



Good earnings growth continues

- Sales climbed by 11.4% to reach SEK 400.3 m (359.3)
- The profit after tax was SEK 25.8 m (16.1), a rise of 60%
- Earnings per share were SEK 1.48 (0.93)
- The operating profit after depreciation (EBIT) soared by 79.4% to reach SEK 36.5 m (20.4), which meant an operating margin of 9.1%

Interim report January-March 2006

Comments by CEO Hans Johansson

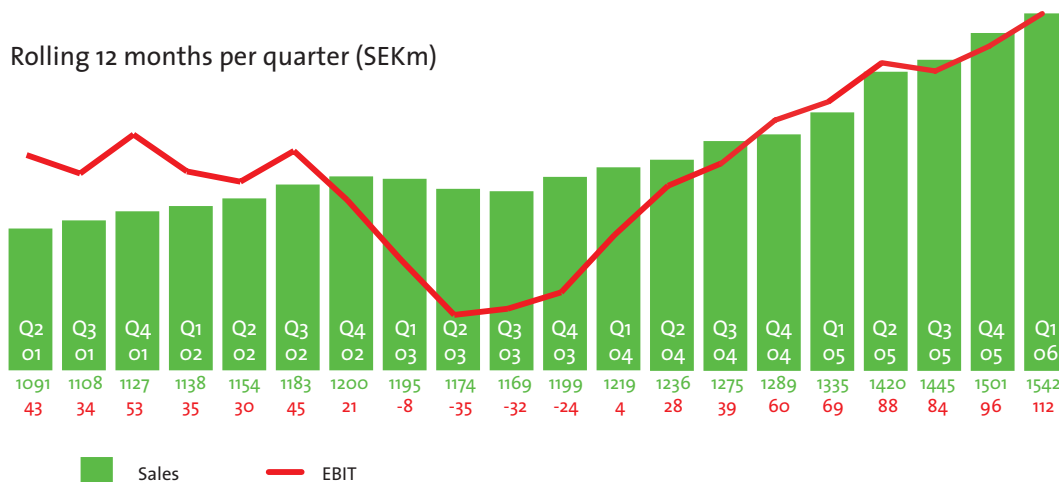
Our results for Q1 are among the strongest we have ever reported. They are due to the improvements we have made, the high demand for our services and the added value we are creating for our customers. This is very obvious in our Design & Development business area, where our industry segment is performing very strongly. We have also reinforced our business offer to the energy and hydropower sectors in order to match growing demand. Development of renewable energy sources is a strong driving force in both the auto and manufacturing sectors and our business offer is highly developed. Our good results are also partly due to Easter falling in Q2 and the resulting long stretch of uninterrupted productivity containing two more working days than the previous year.

Unfortunately our business in Norway is reporting a fall in profit due to generally high costs in that country combined with the fact that projects performed in Norway are international. This business is currently being restructured.

The strong progress of Zpider continues and it is great to see such a vibrant spirit of enterprise at Semcon. During the period we have started up two new Z companies, Zuite by Semcon and Zingle by Semcon, of which Zingle is already making a profit in Q1. We also started a specialist company, Compliant Logistics, within our focus area of Medical & LifeScience. Together, these two companies are good examples of our ability to develop strong offers in expanding market segments.

It is also pleasing to report that Zooma by Semcon, our interactive agency within our Informatic business area, has received two awards during the first quarter for web campaigns designed and constructed for Ericsson. Zooma has also developed a unique process for large-scale production of computer-generated images of photo-realistic quality. Using these images, companies can produce marketing and training materials before a physical product or model is ready. The lead-time from idea to finished product can thus be cut even further, which means cost savings and competitive advantages for our customers.

Rolling 12 months per quarter (SEKm)



semcon

When we released our Q1 report in 2005 we had completed two acquisitions: Propeller and Pentech. One year later these two businesses have become very successful and important parts of the Group. The acquisitions were also part of our strategic realignment; Propeller strengthens our business offer in the early stages of R&D, while Pentech strengthens our aftermarket resources. During the intervening period we have worked to implement the strategy established in 2005 and we have also announced a new vision: to be the leading international partner in R&D and communication.

Our significant progress have enabled us to recruit new, creative staff and during the period our headcount in the Nordic region has risen by 48. The business we secured at the end of 2005, with Volvo Aero for example, has continued to progress positively. Thanks to the hard work of our staff and a strong market we look forward to continued good development.



Outlook

Our objectives are continued growth and improved profitability. In 2006 we aim to win market shares in Sweden and abroad. We will continue to develop our specialist business offers in all business areas aimed at development- and communication-intensive industrial businesses.

We expect the good economic conditions experienced in 2005 to continue in 2006, which will give us good opportunities to achieve our goals, even though there are a number of areas of uncertainty, such as development within the auto sector.

Business activities

Sale analyses

Group sales in Q1 reached SEK 400.3 m (359.3), a rise of SEK 41.0 m, or 11.4%. There were 64 (62) working days in the quarter. This had an effect of around 2% on sales, the remainder is organic growth. Average sales per employee were SEK 236,000 (231,000), up 1.4%. All business areas reported positive sales growth. Sales to the ten largest customers increased by 14.4%.

Earnings analyses

Semcon is reporting strong earnings for the first quarter of 2006. Compared with the same period in 2005, the operating profit after depreciation rose by SEK 16.2 m, a climb of 79.4%. The reasons are positive sales development, good cost control and the extra days in the period. The higher number of working days affected the periods' results positively by about SEK 6 m. The operating profit after depreciation (EBIT) was SEK 36.5 m (20.4), which produced a margin of 9.1% (5.7). Net financial items were SEK -0.3 m (+1.8), which produced a profit after financial items of SEK 36.2 m (22.2) and a profit after tax of SEK 25.8 m (16.1). Earnings per share after tax were SEK 1.48 (0.92), up 59.8%.

Semcon's business areas

Design & Development

The business area works with design, product development and production development. The focus is on improving business results for our customers. Our business offer is aimed at managers responsible for technical development (CTOs) in technology-intensive manufacturing companies.

The business area, which is Semcon's largest with 63.5% of total sales, recorded growth of 9.2% during Q1. This corresponded to a sales increase of SEK 21.4 m. Sales amounted to SEK 253.8 m (232.4). The operating profit after depreciation climbed by 97.7% to reach SEK 17.6 m (8.9). The major customers are: ABB, Astra-Zeneca, Bombardier, Ericsson, Haldex, Preemraff, Scania, Saab Automobile, Saab AB, AB Volvo and the 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. Our business offer is aimed at managers respon-

sible for markets and aftermarkets (CMOs) in technology-intensive manufacturing companies.

Informatic's sales rose by 17.7% and reached SEK 92.9 m (78.9). The operating profit after depreciation was SEK 14.0 m (7.0), a climb of 100.0%. We are now seeing the effects of our development work within partnerships, where the aim is to achieve a beneficial cost structure for both our customers and ourselves. The major customers are: ABB, Cadillac, Ericsson, Jaguar, Land Rover, Nissan, GM, Rolls-Royce Marine, Saab Automobile, Sony Ericsson, VSM, AB Volvo and The Volvo Car Corporation.

Zpider

The business area provides IT solutions that improve the efficiency of our customers' activities and make them easier. Semcon's five specialist companies in the business area operate under their own brands and their focus is on specific solutions to general IT problems. Our business offer is aimed at managers responsible for IT (CIOs) in large and medium-sized companies with advanced IT infrastructures.

The business area reported sales of SEK 53.6 m (48.0), corresponding to growth of 11.8%. The operating profit was SEK 4.9 m (4.5), a rise of 8.8%. During Q1 two new companies were started within the business area. Zipper by Semcon was once again authorised at the highest level in Microsoft's partner programme, becoming a Gold Certified Partner for 2006. Zsystems by Semcon progressed very strongly during the period. Customers include: Akzo Nobel, Astra Tech, Codan Trygg Hansa, Handelsbanken, Saab Automobile, Sapa, Scania, Sony Ericsson, Stena Metall, Vattenfall, Vin & Sprit, Volvohandelns Utvecklings AB and the Volvo Car Corporation.

Parent company

As the Group's parent company, Semcon AB is responsible for corporate issues such as strategy, information and marketing.

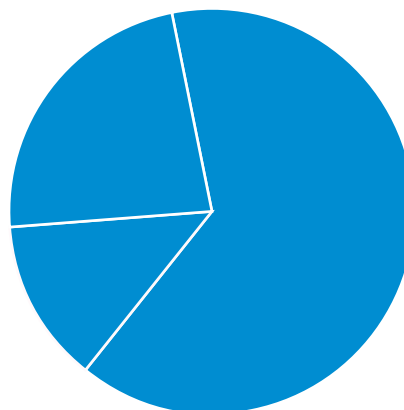
Sales amounted to SEK 6.9 m (6.8), and the operating profit after depreciation was SEK 0.5 m (-0.2). The parent company's liquidity was SEK 25.3 m (47.2). The company's investment in stock totalled SEK 0.0 m (0.0).

Staff and organisation

The average number of employees was 1,693 (1,556). The headcount at the end of the period was 1,720 (1,590). Staff turnover was 10.3%. The headcount in each business area at the end of the period was as follows: Design & Development 1,234 (1,128), Informatic 289 (282) and Innovation 197 (180).

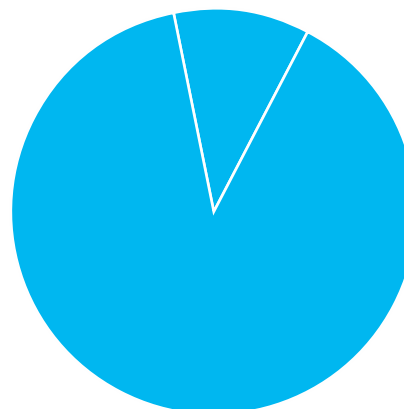
Financial items, investments and owner information

The operating cash flow was SEK 4.9 m (40.1) and the change in liquid assets was SEK -0.1 m (21.8). The Group's total investment in hardware, licences, inventories and office equipment totalled SEK 3.8 m (2.7) and the Group's investment in property was SEK 0.0



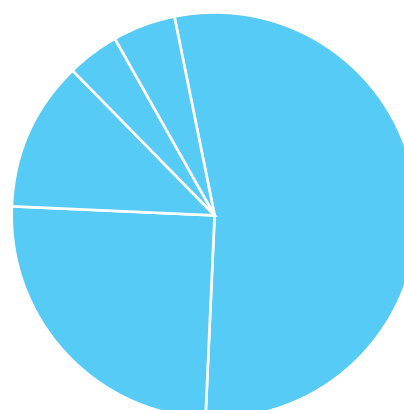
Sales per industry

Design & Development	64 %	(65 %)
Informatic	23 %	(22 %)
Zpider	13 %	(13 %)



Share of earnings

International	11 %	(10 %)
Sweden	89 %	(90 %)



Sales per industry

Vehicle	54 %	(56 %)
Industry	25 %	(20 %)
Telecom	12 %	(13 %)
Medical & LifeScience	4 %	(5 %)
Other	5 %	(6 %)

m (0.0). At the end of the period the balance sheet total was SEK 592.5 m (645.2), shareholders' equity was SEK 224.7 m (146.8) and the equity/assets ratio was 37.9% (22.7). Liquid assets amounted to SEK 17.8 m (80.8). Investments in subsidiaries' shares and operations totalled SEK 1.6 m (12.2). The interest-bearing liability totalled SEK 54.9 m.

Ownership structure

Foreign investment in Semcon continued to increase during the quarter and amounted to 33.7% (24.3) of ownership at the end of March. The number of shareholders was 6,551 (6,006). The total number of shares at the end of the period was 17,391,021. Semcon is listed on Stockholm Stock Exchange's Attract 40 list under the SEMC ticker with a share class with equal voting rights.

Key events during the period

- Zingle by Semcon was the first new start-up of the year. It will operate in the Zpider business area and focus on Identity and Access Management.
- Semcon has started a joint venture, Compliant Logistics, together with FlexLink. The company will offer solutions for efficient logistics to the pharmaceutical, biotech and meditech sectors.
- Semcon has started another jointly owned specialist company, Zuite by Semcon, within the Zpider business area. Focused on MySAP Business Suite, Zuite will help improve efficiency.
- Zooma by Semcon won two awards when the Web Marketing Association announced the best web campaigns of the past year.

Other information

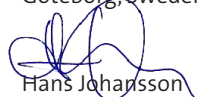
Accounting principles

This financial statement 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 for Groups.

Reporting

The Q2 report will be published on 23 August 2006. 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: +46 31-721 03 11, mobile: +46 70-447 28 68.

Göteborg, Sweden, 26 April 2006



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This report is also available in Swedish

Financial reports 2006

Q2	23 August
Q3	18 October

Semcon is a leading international design and development company, with around 1,700 employees and sales in 2005 of SEK 1.5 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, Portugal and Spain.

Semcon AB - consolidated financial summary

Income statement	2006	2005	2005
SEK 000	Jan-March	Jan-March	Full year
Operating income*	400 335	359 257	1 500 531
Purchase of goods and services	-68 502	-56 909	-281 707
Other external operating expenses*	-40 588	-38 218	-154 361
Staff costs	-251 102	-239 121	-953 520
Operating profit/loss before depreciation	40 143	25 009	110 943
Depreciation of tangible assets	-3 112	-4 217	-13 395
Depreciation of intangible assets	-514	-442	-1 801
Operating profit/loss after depreciation	36 517	20 350	95 747
Net financial items**	-301	1 800	2 150
Profit/loss after net financial items	36 216	22 150	97 897
Tax	-10 427	-6 052	-29 875
Profit/loss for the period ***	25 789	16 098	68 022
Average number of shares	17 391 021	17 391 021	17 391 021
Number of convertibles	393 617	393 617	393 617
EPS after tax, SEK	1.48	0.93	3.91
EPS after dilution, SEK	1.44	0.91	3.84
Note * Of which of share in associate company's profit	-	713	4 802
Note ** The positive effect concerning the real value of the share swap agreement, is in line with IFRS	-	2 955	2 955
Note*** Of which, parent company shareholders	25 669	16 060	68 020
Of which, minority interests	120	38	2
Balance sheets	2006	2005	2005
SEK 000	31 Dec	31 March	31 Dec
Assets			
Intangible fixed assets, goodwill	71 035	60 922	69 484
Tangible fixed assets, computer programs	10 546	5 499	9 050
Tangible fixed assets	34 814	39 719	36 178
Financial fixed assets	-	9 411	-
Other long-term receivables	3 569	7 402	3 709
Other current assets***	472 568	522 262	550 957
Total assets	592 532	645 215	669 378
Shareholders' equity and liabilities			
Shareholders' equity*	224 651	146 766	198 886
Interest-bearing long-term liabilities	13 499	13 447	13 499
Non interest-bearing long-term provisions**	48 185	41 653	47 283
Interest-bearing current liabilities	41 353	-	104 871
Non interest-bearing current liabilities***	264 844	443 349	304 839
Total shareholders' equity and liabilities	592 532	645 215	669 378
Note * Of which, minority share	132	49	13
Note ** Of which, deferred tax	45 797	41 653	45 695
Note *** Accrued, non-invoiced income is reported in the consolidated accounts per project at the net sum of the invoiced amount for work in progress minus invoiced instalments and any losses. In the balance sheet, liabilities and receivables for the year of comparison (2004) are reported per buyer of the assignment as current assets and non-interest-bearing current liabilities, respectively, at gross value.			
Change in shareholders' equity	2006	2005	2005
SEK 000	31 March	31 March	31 Dec
Shareholders' equity at start of period	198 886	133 959	133 959
Exchange rate difference	-24	76	272
Buy-back of own shares	-	-3 367	-3 367
Earnings for the period attributable to parent company shareholders	25 669	16 060	68 020
Shareholders equity before minority participations	224 531	146 728	198 884
Earnings for the period attributable to minority interests	120	38	2
Shareholders equity at end of period	224 651	146 766	198 886
Cash flow statement	2006	2005	2005
SEK 000	31 March	31 March	31 Dec
Current activities	31 066	19 243	99 077
Change in working capital	-26 139	20 824	-58 687
Cash flow from current activities	4 927	40 067	40 390
Investment activities	-5 336	-14 897	-23 443
Financing activities	300	-3 367	-3 367
Change in liquid funds	-109	21 803	13 580

Key figures

	Note	2006 31 March	2005 31 March	2005 Full year
Growth/Decline in sales (%)		11.4	14.7	16.4
Operating margin (%)	1	9.1	5.7	6.4
Profit margin (%)	2	9.0	6.2	6.5
Return on average shareholders' equity (%)	3	13.9	11.8	40.9
Return on average capital employed (%)	4	16.7	15.7	44.2
Equity assets ratio (%)	5	37.9	22.7	29.7
Debt/equity ratio (multiple)	6	0.25	0.09	0.60
Interest coverage ratio (multiple)	7	56.7	16.4	21.8
Earnings per share after tax (SEK)	8	1.48	0.93	3.91
Earnings per share after dilution (SEK)	9	1.45	0.91	3.84
Shareholders' equity per share (SEK)	10	13.39	8.44	11.44
Average number of employees	11	1 693	1556	1 636
Sales per employee (SEK 000)	12	236	231	917
Value added per employee (SEK 000)	13	164	164	625
Profit/loss after financial items per employee (SEK 000)	14	21.4	14.2	59.8
Investments in machinery and equipment (SEK 000)		3 786	2 700	19 554
Investments in goodwill (SEK 000)		1 552	12 199	17 266
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	393 617	393 617

References

1. Earnings after depreciation as % of operating earnings.
2. Profit after financial items as % of operating earnings.
3. Profit/loss for the period as % of average shareholders' equity.
4. Profit/loss after financial items plus financial expenses as % of average capital employed.
5. Shareholders' equity as % of balance sheet total.
5. Interest-bearing debt divided by shareholders' equity
7. Profit/loss after financial items plus financial expenses, divided by financial expenses.
8. Profit/loss for the period attributed to the parent company's owners divided by the average number of shares
9. Profit/loss for the period attributed to the parent company's owners divided by the average number of shares including options
10. Shareholders' equity divided by the total number of shares at the end of the period.
11. Average number of employees.
12. Sales divided by the average number of salaried employees.
13. Profit/loss after depreciation plus salary expenses and social fees divided by the average number of salaried employees.
14. 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

Quarterly changes per business area

	2005 Q2	2005 Q3	2005 Q4	2006 Q1
Sales (SEK m)				
Design & Development	269.9	208.7	263.5	253.8
Informatic	90.4	64.6	95.5	92.9
Zpider	54.0	39.7	55.0	53.6
Total	414.3	313.0	414.0	400.3
Operating profit/loss (SEK m)				
Design & Development	15.6	0.5	17.2	17.6
Informatic	9.9	6.0	14.9	14.0
Zpider	3.3	2.2	5.7	4.9
Total	28.8	8.7	37.8	36.5
Number of days in the period	61	65	64	64

Key figures per share

	2006 31 March	2005 31 March	2005 31 Dec
EPS after tax (SEK)	1.48	0.93	3.91
EPS after dilution (SEK)	1.44	0.91	3.84
Shareholders' equity before dilution (SEK)	12.92	8.44	11.44
Shareholders' equity after dilution (SEK)	13.39	9.01	11.94
Price per share/ Shareholders' equity per share (times)	5.28	5.04	5.09
Cash flow per share (SEK)	-0.01	1.25	0.78
Dividend	0.00	0.00	0.00
Share price at end of period (SEK)	68.25	45.40	58.25
Market capitalisation at end of period (SEK m)	1 187	790	1 013
No. of shares at end of period (000s)	17 391	17 391	17 391
Average no. of shares (000s)	17 391	17 391	17 391
No. of options	-	218	-
No. of outstanding convertibles at end of period	394	394	394
Average no. of convertibles	394	394	394

Largest holdings 31/03/06

	Antal aktier	Procent
Skandia liv	1 656 900	9.53
Ing Ferri S.A	1 525 200	8.77
JP Morgan	1 057 044	6.08
Handelsbankens fonder	535 034	3.08
SEB Fonder	460 624	2.65
Hans Johansson and family	453 600	2.61
Bruce Grant	400 000	2.30
Credit Suisse	300 000	1.73
Roburs fonder	266 600	1.53
Gartmore	240 380	1.26
Total	6 895 382	39.54
Other ownership	10 495 639	60.46
Grand total	17 391 021	100.00

Ownership statistics 31/03/06

	No. of shareholders	No. of shares	Proportion (%)	Market value (SEK 000)
1-500	3 998	858 216	4.9	58 573
501-1 000	1 283	1 120 042	6.4	76 443
1 001-10 000	1 133	3 346 363	19.2	228 389
10 001-100 000	111	3 223 472	18.5	220 002
100 001-	26	8 842 928	50.9	603 530
Total	6 551	17 391 021	100.0	1 186 937

Price trend

