

Stefan Fransson
Team leader at Automation & Industrial IT

FINANCIAL STATEMENT 2003

- Sales at the same level as 2002, SEK 1,199 million (1,200 m)
- Loss after tax of SEK 57.6 million (+0.9 m)
- Earnings per share of SEK -3.31 (+0.05)
- Operating loss after depreciation (EBIT) in Q4 of SEK 1.5 million (-6.9 m), an improvement of 78%

COMMENTS BY CEO HANS JOHANSSON

2003 was a challenging year for everyone on our market, including Semcon. We had to wait until the end of the year to see the market regain stability and show signs of improvement.

Under these conditions I am proud that we managed to produce the same level of sales as in 2002. With our industry under such pressure, this was an achievement. One of the reasons was new business with Ericsson and Saab Automobile that we gained during the year. We have also succeeded with our sales efforts to the extent that our customers continued to show their trust in us in all of our prioritised segments.

The agreement with GM, Saab Automobile, is Semcon's single largest business deal to date. It will run for five years and is worth SEK 400 million. Along with previous partnerships with Volvo Car Corporation and Ericsson, the GM order strengthens our leading position in Europe within Informatics. It is within the Informatics sector that we see the best prospects for growth on 2004.

At the end of Q3 brighter spots were visible in the market. Improvements continued during the remainder of the year and all our business areas reported positive trends. The better

“Healthy operating profit before one-off items during the final quarter”

outlook combined with our Fast2Profit programme helped us to produce positive earnings. During the final quarter we also wrote down goodwill and allocated reserves for business closures.

For the first time in Semcon's 23-year history the company is reporting an operating loss. Contributory factors included a swift decline in demand that led to low utilisation of resources and strong price pressures. We also experienced problems with projects that did not develop as planned and with broken contracts, which required swift termination of activities.

Fast2Profit, Semcon's restructuring scheme, continued to achieve success during the year. The purpose of the scheme was to strengthen the sales organisation and make savings and

improve efficiency so that we could cut costs by at least SEK 50 million. We have exceeded that target.

Fast2Profit has been boosting earnings since September in 2003. It will continue to do so in 2004. We have decided to continue with this project in 2004.

Our long-term competitive strength has been boosted by our investment in our new head office in Göteborg, Semcon Tech Center. Around 500 of Semcon employees are now based at the Lindholmen Science Park, one of Europe's most expansive business centres, with neighbours such as Ericsson, AB Volvo and many other fast-developing businesses.



MARKETS, TRENDS AND TARGETS

The market for industrial consultants in the Nordic region weakened during 2001 to 2003. Many businesses in the sector have seen sales fall significantly. Internationally, the story is even more dramatic. In the same period Semcon has increased its sales and gained market share. Towards the end of 2003 demand and orders picked up, boosting the market.

Trends point to an increasing willingness to invest in several sectors. Customers are dependent on getting their new products quickly onto the market and this requires investment in product development in order to increase sales. The following trends are visible within Semcon's prioritised sectors: Within the Vehicle sector the considerable investment in the development of new models promised by the car industry in coming years should benefit our business. Conditions remain positive within the Medical/LifeScience sector while businesses in the Industry sector are investing again in design and product development. Stabilisation of the Telecom sector means that demand for services is rising again.

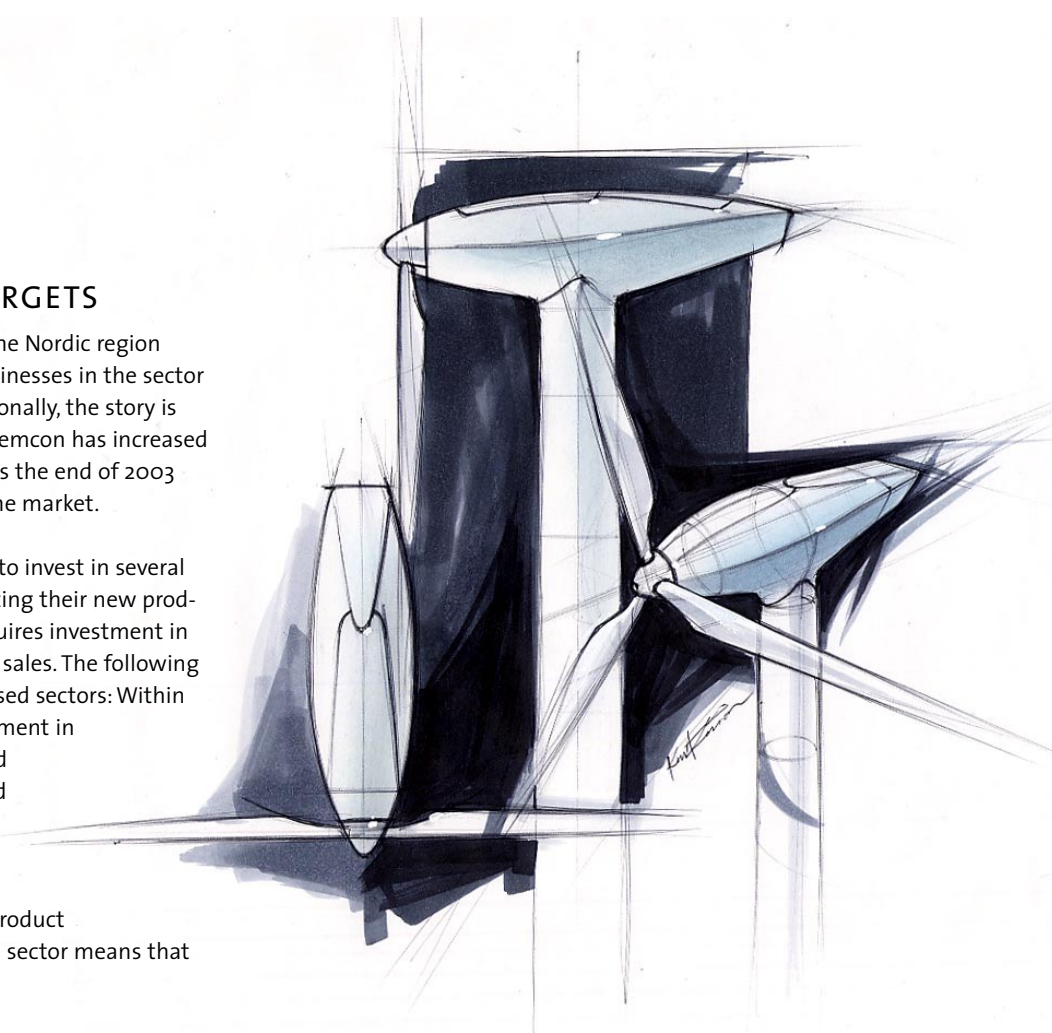
STRATEGY

Semcon develops its range of services continuously. In recent years we changed our focus on being a technical consultant to being our customer's best technical partner instead. Starting in 2000 our aim has been to move further and be our customer's business partner in design, development and technology. We deliver results instead of hours in an increasing proportion of our projects. Demand is increasing steadily for advanced system know-how, project management and taking complete project responsibility.

Semcon aims to be the most attractive partner for our customers. We can be this when we take complete responsibility for the development process. We produce the best results with our extensive knowledge of our customers' development chains and their customers' unique requirements. Because we are involved in the most challenging high technology projects in the most exciting sectors we attract the best people with advanced skills to come and work for Semcon.

TARGETS

In 2004 Semcon aims to regain profitability, improve the equity/assets ratio and continue winning market share. We will reach our profitability targets by intensifying our sales efforts and keeping costs in check. The cutbacks in activities that we were forced to make during 2003 have helped us adapt our cost structure, which together with the stabilisation of the market and the fantastic hard work throughout our organisation means that we will achieve our goals. Our equity/assets ratio will improve as earnings pick up. Our target for the equity/assets ratio is 35%. Meanwhile, growth is required if we are to continue gaining market share. We



expect growth to come primarily from international expansion in Europe. Our competitive services within Informatics should enable us to achieve this goal.

AN ORGANISATION ADAPTED TO THE MARKET

In November Semcon completed a re-organisation. The aim was to achieve greater efficiency, with faster communication and swifter decision-making. We streamlined our market offer by organising ourselves into three business areas: Design & Development, Informatic and Innovation. Design & Development focuses on design and product development; Informatic focuses on technical information and strong concepts and successful partnerships have helped this business area become one of the key players in Europe. Innovation develops businesses with strong business concepts marketed under individual brands and provides various types of IT solutions.

OUTLOOK

We saw increased activity during the final quarter of 2003 and expect the market to stabilise in 2004. The continuing trend of large corporations choosing fewer suppliers benefits Semcon. Our growth prospects look to be fastest within Vehicle, followed by Medical & Life Science, Industry and Telecom.

In 2004 we expect to report a profit for the full year and an improved equity/assets ratio.

BUSINESS ACTIVITIES

SALE ANALYSES

Group sales in 2003 reached SEK 1,198.7 million (1,200.2 m). During the final quarter sales totalled SEK 344.6 million (314.5 m), up 10%.

Sales within the Design & Development business area amounted to SEK 776 million (839 m), down 8% on 2002. The main source of the fall was the telecom sector, especially in Denmark. A positive note was struck in the UK, where activities progressed well in the autumn. Sales within the Informatic business area climbed 22% on 2002 to reach SEK 244 million (200 m). New partnerships with Ericsson and Saab Automobile accounted for most of the growth. Sales within the Innovation business area rose 11% to SEK 179 million (161 m). Zsystems by Semcon accounted for most of the growth.

Analysis of sales per customer shows that the auto sector provides the largest portion of Semcon's sales. Volvo Car Corporation is the largest individual customer, representing 27% (22) of Semcon's sales. This sum is distributed fairly evenly across our business areas, which balances the exposure to risk.

EARNINGS ANALYSES

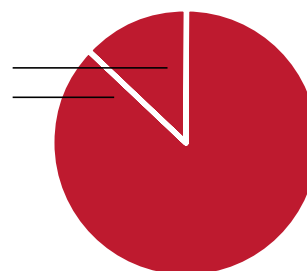
The operating loss before depreciation of intangible assets (EBITA) amounted to SEK 29.5 million (+21.6). The operating loss after depreciation (EBIT) amounted to SEK 52.8 million (+10.1), which meant a margin of -4.4% (+0.8). The prime causes of the negative results are the problems in Denmark and the weak market that led to cutbacks in activities and an SEK 55.4 million charge to earnings. Furthermore, we allocated SEK 10.5 million to a reserve for high-risk projects, we made an SEK 11.6 million one-off write-down of goodwill, wrote down the value of shares in associated companies by SEK 3.9 million and diverted SEK 5.0 million into a reserve to cover unreliable credit. Excluding these items, we would have made an operating profit of SEK 33.6 million, which would have meant an operating margin of 2.8%.

In Q4 the more stable market, coupled with the measures implemented internally during the year, had a positive effect on earnings. We made a total charge to earnings of SEK 21.8 million for a write-down of goodwill and for a reserve for agreed cutbacks and write-downs.

The operating loss after depreciation for the final quarter was SEK 1.5 million (-6.9 m), a 78% improvement.

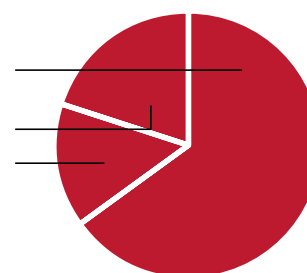
Share of earnings

International	13%	(15%)
Sweden	87%	(85%)



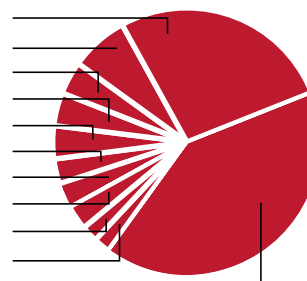
Sales per industry

Design & Development	65%	(70%)
Informatic	20%	(17%)
Innovation	15%	(13%)

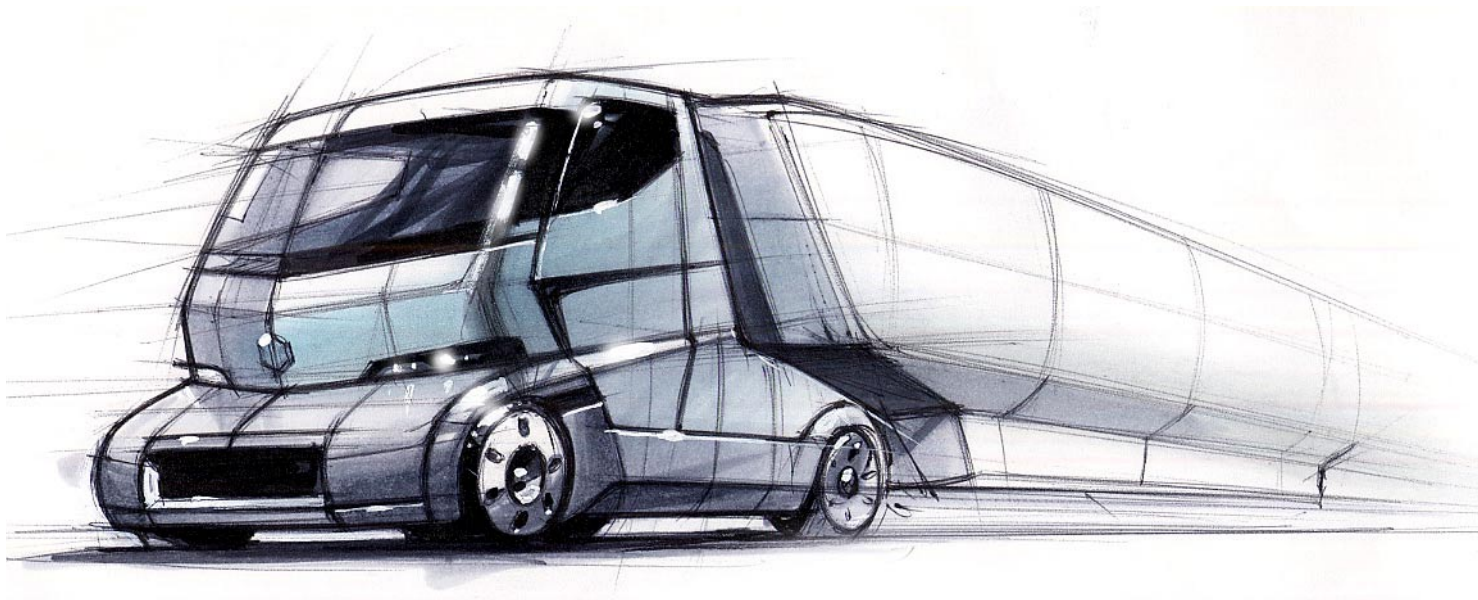


Largest customers, 2003

Volvo Car Corp.	27%	(22%)
Ericsson	7%	(10%)
Saab Automobil	4%	(7%)
AB Volvo	4%	(3%)
TetraPak	4%	(3%)
ABB	3%	(2%)
AstraZeneca	3%	(2%)
SonyEricsson	3%	(1%)
Scania	2%	(2%)
Bombardier	2%	(1%)
Other	41%	(47%)



BUSINESSAREAS	Sales (SEK m)		Growth (%)	Share of sales (%)	Operating profit/loss (SEK m)		Operating margin (%)	
	31/12/2003	31/12/2002			31/12/2003	31/12/2002	31/12/2003	31/12/2002
Design & Development	775.7	838.9	-7.5	64.7	-61.2	0.0	-7.9	0.0
Informatic	243.9	199.9	22.1	20.4	13.8	13.8	5.7	6.9
Innovation	179.1	161.4	10.9	14.9	-5.4	-3.7	-3.0	-2.3
Total	1 198.7	1 200.2	-0.1	100.0	-52.8	10.1	-4.4	0.8



The operating profit/loss after depreciation for the business areas was as follows: Design & Development, SEK -61.2 million (0); Informatic, SEK +13.8 million (+13.8 m); Innovation, SEK -5.4 million (-3.7 m). Within Design & Development the problems in Denmark, mentioned previously, account for most of the negative result. Within Innovation the negative result is due to our share of the loss in Euromation and our write-down of the value of the shares in that company, and to the closure of Zpearpoint.

Net financial items were SEK -2.4 million (-3.0 m), which gave a loss after net financial items of SEK 55.2 million (+7.1 m). The Group's loss after tax was SEK 57.6 million (+0.9 m) and earnings per share were SEK -3.31 (+0.05).

PARENT COMPANY

Semcon AB is the parent company of the Group and is responsible for corporate issues such as strategy, information and marketing. Sales amounted to SEK 21.5 million (17.5 m) and the profit after depreciation was SEK 2.8 million (-0.1 m). The parent company's liquidity was SEK 32.2 million (49.5 m). The company's investments in stock were SEK 0.0 million (0.0 m).

PERSONNEL

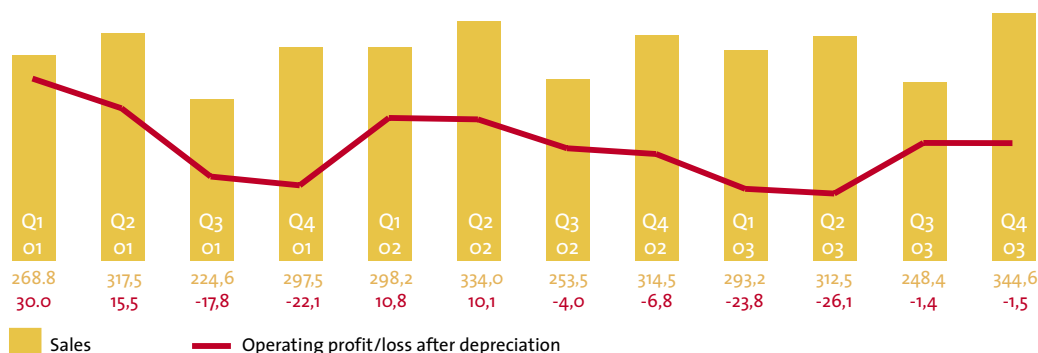
The average number of employees was 1,504 (1,581). The total number of employees at the end of the period was 1,442 (1,570). The headcount at each business area at the end of the period was as follows: Design & Development, 1,032 (1,224); Informatic, 270 (202); Innovation, 140 (144).

Competence development was a major focus area in 2003. Over 100 employees received project management training in accordance with the Props method, which is part of efforts aimed at Guaranteeing high quality in our project activities.

FINANCIAL ITEMS & INVESTMENTS

The Group's total investments in hardware and licences, and office equipment in connection with relocation, was SEK 22.8 million (14.8 m). Investment in goodwill arising from the purchase of net assets in a business was SEK 8.5 million (0.0 m). Investment in shares in subsidiaries was SEK 0.2 million (3.8 m). At the end of the period the equity/assets ratio was 19.1% (26.5), liquid assets were SEK 40.7 million (33.1 m) and the bank overdraft facilities were SEK 36 million (100 m), of which SEK 0.0 million (52.4 m) had been utilised. As of 31 December the value of sold invoiced receivables was SEK 82.2 million (0.0).

Quarterly development (SEK m)



SEMCON AB-CONSOLIDATED FINANCIAL SUMMARY

INCOME STATEMENTS

(SEK 000s)	2003 Oct-Dec	2002 Oct-Dec	2003 Full year	2002 Full year
Operating income	344 602	314 472	1 198 719	1 200 201
Staff costs	-218 147	-234 050	-832 489	-862 644
Other operating expenses	-116 735	-78 721	-374 437	-292 903
Operating profit/loss before depreciation	9 720	1 701	-8 207	44 654
Depreciation of tangible assets	-5 130	-5 627	-21 337	-23 054
Depreciation of intangible assets *	-6 128	-2 951	-23 254	-11 489
Operating profit/loss after depreciation	-1 538	-6 877	-52 798	10 111
Net financial items	-438	-856	-2 372	-2 993
Profit/loss after net financial items	-1 976	-7 733	-55 170	7 118
Tax	-239	-1 859	-780	-14 787
Deferred tax	-5 134	-	-1 618	8 616
Minority interest in profit/loss	-18	-20	1	0
Profit/loss for the period	-7 367	-9 612	-57 568	947
Average number of shares	17 391 021	17 391 021	17 391 021	17 391 021
Earnings per share SEK	-0.42	-0.55	-3.31	0.05
Note * Of which depreciation of goodwill	3 200		11 631	

BALANCE SHEETS

(SEK 000s)	2003 Full year	2002 Full year
Assets		
Intangible fixed assets*	53 089	81 273
Tangible fixed assets	38 749	43 316
Financial fixed assets	7 055	11 961
Other long-term receivables	9 435	9 080
Current assets	364 794	410 455
Total assets	473 122	556 085
Shareholders' equity and liabilities		
Shareholders' equity	90 406	147 594
Provisions	41 228	60 061
Minority shares	17	180
Long-term liabilities	4 497	57 028
Current liabilities	336 974	291 222
Total shareholders' equity and liabilities	473 122	556 085
Note * Of which goodwill	49 139	77 973

CASH FLOW STATEMENT

(SEK 000s)	2003 Full year	2002 Full year
Current activities	-12 052	28 809
Change in working capital	54 755	12 025
Investment activities	-28 693	-16 835
Financing activities	-6 334	2 024
Change in liquid funds	7 676	26 023
Liquid assets at the start of the year	33 072	7 049
Liquid assets at the year-end	40 748	33 072

CHANGE IN SHAREHOLDERS' EQUITY

(SEK 000s)	2003 Full year	2002 Full year
Shareholders' equity at period's start	147 594	148 921
Option premium	-	1 668
Exchange rate difference	-211	-102
Risk of loss in initial SWAP agreement	591	-3 840
Profit/loss for the year	-57 567	947
Shareholders' equity at period's end	90 406	147 594

KEY FIGURES

	Note	2003 Full year	2002 Full year
Growth/Decline in sales, (%)		-0.1	6.5
Operating margin, (%)	1	-4.4	0.8
Return on average shareholders' equity, (%)	2	-48.4	0.6
Return on average capital employed, (%)	3	-34.4	5.6
Equity assets ratio, (%)	4	19.1	26.5
Debt/equity ratio, (multiple)	5	0.05	0.43
Interest coverage ratio, (multiple)	6	-15.3	2.5
Earnings per share, (SEK)	7	-3.31	0.05
Shareholders' equity per share, (SEK)	8	5.20	8.49
Average number of employees	9	1 504	1 581
Value added per employee, (SEK 000s)	10	523	535
Profit/loss after financial items per employee, (SEK 000s)	11	-36.7	4.5
Investments in machinery, equipment and licenses, (SEK 000s)		22 800	14 755
Investments in subsidiaries' and associate companies' shares, (SEK 000s)		169	3 766
Number of shares at year's end at a nom. 1 SEK		17 391 021	17 391 021
Average number of shares		17 391 021	17 391 021

REFERENCE

- Earnings after depreciation as % of operating earnings.
- Profit/loss for the period as % of average shareholders' equity.
- Profit/loss after financial items plus financial expenses as % of average capital employed.
- Shareholders' equity as % of balance sheet total.
- Interest-bearing debt divided by shareholders' equity
- Profit/loss after financial items plus financial expenses, divided by financial expenses.
- Profit/loss for the year divided by the average number of shares.
- Shareholders' equity divided by the total number of shares at the end of the period.
- Average number of employees.
- Profit/loss after depreciation plus salary expenses and social fees divided by the average number of salaried employees.
- Profit/loss after financial items divided by the average number of salaried employees.

OTHER EXPLANATIONS

Net profit for the year	Profit for the year after tax.
Capital employed	Shareholders' equity plus interest bearing liabilities

KEY FIGURES PER SHARE 31 DEC 2003

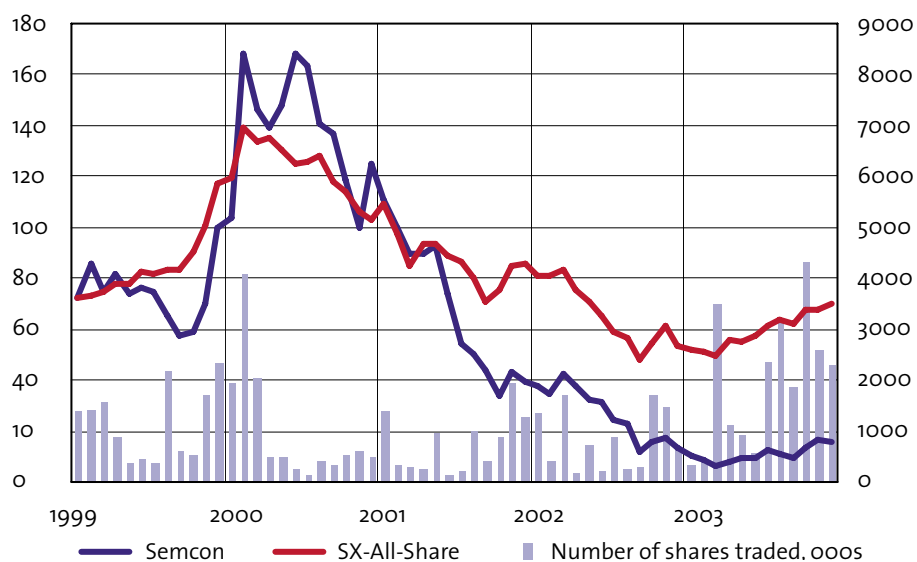
	2003	2002	2001	2000	1999
EPS after tax (SEK)	-3.31	0.05	0.08	1.99	3.38
EPS including options (SEK)	-3.27	0.05	0.08	1.89	3.26
Shareholders' equity per share before dividend (SEK)	5.20	8.49	8.56	8.57	7.83
Shareholders' equity per share including options (SEK)	5.13	8.30	8.48	8.14	7.43
Share price/equity per share (multiple)	2.98	1.5	4.6	14.6	12.8
Proposed dividend per share	0.0	0.0	0.0	0.5	1.4
P/E ratio	neg.	238.7	504.4	62.8	29.6
Share price 30/12 (SEK)	15.5	13.0	39.5	125.0	100.0
Market value 30/12 (SEK million)	270	226	687	2 167	1 734
Number of shares at year's end (SEK oos)	17 391	17 391	17 391	17 338	17 338
Number of options (SEK oos)	218	382	164	928	764

LARGEST HOLDINGS 31 DEC 2003

Shareholder	No. of shares	Percentage
Nordea bank incl. funds	1 208 711	6.95
AB Traction	1 064 400	6.12
Lannebo	868 700	5.00
Carlson	677 500	3.90
SEB incl. funds	550 424	3.16
JP Morgan Chase Bank	475 000	2.73
Johansson Hans incl. companies	453 600	2.61
Svenska Handelsbanken incl. funds	289 178	1.66
Boston Monetary Auth of SP	275 000	1.58
Carl Westin Associates AB	261 000	1.50
Total	6 123 513	35.21
Other ownership	11 267 508	64.79
Grand total	17 391 021	100.00

OWNERSHIP STATISTICS 31 DEC 2003

Size	No. of shares	No. of share-holders	Percentage
1-500	743 193	3 318	4.3
501-1000	1 109 947	1 223	6.4
1 001-10 000	4 430 277	1 337	25.5
10 001-100 000	4 075 125	148	23.4
100 001-	7 032 479	24	40.4
Summa	17 391 021	6 050	100.0



DIVIDEND

The Board proposes that in the light of the company's results no dividend should be paid for 2003 (0). Semcon's dividend policy sets a dividend target of 30-50% of profit after tax over the long term.

SHARE PERFORMANCE

The diagram on page 8 shows Semcon's share price performance since January 1999 compared with the SX-All-Share index and the amount of shares traded. During 2003 the share price rose from SEK 13 to SEK 15.50 on 31 December, a climb of 19%. During the same period the SX-All-Share index climbed 30%. During Q4 Semcon's share price soared 63% compared with the more modest 13% of the SX-All-Share index.

OWNERSHIP STRUCTURE

During the year trading in Semcon shares meant that shareholders with over 100,000 shares saw their ownership of the company fall by over 20%. The total number of shareholders increased by 1,167 to 6,050 (4,883) as of 31 December 2003. Foreign ownership is around 18.5% (34.4). On 31 December 2003 there were 17,391,021 shares. Semcon is listed on the O-list of Stockholmsbörsen under the SEMC ticker. One share is equal to one vote

KEY EVENTS DURING THE YEAR

PARTNERSHIPS

- Partnership agreement with Ericsson CPI.
- Partnership agreement with Saab Automobile SRT.
- Partnership with Volvo Car Corporation extended by one year.

ORDERS

- Akzo Nobel signed an order concerning the implementation of FastTrack at all its units throughout the world.
- Volvo Car Corporation awarded Semcon a development order worth SEK 25.5 million.
- Order worth around SEK 12 million from FMV, the Swedish Defence Matériel Administration

OTHER

- Semcon selected as Long Term Preferred Supplier by Volvo Car Corporation for another year.

- Semcon has a long-term collaboration with Bombardier Transportation in Derby, the UK, focused on vehicle dynamics and boggie design.
- Semcon's subsidiary Zystems by Semcon selected as IBM partner of the year in Europe. This is the first time that a Swedish company earns the "Top Performing Partner Award" in the Software Investment Initiative category.
- Semcon introduces a new, market-adapted organisation.

FRAMEWORK AGREEMENT

- Framework agreement valid for 2004: ABB, Akzo Nobel, Bombardier, Delaval Industrial Turbomachinery, DFDS, Ericsson, Fiat GM Powertrain, Gryaab, GVA Consulting, Haldex, ITT Flygt, Pharmacia, Renova, Saab Automobile, Saab Tech, Saab Bofors Dynamics, Siemens, Sony Ericsson, Studsvik, SSAB, Scandlines, Strandfaraskip Landsins, Tågia, Tetra Pak, Volvo Car Corporation etc.

FURTHER INFORMATION

All figures are based on the same accounting principles and calculation methods used in the previous financial year. The Financial Statement has been produced in accordance with recommendations and statements by the Swedish Financial Accounting Standards Council. Recommendations that came into effect in 2003 have not resulted in any changes to the company's accounting principles.

FUTURE REPORTS AND THE AGM

The Annual Report for 2003 is planned for publication in mid-March 2004 and will be sent to all shareholders who have indicated that they wish to receive financial information. The Annual Report will also be made available at Semcon's head office, Theres Svenssons gata 15, Göteborg, Sweden. It can be ordered via tel: +46 31-721 00 00, fax: +46 31-721 03 33, or email; bodil.johansson@semcon.se. You can also download the report from our website, www.semcon.com

The Annual General Meeting will be held at 6 p.m. on 27 April 2004 at Semcon's head office in Göteborg, Sweden. It is proposed that the record day be 16 April.

The Q1 report will be published on 27 April. For further information, please contact CEO Hans Johansson tel: +46 31-721 03 05, mobile: +46 70-591 43 34 or CFO Bengt Nilsson tel: +4631-721 03 11, mobile: +46 70-447 28 68.

Göteborg den 5 February 2004


Hans Johansson

SEMCON AB (PUBL)

corporate identity code 556539-9549

FINANCIAL REPORTS 2004

AGM	27 april
Q1 report	27 april
Q2 report	26 augusti
Q3 report	21 oktober

The Annual Report for 2003 is planned for publication in end-March 2004.

Semcon is one of the leading design and development companies in the Nordic region, with around 1,500 employees and sales in 2003 of SEK 1.2 billion. Semcon's consultants develop products, processes and people at the leading industrial businesses in the Nordic region.

The combination of good growth over 20 years and well-established relationships with leading industrial groups provides a strong base for continued success. Semcon AB (publ) is listed on the O-list of Stockholmsbörsen and is currently active in Sweden, Norway, Denmark, the UK and Malaysia, and, via partners, in Spain and China