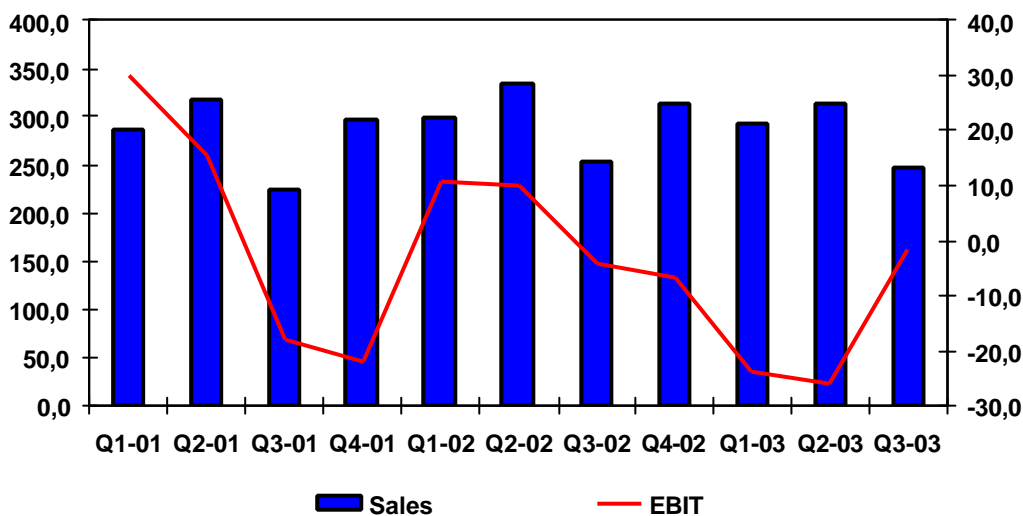


IMPROVED RESULTS ON A CONTINUED WEAK MARKET

- Sales amounted to SEK 854.1 million (885.7)
- The loss after tax was SEK 50.2 million (10.6)
- EPS was SEK –2.89 (0.61)
- Earnings improved by 65% compared to Q3 in 2002
- Financial situation under control

Quarterly performance, SEKm



Comments by Semcon's CEO, Hans Johansson

It pleases me that the operating result for Q3 has improved so strongly. The improvement is due to the success of the Fast2Profit rationalisation scheme that, among other things, has led to an increased coverage ratio and more business. The positive results in September show that we are heading in the right direction.

We successfully continue to win business with new and existing customers and are winning market shares even though the industry as a whole is suffering. Total sales for the year are on a par with last year, which means that invoicing per consultant is up because we now have fewer employees.

The partnership with Saab Automobile, which started in September and which includes orders worth SEK 400 million over five years, strengthens our leading position in Europe in the informatics sector. It comes on top of previous partnerships in this sector with Volvo Cars and Ericsson. This business is progressing very well and we have secured a very strong market position for coming years.

Strategically important design orders from Ford and GM mean that activities in the UK are also progressing well.

We have seen a certain amount of stabilisation on the market in the third quarter and demand is rising within product development as several of our customers are now intensifying their efforts in this area.

The financial situation is under control and the credit limit has been increased by SEK 60 million to SEK 160 million through an agreement with SEB Finans AB whereby Semcon's accounts receivable are used as security.

The company still expects to make a loss for the year. Successful measures in 2003 mean that we will generate operating profits in Q4. The aim of the measures is to secure positive earnings in 2004.

Business activities

Sales for the first nine months of the year amounted to SEK 854.1 million (885.7), a reduction of 3.6%. The operating loss before depreciation of intangible fixed assets (EBITA) was SEK 34.1 million (+24.6) corresponding to a margin of -4.0 (+2.8). The operating loss after depreciation (EBIT) was SEK 51.3 million (+17.0) corresponding to a margin of -6.0% (+1.9). In Q3, which is always the most difficult quarter, earnings were up 65% on 2002 at SEK -1.4 million from SEK -3.9 million.

The reasons for the accumulated loss are the problems in Denmark and the weak market position. The following costs affected results: close-down costs of SEK 49.0 million, reserves of SEK 10.9 million for high risk projects and goodwill write-downs of SEK 8.4 million. If these items were omitted, the operating profit would have been SEK 17.1 million.

Denmark Engineering and Management Consulting A/S were declared bankrupt in Q3. The effects of the bankruptcy, SEK 22 million, are accommodated in reserves previously set aside. Activities at Knud E Hansen A/S have not been affected by the bankruptcy and our investment in the Marine Design area continues as planned.

Business areas	Sales (SEK m)		Growth (%)	Operating profit/loss (SEK m)		Operating margin (%)	
	30/9/03	30/9/02		30/9/03	30/9/02	30/9/03	30/9/02
Industrial Design	419.7	426.1	-1.5	-28.8	11.2	-6.9	2.6
e-Design	310.6	348.6	-10.9	-18.3	3.1	-5.9	0.9
Technology Management	123.8	111.0	11.5	-4.2	2.7	-3.4	2.4
TOTAL	854.1	885.7	-3.6	-51.3	17.0	-6.0	1.9

Note * If non-operating items are omitted, the operating profit would have been SEK 17.1 million.

INDUSTRIAL DESIGN

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

Sales amounted to SEK 419.7 million (426.1) and the operating loss was 28.8 million (11.2). The business area accounted for 49% (48) of the Group's activities. The problems in Denmark and the tough market situation have negatively impacted on the business area's results. Reserves of SEK 8.4 million for high-risk projects, an SEK 5.8 million goodwill write-down and cutbacks totalling SEK 18.9 million have affected results. New projects have been started with, among others, Alpharma, Bombardier Transportation, DFDS, FMV, Perstorp, AB Volvo and Volvo Cars.

E-DESIGN

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

Sales amounted to SEK 310.6 million (348.6) and the operating loss was 18.3 million (+3.1). The business area accounted for 36% (39) of the company's activities. The negative trend was primarily due to the lower demand in the telecom and IT sectors that mainly affected Denmark, but also to a certain degree Norway and the Stockholm region. The following costs affected earnings: completed cutbacks totalling SEK 27.2 million, reserves of SEK 2.5 million for projects that made a loss and goodwill write-downs of SEK 0.7 million. New assignments started during the period with Assa Abloy, AstraZeneca, Ericsson, Saab Automobile, Sony Ericsson and Volvo Cars.

Informatic

Through the partnership with Saab Automobile, Semcon is developing its leading position in Europe within informatics. The partnership covers all activities within service readiness. The undertaking also includes

translation, printing and distribution of all after-market materials for Saab's service and dealer networks throughout the world.

Other partnerships with Ericsson and Volvo cars in the same field, added to our technical information consulting department, means that Informatic now employs around 300 people. Informatic's financial development is good and the business logic of partnerships, whereby we take full responsibility for the development of product and service information for a single, fixed price, means significant savings for customers.

TECHNOLOGY MANAGEMENT

Technology Management improves customer's results by developing strategies for processes, human resources, technology and IT. 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 by 11.5% to SEK 123.8 million (111.0) and the operating loss was SEK 4.2 million (+2.7). Results were affected by cutback costs of SEK 2.9 million and goodwill write-downs of SEK 1.9 million. The business area accounted for 14% (13) of the company's activities. Demand for the business area's services continued to rise in Q3. This cements our position as one of the leading management consultants in the Nordic region focussing on industry.

Industrial management/Project management

Industrial Management has continued to perform well on the market. Adjustments have been made within Project Management and the unit performed well during the quarter. New projects have started in co-operation with AstraZeneca, Ericsson, Mitsubishi, Swedish Match and Telia.

Zipper/Zystems

Demand is strong for Zipper by Semcon concepts and growth remains positive. Zipper has signed a new agreement with Stena Metall and developed new business with Akzo Nobel, SAS and Securitas.

Zystems by Semcon has also progressed well. The company is now the market leader for building system integration platforms on the Swedish market. Work has started aimed at securing European partners who will use the BaseLine concept. New assignments include Sony Ericsson, Elof Hansson, FlexLink and Mekonomen.

The parent company

Semcon AB is the Group's parent company and is responsible for Group-wide issues such as strategy, information and marketing. Sales totalled SEK 13.7 million (11.9) and the profit after depreciation was SEK 1.2 (0.0). The parent company's liquidity was SEK 24.8 million (41.0). The company's investments in stock totalled SEK 0.0 million (0.0).

Personnel and organisation

The average number of employees was 1,490 (1,606). The total headcount at the end of the period was 1,421 (1,569).

Financial items and investments

The Group's total investments, mainly in computer hardware and software plus office supplies and equipment in relation to the change of premises, totalled SEK 21.9 million (10.3). Investments in subsidiaries' shares amounted to SEK 0.2 million (1.7). At the period's end the equity/assets ratio was 18.3% (30.9). Liquid funds at the period's end amounted to SEK 13.5 million (5.8). Of a total of SEK 100 million (100) in bank overdraft facilities, SEK 77.0 million (41.3) was utilised. An invoice purchase agreement has been signed between SEB Finans AB and Semcon Sweden AB, meaning that Semcon retains a credit limit of SEK 160 million.

Options scheme

The number of outstanding options held by Semcon's employees is 381,800. Due to the current share price it is estimated that these options will not have any dilution effect.

Outlook

Our assessment is that the market will continue to be weak for the rest of the year. The market situation has however stabilised during Q3.

The cost of close-downs and writing down goodwill means that we will not show a profit at the year-end. It is our opinion that the measures taken are sufficient to underpin a profit for 2004. Our strong position in the Vehicle sector especially, coupled with our broad customer base in Industry and Medical Life Science, paves the way for long-term growth.

Other information

This quarterly report has been prepared according to the Swedish Financial Accounting Standards Council's recommendation "RR 20 Delårsrapportering" (Quarterly reporting). The same accounting principles and calculation methods have been used in this quarterly report as in the last Annual Report. This report has not been subject to review by the company's auditors.

The financial statement for 2003 will be published on 5 February 2004.

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Göteborg, 23 October 2003

Hans Johansson, CEO

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Semcon AB- Consolidated financial summary

Income statements (SEK 000s)	2003 July-Sept	2002 July-Sept	2003 Jan-Sept	2002 Jan-Sept	2002 Full year
Operating income	248 381	253 467	854 117	885 729	1 200 201
Staff costs	-164 794	-185 690	-614 342	-628 594	-862 644
Other operating expenses	-76 937	-63 180	-257 702	-214 182	-292 903
Operating profit/loss before depreciation	6 650	4 597	-17 927	42 953	44 654
Depreciation of tangible assets	-5 286	-5 679	-16 207	-17 428	-23 054
Depreciation of intangible assets *	-2 742	-2 851	-17 126	-8 538	-11 489
Operating profit/loss after depreciation	-1 378	-3 933	-51 260	16 987	10 111
Net financial items	-1 058	-921	-1 934	-2 137	-2 993
Profit/loss after net financial items	-2 436	-4 854	-53 194	14 850	7 118
Tax	-225	755	-540	-4 313	-14 787
Deferred tax	-529	-	3 515	-	8 616
Minority interest in profit/loss	-	21	18	20	0
Profit/loss for the period	-3 190	-4 078	-50 201	10 557	947
Average number of shares	17 391 021	17 391 021	17 391 021	17 391 021	17 391 021
Earnings per share SEK	-0,18	-0,24	-2,89	0,61	0,05

Note * Of which depreciation of goodwill

8 431

Balance sheets (SEK 000s)	30/9/03	30/9/03	31/12/02
Assets			
Intangible fixed assets*	69 861	81 356	81 273
Tangible fixed assets	42 487	44 854	43 316
Financial fixed assets	11 719	11 894	11 961
Other long-term receivables	12 175	8 113	9 080
Current assets	391 656	359 600	410 455
Total assets	527 898	505 817	556 085
Shareholder's equity and liabilities			
Shareholders' equity	96 404	156 304	147 594
Provisions	52 888	71 493	60 061
Minority shares	-	282	180
Long-term liabilities	83 092	53 794	57 028
Current liabilities	295 514	223 944	291 222
Total shareholders' equity and liabilities	527 898	505 817	556 085

Note * Of which goodwill

65 484

77 756

77 973

Cash flow statement (SEK 000s)	2003 Jan-Sept	2002 Jan-Sept	2002 Full year
Current activities	2 430	38 038	28 809
Change in working capital	11 088	-22 448	12 025
Investment activities	-28 321	-11 230	-16 835
Financing activities	-4 771	-5 611	2 024
Change in liquid funds	-19 575	-1 251	26 023

Change in shareholders' equity (SEK 000s)	2003 Jan-Sept	2002 Jan-Sept	2002 Full year
Shareholders' equity at period's start	147 594	148 921	148 921
Option premium	0	990	1 668
Exchange rate difference	-163	29	-102
Risk of loss in initial SWAP agreement	-826	-4 194	-3 840
Profit/loss for the period	-50 201	10 558	947
Shareholders' equity at period's end	96 404	156 304	147 594

Key figures	Note	2003 Jan-Sept	2002 Jan-Sept	2002 Full year
Growth/Decline in sales, (%)		-3.6	6.8	6.5
Operating margin, (%)	1	-6.0	1.9	0.8
Return on shareholders' equity, (%)	2	-39.1	6.6	0.6
Return on capital employed, (%)	3	-25.7	8.3	5.6
Equity/assets ratio, (%)	4	18.3	30.9	26.5
Debt/equity ratio, (multiple)	5	0.86	0.34	0.43
Interest cover ratio, (multiple)	6	-18.9	7.9	2.5
Earnings per share, (SEK)	7	-2.89	0.61	0.05
Shareholders' equity per share, (SEK)	8	5.54	8.99	8.49
Average number of employees	9	1 490	1 606	1 581
Value added per employee, (SEK 000s)	10	374	395	535
Profit/loss after financial items per employee, (SEK 000s)	11	-35.7	9.2	4.5
Investments in machinery and equipment, (SEK 000s)		21 871	10 253	14 755
Investments in subsidiaries' and associate companies' shares, (SEK 000s)		169	1 658	3 766
Number of shares at period's end at a nom. 1 SEK		17 391 021	17 391 021	17 391 021
Average number of shares		17 391 021	17 391 021	17 391 021

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. Profit/loss after net financial items plus financial expenses divided by financial expenses.
7. Profit/loss for the year divided by the average number of shares.
8. Shareholders' equity divided by the number of shares at period's end.
9. Average number of full-time employees.
10. Profit/loss after depreciation plus payroll expenses and social security contributions divided by average number of full-time employees.
11. Profit/loss after net financial items divided by the average number of full-time employees.
12. A certain dilution effect is not judged to exist for outstanding options because the exercise price exceeds the prevailing share price.

Other explanations:

Net profit for the year
Capital employed.

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

Significant events during the period

- Partnership agreement between Semcon Informatic and Saab Automobile started on 1 September. It is Semcon's largest business deal ever.
- Design orders from Ford and GM mean that activities in the UK are developing well.
- The Akzo Nobel Group has signed an order concerning the implementation of FastTrack for all their units throughout the world.

Significant events since the end of the period

- Development order worth SEK 25.5 million from Volvo Cars.
- Frame agreement signed with Saab Tech.
- Corporate frame agreement signed with Sony Ericsson.

Examples of assignments in progress during Q3

- Ericsson Development of a specific project management model - iPROPS
- Volvo Car Design specification assignment worth SEK 8.1 million
- Bombardier Transportation

 Technical tests completed for two major subway projects in Bucharest and Stockholm.