

# FINANCIAL STATEMENT 2008

## FOURTH QUARTER HIT NEGATIVELY BY MAJOR STRUCTURAL COSTS



### FOURTH QUARTER

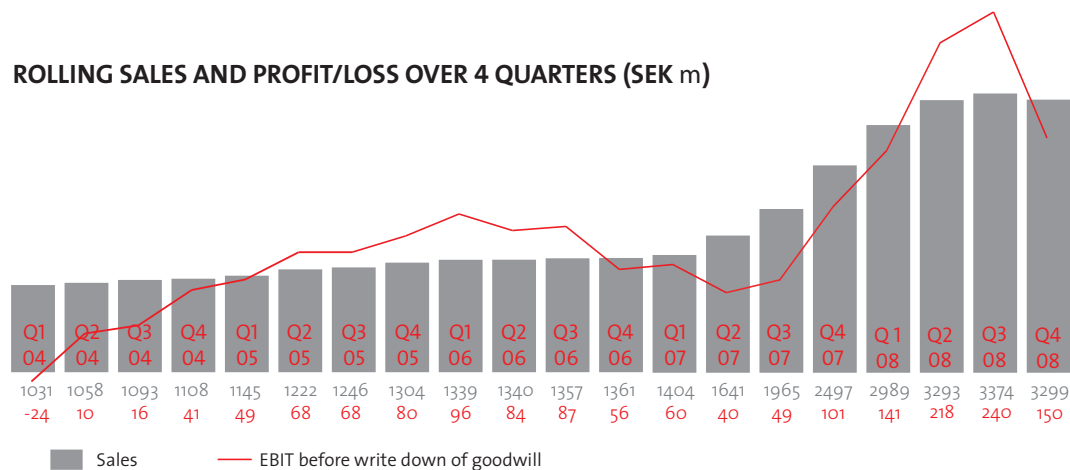
- Operating income rose to SEK 820 million (896)
- The operating loss was SEK -36 million (-58), giving an operating margin of -4.4% (-6.5)
- The loss after tax was SEK 26 million (-80\*)
- Earnings per share (EPS) was SEK -1.45 (10.30)

### JANUARY - DECEMBER

- Operating income rose by 32% to SEK 3,299 million (2,497)
- The operating profit climbed by SEK 161 million and amounted to SEK 150 million (-11), giving an operating margin of 4.5% (-0.4)
- The profit after tax was SEK 92 million (-56\*)
- Earnings per share (EPS) was SEK 5.14 (12.84)

\* Refers to the profit/loss after tax for the remaining business activities

ROLLING SALES AND PROFIT/LOSS OVER 4 QUARTERS (SEK m)



**SEMCON** is a global engineering services company active in the fields of product development and technical information solutions with tailor-made teams of specialists that meet customers' specific needs. The Group has activities in more than 40 locations on three continents and 3,300 engineers with extensive experience from many different technically intensive industries. Semcon had annual sales of SEK 3.3 billion in 2008 and its shares are listed on the Nasdaq OMX Nordic Exchange Stockholm under the SEMC ticker.

## INCOME AND RESULTS

### FOURTH QUARTER

Operating income amounted to SEK 820 million (896). The fall of SEK 76 million is mainly attributable to the drop in business volumes in the automotive industry. This has caused negative organic growth of 8%. Amongst others, Volvo Cars' share of Group sales fell amounting to 11% (21% in 2007) in Q4.

During the quarter the operating loss was reduced by SEK 22 million amounting to SEK -36 million (-58), giving an operating margin of -4.4% (-6.5). The operating loss includes income and one-off costs totalling SEK 90 million (-127). This refers to lower pension costs due to a premium discount from Alecta of SEK 10 million and costs of SEK 100 million for staff cuts and a reduction of office space in Sweden and Germany, plus reserves for bad debts. See note 2 on page 14. The amount for 2007 included a write down of goodwill of SEK 112 million and costs relating to the integration of acquired companies. The operating profit, excluding income and one-off costs, amounted to SEK 54 million (69), which gave an operating margin of 6.6% (7.7).

The loss before tax was SEK 41 million (-69). Net financial items amounted to SEK -5 million (-11). The improvement in net financial items is due to lower net borrowing and a new credit agreement being signed in Q2,

which has meant lower financing costs. The loss after tax was SEK 26 million (-80). The EPS was SEK -1.45 (10.30). The companies in the business area Zpider was sold on 31 December 2007.

### JANUARY – DECEMBER

Operating income for the year climbed by SEK 802 million and was SEK 3,299 million (2,497). Organic growth was 1%. The Informatic and Design & Development business areas had organic growth of 9% and 7% respectively. Lower business volumes at Automotive R&D have meant negative organic growth of 3%.

During the year the operating profit rose by SEK 161 million amounting to SEK 150 million (-11), giving an operating margin of 4.5% (-0.4). The operating profit includes income and one-off costs of SEK -66 million (-162). See note 2 on page 14. The income refers to the pension premium discounts from Alecta of SEK 34 million and costs of SEK 100 million refer to the structural changes carried out in Sweden and Germany, plus the reserves for bad debts. The profit excluding income and one-off costs amounted to SEK 216 million (151), giving an operating margin of 6.6% (6.0).

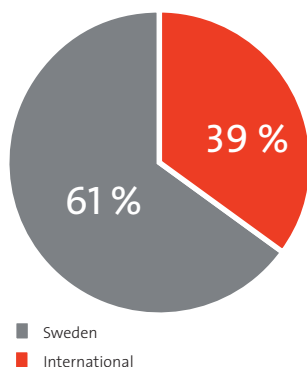
The profit before tax was SEK 128 million (-36). Net financial items amounted to SEK -22 million (-24). Tax costs amounted to SEK 36 million (-21), representing 27.9% of the

profit before tax. Swedish corporate tax has been cut to 26.3% (28.0) for 2009. The drop in corporate tax has meant that the deferred tax liability has been re-valued and a tax income of SEK 3 million has been reported. The profit after tax was SEK 92 million (-56). The EPS was SEK 5.14 (12.84).

### EVENTS DURING THE YEAR

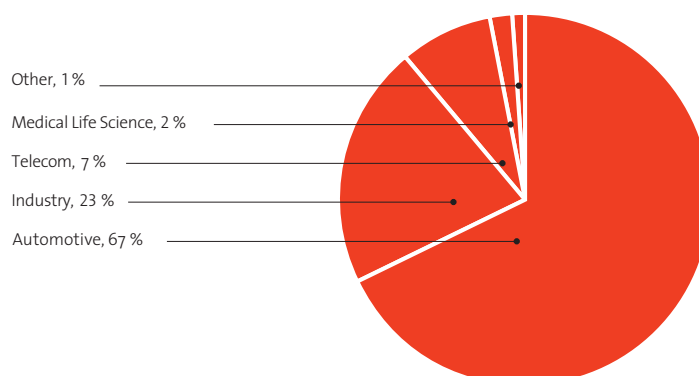
- An extraordinary general meeting on 7 February 2008 decided to:
  - appoint Hans-Erik Andersson as Chairman of the Board
  - introduce a long-term share savings scheme for the Group's employees
  - appoint Kjell Nilsson as the new president and CEO from 8 February 2008
- Semcon signed an agreement to acquire the brand Projektema
- The AGM on 24 April 2008 elected Marianne Brismar, Jorma Halonen and Håkan Larsson as new board members
- Activities in Germany, Brazil, the UK and India changed name and are now marketed under the Semcon brand
- Staff cuts took place in Q4 in Sweden and Germany

### DISTRIBUTION OF EARNINGS, JAN-DEC 2008\*

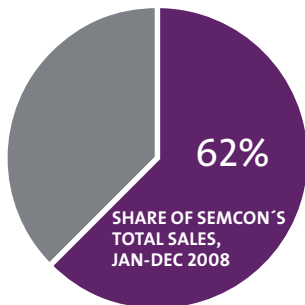


\* For Q4 the international share is 43%.

### GROUP SALES PER INDUSTRY, JAN-DEC 2008



## AUTOMOTIVE R&D



### KEY FIGURES

	OKT-DEC		JAN-DEC	
	2008	2007	2008	2007
Sales, (SEK m)	503.2	569.6	2,058.3	1,512.7
Operating profit (SEK m)	-82.8*	35.1	-20.8*	63.0
Operating margin, %	-16.5	6.2	-1.0	4.2
Number of employees, period end	2,025	2,401	2,025	2,401

\* Whereof one off costs of SEK 100 million

The business area reported better figures for the first three quarters than last year in terms of sales and results. However, the business area felt the effects of the cutbacks in the automotive industry during Q4, leading to it being hit by one-off costs of SEK 100 million, consisting of staff cuts, less office space and reserves for bad debts. See note 2 on page 14. Excluding these costs the operating profit for the year was SEK 79 million (63) with an operating margin of 3.8% (4.2).

Automotive R&D's most important market is Germany. There are major opportunities for extra business that can be undertaken not only locally in Germany but also in other regions. Activities in Germany over the year have stabilized and are showing positive operative results and cash flow. Cooperation with the German car manufacturers is intensifying with an increased number of assignments and enquiries. Activities in Brazil and the UK are continuing to expand despite the global crisis.

This includes long-term contracts in Brazil, which have strengthened Semcon's position in the region. Semcon is currently considered as a significant supplier of design and development-related services for the entire automotive sector in the UK. The office in India, which is in the start-up phase, is mainly a distance office to Semcon in Europe. The financial crisis has caused major insecurity and turbulence on the Russian market.

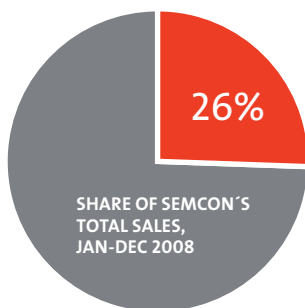
The business area's customer structure successively changed over the year in order to reduce exposure to individual customers. This includes a drop in exposure towards Volvo Cars by around 500 individuals over the year, of which 300 individuals left the business in Göteborg as a direct result of Volvo Cars' major cutbacks in Q4. There were additional structural changes such as staff cuts and less office space in Rüsselsheim and Munich due to the decline in business volumes from GM and BMW.

The strategic plan for the business area remains unchanged with focus on international activities and increasing the percentage of projects. 54% of the business area's sales currently originate from activities outside Sweden and that percentage will increase in 2009. This successive internationalisation, with the main focus on Germany and the BRIC countries boosts competitive strength and provides benefits for growth and spreading risks.

Despite the insecurity in the automotive industry the business area still sees a major need among its customers for product development services by focussing on smaller, more efficient, more eco-friendly and safer vehicles. The crisis within the automotive industry will however affect the business volumes negatively in 2009.

**AUTOMOTIVE R&D** provides services to customers in the global automotive industry. Its range includes focusing on design, construction, testing and simulations. Semcon is a complete supplier and the services provided by the business area complement the automotive manufacturers' own resources. Items for manufacture and delivery are adapted according to customer requirements, from participating in customers' teams to development projects in-house. The business area's activities are in Sweden, Germany, the UK, Brazil, India, Spain and Russia. Many of the world's largest car manufacturers are Automotive R&D's customers. These include: Audi, BMW, Daimler, GM - Opel and Saab Automobile, Porsche, Scania, Volvo Cars, AB Volvo and Volkswagen

## DESIGN & DEVELOPMENT



### KEY FIGURES

	OCT-DEC		JAN-DEC	
	2008	2007	2008	2007
Sales (SEK m)	221.6	229.2	851.7	620.5
Operating profit (SEK m)	29.9	25.2	114.4	52.4
Operating margin, %	13.5	11.0	13.4	8.4
Number of employees, period end	869	906	869	906

It's been a successful year for the business area, both in terms of sales and earnings. Demand from all prioritized industries for our services has been very pleasing with a high utilization ratio, even though a reduction was reported in Q4.

The largest division within the business area, Product Development reported very good sales and earnings trends over the year. Growth potential in the power, energy and environment technology sectors is considered good and the possibility of benefiting from experience from other industries is comforting to customers. The Projekttema brand was acquired over the year. Projekttema specializes in production technology, which has meant many new projects in this area.

The business area has established a number of satellite offices over the year and together with existing offices has succeeded in expanding its business. This has meant that expertise from other business areas around Semcon have been able to be utilized better, which also provides opportunities to take on more complete undertakings.

Medical Life Science saw good growth and excellent results over the year and is continuing to underpin its position within the pharmaceutical, med-tech and biotech industries. Customers are provided with integrated system solutions and project management in order to meet regulatory demands.

Semcon Project Management, which provides project management training and services, completed projects in 40 or so countries and trained more than 4,000 individuals over the year. The division, with its extensive knowledge of a number of project management models and standards, also own and is responsible for developing of, implementation and training in PROPS V4 for industries around the world.

Embedded Intelligent Solutions (EIS by Semcon) provides the business area's services in electronic and software development for embedded systems. Demand for services in the area remain good even if competition has increased. In 2008 EIS completed a major project with Furuno of Japan in close collaboration with the units with regulator

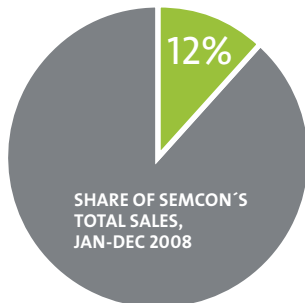
development expertise from the rest of Semcon. EIS is continuing to grow and aims to expand activities further, mainly in the Stockholm region.

The energy, offshore and environment sectors are prioritized areas for the business area in 2009. The area has extensive experience of working with customers and sub-contractors in these sectors and sees major potential for expansion. Projects are currently underway in the offshore industry and with wind power and hydroelectric companies. Our expertise and experience of validation and classification are in demand from these sectors. Customers can also benefit from Semcon's extensive experience from other areas of expertise, like construction and calculations.

Design & Development sees continued demand for its services even though the current market turbulence will mean lower business volumes over the short term.

**DESIGN & DEVELOPMENT** works with industrial design, product development, production development and project management. Design & Development provides expertise, experience and commitment to achieve quicker, improved product development. The range includes requirement studies, ideas and innovation, concepts and design for construction, testing, prototyping and verification, project management and production development. Customers are mainly found in manufacturing, telecoms, med-tech and the automotive industry. The business carries out projects throughout the world from offices in Sweden and Malaysia. Our customers include: ABB, Alstom, Bombardier, Fortum, General Electric, Husqvarna and Saab AB in the energy and engineering industries, AstraZeneca and Pfizer in the pharmaceutical industry and companies in the telecoms industry.

## INFORMATIC



### KEY FIGURES

	OCT-DEC		JAN-DEC	
	2008	2007	2008	2007
Sales, (SEK m)	95.6	97.1	388.8	362.2
Operating profit (SEK m)	16.7	8.7	56.3	35.0
Operating margin, %	17.4	9.0	14.5	9.6
Number of employees, period end	416	341	416	341

Informatic continues to report a very strong earnings trend. Despite the flatter demand, mainly from customers in the automotive industry in Sweden, the business area is reporting organic growth of 9%.

The long-term trend of more extensive product and model programs among customers in the business area's market segment is continuing, meaning a greater need for product information as well as the complexity and demand for effective production. Focus over the year has been on extending the offer to include helping customers with information strategies and creating flexible information platforms. In addition, the business area has invested in in-house production systems in order to make development, production and maintenance of product information more effective.

The business area has also been actively working to cut business risks by reducing dependency on individual industries and customers. Growth over the year has mainly taken place in customer segments outside the automotive and telecoms industries. A long-term initiative has been initiated to create a more equal balance between the business area's various business models. In practice this means an increased share of unit-based deliveries (projects and managed services) and a reduction in more traditional hourly-based business transactions. The business area in Sweden has developed

well in Sweden, especially in Göteborg, where there have been positive developments, mainly towards customers outside the automotive industry. The business area has started activities in Linköping during the year to better meet the customer's need for increased proximity.

The Zooma subsidiary, which supplies interactive market communication, has initiated a strategic shift. A consequence of this shift includes customers being met earlier in the needs chain by being offered strategic development, focusing on interactive information over the internet. A major initiative has also started to create a broader customer base with customers from several market segments. More than half of Zooma's sales over the year, around SEK 60 million, came from new customers having been added over the past 18 months.

The international part of the business area's sales increased over the year and represented around 30 per cent of sales. Activities in the UK over the year were very successful. The managed service setup with Jaguar Land Rover has generated measurable benefits for the customer, and the managed service relation has also been complemented with a number of undertakings and projects. Discussions are underway with further potential customers, meaning continued healthy growth expected in 2009. The Hungarian office also progressed well

during the year with both local business and back-office deliveries supporting several customers in Sweden and the UK. Back-office business has now become an established part of the business area's portfolio, which allows cost-effective development and production with remaining high quality. It has also been a driving force in creating new working methods where CAD-based information is used instead of physical product prototypes in order to produce high-quality product information and images. Expansion is continuing in China and a new office has opened in Shanghai in addition to the office in Beijing. The customer base was extended during the year and now includes customers from both the telecoms and automotive industries.

The business area will continue expanding its international activities over the long-term. The main growth is expected to take place with existing customers and with established customers of our business areas within engineering services. The overall ambition for the business area is to generate a broader customer base with customers in more varied market segments. Managed service relationships as opposed to running accounts, will be prioritized. The short-term forecast is for the general market situation to be unstable and difficult to forecast. Overall we see continued opportunities on our existing markets.

**INFORMATIC** supports customers' products with information solutions throughout the entire product lifecycle – from marketing and sales to installation, maintenance and repair. The offer includes solutions in interactive market communication and complete information solutions in the aftermarket sector. End users are both consumers as well as professionals. Customers are mainly from the automotive, telecoms and manufacturing industries. The business area currently has activities in Sweden, the UK, Hungary and China. Customers in the automotive sector include Volvo Cars, Jaguar Land Rover, General Motors and AB Volvo. Other customers include Bombardier, Kockums and companies in the telecoms sector.

## STAFF AND ORGANISATION

The headcount at year's end was 3,310 (3,648), of which 2,050 (2,511) in Sweden and 1,260 (1,137) abroad. The average number of employees was 3,630 (2,672). The number of employees in the respective business areas at year's end was: Automotive R&D 2,025 (2,401), Design & Development 869 (906) and Informatic 416 (341).

## FINANCIAL POSITION

The operation's cash flow from current activities was SEK 138 million (24) and the Group's liquid assets stood at SEK 118 million (117). In addition, non-utilized bank overdraft facilities amounted to SEK 200 million. Investments in hardware, licenses and office supplies and equipment totalled SEK 40 million (37) during the year, of which SEK 14 million was for a new business system. Shareholders' equity at year-end was SEK 596 million (494), the equity/assets ratio was 33.6% (23.5) and the debt/equity ratio was 0.7 times (1.6). Net borrowing stood at SEK 428 million (778). The Group's financing was renegotiated in Q2 2008 and borrowings are made up of a bank loan of EUR 42.8 million (SEK 468 m at year-end). Currency exchange rate effects have meant that the loan, translated into SEK, rose by SEK 64 million over the year. Translation effects have not affected the results. The loan is due for repayment on 4 July 2009, with the option for the company to convert the loan to run for five years prior to the due date.

## INCENTIVE SCHEME

Semcon AB's EGM on 7 February 2008 voted to introduce a long-term share savings scheme and a convertible-based incentive scheme. The share savings scheme is open to all employees of the Swedish and German companies, with the saving period running from May 2008 to April 2009. Around 600 people signed up for the scheme at the first subscription opportunity. The convertible-based incentive scheme was bought back by the company in Q4.

## OWNERSHIP STRUCTURE

As of 31 December, the JCE Group owned 29.9% of Semcon's shares, Skandia Liv held 13.6%, Swedbank Roburs fonder (funds)

held 8.8% and Handelsbankens fonder held 3.0%. Foreign ownership was 20.0% (19.5) and the number of shareholders was 3,939 (3,411). The total number of shares at year-end was 18,112,534 (17,782,534), of which 17,782,534 are ordinary shares and 330,000 class C shares, all with a quotient value of SEK 1. The class C shares are owned by Semcon AB. All class C shares were converted to ordinary shares on 12 January 2009. Semcon is listed on the Nasdaq OMX Nordic Exchange Stockholm's list of Small-Cap companies under the SEMC ticker and has a share class with equal voting rights for the company's ordinary shares.

## SALES AND ACQUISITIONS

The Group did not acquire or sell any businesses in 2008. The acquisitions and sales that took place in 2007 have significantly affected the Group's financial position. More information about these transactions is available on page 71 of the Group's annual report for 2007.

## EVENTS AFTER THE END OF THE PERIOD

All class C shares were converted to ordinary shares on 12 January 2009. The total number of ordinary shares in the company from that date amounts to 18,112,534.

## RISKS AND INSTABILITY FACTORS

The Group's and parent company's significant risks and instability factors include business risks in the form of high exposure towards a single industry or customer. The general financial recession and disruption to global financial markets have badly affected the demand of the Group's services. In general terms the acquisition of business involved increases risks. This also includes financial risks mainly concerning interests and currency risks. Semcon's Annual Report 2007, pages 44 and 58, includes a detailed description of the Group and parent company's risk exposure and risk management.

## OUTLOOK

Despite insecurity on the market for some industries and individual customers there is still a strong need for technical development services. The long-term trend where

the market's demand for companies to develop more products, models and versions benefits the company and means that we predict good business opportunities when the global financial crisis ebbs out. The outlook is however difficult to predict from a short-term perspective. Because most of Semcon's customers are continuing to lay-off staff and reduce purchasing consultancy services, we predict that we might be forced to introduce further cutbacks.

## SHARE DIVIDEND

In accordance with Semcon's dividend policy, consideration is given to the company's financial position and capital requirements for continued expansion. Due to the major instability currently affecting the market the Board proposes that no dividend be paid for 2008 (0).

## ACCOUNTING PRINCIPLES

Semcon follows the IFRS standards and interpretations thereof as adopted by the EU (IFRIC). This report has been produced in accordance with IAS 34. The same accounting principles have been applied in this report as in the latest annual report. The new interpretations issued by IASB and that came into effect on 1 January 2008 do not affect the Group's financial reports or position. The accounting principles for the Group's new share savings scheme appear in note 1 on page 13.

## ANNUAL REPORT

The Annual Report for 2008 is expected to be available at the end of March 2009 and will be sent to all shareholders who have signed up to receive a printed copy from Semcon. The annual report will also be available on Semcon's website: [www.semcon.com](http://www.semcon.com) and at Semcon's head office on Theres Svenssons gata 15 in Göteborg. It can also be ordered by phone: +46 (0)31 721 00 00, fax +46 (0)31 721 03 33 or via email: [info@semcon.se](mailto:info@semcon.se).

## AGM

The AGM will take place at 5 p.m. on 29 April 2009 at Semcon's head office. The record day is proposed as 23 April. The quarterly report for Q1 will be published on 29 April.

## NOMINATIONS COMMITTEE

Questions to the nominations committee, consisting of Christer Ericsson, from the JCE Group, Erik Sjöström, from Skandia Liv, Kerstin Stenberg, from Swedbank Roburs fonder and the Chairman of the Board Hans-Erik Andersson, can be submitted via email at: valberedning@semcon.se.

The Board and CEO give assurance that this Financial Statement gives a fair overview of the parent company's and Group's business, position and results and describes significant risks and uncertainty factors that the parent company and the Group companies face.

Göteborg 5 February 2008

SEMCON AB (PUBL)  
417 80 Göteborg  
Co. Reg. No. 556539-9549

Hans-Erik Andersson Chairman	Håkan Larsson Board member	Stefan Novakovic Employee representative
Kjell Nilsson President and CEO	Marianne Brismar Board member	Roland Kristiansson Employee representative
Jorma Halonen Board member	Gunvor Engström Board member	Christer Eriksson Employee representative

### FINANCIAL REPORTING

Interim report Jan-Mar:	29 April 2009
Annual General Meeting:	29 April 2009
Interim report Jan-June:	17 July 2009
Interim report Jan-Sep:	21 Oct 2009

#### For more information, please contact:

Kjell Nilsson, CEO Semcon AB, +46 (0)702 60 01 21  
Björn Strömberg, CFO Semcon AB, +46 (0)708 35 44 80  
Anders Atterling, IR manager Semcon AB, +46 (0)704 47 28 19

Head office: Semcon AB, 417 80 Göteborg, Sweden, Phone: +46 (0)31 721 00 00  
Fax: +46 (0)31 721 03 33  
Visiting address: Theres Svenssons gata 15  
[www.semcon.com](http://www.semcon.com)

This report has not been subject to review by the company's auditors. Semcon discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. This information was submitted for publication at 12.30 a.m. on 5 February 2009.

# Consolidated FINANCIAL, SUMMARY

## INCOME STATEMENT

SEK m	Note	OCT-DEC		JAN-DEC	
		2008	2007	2008	2007
Operating income		820.4	895.9	3,298.8	2,497.4
Purchase of goods and services		-168.0	-218.5	-717.2	-594.2
Other external operating expenses*	2	-133.2	-78.9	-365.4	-250.7
Staff costs	2	-545.4	-535.1	-2,030.7	-1,524.0
<b>Operating profit before depreciation</b>		<b>-26.2</b>	<b>63.4</b>	<b>185.5</b>	<b>128.5</b>
Depreciation of tangible assets		-7.9	-6.7	-28.1	-21.6
Depreciation of intangible assets		-2.1	-2.9	-7.5	-5.8
Write down of goodwill		-	-112.2	-	-112.2
<b>Operating profit/loss</b>		<b>-36.2</b>	<b>-58.4</b>	<b>149.9</b>	<b>-11.1</b>
Net financial items		-4.5	-10.8	-22.0	-24.4
<b>Profit/loss before tax</b>		<b>-40.7</b>	<b>-69.2</b>	<b>127.9</b>	<b>-35.5</b>
Tax		14.4	-10.4	-35.7	-20.7
<b>Profit/loss after tax, remaining business</b>		<b>-26.3</b>	<b>-79.6</b>	<b>92.2</b>	<b>-56.2</b>
Profit/loss after tax, sold business	3	-	262.7	-	284.2
<b>Profit/loss after tax **</b>		<b>-26.3</b>	<b>183.1</b>	<b>92.2</b>	<b>228.0</b>
Average number of shares		18,112,534	17,782,534	17,947,534	17,762,400
Average number of convertibles (shares)		-	-	-	21,186
EPS, SEK		-1.45	10.30	5.14	12.84
EPS after dilution, SEK		-1.45	10.30	5.14	12.82
EPS, remaining business		-1.45	-4.48	5.14	-3.16
No. of days in period		62	62	251	249
* Of which share in associated company's profit/loss		-	0.6	-	0.3
** Of which parent company shareholders		-26.3	183.1	92.2	228.0

Note 2 See page 14. One-off items.

Note 3 See page 14. Income statement of sold activities

## QUARTERLY INFORMATION BY BUSINESS AREA

	2006				2007				2008			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
<b>Sales (SEK m)</b>												
Automotive R&D	132.1	133.6	114.9	149.4	157.2	378.3	407.6	569.6	550.1	563.3	441.7	503.2
Design & Development	121.7	124.4	107.1	137.4	136.7	123.7	130.9	229.2	225.4	235.3	169.4	221.6
Informatic	92.9	103.1	68.3	76.5	95.1	96.0	76.0	97.1	105.0	103.7	84.5	95.6
<b>Total 346.7</b>	<b>346.7</b>	<b>361.1</b>	<b>290.3</b>	<b>363.3</b>	<b>389.0</b>	<b>598.0</b>	<b>614.5</b>	<b>895.9</b>	<b>880.5</b>	<b>902.3</b>	<b>695.6</b>	<b>820.4</b>
<b>Operating profit/loss (SEK m) *</b>												
Automotive R&D	10.7	2.5	4.2	9.8	10.6	5.1	12.2	35.1	26.6	24.8	10.6	-82.8
Design & Development	6.9	1.6	0.6	6.7	14.1	1.5	11.6	25.2	33.2	30.1	21.2	29.9
Informatic	14.0	15.6	4.6	5.3	11.4	13.1	1.8	8.7	14.8	15.9	8.9	16.7
Group one-off costs	-	-5.9	-	-20.5	-1.0	-26.0	-7.1	-15.2	-	-	-	-
Write down of goodwill	-	-	-	-4.4	-	-	-	-112.2	-	-	-	-
<b>Total</b>	<b>31.6</b>	<b>13.8</b>	<b>9.4</b>	<b>-3.1</b>	<b>35.1</b>	<b>-6.3</b>	<b>18.5</b>	<b>-58.4</b>	<b>74.6</b>	<b>70.8</b>	<b>40.7</b>	<b>-36.2</b>
<b>Operating margin (%)</b>												
Automotive R&D	8.1	1.9	3.7	6.6	6.7	1.3	3.0	6.2	4.8	4.4	2.4	-16,5
Design & Development	5.7	1.3	0.6	4.9	10.3	1.2	8.9	11.0	14.7	12.8	12.5	13,5
Informatic	15.1	15.1	6.7	6.9	12.0	13.6	2.4	9.0	14.1	15.3	10.6	17,4
<b>Total</b>	<b>9.1</b>	<b>3.8</b>	<b>3.2</b>	<b>-0.9</b>	<b>9.0</b>	<b>-1.1</b>	<b>3.0</b>	<b>-6.5</b>	<b>8.5</b>	<b>7.9</b>	<b>5.9</b>	<b>-4.4</b>
<b>Number of employees</b>												
Automotive R&D	599	602	610	615	622	1,633	2,450	2,401	2,419	2,369	2,331	2,025
Design & Development	635	621	609	606	607	574	908	906	907	889	882	869
Informatic	289	288	283	301	332	329	343	341	396	404	404	416
<b>Total</b>	<b>1,523</b>	<b>1,511</b>	<b>1,502</b>	<b>1,522</b>	<b>1,561</b>	<b>2,536</b>	<b>3,701</b>	<b>3,648</b>	<b>3,722</b>	<b>3,662</b>	<b>3,617</b>	<b>3,310</b>
<b>Number of days in the period</b>	<b>64</b>	<b>58</b>	<b>65</b>	<b>63</b>	<b>64</b>	<b>58</b>	<b>65</b>	<b>62</b>	<b>61</b>	<b>61</b>	<b>67</b>	<b>62</b>

\* One-off items (See note 2 page 14)

## BALANCE SHEET \*

SEK m	31 DEC 2008	31 DEC 2007
<b>ASSETS</b>		
Intangible assets, goodwill	564.3	516.6
Other intangible as+sets	29.8	18.9
Tangible fixed assets	82.5	90.6
Financial assets	23.0	23.0
Deferred tax recoverable	87.1	62.3
Accounts receivable	659.0	662.1
Accrued non-invoice income	134.5	192.0
Current assets	78,4	421.2
Cash and bank balances	117.6	117.1
<b>Total assets</b>	<b>1,776.2</b>	<b>2,103.8</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>		
Shareholders equity	596.2	494.0
Pension obligations	75.4	63.7
Deferred tax recoverable	45.6	53.7
Interest-bearing long-term liabilities	468.2	404.0
Interest-bearing current liabilities	2.5	427.7
Accounts payable - trade	93.9	154.7
Non interest-bearing current liabilities	494.4	506.0
<b>Total shareholders equity and liabilities</b>	<b>1,776.0</b>	<b>2,103.8</b>
Minority share of shareholders equity at start of the period	-	2.3
Minority share of subsidiaries sold during the period	-	-
Profit/loss of the period attributable to minority shareholdings	-	-2.3
Minority share of shareholders equity at the end of period	-	-

\* Items in the balance sheet have been affected by dramatic exchange rate changes. This includes goodwill and long-term interest-bearing liabilities, where the underlying items, mainly in EUR, have been recalculated to SEK at the significantly higher rate of 10.94 against 9.44 last year. Included in last year's other receivables is a receivable of SEK 311 million referring to the sale of companies in the Zpider business area. Payment will be received at the beginning of February and the funds will be used to amortize short-term interest-bearing liabilities.

## CHANGE IN SHAREHOLDERS EQUITY

SEK m	31 DEC 2008	31 DEC 2007
Shareholders equity at start of period	494.0	265.1
Translation difference including hedging effects	9.4	-0.5
New share issue	-0.1	1.4
Share savings scheme	0.7	-
Earnings for the period attributable to parent company shareholders	92.2	228.0
<b>Shareholders equity at end of the period</b>	<b>596.2</b>	<b>494.0</b>

## CASH FLOW STATEMENT

SEK m	Note	OCT-DEC		JAN-DEC	
		2008	2007	2008	2007
Cash flow from current activities before change in working capital		-22.6	-6.4	140.8	28.1
Change in working capital		55.3	73.8	-3.0	-4.3
<b>Cash flow from current activities</b>		<b>32.7</b>	<b>67.4</b>	<b>137.8</b>	<b>23.8</b>
Net investments		-13.9	-9.4	-39.7	-36.9
Acquisition of subsidiaries/associated companies		-	-0.5	-	-651.0
Sale of subsidiaries/associated companies *		-	-	311.0	-
Sale of fixed assets		0.2	-	11.4	0.4
<b>Cash flow from investment activities</b>		<b>-14.1</b>	<b>-9.9</b>	<b>282.7</b>	<b>-687.5</b>
Change in interest-bearing receivables and liabilities		-33.6	-1.6	-425.2	751.9
<b>Cash flow from financing activities</b>		<b>-33.6</b>	<b>-1.6</b>	<b>-425.2</b>	<b>751.9</b>
Cash flow of remaining activities		-15.0	55.9	-4.7	88.2
Cash flow of sold activities	4	-	-	-	-
<b>Cash flow for the period</b>		<b>15.0</b>	<b>55.9</b>	<b>-4.7</b>	<b>88.2</b>
Cash and bank at start of the period		129.0	61.2	117.1	28.9
Translation difference		3.6	-	5.2	-
<b>Cash and bank at the end of the period</b>		<b>117.6</b>	<b>117.1</b>	<b>117.6</b>	<b>117.1</b>

\* Refers to the proceeds from the sale of the Zpider business area  
Note 4 See page 14. Cash flow statement for sold activities

## KEY FIGURES \* EXCLUDING ONE-OFF ITEMS

	31 DEC 2008	31 Dec 2007
Operating margin (%)	6.6	6.0
Profit margin (%)	5.9	5.0
Return on shareholders equity (%)	24.5	37.3
Return on average capital employed (%)	20.0	22.8

## KEY FIGURES \* INCLUDING ONE-OFF ITEMS

	31 DEC 2008	31 Dec 2007
Growth in sales (%)	32.1	83.4
Organic growth in sales (%)	1.2	14.8
Operating margin before depreciation/amortization (%)	5.6	5.1
Operating margin (%)	4.5	-0.4
Profit margin (%)	3.9	-1.4
Return on average shareholders equity (%)	16.9	60.2
Return on capital employed (%)	14.1	-1.2
Equity/assets ratio (%)	33.6	23.5
Debt/equity ratio (times)	0.7	1.6
Interest coverage ratio (times)	5.5	-0.3
Average number of employees	3,630	2,672
Sales per employee (SEK 000)	909	935
Value added per employee (SEK 000)	592	555
Profit/loss before tax per employee (SEK 000)	35.1	-13.3
Investments in fixed assets (SEK m)	39.7	36.6

## KEY FIGURES \* FOR SHARES

	31 DEC 2008	31 Dec 2007
EPS after tax (SEK)	5.14	12.84
EPS after dilution (SEK)	5.14	12.82
Shareholders equity before dilution (SEK)	32.92	27.78
Shareholders equity after dilution (SEK)	32.92	27.78
Shareholders equity per share (times)	1.18	2.91
Cash flow per share (SEK)	-0.26	6.39
Dividend	-	-
P/E ratio	2.26	6.29
P/S ratio	0.06	0.57
Share price at end of the period (SEK)	11.60	80.75
Market price at end of the period (SEK m)	206	1,436
Number of shares at end of the period. Quotient value SEK 1 (000)	18,113	17,783
Average number of shares (000)	17,948	17,762

\* Definitions of key figures appear on page 85 of the Annual Report for 2007

## LARGEST HOLDINGS ON 31 DEC 2008

Name	Number of shares	%	Votes (%)
JCE Group	5,318,178	29.36	29.85
Skandia liv	2,424,057	13.38	13.28
Swedbank robur fonder	1,568,842	8.66	8.79
Handelsbanken fonder	540,991	2.99	3.09
Kaupthing bank	490,779	2.71	2.85
SIX Sis AG	421,222	2.33	2.30
FIM Bank	383,020	2.11	2.29
Mellom Omnibus	290,588	1.16	1.84
F and C ICVC	204,889	1.13	1.52
BNY GCM	175,851	0.97	0.98
<b>Total</b>	<b>11,737,417</b>	<b>64.80</b>	<b>66.79</b>
C Shares	330,000	1.82	0.19
Other	6,045,117	33.38	33.02
<b>Total</b>	<b>18,112,534</b>	<b>100.00</b>	<b>100.00</b>

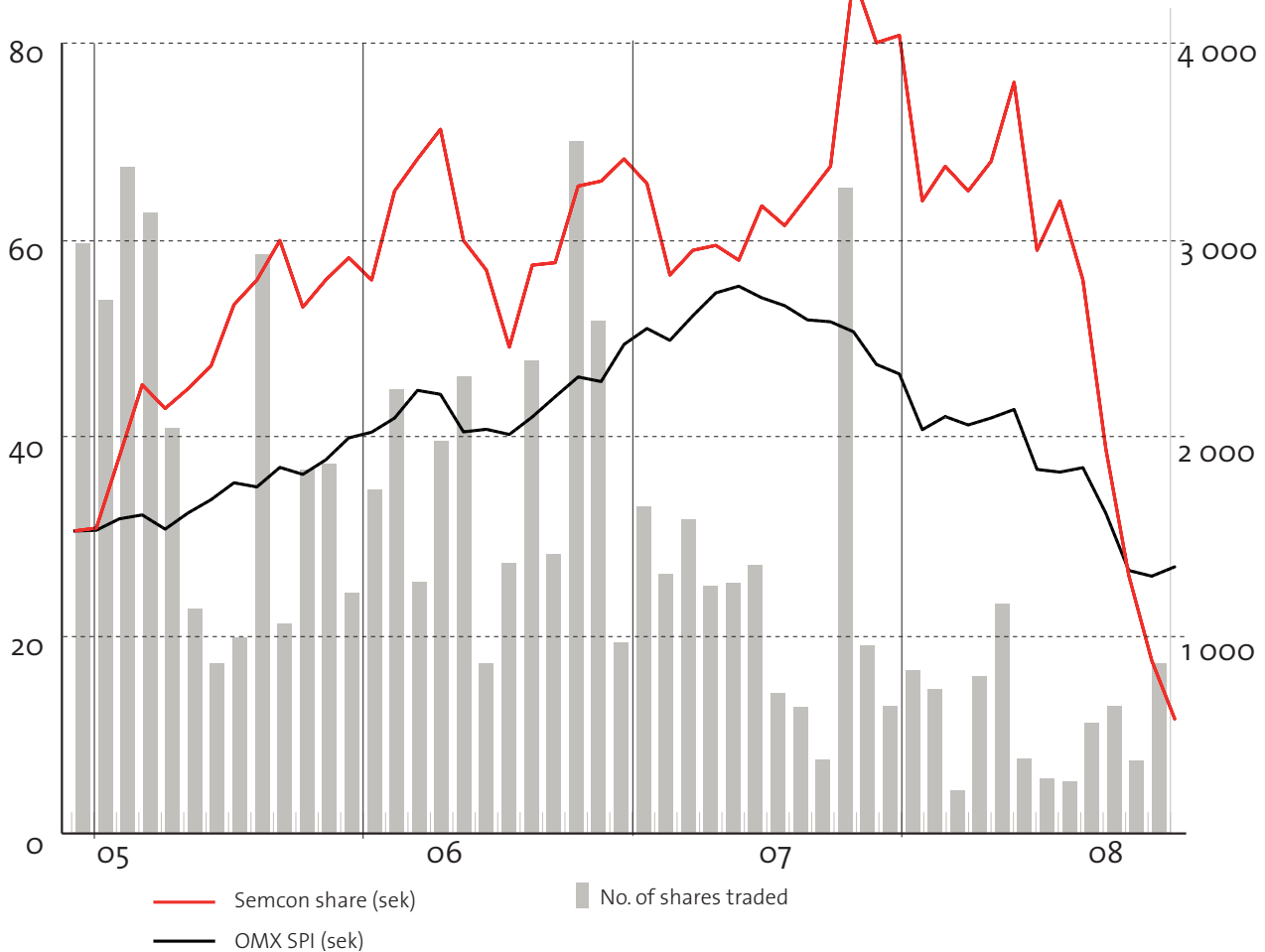
Source: VPC AB register of shareholders on 31 Dec 2008

## OWNERSHIP STATISTICS, 31 DEC 2008

	No. of shareholders	No. of shares	Own shares	Pro-portion %	Market value 31/12 (Sek 000)
1-500	2,764	530,693	-	2.9	6,156
501-1 000	561	481,118	-	2.7	5,581
1 001-10 000	511	1,583,784	-	8.7	18,372
10 001-100 000	83	2,707,560	-	15.0	31,408
100 001 -	20	12,479,379	330,000	70.7	144,761
<b>Total</b>	<b>3,939</b>	<b>17,782,534</b>	<b>330,000</b>	<b>100.0</b>	<b>206,278</b>

Source: VPC AB register of shareholders on 31 Dec 2008

## PRICE TREND



# SUMMARY, FINANCIAL STATEMENT

## INCOME STATEMENT

SEK m	OCT-DEC		JAN-DEC	
	2008	2007	2008	2007
Operating income	11.4	-4.8	32.6	36.8
Other external expenses	-8.5	-4.9	-26.2	-17.3
Staff costs	-5.5	-6.9	-20.1	-21.8
<b>Operating loss before depreciation</b>	<b>-2.6</b>	<b>-16.6</b>	<b>-13.7</b>	<b>-2.3</b>
Depreciation of tangible assets	-	-	-	-
<b>Operating profit/loss after depreciation</b>	<b>-2.6</b>	<b>-16.6</b>	<b>-13.7</b>	<b>-2.3</b>
Net financial items *	-165.7	227.5	152.4	214.5
<b>Profit/loss after net financial items</b>	<b>163.1</b>	<b>210.9</b>	<b>138.7</b>	<b>212.2</b>
Appropriations	-31.0	-2.1	-31.0	-2.1
<b>Profit/loss before tax</b>	<b>132.1</b>	<b>208.8</b>	<b>107.7</b>	<b>210.1</b>
Tax	-36.0	-8.3	-29.2	-8.7
<b>Profit/loss after tax</b>	<b>96.1</b>	<b>200.5</b>	<b>78.5</b>	<b>201.4</b>
* Of which; tax-free capital gain from the sale of the Zpider business area's write-down of shares in the subsidiaries dividend	- - 175.8	257.3 -120.0 57.4	- - 175.8	257.3 -120.0 57.4

## BALANCE SHEET

SEK m	31 DEC 2008	31 DEC 2007
<b>ASSETS</b>		
Financial fixed assets	417.4	386.5
Fixed assets **	519.6	934.5
Cash and bank assets	45.8	-
<b>Total assets</b>	<b>982.8</b>	<b>1,321.0</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>		
Shareholders equity	474.1	403.4
Untaxed reserves	44.1	13.2
Interest-bearing long-term liabilities	400.4	344.3
Interest-bearing current liabilities	-	434.4
Non interest-bearing current liabilities	64.2	125.7
<b>Total shareholders equity and liabilities</b>	<b>982.8</b>	<b>1,321.0</b>

\*\* Included in last year's other receivables is a receivable of SEK 311 million referring to the sale of companies in the Zpider business area. Payment will be received at the beginning of February and the funds will be used to amortize short-term interest-bearing liabilities.

## NOTES

### NOTE 1 ACCOUNTING PRINCIPLES

#### Share-related remuneration to employees

The Group has a share-related remuneration scheme (share savings scheme) where settlement is made with Semcon shares (matching shares) and where the company receives services from the employees in return for the matching shares. According to IFRS 2, salary costs must be reported that relate to the share savings scheme, made up of a measurement of the value for the company concerning the services from the employee for the duration of the scheme. The accrual conditions presuppose that the employee is still employed at the time of matching. The costs are calculated with reference to the number of shares estimated to be matched at the end of the accrual period, at which point an expected staff turnover has been taken into consideration. The actual value of the shares has been based on the share price at the time the employee

invested in the shares. The total amount cost-accounted is reported divided over the accrual period, which is the period over which the stated accrual conditions must be met. The amount corresponding to the share savings scheme's costs is reported in the balance sheets as shareholders' equity. Every balance sheet date the company re-evaluates how many shares it expects to be accrued based on the accrual conditions. Any deviation from the original estimates that re-evaluation gives rise to, are reported in the income statement and corresponding adjustments made to shareholders' equity. When share matching takes place, the social security contributions must be paid for the value of the employee's benefit. This value is generally based on the market value on the matching day. Allocations are made for these estimated social security contributions during the accrual period.

## NOTE 2 ONE-OFF ITEMS

SEK m	OCT-DEC		JAN-DEC	
	2008	2007	2008	2007
Rebated Alecta premium	10.0	-	34.0	-
Structural changes in Sweden *	-39.7	-	-39.7	-
Structural changes in Germany *	-40.1	-	-40.1	-
Reserve doubtful debts	-20.4	-	-20.4	-
Cost-cutting scheme	-	-	-	-18.8
Integration costs acquisitions	-	-15.2	-	-22.3
Dismissal av CEO	-	-	-	-5.0
Other organisational changes	-	-	-	-3.2
Write down of goodwill	-	-112.2	-	-112.2
<b>Total</b>	<b>-90.2</b>	<b>-127.4</b>	<b>-66.2</b>	<b>-161.5</b>

### Specification of items in the income statement

Other external expenses	-44.3	-4.4	-44.3	-4.4
Staff costs	-45.9	-10.8	-21.9	-44.9
Write down good will	-	-112.2	-	-112.2
<b>Total</b>	<b>-90.2</b>	<b>-127.4</b>	<b>-66.2</b>	<b>-161,5</b>

\* Staff cuts and reduced working space.

## NOTE 3 INCOME STATEMENT OF SOLD ACTIVITIES

SEK m	OCT-DEC		JAN-DEC	
	2008	2007	2008	2007
Operating income	-	95.8	-	338.7
Operating expenses	-	-86.2	-	-295.9
<b>Profit before depreciation</b>	<b>-</b>	<b>9.6</b>	<b>-</b>	<b>42.8</b>
Depreciation	-	-0.2	-	-1.2
<b>Profit after depreciation</b>	<b>-</b>	<b>9.4</b>	<b>-</b>	<b>41.6</b>
Financial items *	-	257.8	-	255.8
<b>Profit before tax</b>	<b>-</b>	<b>267.2</b>	<b>-</b>	<b>297.4</b>
Tax	-	-4.5	-	-13.2
<b>Profit after tax</b>	<b>-</b>	<b>262.7</b>	<b>-</b>	<b>284.2</b>

\* Of which a tax-free capital gain from the sale of the Zpider business area

## NOTE 4 CASH FLOW STATEMENT OF SOLD ACTIVITIES

SEK m	OCT-DEC		JAN-DEC	
	2008	2007	2008	2007
Cash flow from current activities	-	22.8	-	39.2
Cash flow from investment activities	-	-2.8	-	-21.3
Cash flow from financing activities	-	20.0	-	-17.9
<b>Cash flow for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>