

PRESS RELEASE

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Semcon AB signs a letter of intent with Extern Engineering AB

Semcon AB has signed a letter of intent with Extern Engineering AB with the intention of acquiring the company. Extern's turnover was around SEK 30 million in 1998. The purpose of the acquisition is to broaden the range of services on offer to the automotive industry and its suppliers in Sweden and on the international scene.

Partnership between Semcon and Extern has been under continual development over the last year, now to be merged through acquisition.

"The acquisition of External Engineering AB will complement Semcon's range of services in e.g. concept development, prototype development and bench-marking," says Hans Johansson, Semcon's MD. "This will allow us better access to an ever more important clientele, i.e. suppliers of systems."

Within Product and Production Development, Semcon is active in a number of different trades, the automotive industry being an important component. Here Semcon offers qualified, specialised consultants for pilot studies, design, construction, computation, testing, training and technical information. Extern provides Semcon with skills and resources within the area of concept development and benchmarking in addition to normal vehicle design.

Extern's business idea is founded on being a link between suppliers of systems and automotive manufacturers. External Engineering carries on its main activity in Gothenburg and has currently 40 staff with high-tech development resources and a prototype workshop.

Details of the deal are part of the final agreement with completion expected during September '99.

For more information, please contact:

Hans Johansson, Semcon AB, Tel: +46-31-721 08 66; Mobile: +46-70-591 43 34

Björn Magnusson, Semcon AB, Tel: +46-31-721 08 10; Mobile: +46-70-512 52 99

Anders Thornberg, Extern Engineering AB, Tel: +46-31-64 84 00; Mobile: +46-70-892 65 26

Semcon is one of Sweden's leading industrial consultancy companies. Turnover during 1998 amounted to SEK 709 million, and the current number of employees exceeds 1000. Semcon is active within three business areas: Product and Production Development, Industrial Information Technology and Competence and Process Development. We hold ISO certificates 9001 and 14001. Semcon AB (publ) is listed on the Stockholm Stock Exchange O-list.