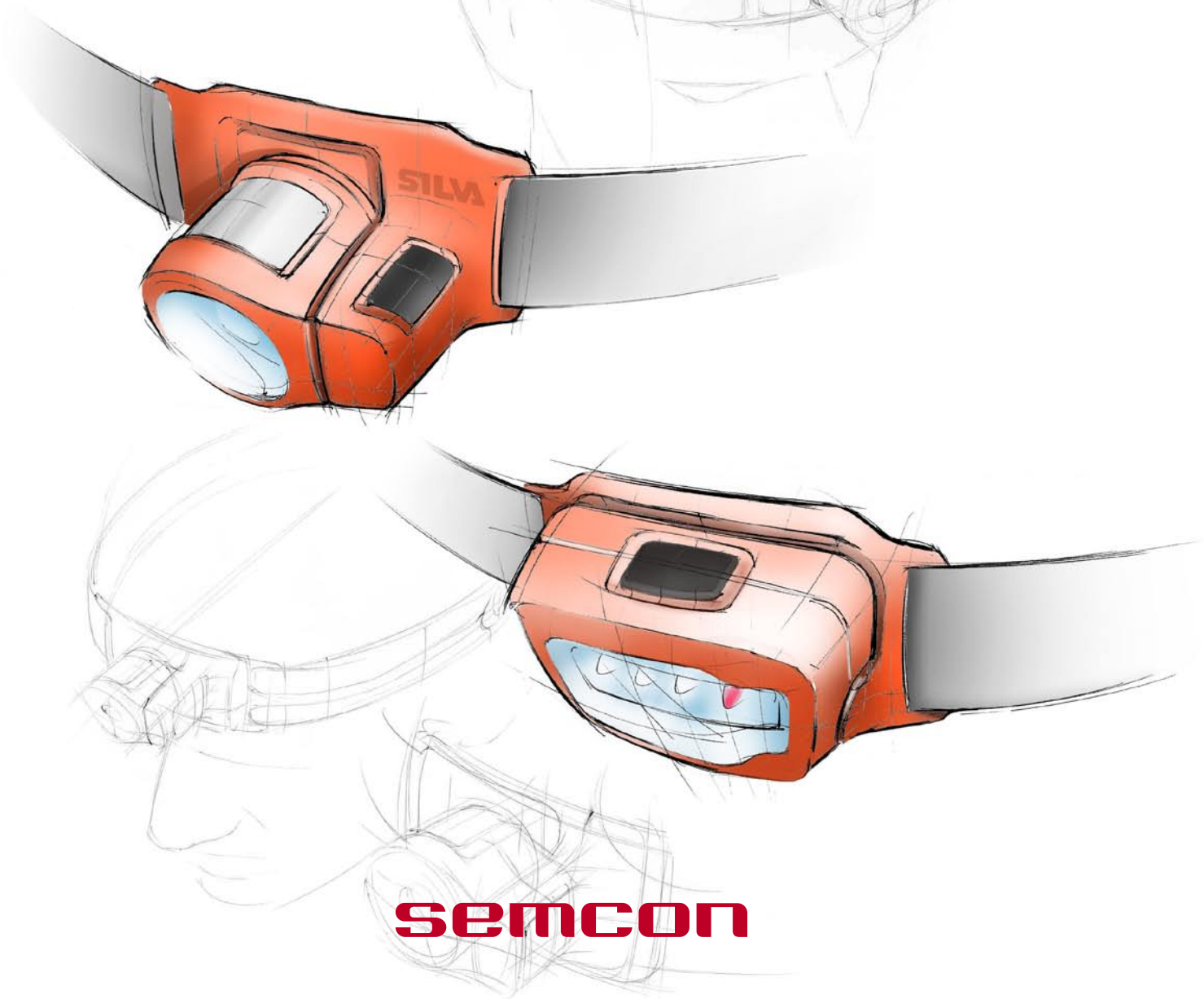


Q1

SEMCONS INTERIM REPORT | JANUARY-MARCH | 2005



semcon

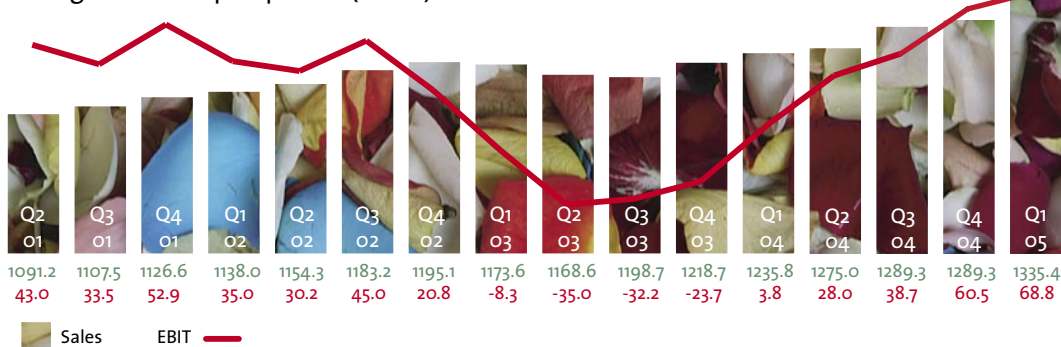
Semcon is an internationally leading design and development company, with around 1,500 employees and sales in 2004 of SEK 1.3 billion. Semcon's consultants develop products, processes and people. The combination of good growth over 25 years and well-established relationships with leading industrial groups provides a strong base for continued success. Semcon AB (publ) is listed on the O-list of Stockholmsbörsen and is currently active in Sweden, Australia, China, Denmark, Malaysia, Norway and the UK and, via partners, in Belgium, France, Greece, the Netherlands, Philippines, Portugal and Spain.

INTERIM REPORT JAN–MARCH 2005

Strong growth as profit soar

- Sales climbed by 14.7% to reach SEK 359.3 m (313.2)
- Profit after tax was SEK 16.1 m (7.3)
- Earnings per share were SEK 0.93 (0.42)
- Operating profit after depreciation (EBIT) was SEK 20.4 m (12.1), to produce a margin of 5.7% (3.8)

Rolling 12 months per quarter (SEKm)



COMMENTS BY CEO HANS JOHANSSON

Semcon's positive trend continued during the first quarter of 2005. Growth remained strong at 14.7%, which is in line with our performance over the past ten years. Our impressive organic growth of 13.4% is specially pleasing. Our success here is due to the solid customer relations we have built up over 25 years. Alongside the sales growth, our good work with our cost structure boosted profits.

Our strategy for growth is primarily to grow organically, but also involves acquiring companies with specialist competence. In the first quarter we pursued this strategy by recruiting new consultants mainly within our Vehicle segment. We have also acquired the Stockholm design company, Propeller, and the illustration studio, Pentech International Ltd, which is based in Oxford, UK. Both acquisitions reinforce our already strong position within design and the aftermarket, and have been welcomed by our customers in each segment.

It's very impressive to see the hard work that has taken place to transform the activities that reported losses in 2004. All our businesses abroad, for example, are reporting profits, which confirms that our decision to become an international Group was the right one. To meet the demands of globalisation facing our customers we are now active in 14 countries on three continents.

Semcon's IT businesses, which focus on developing specific solutions for general IT problems, continue to grow with increased

profitability. Both Zipper by Semcon and Zystems by Semcon reported profitable sales growth during Q1. Zipper has also been selected as a Microsoft Gold Certified Partner for 2005.



MARKETS, TRENDS & AIMS

We forecast that the market will remain relatively stable in 2005 but that US dollar rates and oil prices will affect our customers. Long-term trends, such as intensified market competition between products, the fast pace of technical development and the focus on environmental challenges, favour Semcon. Our competence and our business offer match our customers' requirements in terms of platform concepts, good design and faster, more efficient product development. The goal is to develop more products that are innovative and attractive. Customers are choosing to team up with fewer, but bigger consulting firms, while projects are growing in scope and complexity. Today we are taking a larger amount of responsibility for complete project and end results, which means that we are gradually becoming less dependent on hourly rates. These trends are driving all our markets.

TRENDS IN SEMCON'S FOCUS SEGMENTS

- Competition within the Vehicle segment is fierce with the main focus on costs and development. Carmakers face major challenges – raising profitability, developing new products and delivering consistently high quality while managing uncertain dollar rates, increased fuel costs and stricter legal requirements concerning emissions. We expect demand for our services to continue rising. In the heavy truck segment we are growing to match greater demand.
- Customers within the Medical & LifeScience segment are battling falling profits, tougher legal requirements and higher levels of risk. They are reacting by reviewing their cost base and they need greater efficiency. This represents a great opportunity for us to help customers develop production, validation and logistics processes that are both more effective and more secure.
- The Telecom segment is currently riding a wave of optimism and making new investments. This is boosting demand for our services. Rationalisation in recent years has meant that telecom businesses lack internal resources and have a strong need for design and product development competence. We are working hard to grow within this segment.
- The Industry segment is more turbulent. There is a great need for designing and developing new products.

AIMS

The main aim for 2005 is to continue winning market shares both in Sweden and abroad. Extending our network of partners is important in order to create flexibility and offer our partners the right services. Our efforts aimed at making Semcon a leader in project-based activities will continue in 2005. We will focus on strengthening our already strong position within the Vehicle segment and implement measures to grow within the Telecom and Medical & LifeScience segments.

FORCES DRIVING GROWTH

Semcon expects the design and development market to carry on growing strongly. The illustration below summarizes the key growth factors.

Overall trends

- Global competition and over capacity of product ranges
- Rapid IT and technological development
- Growing environmental awareness

Which means

- Design becomes more important
- Shorter product lifecycles
- Accelerated development costs
- More difficult with development within the company
- Mergers and acquisitions
- Stricter legal requirements and consumer demands

Lead to

- Increased focus on Time-to-Market
- Demand for new product varieties
- More holistic measures for consultants, more partnerships and long-term business relations
- Greater need for expertise in recycling, emissions and energy saving

Greater demand and improved opportunities for development consultants

OUTLOOK

We consider that the market in 2005 will be relatively stable.
We expect growth to continue with improved margins.

BUSINESS ACTIVITIES

SALE ANALYSIS

During Q1 Group sales amounted to SEK 359.3 m (313.2), up SEK 46.1 m on the same period in 2004. Organic growth was 13.4% and came from activities in the Design & Development and Innovation business areas. The acquisitions of Propeller by Semcon and Pentech by Semcon contributed 1.3% of the sales increase. The improved market conditions that we noted in 2004 carried on into the first quarter of 2005.

EARNINGS ANALYSES

Group earnings have improved consistently since 2003 and in Q1 2005 the operating profit after depreciation (EBIT) soared by 68.8% compared with 2004. Our Fast2Profit scheme, which we implemented in 2003 and 2004, has improved the Group's cost structure, which is one of the key reasons for improved earnings. The profit after financial items reached SEK 22.2 m (10.8) and the profit after tax was SEK 16.1 m (7.3). Earnings per share were SEK 0.93 (0.42). In connection with the introduction of IFRS, figures for 2004 have been adjusted and intangible assets have been depreciated by SEK 2.1 m.

Sales per industry

Design & Development	65 %	(61 %)
Informatic	22 %	(26 %)
Innovation	13 %	(13 %)



Share of earnings

International	10 %	(14 %)
Sweden	90 %	(86 %)



BUSINESS AREAS	Sales (SEK m)		Growth (%)	Share of sales (%)	Operating profit/loss (SEK m)		Operating margin (%)	
	31/03/2005	31/03/2004			31/03/2005	31/03/2004	31/03/2005	31/03/2004
Design & Development	232.4	192.6	20.7	64.7	8.9	4.3	3.8	2.2
Informatic	78.9	81.4	-3.1	22.0	7.0	6.0	8.9	7.4
Innovation	48.0	39.2	22.5	13.3	4.5	1.8	9.3	4.7
Total	359.3	313.2	14.7	100.0	20.4	12.1	5.7	3.9

SEMCON'S BUSINESS AREAS

DESIGN & DEVELOPMENT

The business area works with design, product development and production development.

Design & Development is our largest business area, accounting for 64.7% of Semcon's total sales. During Q1 the business area reported very strong sales growth of 20.7% and earnings growth of 3.8% (2.2). Activities in the Vehicle segment developed especially well. Functional Performance, formed in 2004, continued its successful progress and received several strategically important orders. Our activities in the UK, Norway and Denmark also reported positive performance. During the quarter we enhanced our business offer through the acquisition of the design company, Propeller. The major customers are: ABB, AstraZeneca, Bombardier, Ericsson, Scania, Saab Automobile, Saab, AB Volvo and Volvo Car Corporation.

INFORMATIC

Businesses within the Informatic business area develop information solutions for the entire product life cycle, from initial ideas to the aftermarket. Today's complex products and smart solutions continuously require better information support so that users can understand them and benefit from their full value.

Informatic's sales were down 3.1% due to variations in the product launches of major customers. Earnings for the business area climbed by SEK 7.0 m (6.0) and the margin rose by 1.5% to 8.9% (7.4). The acquisition of the UK illustrations studio, Pentech, means that efforts are now being focused on further international growth and on cost optimisation within partnerships. Our aim for further expansion of the business in 2005 remains in place. The major customers are: ABB, Ericsson, Jaguar, Land Rover, Nissan, Saab Automobile/GME och Volvo Car Corporation.

INNOVATION

The business area provides IT solutions that improve the efficiency of our customers' activities and make them easier. Companies in the business area operate under their own brands, facilitating initiative-taking and making them more dynamic.

The business area reported strong growth of 22.5% and a very strong earnings performance with a profit margin of 9.3% (4.7). Zipper and Zystems had a successful period. Several new customers were welcomed during the quarter. The major customers are: Akzo Nobel, AstraZeneca, Föreningssparbanken, Handelsbanken, Saab Automobile, Sapa, Scania, Sony Ericsson, Sydkraft, Trelleborg, Codan Trygg-Hansa, Vin & Sprit, AB Volvo och Volvo Car Corporation.

QUARTERLY CHANGES PER BUSINESS AREA

Sales (SEK m)	2004 Q2	2004 Q1	2004 Q4	2005 Q1
Design & Development	205.3	180.8	233.5	232.4
Informatic	78.2	68.3	68.0	78.9
Innovation	46.1	38.5	57.4	48.0
Total	329.6	287.6	358.9	359.4
Operating profit/loss after IFRS adjustment (SEK m)				
Design & Development	4.8	5.2	11.6	8.9
Informatic	3.0	3.2	10.5	7.0
Innovation	2.1	3.7	4.3	4.5
Total	9.9	12.1	26.4	20.3
Operating margin (%)				
Design & Development	2.3	2.2	4.4	3.8
Informatic	3.8	4.0	14.9	8.9
Innovation	4.6	9.1	6.8	9.3
Total	3.0	3.5	7.4	5.7
Number of employees				
Design & Development	1 014	1 033	1 033	1 128
Informatic	286	275	276	282
Innovation	157	163	162	180
Total	1 457	1 471	1 471	1 590
Sales per employee (SEK ooos)				
Design & Development	202	167	226	206
Informatic	273	263	246	280
Innovation	294	236	355	267
Total	226	191	244	226

SEMCON AB-CONSOLIDATED FINANCIAL SUMMARY

INCOME STATEMENTS (SEK 000s)

	2005 Jan-March	2004 Jan-March IFRS	2004 Jan-March	2004 Full year IFRS	2004 Full year
Operating income	359 257	313 223	313 223	1 289 330	1 289 330
Staff costs	-233 251	-208 333	-208 333	-832 848	-832 848
Other operating expenses	-100 997	-88 573	-88 513	-379 118	-378 480
Operating profit/loss before depreciation	25 009	16 317	16 377	77 364	78 002
Depreciation of tangible assets	-4 217	-3 791	-3 791	-16 006	-16 006
Depreciation of intangible assets *	-442	-472	-2 549	-1 548	-9 859
Operating profit/loss after depreciation	20 350	12 054	10 037	59 810	52 137
Net financial items***	1 800	-1 244	-1 244	-3 182	-3 182
Profit/loss after net financial items	22 150	10 810	8 793	56 628	48 955
Tax	-6 052	-3 557	-3 617	-16 294	-16 932
Profit/loss for the period **	16 098	7 253	5 176	40 334	32 023
Average number of shares	17 391 021	17 391 021	17 391 021	17 391 021	17 391 021
Number of convertibles ¹³	393 617	-	-	196 809	196 809
EPS after tax, SEK	0.93	0.42	0.30	2.32	1.84
EPS after dilution, SEK ¹³	0.91	0.42	0.30	2.29	1.82
Note * Of which depreciation of goodwill.	-	-	2 077	-	8 311
Note ** Of which, parent company shareholders.	16 060	7 246	5 169	40 341	32 030
Of which, minority interests.	38	7	7	-7	-7
Note *** The positive effect concerning the real value of the share swap agreement, is in line with IFRS.	2 855				

BALANCE SHEETS

(SEK 000s)	31/03/2005	31/03/2004	2004 IFRS	IFRS adjustment**	31/12/2004
Assets					
Intangible fixed assets*	66 421	52 615	58 158	8 311	49 847
Tangible fixed assets	39 719	35 271	35 444	-	35 444
Financial fixed assets	9 411	7 191	8 698	-	8 698
Other long-term receivables	7 402	9 435	7 402	-	7 402
Current assets	522 262	379 304	441 910	-	441 910
Total assets	645 215	483 816	551 612	8 311	543 301
Shareholders' equity and liabilities					
Shareholders' equity***	146 766	100 203	133 959	8 311	125 648
Provisions	42 153	38 751	40 565	-	40 565
Long-term liabilities	13 447	2 934	13 447	-	13 447
Current liabilities	442 849	341 928	363 641	-	363 641
Total shareholders' equity and liabilities	645 215	483 816	551 612	8 311	543 301
Note * Of which goodwill.	60 922	47 060	43 907		43 907
Note ** Of which, minority share.	49				
No significant adjustments have been necessary for the opening balance on 1 January 2004.		25	11		11

CHANGE IN SHAREHOLDERS' EQUITY

(SEK 000s)	31/03/2005	31/03/2004	31/12/2004
Shareholders' equity at period's start	133 959	90 406	90 406
Exchange rate difference	76	49	-50
Risk of loss in initial SWAP agreement	-	2 478	3 251
Buy-back of own shares	-3 367	-	-
Profit/loss for the period	16 098	5 168	32 030
Shareholders' equity before IFRS adjustment	146 766	98 101	125 637
Adjustment of goodwill	-	2 077	8 311
Minority share	-	25	11
Shareholders' equity at period's end	146 766	100 203	133 959

CASH FLOW STATEMENT

(SEK 000s)	31/03/2005	30/03/2004	2004 Full year
Current activities	19 243	10 119	64 487
Change in working capital	20 824	19 055	-36 356
Investment activities	-14 897	-1 726	-19 179
Financing activities	-3 367	-1 563	9 298
Change in liquid funds	21 803	25 885	18 250

KEY FIGURES

	Note	31/03/2005	31/03/2004	2004 Full year
Growth/Decline in sales, (%)		14.7	6.8	7.6
Operating margin, (%)	1	5.7	3.8	4.0
Return on average shareholders' equity, (%)	2	11.8	7.6	29.7
Return on average capital employed, (%)	3	15.7	12.3	46.0
Equity assets ratio, (%)	4	22.7	20.7	24.3
Debt/equity ratio, (multiple)	5	0.09	0.03	0.11
Interest coverage ratio, (multiple)	6	16.4	9.0	10.7
Earnings per share, (SEK)	7	0.93	0.42	2.32
Earnings per share after dilution, (SEK) ¹³	8	0.91	0.42	2.29
Shareholders' equity per share, (SEK)	9	8.44	5.76	7.70
Average number of employees	10	1 556	1 437	1 444
Value added per employee, (SEK 000s)	11	164	150	613
Profit/loss after financial items per employee, (SEK 000s)	12	14.2	7.5	33.0
Investments in machinery and equipment, (SEK 000s)		2 700	1 746	11 147
Investments in subsidiaries' and associate companies' shares, (SEK 000s)		12 199	-	6 166
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
Number of outstanding convertibles at end of period		393 617	-	393 617
Average number of convertibles	13	393 617	-	196 809

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 period divided by the average number of shares.
- Shareholders' equity divided by the total number of shares at the end of the period.
- Shareholders' equity divided by the total number of shares including options.
- 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.
- In addition to outstanding convertibles there are 217,600 outstanding options. These have not been included when calculating the dilution effect as the exercise price is considerably higher than the current share price.

OTHER EXPLANATIONS

Net profit for the year	Profit for the year after tax.
Capital employed	Shareholders' equity plus interest bearing liabilities
P/E ratio.	Price per share divided by profit per share.
P/S ratio.	Price per share divided by turnover per share.
Price per share/equity.	Price per share divided by shareholders' equity per share.

SHARE PERFORMANCE

The diagram below shows the Semcon share price since 31/12/2002 compared with the SX-All-Share index along with the turn-over of the Semcon share. During Q1 2005 the share price climbed by 48.4%, from SEK 30.6 on 31 December 2004 to SEK 45.3 on 31 March 2005. During the same period the SX-All-Share index rose by 5.3%. Over the past 12 months the Semcon share has soared by 74.6% compared with the 16.2% of the SX-All-Share index.

OWNERSHIP STRUCTURE

Foreign ownership of Semcon during the period declined and accounted for 24.3% of overall ownership on 31 March 2005 (27.9% on 31 December 2004). The total number of shareholders on 31 March 2004 was 6,006, compared with 5,826 on 31 December 2004. The total number of shares was unchanged at 17,391,021. During Q1 Semcon bought back 96,500 of the company's own shares at an average price of SEK 34.9 per share. Semcon is listed on the O-list of the Stockholm Stock Exchange under the SEMC ticker. One share carries one vote.

LARGEST HOLDINGS 31/03/2005

Shareholder	No. of shares	Proportion %
Skandia liv	1 352 100	7.77
Chase Manhattan	1 012 667	5.82
Roburs fonder	733 000	4.21
Handelsbanken fonder	666 015	3.83
Hans Johansson and family	453 600	2.61
Goldman Sachs International	385 677	2.22
SEB fonder	324 824	1.87
AMF Pension fonder	322 500	1.85
Carson fonder	311 200	1.79
JP Morgan Chase Bank	308 732	1.78
Total	5 870 315	33.75
Other ownership	11 520 706	66.25
Grand total	17 391 021	100.00

OWNERSHIP STATISTICS 31/03/2005

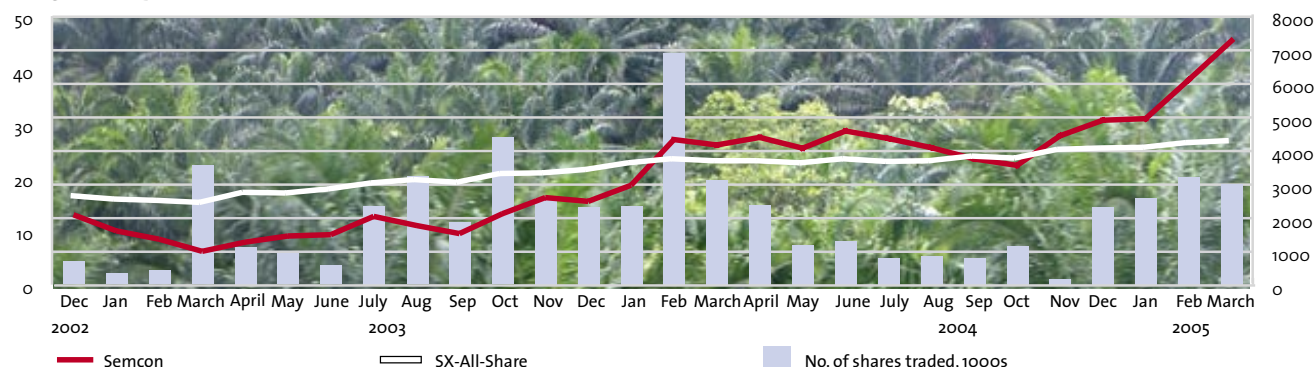
Size	No. of Shares	No. of share holders	Proportion %
1-500	826 357	3 528	4.75
501-1000	1 066 996	1 182	6.14
1001-10000	3 524 375	1 154	20.27
10001-100000	3 140 905	114	18.06
100001-	8 832 388	28	50.78
Total	17 391 021	6 006	100.0

KEY FIGURES PER SHARE

	31/03/2005	2004	2003	2002	2001
EPS after tax (SEK)	0.93	2.32	-3.31	0.05	0.08
EPS after dilution (SEK) *	0.91	2.29	-3.31	0.05	0.08
Shareholders' equity before dilution (SEK)	8.44	7.70	5.20	8.49	8.56
Shareholders' equity after dilution (SEK) *	9.01	8.29	5.13	8.30	8.48
Price per share/ Shareholders' equity per share (times)	5.04	4.24	2.98	1.53	4.61
Cash flow per share (SEK)	1.25	1.05	0.44	1.50	-0.30
Dividend	0.00	0.00	0.00	0.00	0.00
P/E ratio	49.05	13.19	neg	238.70	504.40
P/S ratio	2.20	0.41	0.23	0.19	0.61
Share price at end of period (SEK)	45.40	30.60	15.50	13.00	39.50
Market capitalisation at end of period (SEK m)	790	532	270	226	687
No. of shares at end of period (000s)	17 391	17 391	17 391	17 391	17 391
Average no. of shares (000s)	17 391	17 391	17 391	17 391	17 356
No. of options	218	218	218	382	164
No. of outstanding convertibles at end of period	394	394	-	-	-
Average no. of convertibles	394	197	-	-	-

* In addition to outstanding convertibles there are 217,600 outstanding options. These have not been included when calculating the dilution effect as the exercise price is considerably higher than the current share price.
No adjustments according to IFRS has been done 2001 to 2003.

PRICE TREND



PARENT COMPANY

As the Group's parent company, Semcon AB is responsible for corporate issues such as strategy, information and marketing. Sales amounted to SEK 6.8 m (6.3), and the operating loss after depreciation was SEK 0.2 m (0). The parent company's liquidity was SEK 47.2 m (44.8). The company's investment in stock totalled SEK 0.0 m (0.0).

STAFF & ORGANISATION

The average headcount for the period was 1,556 (1,437). The headcount at the end of March was 1,590 (1,418). The headcount in each business area at the end of the period was as follows: Design & Development 1,128 (996), Informatic 282 (281) and Innovation 180 (141).

FINANCIAL ITEMS & INVESTMENTS

Cash flow amounted to SEK 21.8 m (25.9). The Group's total investments in hardware, licenses and office equipment totalled SEK 2.7 m (1.7). The equity/assets ratio at the end of the period was 22.7% (20.7) and liquid assets were SEK 80.8 m (66.6). Investments in subsidiaries' shares and business activities amounted to SEK 12.2 m (0). Loans on invoices amounted to SEK 207.0 m (177.5) at the end of the quarter.

KEY EVENTS DURING THE QUARTER

- Semcon acquires Propeller, one of Scandinavia's leading industrial design companies, which focuses on consumer products. Propeller brings 15 new qualified designers to Semcon.
- Semcon establishes a new product development office in Jönköping, Sweden.
- Semcon acquires the successful illustrations studio, Pentech, of Oxford, UK. We gain a further 18 specialists within advanced technical information.

OTHER

- Zipper has been authorised within the highest level of the Microsoft partnership programme as a Gold Certified Partner. Authorisation means that Zipper will have exclusive access to resources and product information at Microsoft.
- Semcon Norway wins an order from Ericsson for the implementation of GSM fax services in Ericsson's combined GSM and UMTS systems.
- Knud E Hansen (KEH) has been commissioned by Seatruck Ferries to design two vessels that will operate on the Irish Sea.
- Systems by Semcon has won an order from Codan Trygg-Hansa for its Baseline integration product.

OTHER INFORMATION

ACCOUNTING PRINCIPLES

This quarterly report has been produced in accordance with IAS 34, Interim Financial Reporting, which is in line with the requirements of the Swedish Financial Accounting Standards Council's recommendation RR 31, Interim Reporting for Groups.

The accounting principles used in this report are the same as those described in the consolidated accounts for 2004 where it is explained that International Financial Reporting Standards (IFRS) are being implemented from 2005 and that comparable figures for 2004 have been recalculated in accordance with the new principles except for financial instruments. In accordance with the rules for the first time adoption of IFRS, new principles for financial instruments are being used only for the parts of the accounts referring to 2005. Effects on shareholders' equity at the start of the year due to the new principles are indicated in the presentations of earnings and the balance sheet in the interim report.

In addition to the effects of differences in accounting as reported in the Annual Report for 2004 there are small changes in the reporting of minority interests in subsidiaries and tax expenses for associated companies.

The consolidated cash flow calculation and format have not been changed as a result of the adoption of IFRS.

OTHER INFORMATION

The Q2 interim report will be published on 26 August 2005. For further information please contact CEO, Hans Johansson tel: +46 (0)31 721 03 05, mobile: +46 (0)705 91 43 34 or CFO, Bengt Nilsson tel: +46 (0)31 721 03 11, mobile: +46 (0)704 47 28 68.

Göteborg, 20 April 2005



Hans Johansson

SEMCON AB (PUBL)

Company reg. no. 556539-9549

FINANCIAL REPORTS IN 2005

Q2 report	16 August 2005
Q3 report	20 October 2005

All financial information is available on Semcon's web page: www.semcon.se