1.9</b>	<b>-0.9</b>	<b>-3.2</b>
<b>Total incl. one-off items</b>	<b>8.5</b>	<b>7.9</b>	<b>5.9</b>	<b>-4.4</b>	<b>-6.3</b>	<b>-10.5</b>	<b>-9.4</b>	<b>-16.9</b>	<b>-0.9</b>	<b>-4.8</b>
<b>Number of employees</b>										
Automotive R&D	2,419	2,369	2,331	2,025	1,911	1,670	1,600	1,497	1,467	1,463
Design & Development	907	889	882	869	859	838	791	784	803	760
Informatic	396	404	404	416	396	363	350	350	356	363
<b>Total</b>	<b>3,722</b>	<b>3,662</b>	<b>3,617</b>	<b>3,310</b>	<b>3,166</b>	<b>2,871</b>	<b>2,741</b>	<b>2,631</b>	<b>2,626</b>	<b>2,586</b>

\* Operating profit/loss per business area excluding one-off items

\*\* One-off items (See note 1, page 13)

## Balance sheets

SEK m	30 June		31 Dec
	2010	2009	2009
<b>Assets</b>			
Intangible assets, goodwill	448.3	562.4	475.2
Other intangible assets	27.5	32.9	28.5
Tangible fixed assets	51.4	74.8	60.6
Financial assets	17.2	23.4	17.2
Deferred tax recoverable	85.0	81.2	89.0
Accounts receivable	275.4	325.6	324.2
Accrued non-invoice income	155.5	203.1	108.2
Current assets	61.4	105.0	93.7
Cash and bank balances	32.5	47.0	67.7
<b>Total assets</b>	<b>1,154.2</b>	<b>1,455.4</b>	<b>1,264.3</b>
<b>Shareholders equity and liabilities</b>			
Shareholders equity	359.3	517.3	385.4
Pension obligations	55.2	75.6	73.0
Deferred tax recoverable	-	7.3	-
Interest-bearing long-term liabilities	266.0	247.3	310.6
Interest-bearing current liabilities	43.8	16.2	0.4
Accounts payable-trade	63.8	60.7	77.2
Non interest-bearing current liabilities	366.1	531.0	417.7
<b>Total shareholders equity and liabilities</b>	<b>1,154.2</b>	<b>1,455.4</b>	<b>1,264.3</b>

## Change in shareholders equity

SEK m	30 June		31 Dec
	2010	2009	2009
Shareholders equity at start of period	385.4	596.2	596.2
Total comprehensive income	-26.5	-79.6	-211.3
Share saving program	0.4	0.7	0.5
<b>Shareholders equity at end of the period</b>	<b>359.3</b>	<b>517.3</b>	<b>385.4</b>

## Cash flow statements

SEK m	April-June		Jan-June		Jan-Dec
	2010	2009	2010	2009	2009
Cash flow from current activities before change in working capital	-24.5	-62.6	-27.1	-102.5	-152.0
Change in working capital	-18.5	69.7	-25.8	249.8	259.2
<b>Cash flow from current activities</b>	<b>-43.0</b>	<b>7.1</b>	<b>-52.9</b>	<b>147.3</b>	<b>107.2</b>
Net investments	-2.9	-5.5	-7.6	-13.1	-18.5
Acquisition of group compan	-	-	-	-	-1.4
Sale of fixed assets	-	0.2	2.6	0.3	0.6
<b>Cash flow from investments activities</b>	<b>-2.9</b>	<b>-5.3</b>	<b>-5.0</b>	<b>-12.8</b>	<b>-19.3</b>
Change in interest-bearing liabilities r	48.5	-208.1	24.4	-207.1	-136.4
<b>Cash flow from financing activities</b>	<b>48.5</b>	<b>-208.1</b>	<b>24.4</b>	<b>-207.1</b>	<b>-136.4</b>
<b>Cash flow for the period</b>	<b>2.6</b>	<b>-206.3</b>	<b>-33.5</b>	<b>-72.6</b>	<b>-48.5</b>
Cash and bank at the start of the period	29.6	252.3	67.7	117.6	117.6
Translation difference	0.3	1.0	-1.7	2.0	-1.4
<b>Cash and bank at the end of the period</b>	<b>32.5</b>	<b>47.0</b>	<b>32.5</b>	<b>47.0</b>	<b>67.7</b>

**Key figures excluding one-off items**

	<i>Jan-June</i>		<i>Jan-Dec</i>
	<b>2010</b>	<b>2009</b>	<b>2009</b>
Operating margin (%)	-2.0	-4.4	-3.1
Profit margin (%)	-2.4	-4.9	-3.8
Return on average shareholders equity (%) *	-8.1	1.6	-11.2
Return on average capital employed (%) *	-5.0	3.5	-6.8

**Key figures including one off items**

	<i>Jan-June</i>		<i>Jan-Dec</i>
	<b>2010</b>	<b>2009</b>	<b>2009</b>
Growth in sales (%)	-18.0	-29.0	-30.8
Organic growth in sales (%)	-14.9	-33.1	-33.1
Operating margin before depreciation/amortization (%)	-1.4	-6.9	-5.4
Operating margin (%)	-2.8	-8.3	-10.6
Profit margin (%)	-3.2	-8.8	-11.3
Return on average shareholders equity (%) *	-35.5	-14.6	-42.1
Return on average capital employed (%)*	-23.5	-7.9	-25.7
Equity/asset ratio (%)	31.1	35.5	30.5
Debt/equity ration (times)	0.9	0.6	0.8
Interest coverage ratio (times)	-6.2	-8.8	-10.0
Average number of employees	2,471	3,029	2,791
Sales per employee (SEK 000)	420	418	817
Value added per employee (SEK 000)	300	337	524
Profit/loss before tax per employee (SEK 000)	-13.5	-36.7	-92.0
Investments in fixed assets (SEK m)	7.6	13.1	18.5

**Key figures for shares**

	<i>Jan-June</i>		<i>Jan-Dec</i>
	<b>2010</b>	<b>2009</b>	<b>2009</b>
EPS after tax (SEK)	-1.35	-4.62	-11.72
Resultat per aktie efter utspädning (kr)	-1.32	-4.54	-11.52
Shareholders equity before dilution (SEK)	20.16	29.08	21.63
Shareholders equity after dilution (SEK)	19.84	28.56	21.28
Share price / Shareholders equity per share (times)	1.48	0.69	1.34
Cash flow from current activities per share (SEK)	-2.92	8.13	5.92
Share price at the end of the period (SEK)	29.30	19.80	28.50
Market price at end of the period (SEK m)	531	359	516
Number of shares at end of period. Quotient value SEK 1 (000)	18,113	18,113	18,113
Average number of shares (000)	18,113	18,113	18,113
Average number of shares after dilution	17 819	17 793	17 801
Number of own shares at period's end (000)	290	311	299
Average number of own shares (000s)	293	320	312

\* Rolling 12 months

## Largest holdings, 30 June 2010

Name	No. of shares	Votes, %
JCE Group	5,526,271	30.51
Skandia liv	2,238,597	12.36
Swedbank Robur Fonder	1,476,420	8.15
Andra AP-fonden	591,517	3.27
Tanglin	555,591	3.07
FIM bank	474,517	2.62
Avanza Pension	344,920	1.90
SIX SIS AG	291,700	1.61
Mellon Omnibus	226,324	1.25
Nordnet Pensionsförsäkring	204,824	1.13
<b>Total</b>	<b>11,930,681</b>	<b>65.87</b>
Own shares	289,546	1.60
Other	5,892,307	32.53
<b>Totalt</b>	<b>18,112,534</b>	<b>100.0</b>

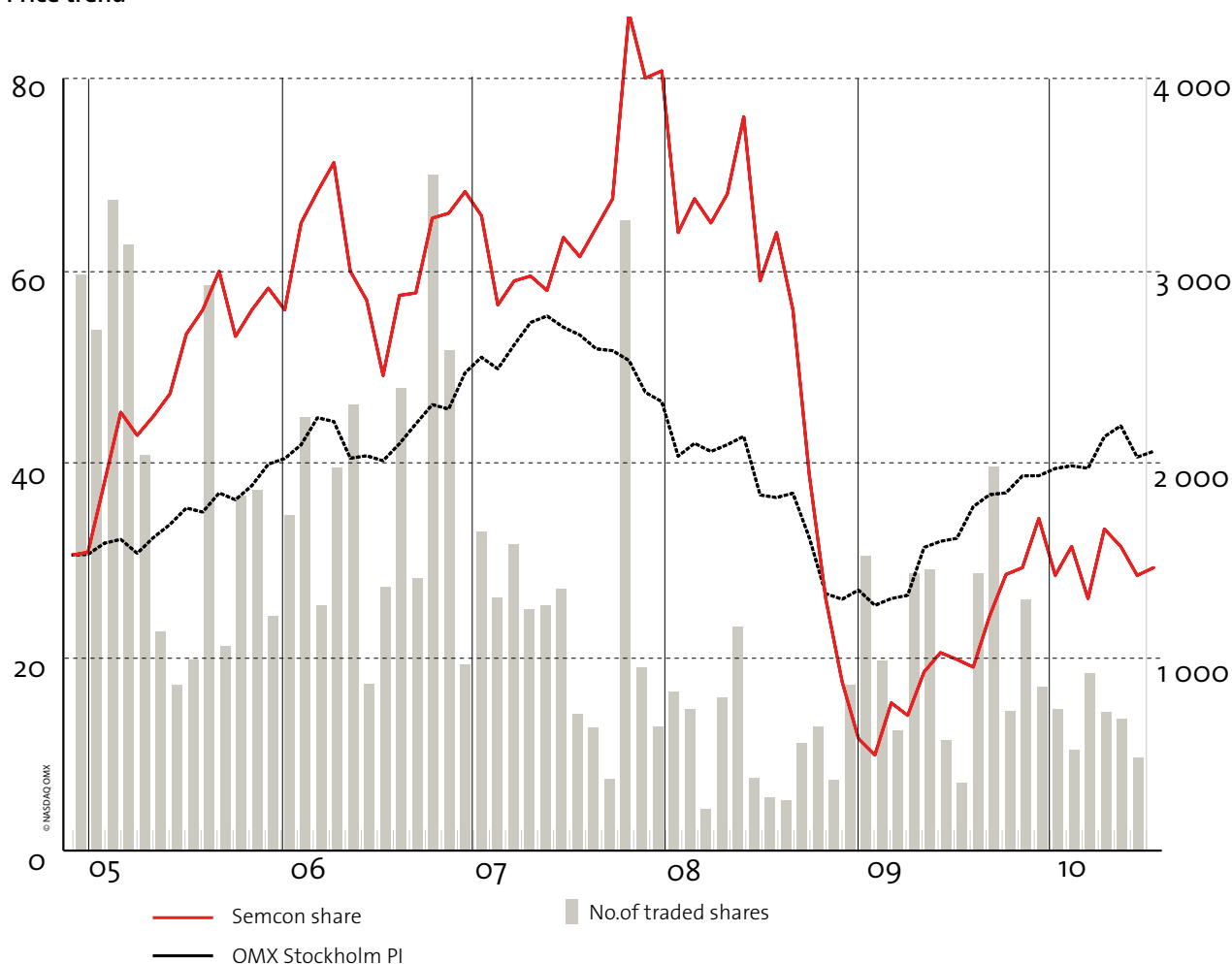
Source: Euroclear Sweden AB (VPC) register of shareholders on 30 June 2010.

## Ownership structure, 30 June 2010

	No. of shareholders	No. of shares	Pro-portion, %	Market value SEK 000
1-500	2,659	557,631	3.1	16,339
501-1 000	820	679,507	3.8	19,910
1 001-10 000	720	2,188,152	12.1	64,113
10 001-100 000	75	1,916,726	10.6	56,160
100 001 -	15	12,480 972	68.8	365,692
Own shares	1	289,546	1.6	8,484
<b>Total</b>	<b>4 290</b>	<b>18 112 534</b>	<b>100,0</b>	<b>530 698</b>

Source: Euroclear Sweden AB (VPC) register of shareholders on 30 June 2010.

## Price trend



# Notes

## Note 1 One-off items

SEK m	April-June		Jan-June		Jan-Dec
	2010	2009	2010	2009	2009
Structural changes in Sweden *	-8.1	-39.3	-8.1	-48.9	-82.2
Structural changes abroad *	-	-	-	-	-5.0
Reserv doubtful debts	-	-	-	-	-5.4
Writedown of goodwill	-	-	-	-	-72.0
Writedown of shares in associated companies	-	-	-	-	-6.2
<b>Total</b>	<b>-8.1</b>	<b>-39.3</b>	<b>-8.1</b>	<b>-48.9</b>	<b>-170.8</b>
<b>Specification of items in the income statement</b>					
Other external expenses	-2.3	-	-2.3	-	-10.6
Staff costs	-5.8	-39.3	-5.8	-48.9	-82.0
Writedown of goodwill	-	-	-	-	-72.0
Writedown of shares in associated companies	-	-	-	-	-6.2
<b>Total</b>	<b>-8.1</b>	<b>-39.3</b>	<b>-8.1</b>	<b>-48.9</b>	<b>-170.8</b>
<b>Dividend per business area</b>					
Automotive R&D	-2.3	-31.1	-2.3	-37.9	-146.5
Design & Development	-5.8	-3.7	-5.8	-6.1	-20.0
Informatic	-	-4.5	-	-4.9	-4.3
<b>Total</b>	<b>-8.1</b>	<b>-39.3</b>	<b>-8.1</b>	<b>-48.9</b>	<b>-170.8</b>

\* Staff cuts, reduction of working space and depreciation of inventories.

## Parent company

# Financial, summary

### Income statements

SEK m	April-June		Jan-June		Jan-Dec
	2010	2009	2010	2009	2009
Operating income	5.9	9.3	12.0	18.6	25.4
Other external expenses	-4.4	-4.1	-8.1	-9.9	-21.0
Staff costs	-6.3	-5.4	-14.2	-12.5	-23.0
<b>Operating profit/loss before depreciation</b>	<b>-4.8</b>	<b>-0.2</b>	<b>-10.3</b>	<b>-3.8</b>	<b>-18.6</b>
Depreciation of tangible assets	-0.1	-	-0.2	-	-0.1
<b>Operating profit/loss after depreciation</b>	<b>-4.9</b>	<b>-0.2</b>	<b>-10.5</b>	<b>-3.8</b>	<b>-18.7</b>
Net financial items *	3.1	-41.5	15.5	-42.1	-129.2
<b>Profit/loss after net financial items</b>	<b>-1.8</b>	<b>-41.7</b>	<b>5.0</b>	<b>-45.9</b>	<b>-147.9</b>
Appropriations	-	-	-	-	43.8
<b>Profit/loss after tax</b>	<b>-1.8</b>	<b>-41.7</b>	<b>5.0</b>	<b>-45.9</b>	<b>-104.1</b>
Tax	0.5	11.0	-1.3	12.1	-0.4
<b>Profit/loss after tax</b>	<b>-1.3</b>	<b>-30.7</b>	<b>3.7</b>	<b>-33.8</b>	<b>-104.5</b>
* Of which Group contribution received	-	-	-	-	6.3
Of which exchange rate differences	8.3	-37.2	21.6	-34.5	-15.5
Of which writedown of participations in associated companies	-	-	-	-	-103.0

### Balance sheets

SEK m	30 Juni		31 Dec
	2010	2009	2009
<b>Assets</b>			
Tangible fixed assets	1.4	-	1.6
Financial fixed assets	522.2	417.4	444.5
Current assets	156.8	309.0	349.6
Cash and bank	-	-	14.6
<b>Total assets</b>	<b>680.4</b>	<b>726.4</b>	<b>810.3</b>
<b>Shareholders equity and liabilities</b>			
Shareholders equity	310.2	440.3	306.5
Untaxed reserves	0.4	44.1	0.4
Interest-bearing long-term liabilities	264.8	213.3	286.4
Interest-bearing current liabilities	41.4	14.8	-
Non interest-bearing current liabilities	63.6	13.9	217.0
<b>Total shareholders equity and liabilities</b>	<b>680.4</b>	<b>726.4</b>	<b>810.3</b>