



PRESSINFO

SCANDIACONSULT

Kapellgränd 7 • Box 4205 • SE-102 65 STOCKHOLM • Tel +46 8 615 60 00 • Fax +46 8 702 19 13

2 November 2001

Interim report January-September 2001

- Profit after net financial items rose 19 per cent to MSEK 100.7 (MSEK 84.8 in 2000 excluding the refund from Alecta).
- Operating profit improved by 18 per cent to MSEK 77.0 (MSEK 65.5 in 2000 excluding the refund from Alecta).
- The operating margin strengthened to 7.0 per cent (6.7 in 2000 excluding the refund from Alecta).
- Net sales increased by 13 per cent to MSEK 1,107.6 (979.1).
- Demand in Scandiaconsult's areas of operation is expected to remain vigorous throughout the year.

For more information contact CEO Torbjörn Torell or CFO Per Leopoldson, telephone +46 8 615 60 00. The report is also available at www.scc.se.

Scandiaconsult, with 2000 employees at 50 locations in Sweden, Norway and Finland, is a leading consulting engineering company in the Nordic market. The Group offers comprehensive solutions in all technical disciplines from concept and analysis, planning and project management to operation and maintenance. Scandiaconsult has annual sales of SEK 1.5 billion and is quoted on the A list of the Stockholm Stock Exchange. For more information visit www.scc.se.

The period in summary

Scandiaconsult's net sales for the first nine months of 2001 amounted to MSEK 1,107.6 (979.1), an increase of 13 per cent on the corresponding period of last year. Net sales for the third quarter rose 9 per cent to MSEK 329.2 (302.9).

The rise in sales is attributable to a more favourable price scenario and increased market shares in the Nordic region, owing partly to acquisitions in 2000. Scandiaconsult's strategy is to become the Nordic leader by focusing on development of the company's regional units.

Profit after net financial items improved by MSEK 15.9, or 19 per cent, to MSEK 100.7 (MSEK 84.8 in 2000 excluding the refund from Alecta). Profit for the period included a capital gain of MSEK 15 on the sale of Arsenalen. The figure for the corresponding period of the last year included a capital gain of MSEK 14.2. For the third quarter, profit after financial items rose 33 per cent to MSEK 26.5 (MSEK 20.0 in 2000 excluding the refund from Alecta).

The improvement in earnings was generated by sales growth with retained profitability thanks to higher efficiency in operations and a shift towards segments with more rigorous demands on advanced and integrated consulting services. The operating margin strengthened to 7.0 per cent (6.7 in 2000 excluding the refund from Alecta). Scandiaconsult's long-term goal is to achieve an operating margin of 8 per cent over a business cycle.

National markets

Operations in Sweden

Scandiaconsult in Sweden offers consulting services in structural, geotechnical, electrical and environmental engineering, heating, water & sanitation and project management including project and cost control, quality control, construction management and environmental management. Infrastructure assignments account for close to half of income. The average number of employees during the first nine months of the year was 928.

In the first nine months of 2001 Scandiaconsult's net sales in Sweden rose 8 per cent to MSEK 615.5 (572.5). Third quarter sales increased by 5 per cent to MSEK 178.2 (169.3). The growth in sales is mainly explained by a higher number of employees and a better price level, as well as higher capacity utilization. Packaging of the company's services has also contributed to improved price levels. Operating profit during the period improved to MSEK 44.9 (38.6), up 16 per cent on the year-earlier figure. Operating profit for the third quarter improved to MSEK 8.9 (8.1).

The market for consulting engineering services during the period was good. Slightly lower demand has been noted for commercial and industrial space, while investments in housing, road and railway construction are expected to increase.

Scandiaconsult Network Services has been commissioned by Hi3G for design assignments in connection with the roll-out of third generation mobile networks in Stockholm, Gothenburg and Malmö. The order is worth up to MSEK 20.

Operations in Norway

Scandiaconsult in Norway works with an emphasis on infrastructure and construction projects such as offices, housing, healthcare facilities and schools. The clients are found primarily in the national, county and local governments. The average number of employees during the first nine months of the year was 431.

In the first nine months of 2001 Scandiaconsult's net sales in Norway rose 30 per cent to MSEK 278.7 (214.1). Adjusted for currency effects, the increase was 22 per cent. Net sales in the third quarter improved by 22 per cent to MSEK 87.7 (71.8). Adjusted for currency effects, the increase was 15 per cent. The growth in sales is largely due to an increased number of employees, but an improved price scenario was also influential.

Operating profit in the Norwegian operations rose to MSEK 16.4 (15.1). Operating profit for the third quarter rose by MSEK 2.9 to MSEK 8.0 (5.1), an improvement mainly attributable to stronger demand in the infrastructure segment and the newly acquired units in Bergen.

The market for services in the construction and civil engineering industry showed no significant change between the second and third quarters. Norwegian interest rates have remained high and the Norwegian government has not yet presented measures to stimulate demand. However, there is reason to believe that government investments in schools, healthcare and communications will increase next year. Scandiaconsult is well poised to benefit from growth in these areas.

Scandiaconsult has signed a general agreement with Celexa Egendomsförvaltning AS, a major property management company. According to the agreement, Scandiaconsult will be Celexa's partner for development and renovation of properties throughout the country.

Operations in Finland

Scandiaconsult in Finland offers services and expertise in urban planning, structural geotechnical and environmental engineering, water & sewer and environmental technology. The clients are found mainly in the public sector, predominantly in infrastructure assignments. The average number of employees during the first nine months of the year was 467.

In the first nine months of the year, Scandiaconsult's net sales in Finland improved by 15 per cent to MSEK 224.1 (194.7). Adjusted for currency effects, the increase was 10 per cent. The improvement in sales is explained by a significantly better price scenario. Net sales for the third quarter were up 6 per cent to MSEK 66.0 (62.1). Adjusted for currency effects, the increase was 2 per cent.

Operating profit in the Finnish operations was MSEK 14.0 (11.2). The improvement in earnings is mainly due to a more favourable price scenario, but also to a higher number of employees. In addition, the co-location of operations in Espoo is continuing to have a positive impact on earnings. Operating profit for the third quarter was MSEK 3.6 (4.2).

Demand for Scandiaconsult's services in Finland remained stable during the third quarter, although declining investments were noted in the housing construction sector. The market situation for road construction and civil engineering was largely unchanged.

Acquisitions and sales

Norman AS and Arkon AS in Norway were acquired during 2001. Norman with 50 employees and Arkon with 22 employees are both located in Bergen. The companies posted net sales of MSEK 40 and MSEK 11, respectively, in 2000 and are active in areas such as project development, project management, planning and design and structural engineering.

As part of the focus on Scandiaconsult's core activities, the environmental lab in Malmö was sold to SGAB – Svensk Grundämnesanalys AB. Scandiaconsult has signed a collaboration agreement with SGAB whereby Scandiaconsult's environmental consultants can utilize the expertise and services offered by the environmental lab.

Financial position

Liquid assets and short-term investments at the end of the period totalled MSEK 125.1, compared with MSEK 201.7 on the corresponding date of last year. Interest-bearing liabilities have decreased to MSEK 56.5 (79.0). Cash flow after investments was MSEK 14.9 (56.9) or SEK 0.64 per share (2.35). Cash flow was adversely affected by share dividends of MSEK 127.1 (29.9) and a large supplementary tax payment of MSEK 60.1 (9.7) that was partly related to the refund from Alecta in 2000.

The equity ratio at the end of the period was 45 per cent. Shareholders' equity amounted to MSEK 349.4 (MSEK 376.9 in 2000 including the refund from Alecta), corresponding to equity per share before dilution of SEK15.12 (SEK 15.55 in 2000 including the refund from Alecta).

Tax

The tax expense during the period was MSEK 27.6, corresponding to 27.4 per cent of profit before tax.

Investments

New investments in tangible fixed assets amounted to MSEK 19.7 (16.3) and referred primarily to computers and other IT equipment. Depreciation of machinery and equipment during the period totalled MSEK 20.3 (20.2). In the third quarter, Scandiaconsult signed an agreement for a new group-wide business system. Implementation has been started in Finland.

Employees

The average number of employees during the period was 1,841 (1,701). Including temporary staff, the number of employees at the end of the period was 1,970 (1,944).

Parent Company

The Parent Company's net sales during the period amounted to MSEK 17.9 (19.8). Profit after net financial items for the period was MSEK 21.2 (20.9). Investments in machinery and equipment totalled MSEK 0.0 (0.1). Liquid assets and short-term investments amounted to MSEK 98.1 (174.3).

Future outlook 2001

In most areas of operation, demand for Scandiaconsult's services remained good during the first nine months of the year, with a 13 per cent increase in net sales. Despite economic slowing in many sectors, the construction market remains strong. In light of Scandiaconsult's market positioning, robust demand is anticipated throughout the remainder of the year.

Accounting principles

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and the recommendations of the Swedish Financial Accounting Standards Council. The interim report has been prepared with the application of the same accounting and valuation principles used in the most recent annual report. As of 2001, Scandiaconsult applies the new recommendations of the Swedish Financial Accounting Standards Council.

Financial information in 2001

The year-end report for 2001 will be published on 15 February 2002.

Stockholm, 2 November 2001
Scandiaconsult AB (publ)

Torbjörn Torell
Managing Director & CEO

This report is also available at www.scc.se.

Auditor's report

This interim report has not been examined by the company's auditors.

Consolidated condensed income statements

(MSEK)	Jan-Sept 2001	Jan-Sept 2000
Net sales	1,107.6	979.1
Operating expenses	-1,031.2	-915.4
Share in profit of associated companies and items affecting comparability ¹⁾	0.6	183.9
Operating profit	77.0	247.6
Profit after net financial items	100.7	266.9

Billing ratio by market (%)	Jan-Sept 2001	Jan-Sept 2000
Consulting engineering operations in:		
Sweden	75	73
Norway	75	75
Finland	73	72

Net sales by market (MSEK)	Jan-Sept 2001	Jan-Sept 2000
Consulting engineering operations in:		
Sweden	615.5	572.5
Norway	278.7	214.1
Finland	224.1	194.7
Group-wide and eliminations ²⁾	-10.7	-2.2
Total Group	1,107.6	979.1

Operating profit by market (MSEK)	Jan-Sept 2001	Jan-Sept 2000
Consulting engineering operations in:		
Sweden	44.9	38.6
Norway	16.4	15.1
Finland	14.0	11.2
Share in profit of associated companies and items affecting comparability ¹⁾	0.6	183.9
Group-wide and eliminations ²⁾	1.1	-1.2
Total Group	77.0	247.6

¹⁾ Items affecting comparability for the year 2000 include a refund of MSEK 182.1 from Alecta.

²⁾ Group-wide and eliminations include the Parent Company in Sweden.

Amortization of goodwill has been broken down by area of operation.

Net sales by market (MSEK)	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000
Consulting engineering operations in:					
Sweden	178.2	211.8	225.5	229.7	169.3
Norway	87.7	96.8	94.2	73.8	71.8
Finland	66.0	80.8	77.3	67.0	62.1
Group-wide and eliminations ¹⁾	-2.7	-4.0	-4.0	2.7	-0.3
Total Group	329.2	385.4	393.0	373.2	302.9
Operating profit by market (MSEK)	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000
Consulting engineering operations in:					
Sweden	8.9	12.0	24.0	12.7	8.1
Norway	8.0	1.6	6.8	3.0	5.1
Finland	3.6	4.6	5.8	4.3	4.2
Share in profit of associated companies and items affecting comparability	0.1	0.3	0.2	-0.5	1.9
Group-wide and eliminations ¹⁾	1.4	-1.4	1.1	0.7	-2.2
Total Group	22.0	17.1	37.9	20.2	17.1

¹⁾ Group-wide and eliminations include the Parent Company in Sweden.

Amortization of goodwill has been broken down by area of operation.

Profit by quarter (MSEK)	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000
Fees for services, etc.	277.3	331.7	340.2	315.0	259.7
Income from outlays, subconsulting services	51.9	53.7	52.8	58.2	43.2
Total net sales	329.2	385.4	393.0	373.2	302.9
Expenses for outlays, subconsulting services	-47.0	-50.4	-52.3	-54.7	-42.5
Other external expenses	-53.2	-61.5	-58.1	-69.0	-53.1
Personnel costs	-199.2	-248.4	-237.7	-222.5	-183.8
Depreciation	-7.9	-8.3	-7.2	-6.3	-8.3
Total expenses	-307.3	-368.6	-355.3	-352.5	-287.7
Share in profit of associated companies and items affecting comparability	0.1	0.3	0.2	-0.5	1.9
Operating profit	22.0	17.1	37.9	20.2	17.1
Gain on the sale of Arsenalen	-	-	15.0	-	-
Net financial items	4.5	1.1	3.1	-0.5	2.9
Profit after financial items	26.5	18.2	56.0	19.7	20.0
Tax on profit for the period	-8.4	-6.1	-13.1	-9.0	-1.6
Minority share	0.0	0.0	0.0	0.0	0.0
Net profit for the period	18.1	12.1	42.9	10.7	18.4
Number of employees, accumulated	1,841	1,852	1,817	1,732	1,701

Key ratios	Jan-Sept 2001	Jan-Sept 2000 ³⁾	Full year 2000 ³⁾
Profit after financial items, MSEK	100.7	84.8	104.5
Equity per share, SEK ¹⁾	15.12	10.07	11.23
Equity per share after dilution, SEK ²⁾	15.27	10.25	11.40
Cash flow per share after investments, SEK ¹⁾	0.64	0.50	1.20
Cash flow per share after investments after dilution, SEK ²⁾	0.64	0.50	1.19
Return on equity, %	28.2	36.6	32.5
Return on capital employed, %	34.7	34.6	35.3
Return on total capital, %	18.2	17.7	17.0
Net margin, %	9.1	8.7	7.7
Operating margin, %	7.0	6.7	6.3
Equity ratio, %	45	40	39
Average number of employees	1,841	1,701	1,732
Number of employees at end of period	1,970	1,944	1,898

For definitions, see the annual report for 2000

Number of shares per 30 September 2001: 23,896,828, of which 785,000 repurchased in 2000. The key ratios are calculated on a rolling 12-month average, excluding the refund from Alecta.

¹⁾ Data per share has been adjusted for the buy-back of Scandiaconsult shares.

²⁾ Data per share has been adjusted for the buy-back of Scandiaconsult shares and outstanding option rights.

³⁾ Key ratios excluding the refund of MSEK 182.1 from Alecta.

Change in shareholders' equity (MSEK)	Jan-Sept 2001	Jan-Sept 2000	Full year 2000
Consolidated shareholders' equity			
Opening balance	390.6	232.1	232.1
Dividend	-127.1	-29.9	-29.9
Buy-back of shares	-	-26.0	-26.0
Translation difference	13.2	0.4	2.1
Change in group structure	-0.4	-	1.3
Net profit for the period	73.1	200.2	211.0
Closing balance	349.4	376.9	390.6

Consolidated condensed income statements

(MSEK)	Jan-Sept 2001	Jan-Sept 2000	July- Sept 2001	July-Sept 2000	Oct 2000- Sept 2001	Full year 2000
Fees for services, etc.	949.2	824.5	277.3	259.7	1,264.2	1,139.5
Income from outlays, subconsulting services	158.4	154.6	51.9	43.2	216.6	212.9
Total net sales	1,107.6	979.1	329.2	302.9	1,480.8	1,352.4
Expenses for outlays, subconsulting services	-149.7	-149.3	-47.0	-42.5	-204.4	-204.0
Other external expenses	-172.8	-155.9	-53.2	-53.1	-241.8	-225.0
Personnel costs	-685.3	-586.5	-199.2	-183.8	-907.8	-809.0
Depreciation	-23.4	-23.7	-7.9	-8.3	-29.7	-29.9
Total expenses	-1,031.2	-915.4	-307.3	-287.7	-1,383.7	-1,267.9
Share in profit of associated companies and items affecting comparability ¹⁾	0.6	183.9	0.1	1.9	0.1	183.3
Operating profit	77.0	247.6	22.0	17.1	97.2	267.8
Gain on the sale of Arsenalen	15.0	14.2	-	-	15.0	14.2
Net financial items	8.7	5.1	4.5	2.9	8.2	4.6
Profit after financial items	100.7	266.9	26.5	20.0	120.4	286.6
Tax on profit for the period	-27.6	-66.6	-8.4	-1.6	-36.6	-75.6
Minority share	0.0	-0.1	0.0	0.0	0.0	0.0
Net profit for the period	73.1	200.2	18.1	18.4	83.8	211.0
Earnings per share after full tax, SEK ²⁾	3.16	8.28	0.78	0.80	3.63	8.97
Earnings per share after full tax after dilution, SEK ³⁾	3.15	8.25	0.78	0.79	3.61	8.95

¹⁾ Items affecting comparability for the year 2000 include a refund of MSEK 182.1 from Alecta.

²⁾ Data per share has been adjusted for the buy-back of Scandiaconsult shares.

³⁾ Data per share has been adjusted for the buy-back of Scandiaconsult shares and outstanding option rights.

Number of shares

Total number of shares	23,896,828
Buy-back of shares in 2000	785,000
Number of shares outstanding	23,111,828
Outstanding option rights	111,500
Number of shares after dilution	23,223,328

Consolidated condensed balance sheets

(MSEK)	30 Sept 2001	31 Dec 2000	30 Sept 2000
Intangible assets ¹⁾	23.6	17.7	18.6
Tangible assets	54.6	52.3	46.1
Financial assets	136.6	116.8	87.9
Current assets	437.7	415.8	441.5
Liquid assets and short-term investments	125.1	238.6	201.7
Total assets	777.6	841.2	795.9
Shareholders' equity	349.4	390.6	376.9
Minority interests	-	0.2	0.2
Provisions ²⁾	74.5	69.7	80.5
Long-term liabilities ²⁾	11.1	10.7	12.7
Current liabilities ²⁾	342.6	370.0	325.6
Total shareholders' equity and liabilities	777.6	841.2	795.9
¹⁾ Of which, goodwill	23.5	17.5	18.1
²⁾ Of which, interest-bearing liabilities and provisions	56.5	57.3	79.0

Consolidated condensed cash flow statements

(MSEK)	Jan-Sept 2001	Jan-Sept 2000	Full year 2000
Cash flow from operating activities before changes in working capital	31.6	127.6	259.5
Changes in working capital	1.1	-56.9	-126.2
Cash flow from operating activities	32.7	70.7	133.3
Investing activities	-17.8	-13.8	-36.8
Cash flow after investing activities	14.9	56.9	96.5
Financing activities	-130.6	-61.5	-63.8
The period's cash flow	-115.7	-4.6	32.7
Liquid assets, opening balance	238.6	205.2	205.2
Exchange rate difference, liquid assets	2.2	1.1	0.7
Liquid assets, closing balance	125.1	201.7	238.6

