

semcon

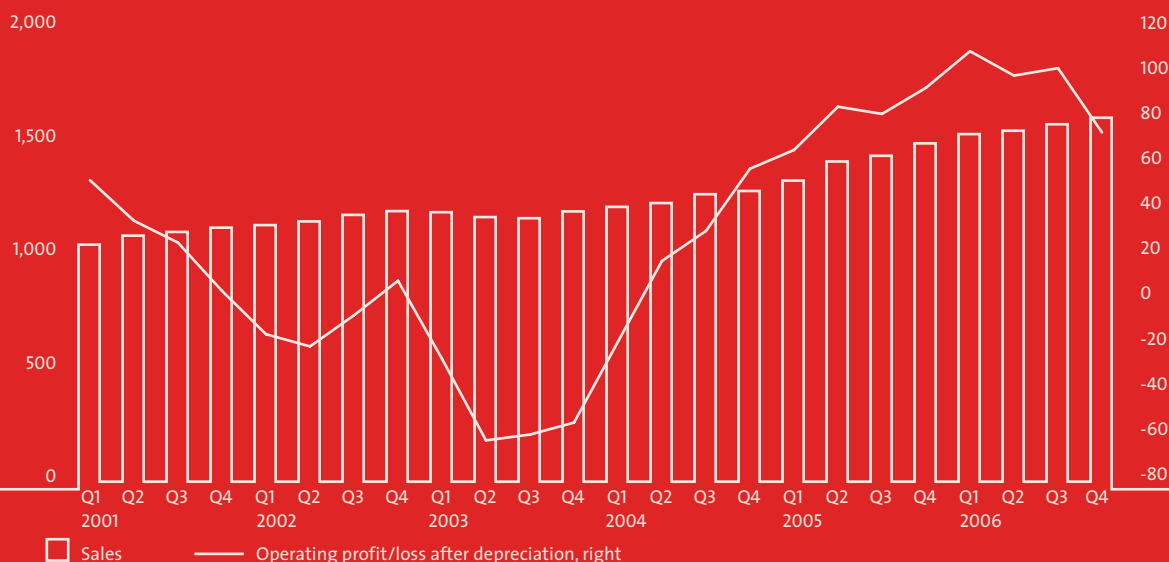
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2006 IN BRIEF

- Sales amounted to SEK 1,614.1 million (1,500.5 m), meaning a sales increase of 7.6%.
- The operating profit after depreciation (EBIT) including one-off items was SEK 75.9 million (95.7 m), giving an operating margin of 4.7% (6.4).
- One-off costs saddled the year's results with SEK 29.2 million. The operating profit, excluding these items was SEK 105.1 million and the operating margin was 6.5%.
- The profit after tax was SEK 48.2 million (68.0 m).
- EPS was SEK 2.62 (3.91).
- The Board proposes that no dividend (SEK 0) be paid for 2006.

ROLLING 12-MONTH SALES AND OPERATING PROFIT/LOSS PER QUARTER, SEK M



IMPORTANT EVENTS DURING THE YEAR

- Semcon started two new companies in the Zpider business area – Zingle by Semcon AB and Zuite AB.
- Semcon started a joint venture with Flexlink called Compliant Logistics to provide solutions for effective production logistics to the pharmaceutical, bio-tech and medi-tech industries.
- Zooma by Semcon received awards for the Ericsson Racing Team's website and mobile website for the Volvo Ocean Race and FIFA 2006 for the Canadian telephone operator Rogers.
- Semcon acquired 30% of the Norwegian product development company Kongsberg Devotek AS. Meanwhile Semcon sold its Norwegian company Semcon Norge AS to Devotek.
- Semcon signed an agreement for project management and engineering of a new car project with the Volvo Car Corporation.
- Semcon expanded its preferred supplier agreement with Ericsson to also cover Semcon's IS/IT services.
- Semcon signed a framework agreement with Nokia for all Semcon's services.
- Semcon Informatic underpinned its presence in Germany and signed a joint venture agreement with ESG (Elektroniksystem und Logistik GmbH) in Germany.
- Automotive R&D won an international order worth around SEK 60 million. The order runs for three years and covers project management and design for a car project.
- Semcon Informatic signed a 3-year strategic partnership agreement with Volvo Parts AB (AB Volvo) to include spare part preparation and peripheral aftermarket services.
- Semcon sold Knud E. Hansen A/S to ML Group.

KEY INDICATORS

	2002	2003	2004	2005	2006
Sales (SEK m)	1,200	1,199	1,289	1,501	1,614
Operating profit/loss (SEK m)	10.1	-52.8	59.8	95.7	75.9
Equity/assets ratio (%)	27.9	19.1	24.3	29.7	40.0
Earnings per share (SEK)	0.05	-3.31	2.32	3.91	2.62
Average number of employees	1,581	1,504	1,444	1,636	1,725
Sales per employee (SEK 000)	759	797	893	917	936

THIS IS SEMCON

We are 1,800 committed individuals with a passion for product development, technical information and IT. Semcon has sales of SEK 1.6 billion and is listed on the Stockholm Stock Exchange on the Nordic List in the

BUSINESS AREAS

HISTORY

DEVELOPMENT 2006

Design & Development

Design & Development provides skills, experience and commitment in all the key areas that are needed to achieve faster, better product development. From pilot studies, ideas and innovation, concept and design, to engineering tests, prototypes, verification and production development.

Semcon's biggest business area continued to develop well, mainly in the Automotive and Industry sectors. Sales were SEK 1,020.6 million. The operating profit was SEK 22.5 million. Demand remained high in the area but faced stiff competition.

Informatic

Informatic adds value to customers' products and brand, before a purchase, but also during the product's entire lifespan. Information makes products attractive and simple to understand and use. By using clear, educational and focused information costs are also cut for installation, repairs, fault-finding and maintenance.

The business area had a successful year and a lot of energy was spent on the continued internationalisation of the business. Sales were SEK 340.8 million. The operating profit was SEK 33.8 million. Semcon started a partnership with ESG of Germany in the autumn, which led to the first international assignment for GM.

Zpider

Zpider is Semcon's business area for IT services and solutions. Zpider consists of five companies: Zipper, Zystems, Zingle, Zetup and Zuite. All five companies provide packaged solutions with proven effects, saving time and money for our customers. The companies are run in true entrepreneurial spirit and services are provided by committed employees.

The business area continued to show good growth. Sales were SEK 252.7 million. Growth was mainly seen from Zuite and Zystems, which continued to progress well. The other companies also showed positive growth. The operating profit was SEK 19.6 million.

Small Cap and Information Technology sector. Semcon focuses on four development-intensive sectors: Automotive, Telecom, Medical & LifeScience and Industry. Today we're in 12 countries. Tomorrow we'll be in more.

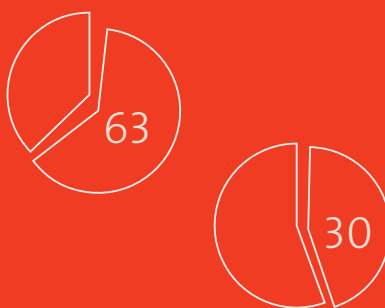
CUSTOMERS

Customers include ABB, AstraZeneca, Bombardier, Ericsson, Ford/Volvo Car Corporation, GM/Saab Automobile, Haldex, Preemraff, Scania, Saab AB and AB Volvo.

Services are bought primarily by customers' development departments.

SALES & RESULTS

Share of Group's sales, %



Share of Group's profits, %

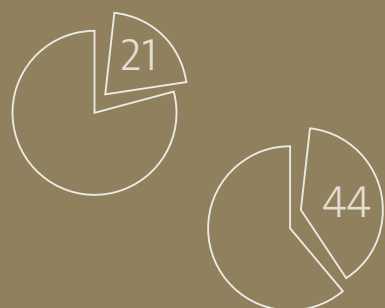
EMPLOYEES



Customers include ABB, AstraZeneca, Cadillac, Ericsson, Ford/Volvo Cars, GM/Saab Automobile, Jaguar/Land Rover, Nissan, Rolls-Royce Marine, Sony, Sony Ericsson, VSM and AB Volvo.

Services are bought primarily by customers' marketing departments.

Share of Group's sales, %



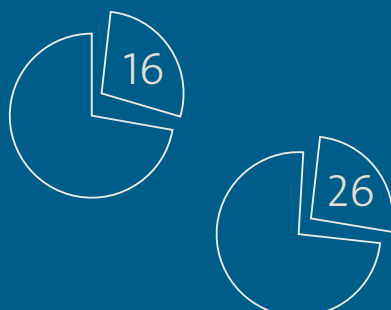
Share of Group's profits, %



Customers include AstraZeneca, E.ON, Ericsson, Fora, Ford/Volvo Car Corporation, GM/Saab Automobile, Mölnlycke Health Care, Skanska, Sony Ericsson, Vattenfall, Volvo IT and Volvohandeln Utvecklings AB.

Services are bought primarily by customers' IT departments.

Share of Group's sales, %



Share of Group's profits, %



A PARTNER IN TRANSITION

2006 was an eventful year throughout the world, not least at Semcon. Trends such as quicker changes, frequent model changes and accelerating globalisation have also made clear impressions in our business. What we are seeing is just the beginning!

Goods and services are developed and produced in global networks that are constantly evolving. Technology is constantly making advances; ideas and solutions from different areas are cross-fertilising each other and creating new products and functions.

Meanwhile production is being streamlined, making it possible to manufacture more models and versions of an individual product.

THE FUTURE WILL FOCUS ON THE INDIVIDUAL

On the whole it's the world's consumers that drive developments and the simple truth is that we're no longer satisfied with standardised solutions. We want to see innovation, something that tickles our fancy and makes us feel that we are not just buying a product, but also a bit of the future. We want them to fit into our lifestyle and our needs.

This applies to everything from clothes to cars, mobile phones and computers. Ten years ago a car model's lifespan was ten years, today it's just six. The expected model lifespan of a mobile phone is six months. Alongside this we are seeing greater demand for production and products to be of a higher quality and have as little environmental impact as possible. This is a challenge that we at Semcon work with on a daily basis.

THE LEADING R&D AND COMMUNICATION PARTNER

This year alone we've been involved in many new development projects, where our expertise and experience are ranked as world-leading. It's clear that our customers, who specialise in Automotive, Telecom, Medical & LifeScience and Industry, want a partner that can take greater responsibility. We took yet more steps in 2006 towards our vision of becoming the leading international R&D and communication partner.

BIGGER ASSIGNMENTS IN THE AUTOMOTIVE INDUSTRY

We gained some of our biggest projects ever in 2006 in the automotive industry in the face of stiff international competition. Among the successes included a major development project in Germany, where we also started a joint venture with ESG (Elektroniksystem und Logistik GmbH). Our first assignment in the joint venture is to provide aftermarket information for one of GM's future car platforms.

We have also seen a strong start to 2007 through our new collaboration with Jaguar/Land Rover, meaning that we will take over responsibility for developing their aftermarket information. Both these agreements are examples of a form of partnership that we believe will become more common – not just in aftermarket information but also in product development.

STRONGER NETWORKS – MORE TRAFFIC

We have also received more important assignments for aftermarket information in telecom. Demand for manuals and instructions for service technicians will increase in line with networks expanding and systems becoming more advanced.

Another area with major potential is embedded design, where we have assisted in developing more exciting solutions – including remote controlled shutters that protect against hurricanes, sunlight and break-ins. A few years ago there was a lot of talk about “the intelligent home”, but we have unfortunately not seen much of it. Semcon is now helping to turn ideas into products and services that make life easier for consumers and contribute to customers' success.

The same can be said for our interactive agency Zooma by Semcon. We have received awards for websites for the Ericsson Racing Team and the mobile websites for the Volvo Ocean Race. In both cases our smart solutions contributed in creating traffic in the telephone operators' networks and thereby increased their sales revenues.

INDUSTRY IS CHARACTERISED BY STRICTER ENVIRONMENTAL REGULATIONS AND INCREASED EFFICIENCY

The environment is once again taking the spotlight. But we're faced with an uncomfortable truth in documentaries, reports, TV and the press. We have failed to take care of what we depend on most for our survival, our planet. Environmental work is a top priority for Semcon and our customers. Sustainable development doesn't need to stand in the way of profitable business, even if investment and new ideologies are required. The environment costs, but it's also a selling point.

For our part this has been reflected in increased customer interest in our energy and hydroelectric portfolio. Our packaged solutions increase the output of older hydroelectric power stations and it's therefore possible to extract more energy without further affecting the environment.

We have also become involved in a project to create next generation aero engines, which need to meet targets for both lower fuel consumption and lower noise emissions. The assignment's aim is to make the engines eco-friendlier by making them lighter, while not jeopardising structural strength. I am convinced that we will see more of this type of solution whereby we use our expertise to help towards significantly eco-friendlier solutions.

Another area where productivity and efficiency are becoming increasingly focused on is in the pharmaceutical and medi-tech industries. We received a breakthrough in this area during the year through Compliant Logistics, our joint venture with Flexlink, which received a major international order.

THE CHANGING FACE OF IT SUPPORT

Our IT business saw strong sales growth over the year. This performance was further strengthened through an extended preferred supplier agreement with Ericsson. Our portfolio was supplemented by two new start-ups, Zingle and Zuite, which soon became successful.

Common to all Zpider companies are their strong customer-driven concepts and focus on creating IT environments developed in a world in constant change. We ensure that customers get the full effect from their IT investments and that they can simply add subsidiaries, other units or new systems to existing IT infrastructures.

SOUND FOUNDATIONS FOR THE FUTURE

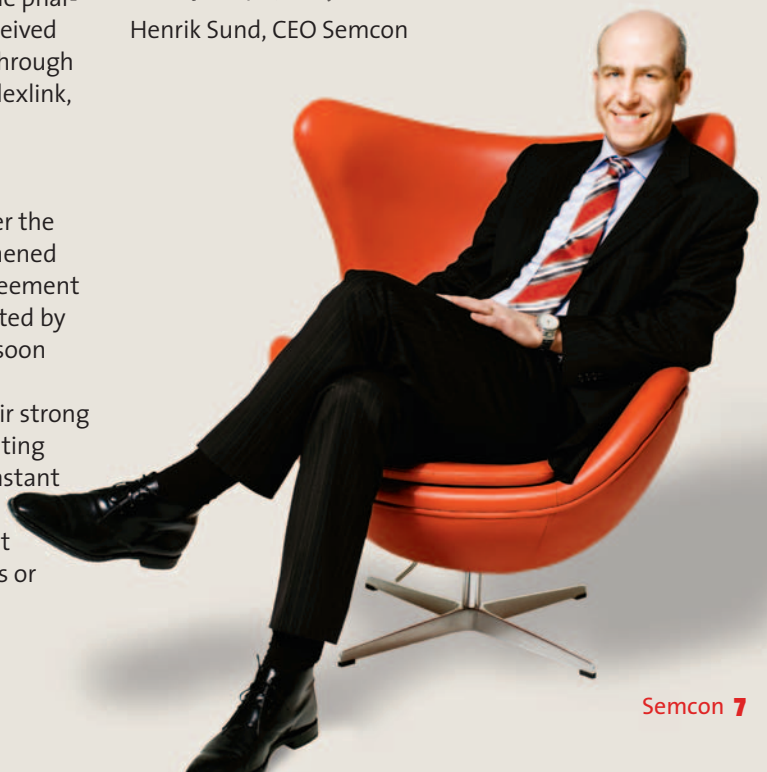
The overall picture of 2006 is that, despite major internal changes, we are well prepared for future expansion. We have carried out a number of crucial measures and invested the necessary funds. We are now ready for expansion in Sweden and internationally, which meant that we started the year with a strong recruitment drive. There are also major opportunities in 2007 for more rapid growth with the help of acquisitions.

The expansion will occur from the clear focus on R&D and communication that has made us the natural partner for companies in development-intensive industries. We have leading edge expertise and we are on hand to completely take charge of complex projects and processes. Our portfolio is based on the major commitment, loyalty, entrepreneurial spirit and professionalism of our employees. By using our combined expertise effectively we have the potential, with our customers, to meet the challenges on the global market. In other words, there are vast reserves of energy, commitment and belief in the future here at Semcon, which we will willingly share.

Göteborg, March 2007



Henrik Sund, CEO Semcon



VISION, BUSINESS CONCEPT, AIMS AND STRATEGIES

Long-term objectives

BUSINESS OBJECTIVES

- Top three with key customers – be an important business partner for our key customers
- Specialisation – develop the range and expertise that is considered leading in international competitive terms
- First choice – be the natural first choice as employer for businessmen, engineers, technical public relations officers, IT consultants and project leaders

FINANCIAL OBJECTIVES

- An operating margin of above 10% over a business cycle
- Continued low debt/equity ratio and an equity/assets ratio above 35%
- Semcon aims to pay out 30-50% of the profits after tax to its shareholders over the long-term

Strategies

The strategies for achieving our objectives over the short-term are:

- Develop innovative and reusable solutions
- Create a strong local presence internationally in selected markets
- Combine leading expertise with resources from low-cost regions
- Provide a business climate with entrepreneurial spirit for businessmen and innovators, where the possibility of add-ons across business area borders are encouraged
- Continually develop expertise, products and services towards a higher grade of specialisation
- Clearer customer priority through an effective and customer-oriented organisation

Focus in 2007

For 2007 Semcon has chosen to work with the following objectives and defining of the long-term strategies:

- Develop partnerships with major customers
- Continue taking market shares and improving results
- Carry out acquisitions and major business deals
- Increase the pace of internationalisation by:
 - expanding in Europe focusing on the automotive industry
 - rapidly expanding business in Hungary and China
 - continuing business development and streamlining work practices.

Specialisation

One of the most important factors that we've identified for Semcon's success is specialisation. This means we achieve a high degree of expertise in an area, making Semcon more attractive to customers.

Specialisation provides a positive spiral where our range and customer benefit becomes clearer and the work process more effective. Our staff become more motivated and Semcon can continue to attract the most talented employees, which in turn further strengthens our attraction for our customers.

By developing skills and improving the packaging of Semcon's range, the company can take on more assignments of an overall nature in the form of projects and partnerships.

CORPORATE CULTURE AND VALUES

Semcon has a flat organisation and major responsibility for its staff. The idea is to put the consultant and the team in the spotlight and better utilise employees and information channels.

To attract and maintain expert specialists Semcon has created a culture with clear values. The Semcon culture is characterised by people who are curious and committed. They have a desire to do well and show respect to each other, customers, suppliers and partners, while still enjoying themselves.

As the company grows, often far away from the head office in Göteborg, the strong culture and the values shared by the employees is a guarantee for continued success.

ESTABLISHING STRATEGY

Semcon has chosen to establish itself internationally, partly where the company's customers are located, and partly where there is a sufficiently large local market and possibility for cost-effective production.

vision

SEMCON IS HEADING THIS WAY:

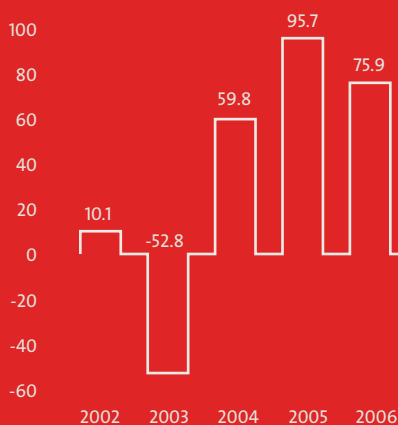
Semcon will be the international R&D and communications partner

business concept

SEMCON CREATES REVENUE LIKE THIS:

As a close partner to industry Semcon provides human and technical expertise that improves its customers' results

OPERATING PROFIT/LOSS, SEK M





“Actions speak louder than words”

Steve Mellin was one of the first employees at Semcon's office in Kineton, England. The office started as a part of Semcon's desire to establish a partnership with Jaguar/Land Rover – long before there were any assignments. This meant that Semcon believed in the strength of its portfolio. The investment paid off and at the beginning of 2007 Semcon was handed full responsibility for developing both Jaguar's and Land Rover's aftermarket information.

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Achieving objectives 2006

LONG-TERM BUSINESS OBJECTIVES

Objective: Top three with key customers – be an important business partner for our key customers.

Trend: Semcon strengthened its position during the year with all its key customers. The company had successes with Ford/Volvo Car Corporation, GM/Saab, Ericsson and Nokia and not least of all in leading companies in the aerospace, aviation and defence industries.

Objective: Specialisation – develop the range and expertise that is considered leading in international competitive terms.

Trend: Semcon developed its portfolio in all areas in 2006. Design & Development established a joint venture with Flexlink aimed at the pharmaceutical and medi-tech industries. At Informatic, Zooma improved its range in areas such as visualisation. Zpider launched two new offers in separate companies.

Objective: First choice – be the natural first choice as an employer for businessmen, engineers, technical public relations officers, IT consultants and project leaders.

Trend: Surveys such as the Career Barometer shows that Semcon is an attractive employer in the company's target group.

BUSINESS OBJECTIVES 2006

Semcon's focused on the following factors in 2006:

Objective: Continue taking market shares by setting up in Europe and Asia.

Result: Semcon established itself close to Jaguar/Land Rover's development departments in Kineton, England. Meanwhile the company's development centres in Beijing and Budapest continued to show positive development.

Objective: Establish new offices in Europe.

Result: During the year Semcon established itself close to Jaguar/Land Rover's development centres in Kineton, England. Semcon also opened an office in Rüsselsheim, Germany. In addition a joint venture was set up in Germany with ESG, Elektroniksystem und Logistik GmbH.

Objective: Maintain our strong position in the auto industry and expand in other focus industries.

Result: Semcon maintained its strong position in the auto industry and strengthened its position in Industry.

Objective: Refine and create growth in, and gather together, our IT offer in one business area: Zpider.

Result: The new business area started its activities on 1 January 2006 and started two new companies during the year: Zingle by Semcon AB and Zuite AB.



“I develop tools that make the environment a competitive advantage.”

Tommy Montheli is a chemical engineer at Semcon Process & Plant Design in Stenungsund. He has been focusing on developing concepts for environmentally-driven business development for some time. The aim is to develop products and activities that meet current and future demands from increasingly environmentally aware customers and consumers.

”

Objective: Simplify our organisation and be more effective in the way we work.

Result: Semcon has abandoned its matrix organisation. Roles and areas of responsibility have become clearer with increased business focus.

FINANCIAL OBJECTIVES

Objective: An operating margin above 10% over a business cycle.

Result: 4.7% in 2006. The operating margin, excluding one-off costs, should have reached 6.5%.

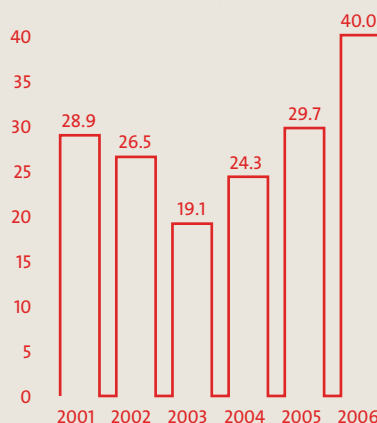
Objective: Continued low debt/equity ratio and an equity/assets ratio above 35%.

Result: Equity/assets ratio of 40%.

Objective: Semcon aims to pay out 30-50% of the profits after tax to Semcon's shareholders over the long-term.

Result: The Board proposes that no dividend (SEK 0) be paid for 2006.

EQUITY/ASSETS RATIO, %



GLOBAL TRENDS AND MARKETS

Global economic growth is at a record high and is affecting more people. Almost 5 billion people of the world's 5.5 billion inhabitants are improving their standard of living. The biggest developments are being seen in Asia, where the Chinese economy is now an important catalyst, not just for the region's development but the entire global economy.

People and countries are also being brought closer together. Trade is increasing annually at twice the rate of growth in terms of global GDP. The developing countries' share of global trade is now 30% and expected to increase to 50% over the coming decades.

More contacts spread expertise

At any given time 2% of the world's production is being handled by the forwarding agency UPS. The total number of flights has increased from 1.5 billion to 4 billion in just five years. The number of GSM subscriptions increases by 1,000 every minute and almost a third of the world's population has a mobile phone.

All of these contacts mean that knowledge is spread around the world in a split second. People who just a few years ago were almost destined to poverty have access to knowledge that can lift not only themselves, but also the countries in which they live. The leading technical university, MIT in Boston, has for example put much of its curriculum onto the internet for free, making it accessible to billions of people around the world.

Today Tallinn – tomorrow Minsk

What was only able to be manufactured before by a few people in certain parts of the world can now be manufactured anywhere in the world and development seems never-ending.

What today is manufactured in Estonia and Poland will tomorrow be manufactured in Belarus and the Ukraine. What's manufactured in Asia will in a few years be manufactured in Africa. With production comes knowledge, which contributes towards continued development.

Goods or services – it makes no difference

It's not just goods that can be manufactured anywhere, the service sector is now also global. GM has decided to place the main responsibility for developing its next platform in Korea. There are also a vast number of well-trained individuals in developing countries ready to compete with their colleagues in the industrialised world.

Faster tempo

What's characterising development at the moment is speed and that it's occurring without any great symbolic events. Instead we are all being affected by the sum of millions of individual decisions that are constantly being taken by people throughout the world. These decisions are taken both by companies and consumers.

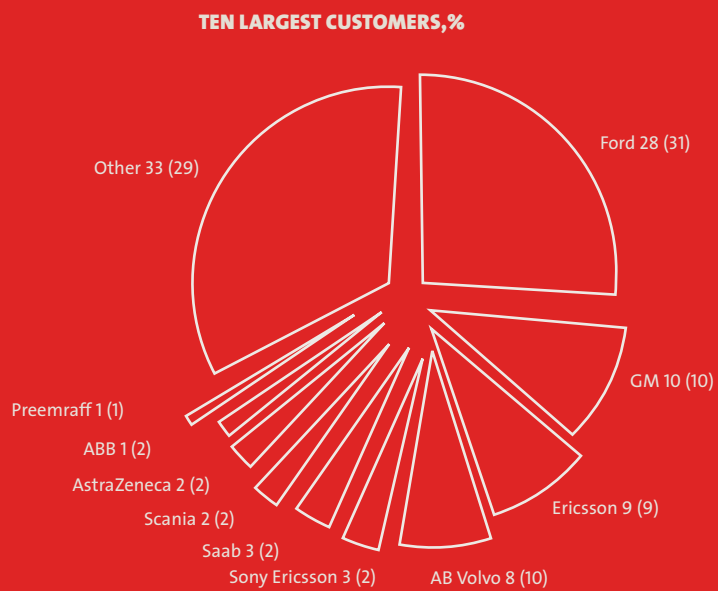
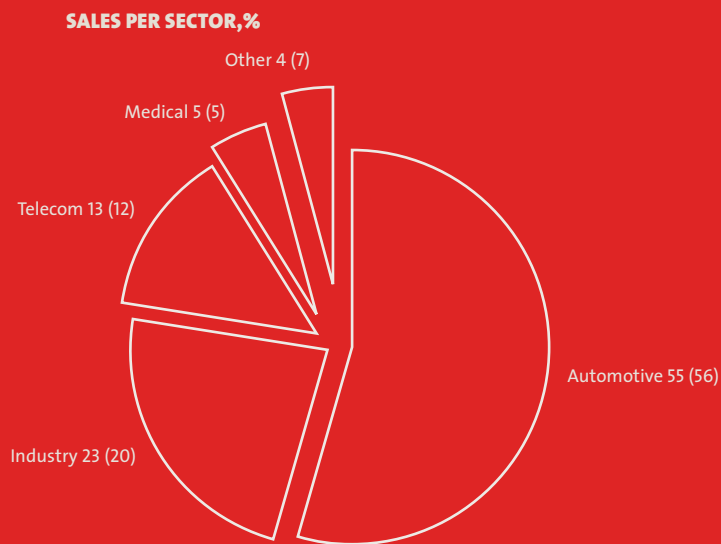
Technical advancements mean that it's possible to produce new goods in more versions. Consumers are becoming more demanding and constantly want the latest products and they should preferably also express the owners' personality.

The life of a car has gone from ten years to six. A new mobile phone is

now only new for six months and the fashion industry is moving away from the traditional idea of seasonal collections and opting to provide consumers with new collections all the time in continually refurbished stores.

Semcon at the centre of developments

Semcon has chosen to focus on four development-intensive sectors: Automotive, Telecom, Medical & LifeScience and Industry. Semcon has thereby positioned itself at the centre of this development. Customers' and Semcon's activities are characterised by stiff competition, intense price pressure and sharp focus on development.



Semcon competes in three separate areas

Semcon's range is mainly aimed at three separate market segments and customers' separate functions:

- Development managers in technically-intensive manufacturing companies
- Market and aftermarket managers in technically-intensive companies
- IT managers in large and mid-sized companies with advanced IT infrastructures

SEMCON'S CUSTOMERS FACE THE FOLLOWING CHALLENGES:

Increasing efficiency. Efficiency demands apply not least in product development, production, IT management and information production. Costs that don't create added value must be eliminated, without compromising quality. Skilled labour is available in Asia for less than a tenth of the cost of that in the EU or US.

Technical shift. Major and minor technical breakthroughs will always affect customers' relative strengths. There must always be accurate product development. To always develop what customers want and provide distinctive value towards the competition.

Shorter lead times. Shorter time from concept to product on the market.

Increased flexibility. Products are built up of modules to adapt to customers' specific demands. The number of full time employees is falling to better meet changes in demand.

PRODUCT DEVELOPMENT

From its strong position as a development partner to leading companies, mainly in the automotive and telecom industries, Semcon has both extended its portfolio to other industries and expanded internationally.

The Swedish market however remains extremely important and most indicators point towards this market continuing to develop well. Even if the industrial business climate should take a turn for the worse in 2007, there is a lot of evidence to suggest demand for Semcon's offer in the Design & Development business remaining good due to the importance of constant product development being considered equally as strong in a weak business climate as in a strong business climate. The market for industrial technology is expected to be SEK 13.7 billion in 2007. (Source: Svensk Teknik och Design)

The trend of fewer, bigger players is expected to continue. This means that Semcon is more often compared to, and competes with, international competition. The internationalisation of Semcon will therefore continue.

Competitors	No. of employees	Sales, SEK m
Alten*	6,540	4,039
Altran	17,000	13,849
Bertrandt **	3,000	2,321
Caran***	840	800
Edag *	3,930	5,087
HiQ International	787	801
Rücker *	1,922	1,385
Teleca	3,592	2,780
TietoEnator	14,597	15,247
WM-data	9,300	10,500
Ångpanneföreningen	3,167	3,114

* Figures for 2005

** Figures for 2005/2006

*** Part of WM-data

TECHNICAL INFORMATION

Modern products are often technically advanced. Technical advances mean that products become more complex, but also that the opportunities for educational information solutions increase. Traditional handbooks are being replaced by interactive solutions and in future much of the information will be conveyed using technologies such as mobile phones.

The need for technical information is increasing among users who need guidance in order to use the new technology and among installers and service staff on the aftermarket. Meanwhile major demands are being placed on international companies for greater cost-efficiency, global presence and quality performance, meaning that outsourcing opportunities are considered good.

This creates growth potential for specialists like Semcon Informatic, whose customers' need for information, for consumers, retailers and employees increases dramatically. All this points towards continued strong growth in the area.

Competitors	No. of employees	Sales, SEK m
Sigma Information Solutions*	296	195
Sörman **	254	211
Valley Forge ***	600	400

* Part of Sigma AB

** Figures for 2005

*** Part of SPX Corporation

IT SOLUTIONS

The IT market has matured and is continuing to rapidly expand. Companies' IT environments are becoming more comprehensive, meaning a huge dependency on IT in all kinds of companies and organisations. Needs become more complex than in the past in line with companies merging and being bought out. In parallel with this is the increased demand for IT partners with extensive expertise, specific experience, major service-mindedness and new solutions. This opens up opportunities for specialist companies like those that we've combined in our Zpider business area.

According to independent analysts the clearest trends point towards continued consolidation of the markets where the number of small companies is falling. The shift of IT operations to external companies through outsourcing is also continuing. Specialised areas like IT security, IP telephony and IP-based network communication (IP-VPN) are seeing serious expansion.

The market expects growth of 7-8% for IT consultants in 2007. The areas seeing the most growth are business systems and outsourcing. (Source: Konsultguiden, Affärsvärlden 2007)

Competitors	No. of employees	Sales, SEK m
Accenture (Sweden) *	1,874	2,376
Acando	1,167	1,116
Enea	513	726
EDB	3,900	5,600
HP (Sweden)* (**)	2,400	11,600
Qbranch	350	288
Tieto Enator	14,597	15,247
WM-data	9,300	10,500*

Concerns businesses based in Sweden 2005

** Figures for 2005



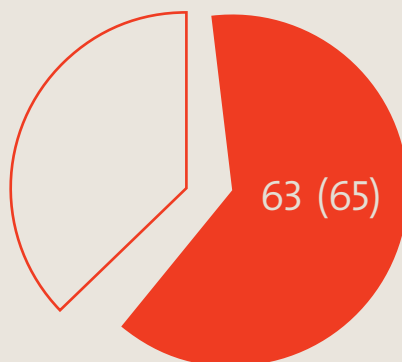
“It’s cool to see your own idea in an F1 car.”

Gustav Kristiansson works at Semcon in Linköping. At the end of July 2006 he won the Renault F1 stable’s prestigious design competition. Since then Linköping and JAS have been exchanged for Enstone and F1 cars for six months. Gustav’s idea builds on cutting F1 car’s drag by drilling lots of small holes in the front spoiler. This technology has been extensively researched in aviation, but Gustav’s idea simplifies the application.

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Design & Development

Design & Development works with design, product development and production development. D&D can help towards both increased sales and reduced costs at a time when brand building design and effective processes have become more important.



Share of Semcon's sales, %

KEY INDICATORS	2002	2003	2004	2005	2006
Sales, SEK m	838.9	775.7	812.8	974.4	1,020.6
Operating profit/loss, SEK m	0	-61.2	25.5	42.2	22.5
Operating margin, %	0.0	-7.9	3.1	4.3	2.2
Share of total sales, %	69.9	64.7	63.0	64.9	63.2
Employees on 31 Dec	1,224	1,032	1,033	1,188	1,221
Sales per employee (SEK 000)	685	752	787	820	836
Operating profit/loss per employee, (SEK 000)	0	-59	25	36	18

THE BUSINESS AREA provides skills, experience and commitment in all the key areas that are needed to achieve faster, better product development. From pilot studies, ideas and innovation, concept and design, to engineering tests, prototypes, verification and production development.

OPPORTUNITIES FOR COMPLETE SOLUTIONS

Design & Development puts together a tailored team of handpicked specialists who work out innovative solutions focusing on the entire chain, from pilot study to production development. This total coverage allows the timeframe from outline to production to be cut by months. We also provide effective and successful training in how to manage and divide resources in a project.

AUTOMOTIVE INDUSTRY UNDERGOING CHANGE

Design & Development has extensive experience of development projects in the automotive industry – an industry that has long been characterised by major volumes, but also by strict margins. Increasing global competition has led to demands for faster model changes and every manufacturer providing a more extensive product range.

The answer in the passenger car industry has been consolidation, where larger Groups share the same sub-frame assembly for many different brands.

Each brand also wants to introduce as many models as possible using the same sub-frame assembly. All models are developed according to specific areas of use and are aimed at well-defined target groups. Because development resources are expensive it's impossible for car manufacturers to always produce all models from the same sub-frame assembly. From five models these companies might choose to outsource the development of two models to external partners like Semcon.

BROAD OFFER IN INDUSTRY

A focus industry that Semcon has been very successful with in recent years is Industry, i.e. mainly the energy sector, aviation industry and development-intensive engineering industries.

In the energy sector Semcon provides plant construction for nuclear power stations and all the upgrades for hydroelectric power stations. This method of improving reliability and the output of existing plants has become more important due to the constant need for energy and the ongoing environmental debate.

Semcon is a long-term partner to the aviation industry, mainly with Saab AB. Assignments include both the engineering of airborne equipment for Saab's own airplane models and the engineering and estimation of components within the framework for the partnership assignments Saab has with Boeing and Airbus.

Semcon works with lighting company Fagerhults with design, engineering and product development of light fittings. Another example of a consumer-based assignment is Semcon's assignment for Husqvarna.

USING THE TELEPHONE AS A TOOL

Design & Development also has strong positions in the telecom industry. Development is underway in telecom, which in part resembles that of the automotive industry, where joint technology platforms are shared between many models and brands.

A significant part of the range of telecom revolves around embedded design where solutions are designed making products smarter with additional areas of use. One example is that mobile phones can now be used to remotely control heating and ventilation systems in permanent residences or summer homes.

CHALLENGES FOR THE PHARMACEUTICAL INDUSTRY

Developments in the pharmaceutical industry are governed by stricter demands from legislation and tougher competition, which leads to increased price pressure. This increases the demands for efficiency in developments and production. Semcon and Flexlink therefore started a joint venture – Compliant Logistics. This joint venture provides solutions for efficient production logistics for the bio-tech and medi-tech industries.

GLOBAL AND LOCAL

Design & Development has, in recent years, established itself on a number of markets to meet development demands coming mainly from the automotive and telecom industries. There are currently activities in Sweden, Norway, the UK, Malaysia, Hungary, China and Germany.

In some cases it can be difficult to establish in direct physical proximity to the customer. The solution is satellite offices. To give our customers access to larger networks of people with the requisite skills we can establish satellite offices close to Semcon's own offices. The satellite offices are directly linked to the customers' own systems.

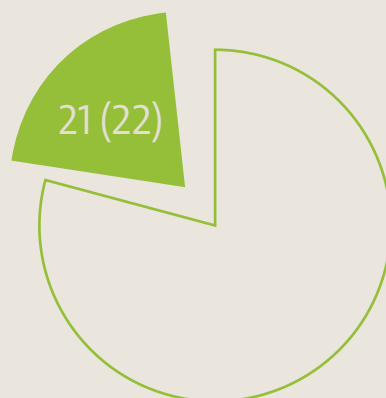
PERFORMANCE IN 2006

Sales rose 4.8% to SEK 1,020.6 million (974.4 m), while the operating profit fell to SEK 22.5 million (42.2 m), mainly due to goodwill depreciation. Key events include the following:

- Joint venture with Flexlink – Compliant Logistics for effective production logistics to the pharmaceutical industry plus bio-tech and medi-tech industries.
- Good progress for activities aimed at the energy sector and aviation industry.
- International order of SEK 60 million to Automotive R&D for project management and engineering in a car project.

Informatic

The Informatic business area offers Semcon's customers complete information management systems. Semcon helps towards improved user-friendliness and greater customer satisfaction through easily accessible technical information for users and service technicians.



Share of Semcon's sales, %

KEY INDICATORS	2002	2003	2004	2005	2006
Sales, SEK m	199.9	243.9	294.7	329.4	340.8
Operating profit, SEK m	13.8	13.8	22.5	37.8	33.8
Operating margin, %	6.9	5.7	7.6	11.5	9.9
Share of total sales, %	16.7	20.3	22.9	21.9	21.1
Employees on 31 Dec	202	270	276	287	301
Sales per employee, SEK (ooo)	990	903	1,068	1,148	1,132
Operating profit per employee, SEK (ooo)	68	51	82	132	112

TODAY'S COMPLEX products constantly require improved information support for users to understand and get the most out of a product. The Informatic business area has therefore specialised in technical information in the form of user, service and repair handbooks and manuals. Semcon provides customers with both printed and digital information solutions. Customers are mainly in the automotive and telecom industries.

CORE EXPERTISE

The core of the business area is made up of 301 qualified technical information officers, information and interaction designers and illustrators that together produce information so that users can best utilise the products and technologies.

There is a growing trend for the use of images and film. The business area also includes the Zooma by Semcon agency, which has developed a process for producing digital images.

ZOOMA BY SEMCON

Zooma by Semcon provides digital solutions that improve customers' market information plus business and skills transfer. Zooma develops information, digital concepts, production and solutions for customers where digital media is included as an integral part of the experience of the brand.

FOR BOTH AMATEURS AND PROFESSIONALS

When car companies for example want to launch a new car, Semcon has the expertise for what kind of information is required for the product. User information must describe, educationally, how to use various technical functions or how to change a broken part. With modern, complicated products it's also a challenge to limit the amount of information so that it's still easily accessible.

Mechanics' and service workshops' information needs to meet other requirements. Semcon helps package information that covers all the systems, components and characteristics of the product. This speeds up work in workshops, meaning customers are happier with their service and result. The complexity and challenge is made apparent by the Volvo Car Corporation's service network employing 10,000 mechanics throughout the world – all with special requirements and shifting cultural and language backgrounds.

BUSINESS MODEL

The business is mainly run in the form of partnership, where Semcon is the system supplier. Semcon takes responsibility for the entire process of establishing an information management system of an international product range. For customers the partnership model means cost-savings, flexibility and strategic skills assurance. Customers are mainly market and aftermarket managers.

Through its extensive experience Informatic has achieved a far-reaching product identity and a concept ideology, meaning it can quickly apply the ingrained expertise for new products and customers.

2006 – CONTINUED STRONG PERFORMANCE

Informatic continued its positive growth during the year with sales increasing by 3.5% to SEK 340.8 million (329.4 m). The operating profit fell however to SEK 33.8 million (37.8 m). Key events included:

- Joint venture with German ESG (Elektronik system und Logistik GmbH) for products and services for aftermarket information.
- Assignments within the framework of the joint venture to be responsible for aftermarket information for one of GM's new platforms.
- New business in England, close to Jaguar/Land Rover's product development centres.
- Good progress at the office in China, which is undergoing a growth phase.

- Continued expansion at Zooma by Semcon, which received awards for Ericsson Racing Team's websites in connection with the Volvo Ocean Race and for FIFA's mobile World Cup 2006 website.
- Successful delivery to Volvo Car Corporation based on Zooma's unique process of producing computer generated images.

Semcon also received its first assignment from Jaguar/Land Rover at the beginning of 2007. The assignment was won in the face of stiff competition and means that Semcon takes over all production of aftermarket information for both car brands.

MARKET AND COMPETITION

The market for technical information is still fragmented with a number of smaller players often operating on limited geographic markets. A lot of the work is also carried out internally with customers. Semcon holds a lead position in Europe. The international competition includes Valley Forge and in Sweden Sigma's Information Solution activities and Sörman Information & Media AB.

Because of the tough competition faced by customers they must focus more strongly on their core business and thereby outsource things like information management. Because the need for information is also increasing we believe that there are huge opportunities for Semcon to develop into a stronger global player.

Semcon has strong relationships with customers at both Ford and GM and therefore sees great opportunities for continued growth on a number of markets. Semcon can provide expertise and skills for increased customer benefits through its far-reaching concept ideology and product conscious offers, while cutting costs for customers.

Zpider

Zpider provides specific IT solutions for general IT problems. The business area includes five companies – Zipper, Zystems, Zetup, Zingle and Zuite – each focusing on, and taking responsibility for, a certain part of the IT environment.



Share of Semcon's sales, %

KEY INDICATORS	2002	2003	2004	2005	2006
Sales, SEK m	161.4	179.1	181.8	196.6	252.7
Operating profit/loss, SEK m	-3.7	-5.4	11.8	15.7	19.6
Operating margin, %	-2.3	-3.0	6.5	8.0	7.8
Share of total sales, %	13.4	14.9	14.1	13.1	15.7
Employees on 31 Dec	144	140	162	197	234
Sales per employee, SEK (ooo)	1,121	1,279	1,121	997	1,079
Operating profit per employee, SEK (ooo)	-26	-39	73	80	84

ZPIDER'S IT SOLUTIONS are built on a far-reaching concept ideology, which helps towards scalability. The companies can act very quickly because the requirement for adapting to individual customers is limited. The concept builds on adapting existing technology and many of the companies have established partnerships and joint ventures with the leading hardware and software suppliers in the respective areas.

Customers mainly include large and mid-sized companies with complex IT systems.

FIVE COMPANIES – FIVE CONCEPTS

ZIPPER works with client infrastructure. The company's solutions make it possible to carry out upgrades and updates of programmes in Microsoft environments quickly. This includes ensuring that a company's employees always have access to the information, operating systems and programmes that they need. Zipper also ensures that security upgrades are completed without disruption and that maps and storage sites are not altered in conjunction with the updating or upgrading.

Zipper is a Gold Partner to Microsoft. This means that Zipper works very closely with Microsoft and that the company is always kept up-to-date concerning the latest Microsoft technologies.

ZYSTEMS works to link companies' internal and external IT systems using standard components from IBM. Using the Baseline system Zystems quickly creates a platform for a fully scalable infrastructure for all kinds of system integration. This makes connection to new systems faster and the number of possible fault sources drops. The integration platform is built for a fixed price.

ZETUP specialises in Data Center Infrastructure, i.e. servers, storage, archiving, databases and ancillary monitoring tools and operational processes. With our Optimaxed concept we quickly improve the efficiency of the customers' IT Infrastructure and safeguard access to the business-critical systems.

ZINGLE works with Identity and Access Management and concentrates on companies with complex IT infrastructures with many systems – such as business systems, customer databases, Windows, intranet and databases – where the user has different identities and passwords. Using standard software, Zingle has developed concepts where users receive a single password with controlled access to all systems, known as Single Sign-on. This makes it easier for the user while the IT environment becomes traceable, which is today a requirement for activities conforming to the Sarbanes-Oxley Act (SOX).

ZUITE is Semcon's business system initiative in cooperation with SAP, the lead supplier of business systems. We improve, rationalise, cement and implement business-critical processes. Zuite mainly contributes to streamlining the interface between the company's product development and supply capabilities, generally known as "Time to Volume".

Zuite is a "Community Partner" to SAP and the ambition is to become the leading Swedish SAP partner.

Semcon owns 30% of Zuite's capital and has 51% of the voting rights with the remaining shares owned by the employees.

INCREASED SALES IN 2006

The business area's sales rose to SEK 252.7 million (196.7 m), an increase of 28.5%. The operating profit was SEK 19.6 million (15.7 m). Key events during the year included:

- Semcon started Zingle by Semcon AB and Zuite AB.
- Zpider became "preferred IT supplier" to Ericsson.
- Zuite became a new "Community Partner" to SAP.

MARKET AND COMPETITION

According to Affärsvärldens Konsultguiden the Swedish IT market had sales of SEK 43.3 billion in 2005 with growth of 13%. Meanwhile there is a trend towards more customers choosing to employ the services of various specialised suppliers rather than one large IT supplier.

Customers are mainly large and mid-sized companies with complex IT infrastructures. Customers include AstraZeneca, E.ON, Ericsson, Foras, Ford/Volvo Cars, GM/Saab Automobile, Mölnlycke Health Care, Skanska, Sony Ericsson, Vattenfall, Volvo IT and Volvo-handels Utvecklings AB.

The different companies in the business area can meet the stiffening competition through their specialised skills.

Zipper's competitors include WM-data, HP, Guide and Qbranch. Zystems and Zuite compete mainly with WM-data, Acando and Connecta. Zetup competes with Qbranch, WM-data and Tieto Enator. Zingle is the market leader with a limited number of smaller competitors.

Human capital

SKILLS AND COMMITMENT

The main bonding agents that unite Semcon's various businesses are employees and the culture that permeates the company. At Semcon every employee receives development support. In this way employees' expertise and skills are utilised, which benefit both Semcon and customers.

Semcon is a company with expert employees who are curious about the world that Semcon and its customers operate in. An important challenge for the company is to make sure that every employee is given the opportunity of personal and professional development while spreading and sharing expertise around the organisation.

The Semcon culture is characterised by openness, an ability to see opportunities, a willingness to do well and a desire to have fun together. There is a basic respect for the individual and a belief in the individual employee's ability to take responsibility. This also gives the employee the opportunity to develop. Independence is supported by the basic confidence of being part of a team and a Group with a vast range of joint experience and broad skills base.

Employee skills

Semcon's employees are driven by a desire to start new projects. Meanwhile, it's important for skills and experience to be spread throughout the organisation to find out what employees are working on similar projects. Semcon was therefore one of the first companies in the industry to be ISO certified, which allowed it to ensure that methods, processes and systems were in place to manage business-critical skills and information.

Semcon's employees have a wide range of skills and expertise. There are large groups of project managers,

construction engineers, designers, system developers, technical communicators, project engineers, IT architects and testing engineers. There are also many experienced sales representatives and a number of different support and staff functions.

Diversity and equality

The company has an expressed desire for diversity, not only in terms of skills, but also with reference to gender, age and cultural backgrounds. In this way we can assimilate teams to meet customers' expectations and requirements – irrespective of who the client is or where in the world the customer is located.

Skills development and management

Alongside everyday work, annual career assessment talks make up an important part of employees' development. From these talks and employees' views about their personal development, targets are set that are then followed up. This process has been the basis of Semcon's system of certifying skills – something that the company was first in the world to introduce.

The individual development plans also contain individual skills development targets. Semcon also runs general training courses.

A broad skills base and diversity also places demands on management in the company. Semcon therefore actively works with management

issues at a variety of levels. Every manager receives individual coaching and new managers are given specialised training. The company also has a scheme for providing new managers, known as NextGen Leaders. Another prioritised area is to find more women for top management positions within the company.

Huge job satisfaction at Semcon

The Semcon culture and employees opportunities for personal development are two of the reasons for job satisfaction at Semcon. This is highlighted by the low employee turnover rate and the company's intention to grow through recruiting new employees who quickly find their role in the company. Sick leave is low despite the high tempo and huge demands on results from both customers and employees themselves.

Semcon also actively runs a preventative healthcare scheme, which provides subsidised gym membership and courses in stress management.

KEY INDICATORS

	2002	2003	2004	2005	2006
Total number of employees 31 Dec	1,570	1,442	1,471	1,672	1,756
Average number of employees	1,581	1,504	1,444	1,636	1,725
Sales per employee, , SEK (ooo)	759	797	893	917	936
Value added per employee, SEK (ooo)	535	523	619	625	630
Profit/loss after financial items per employee, SEK (ooo)	3.8	-36.7	39.2	59.8	43.0
Average age	36	37	38	38	38
Sick leave,%	3.2	2.9	2.6	2.8	2.4
Staff turnover,%	15	13	12	10	12



“I work with everything that’s
seen on the inside”

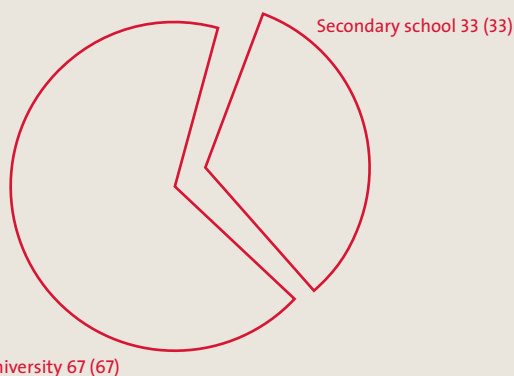
Emma Mårtensson is a textiles engineer at Semcon in Göteborg and works with all the textiles inside a car. It might be plastic detailing that needs covering in cloth or foil to give a softer impression and a comfortable surface. The challenge is to combine tough demands for safety, function and durability with aesthetics. Meanwhile it’s important from the start to remember that the interior needs to be produced effectively.

”

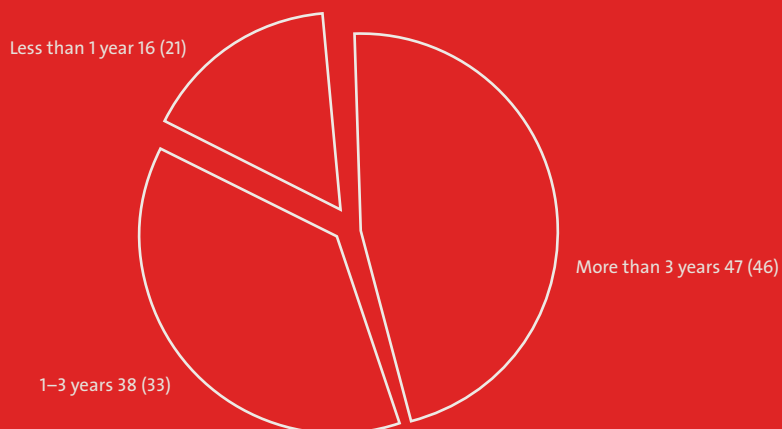
SICK LEAVE*,%

	2004	2005	2006
Total sick leave	2.6	2.8	2.4
Of which long-term leave	1.2	1.2	0.9
Sick-leave, women	4.3	5.1	3.3
Sick-leave, men	2.1	2.1	2.2
Employees under 29 years	1.5	1.8	1.9
Employees aged 30-49 years	2.6	2.8	2.4
Employees over 50 years	4.4	4.1	3.4

* At the Swedish operations

LEVEL OF EDUCATION, %

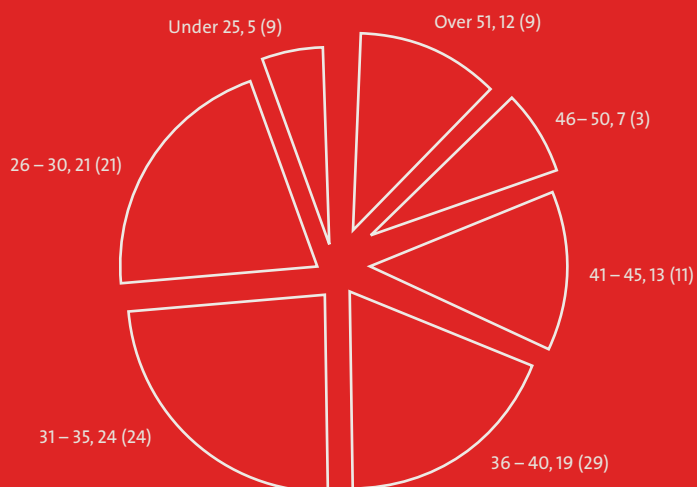
AVERAGE EMPLOYMENT DURATION,%



GENDER,%



AGE OF EMPLOYEES,%



Structural capital

INTANGIBLE RESOURCES THAT CREATE ADDED VALUE FOR CUSTOMERS

Structural capital is the glue that holds Semcon together and allows the company to fully benefit from employees' talents and experience. It's the common methods, processes and systems that safeguard an even, high level of quality in the services that Semcon provides and that helps the company achieve and exceed customer expectations.

The driving force behind a well-developed structural capital is the market conditions that Semcon's customers' experience. Globalisation and greater competition with demands for cost control, constant renewal and tighter product launches require more effective and more adapted work methods at the customers and their partners and subcontractors. The main ways to meet this challenge are through increased levels of standardisation and quality.

Semcon therefore constantly works on structural capital and quality issues. This means finding ways in which employees' expertise can be best utilised to do the right things at the right time and at a high standard. Quality work therefore acts as a lubricant in the business and also helps towards improving efficiency. This work is becoming more important in line with the company growing and being represented in more countries.

Five categories

Semcon's structural capital is divided into five main categories. There are also a number of support processes from which every employee can find structure and support.

1. Business models
2. Leadership
3. Project methods
4. Internal follow-ups
5. Matching expertise/sharing experience

1. THREE BUSINESS MODELS FOCUSING ON ADDED VALUE

To create added value for our customers we mainly work with three business models:

Consultancy business. Provides specific skills by the hour. The customer is in charge of the work, which is often done on site with the customer. Semcon's profitability is affected by how well skills match customer requirements and the ability to properly utilise resources.

Project/concept business. Semcon supplies specifically requested results and Semcon is in charge of the work. Concepts and project forms are adapted to customer conditions, while internal work methods are arranged so that repetition and thereby possibilities for improved profitability for both partners can be achieved.

Partnership business. Semcon takes overall responsibility for a clearly defined function intended for the supply of products or services. The partnership model allows Semcon to take charge of part or all of the customer's processes, including employees and development resources, in areas where Semcon has extensive experience and specialised expertise.

2. LEADERSHIP AT SEMCON MEANS CUSTOMER FOCUS

Semcon's leadership model is based on a clearly defined responsibility and authorisation description. Managers

at Semcon have extensive consultancy experience and are used to doing business. Being a manager at Semcon means being responsible for creating new business, looking after customer relations, recruiting new employees and making sure that employees develop in their specialised areas. Managers are responsible for ensuring the customer is supplied on time with the right quality of service and at the right price.

3. PROJECT METHODS THAT CUSTOMERS RECOGNISE

Semcon develops and markets the PROPS project model, which is used for managing and controlling projects. PROPS was originally developed by Ericsson and is used globally by many major industrial companies, which gives Semcon an advantage over its competitors working with in-house systems.

For many customers it's important to use a project model that they are used to. To adjust to this we are constantly investing in skills development in various project management skills areas.

PROPS is an important part of Semcon's desire to be a very strong project company.

A lot of work in 2006 has focused on the continued work in developing a joint project culture. Concentration has remained on training in different areas of project management and

implementing work methods for affected activities.

4. MANAGEMENT BY OBJECTIVES IN A FLAT ORGANISATION

Semcon has a flat organisation built on decisions being taken closely with customers and employees. The individual business units are controlled by strong aims, where responsibility and authorisation are clearly set.

The internal follow-ups to measure how well the aims are achieved are done locally, in close cooperation with the person responsible and centrally through different support functions that specialise in internal manager and employee support. These support functions are responsible for the applications and systems such as finance, communication, quality, IT and staff functions working as efficiently as possible.

5. MATCHING EXPERTISE GIVES GREATER EFFICIENCY

Semcon has developed a process for the strategic provision of expertise to check strategic business objectives and customers' demands to employees' skills development and careers. All our employees' important skills are collected, mapped out, defined and can be found easily at a portal. This is so that we can improve access and thereby facilitate matching needs and skills.

Quality work means happy customers

Semcon's quality work permeates the entire organisation. This is shown partly through the "Satisfied customer index", which shows that our customers are pleased/very pleased with

Semcon as their supplier. Semcon also has Q1 status as supplier to Ford/Volvo Car Corporation and is ISO 9001:2000 certified. Quality is measured internally through following up quality shortfall costs.

Environmental work pays off

Semcon works with environmental issues as a natural element in business. Semcon has an ISO 14001:2004 certificate and has always received good results in external audits. Semcon's overall environmental goal is to provide customers with better technical solutions that help to cut environmental impact and aim at cutting carbon dioxide emissions caused through business travel. In addition, Semcon also holds skills development training, emphasising on environmental issues.

IT security

Semcon actively works to improve IT security in order to minimise risks and disruption to IT systems. Semcon is directly linked to many of the prioritised customers' IT environments, which means that more of our customers examine our IT systems.

The company invested a total of SEK 15.8 million in software and computers in 2006.

Semcon is a strong brand

Semcon is well-known to many people, both inside and outside the industry due partly to the company's ability to constantly create value for customers, while clearly communicating this message, and partly by personally spreading Semcon's message on a daily basis by working professionally and diligently in-house with the

customer. Our strong brand is an important investment that sets us apart from the other players on the market. It helps us both recruit and sell and is an important tool for achieving our long-term goal of: becoming the natural first choice as employer and in the top three among key customers.

We work constantly to take care of the brand. A customer survey was carried out in 2006 with in-depth interviews to find out Semcon's strengths, weaknesses and potential. The results showed that Semcon is considered as a professional player with extensive experience and solid expertise. Our strong customer focus, proactive attitude and committed employees are highlighted as strengths.

Working with Semcon is described in positive terms. It's mainly our ability to come up with the results and create win-win situations that differentiates us from the competition.

Further proof of this is Semcon's ability to form long-term customer relationships. Many of the company's customers have been doing business with Semcon for over 20 years.

Over the years Semcon has carried out a number of successful marketing and sponsorship campaigns that have created a positive picture of the brand and attracted interest from the media. One of the major marketing projects in 2006 was the Volvo Ocean Race, where Semcon took part as Ericsson's design and development partner, which was an initiative that further strengthens our brand and customer relationships.



DIRECTORS' REPORT

The Board and CEO of Semcon AB (publ.) co. reg. no. 556539-9549 herewith present the annual report and consolidated accounts for the 2006 financial year.

Business activities

Semcon AB (publ), based in Göteborg, is the parent company in a Group consisting of 33 companies (see note 9) of which six are dormant. As a close partner to industry Semcon provides expertise in its Design & Development, Informatic and Zpider business areas. Semcon has business in the following locations: Göteborg (HQ), Beijing, Budapest, Copenhagen, Helsingborg, Jönköping, Karlstad, Karlskrona, Kineton, Kista, Kuala Lumpur, Linköping, London, Ludvika, Lund, Olofström, Oskarshamn, Oxford, Oxelösund, Stenungsund, Stockholm, Södertälje, Trollhättan, Västerås and Våxjö.

Our business areas

The Design & Development business area focuses on design and development of products and production systems. The Informatic business area develops information solutions for the entire product life cycle. The Zpider 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.

Key events during the year

There were new and rolling framework agreements with the following companies: ABB, AstraZeneca, Autoliv Electronics, Bombardier, Ericsson, Gambro, GM, Haldex, Nokia, NovoNordisk Engineering, Pfizer, Saab Automobile, SAAB AB, SCA, Scania, Volvo Aero, Volvo Parts and the Volvo Car Corporation.

OTHER IMPORTANT EVENTS

- Semcon started a subsidiary, Zingle by Semcon AB.
- Semcon started a joint venture with Flexlink called Compliant Logistics.
- Semcon acquired Zuite AB, a jointly owned company focused on SAP.
- Hans Johansson left the position of CEO and his position on the Board.
- Semcon acquired 30% of the Norwegian product development company Kongsberg Devotek AS.
- Semcon sold its Norwegian subsidiary, Semcon AS, to Kongsberg Devotek AS.

- Henrik Sund was appointed Semcon's new CEO and took up his post on 1 October.
- Semcon Automotive R&D won a large international order.
- The JCE Group made a public offer to acquire all of Semcon's shares. The offer was not accepted by all of Semcon's shareholders. As of 31 December, JCE Group owned 23.4% of the shares in the company.
- Semcon sold activities within Knud E. Hansen A/S and the Knud E. Hansen brand to ML Group of Denmark for around SEK 10 million.

Significant events after the end of the financial year

- Semcon's and ESG's German partner (joint venture) received its first assignment for General Motors, to deliver service instructions, repair schedules and illustrations for one of GM's future vehicle platforms.
- The British manufacturers Jaguar and Land Rover, which are part of the Ford Group, which includes Volvo Cars, are outsourcing all their aftermarket information development to Semcon Informatic.
- Semcon participated in negotiations concerning the acquisition of a major international consulting firm.

The work of the Board of Directors

The work of the Board is described in the section headed 'Corporate Governance' on pages 62-63.

Incentive scheme

Semcon's Annual General Meeting on 27 April 2004 decided to raise a subordinated loan of no more than SEK 21,000,000 by issuing a maximum 1,400 convertible debentures worth a nominal SEK 15,000 each. The acquisition of a convertible debenture means that the holder makes a loan of SEK 15,000 to Semcon AB up to 31 May 2007. The loan carries interest of 2%, which is paid out on 31 May each year.

Each convertible debenture gives the holder the right during the period 1 June 2006 to 31 May 2007 to convert the receivable into 428 shares in Semcon AB at a

price per share of SEK 35. A total of 920 debentures were signed, which on full conversion would be equivalent to 393,617 shares or a dilution effect of 2.3 per cent. On 31 December 2006, 821 debentures had been converted into 351,245 shares.

At an extra shareholders' meeting of Semcon AB on 27 September 2006, it was decided, in accordance with the board's proposal, to authorise the implementation of a convertible based incentive scheme for leading employees of the Semcon Group. It was simultaneously decided to take a deferred convertible loan for a maximum of SEK 25,000,000 by issuing of a maximum of 1,000 convertibles.

If all conversion rights are fully exercised with application of the lowest possible conversion rate, SEK 69, it shall correspond to a dilution effect of approximately 2% of the current number of shares and votes. The decision of the meeting has not however been implemented.

Research and development

The predominant part of Semcon's development costs are for development within the framework of customer projects. Other development costs are registered directly in the accounts. These amounts are not large. Exceptions are made for costs for development of specific programs or technical platforms, which are activated in accordance with IAS 38.

Acquisition of Semcon shares

In 2005 Semcon bought back 96,500 shares in the company at an average share price of SEK 34.89 per share. This corresponds to 0.6% of the total remaining shares. The nominal value of these shares is SEK 96,500. Following the acquisition of Kongsberg Devotek AS on 2 June 2006, when these shares were used to partly finance the deal, Semcon AB no longer owns its own shares.

Company acquisitions

On 1 February 2006 Semcon started a joint venture with Flexlink called Compliant Logistics AB. The company supplies solutions for efficient production logistics to the pharmaceutical, biotech and meditech industries.

On 28 March 2006 Semcon acquired 30% of the shares and 51% of the votes in Zuite AB, a partly-owned specialist company within the Zpider business area. On 2 June 2006 Semcon acquired 30% of Kongsberg Devotek AS. Meanwhile Kongsberg Devotek AS acquired Semcon Norge AS. Semcon financed the purchase of shares in Kongsberg Devotek AS by using all of the 96,500 Semcon shares owned by Semcon as part payment plus a cash payment. The total purchase sum was NOK 16 million, part of which was in the form of a new share issue. The payment sum for all the shares in Semcon Norge was NOK 7 million.

Financial overview

SALES AND RESULTS/ FINANCIAL POSITION

The business performed successfully in 2006. The reason for Semcon not matching last year's results for the full year is because of a number of one-off items: costs connected with the bid for Semcon (SEK 5.6 m), costs connected with winding up an IT project for a new project management system (SEK 11.9 m) and the winding up costs for staff in top positions (SEK 8.9 m). Semcon also depreciated goodwill in Design & Development (SEK 4.4 m) and recorded a capital gain on the sale of the Knud E Hansen A/S business (SEK 1.6 m). The effect of these items was SEK 29.2 million.

Sales reached SEK 1,614.1 million (1,500.5 m), which is an increase of 7.6% on 2005. The operating profit after depreciation for 2006 was SEK 75.9 million (95.7 m), giving an operating margin of 4.7% (6.4). The profit after net financial items was SEK 74.2 million (97.9 m) and the profit after tax was SEK 48.2 million (68.0 m). EPS was SEK 2.62 (3.91).

The return on average shareholders' equity amounted to 20.9% (40.9). The equity/assets ratio was 40.0% (29.7) and shareholders' equity was SEK 265.1 million (198.9 m). Shareholders' equity corresponds to SEK 14.81 per share before dilution (11.44). The Group's liquid assets totalled SEK 28.9 million (17.9 m).

Design & Development reported sales of SEK 1,020.6 million (974.5 m), which represents 63% (65) of total Group sales. The operating profit was SEK 22.5 million (42.2 m). Informatic reported sales of SEK 340.8 million (329.4 m) and operating profit of SEK 33.8 million (37.8 m), which meant a margin of 9.9%. Zpider reported sales of

SEK 252.7 million (196.6 m), which meant growth of 28.5%. The operating profit was SEK 19.6 million (15.7 m) and the operating margin was 7.8% (8.0).

INVESTMENTS

Semcon invested SEK 23.6 million (19.6 m) in 2006 in fixed assets. In addition the Group invested SEK 6.9 million (17.3 m) in goodwill and SEK 1.8 million in financial assets.

Employees

At the end of the year there were 1,756 (1,672) employees, which is an increase of 5.0%. The average number of employees during 2006 was 1,725 (1,636), of whom 25% (25) are female. The average age of employees is 38 (38). Staff turnover was 12.1% (10.2).

The headcount in each business area at the end of the period was as follows: Design & Development 1,221 (1,188), Informatic 301 (287) and Zpider 234 (197).

Risk and sensitivity analysis

An analysis of risk and sensitivity of the Semcon Group, which includes a description of financial risks, can be found on pages 30-31.

Dividend policy

The Board considers that the size of future dividends should be based on Semcon's long-term growth, profits and capital requirements for continued expansion with regard to its financial targets. The long-term aim is to pay out between 30% and 50% of the profit after tax to Semcon's shareholders. The Board considers that the company's equity/assets ratio shall be a minimum of 35%. One of Semcon's aims for the future is to expand to create long-term growth in value for shareholders.

If conditions are right, with consideration to financial targets and investment alternatives for continued expansion, the Board intends to pay out higher dividends when appropriate.

The Board proposes that no dividend be paid for the 2006 financial year (0).

Future development

GOALS FOR 2007

Semcon's aims and objectives will stay the same for the next year. The company will continue to focus on profitable growth, internationalisation and increased efficiency. 2007 began positively with a partnership agreement with Jaguar/Land Rover and

good coverage.

The competition is becoming more global and our internationalisation is a condition for continued success among international customers in the telecom and automotive sectors.

Semcon is continuing to develop and refine its range of product development, aftermarket and IT services, both in terms of greater project responsibility and partnership, and in other ways giving customers the opportunity of sharing the company's specialist skills.

OUTLOOK FOR 2007

Semcon expects the market's good economic climate to continue.

Parent company

Sales amounted to SEK 37.5 million (27.2 m) and the loss after depreciation was SEK 1.5 million (-3.1 m). Liquidity in the parent company was SEK 44.3 million (37.7 m) and net investments in the company amounted to SEK 0 million (0.0 m).

In connection with the acquisition of Kongsberg Devotek AS the 96,500 Semcon shares bought by Semcon in 2005 were used as part payment. The sale produced a profit of SEK 2.4 million which is reported under shareholders' equity. The number of Semcon shares owned by Semcon is now zero.

For additional results of the Group and parent company and their financial positions, we refer to the following income statements, balance sheets and cash flow statements along with the accompanying accounting principles and notes.

Proposed allocation of profits, SEK

The AGM has the following profit at its disposal:

Profit brought forward	117,024,581
Profit for the year	48,497,151
Group contribution	-4,157,136
Sale of own shares	5,790,000
Total	167,154,596

The Board proposes that the profits be distributed as follows:

Carried forward	167,154,596
Total	167,154,596

RISK AND SENSITIVITY ANALYSIS

Semcon is exposed to a series of risks that may affect the company's results. They include market and business related risks and financial risks. By monitoring risk continually and making the right preparations, Semcon considers that it is well equipped and that risk is minimised.

Market-related risks

Semcon's markets change continually and the company is therefore dependent on both the depth and breadth of market surveillance to meet the challenges that arise.

STRUCTURAL CHANGES

Structural changes in the market that can entail risk include a trend of customers teaming up to form large, international groups that in turn seek a few, major suppliers.

Semcon is meeting this challenge by becoming more international. In recent years the company has established offices outside Sweden and has been rewarded with large international assignments from groups such as Ford, GM and Ericsson. Structural changes may also present opportunities to work with larger project or take over a complete department from a customer.

BUSINESS CYCLE

Semcon's customer base consists mainly of Nordic industrial companies. Semcon believes that the breadth of this customer base reduces dependence on individual sectors and economic cycles, and that Semcon is therefore mainly affected by the general economic cycle for Nordic exports. Some parts of Semcon's business are more sensitive to economic cycles than others.

Business-related risks

The largest business-related risks are labour coverage and dependence on key staff. There is always a risk of losing business or a customer.

UTILISATION LEVEL

Semcon sells services, so sales are mainly based on assignments invoiced by the hour, even though the proportion of project work and fixed price assignments is growing. The summer period, when most employees take holidays, is a weak

period for consultancy firms, and even the length of the Christmas holiday can have a decisive effect on profits during Q4. The greatest influence on Semcon's growth is seen from Vehicle, followed by the Industry and Medical & LifeScience sectors. The number of working days varies from year to year. Each working day in 2006 generated around SEK 6.5 million in earnings and SEK 6.2 million in costs.

Project assignments and partnerships reduce this risk, although a significant amount of seasonal variation will remain.

EMPLOYEES

As a service company Semcon is highly dependent on its staff and their competence. The greatest risk in a know-how intensive company is that the employees quit, or the right employees are not recruited. Significant resources are reserved each year for training, recruitment and introduction activities. The Semcon Group is certified in accordance with the competence procurement standard SS 62 40 70.

Meanwhile, competition for competent staff may mean that wages may rise for groups of employees or for key individual staff.

ASSIGNMENTS

A customer can, in certain cases, cancel a project at short notice. This can result in a risk where Semcon is not always guaranteed full cost coverage, especially for those consultants who cannot immediately be transferred to another project. Historically, this risk has proved to be limited. With fixed-rate projects the company exposes itself to the risk that a project cannot be finished within the given cost frame.

Poor performance in assignments can also affect earnings. This risk is minimised because all assignments follow established working methods. The Semcon Group has both ISO 9001 and ISO 14001 certification.

Even if a couple of Semcon's customers

account for a large portion of the company's sales, Semcon has in most cases spread this risk across several departments or separate companies of the group concerned. As Semcon expands and takes on larger assignments for individual customers this risk will be monitored closely.

IT SECURITY

The Semcon Group has a high level of IT security and a clear policy regarding the distribution of information.

INSURANCE

Semcon has a consultant-responsibility insurance based in the normal industry practice. It corresponds to the responsibility in assignments and amounts to a maximum of SEK 25 million.

DISPUTES

Semcon is involved in a number of disputes that may eventually be resolved in the courts or via arbitration. In cases where a dispute is likely to involve costs for Semcon the costs are deducted from earnings.

Financial risks

Semcon's exposure to financial risks is relatively limited. The company has however identified four risks that could affect earnings.

CURRENCY RISKS

Semcon has a marginal exposure to currency risks, because a majority of the customers are Swedish. As sales outside Sweden increase this risk will also increase. Semcon therefore monitors developments closely and hedges currency as necessary. There was no hedging on the closing date.

INTEREST RATE RISKS

Interest rate risks are relatively small. On 31 December 2006 interest-bearing liabilities stood at SEK 41.2 million (118.4 m).

Of the interest-bearing liabilities SEK 1.5 million (13.5 m) is for a convertible debenture with an interest rate of 2% up to the date of conversion. The Group's other financial debt has variable interest rates.

CREDIT RISKS ASSOCIATED WITH ACCOUNTS RECEIVABLE

The majority of accounts receivable consists of debt by well-established, listed companies so the credit risk is also minimal. Semcon's credit losses have been very low over the years. The value of outstanding accounts receivable at year-end was SEK 342 million. Reservations for non-hedged accounts receivable are made on an ongoing basis.

LIQUIDITY AND FINANCING RISKS

This is the risk of not being able to fulfil payment commitments due to a shortage of liquid funds or difficulty in raising loans. This is also considered to be a small risk and Semcon is in continuous dialogue with banks in order to obtain the best terms when taking out loans.

Sensitivity analysis

A change of +/- 1 % in the following variables would have affected the operating profit for 2006 as follows:

Utilisation level	+/- 1 %	SEK 15.5 m
Average fee	+/- 1 %	SEK 13.1 m
Staff costs	+/- 1 %	SEK 9.8 m

DEFINITIONS

Operating margin. Profit after depreciation as a percentage of operating income.

Profit margin. Profit after net financial items as a percentage of operating income.

Net profit for the year. Profit for the year after tax.

Interest cover ratio. Profit after net financial items plus financial expenses divided by financial expenses.

Return on average shareholders' equity. Net profit for the year as a percentage of average shareholders' equity.

Return on average capital employed. Profit after net financial items plus financial expenses as a percentage of average capital employed.

Capital employed. Shareholders' equity plus interest-bearing liabilities.

Equity/assets ratio. Shareholders equity as a percentage of the balance sheet total.

Share of risk-bearing capital. Shareholders' equity plus provisions divided by the balance sheet total.

Debt/equity ratio. Interest-bearing liabilities divided by shareholders' equity.

EPS after tax. Profit/loss for the year attributable to the parent company's owners divided by the average number of outstanding shares.

EPS after dilution. Profit/loss for the year attributable to the parent company's owners divided by the average number of outstanding shares including options. The EPS after dilution includes interest expenses and tax relating to convertible loans.

Shareholders' equity per share. Shareholders' equity divided by the number of shares at the end of the period.

Price per share/equity. Price per share divided by equity per share.

P/E ratio. Price per share divided by earnings per share.

P/S ratio. Price per share divided by sales per share.

Average number of employees. Average number of yearly employees.

Sales per employee. Sales divided by the average number of yearly employees.

Value added per employee. Profit after depreciation plus payroll expenses and social security contributions divided by the average number of employees.

Profit after net financial items per employee. Profit after net financial items divided by the average number of employees.

SEASONAL VARIATIONS, SWEDEN

	Q1	Q2	Q3	Q4	TOTAL
Number of working days 2004	62	59	70	63	254
Number of working days 2005	62	61	65	64	252
Number of working days 2006	64	58	65	63	250
Number of working days 2007	64	58	65	62	249

Consolidated INCOME STATEMENT

SEK 000	Note	2006	2005
OPERATING INCOME			
Net sales	1, 2	1,614,115	1,495,729
Other operating income	1	–	4,802
Operating income		1,614,115	1,500,531
Operating expenses			
Purchase of goods and service		-284,244	-281,707
Other external expenses	3	-196,326	-154,361
Staff costs	4, 17	-1,039,782	-953,520
Amortisation and write-down of intangible assets	5	-6,453	-1,801
Amortisation and write-down of tangible assets	5	-10,485	-13,395
Share in profits of associated companies and joint ventures	10	- 955	–
Operating profit/loss		75,870	95,747
Financial items			
Interest income and similar items	6	2,620	6,857
Interest expenses and similar items	7	-4,244	-4,707
Profit/loss before tax		74,246	97,897
Tax	8	-26,014	-29,875
PROFIT/LOSS FOR THE YEAR		48,232	68,022
Of which attributable to parent company's shareholders		45,983	68,020
Of which attributable to minority interests		2,249	2
EPS, SEK	15	2.62	3.91
EPS after dilution, SEK*	15	2.59	3.82
Number of shares at year-end (ooo)	15	17,742	17,391
Average number of shares (ooo)	15	17,531	17,391

Consolidated

BALANCE SHEET

SEK 000	Note	31 Dec 2006	31 Dec 2005
ASSETS			
Fixed assets			
Intangible fixed assets	5		
Goodwill		71,923	69,484
Computer programs		6,673	9,050
Tangible fixed assets	5		
Property		10,257	15,667
Plant and machinery		919	1,235
Equipment		17,463	15,102
Computers		3,348	4,174
Financial fixed assets			
Shares in associate companies and joint ventures	10	18,074	–
Deferred tax recoverable	8	4,826	3,709
Other financial fixed assets		1,775	–
Total fixed assets		135,258	118,421
Current assets			
Accounts receivable		341,991	376,854
Current tax recoverables		61	3,580
Receivables in associate companies and joint ventures	12	4,316	–
Other receivables		7,591	2,659
Accrued non-invoiced income	11	121,424	114,751
Prepaid expenses and accrued income	13	23,723	35,241
Cash and bank balances		28,893	17,872
Total current assets		527,999	550,957
TOTAL ASSETS		663,257	669,378

Consolidated

BALANCE SHEET

SEK 000	Note	31 Dec 2006	31 Dec 2005
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	17,742	17,391
Other shareholders' contribution		33,615	21,673
Statutory reserve		35	222
Profit brought forward		213,693	159,600
Total shareholders' equity		265,085	198,886
Of which minority shares		2,332	13
Long-term liabilities			
Provisions	17	20	588
Deferred tax	8	39,801	45,695
Convertible loan	18	–	13,499
Other long-term liabilities		1,050	1,000
Total long-term liabilities		40,871	60,782
Current liabilities			
Provisions		–	500
Overdraft facilities	19	39,728	104,871
Convertible loan	18	1,501	–
Accounts payable		47,330	48,586
Other liabilities		61,679	60,604
Non-accrued invoiced income	11	27,471	28,970
Accrued expenses and prepaid income	20	179,592	166,179
Total current liabilities		357,301	409,710
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		663,257	669,378
Memorandum items			
Pledged assets	21	320,427	374,468
Contingent liabilities	22	10,702	9,374

CHANGE IN SHAREHOLDERS' EQUITY

SEK 000	Share capital	Other contribution	Reserves	Profit brought forward	Total	Minority	Total shareholders' equity
Opening balance 2005	17,391	21,673	-50	94,934	133,948	11	133,959
Exchange rate differences	–	–	272	–	272	–	272
Income and costs reported under shareholders' equity	17,391	21,673	222	94,934	134,220	11	134,231
Profit/loss for the year	–	–	–	68,020	68,020	2	68,022
Total income and costs excluding transactions with company's owners	17,391	21,673	222	162,954	202,240	13	202,253
Buy-back of shares	–	–	–	-3,367	-3,367	–	-3,367
Dividend paid to parent company shareholders	–	–	–	–	–	–	–
Opening balance 2006	17,391	21,673	222	159,587	198,873	13	198,886
Exchange rate difference *	–	–	-187	–	-187	–	-187
Income and costs reported under shareholders' equity	17,391	21,673	35	159,587	198,686	13	198,699
Profit for the year	–	–	–	45,983	45,983	2,249	48,232
Total income and costs excluding transactions with company's owners	17,391	21,673	35	205,570	244,669	2,262	246,931
New share issue **	351	11,942	–	–	12,294	–	12,294
Minority interests in connection with acquisition	–	–	–	–	–	70	70
Sale of bought back shares ***	–	–	–	5,790	5,790	–	5,790
Dividend paid to parent company shareholders	–	–	–	–	–	–	–
Closing balance 2006	17,742	33,615	35	211,360	262,753	2,332	265,085

* The closing accumulated exchange rate difference amounted to SEK 35,000.

** During the year 821 of the total of 920 convertible debentures were converted into 351,245 shares. For more information, see the Directors' Report and note 18.

*** In the current year Semcon has sold the Semcon shares it previously owned. For further information, see note 14.

As of 31 December 2006 the registered share capital consisted of 17,742,266 shares at a nominal SEK 1, which is the same as the value of a round lot. For further information, see note 14.

Consolidated

CASH FLOW STATEMENT

SEK 000	Note	2006	2005
Current activities			
Operating profit/loss after depreciation and write-downs		75,870	95,747
Depreciation/Write-downs	5	16,938	15,196
Share in associated companies' results	10	1,705	-713
Profit/loss from machinery & equipment sold		8,410	-3,531
Sale of subsidiary		-4,947	-
Cash flow from current activities		97,976	106,699
Interest received and similar items		2,920	3,839
Interest paid and similar items		-3,279	-4,658
Income tax paid		-29,670	-7,891
Change in allocations		-1,068	1,088
Cash flow from current activities before change in working capital		66,879	99,077
Change in working capital			
Increase/decrease in current receivables		35,904	-7,092
Increase/decrease to work in progress and stock		-6,673	-131,940
Increase/decrease in current liabilities		-48,618	80,345
Effects of completed factoring		-	-54,706
Total change in working capital		-19,387	-113,393
Cash flow from current activities		47,492	-14,316
Investment activities			
Investments in shares in subsidiaries/activities	23	-6,785	-22,760
Investments in intangible fixed assets	5	-11,119	-4,910
Investments in tangible fixed assets	5	-12,501	-9,275
Investments in financial fixed assets		-1,775	-
Investments in associate companies/joint venture	10	-13,989	-
Payments from sales of subsidiary/associate companies	23	304	13,500
Payments from sales of machinery and inventory	23	9,394	2
Cash flow from investment activities		-36,471	-23,443
Financing activities			
Acquisition of Semcon shares		-	-3,367
Cash flow from financing activities		-	-3,367
CASH FLOW FOR THE YEAR		11,021	-41,126
Cash and bank balances at the start of the year		17,872	58,998
Cash and bank balances at year-end		28,893	17,872

Parent company's INCOME STATEMENT

SEK 000	Note	2006	2005
OPERATING INCOME			
Net sales	2	37,474	27,171
Operating expenses			
Other external expenses	3	-16,797	-10,368
Staff costs	4	-22,196	-19,788
Amortisation of intangible assets	5	–	-8
Amortisation of tangible assets	5	-9	-67
Operating profit/loss		-1,528	-3,060
Financial items			
Interest income and similar items	6	3,133	965
Group contribution received		58,869	56,376
Interest expenses and similar items	7	-1,606	-928
Profit/loss after financial items		58,868	53,353
Appropriations			
Change in tax allocation reserve		8,184	13,832
Accelerated depreciation		–	62
Profit/loss before tax		67,052	67,247
Tax	8	-18,555	-19,787
PROFIT/LOSS FOR THE YEAR		48,497	47,460

Parent company's BALANCE SHEET

SEK 000	Note	31 Dec 2006	31 Dec 2005
ASSETS			
Fixed assets			
Intangible fixed assets	5	–	–
Computer programs			
Tangible fixed assets	5		
Equipment		–	1
Computers		1	9
Financial fixed assets	9		
Shares in associate companies		54,677	48,845
Total fixed assets		54,678	48,855
Current assets			
Receivables in Group companies		178,485	151,518
Other receivables		285	82
Prepaid expenses and accrued income		447	368
Cash and bank balances		44,295	37,721
Total current assets		223,512	189,689
TOTAL ASSETS		278,190	238,544
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	14	17,742	17,391
Statutory reserve		25,140	25,140
Profit brought forward		118,658	57,622
Profit/loss for the year		48,497	47,460
Total shareholders' equity		210,037	147,613
Untaxed reserves			
Tax allocation reserves	16	11,133	19,317
Total untaxed reserves		11,133	19,317
Provisions			
Provisions		–	588
Total provisions		–	588
Long-term liabilities			
Convertible loan	18	–	13,499
Total long-term liabilities		–	13,499
Current liabilities			
Convertible loan	18	1,501	–
Accounts payable		1,666	1,102
Liabilities Group companies		34,656	37,981
Current tax liability		10,767	12,707
Other liabilities		1,956	1,068
Accrued expenses and prepaid income	20	6,474	4,669
Total current liabilities		57,020	57,527
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		278,190	238,544
Memorandum items			
Pledged assets		none	none
Contingent liabilities		none	none

CHANGE IN SHAREHOLDERS' EQUITY

SEK 000	Other contribution			Total shareholders' equity
	Share capital	Reserves	Profit brought forward	
Opening balance 2005	17,391	25,140	66,459	108,990
Group contribution paid	—	—	-7,599	-7,599
Tax on Group contribution	—	—	2,129	2,129
Share buy-backs	—	—	-3,367	-3,367
Profit/loss for the year	—	—	47,460	47,460
Opening balance 2006	17,391	25,140	105,082	147,613
Sale of Semcon shares *	—	—	5,790	5,790
Group contribution paid	—	—	-5,774	-5,774
Tax on Group contribution	—	—	1,618	1,618
New share issue **	351	—	11,942	12,293
Profit/loss for the year	—	—	48,497	48,497
Closing balance 2006	17,742	25,140 ***	167,155	210,037

* In the current year Semcon has sold the Semcon shares it previously owned. For further information, see note 14.

** During the year 821 of the total of 920 convertible debentures were converted into 351,245 shares. For more information, see the Directors' Report and note 18.

*** Comprises a statutory reserve of SEK 3,467,000, share premium reserve of SEK 17,399,000, options premiums of SEK 4,274,000 and an equity share of issue of promissory note of SEK 0.

As of 31 December 2006 the registered share capital consisted of 17,742,266 shares at a nominal SEK 1, which is the same as the value of a round lot. For further information, see note 14.

Parent company's

CASH FLOW STATEMENT

SEK 000	Note	2006	2005
Current activities			
Operating profit/loss after depreciation and write-downs		-1,528	-3,060
Depreciation	5	9	75
Cash flow from current activities		-1,519	-2,985
Interest received and similar items		3,063	1,037
Interest paid and similar items		-1,310	-928
Income tax paid		-18,993	-5,556
Allocations		-588	588
Exchange rate differences		70	—
Cash flow from current activities before change in working capital		-19,277	-7,844
Change in working capital			
Increase/decrease in current receivables		-25,084	-33,276
Increase/decrease in current liabilities		-7,950	-20,904
Total change in working capital		-33,034	-54,180
Cash flow from current activities		-52,311	-62,024
Investment activities			
Group contribution paid		-5,774	-7,599
Cash flow from investment activities		-5,774	-7,599
Financing activities			
Group contribution received		58,869	56,376
Acquisition of Semcon shares		—	-3,367
Sale of Semcon shares		5,790	—
Cash flow from financing activities		64,659	53,009
CASH FLOW FOR THE YEAR		6,574	-16,614
Cash and bank balances at the start of the year		37,721	54,335
Cash and bank balances at year-end		44,295	37,721

ACCOUNTING AND VALUATION PRINCIPLES

The Annual Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act and recommendation 30 of the Swedish Financial Accounting Standards Council (Additional consolidated accounting regulations). Recommendations that come into effect after the closing day will not have any significant effect on either the results or the financial position of the company.

The Parent company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation 32 (Accounting for legal entities).

The Parent company's functional currency is SEK, which is also the Group's reporting currency. All sums in the financial report are rounded off to the nearest thousand SEK, unless otherwise stated.

For details of the transition to IFRS, see the 2005 annual report.

The accounting principles described below are those considered to be significant.

CONSOLIDATED ACCOUNTING

In addition to the Parent company, the Group consists of all subsidiaries where the Group owns shares and directly or indirectly has the majority of voting rights, or through agreements has a controlling influence. Acquired companies are included in the consolidated accounts from the acquisition date. Sold companies are included up until the date they are sold. These consolidated accounts have been prepared in accordance with the purchase method, which means that the acquisition value of shares in Group companies is divided into identifiable assets and liabilities at the time of the acquisition at the fair value. The difference between the acquisition value and the calculated value of equity at the time of acquisition is reported as consolidated goodwill. An allowance is made in the acquisition analysis for deferred tax on acquired untaxed reserves. In addition, deferred tax is seen as the difference between the fair values of assets and liabilities and taxable residual values.

Untaxed reserves accumulated after the acquisition are divided partly into deferred tax liability (28%) and the remaining part, which is reported under unrestricted equity.

The consolidated shareholders' equity includes the parent company's equity and

the part of the subsidiaries' equity accumulated after the date of the acquisition. Foreign subsidiaries have been classified as independent units. When translating the income statements and balance sheets of foreign subsidiaries, the current method has been applied. This means that the balance sheets are translated at the closing day rate and the income statements are translated at the average rate for the year. Translation differences are carried directly to shareholders' equity. Acquisitions completed after 1 January 2004 have been reported in accordance with IFRS 3.

ASSOCIATED COMPANIES AND JOINT VENTURES

Associated companies are included where the Group has a significant but not decisive influence over operations and financial control and the company is neither a subsidiary or a share in a joint venture. A significant influence is considered to exist if the company has a minimum holding of between 20% and 50% of the voting rights or in any other way has a significant influence but where there is no parent/subsidiary relationship. Holdings in associate companies are reported in the Group's consolidated income statement and balance sheet according to the equity method from the time that a significant influence is established.

The equity method means that shares in a company are reported at the acquisition value at the time of acquisition and then adjusted using the Group's share of the change in the company's net assets. Semcon's share of the associate company's earnings after tax is reported in the consolidated income statement. Unrealised profit on transactions between the Group and associate companies are eliminated in relation to the Group's holding in the associate company.

Activities in which Semcon and other owners exert a shared interest are classified as joint ventures. When reporting shares in joint ventures IAS 31 is applied. Shares in joint ventures are reported on the consolidated balance sheet using the equity method as described above.

MINORITY INTERESTS

Minority interests in non-wholly owned subsidiaries are reported as external shareholders' share of the subsidiary's equity. This item is part of consolidated equity. The minority share is included on the income statement. Information

about the minority's share of the result is reported in connection with the income statement. There were 27 (20) companies operating in the Group at year-end.

SEGMENT REPORTING

A segment is a part of the Group that is identifiable for reporting purposes and supplies products or services (operating unit) or goods or services in a specific economic area (geographic area), and which is exposed to risks and opportunities that are different to other segments.

The Group's business was organised during the year in three operating units: Design & Development, Informatic and Zpider, which constitute the Group's primary segment. The Group does not currently have a secondary segment for internal reporting. The segment's income, operating profit/loss assets and liabilities include directly traceable items and items that can be reliably allocated to each segment.

Unallocated items primarily constitute interest-bearing assets and liabilities, interest income and costs, overhead costs and tax.

CASH FLOW STATEMENT

The cash flow statement is produced using the indirect method. Reported cash flow includes only those transactions that have involved payments into or out of the company.

LIQUID ASSETS

Cash and bank balances in the Group are made up of cash and bank balances. Overdraft facilities reported in the balance sheets are reported as loans in current liabilities.

AGREEMENTS WITH RELATED PARTIES

Agreements with related parties exist only to a minor extent. See Note 4 on page 45.

REVENUE RECOGNITION

Income from sales of services

The Group applies the percentage of completion method. Work in progress is taken up as revenue in line with work being carried out. Fixed-rate work is taken up as revenue in proportion to the respective assignment's degree of completion on the closing date after reservation for loss risks. The degree of completion is assessed without accrued assignment expenses for work carried out in relation to the assignment's estimated total costs. On account invoices received are reported net

against activated assignment expenses. If the net of the expenses paid and on account invoices received is positive then the project is reported as an asset in the balance sheet as "Customer receivables". Projects are reported as liabilities for which on account invoices received exceed assignment expenses paid as "Customer liabilities".

Income from sale of hardware and software

Income from sales of hardware and software which is not of significant value is reported upon delivery, which coincides with the time when risks and benefits accrue to the buyer.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies are valued at the closing day rates. Exchange rate differences in current receivables and liabilities are included in the operating profit/loss while the differences in financial receivables and liabilities are included under financial items.

RESEARCH AND DEVELOPMENT COSTS

The majority of Semcon's development costs concern development in the framework of customer projects. In other cases the company's development costs are of an ongoing nature that are carried as an expense in the period they occur. These costs are not considered to be significant. Exceptions to this are costs incurred for the development of specific programs of technical platforms, which are reported as intangible assets. See below for more information.

TANGIBLE FIXED ASSETS

Tangible fixed assets mainly consisting of computers, inventory, property and investment in leased premises have been valued at the purchase price with deductions for accumulated depreciation and write-downs.

INTANGIBLE FIXED ASSETS

Goodwill

Acquired goodwill is valued at its acquisition value with deductions for accumulated write-downs. Goodwill acquired before 1 January 2004 has been valued at the acquisition value with deductions made for accumulated depreciation relating to the period before 1 January 2004. Goodwill is distributed among cash-generating units and is tested for impairment annually.

Other intangible assets

Other intangible assets include programs

developed internally, acquired licences or technical platforms. Other acquired intangible assets are valued at acquisition value with deductions made for accumulated depreciation and write-downs. Acquisition value comprises activated costs that arise from the date when the program or platform is considered to be commercially viable and other criteria according to IAS 38 are fulfilled. Expenses are depreciated over the expected utilisation period.

Expenses for internally developed goodwill, trademarks and similar rights are reported as they arise.

DEPRECIATION PRINCIPLES FOR FIXED ASSETS EXCLUDING GOODWILL

Depreciation is based on the acquisition value and is performed over the expected utilisation period. Depreciation according to plan has been based on the item's estimated life as follows:

- Machines and plant depreciated over 5 years
 - Computers depreciated over 3–5 years
 - Equipment depreciated over 5 years
 - Property depreciated over 30 – 33 years.
- The parts of the property where it is possible to identify a shorter lifespan is depreciated according to a special plan
- In-house developed software depreciated over 5 years

WRITE-DOWNS

The company's management continually assesses the value of any write-down requirement. Write-downs are made in cases where an asset's reported value exceeds its recoverable value. Recoverable value is the higher of the utilisation value of the asset in the business and the net sales value. The utilisation value is the current value of all inward and outward payments relating to the asset during the period it is expected to be used in the business plus the current net sales value at the end of the utilisation period.

A previous write-down is returned when the assumptions used to establish the asset's recovery value have changed, meaning the write-down is no longer appropriate. Returns of previous write-downs are tested individually and are reported in the income statement. Write-downs of goodwill are not however returned in successive periods.

FINANCIAL INSTRUMENTS

Information concerning financial risk management is described in the section entitled 'Risks and sensitivity analysis' on pages 30-31.

Financial instruments are valued and

reported in the Group according to regulations in IAS 39. Financial instruments reported on the balance sheet include accounts receivable, accounts payable-trade, borrowings and equity instruments. The booked value does not deviate greatly from the real value.

Accounts receivable

Accounts receivable are reported as net after allocations for unreliable accounts receivable.

Accounts payable-trade

Accounts payable-trade have a short expected lifespan and are valued without discounting for a nominal sum.

Credit institution liabilities and loan expenses

Costs for interest rates and other costs relating to liabilities with credit institutions are reported as they arise in the income statement as a financial cost in accordance with IAS 23. The liability appears on the closing day at the acquisition value and accrued interest is reported in accrued expenses.

ALLOCATIONS

When a formal or informal commitment exists as a result of an event that has occurred and it is possible that resources will be required to fulfil the commitment and a temporary estimate can be made of the amount required, then such a commitment is reported as an allocation if the amount and payment date are uncertain. The following allocations are reported in the balance sheet: Guarantee commitments and deferred tax liabilities. Allocations were made for pensions in 2005 but not in 2006.

INCOME TAX

The Group's tax expense or tax income are reported as current tax, changes in deferred tax as well as tax on changes to untaxed reserves.

Current tax

This tax is calculated on the basis of the taxable, respectively tax deductible, temporary differences between the reported and fiscal value of assets and liabilities.

Deferred tax

This tax is calculated on the basis of the taxable, respectively tax deductible, temporary differences between the reported and fiscal value of assets and liabilities. Deferred tax liability of loss carry-forwards have only been taken into account to the extent where it is probable that the

loss carry-forwards can be deducted from the taxable surplus in future.

LEASING

Semcon does not have any financial leasing contracts. The Group rents offices, cars and some office equipment. Rental agreements in which the risks and benefits associated with ownership remain to a significant extent with the lease provider are reported as operational leasing agreements. The costs are reported directly in the income statement during the rental period.

EMPLOYEE REMUNERATION, PENSIONS

Employees' remuneration is reported as earned and paid wages plus bonus earned. Full remuneration is paid for various commitments such as non-utilised holiday entitlement and payroll overheads.

For pensions Semcon reports remuneration to employees according to IAS 19. According to IFRS, pensions are divided between defined-contribution and defined-benefit pensions. Commitments for retirement pensions and family pensions for salaried employees in Sweden are safeguarded via insurance with Alecta. According to a statement from the Swedish Financial Accounting Standards Council's Emerging Issues Task Force, URA 42, this is a defined-benefit plan that encompasses several employers. As in previous years the company has not had access to information to enable it to report this plan as a defined-benefit plan, which means that the ITP pension plans secured via insurance with Alecta are therefore reported as defined contribution plans according to IAS 19 point 30. Expenses during the year for pension insurance policies signed with Alecta amounted to SEK 36.1 million (38.7 m). Alecta's surplus can be allocated to the policy holder. At the end of 2006, Alecta's surplus in the form of the collective consolidation level was 143.0% (128.5). The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance commitment calculated according to Alecta's actuarial assumptions, which do not comply with IAS 19. Semcon has defined-benefit pension plans for several employees in Sweden. These commitments were ended in 2006. Accumulated actuarial profit was thereafter reported in the consolidated income statement.

CONVERTIBLE LOAN

The issue of a convertible loan includes a financial liability that is reported among long-term liabilities in 2005 and current

liabilities in 2006 and a shareholders' equity instrument that is reported as restricted shareholders' equity after transaction costs. The value of the financial liability is the discontinued value of future payments using an interest rate of 3.5%, which corresponds to the estimated market rate. The remainder is the shareholders' equity instrument and this is reported after deductions for transaction costs as shareholders' equity. The interest is reported continually and is classified as a financial cost in the income statement.

OPTIONS SCHEME

Warrants. Premiums received concerning warrants issued for the subscription of new shares are reported, after deductions for costs, directly against restricted shareholders' equity. The outstanding dilution effects of the warrants are reflected in the estimated earnings per share after dilution.

Call options. Premiums received concerning call options, issued to senior management, are reported, after deductions for costs, directly against restricted shareholders' equity. Semcon has signed a share swap agreement to hedge its undertakings in the call option scheme. The annual cost for this agreement is reported as employee costs. As this agreement is regulated through cash payment it is considered to be a derivative and is valued at the fair value in the income statement. The options programme came to an end in 2006. There is no current programme.

ACQUISITION OF SEMCON SHARES

Semcon shares acquired have not been reported as assets but as a negative impact on profit brought forward. The opposite applies for the sale of Semcon shares, see the calculation of the change in consolidated equity.

CRITICAL ACCOUNTING ISSUES, ESTIMATIONS AND ASSESSMENTS

When producing reports, estimates and assumptions are made about the future that may affect items in the income statement and balance sheet. These assessments are based on experience and various assumptions that the management team and the Board consider to be reasonable considering current circumstances. When producing Semcon's consolidated accounts the Board and the CEO have not identified any critical accounting matters that have had major significance for any reported sum.

Certain assumptions about the future and certain estimations and assessments

are significant when valuing assets and liabilities.

The value of goodwill is examined at least once a year with reference to possible write-down requirements. The examination requires an estimation of the value of the cash-generating unit to which the goodwill value refers. This means that estimations are made of future cash flow and that relevant discount rates are set. The estimations made are presented in Note 5.

The valuing of loss risks in projects is based on estimations of results of ongoing projects. This is more closely explained in the "Risk and sensitivity analysis" on pages 30-31.

Valuing of deficit deductions is done in cases where it is considered probable that deductions can be made against deficits in future tax years.

ACCOUNTING PRINCIPLES OF THE PARENT COMPANY

The parent company has drawn up its Annual Report in accordance with the Annual Accounts Act and recommendation 32 (Accounting for legal entities) of the Swedish Financial Accounting Standards Council. The accounting principles of the parent company have been consistently applied for 2006 and the year of comparison, 2005. The differences between the Group's and parent company's accounting principles appear below.

TAXES

In the parent company, untaxed reserves are reported including deferred tax liabilities, as opposed to the consolidated accounts where untaxed reserves are divided into deferred tax liabilities and shareholders' equity.

GROUP CONTRIBUTION/ SHAREHOLDERS' CONTRIBUTION

The company reports Group contributions according to a statement from the Swedish Financial Accounting Standards Council's Emerging Issues Task Force, URA 7. Group contribution paid in order to minimise the Group's total tax is reported directly against profit brought forward after deductions for its current tax effect. Group contribution that can be classed the same as dividends is reported as a financial income with the recipient. All Group contributions to the parent company can be classed the same as for dividends and therefore can be reported under shareholders' equity. Paid Group contribution is however reported under equity.

NOTES

NOTE 1 INFORMATION ABOUT THE BUSINESS AREAS

The Group's segments consist of the business areas Design & Development, Informatic and Zpider, which are described in further detail in the Directors' Report. The segment's income, operating profit, assets and liabilities include directly referable items and items that can reliably be allocated to each segment. Unallocated items are primarily interest-bearing assets and liabilities, interest income and expenses, overheads and tax. The Group reports sales between the segments at current market prices. These sales between the segments are meanwhile relatively small and have been eliminated directly in each segment, i.e. sales that are reported are for sales to external customers.

SEK m	Design & Development		Informatic		Zpider		Elimination		Group total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Income *	1,020.6	974.5	340.8	329.4	252.7	196.6	–	–	1,614.1	1,500.5
Profit/loss per business area	23.5	42.2	33.8	37.8	19.6	10.9	–	–	76.9	90.9
Profit/loss participation	-1.0	–	–	–	–	4.8	–	–	-1.0	4.8
Operating profit/loss	22.5	42.2	33.8	37.8	19.6	15.7	–	–	75.9	95.7
Interest income	–	–	–	–	–	–	–	–	2.6	6.9
Interest expenses	–	–	–	–	–	–	–	–	-4.3	-4.7
Tax expense for the year	–	–	–	–	–	–	–	–	-26.0	-29.9
Net profit/loss for the year	–	–	–	–	–	–	–	–	48.2	68.0
Other information										
Assets	426.3	442.5	51.7	110.3	96.4	65.8	-49.7	-32.7	524.7	585.9
Share of equity	18.1	–	–	–	–	–	–	–	18.1	–
Undistributed assets	–	–	–	–	–	–	–	–	120.5	83.5
Total assets	444.4	442.5	51.7	110.3	96.4	65.8	-49.7	-32.7	663.3	669.4
Liabilities	168.6	314.3	90.8	65.5	75.5	50.5	49.7	32.7	384.6	463.0
Undistributed liabilities	–	–	–	–	–	–	–	–	13.6	7.5
Total liabilities	168.6	314.3	90.8	65.5	75.5	50.5	49.7	32.7	398.2	470.5
Investments	21.2	18.7	1.1	10.1	8.2	8.0	–	–	30.5	36.8
Depreciation	11.3	8.1	1.8	3.8	2.0	1.8	–	–	15.1	13.7
Undistributed depreciation	–	–	–	–	–	–	–	–	1.8	1.5

* The Group is divided into three business areas that make up Semcon's primary segment division. Other activities include the parent company and dormant companies. Secondary segments are divided into countries, with the proportion of business as follows: Sweden 94.4%, Denmark 1.8%, Norway 0.2%, the UK 3.0%, Malaysia 0.4%, Hungary 0.2% and China 0.0%. Because the individual segments make up less than 10% of the total sales no other information is reported for secondary segments. Semcon has no secondary segment in its internal reporting, divided by country or other segment. Revenue in 2005 includes profit from sales of, and annual profit participation from, associated companies of SEK 4,089,000 and SEK 713,000 respectively, or a total of SEK 4,802,000.

Sales between business areas are not included as income as they make up an insignificant part of the income. Undistributed liabilities such as general administration costs, head office costs and central costs are directed to the respective business areas as a percentage of sales.

NOTE 2 NET SALES

Of net sales, income from services accounts for 93.2% (92.5). Other sales comprise licences, computers, training, materials and goods in projects and, for 2005, profit from sales of associated companies. More than 89% of the Group's income and costs are for activities in Sweden. **Transaction with related parties.** Purchases/sales between Group companies amount to SEK 255,297,000 (214,620,000) and concerns in principle services. Purchase/sales between associate companies and joint ventures amount to SEK 4.2 million (0). The minority interest share of the operating profit totals SEK 9 million (0).

The parent company's sales attributable to Group companies amount to SEK 37.5 million (27.1) and purchases amounts to SEK 0.0 million (0.6).

NOTE 3 INFORMATION REGARDING REMUNERATION TO THE AUDITORS

The Group SEK 000	2006	2005
For auditing and advice, plus other contributions resulting from observations made during auditing work:		
Ernst & Young	2,760	2,458
For independent advice given by:		
Ernst & Young	966	1,358
Total	3,726	3,816

Parent company, SEK 000	2006	2005
For auditing and advice, plus other contributions resulting from observations made during auditing work:		
Ernst & Young	495	1,391
For independent advice given by:		
Ernst & Young	612	608
Total	1,107	1,999

NOTE 4 EMPLOYEES

Average number of employees	2006		2005	
The Group	Average no. of employees	whom female, %	Average no. of employees	whom female, %
Sweden	1,658	25	1,567	25
Denmark	27	7	21	12
Norway	7	8	22	14
UK	18	18	17	18
Malaysia	5	20	5	25
Hungary	10	30	4	25
Group total	1,725	25	1,636	25

Parent company	Average no. of employees	whom female, %	Average no. of employees	whom female, %
Sweden	8	50	8	38
Parent company total	8	50	8	38

Salaries, other remuneration and payroll overheads SEK 000	2006			2005		
	Total salaries and other remuneration	Social security expenses (of which pensions)		Total salaries and other remuneration	Social security expenses (of which pensions)	
Parent company	13,836	7,910	(3,467)	9,350	9,324	(4,065)
Subsidiaries Sweden	639,918	295,187	(71,250)	577,873	267,857	(63,682)
Subsidiaries UK	7,735	796	(209)	7,560	1,035	(267)
Subsidiaries Norway	4,967	815	(279)	12,940	2,516	(442)
Subsidiaries Denmark	18,463	837	(837)	16,674	916	(758)
Subsidiaries Malaysia	276	–	(–)	2,953	130	(–)
Subsidiaries Hungary	1,483	481	(268)	443	197	(176)
Group total	686,678	306,026	(76,310)	627,793	281,975	(69,390)

Of which remuneration to the Board of Directors and CEO SEK 000	2006			2005		
	Total salaries and other remuneration (of which bonus)		Pension costs	Total salaries and other remuneration (of which bonus)		Pension costs
CEO of parent company	8,115	(920)	1,873	2,999	(584)	1,772
Of which current CEO	1,228	(500)	173	–	(–)	–
Of which acting CEO	1,224	(–)	130	–	(–)	–
Of which former CEO	5,663	(420)	1,570	–	(–)	–
CEO of Swedish subsidiaries	11,921	(3,462)	1,779	6,527	(1,671)	1,074
CEO of UK subsidiaries	2,251	(173)	110	2,323	(175)	368
CEO of Danish subsidiaries	925	(97)	92	835	(97)	83
CEO of Norwegian subsidiaries	–	(–)	–	868	(–)	37
CEO of Malaysian subsidiaries	770	(93)	–	–	(–)	–
Board of Directors	900	(–)	–	855	(–)	–
Other senior executives *	10,115	(2,171)	2,412	5,751	(959)	1,714

* Details about salaries and remuneration to other senior executives includes parts of sums that are also included in salaries and remuneration to the CEOs of the Swedish subsidiaries in the above table. The amounts are for those CEOs of Swedish subsidiaries who are part of the senior executive team.

The company has no pension commitments in addition to those reported below.

Remuneration to the CEO. According to the terms of the CEO's employment contract, upon notice of dismissal from Semcon, severance pay will be paid for 12 months, of which 6 months with settlement. A bonus may also be paid in accordance with rules established by the Board and at a maximum of 6 times the current monthly salary. The contract also includes a non-competition clause, according to which the CEO may not engage in any competitive business activities for 24 months from the time of termination of employment. The CEO is entitled to a retirement benefit in the form of a pension scheme. The premium for such a scheme is 25% of fixed monthly salary.

The Board. Of fees to the Board in 2006 the Chairman of the Board received salary amounting to SEK 300,000. Other external members received SEK 150,000 each, a total of SEK 600,000. One member received SEK 18,557 (167,429) in consultancy fees for services other than board assignments.

Other senior executives. Other senior executives include Semcon's senior management aside from the company's CEO. The other senior executives are entitled to bonuses based on how well they meet their respective targets for their business. The other senior executives do not have agreements concerning severance pay. The pension agreements for senior executives are paid in accordance with the ITP plan. The senior management team was reorganised on 1 April 2006. The amounts included in salaries and remuneration for senior executives refer solely to the periods when the employee was part of the senior management team.

Gender of senior executives. Two of Semcon's seven Board members are women. Two of the eight members of the senior management team are women.

Other. The company has not nominated a compensations committee. Remuneration to the Board is decided by the AGM. Remuneration to the CEO is decided by the full Board and remuneration to other senior executives is decided by the CEO. The benefit of a company car for the CEO cost the company SEK 128,442 (90,678) and for other senior executives cost the company SEK 339,737 (267,779).

Sick leave. Sick leave is shown on page 23.

NOTE 5 FIXED ASSETS

The Group SEK 000	2006	2005
Goodwill		
Opening acquisition value	81,115	63,849
Purchases	6,857	17,266
Closing accumulated acquisition value	87,972	81,115
Opening depreciation	-11,631	-11,631
Depreciation for the year	-4,418	–
Closing accumulated depreciation	-16,049	-11,631
Closing booked value	71,923	69,484

Specification of goodwill

Goodwill is distributed across the Group's units identified as business areas as follows:

Business area, SEK 000	2006	2005
Design & Development	33,190	37,607
Informatic	12,215	12,310
Zpider	26,518	19,567
Booked value	71,923	69,484

Testing for a write-down requirement for goodwill is performed annually and when there are indications that a write-down is required. Testing was done at the lowest level where separable cash flow can be identified.

Key assumptions used to assess utilisation value. The following assumptions were used for the annual assessment of a write-down requirement of the cash-generating units for which goodwill has been divided. The basis for the assessment is partly the unit's business plan with budget and future market outlook, and partly an assessment of the business' significance for the value of Semcon's total business offer. The discounting factor for the businesses is 7.5%, based on a cash flow statement.

The first analysis valuation was carried out using the budgeted profits for 2007, with an earnings requirement of 7.5% and growth expectancy after 2007 of 0%. If this analysis indicates a depreciation requirement then a more careful analysis will be carried out. With the exception of the write-down that was performed, a first analysis has suggested write-down is not required. The write-down concerns investment within Design & Development and is a result of this activity not meeting expectations. If the earnings requirement was set at 12.5% then there would have been an indication of depreciation requirement.

Group, SEK 000	2006	2005
Computer programs		
Opening acquisition value	16,676	11,765
Purchases	11,119	4,911
Disposals/scrapping	-11,461	–
Closing accumulated acquisition value	16,334	16,676
Opening depreciation	-7,626	-5,825
Depreciation for the year	-2,035	-1,801
Closing accumulated depreciation	-9,661	-7,626
Closing booked value	6,673	9,050

Group, SEK 000	2006	2005
Property/Buildings		
Opening acquisition value	14,897	10,600
Purchases	–	4,297
Sales/disposals	-5,200	–
Translation differences	-70	–
Closing accumulated acquisition value	9,627	14,897
Opening accumulated depreciation	-1,630	-1,282
Sales/disposals	191	–
Depreciation for the year	-331	-348
Closing accumulated depreciation	-1,770	-1,630
Closing residual value according to plan	7,857	13,267
Opening and closing accumulated write-downs	-1,000	-1,000
Closing booked value	6,857	12,267
Land		
Opening and closing accumulated acquisition value	3,400	3,400
Tax assessment value		
Assessed value for buildings	8,101	10,454
Assessed value for land	2,854	3,536
Assessed value total	10,955	13,990
Plant and machinery		
Opening acquisition value	14,795	15,807
Purchases	–	500
Sales/disposals	–	-1,512
Closing accumulated acquisition value	14,795	14,795
Opening accumulated depreciation	-13,560	-13,994
Sales/disposals	–	1,126
Depreciation for the year	-316	-692
Closing accumulated depreciation	-13,876	-13,560
Closing booked value	919	1,235
Equipment		
Opening acquisition value	54,825	51,566
Purchases	7,834	4,409
Sales/disposals	-1,692	-1,150
Closing accumulated acquisition value	60,967	54,825
Opening depreciation	-36,210	-31,777
Sales/disposals	1,442	1,021
Depreciation for the year	-5,223	-5,454
Closing accumulated depreciation	-39,991	-36,210
Opening and closing accumulated depreciation	-3,513	-3,513
Closing booked value	17,463	15,102
Computers		
Opening acquisition value	93,669	97,634
Purchases	4,667	5,437
Sales/disposals	-4,722	-9,402
Closing accumulated acquisition value	93,614	93,669
Opening accumulated depreciation	-89,495	-91,996
Sales/disposals	3,844	9,402
Depreciation for the year	-4,615	-6,901
Closing accumulated depreciation	-90,266	-89,495
Closing booked value	3,348	4,174

Leases and tenancy agreements. The Group has a number of leasing agreements, mainly relating to private cars. The cost of these for the year was SEK 8,071,000 (5,233,000). Existing leasing agreements are based on market conditions with remaining leasing agreements due to mature within one to three years. Furthermore, the Group rents office space at around 20 locations in Sweden, and in the UK, Hungary and China. All of these tenancy agreements were signed under market conditions and for normal periods of time. Concerning leasing agreements, SEK 6,044,000 falls due within one year of the closing date and SEK 2,963,000 falls due within 2-5 years from the closing date. No part is due later than 5 years from the closing date.

Parent company SEK 000	2006	2005
Computer programs		
Opening and closing accumulated acquisition value	3,036	3,036
Opening depreciation	-3,036	-3,028
Depreciation for the year	–	-8
Closing accumulated depreciation	-3,036	-3,036
Closing booked value	0	0
Equipment		
Opening and closing accumulated acquisition value	820	820
Opening depreciation	-819	-766
Depreciation for the year	-1	-53
Closing accumulated depreciation	-820	-819
Closing booked value	0	1
Computers		
Opening and closing accumulated acquisition value	447	447
Opening depreciation	-438	-423
Depreciation for the year	-8	-15
Closing accumulated depreciation	-446	-438
Closing booked value	1	9

NOTE 6 INTEREST INCOME AND SIMILAR ITEMS

The Group SEK 000	2006	2005
Profit SWAP *	–	2,955
Interest income	2,620	3,119
Exchange rate difference	–	783
Total	2,620	6,857
Parent company SEK 000		
Profit SWAP *	2,985	–
Interest income	77	893
Exchange rate difference	71	72
Total	3,133	965

* Semcon signed a share swap agreement in 2002 to hedge its undertakings in the call option scheme. According to the agreement Semcon buys shares at a price of SEK 29.27. The scheme includes 236,000 shares at an exercise price of SEK 42, to run until 3 July 2006.

NOTE 7 INTEREST EXPENSES AND SIMILAR ITEMS

The Group SEK 000	2006	2005
Interest expenses	-3,251	-4,707
Exchange rate difference	-993	–
Total	-4,244	-4,707
Parent company SEK 000		
Interest expenses	-1,606	-928

NOTE 8 TAX

The Group SEK 000	2006	2005
Current tax	33,012	22,166
Tax concerning previous tax years	13	-22
Deferred tax attributable to temporary differences	-7,011	8,823
Deferred tax income attributable to temporary differences	–	-1,092
Total	26,014	29,875

Parent company SEK 000	2006	2005
Current tax	16,938	17,660
Deferred tax cost attributable to temporary differences	–	-2
Tax on Group contribution paid	1,617	2,129
Total	18,555	19,787
Difference between Group's reported tax and tax expense based on current tax rate, SEK 000	2006	2005
Profit/loss before tax	74,246	97,897
Tax according to current tax rate, 28%	20,789	27,411
Tax effect of:		
Non-deductible costs	6,288	3,642
Non-taxable income	-211	-122
Adjustments for previous years' tax	-13	2,111
Profit from the sale of subsidiaries/associated companies	-2,043	-1,145
Loss carry-forwards not given value in accounts	1,499	–
Effects of utilised loss carry-forwards not previously booked tax receivable	-965	-811
Goodwill write-down	1,237	–
Profit from Swap agreement	–	-827
Associated companies	267	–
Effects of other rates of tax abroad	-97	-143
Other	-737	-241
Tax for the year	26,014	29,875
Difference between Group's reported tax and tax expense based on current tax rate, SEK 000	2006	2005
Profit/loss before tax	67,052	67,247
Tax using tax rate of 28%	18,775	18,829
Tax effect of:		
Non-deductible costs	490	792
Non-taxable costs	–	-98
Interest on tax allocation reserve	126	264
Profit from Swap agreement	-836	–
Tax for the year	18,555	19,787

Temporary differences apply in cases where assets or liabilities reported and taxable values are different.

The Group's temporary differences have resulted in deferred tax liabilities and deferred tax income receivables for the following items, SEK 000:

	2006	2005
Deferred tax liabilities		
Untaxed reserves	9,223	12,109
Accrued income reported in the Group	28,104	31,791
Consolidated surplus value in property	1,188	1,188
Goodwill	1,286	607
Total	39,801	45,695
Deferred income taxes recoverable		
Assessed shortfall	303	190
Temporary differences, inventories	1,782	2,455
Temporary differences, accounts receivable	929	504
Other	1,812	560
Total	4,826	3,709

The taxable loss carry-forward is SEK 3,240,000 (4,789,000). No maturity date exists for this loss carry-forward. For SEK 1,395,000 (3,793,000) of this, no deferred income taxes recoverable have been reported. Deferred income taxes recoverable concerning deficits have been reported at SEK 303,000 (190,000) as it is judged likely that the taxable surplus will be available in future, against which this deficit can be offset.

NOTE 9 FINANCIAL FIXED ASSETS

Parent company	Subsidiary	Capital share, %	Voting rights, %	Book value, SEK	Co.Reg.No	Registered office
Semcon AB	Semcon Förvaltnings AB	100	100	37,580,630	556530-6403	Göteborg
	Semcon Informatic AB	100	100	5,832,000	556606-0363	Göteborg
	Semcon International AB	100	100	300,000	556534-4651	Göteborg
	Semcon Innovation AB	100	100	4,100,000	556581-8613	Göteborg
	IT Matters AB	100	100	6,864,545	556436-0831	Göteborg
	Semcon Informatic AB	100	100	5,832,000	556606-0363	Göteborg
	Total			54,677,175		
Semcon Förvaltnings AB	Semcon Engineering Aktiebolag	100	100		556213-1762	Göteborg
Semcon Engineering AB	Semcon Sweden AB	100	100		556555-8193	Göteborg
	Limited partnership share in Zkill.net KB	1 share			969680-6786	Göteborg
Semcon Sweden AB	Semcon Extern Engineering AB	100	100		556369-6755	Göteborg
	Aktiebolaget Grogrunden nr 1536 u.ä. till Zound by Semcon AB	91	91		556656-1501	Göteborg
	Propeller by Semcon AB	100	100		556518-0972	Stockholm
	Semcon Project Management AB	100	100		556568-6408	Göteborg
Semcon Informatic Production AB	Semcon Kft	3.33	3.33		01-09-862498	Budapest, Ungern
Semcon Informatic AB	Zooma by Semcon AB	100	100		556609-7845	Göteborg
	Semcon Informatic Production AB	100	100		556563-6692	Göteborg
	Semcon Informatic Solutions AB	100	100		556542-5419	Göteborg
	Semcon Informatic SRT AB	100	100		556645-3337	Göteborg
	Semcon Informatic Services AB	100	100		556241-0638	Göteborg
	Semcon Informatic UK Ltd	100	100		2660335	Oxford, England
	Zooma Interactive Ltd	100	100		5717225	England
	Semcon (Beijing) Information & Consulting Co. Ltd	100	100		030108	Beijing, China
Semcon International AB	Semcon Engineering UK Ltd	100	100		2,993,766	Grantham, Storbritannien
	Knud E. Hansen A/S	100	100		110,338	Köpenhamn, Danmark
	Semcon Asia Pacific Ltd	100	100		598,276-V	Kuala Lumpur, Malaysia
	Semcon Kft	96.67	96.67		01-09-862498	Budapest, Ungern
	Semcon GmbH	100	100		12169582	Frankfurt, Tyskland
Semcon Innovation AB	Zystems Solution by Semcon AB	100	100		556581-8639	Göteborg
	Semcon Sweden Network AB	100	100		556590-3118	Göteborg
	Zipper Aktiebolag	100	100		556583-0170	Göteborg
	Zingle by Semcon AB	100	100		556633-6045	Göteborg
	Zetup by Semcon AB	100	100		556271-9129	Göteborg
	Zuite AB	30	51		556695-4250	Stockholm
Semcon Sweden Network AB	Complimentary share in Zkill.net KB	1 share			969680-6786	Göteborg
IT Matters AB	Pelmatic Aktiebolag	100	100		556410-9832	Göteborg

Integritech AB, Zipper Tech AB and Zipper Systems AB were merged with the parent company as of 29 December 2006.

Group companies' activities. A short description follows of the operating companies. Other companies in the Group have no current activities. Semcon AB is responsible for Group-wide issues such as strategy, information, marketing, accounting, finance and human resources.

Semcon Sweden AB's activities provide consultancy services in industrial technology, analyses and testing, consultancy activities for IT, computers and management consulting. The company has four subsidiaries. Semcon Extern Engineering AB works mainly with consultancy activities in industrial technology. Aktiebolaget Grogrund no. 1536 (changing name to Zound by Semcon AB) works in the sound and vibration sector, and Propeller by Semcon AB works with industrial design. Semcon Project Management AB is active in project management.

Semcon Informatic Production AB works with technical information. The company has eight subsidiaries. Zooma by Semcon AB and Zooma Interactive Ltd work with corporate films and websites. Semcon Informatic Production AB, Semcon Informatic Solutions AB, Semcon Informatic SRT AB, Semcon Informatic Services AB, Semcon Informatic UK Ltd and Semcon (Beijing) Information & Consulting Co. Ltd all work with technical information.

Semcon International AB is the parent company for the Group's five foreign subsidiaries. Semcon Engineering UK Ltd, Semcon Kft and Semcon GmbH work with consultancy in industrial technology and industrial design. Semcon Asia Pacific Ltd works with project management. Activities in Knud E Hansen A/S were sold during the year.

Semcon Innovation AB is the parent company for the Group's development subsidiaries. Systems Solution by Semcon AB, Zipper Aktiebolag, Zingle by Semcon AB, Zetup by Semcon AB and part-owned Zuite AB are active in IT infrastructure and IT strategies and sales of hardware and software. Zuite AB is treated as a subsidiary in the consolidated accounts as Semcon has the decisive influence.

NOTE 10 SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES

Parent company	Associated company/joint venture	Capital share, %	Voting rights, %	Book value, SEK	Co. reg. No.	Registered office
Semcon International AB	Kongsberg Devotek AS	30	30	19,970	883 602 382	Kongsberg, Norway
Semcon Sweden AB	Compliant Logistics AB	50	50	- 1,896	556694-2164	Göteborg
Semcon GmbH	Semcon-ESG Russelheim JV Gesellschaft burgerlichen Rechts	50	50	—	—	Germany
				18,074		
Group holding		Assets		Liabilities	Net sales	Profit/loss
Kongsberg Devotek AS		11,371		6,878	425	441
Compliant Logistics AB		3,821		3,217	1,935	-1,396
Semcon-ESG Russelheim JV Gesellschaft burgerlichen Rechts		—		—	—	—
Shares in associated companies and joint ventures				2006	2005	
Opening book value				0	8,698	
Investments				19,779	—	
Sales				—	- 9,411	
Share in profit/loss				-955	713	
Internal profit/loss				-750	—	
Closing book value				18,074	0	

In the purchase of Kongsberg Devotek AS, SEK 5,790,000 was financed with Semcon shares (compare with change in consolidated equity, page 35).

NOTE 11 ACCRUED NON-INVOICED INCOME AND INVOICED BUT NON-PROCESSED INCOME

Accrued non-invoiced income is reported in the consolidated accounts by project at the net value of the invoice in line with processing minus invoiced sub-amounts and deductions for possible losses. In 2006 the accrued non-invoiced income stood at SEK 93,953,000 (85,781,000).

Receivables and liabilities to and from customers are reported in the balance sheet for the projects for which the total of the assignment expense until the closing day exceeds the partly invoiced amount including deductions for possible losses. Customer liabilities are reported for projects for which partly invoiced amounts exceed the total of the assignment expense.

No value is shown in the subsidiaries for work in progress, but the amount is accounted for at the time of invoicing, amounting to SEK 100,372,000 (113,539,000).

Processed but non-invoiced income	2006	2005
Assignment expenses	206,205	192,890
Partly invoiced amount	-84,781	-78,139
Total	121,424	114,751
Invoiced but non-processed income		
Assignment expenses	83,595	68,636
Partly invoiced amount	-111,066	-97,606
Total	-27,471	-28,970

NOTE 12 RECEIVABLES FROM ASSOCIATED COMPANIES AND JOINT VENTURES

The Group SEK 000	2006	2005
Receivables from associated companies	3,743	—
Receivables from joint ventures	573	—
Total	4,316	—

NOTE 13 PREPAID EXPENSES AND ACCRUED INCOME

The Group SEK 000	2006	2005
Accrued income	2,174	4,215
Other items	21,549	31,026
Total	23,723	35,241

NOTE 14 SHARE CAPITAL

No. of shares	2006	2005
Semcon shares owned	96,500	96,500
Sale	-96,500	–
At year-end	0	96,500

The share capital is divided among 17,742,266 shares with a nominal value of SEK 1 per share.

On 31 December 2006 the company had an outstanding convertible loan. On the closing day 351,245 shares (out of a possible 393,617) from this loan had been converted. For further information about the outstanding convertible programme, see note 15 below.

Dividend to shareholders. The dividend was SEK 0 per share (0).

NOTE 15 EARNINGS PER SHARE

Group	2006		2005	
	Before dilution	After dilution	Before dilution	After dilution
Earnings per share, SEK	2.62	2.59	3.91	3.82
Earnings attributable to parent company shareholders, SEK 000	45,982	45,974	68,020	67,849
Weighted average number of outstanding ordinary shares				
Total no. of shares, 1 January	17,391	17,391	17,391	17,391
Subscription options	351	394	–	394
Total no. of shares, 31 December	17,742	17,742	17,391	17,391
Weighted average number of shares during the year	17,531	17,785	17,391	17,785

Before dilution. Earnings per share before dilution are calculated by dividing earnings attributable to parent company shareholders by a weighted average number of outstanding ordinary shares during the period.

After dilution. When calculating earnings per share after dilution the weighted number of outstanding ordinary shares is adjusted for the dilution effect of all potential ordinary shares. In this calculation consideration is given to interest costs and tax attributable to the convertible loan.

The dilution effect is attributable to Semcon's sole outstanding incentive scheme which was established by the AGM of 27 April 2004. Acquisition of a convertible promissory note entails the holder loaning SEK 15,000 to Semcon AB up to 31 May 2007. This loan has interest of 2% which falls due for payment on 31 May each year. Each convertible promissory note entitles the holder, during the period 1 June 2006 to 31 May 2007, to convert the receivable into 428 shares in Semcon at a price of SEK 35 per share. A total of 920 convertible promissory notes were subscribed for which will result in 393,617 shares on full conversion. As of 31 December 2006, promissory notes corresponding to 351,245 shares had been utilised.

NOTE 16 TAX ALLOCATION RESERVE

Parent company SEK 000	2006	2005
Tax allocation reserve tax –01	–	8,184
Tax allocation reserve tax–02	3,909	3,909
Tax allocation reserve tax–03	192	192
Tax allocation reserve tax –05	7,032	7,032
Total	11,133	19,317

NOTE 17 OTHER ALLOCATIONS

Group SEK 000	2006	2005
Pension provisions	–	588
Other	20	–
Total	20	588

Previous years' commitments regarding pre-determined pension plans were terminated in 2006, which is why no undertakings remained on the closing day. Previous years' allocations have been returned and are reported in the income statement under pension costs and as a cost reduction.

NOTE 18 CONVERTIBLE LOAN

Refers to 99 (920) convertible debentures, each of which can be exchanged for 428 shares in the company during the period 1 June 2006 – 31 May 2007 at a price of SEK 35. The loan has an interest rate of 2 per cent. The nominal amount of the loan is SEK 1,483,000 (13,795,000). See also note 14.

NOTE 19 OVERDRAFT FACILITIES

Of the Group's permitted overdraft facility of SEK 200 million, SEK 39.7 million (104.9) has been utilised. The credit runs on an annual basis. The Group has pledged a considerable part of customer receivables as security for credit received, see note 21.

NOTE 20 ACCRUED EXPENSES AND PREPAID INCOME

The Group SEK 000	2006	2005
Staff-related costs	140,114	129,723
Prepaid income	27,471	7,409
Other items	12,007	29,047
Total accrued expenses and prepaid income	179,592	166,179
Parent company, SEK 000		
Staff-related costs	6,003	3,118
Other items	471	1,551
Total accrued expenses and prepaid income	6,474	4,669

NOTE 21 PLEDGED ASSETS

The Group SEK 000	2006	2005
Own liabilities to credit institutions		
Property mortgages	4,255	8,055
Pledged customer receivables	316,172	366,413
Total pledged assets	320,427	374,468

NOTE 22 CONTINGENT LIABILITIES

The Group SEK 000	2006	2005
Guarantees provided	2,578	1,250
Additional purchase price	8,124	8,124
Total contingent liabilities	10,702	9,374

The company has an agreement with the former owner of the subsidiary Zipper AB for them to retain a certain amount of the purchase price upon the possible sale of Zipper AB to an external buyer. Whether payment of the additional purchase price will materialize, and in which case at what amount, cannot be calculated. Potential payment will be 23 – 40% of the purchase price.

During 2005 and 2006 Semcon has redeemed 51% of this agreement at a purchase price of SEK 8,585,000. This agreement means that Semcon's remaining commitment is 49% of 23-40% of the purchase price in the event that Zipper is sold.

Furthermore, the company has an agreement with the former owners of the subsidiary Zystems Solutions by Semcon AB for them to retain a certain amount of the purchase price upon the possible sale of Zystems Solutions by Semcon AB to an external buyer. Whether payment of the additional purchase price will materialize, and in which case at what amount, cannot be calculated. Potential payment will be 7.5% of the purchase price.

Semcon's remaining commitment is 66.7% of 7.5% of the potential purchase price above.

NOTE 23 ADDITIONAL INFORMATION CONCERNING THE CASH FLOW STATEMENT

Acquisition of subsidiaries. On 28 March, 30% of Zuite AB was acquired. Additional purchase payments were paid during the year to previous shareholders of Zipper AB. The Group also formed Zooma Interactive Ltd and Semcon (Beijing) Information & Consulting Co. Ltd. Of the year's results, SEK 31,149,000 in sales and SEK 3,997,000 in profit after financial items are attributable to Zuite AB. Zooma Interactive Ltd did not record any sales and the loss after financial items was SEK 258,000. Semcon (Beijing) Information & Consulting Co. Ltd had no activities during the year. Goodwill attributable amounted to SEK 4,600,000 to Zuite AB and SEK 2,282,000 to Zipper AB.

Acquisition of subsidiaries SEK 000	2006	2005
Goodwill	6,857	17,266
Property	–	4,221
Machinery and equipment	–	1,068
Current receivables	–	4,180
Liquid assets	462	5,083
Deferred tax liability	–	-1,049
Current liabilities	–	-1,676
Minority interests	-72	–
Purchase price paid	7,247	29,093
Additional purchase price entered as liability	–	-1,250 *
Liquid assets in acquired companies	-462	-5,083
Effect on the Group's liquid funds	6,785	22,760

An analysis of the acquired companies' assets and liabilities was carried out at the time of acquisition. In cases where it has been possible to estimate a value of the intangible fixed assets they have been reported at their actual value. The remaining excess value was considered attributable to expected synergies and future profits and reported as goodwill.

*Concerns part of the purchase price to be paid of SEK 250,000 each year until 2010.

Sale of subsidiary. This refers to the sale of Semcon Norge AS in May 2006. Activities in Knud E. Hansen A/S were also sold at the end of 2006. Of the remuneration from the sale of tangible fixed assets according to the cash flow statement, SEK 3,623,000 refers to the sale of assets in Knud E. Hansen A/S in connection with this transfer of activities.

Sale of subsidiary, SEK 000	2006	2005
Assets	1,394	–
Liquid assets	3,826	–
Liabilities	-1,907	–
Capital gain, sale of subsidiary	4,947	–
Total sales remuneration	8,260	–
Purchase sum entered as liability	-4,130	–
Liquid assets in sold companies	-3,826	–
Effect on consolidated liquid assets	304	–

Göteborg 7 March 2007

Christian W Jansson
Chairman of the Board

Pia Gideon

Annemarie Gardshol

Carl-Åke Jansson

Henrik Sund
CEO

Dan Persson

Roland Kristiansson

Christer Dahlström

Our audit was issued on 7 March 2007

Göran Ekström
Authorised Public Accountant, Ernst & Young AB

Björn Grundvall
Authorised Public Accountant, Ernst & Young AB

AUDITORS' REPORT

To the annual general meeting of Semcon AB (publ.) company reg. no. 556539-9549

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the CEO of Semcon AB for the period 1 January to 31 December 2006. The company's annual report and consolidated accounts comprise pages 28-54 of this report. These accounts and the administration of the Company are the responsibility of the Board of Directors and CEO for applying the Swedish Annual Accounts Act when drawing up the annual report and to apply IFRS, as approved by the EU, when establishing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts, and the administration, based on our audit.

We conducted our audit in accordance with Generally Accepted Accounting Principles in Sweden. Those principles require that we plan and perform the audit to obtain a high level, but not absolute assurance, that the annual accounts and consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the CEO as well as evaluating the overall presentation of information in the annual accounts and consolidated accounts. We examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company by any Board Member or the CEO, or whether they have in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view of the company's financial position and results of operations, in accordance with Generally Accepted Accounting Principles in Sweden. The consolidated accounts have been drawn up in accordance with IFRS, as approved by the EU and the Swedish Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. This auditors' report is consistent with the annual report and consolidated accounts' other parts.

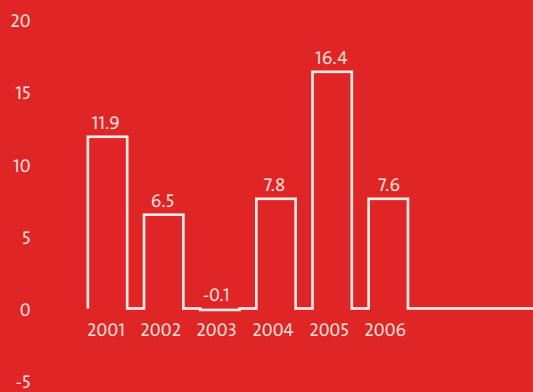
We recommend to the general meeting of shareholders that the income statements and balance sheets of the parent company and the Group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Göteborg 7 March 2007

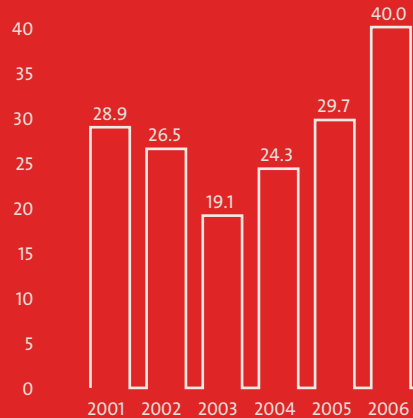
Göran Ekström
Authorised Public Accountant

Björn Grundvall
Authorised Public Accountant

SALES GROWTH, %



EQUITY/ASSETS RATIO, %



FIVE YEAR SUMMARY

SEK 000

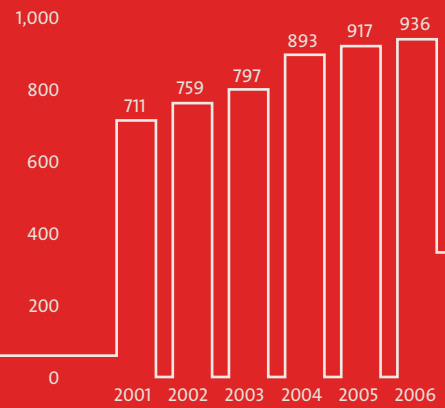
	2006	2005	2004	2003 *	2002 *
INCOME STATEMENT					
Net sales	1,614,115	1,500,531	1,289,330	1,198,719	1,200,201
Operating expenses	-1,538,245 **	-1,404,784	-1,229,520	-1,251,517 **	-1,190,090
Operating profit after depreciation ***	75,870	95,747	59,810	-52,798	10,111
Financial income	2,620	6,857	1,846	1,732	1,785
Financial expenses	-4,244	-4,707	-5,028	-4,104	-4,778
Profit/loss after financial items	74,246	97,897	56,628	-55,170	7,118
Tax	-26,014	-29,875	-16,294	-2,398	-6,171
Net profit/loss for the year	48,232	68,022	40,334	-57,568	947
Balance sheet					
Goodwill	71,923	69,483	52,218	49,139	77,973
Computer software	6,673	9,050	5,940	3,950	3,300
Machinery/equipment/property	31,987	36,178	35,444	38,749	43,316
Financial fixed assets	24,675	3,709	16,100	16,490	21,041
Stock in trade	–	–	–	335	125
Work in progress	121,424	114,751	211,946	136,491	87,138
Accounts receivable	341,991	376,854	40,932	122,769	254,494
Other current assets	35,691	41,481	130,033	64,451	35,626
Cash and bank balances	28,893	17,872	58,998	40,748	33,072
Total assets	663,257	669,378	551,612	473,122	556,085
Shareholders' equity	265,085	198,886	133,959	90,406	147,594
Minority shares	–	–	–	17	180
Long-term liabilities and provisions	40,871	60,782	54,012	45,725	70,891
Current liabilities	357,301	409,210	363,641	336,974	337,420
Total shareholders' equity and liabilities	663,257	669,378	551,612	473,122	556,085
Cash flow statement					
Cash flow from current activities	47,492	40,390	28,131	42,703	40,834
Cash flow from investment activities	-36,471	-23,443	-19,179	-28,693	-16,835
Cash flow from financing activities	–	-3,367	9,298	-6,334	2,024
Change in liquid assets	11,021	13,580	18,250	7,676	26,023
Key figures					
Increase/decrease in sales (%)	7.6	16.4	7.6	-0.1	6.5
Operating margin (%)	4.7	6.4	4.6	-4.4	0.8
Profit margin (%)	4.6	6.5	4.4	-4.6	0.6
Interest cover ratio (multiple)	23.8	21.8	12.3	-12.4	2.5
Return on average shareholders' equity (%)	20.9	40.9	36.0	-48.4	0.6
Return on average capital employed (%)	25.4	44.2	50.9	-34.3	5.6
Equity/assets ratio (%)	40	29.7	24.3	19.1	26.5
Debt/equity ratio (multiple)	0.16	0.60	0.10	0.05	0.43
Number of shares at year-end (ooo)	17,742	17,391	17,391	17,391	17,391
Average number of shares (ooo)	17,531	17,391	17,391	17,391	17,391
Number of options (ooo)	–	–	218	218	382
Outstanding convertibles at year-end (ooo)	42	394	394	–	–
Average number of convertibles (ooo)	253	394	197	–	–
EPS after tax (SEK)	2.62	3.91	2.32	-3.31	0.05
EPS after dilution (SEK)	2.59	3.84	2.27	-3.31	0.05
Shareholders equity per share before dividend (SEK)	14.81	11.44	7.70	5.20	8.49
Price per share/equity per share (multiple)	4.6	5.1	4.0	3.0	1.5
P/E ratio	26.02	14.9	13.2	neg	238.7
Average number of employees	1,725	1,636	1,444	1,504	1,581
Sales per employee (SEK ooo)	936	917	893	797	759
Value added per employee (SEK ooo)	630	625	619	523	535
Profit/loss after net financial items per employee (SEK ooo)	43	59.8	39.2	-36.7	4.5
Investments in goodwill (SEK ooo)	6,857	17,266	5,392	169	3,766
Investments in other fixed assets (SEK ooo)	25,395	19,554	17,734	22,370	14,755

* 2002 and 2003 were not adjusted in line with IFRS.

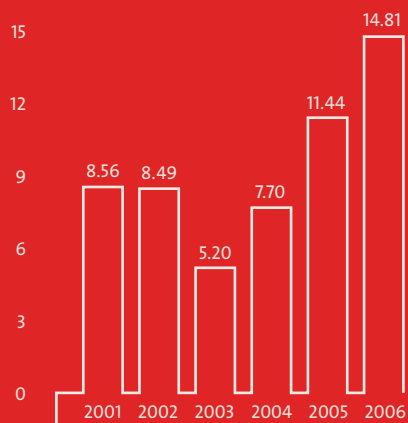
** Of which SEK 4,418,000 in 2006 and SEK 11,631,000 in 2003 for goodwill depreciation.

*** Including minority interest of SEK 1,000 in 2003.

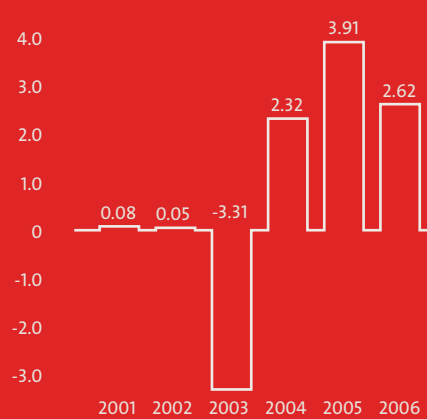
SALES PER EMPLOYEE, SEK 000



EQUITY PER SHARE, SEK



EARNINGS PER SHARE, SEK



THE SEMCON SHARE

The Semcon share is listed on the Nordic List of the Stockholm Stock Exchange in the Small Cap segment and the information technology sector. A trading lot comprises 200 shares. The ticker is SEMC and the ISIN code is SE0000379497.

PRICE TREND AND TURNOVER

In recent years the Semcon share has progressed well. In 2006 the share price climbed 17.2% from SEK 58.25 to SEK 68.25. During the same period the OMX SPI index climbed 23.6%. The highest price paid was SEK 73.00 (26 and 27 April) and the lowest was SEK 47.10 (28 July). At the end of 2006 Semcon's market value was SEK 1,211 million.

During the year a total of 21,659,720 shares were traded (22,137,172) at a value of SEK 1,344.1 million (1,019.8 m). Average trading was SEK 5.35 million per trading day (4.1 m), up 31.7% on 2005.

SHARE CAPITAL

Semcon's share capital on 31 December 2006 was SEK 17,742,266, divided between 17,742,266 shares, each with a nominal value of SEK 1, which is equal to the quotient value. All shares confer an equal right to a share of the company's assets and profits. Each share gives the entitlement to one vote.

OWNERSHIP STRUCTURE

On 31 December 2006, Semcon had 4,340 shareholders (6,365). Foreign ownership accounted for 20.1% (32.1), of which 7.8% comprises owners in the US, 5.1% in Luxembourg and 2.9% in the UK. Other countries account for 4.3% of the foreign ownership. Institutional investors held around 80.4% (65.3) of the share capital and voting rights. The Board and senior management team (including related companies) control 3.6% of shares and votes.

Major changes have taken place regarding ownership after JCE Group made a bid for Semcon on 2 October. As of 31 December 2006 JCE Group held 23.4% of the shares in Semcon, Skandia Liv held 12.5% and Handelsbanken Fonder held 4.2%.

OPTIONS SCHEME

The options scheme that ran until 3 July 2006 resulted in 236,000 options being converted into shares.

At the extra meeting of shareholders

on 27 September 2006 it was decided to establish a convertible-based incentive scheme for senior executives of the Semcon Group. This scheme was not implemented once the public bid for Semcon was announced.

CONVERTIBLE DEBENTURES

All Semcon employees were invited to subscribe for convertible debentures in 2004. The total subscription for the convertible debentures was SEK 13.8 million. Each debenture gives the holder the right during the period 1 June 2006 to 31 May 2007 to convert the receivable into shares in Semcon AB at a share price of SEK 35. On full conversion the dilution effect will be 2.3 per cent and the total number of shares will be 17,788,638. As of 31 December 2006 debentures corresponding to 351,245 shares had been converted.

DIVIDEND POLICY

The Board of Directors has established a dividend policy whereby Semcon AB's dividends shall correspond to 30-50% of profits after tax over the long-term.

The Board has decided to propose that no dividend will be paid for 2006 (0).

INDIVIDUAL WITH INSIDE KNOWLEDGE

Trading in shares in companies in which one has inside information is called insider trading. Such trading must by law be reported to the Financial Supervisory Authority. Semcon must report the names of people with insider knowledge to this authority. These people shall report their shareholdings and any changes to these holdings. Certain related individuals and legal entities are also covered by this duty to report.

The main owners, Board members, secretary of the Board, the auditors and certain members of the company's financial staff are considered to have inside knowledge about Semcon. A full list of individuals with inside knowledge is available on the website of the Financial Supervisory Authority at www.fi.se

CONTACTS WITH THE EQUITY MARKET

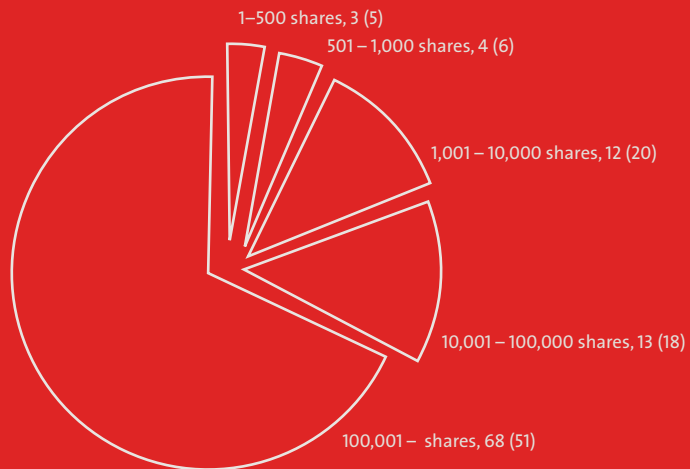
Semcon has carried out a number of investor and analyst meetings in Sweden and abroad. During the year financial analysts have monitored Semcon, including:

Company	Name
Danske Bank	Peter Trigarszky
Enskilda Securities	Andreas Joelsson, Lars Sveder
Handelsbanken	Stefan Wård
Kaupthing Bank	Jonas Elofsson
Redeye	Magnus Dägel

ANNUAL REPORT AND INTERIM REPORTS

The annual report and interim reports are published in Swedish and English. The reports are distributed to shareholders who have expressed an interest. Printed reports can be ordered from our head office: Semcon, Theres Svenssons gata 15, Göteborg, Sweden, and via telephone +46 31 721 00 00, fax +46 31 721 03 33 or email ir@semcon.se. The reports are published via press releases and on Semcon's website www.semcon.com

SIZE CLASS OF OWNERS, %



The diagram below shows Semcon's share performance since 1 January 2002 based on the closing price at the end of each month. The OMX SPI rate is indexed so that both curves start at the same value.



KEY FIGURES PER SHARE

	2006	2005	2004	2003 *	2002 *
Earnings per share after tax (SEK)	2.62	3.91	2.32	-3.31	0.05
Earnings per share after dilution (SEK)	2.59	3.84	2.27	-3.31	0.05
Shareholders' equity per share before dilution (SEK)	14.81	11.44	7.70	5.20	8.49
Price per share/equity per share (times)	14.85	11.94	8.29	5.13	8.30
Cash flow per share (SEK)	4.55	5.09	3.97	2.98	1.53
Dividend per share (SEK)	0.62	0.78	1.05	0.44	1.50
P/E ratio	–	–	–	–	–
P/S ratio	26.02	14.89	13.19	neg	238.70
Share price, 30/12 (SEK)	0.74	0.68	0.41	0.23	0.19
Market value, 30/12 (SEK million)	68.25	58.25	30.60	15.50	13.00
Number of shares at year-end (ooo)	1,211	1,013	532	270	226
Average number of shares (ooo)	17,742	17,391	17,391	17,391	17,391
Number of options (ooo)	17,531	17,391	17,391	17,391	17,391
Outstanding convertibles at year-end (ooo)	42	394	394	–	–
Average number of convertibles (ooo)	253	394	197	–	–

Note * 2002–2003 have not been recalculated in accordance with IFRS.

LARGEST HOLDINGS ON 31 DEC 2006

Name	Number of shares	%
JCE Group	4,149,169	23.39
Skandia Liv	2,225,500	12.54
Handelsbankens Fonder	749,480	4.22
SEB Fonder	661,824	3.73
Christian W Jansson and comp.	546,857	3.08
Morgan Stanley	485,649	2.74
Gartmore	414,441	2.34
SIS Segaintersettle	396,080	2.23
Andra AP-fonden	356,894	2.01
Clearstream Banking	291,117	1.64
Total	10,277,011	57.92
Other	7,465,255	42.08
Total	17,742,266	100.00

Source: VPC AB shareholder Register on 31 December 2006.

OWNERSHIP STATISTICS 31 DEC 2006

Size	No. of shareholders	No. of shares	%	Market value (SEK ooo)
1 – 500	2,841	560,589	3.2	38,260
501 – 1,000	723	627,544	3.5	42,830
1,001 – 10,000	673	2,062,077	11.6	140,737
10,001 – 100,000	80	2,395,028	13.5	163,461
100,001 –	23	12,069,177	68.0	823,721
Total	4,340	17,714,415	99.8	1,209,009
Convertibles liable for registration as shares	–	27,851	0.2	1,901
Total	4,340	17,742,266	100.0	1,210,910

Source: VPC AB shareholder Register on 31 December 2006.

SHARE CAPITAL

Date	Type of issue	Number of shares issued	Total number of shares after issue	Share capital after issue
7 March 1997	Company formed	500,000	500,000	500,000
14 April 1997	Cash issue	4,003,700	4,503,700	4,503,700
14 April 1997	Issue in kind	496,300	5,000,000	5,000,000
25 April 1997	Cash issue	12,338,521	17,338,521	17,338,521
31 August 2001	Cash issue	52,500	17,391,021	17,391,021
1 June–31 December 2006	Conversion of options scheme	351,245	17,742,266	17,742,266

CORPORATE GOVERNANCE

Semcon's corporate governance is based on regulations laid down in the Companies' Act, Articles of Association and the Stockholm Stock Exchange's listing agreement. Semcon is listed on the Nordic List of the Stockholm Stock Exchange in the Small Cap segment and the information technology sector. Semcon is not covered by the Swedish code of corporate governance.

THE ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the highest decision-making body within the Semcon Group and the forum in which shareholders can exercise a direct influence. Information at the AGM is regulated by the Companies' Act and the Article of Association. All shareholders have the same voting and proposal rights at the Meeting. Notification of the Meeting shall take place at the earliest six weeks before the Meeting and at the latest four weeks.

The 2006 AGM was held on 26 April 2006 at Semcon's head office in Göteborg. The Meeting was attended by 40 (36) shareholders representing 23.6% (18.6) of the shares and votes. The Meeting re-elected Annemarie Gardshol, Pia Gideon, Carl-Åke Jansson, Christian W Jansson, Hans Johansson and Dan Persson and elected Christer Dahlström as a new Board member.

The Meeting granted immunity for the previous financial year to the Board and CEO. The Meeting decided not to pay a dividend for 2005.

The Meeting authorised the Board up to the next AGM on one or more occasions take a decision to issue 900,000 new shares to be used in the event of a company acquisition. The Meeting was authorised to make decisions about acquisitions and transfer of own shares.

EXTRA GENERAL MEETING

An Extra General Meeting was held on 27 September 2006 at Semcon's head office in Göteborg. The Meeting was attended by 8 shareholders, representing 18.2% of the total shares and votes.

The Meeting decided to approve a convertible-based incentive scheme for the CEO and a maximum of 8 key individual in the Semcon Group. A decision was reached in accordance with the articles of association with a nine tenths majority.

NOMINATIONS COMMITTEE

At the AGM it was decided that the Chairman of the Board shall convene a nominations committee comprising the Chairman and one representative each of the largest shareholders as of the end of September. Consequently, the following nominations committee was formed: Erik Sjöström of Skandia Liv, KG Lindvall of Handelsbankens Fonder and Christian W Jansson, Semcon AB's Chairman. Christer Ericsson of JCE Group has also joined the committee.

The job of the nominations committee is to prepare and present proposals for shareholders in the company concerning the choice of Board members and, in certain instances, accountants and remuneration to the Board and accountants. Shareholders should be able to submit proposals to the nominations committee for further evaluation within the framework for these activities.

THE BOARD

The work of the Board is regulated by the Companies' Act, the Articles of Association and the procedures adopted annually by the Board. The Board focuses on the company's financial position and strategic issues. The Board is formally established at a meeting held immediately after the AGM. The Chairman is appointed at this meeting and several documents are adopted to guide activities, including procedures for the Board, CEO and subsidiaries and instructions for financial reporting.

On 31 December 2006 Semcon's Board comprised eight members, of which two are employee representatives chosen via the trade unions. More detailed information is presented on page 66. Since the 2006 AGM the former CEO, Hans Johansson, has left the Board. In February 2007, employee representative Wael Mrad left the Board.

All of the Board members elected by the AGM and serving on the Board at the end of 2006 may be considered as independent in relation to Semcon. With the exception of Christian W Jansson all members may also considered to be independent of Semcon's largest owners.

Since the last AGM and up to the time of writing, the Board has held five ordinary meetings and 16 extraordinary meetings. The following matters were addressed at the ordinary meetings:

April	First meeting
August	Q2 report
October	Q3 report
November	Adoption of budget
February	Financial Statement

Göran Ekström, authorised public accountant, was present at Board meetings to state his views on the internal control and procedures for financial reporting and accounting.

During the year Semcon conducted an evaluation of the work of the Board.

SENIOR MANAGEMENT AND ORGANISATION

Semcon has a flat, non-bureaucratic organisation, where decisions are made close to the customer and employees. Semcon has a business area-based organisation with an industry-oriented structure. The Semcon Group comprises the parent company, Semcon AB (publ) and its subsidiaries, which are presented in Note 9 on page 50. All the subsidiaries report once a month to the respective area managers and in certain cases to the CEO.

The CEO leads the day-to-day business in accordance with applicable regulations. The CEO is responsible for providing the Board with the information and the necessary material it needs to make decisions, and submits reports at meetings. The CEO

keeps the Board regularly updated on the Group's financial position and performance. On the delegation of the Board, the CEO is also responsible for external reporting by the company.

The senior executive team has eight members and held 16 formal meetings and numerous informal meetings in 2006.

POLICIES

Semcon's business is governed by its values and by a number of written policies. These aim to ensure operational efficiency and correct behaviour both internally and externally. Semcon's policies govern the following areas: finance, contracts, environment, human resources, insider trading, insurance, information, investor relations, intellectual property and IT.

AUDITORS

Semcon's auditors are elected by the AGM for a period of four years. The current period is 2003-2006, so the next election will take place at the 2007 AGM. The company's auditors are the authorised public accountants Göran Ekström and Björn Grundvall of Ernst & Young AB. Both men have been Semcon's auditors since 1997.

In addition to auditing, Ernst & Young AB provides advice on accounting issues to Semcon. All services provided in addition to the statutory auditing service are checked specially to ensure that there is no conflict of interest or disqualification issue.

No senior executive at Semcon has held any position at Ernst & Young AB during the past five years, and vice versa. Details of remuneration to the auditors appear in Note 3 on page 44.

REMUNERATION

Remuneration to the Board is decided by the AGM following proposals by the nominations committee. The chairman received SEK 300,000 in remuneration and ordinary Board members not employed by the company received SEK 150,000 each. Remuneration to the CEO is decided by the Board. Semcon has no special auditing committee or remuneration committee and these issues are handled by all members of the Board. Remuneration to the Board and CEO in 2006 is presented in full in Note 4 on pages 45-46. Remuneration to the senior executive team is determined by the CEO.



SENIOR EXECUTIVE TEAM

STEFAN OHLSSON

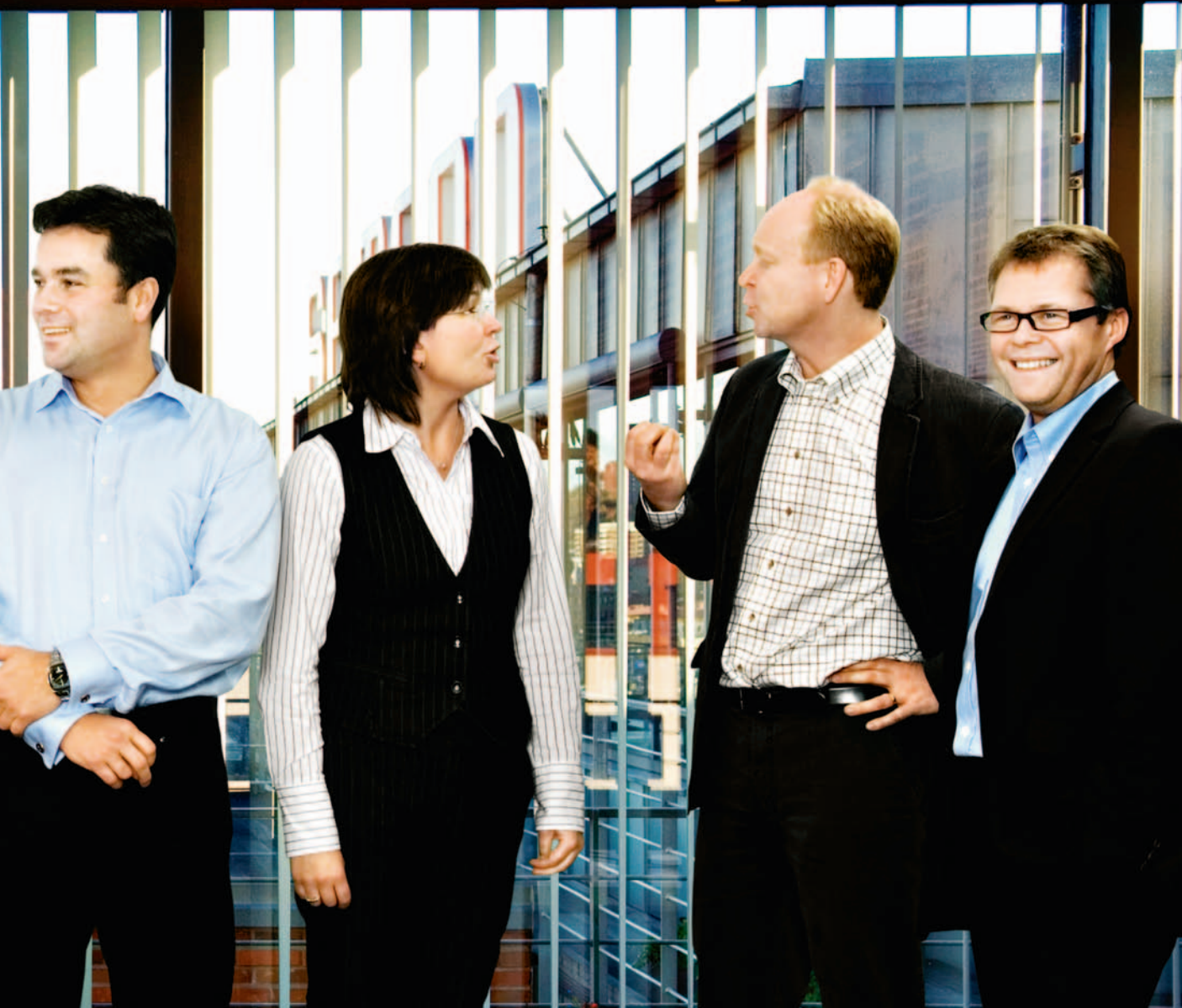
Born 1967. Head of Design & Development (Automotive) business area. Employed at Semcon since 2004. Part-owner of Zound by Semcon. Shareholding in Semcon: 800.

HENRIK SUND

Born 1961. CEO. Employed at Semcon since 2006. Shareholding in Semcon: 50,000.

JOHAN DE VERDIER

Born 1961. Head of Zpider business area. Employed at Semcon since 2001. Shareholding in Semcon: 1,714.



BENJAMIN MEILINK

Born 1964. Head of Design & Development (Telecom) business area.
Employed at Semcon since 2000.
Shareholding in Semcon: 0.

CATHARINA SJÖGREN

Born 1967. Head of Operational Excellence.
Employed at Semcon since 1992.
Shareholding in Semcon: 6,000.

GÖRAN WESTBERG

Born 1958. Head of Design & Development (Industry and Medical & LifeScience) business area. Employed at Semcon since 1989.
Shareholding in Semcon: 2,000.

LARS-INGE SJÖQVIST

Born 1958. Head of Informatic business area.
Employed at Semcon since 1995.
Shareholding in Semcon: 5,000.

IRÉNE AXELSSON (not in photograph)

Born 1962. Acting CFO. Consultant since 2006.
Board member of Chalmersinvest AB, CSE Incubation AB, Entreprenörskolan Holding i Sverige AB and Donnergymnasiet AB.
Shareholding in Semcon: 0.

FINANCIAL INFORMATION

Information about Semcon's business, financial reporting, activities and press releases etc. can be found on Semcon's website www.semcon.com.

Subscribing for financial information can be done by email on Semcon's website.

As part of Semcon's desire to be as cost effective as possible, all new shareholders of Semcon AB (publ.) receive a letter where they are asked if they wish to receive, until further notice, Semcon's financial reports by post. Previous years' Annual Reports and quarterly reports are available at: www.semcon.com or can be ordered by telephone on: +46 (0)31 721 00 00 or by email to: ir@semcon.se.

FINANCIAL AGENDA 2007

Annual General Meeting	26 April
Q1 report	26 April
Q2 (half-year) report	19 July
Q3 report	18 October

THE BOARD

CHRISTER DAHLSTRÖM

Born 1943. Board member since 2006. Board chairman of Priveq and Labont. Board member of Heba, Svolder and Scandinavian Photo. Shareholding in Semcon: 4,000.

CARL-ÅKE JANSSON

Born 1943. Board member since 1987. Managing Director of Lindås Invest AB. Chairman of the Board of Precision Products Ltd. Shareholding, own and affiliated: 20,000.

ROLAND KRISTIANSSON

Born 1948. Consultant at Semcon Informatic. Employed since 2000. Shareholding: 400.

ANNEMARIE GARDSHOL

Born 1967. Board member since 2001. Responsible for the global marketing organisation at Gambro AB. Shareholding, own and affiliated: 300.

PIA GIDEON

Born 1954. Board member since 2000. Vice President Marketing & Communications North America for Ericsson AB. Board member of Observer. Shareholding: 200.

DAN PERSSON

Born 1956. Board member since 2005. Vice President of Autoliv Europe. Shareholding, own and affiliated: 2,000.

CHRISTIAN W JANSSON

Born 1949. Chairman of the Board since 2000. Managing Director and CEO of KappAhl AB. Shareholding, own and affiliated: 546,857.



<p>HEAD OFFICE</p> <p>SEMCON AB</p> <p>SE-417 80 GÖTEBORG</p> <p>VISITING ADDRESS:</p> <p>THERES SVENSSONS GATA 15</p> <p>TEL: +46 (0)31 721 00 00</p> <p>FAX: +46 (0)31 721 03 33</p>	<p>SEMCON SWEDEN AB</p> <p>BOX 296</p> <p>SE-771 26 LUDVIKA</p> <p>VISITING ADDRESS:</p> <p>VALHALLAVÄGEN 2</p> <p>TEL: +46 (0)240 141 24</p> <p>FAX: +46 (0)240 183 03</p>	<p>SEMCON ASIA PACIFIC</p> <p>36 TENNENT STREET</p> <p>WESTLAKE 4074,</p> <p>QUEENSLAND</p> <p>AUSTRALIA</p> <p>TEL: +61 (0)7400 60 46 74</p> <p>FAX: ++61 (0)7 3376 1686</p>	<p>PENTECH BY SEMCON LTD</p> <p>AELFRIC COURT 2 OXFORD ROAD</p> <p>EYNHAMOXON. OX29 4HG</p> <p>ENGLAND</p> <p>TEL: +44 (0)1865 883884</p> <p>FAX: +44 (0)1865 883031</p>
<p>SEMCON SWEDEN AB</p> <p>SE-417 80 GÖTEBORG</p> <p>VISITING ADDRESS:</p> <p>THERES SVENSSONS GATA 15</p> <p>TEL: +46 (0)31-721 00 00</p> <p>FAX: +46 (0)31-335 81 75</p>	<p>SEMCON SWEDEN AB</p> <p>KAPRIFOLIEVÄGEN 1</p> <p>SE-227 38 LUND</p> <p>TEL: +46 (0)46 270 83 00</p> <p>FAX: +46 (0)46 270 84 99</p>	<p>LMS INTERNATIONAL</p> <p>RESEARCHPARK Z1</p> <p>INTERLEUVENLAAN 68</p> <p>3001 LEUVEN</p> <p>BELGIUM</p> <p>TEL: +32 16 384 200</p> <p>FAX: +32 16 384 350</p>	<p>SEMCON INFORMATIK UK LTD.</p> <p>7/8 BROOK BUSINESS PARK</p> <p>BROOKHAMPTON LANE</p> <p>KINETON, WARWICK</p> <p>CV35 0JA</p> <p>ENGLAND</p> <p>TEL: +44 1926 64 29 35</p> <p>FAX: +44 1926 64 20 69</p>
<p>SEMCON SWEDEN AB</p> <p>SEMCON TEST CENTER</p> <p>SE-417 55 GÖTEBORG</p> <p>VISITING ADDRESS:</p> <p>HERKULESGATAN 72</p> <p>TEL: +46 (0)31 721 04 00</p> <p>FAX: +46 (0)31 721 06 49</p>	<p>SEMCON SWEDEN AB</p> <p>Ö RINGVÄGEN 147</p> <p>SE-293 40 OLOFSTRÖM</p> <p>TEL: +46 (0)454 489 40</p> <p>FAX: +46 (0)454 489 44</p>	<p>SEMCON INFORMATIK SOLUTION</p> <p>LIZEZHONG 2ND ROAD, WANGJING</p> <p>HIGH TECH PARK</p> <p>CHAORYANG DISTRICT,</p> <p>100201 BEIJING</p> <p>CHINA</p> <p>TEL: +86 10 64 39 96 39</p> <p>FAX: +86 10 64 39 93 72</p>	<p>PROPELLER BY SEMCON AB</p> <p>PATENTGATAN 12</p> <p>SE-112 67 STOCKHOLM</p> <p>TEL: +46 (0)8 441 32 80</p> <p>FAX: +46 (0)8 441 32 99</p>
<p>SEMCON SWEDEN AB</p> <p>VCC PROJECT CENTER</p> <p>GUSTAF LARSONS VÄG 1</p> <p>SE-405 31 GÖTEBORG</p> <p>TEL: +46 (0)31 721 04 00</p> <p>FAX: +46 (0)31 721 04 19</p>	<p>SEMCON SWEDEN AB</p> <p>BOX 31 SE -572 21 OSKARSHAMN</p> <p>VISITING ADDRESS:</p> <p>SÖDRA LÅNGGATAN 15-17</p> <p>TEL: +46 (0)491 124 00</p> <p>FAX: +46 (0)491 124 90</p>	<p>SEMCON ASIA PACIFIC SDN BHD</p> <p>UNIT 742, BLOCK A 7TH FLOOR</p> <p>KELANA CENTRE POINT</p> <p>JALAN SS7/19, KELANA JAYA</p> <p>47301 PETALING JAYA SELANGOR</p> <p>MALAYSIA</p> <p>TEL: +60 3 78 05 12 45</p> <p>FAX: +60 378 04 29 84</p>	<p>ZIPPER BY SEMCON AB</p> <p>SE-417 80 GÖTEBORG</p> <p>VISITING ADDRESS: THERES</p> <p>SVENSSONS GATA 15</p> <p>TEL: +46 (0)31 721 00 00</p> <p>FAX: +46 (0)31 721 01 99</p> <p>ISAFJORDSGATAN 35</p> <p>SE-164 40 KISTA</p> <p>TEL: 020 83 10 00</p> <p>TEL FROM ABROAD:</p> <p>+46 31 721 01 00, 031 721 01 00</p> <p>FAX: +46 (0)8 751 03 81</p>
<p>SEMCON SWEDEN AB</p> <p>INTERIÖR & PROTOTYP</p> <p>RUSKVÄDERSGATAN 6</p> <p>SE-418 34 GÖTEBORG</p> <p>TEL: +46 (0)31 721 00 00</p> <p>FAX: +46 (0)31 53 21 24</p>	<p>SEMCON SWEDEN AB</p> <p>PATENTGATAN 8</p> <p>SE-112 62 STOCKHOLM</p> <p>TEL: +46 (0)8 562 906 00</p> <p>FAX: +46 (0)8 562 906 40</p>	<p>KONGSBERG DEVOTEK AS</p> <p>BOX 384</p> <p>VISITING ADDRESS:</p> <p>DYRMYRGATEN 47</p> <p>3604 KONGSBERG</p> <p>NORWAY</p> <p>TEL: +47 32 77 04 00</p> <p>FAX: +47 32 77 04 04</p>	<p>ZIPPER BY SEMCON AB</p> <p>KAPRIFOLIEVÄGEN 1</p> <p>SE-227 38 LUND</p> <p>TEL: +46 (0)46 270 83 00</p>
<p>SEMCON SWEDEN AB</p> <p>DROTNINGGATAN 7</p> <p>SE-252 21 HELSINGBORG</p> <p>TEL: +46 (0)42 453 05 00</p> <p>FAX: +46 (0)42 453 05 49</p>	<p>SEMCON INFORMATIK SOLUTION AB</p> <p>BOX 1099 SE-164 25 KISTA</p> <p>VISITING ADDRESS:</p> <p>KISTAGÅNGEN 16, 7TH FLOOR</p> <p>TEL: +46 (0)8 562 929 00</p> <p>FAX: +46 (0)8 793 91 40</p>	<p>PARTNER SEMCON PROJECT</p> <p>MANAGEMENT</p> <p>GREENLIGHT PROJECT MANAGEMENT</p> <p>SLC/QUINTA DEL SOL 19</p> <p>28 230 LAS ROZAS MADRID</p> <p>SPAIN</p> <p>TEL: +34 609 199 853</p> <p>FAX: +34 911 412 076</p>	<p>ZOOMA BY SEMCON AB</p> <p>SE-417 80 GÖTEBORG</p> <p>VISITING ADDRESS:</p> <p>THERES SVENSSONS GATA 15</p> <p>TEL: +46 (0)31 721 00 00</p> <p>FAX: +46 (0)31 701 75 90</p>
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