

# Strong end to the year

Financial statement 2010

## Fourth quarter

- Operating income was SEK 583 million (539) and organic growth was 13%
- The operating profit was SEK 35 million (-91), giving an operating margin of 6.0% (-16.9)
- The profit after tax was SEK 23 million (-90)
- Earnings per share (EPS) was SEK 1.26 (-4.97)

## January-December

- Operating income was SEK 2,091 million (2,281)
- The operating profit was SEK 3 million (-241), giving an operating margin of 0.1% (-10.6)
- The loss after tax was SEK 5 million (-209)
- EPS was SEK -0.29 (-11.52)
- The equity/assets ratio was 33.0% (30.5)

## CEO's comment

*"We've seen a clear improvement in the market situation in the second half of the year and in Q4 we once again reported growth and a good profit. New business and more inquiries from all industries mean we now need to recruit. The outlook for 2011 is positive and we're expecting continued profit improvement."*

Kjell Nilsson, CEO

*Semcon is a global company active in the areas of engineering services and product information. The Group has around 2,700 employees with extensive experience from many different industries. We develop technologies, products, plants and information solutions along the entire development chain and also provide many services including quality control, training and methodology development. Semcon boosts customers' sales and competitive strength by providing them with innovative solutions, design and solid engineering solutions. The Group has sales of SEK 2.1 billion and activities at more than 40 sites in Sweden, Germany, the UK, Brazil, Hungary, India, China, Spain and Russia*



## Income & results

### Fourth quarter

Operating income rose by SEK 44 million to SEK 583 million (539) and organic growth was 13% following adjustments for currency effects.

The operating loss improved by SEK 126 million and amounted to SEK 35 million (-91), giving an operating margin of 6.0% (-16.9). All business areas are reporting growth and improved profits for the quarter. The results for the period have been burdened by SEK 4 million for carrying out the previously decided cost-cutting scheme. Results for the same period last year were affected by one-off items of SEK 101 million, of which write-down of goodwill and shares in associated companies amounted to SEK 78 million. Excluding these items the operating profit was SEK 39 million (10) with an operating margin of 6.7% (1.9).

Net financial items amounted to SEK -2 million (-5), giving a profit before tax of SEK 33 million (-96). The profit after tax was SEK 23 million (-90) and the EPS was SEK 1.26 (-4.97).

### January-December

Operating income was SEK 2,091 million (2,281) and organic growth was -5%. The fall in sales is due to a poor start during the first six months of the year, mainly for the units active in the automotive sector.

The operating profit was SEK 3 million (-241), giving an operating margin of 0.1% (-10.6). The total cost of carrying out the cost-cutting scheme affected results by SEK 15 million. Last year results were affected by one-off items of SEK 171 million. The operating profit, excluding these one-off items was SEK 18 million (-70) with an operating margin of 0.9% (-3.1).

Net financial items amounted to SEK -9 million (-16). The loss before tax was SEK 6 million (-257). The loss after tax was SEK 5 million (-209) and the EPS was SEK -0.29 (-11.52).

### Financial position

The operating cash flow from current activities was SEK -36 million (107). The Group's cash and bank balances amounted to SEK 42 million (68) with additional non-utilized credit of SEK 100 million (100) and a revolving credit facility of EUR 32.8 million (42.8) to run until July 2011 with an option available for the company, before the due date, to extend the revolving credit to a three-year loan.

Investment in hardware, licenses, office supplies and equipment, amounted to SEK 14 million (19).

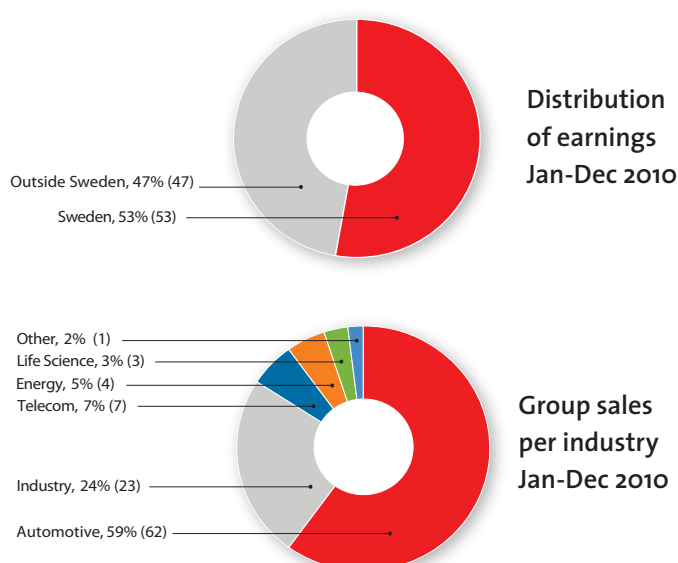
Shareholders' equity amounted to SEK 373 million and the equity/assets ratio was 33.0% (30.5). The Group's net debt was SEK 305 million (316) and the debt/equity ratio was 0.8 times (0.8).

### Events during Q4

- Semcon received an order for upgrading the ComTest® measuring system at nuclear power plant Forsmark 1 and 2. The system is used for monitoring the condition of drive gear, isolation valves and flow valves.
- Semcon has been appointed as a preferred supplier for technical engineering services by Vattenfall between 2011-2013 with the option of one extra year. The contract is for nuclear power, wind power and hydroelectric power services to be carried out by specialists from all Semcon's business areas.

### Events during the year

- Semcon signed a two-year contract with EuroMaint Rail for supplying construction services, meaning Semcon taking over EuroMaint Rail's construction department in Örebro.
- Westinghouse appointed Semcon as a preferred supplier, enhancing cooperation in engineering services.
- Semcon appointed Henry Kohlstruck as the new country manager for the German business from 1 March. He joined Semcon from the German development company Edag, where he was most recently vice president for the product/production division.
- Semcon signed an order 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.
- Semcon was chosen by a German auto manufacturer as its development partner for developing a new car model. The project will run over three years and is worth SEK 150 million.
- Semcon was chosen as a partner for developing product information for a med-tech company in Sweden. Both parties have initially signed a three-year contract.



## Automotive R&D

Following a very weak start to the year the business area saw a gradual improvement in the second half. The business area once again reported growth and positive results in Q4. All markets report organic growth amounting to 20%. Organic growth for the year was -8%.

The German activities, which account for 60% (57) of the business area's sales, continued to report a positive trend during the quarter with an increase in orders and positive results.

The Swedish activities also reported positive results for the quarter and renewed a number of framework agreements towards the end of the year.

Activities continued to expand in Brazil with an increase in the number of employees, areas of expertise and projects. Semcon has extended its activities on this market to industries outside the automotive sector.

Activities in India reported continued growth and are working on development projects for local and global customers alike. Semcon signed contracts at the end of the year for projects to be carried out by the Group's global network of offices, where expertise and access to activities in India were an important factor for winning the contracts.

Activities in the UK saw healthy growth in the second half of the year, following a poor start to the year.

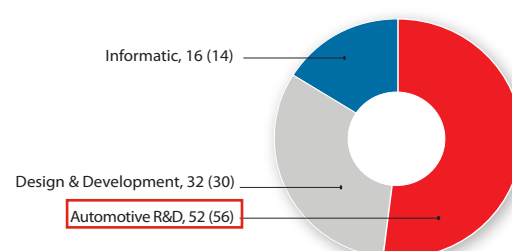
Overall the business area sees major potential for boosting sales on all existing markets, but also on the important Chinese automotive market. This means that there is a major need to recruit new employees, mainly in areas such as the environment and hybrid technologies, plus electronic services, simulation and concept development.

### About Automotive R&D

*The business area's 1,600 or so employees provide services to customers in the global automotive industry. Its offer includes focusing in 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, Russia and China. Customers include some of the world's largest car manufacturers such as Audi, BMW, Daimler, Opel, Porsche, Saab Automobile, Scania, Volvo Trucks, Volvo Cars and VW.*

Key figures Automotive R&D	Oct-Dec 2010	Oct-Dec 2009	Jan-Dec 2010	Jan-Dec 2009
Operating Income, SEK m	307.3	276.2	1,090.9	1,276.9
Operating profit/loss, SEK m	10.5	-107.7	-41.8	-245.5
Operating margin, %	3.4	-39.0	-3.8	-19.2
Operating profit/loss excl.one-off items, SEK m	14.5	-16.7	-35.0	-99.0
Operating margin excl. one-off items, %	4.7	-6.1	-3.2	-7.8
Number of employees at period's end	1,565	1,497	1,565	1,497

Share of Semcon's total sales, %



## Design & Development

Design & Development's utilization ratio has improved and its business position strengthened, which has meant results have improved by over SEK 30 million on 2009, even though sales volumes fell by 3%.

Product Development, which accounts for 53% (54) of the business area's sales, showed continued improvement in orders, not only in the energy and offshore sectors, but also in the general industry sector.

Medical Life Science (MLS), active in the pharmaceutical, med-tech and bio-tech industries and energy sector, reported a positive trend, both in sales and results.

The Product Lifecycle Management (PLM) division reported increased sales. There is good potential for PLM to expand its customer base to more industries.

Embedded Intelligent Solutions (EIS), active in embedded systems, reported positive results in Q4.

Semcon Project Management reported an improvement, but overall the business has had a weak year, mainly due to several major customers cutting their order volumes. The improved situation in Q4 is due to the positive feedback for the next-generation project methodology XLPM, and cost levels being adapted. Since its launch at the end of May, around 5,000 XLPM licenses have been sold.

The overall cost of implementing remedial measures during the year has negatively affected the business area's results by SEK 8 million (-20).

Semcon has been chosen as a preferred supplier by Vattenfall, giving further opportunities for achieving the strategic objective of boosting sales within the energy sector. Semcon has also signed a number of framework agreements in the industry and energy sectors.

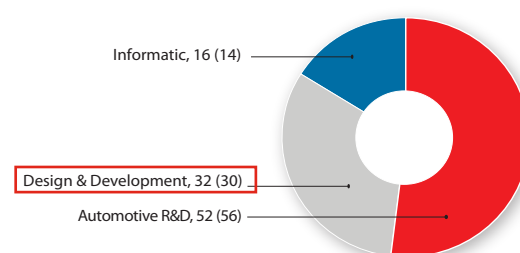
The improved market conditions during the second half of 2010 mean that the business area is now positive to being able to boost business volumes in 2011.

### About Design & Development

*The business area has around 750 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, validation, project management and production development. The business area carries out projects around the world from offices in Sweden and Germany. 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, Siemens, Vattenfall and companies in the telecoms industry.*

Key figures Design & Development	Oct-Dec 2010	Oct-Dec 2009	Jan-Dec 2010	Jan-Dec 2009
Operating income, SEK m	185.6	180.0	670.2	688.1
Operating profit/loss, SEK m	11.4	4.1	15.3	-15.6
Operating margin, %	6.1	2.3	2.3	-2.3
Operating profit/loss excl.one-off items, SEK m	11.4	14.8	23.4	4.4
Operating margin excl. one-off items, %	6.1	8.2	3.5	0.6
Number of employees at period's end	753	784	753	784

Share of Semcon's total sales, %



## Informatic

The business area reported sales growth and a better operating profit compared to last year, even though activities, mainly in Sweden, saw a weak start to the year. Organic growth was 7%.

The business area signed new deals with new and existing customers during the year. The international part of the business continued its positive trend. The business area has around one third of its activities outside Sweden.

Activities in China have grown with the addition of more new customers and doubling the number of employees.

Work on developing product information for a med-tech company in Sweden got underway according to plan in Q4 and by year-end employed 16 people in Hungary and Sweden.

Zooma by Semcon, the business area's subsidiary for interactive marketing, continued its positive trend with deliveries of a number of major projects.

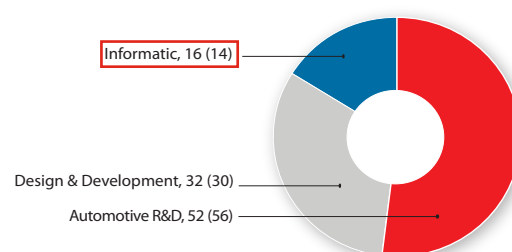
Demand for the business area's services remains high, meaning continued opportunities for growth on all markets where the business area is currently active.

### About Informatic

*Informatic's 400 or so 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	Oct-Dec 2010	Oct-Dec 2009	Jan-Dec 2010	Jan-Dec 2009
Operating income, SEK m	89.9	82.3	329.7	316.1
Operating profit/loss, SEK m	13.0	12.6	29.5	19.9
Operating margin, %	14.5	15.3	8.9	6.3
Operating profit/loss excl. one-off items, SEK m	13.0	12.0	29.5	24.2
Operating margin excl. one-off items, %	14.5	14.6	8.9	7.7
Number of employees at period's end	385	350	385	350

Share of Semcon's total sales, %



## Staff and organization

The headcount on 31 December was 2,703 (2,631) of which 1,432 (1,523) are in Sweden and 1,271 (1,108) abroad. The number of employees actively employed was 2,558 (2,467). The average number of employees was 2,474 (2,791).

The number of employees in the respective business areas was: Automotive R&D 1,565 (1,497), Design & Development 753 (784) and Informatic 385 (350).

## Ownership structure

As of 31 December, the JCE Group owned 30.5% (30.5) of Semcon's shares, Skandia Liv 12.2% (13.1), Swedbank Robur fonder 8.2% (9.4) and Tanglin 3.4 % (0.9). Foreign ownership was 10.5% (11.1) and the number of shareholders was 4,015 (4,430). 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 31 December, Semcon owned 288,829 (298,570) 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.

## Aquisitions and divestments of companies

No acquisitions or divestments of companies were carried out during 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 or disruptions to financial markets can badly affect demand for the Group's services. 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 2010. In all, the same accounting principles have been applied in this report as in the latest annual report.

## Events since the end of the year

No events have been reported since the end of the year

## Dividends

In accordance with Semcon's dividend policy, consideration is given to the company's financial position and capital requirements for continued expansion. Due to the company's negative results the Board proposes that no dividend be paid for 2010.

## 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 practices. In all, this means improved business opportunities for the Group.

We have seen a clear improvement in the market situation in the second half of 2010. New business and more enquiries from all our industries mean that we have a major need to recruit on all markets. Our outlook for 2011 is positive and we expect to continue seeing profit improvements.

## Annual Report

The Annual Report for 2010 is expected to be available at the end of March 2011 and will be sent to all shareholders who have signed up to receive a printed copy from Semcon. The Annual Report will also be available on Semcon's website: [www.semcon.com](http://www.semcon.com) and at Semcon's head office on Theres Svenssons gata 15 in Göteborg. It can also be ordered by phone: +46 31 721 00 00, fax +46 31 721 03 33 or via email: [info@semcon.se](mailto:info@semcon.se).

## Nominations committee

Questions to the nominations committee consisting of Hampus Ericsson, representing the JCE Group; Erik Sjöström, representing Skandia Liv; Kerstin Stenberg, representing Swedbank Robur Fonder and the Chairman of the Board Hans-Erik Andersson, can be submitted via email to: [valberedning@semcon.se](mailto:valberedning@semcon.se).

## Annual general meeting

Semcon's AGM will take place at 3 p.m. on 27 April 2011 at Semcon's head office in Göteborg. The record day is 19 April. The Q1 report will be published on 27 April.

The Board of directors and CEO confirm that the financial statement for 2010 provides a fair overview of the parent company's and Group's business, position and results while presenting the key risks and uncertainties that the parent company and Group companies are facing.

Göteborg 10 February 2011

SEMCON AB (PUBL)  
Co.Reg.no. 556539-9549

Hans-Erik Andersson  
Chairman

Håkan Larsson  
Board member

Jorma Halonen  
Board member

Kjell Nilsson  
President & CEO

Marianne Brismar  
Board member

Gunvor Engström  
Board member

Stefan Novakovic  
Staff representative

Roland Kristiansson  
Staff representative

Christer Eriksson  
Staff representative

#### Financial reporting:

Annual report: End of March  
Q1 report: 27 April  
Annual General Meeting: 27 April  
Q2 report: 15 July  
Q3 report: 27 October

#### For more information, please contact:

Kjell Nilsson, CEO Semcon AB, +46-31-721 03 11  
Björn Strömberg, CFO Semcon AB, +46-708-35 44 80  
Anders Atterling, IR Manager Semcon AB, +46-704-47 28 19

Head office:  
Semcon AB, 417 80 Göteborg  
Visiting address: Theres Svenssons gata 15  
Phone: +46-31-721 00 00, Fax: +46-31-721 03 33  
[www.semcon.com](http://www.semcon.com)

*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 10 February 2011.*



# Consolidated Financial, summary

## Income statements

SEK m	Note	Oct-Dec		Jan-Dec	
		2010	2009	2010	2009
Operating income		582.8	538.5	2,090.9	2,281.1
Purchase of goods and services		-98.3	-70.8	-338.5	-377.9
Other external operating expenses	1	-63.3	-90.2	-249.3	-321.3
Staff costs	1	-378.6	-383.1	-1,470.2	-1,704.7
<b>Operating profit/loss before depreciation</b>		<b>42.6</b>	<b>-5.6</b>	<b>32.9</b>	<b>-122.8</b>
Depreciation and impairment of tangible fixed assets		-5.8	-4.9	-22.4	-29.6
Write-down of goodwill	1	-	-72.0	-	-72.0
Depreciation of intangible assets		-1.9	-2.3	-7.5	-10.6
Write-down of shares in associated companies	1	-	-6.2	-	-6.2
<b>Operating profit/loss</b>		<b>34.9</b>	<b>-91.0</b>	<b>3.0</b>	<b>-241.2</b>
Net financial items		-2.1	-4.7	-9.1	-15.5
<b>Profit/loss before tax</b>		<b>32.8</b>	<b>-95.7</b>	<b>-6.1</b>	<b>-256.7</b>
Tax		-10.1	5.7	0.8	48.1
<b>Profit/loss after tax *</b>		<b>22.7</b>	<b>-90.0</b>	<b>-5.3</b>	<b>-208.6</b>
EPS per share, SEK		1.26	-4.97	-0.29	-11.52
EPS per share after dilution, SEK		1.26	-4.97	-0.29	-11.52
* Of which parent company shareholders		22.7	-90.0	-5.3	-208.6
Average number of shares		18,112,534	18,112,534	18,112,534	18,112,534
Average number of shares after dilution		18,112,534	18,112,534	18,112,534	18,112,534
No. of days in period		64	63	251	250

## Statement of comprehensive income

SEK m	Oct-Dec		Jan-Dec	
	2010	2009	2010	2009
Profit/loss after tax	22.7	-90.0	-5.3	-208.6
<b>Comprehensive income</b>				
Translation differences for the period	-6.2	3.1	-50.2	-22.6
Hedging of net investments	5.4	-6.5	57.5	27.4
Tax referring to effects of hedging	-1.4	2.2	-15.1	-7.5
Other comprehensive income	-2.2	-1.2	-7.8	-2.7
<b>Total comprehensive income for the period**</b>	<b>20.5</b>	<b>-91.2</b>	<b>-13.1</b>	<b>-211.3</b>
** Of which parent company shareholders	20.5	-91.2	-13.1	-211.3

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



**Quarterly information by business area**

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating income (SEK m)												
Automotive R&D	550.1	563.3	441.7	503.2	390.9	336.5	273.3	276.2	263.3	256.7	263.7	307.3
Design & Development	225.4	235.3	169.4	221.6	188.9	187.3	131.9	180.0	179.9	171.0	133.7	185.6
Informatic	105.0	103.7	84.5	95.6	82.8	78.5	72.5	82.3	77.5	88.2	74.1	89.9
<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>471.5</b>	<b>582.8</b>
Operating profit/loss (SEK m)*												
Automotive R&D	23.8	21.1	6.3	13.0	-36.3	-29.5	-16.5	-16.7	-14.8	-26.9	-7.8	14.5
Design & Development	31.0	27.1	17.2	26.2	0.1	0.9	-11.4	14.8	5.9	4.0	2.1	11.4
Informatic	13.8	14.6	7.2	14.8	4.0	4.6	3.6	12.0	4.4	6.3	5.8	13.0
<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>	<b>0.1</b>	<b>38.9</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	-2.8	-4.0
<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>-2.7</b>	<b>34.9</b>
Operating margin (%)												
Automotive R&D	4.3	3.7	1.4	2.6	-9.3	-8.8	-6.0	-6.1	-5.6	-10.5	-3.0	4.7
Design & Development	13.8	11.5	10.2	11.8	0.1	0.5	-8.6	8.2	3.3	2.3	1.6	6.1
Informatic	13.1	14.1	8.5	15.5	4.8	5.8	5.0	14.6	5.7	7.1	7.8	14.5
<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>0.0</b>	<b>6.7</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>-0.6</b>	<b>6.0</b>
Number of employees												
Automotive R&D	2,419	2,369	2,331	2,025	1,911	1,670	1,600	1,497	1,467	1,463	1,516	1,565
Design & Development	907	889	882	869	859	838	791	784	803	760	736	753
Informatic	396	404	404	416	396	363	350	350	356	363	371	385
<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>	<b>2,623</b>	<b>2,703</b>
No. of working days	64	58	65	62	61	61	67	62	62	59	66	64

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

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

## Balance sheet

SEK m	31 Dec 2010	31 Dec 2009
<b>Assets</b>		
Intangible assets, goodwill	437.2	475.2
Other intangible assets	24.7	28.5
Tangible fixed assets	43.0	60.6
Financial assets	18.2	17.2
Deferred tax recoverable	69.9	89.0
Accounts receivable	323.8	324.2
Accrued non-invoice income	133.9	108.2
Current assets	375	93.7
Cash and bank balances	42.5	67.7
<b>Total assets</b>	<b>1,130.7</b>	<b>1,264.3</b>
<b>Shareholders equity and liabilities</b>		
Shareholders equity and liabilities	372.6	385.4
Pensions obligations	48.4	73.0
Deferred tax recoverable	270.1	310.6
Interest-bearing long-term liabilities	29.2	0.4
Interest-bearing current liabilities	69.9	77.2
Non interest-bearing current liabilities	340.5	417.7
<b>Total shareholders equity and liabilities</b>	<b>1,130.7</b>	<b>1,264.3</b>

## Change in shareholders equity

SEK m	31 Dec 2010	31 Dec 2009
Shareholders equity at start of period	385.4	596.2
Total comprehensive income	-13.1	-211.3
Share savings program	0.3	0.5
<b>Shareholders equity at end of period</b>	<b>372.6</b>	<b>385.4</b>

## Cash flow statement

SEK m	Oct-Dec		Jan-Dec	
	2010	2009	2010	2009
Cash flow from current activities before change in working capital	43.9	-5.7	13.1	-152.0
Change in working capital	-15.6	8.4	-49.3	259.2
<b>Cash flow from current activities</b>	<b>28.3</b>	<b>2.7</b>	<b>-36.2</b>	<b>107.2</b>
Net investments	-2.7	-0.3	-14.5	-18.5
Aquisition of group company	-	-1.3	-	-1.4
Sales of fixed assets	0.4	0.3	3.5	0.6
<b>Cash flow from investments activities</b>	<b>-2.3</b>	<b>-1.3</b>	<b>-11.0</b>	<b>-19.3</b>
Change in interest-bearing liabilities	-7.4	-3.5	28.3	-136.4
<b>Cash flow from financing activities</b>	<b>-7.4</b>	<b>-3.5</b>	<b>28.3</b>	<b>-136.4</b>
<b>Cash flow for the period</b>	<b>18.6</b>	<b>-2.1</b>	<b>-18.9</b>	<b>-48.5</b>
Cash and bank at the start of the period	27.2	69.1	67.7	117.6
Translation difference	-3.3	0.7	-6.3	-1.4
<b>Cash and bank at the end of the period</b>	<b>42.5</b>	<b>67.7</b>	<b>42.5</b>	<b>67.7</b>

**Key figures excl. one-off items**

	Jan-Dec 2010	Jan-Dec 2009
Operating margin (%)	0.9	-3.1
Profit margin (%)	0.4	-3.8
Return of average shareholders equity (%)	1.7	-11.2
Return of average capital employed (%)	2.7	-6.8

**Key figures incl. one-off items**

	Jan-Dec 2010	Jan-Dec 2009
Growth in sales (%)	-8.3	-30.8
Organic growth (%)	-4.5	-33.1
Operating margin before depreciation/amortization (%)	1.6	-5.4
Operating margin (%)	0.1	-10.6
Profit margin (%)	-0.3	-11.3
Return of average shareholders equity (%)	-1.4	-42.1
Return of average capital employed (%)	-0.6	-25.7
Equity/asset ratio (%)	33.0	30.5
Debt/equity ratio (times)	0.8	0.8
Interest coverage ratio (times)	0.4	-10.0
Average number of employees	2,474	2,791
Sales per employee (SEK 000)	845	817
Value added per employee (SEK 000)	595	524
Profit/loss before tax per employee (SEK 000)	-2.5	-92.0
Investments in fixed assets (SEK m)	14.5	18.5

**Key figures for shares**

	Jan-Dec 2010	Jan-Dec 2009
EPS after tax (SEK)	-0.29	-11.52
EPS per share after dilution (SEK)	-0.29	-11.52
Shareholders equity before dilution (SEK)	20.57	21.28
Shareholders equity per share after dilution (SEK)	20.57	21.28
Share price at the end of the period (times)	1.43	1.34
Cash flow from current activities per share (SEK)	-3.62	5.92
Dividend	-	-
P/E-ratio	neg.	neg.
P/S-ratio	0.25	0.23
Share price at the end of the period (SEK)	29.40	28.50
Market price at the end of the period (SEK m)	533	516
Number of shares at the end of the period. Quotient SEK 1 (000)	18,113	18,113
Average number of shares (000)	18,113	18,113
Average number of shares after dilution (000)	18,113	18,113

## Largest holdings, 31 Dec 2010

Name	No. of shares	Votes, %
JCE Group	5,526,271	30.5
Skandia liv	2,202,540	12.2
Swedbank Robur fonder	1,479,823	8.2
Tanglin	621,858	3.4
Andra AP-fonden	567,594	3.1
FIM bank	474,517	2.6
Avanza Pension	335,094	1.9
Nordnet Pensionsförsäkring	315,936	1.7
SIX SIS AG	269,100	1.5
Mellon Omnibus	209,500	1.2
Total	12,002,233	66.3
Own shares	288,829	1.6
Other	5,821,472	32.1
Total	18,112,534	100.0

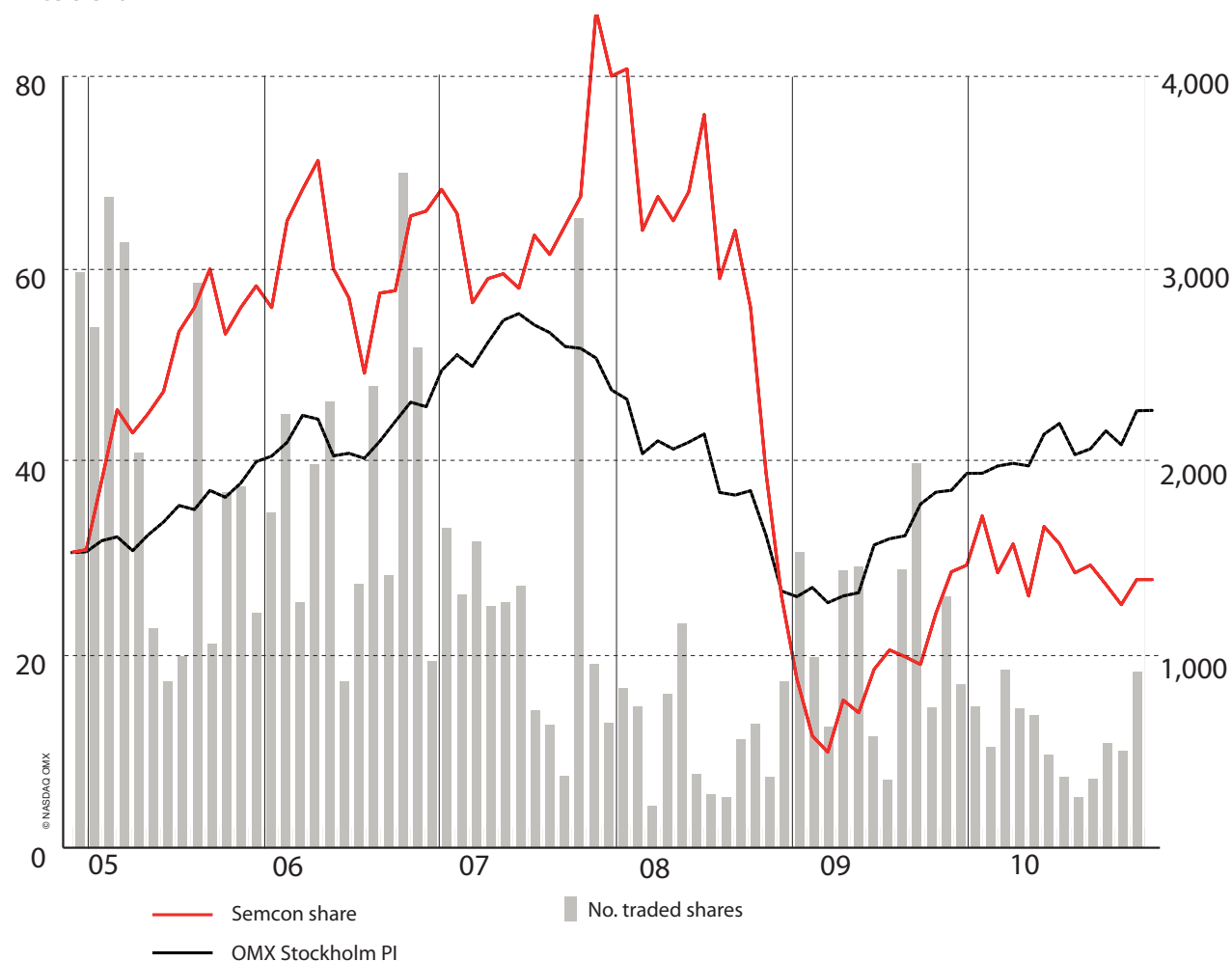
Source: Euroclear Sweden AB register of shareholders on 31 December 2010.

## Ownership structure, 31 Dec 2010

	No. of share-holders	No. of shares	Pro-portion, %	Market value SEK 000
1-500	2,489	523,305	2.9	15,385
501-1,000	765	636,703	3.5	18,719
1,001-10,000	667	1,990,964	11.0	58,534
10,001-100,000	79	2,234,743	12.3	65,701
100,001 -	14	12,437,990	68.7	365,677
Own shares	1	288,829	1.6	8,492
Summa	4,015	18,112,534	100.0	532,508

Source: Euroclear Sweden AB register of shareholders on 31 December 2010.

## Price trend



# Notes

## Note 1 One-off items

SEK m	Oct-Dec		Jan-Dec	
	2010	2009	2010	2009
Structural changes in Sweden *	-1.4	-17.9	-11.3	-82.2
Structural changes outside Sweden *	-2.6	-5.0	-3.6	-5.0
Reserv doubtful debts	-	-	-	-5.4
Writedown of shares	-	-72.0	-	-72.0
Writedown of shares in associated companies	-	-6.2	-	-6.2
<b>Total</b>	<b>-4.0</b>	<b>-101.1</b>	<b>-14.9</b>	<b>-170.8</b>
Specification of items in the income statement				
Other external expenses	-	-	-2.3	-10.6
Staff costs	-4.0	-22.9	-12.6	-82.0
Writedown of goodwill	-	-72.0	-	-72.0
Writedown of shares in associated companies	-	-6.2	-	-6.2
<b>Total</b>	<b>-4.0</b>	<b>-101.1</b>	<b>-14.9</b>	<b>-170.8</b>
Dividend per business area				
Automotive R&D	-4.0	-91.0	-6.8	-146.5
Design & Development	-	-10.7	-8.1	-20.0
Informatic	-	0.6	-	-4.3
<b>Total</b>	<b>-4.0</b>	<b>-101.1</b>	<b>-14.9</b>	<b>-170.8</b>

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

## Parent company

# Financial, summary

### Income statements

SEK m	Oct-Dec		Jan-Dec	
	2010	2009	2010	2009
Operating income	3.2	1.0	22.2	25.4
Other external expenses	-5.8	-6.8	-19.1	-21.0
Staff costs	-6.7	-5.2	-27.2	-23.0
<b>Operating profit/loss before depreciation</b>	<b>-9.3</b>	<b>-11.0</b>	<b>-24.1</b>	<b>-18.6</b>
Depreciation of tangible assets	-0.2	-	-0.4	-0.1
<b>Operating profit/loss after depreciation</b>	<b>-9.5</b>	<b>-11.0</b>	<b>-24.5</b>	<b>-18.7</b>
Net financial items *	24.2	-103.6	44.0	-129.2
<b>Profit/loss after net financial items</b>	<b>14.7</b>	<b>-114.6</b>	<b>19.5</b>	<b>-147.9</b>
Appropriations	0.2	43.8	0.2	43.8
<b>Profit/loss after tax</b>	<b>14.9</b>	<b>-70.8</b>	<b>19.7</b>	<b>-104.1</b>
Tax	-4.6	-9.2	-5.9	-0.4
<b>Profit/loss after tax</b>	<b>10.3</b>	<b>-80.0</b>	<b>13.8</b>	<b>-104.5</b>
* Of which Group contribution received	17.0	6.3	17.0	6.3
Of which exchange rate differences	1.6	-1.8	29.5	-15.5
Of which writedown of participation in associated companies	-	-103.0	-	-103.0

### Balance sheets

SEK m	31 Dec 2010	31 Dec 2009
<b>Assets</b>		
Tangible fixed assets	1.2	1.6
Financial fixed assets	529.5	444.5
Current assets	149.9	349.6
Cash and bank	-	14.6
<b>Total assets</b>	<b>680.6</b>	<b>810.3</b>
<b>Shareholders equity and liabilities</b>		
Shareholders equity	294.5	306.5
Untaxed reserves	0.2	0.4
Interest-bearing long-term liabilities	283.7	286.4
Interest-bearing current liabilities	26.6	-
Non interest-bearing current liabilities	75.6	217.0
<b>Total shareholders equity and liabilities</b>	<b>680.6</b>	<b>810.3</b>