

Q3

SEMCONS INTERIM REPORT | JANUARY–SEPTEMBER | 2005

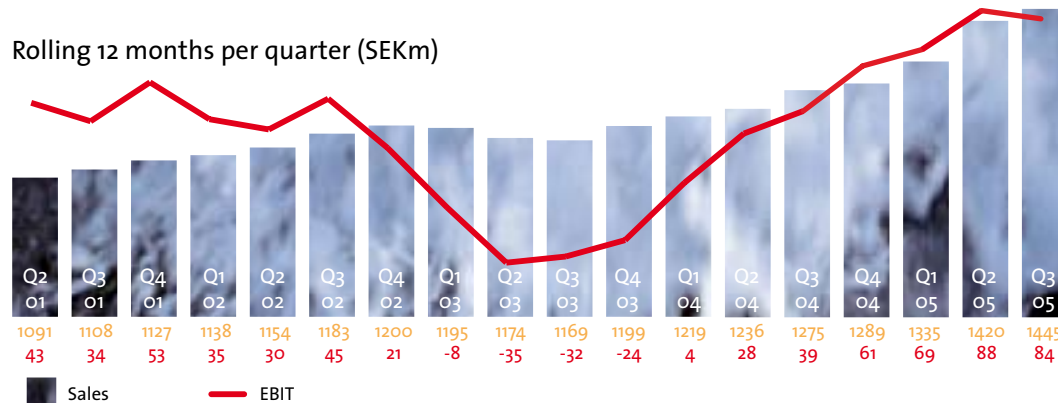
semcon

Semcon is a leading international 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 Attract 40 list of Stockholm Stock Exchange and is currently active in Sweden, Australia, China, Denmark, Hungary, Malaysia, Norway and the UK and, via partners, in Belgium, France, Greece, the Netherlands, Philippines, Portugal and Spain.

INTERIM REPORT JANUARY–SEPTEMBER 2005

Stable, profitable growth in sales

- Sales climbed by 16.8% to reach SEK 1,086.5 m (930.4)
- Profit after tax was SEK 42.9 m (21.2)
- Earnings per share of SEK 2.47 (1.22)
- Operating profit after depreciation (EBIT) reached SEK 58.0 m (33.7) to produce a margin of 5.3% (3.6)



COMMENTS BY CEO HANS JOHANSSON

The aims for 2005 are to improve our margins and win more market shares. Our focused activities and the positive market trends mean that we are achieving both aims. Our sales growth remains vibrant at 17%, which is above average for the past ten years. Good demand for our business range has enabled us to recruit 205 new, young members of staff who have the specialist skills we need. A growing portion of our staff is being recruited internationally and working abroad or in international projects.

In recent years we have noted increasing globalisation, soaring oil prices and very tough competition affecting our customers. This is most notable in the vehicle sector, where cost-cutting, new conditions and price pressure are encountered every day. Naturally, these things affect us, too, and we are working hard to adapt. We depend on our customers being successful and continuing to invest in product development.

To meet new realities we work continually to reduce our own production costs, by investing in more effective processes and systems, re-locating in low-cost countries and sharpening our focus on costs. Another example is a recently started project and assignment in the auto industry that is employing more sub-consultants than before. The aim is to avoid being over-stretched if the sector enters a downturn.

But the single most important activity for us as we meet the challenges of the vehicle sector is to grow within telecoms, which so far has been proceeding according to plan. We will further intensify our efforts aimed at growth in the telecom sector in the autumn and winter. I believe we are on the correct course, but that it would be good to move a bit faster. We have a strong

base for growth. At the start of the year we signed preferred supplier agreements with key customers, so I am positive about new business opportunities in the coming period.

We are continuing to follow our international growth strategy and we opened new development centres in China and Hungary in Q3. These start-ups improve our cost base and will make us more effective with our business offer.

Success continues for our IT companies, Zipper and Zystems in the Innovation business area. In addition to its strong and profitable growth, Zystems has received the IBM Software Partner of the Year award for the second time. Due to its rapid sales growth, Zipper has been nominated as a "Gasellföretag" (Up and coming company) by *Dagens Industri*.



Carl-Henrik Svanberg CEO Ericsson, Hans Johansson CEO Semcon, Howard Stinger CEO Sony

MARKETS AND TRENDS

We forecast that the market will remain relatively stable during the remainder of 2005 although we must not sit back and take it easy. High prices for oil and raw materials continue to hit our customers, with the vehicle sector among the worst sufferers. As a result our customers are introducing activities that focus on lower costs. They are also speeding up the process of selecting fewer, larger suppliers, while the complexity and size of projects are expanding.

TRENDS IN SEMCON'S FOCUS SEGMENTS

Long-term trends, such as intensified global competition, the fast pace of technical development and the focus on environmental challenges, favour Semcon. Our business range matches our customers' requirements in terms of innovation, product development and lower development costs. Today we are taking a larger amount of responsibility for complete projects and end results, which means that we can give customers solutions that are more competitive.

Vehicle - Competition in the Vehicle segment is fierce with the main focus on costs and development. Carmakers face major challenges raising profitability and developing new products more efficiently, and with the right quality, while managing uncertain dollar rates, higher fuel costs and stricter legal emission requirements. Greater focus on the environment, but especially the fast rise in fuel prices, is driving product development around hybrid technology and alternative fuel sources. In general we are seeing continued greater demand for our services from the European vehicle industry. In the heavy truck segment we are growing to match higher demand as our customers intensify their product development.

Medical & LifeScience - Customers in the Medical & LifeScience segment expect growth to continue while they battle against low capacity utilisation, a low return on their R&D investment and continued tough regulatory requirements. There is a strong need to improve efficiency by, for example, breaking up the value chain. This represents a great opportunity for us to help customers develop more effective, reliable, production, validation and logistics processes. Production is focusing on fewer, more efficient production sites. This is creating a demand for automation and investment in new plant. Semcon's business offer within the medical device segment is progressing favourably. Customers are focusing on developing more and better products which means that design and user-friendliness are increasingly important areas. These are areas where we have high competence and valuable experience.

Telecom - Traffic and complexity in the network is expanding strongly across the globe. Competition between different operators is intense and is resulting in across-the-board price-cutting. To match this price pressure, equipment suppliers are investing boldly in product development while improving internal efficiency. Semcon's business offers within product development, information management, project management and systems integration support our customers as they develop new products and improve their procedures. We are now intensifying our efforts aimed at growth within this segment.

Industry - Manufacturing businesses are starting to invest in developing products and production again. Investment within the energy and environmental sectors is rapidly growing. The engineering sector is being hit by high material costs and high oil prices. In general there is a strong need to design and develop new products and make production systems more efficient. We have recently noted growing demand for our services in the Nordic region and we are seeing more activity in the energy, oil and gas 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

AIMS

The aim for 2005 is to improve margins compared with 2004, and continue winning market shares both in the Nordic region and abroad. We are working to balance our dependence on the car sector with other branches, especially within the Telecom sector.

OUTLOOK

We consider that both our performance and the market will remain stable for the remainder of 2005, although the car sector is hard to judge. We expect growth to continue in 2005 with improved margins compared with 2004.

BUSINESS ACTIVITIES

SALE ANALYSIS

The number of workdays amounted to 188 (191) up until 30 September. During the period Group sales climbed by SEK 156.1 m compared with the same period in 2004 and stood at SEK 1,086.5 m (930.4). Growth came mainly from activities in the Design & Development business area. Organic growth was 15.8%. The number of workdays stood at 65 (70) for Q3, which affected the period's sales growth. Sales in Q3 reached SEK 313.0 m (287.7), which represents quarterly growth of 8.8%.

EARNINGS ANALYSES

Group earnings continue their improvement. Compared with 2004 the operating profit after depreciation (EBIT) climbed by SEK 24.3 m to reach SEK 58.0 m (33.7). This meant an operating margin of 5.3% (3.6). The improved market situation and the effects of an adapted cost structure are the main reasons for the improvements. The profit after financial items reached SEK 59.1 m (30.7) and the profit after tax was SEK 42.9 m (21.2). Earnings per share were SEK 2.47 (1.22). In Q3 the operating profit after depreciation was SEK 8.8 m (11.9), representing an operating margin of 2.8% (4.2). The deteriorating operating profit is explained by fewer workdays in Q3 compared to last year.

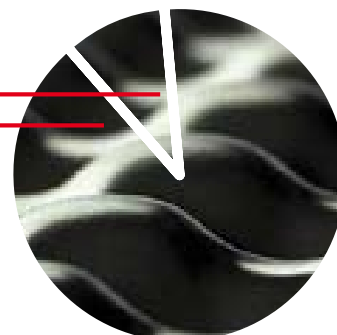
SEMCON'S BUSINESS AREAS

DESIGN & DEVELOPMENT

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

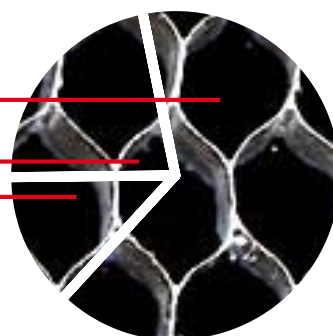
Share of earnings

International	11 % (12 %)
Sweden	89 % (88 %)



Sales per industry

Design & Development	65 % (62 %)
Informatic	22 % (25 %)
Innovation	13 % (13 %)



The business area continues to progress positively. In the first nine months of 2005 it reported sales growth of SEK 132.2 m, or 22.8%. Sales amounted to SEK 710.9 m (578.7) and the operating profit after depreciation was SEK 25.1 m (14.0). The Vehicle segment continues to develop strongly, but other areas in the Telecom and Industry segments, primarily relating to energy, have also experienced considerable demand. 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 in the first nine months of 2005 reached SEK 233.9 m (227.9). The operating profit improved by SEK 10.8 m compared with the same period in 2004 and reached SEK 22.9 m (12.1), which meant an operating margin of 9.8% (5.3). Our continuous efforts to improve efficiency and promote development have intensified, while we are continuing our international establish-

BUSINESS AREAS	Sales (SEK m)		Growth (%)	Share of sales (%)	Operating profit/loss (SEK m)		Operating margin (%)	
	30/09/2005	30/09/2004			30/09/2005	30/09/2004	30/09/2005	30/09/2004
Design & Development	710.9	578.7	22.8	65.4	25.1	14.0	3.5	2.4
Informatic	233.9	227.9	2.6	21.6	22.9	12.1	9.8	5.3
Innovation	141.7	123.8	14.4	13.0	10.0	7.6	7.1	6.1
Total	1 086.5	930.4	16.8	100.0	58.0	33.7	5.3	3.6

ment where our strategy is to build up infrastructure in Europe and Asia. During Q1 Informatic established in the UK (Oxford) through the acquisition of Pentech by Semcon, in Q2 it established in Hungary (Budapest) and in Q3 in China (Beijing). Informatics' aim is to continue its international expansion. During Q3 Zooma by Semcon received the Outstanding Website award for its design and development work for Salming Sports. The major customers are: ABB, Cadillac, Ericsson, Jaguar, Land Rover, Nissan, GM, Rolls Royce Marin, Saab Automobile, Sony Ericsson, VSM, AB Volvo and 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 and their focus is on specific solutions to general IT problems.

The business area reported sales for the period of SEK 141.7 m (123.8), corresponding to growth of 14.4%. The operating margin was 7.1% (6.1) and the operating profit was SEK 10.0 m (7.6). During the quarter Zystems by Semcon once again received the IBM Software Partner of the Year award. Zipper by Semcon continues its expansion and is opening an office in Lund. Zipper was nominated as a "Gasellföretag" (Up and coming company) by *Dagens Industri* in Q3. The major

customers are: Akzo Nobel, Astra Tech, AstraZeneca, Codan Trygg Hansa, Föreningssparbanken, Handelsbanken, JC, Saab Automobile, Sapa, Scania, Sony Ericsson, Stena Metall, Sydkraft, Trelleborg, Vattenfall, Vin & Sprit, AB Volvo, Volvohandels Utvecklings AB and Volvo Car Corporation.

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 21.8 m (19.2), and the operating profit after depreciation was SEK 0.0 m (0.0). The parent company's liquidity as of 30 September was SEK 45.6 m (49.8). The company's investment in stock totalled SEK 0.0 m (0.0).

STAFF & ORGANISATION

The average headcount for the period was 1,621 (1,435). The headcount at the end of September was 1,676 (1,471). Net recruitment during the period was 205 people. Staff turnover over a rolling 12-month period (1 October 2004 to 30 September 2005) was 9.9%. The headcount in each business area at the end of the period was as follows: Design & Development 1,190 (1,033), Informatic 298 (276) and Innovation 188 (162).

QUARTERLY CHANGES PER BUSINESS AREA

	2004 Q4	2004 Q1	2005 Q2	2005 Q3
Sales (SEK m)				
Design & Development	233.5	232.4	269.8	208.7
Informatic	68.0	78.9	90.4	64.6
Innovation	57.4	48.0	54.0	39.7
Total	358.9	359.3	414.2	313.0
Operating profit/loss after IFRS adjustment (SEK m)				
Design & Development	11.6	8.9	15.7	0.5
Informatic	10.5	7.0	9.9	6.0
Innovation	4.3	4.5	3.3	2.2
Total	26.4	20.4	28.9	8.7
Operating margin (%)				
Design & Development	4.4	3.8	5.8	0.2
Informatic	14.9	8.9	10.9	9.3
Innovation	6.8	9.3	6.1	5.5
Total	7.4	5.7	7.0	2.8
Number of employees				
Design & Development	1 033	1 128	1 167	1 190
Informatic	276	282	288	298
Innovation	162	180	181	188
Total	1 471	1 590	1 636	1 676
Sales per employee (SEK 000s)				
Design & Development	226	206	231	175
Informatic	246	280	314	217
Innovation	355	267	298	211
Total	244	226	253	187

SEMCON AB-CONSOLIDATED FINANCIAL SUMMARY

INCOME STATEMENTS

(SEK 000s)	2005 July-Sept IFRS	2004 July-Sept IFRS	2004 July-Sept	2005 Jan-Sept IFRS	2004 Jan-Sept IFRS	2004 Jan-Sept	2004 Full year IFRS
Operating income	312 989	287 651	287 650	1 086 519	930 430	930 430	1 289 330
Staff costs	-203 081	-178 625	-178 625	-703 938	-602 612	-602 612	-832 848
Other operating expenses	-97 516	-93 088	-92 892	-312 662	-281 498	-281 046	-379 118
Operating profit/loss before depreciation	12 392	15 938	16 133	69 919	46 320	46 772	77 364
Depreciation of tangible assets	-3 158	-3 583	-3 583	-10 636	-11 380	-11 380	-16 006
Depreciation of intangible assets *	-435	-405	-2 484	-1 312	-1 282	-7 515	-1 548
Operating profit/loss after depreciation	8 799	11 950	10 066	57 971	33 658	27 877	59 810
Net financial items**	-654	-835	-835	1 083	-2 971	-2 971	-3 182
Profit/loss after net financial items	8 145	11 115	9 231	59 054	30 687	24 906	56 628
Tax	-2 577	-2 669	-2 863	-16 116	-9 443	-9 896	-16 294
Profit/loss for the period ***	5 568	8 446	6 368	42 938	21 244	15 010	40 334
Average number of shares	17 391 021	17 391 021	17 391 021	17 391 021	17 391 021	17 391 021	17 391 021
Number of convertibles	393 617	98 404	98 404	393 617	98 404	98 404	196 809
EPS after tax, SEK	0.32	0.49	0.37	2.47	1.22	0.86	2.32
EPS after dilution, SEK	0.31	0.48	0.36	2.41	1.21	0.86	2.29
Note * Of which depreciation of goodwill.	-	-	2 079	-	-	6 234	-
Note ** The positive effect concerning the real value of the share swap agreement, is in line with IFRS.	-	-	-	2 865	-	-	-
Note *** Of which, parent company shareholders.	5 593	8 446	6 368	42 901	21 246	15 012	40 341
Of which, minority interests.	-25	0	0	37	-2	-2	-7

BALANCE SHEETS

(SEK 000s)	30/09/2005 IFRS	30/09/2004 IFRS**	30/09/2004	31/12/2004 IFRS**	31/12/2004
Assets					
Intangible fixed assets*	75 288	59 799	53 565	58 158	49 847
Tangible fixed assets	37 103	31 425	31 425	35 444	35 444
Financial fixed assets	0	8 280	8 280	8 698	8 698
Other long-term receivables	7 402	9 434	9 434	7 402	7 402
Current assets	482 126	427 423	427 424	441 910	441 910
Total assets	601 919	536 361	530 128	551 612	543 301
Shareholders' equity and liabilities					
Shareholders' equity***	173 701	113 645	107 414	133 959	125 648
Provisions	43 904	43 711	43 711	40 565	40 565
Long-term liabilities	13 447	13 795	13 795	13 447	13 447
Current liabilities	370 867	365 210	365 208	363 641	363 641
Total shareholders' equity and liabilities	601 919	536 361	530 128	551 612	543 301
Note * Of which goodwill.	70 659	53 139	46 905	52 218	43 907
Note ** IFRS adjusted goodwill depreciation.	-	6 234	-	8 311	-
Note *** Of which, minority share.	48	16	16	11	11

CHANGE IN SHAREHOLDERS' EQUITY

(SEK 000s)	30/09/2005	30/09/2004	31/12/2004
Shareholders' equity at period's start	133 959	90 406	90 406
Exchange rate difference	171	114	-50
Risk of loss in initial SWAP agreement	0	1 865	3 251
Buy-back of own shares	-3 367	0	0
Profit/loss for the period	42 938	15 010	32 030
Shareholders' equity before IFRS adjustment	173 701	107 395	125 637
Adjustment of goodwill	0	6 234	8 311
Minority share	0	16	11
Shareholders' equity at period's end	173 701	113 645	133 959

CASH FLOW STATEMENT

(SEK 000s)	30/09/2005	30/09/2004	2004 Full year
Current activities	39 076	23 197	64 487
Change in working capital	-13 326	7 730	-36 356
Investment activities	-13 092	-11 241	-19 179
Financing activities	-3 366	9 298	9 298
Change in liquid funds	9 292	28 984	18 250

KEY FIGURES

	Note	30/09/2005 IFRS	30/09/2004 IFRS	2004 Full year IFRS
Growth/Decline in sales, (%)		16.8	8.9	7.6
Operating margin, (%)	1	5.3	3.6	4.6
Return on average shareholders' equity, (%)	2	30.6	20.8	29.7
Return on average capital employed, (%)	3	30.9	24.6	46.0
Equity assets ratio, (%)	4	28.9	21.2	24.3
Debt/equity ratio, (multiple)	5	0.63	0.15	0.10
Interest coverage ratio, (multiple)	6	16.6	7.7	10.7
Earnings per share, (SEK)	7	2.47	1.22	2.32
Earnings per share after dilution, (SEK)	8	2.41	1.21	2.29
Shareholders' equity per share, (SEK)	9	9.99	6.53	7.22
Average number of employees	10	1 621	1 435	1 444
Sales per employee, (SEK 000s)	11	670	648	893
Value added per employee, (SEK 000s)	12	461	435	789
Profit/loss after financial items per employee, (SEK 000s)	13	36.4	21.4	33.9
Investments in machinery and equipment, (SEK 000s)		6 407	5 949	11 147
Investments in subsidiaries' and associate companies' shares, (SEK 000s)		20 187	-	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	393 617
Average number of convertibles		393 617	98 404	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.
- Sales divided by the average number of salaried 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
Price per share/equity.	Price per share divided by shareholders' equity per share.

SHARE PERFORMANCE

Semcon's shares have performed well during the year and have risen in value by 96.1% since 1 January, from SEK 30.6 to SEK 60.0 per share. Over the same period the SX All share index rose by 21.9%. Over the past 12 months Semcon's share price has risen by 156.4% compared to the SX All Share index, which rose by 30.9%. The diagram below shows Semcon's share price since 31 December 2002 compared to the SX all share index and the Semcon share's turnover rate.

OWNERSHIP STRUCTURE

Foreign investment in Semcon amounted to 31.8% (27.9 % on 31 Dec.) of ownership on 30 September. The number of shareholders was 5,878 (5,826 on 31 Dec.). The options programme that ended on 31 August did not result in any conversion to new shares so the total number of shares at the end of the period remained unchanged at 17,391,021. During the year Semcon bought back 96,500 shares in the company at an average share price of SEK 34.9. Semcon has been listed on Stockholm Stock Exchange's Attract 40 list since 1 July 2005 under the SEMC ticker with a share class giving equal voting rights.

LARGEST HOLDINGS 30/09/2005	No. of shares	Proportion %
Shareholder		
JP Morgan	11 635 694	9.41
Skandia liv	1 490 300	8.57
Ing Ferri S.A.	1 171 000	6.73
Handelsbanken fonder	669 534	3.85
Roburs fonder	663 000	3.81
Hans Johansson med familj	453 600	2.61
SEB fonder	338 624	1.95
Credit Suisse	265 200	1.52
Handelsbanken	265 200	1.52
Gartmore	217 020	1.25
Total	7 169 172	41.22
Other ownership	10 221 849	58.78
Grand total	17 391 021	100.00

OWNERSHIP STATISTICS 30/09/2005

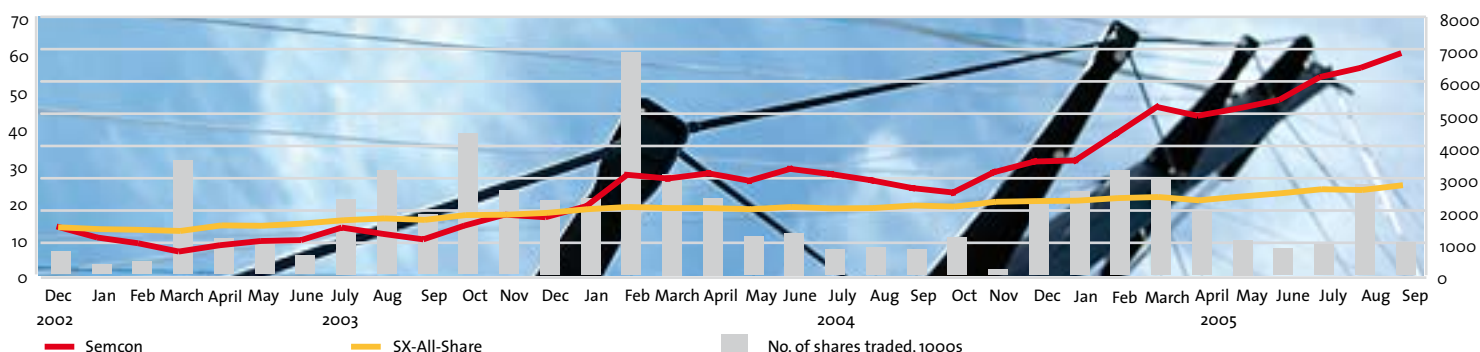
Size	No. of Shares	No. of share holders	Proportion %
1-500	3 565	3 408	4.6
501-1000	1 128	1 046	5.4
1001-10000	1 045	1 003	17.6
10001-100000	112	121	18.6
100001-	28	27	53.8
Total	17 391 021	5 605	100.0

KEY FIGURES PER SHARE

	30/09/2005	2004	2003	2002	2001
EPS after tax (SEK)	2.47	2.32	-3.31	0.05	0.08
EPS after dilution (SEK)	2.41	2.29	-3.31	0.05	0.08
Shareholders' equity before dilution (SEK)	9.99	7.70	5.20	8.49	8.56
Shareholders' equity after dilution (SEK)	10.52	8.29	5.13	8.30	8.48
Price per share/ Shareholders' equity per share (times)	5.70	4.24	2.98	1.53	4.61
Cash flow per share (SEK)	0.53	1.05	0.44	1.50	-0.30
Dividend	-	-	-	-	-
Share price at end of period (SEK)	60.00	30.60	15.50	13.00	39.50
Market capitalisation at end of period (SEK m)	1 043	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	382	164
No. of outstanding convertibles at end of period	394	394	-	-	-
Average no. of convertibles	394	197	-	-	-

No adjustments according to IFRS has been done 2001 to 2003.

PRICE TREND



SEMCON

FINANCIAL ITEMS & INVESTMENTS

The operating cash flow remains positive at SEK 9.3 million (29.0). The Group's liquid assets on 30 September were SEK 13.6 million (69.7). The Group's total investment in hardware, licences, inventories and office equipment totalled SEK 6.4 million (5.9 m). Investments in subsidiaries' shares and operations totalled SEK 20.2 million (6.2). Shareholders' equity at the end of the period totalled SEK 173.7 million (113.6) and the equity/assets ratio was 28.9% (21.2). The interest-bearing liability totalled SEK 108.9 million (17.0).

KEY EVENTS DURING THE PERIOD

- Semcon's shares are listed on the Attract-40 list of the Stockholm Stock Exchange.
- Semcon has been selected as a Preferred Supplier by Scania.
- Semcon has signed a framework agreement with Gambro Lundia AB, with Semcon being selected as a preferred supplier within design, development and technical information.
- Semcon continues its expansion in China by opening an office in Beijing.
- For the second time, Zystems by Semcon wins the IBM Software Partner of the Year award in competition with 600 suppliers in Sweden.
- Zooma by Semcon wins the Outstanding Website award for its design and development work on Salming Sports' website.
- Zipper by Semcon opens an office in Lund.
- Zipper by Semcon was nominated as a "Gasellföretag" (Up and coming company) by *Dagens Industri*.

OTHER INFORMATION

ACCOUNTING PRINCIPLES

This quarterly report has been produced in accordance with IAS 34, Interim Reports, which is in accordance with the requirements set out in RR31 of the Swedish Financial Accounting Standards Council's recommendation on Interim Reporting

The accounting principles applied in this interim report are the same as described in the consolidated accounts for 2004. There it states that International Financial Reporting Standards (IFRS) apply from 2005 and that comparisons for 2004 have been made in accordance with the new principles, with the exception of the regulations concerning financial instruments. In accordance with the regulations for the transition to IFRS therefore, the new principles for financial instruments will only apply in the sections of the accounts that refer to 2005. The effects of shareholders' equity at the start of the year from the application of the new principles are presented in the Income Statement and Balance Sheet of this Interim Report.

In addition to the differences to the accounts published for the 2004 Annual Report there are some minor changes to the reporting of minority interests in subsidiaries and the tax expenditure for associate companies. A certain degree of reclassification has occurred in the balance sheet in connection with the transition to IFRS but this has not affected profits or shareholders' equity.

The Group's cash flow calculations and formation have not changed in connection with the transition to IFRS.

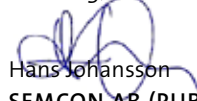
ELECTIONS COMMITTEE

At the AGM held on 20 April 2005 it was decided that the Chairman of the Board should convene an Elections committee comprising the Chairman of the Board and a representative of each of the largest shareholders in terms of votes as of the end of September. The Elections committee for the next AGM has now been appointed and comprises Erik Sjöström, representing Skandia Liv, KG Lindvall, representing Robur and Christian W Jansson, Chairman of the Board.

REPORTING

This report has not been checked by the company's auditors. For further information, please contact Hans Johansson, CEO, on: +46 (0)31 721 03 05, mobile: +46 (0)70 591 43 34 or Bengt Nilsson, CFO, on: +46 (0)31 721 03 11, mobile: +46 (0)70 447 28 68.

Göteborg, 20 October 2005



Hans Johansson
SEMCON AB (PUBL)

Company reg. no. 556539-9549

FINANCIAL REPORTING

Financial Report	8 February 2006
Interim report Jan-March	26 April 2006
AGM	26 April 2006

This report is also available in Swedish. All financial information is available at www.semcon.com.

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