



**PRESSINFO**  
**SCANDIACONSULT**

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9 August 2002

## **Interim report January-June 2002**

- **Profit after net financial items improved by 13 per cent to MSEK 84.1 (74.2).**
- **Operating profit excluding the refund from Alecta rose 10 per cent to MSEK 60.3 (55.0).**
- **Net sales increased by 7 per cent to MSEK 833.6 (778.4).**
- **Scandiaconsult is further strengthening its Finnish operations through the acquisition of Vesihydro Oy.**
- **The favourable market outlook in Scandiaconsult's key areas of operation and the company's wide geographic coverage in the Nordic region vouch for continued strong development in 2002.**

The company has decided to exercise its authorization to carry out a buy-back of Scandiaconsult shares.

*For more information contact CEO Torbjörn Torell or CFO Per Leopoldson, telephone +46 8 615 60 00. This report is also available at [www.scc.se](http://www.scc.se).*

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Scandiaconsult is a leading consulting engineering company in the Nordic market. The Group offers comprehensive solutions in the fields of infrastructure and construction – from concept and analysis, planning, design and project management to operation and maintenance. Scandiaconsult's technical competency is combined with in-depth knowledge about the environment, international development issues and sustainable use of natural resources. Scandiaconsult has 2,000 employees at 50 locations in Sweden, Norway and Finland. The Group has an annual turnover of SEK 1.5 billion and is quoted on the A list of the Stockholm Stock Exchange. For more information see [www.scc.se](http://www.scc.se).

### **The period in review**

For the first six months of 2002 Scandiaconsult posted net sales of MSEK 833.6 (778.4), up 7 per cent on the corresponding period of last year. The Group's second quarter sales rose 11 per cent to MSEK 428.3 (385.4). The increase in sales is primarily attributable to a better price scenario.

Demand for consulting engineering services in the Nordic market continued to show considerable variations. Demand was strongest in the civil engineering sector but declined in the building construction segment, particularly in Sweden and Finland. The Norwegian market is continuing to show more vigorous development than Sweden and Finland. Scandiaconsult has been successful in evening out variations in demand between different locations and sectors. Increased packaging of the company's services has also contributed to an improved price level.

Profit after net financial items during the period amounted to MSEK 84.1 (74.2), an increase of MSEK 9.9 or 13 per cent compared with the same period of last year. Profit for the period included reallocated client company pension funds of MSEK 17.8, while the year-earlier figure included an additional payment MSEK 15.0 for the sale of Arsenalen. Second quarter profit after net financial items increased to MSEK 23.8 (18.2). This earnings growth was attributable to ongoing efficiency improvements, a shift towards segments with favourable demand and an increased need for qualified and coordinated services. The operating margin improved to 7.2 per cent excluding client company pension funds (7.1).

### **Acquisitions and sales**

In Finland the firm of Vesihydro Oy has been acquired with around 90 employees. The transfer of ownership will take place on 1 September 2002. The company, with an annual turnover of around MSEK 45, is active in the Helsinki and Seinäjoki areas. Vesihydro's main areas of operation are water and environmental engineering and research, traffic and marine fairway planning, environmental planning and geotechnical engineering.

On 1 January 2002, Scandiaconsult took over the firm of Siv. Ing Tom R Hansen in Norway. The company, which was acquired during 2001, is located in Sandefjord, Norway, and provides consulting engineering services in structural, civil and water/wastewater engineering, with special expertise in underwater engineering. The company has an annual turnover of around MSEK 5.

## **National markets**

### **Operations in Sweden**

*Scandiaconsult in Sweden offers consulting services in structural, civil, electrical and environmental engineering, HVAC and sanitary engineering and project management including project, cost and quality control, construction management and environmental management. Infrastructure assignments account for close to half of income. The average number of employees during the period was 914.*

Scandiaconsult's net sales in Sweden during the first six months amounted to MSEK 448.8 (437.3), an increase of 3 per cent. Second quarter sales rose 8 per cent to MSEK 228.9 (211.8), mainly due to an improved price level. For the first six months of the year, operating profit reached MSEK 36.6 (36.0). Operating profit for the second quarter improved to MSEK 13.9 (12.0).

In the first half of 2002, the Swedish market was characterized by relatively robust demand for consulting services. Demand was strongest for units in civil engineering, but declined in the building and industrial construction segment.

A six kilometer long railway tunnel, the City Line, is being planned in Stockholm as a partial solution to increasing traffic congestion in the metropolitan area. Scandiaconsult has been assigned responsibility for tunnel construction in the ongoing railway study that will be completed in the first half of 2003.

### **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 period was 441.*

In the first half of the year, Scandiaconsult's net sales in Norway rose 17 per cent to MSEK 222.9 (191.0). Adjusted for currency effects, the increase was 9 per cent. Sales growth was largely due to an improved price level and increased capacity utilisation. Second quarter sales were up 17 per cent to MSEK 113.5 (96.8). Adjusted for currency effects, the increase was 9 per cent.

Operating profit rose to MSEK 13.6 (8.4), up 62 per cent on the year-earlier figure. Adjusted for currency effects, the increase was 51 per cent. Operating profit for the second quarter increased to MSEK 5.6 (1.6). This earnings growth was mainly attributable to units in structural and civil engineering.

Development in the civil engineering market remained robust during the second quarter, with particularly strong growth for investments in the energy sector, roads and railways. The housing construction market continued to show favourable development during the period.

Scandiaconsult has been commissioned by the Norwegian government for remediation of contaminated sediment in the Port of Trondheim, primarily with regard to PCBs. The project is being carried out in close collaboration with Scandiaconsult's office in Finland, which has special expertise in this field.

### Operations in Finland

*Scandiaconsult in Finland offers services and expertise in urban planning, structural, civil, water/wastewater and environmental engineering. The clients are found mainly in the public sector, predominantly in infrastructure assignments. The average number of employees during the period was 486.*

In the first six months of 2002, Scandiaconsult's net sales in Finland rose 8 per cent to MSEK 170.5 (158.1). Adjusted for currency effects, the increase was 7 per cent. For the second quarter, sales were up 12 per cent to MSEK 90.2 (80.8). Adjusted for currency effects, the increase was 11 per cent. The improvement in sales is primarily explained by an improved price scenario and a higher number of employees.

Operating profit totalled MSEK 10.5 (10.4). Operating profit for the second quarter improved to MSEK 5.4 (4.6). This earnings growth owes mainly to the improved margins resulting from efficiency gains.

Development in the infrastructural segment remained strong during the period. However, the building construction sector noted a continued decrease in investments due to declining industrial and office construction.

In central Helsinki, work has been started on the conversion of a former bus terminal into a new shopping center. Scandiaconsult has been commissioned to plan and design technical services.

### **Financial position**

Despite dividend payments of MSEK 86.7 during the period, the Group has maintained favourable liquidity. Cash and bank and short-term investments at the end of the period totalled MSEK 173.7 (114.6). Interest-bearing liabilities decreased to MSEK 48.2 (56.7). Cash flow after investments was MSEK 87.1 (4.3), or SEK 3.77 per share (0.18).

The Group's financial position remains strong and the equity ratio at the end of the period was 41 per cent (42). Shareholders' equity amounted to MSEK 339.7 (325.3), corresponding to equity per share before dilution of SEK 14.70 (14.08).

### **Tax**

The period's tax expense was MSEK 25.4, corresponding to 30 per cent of profit before tax.

### **Investments**

New investments in tangible fixed assets amounted to MSEK 14.0 (15.4) and referred primarily to computers and other IT equipment.. Depreciation of machinery and equipment during the period totalled MSEK 13.6 (13.5).

### **Employees**

The average number of employees during the period was 1,858 (1,852). Including temporary staff, the number of employees at the end of the period was 2,031 (1,960).

### **Parent Company**

The Parent Company's reported net sales of MSEK 15.3 (12.3) during the period. Profit after net financial items was MSEK 10.7 (19.0). The year-earlier figure included an additional payment of MSEK 15.0 for the sale of Arsenalen. Investments in machinery and equipment

totalled MSEK 0.0 (0.0). Cash and bank and short-term investments amounted to MSEK 162.6 (80.7).

### **Future outlook 2002**

The construction market is expected to remain stable with strong demand in the near term, although demand is expected to vary widely between areas of operation and locations. Scandiaconsult's position with a high relative share of activity in the civil engineering sector in Sweden, Norway and Finland provides a solid platform for growth in 2002.

The Swedish Federation of Architects and Consulting Engineers expects total building investments in Sweden to increase by around 2 per cent in 2002, with a growth rate of up to 5 per cent anticipated for 2003.

### **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 same accounting and valuation principles have been applied as in the most recent annual report.

### **Financial information in 2002**

Interim report (9 months): 25 October

Stockholm, 9 August 2002  
Scandiaconsult AB (publ)

Torbjörn Torell  
Managing Director & CEO

This report is also available at [www.scc.se](http://www.scc.se).

### **Auditors' examination report**

I have conducted a limited review of the accompanying interim report in accordance with the recommendation issued by FAR. A limited review is considerably less in scope than an audit. Nothing has come to my attention that indicates that the interim report does not fulfill the requirements of the Swedish Stock Exchange Act and the Swedish Annual Accounts Act.

Stockholm, 9 August 2002, Caj Nackstad, Authorized Public Accountant, KPMG

**Consolidated condensed  
income statements  
(MSEK)**

	<b>Jan-June 2002</b>	Jan-June 2001
Net sales	<b>833.6</b>	778.4
Operating expenses	<b>-773.5</b>	-723.9
Share in profit of associated companies and items affecting comparability <sup>1)</sup>	<b>18.0</b>	0.5
<b>Operating profit</b>	<b>78.1</b>	55.0
<b>Profit after net financial items</b>	<b>84.1</b>	74.2

**Billing ratio by market  
(%)**

	<b>Jan-June 2002</b>	Jan-June 2001
Consulting engineering operations in:		
Sweden	<b>75</b>	76
Norway	<b>78</b>	75
Finland	<b>72</b>	74

**Net sales by market  
(MSEK)**

	<b>Jan-June 2002</b>	Jan-June 2001
Consulting engineering operations in:		
Sweden	<b>448.8</b>	437.3
Norway	<b>222.9</b>	191.0
Finland	<b>170.5</b>	158.1
Group-wide and eliminations <sup>2)</sup>	<b>-8.6</b>	-8.0
<b>Total Group</b>	<b>833.6</b>	778.4

**Operating profit by market  
(MSEK)**

	<b>Jan-June 2002</b>	Jan-June 2001
Consulting engineering operations in:		
Sweden	<b>36.6</b>	36.0
Norway	<b>13.6</b>	8.4
Finland	<b>10.5</b>	10.4
Share in profit of associated companies and items affecting comparability <sup>1)</sup>	<b>18.0</b>	0.5
Group-wide and eliminations <sup>2)</sup>	<b>-0.6</b>	-0.3
<b>Total Group</b>	<b>78.1</b>	55.0

<sup>1)</sup> Items affecting comparability for the year 2002 include a refund of MSEK 17.8 from Alecta.

<sup>2)</sup> Group-wide and eliminations include the Parent Company in Sweden.

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

<b>Net sales by market (MSEK)</b>	<b>Q 2 2002</b>	<b>Q 1 2002</b>	<b>Q 4 2001</b>	<b>Q 3 2001</b>	<b>Q 2 2001</b>
Consulting engineering operations in:					
Sweden	228.9	219.9	218.7	178.2	211.8
Norway	113.5	109.4	106.8	87.7	96.8
Finland	90.2	80.3	88.2	66.0	80.8
Group-wide and eliminations <sup>1)</sup>	-4.3	-4.3	-1.7	-2.7	-4.0
<b>Total Group</b>	<b>428.3</b>	<b>405.3</b>	<b>412.0</b>	<b>329.2</b>	<b>385.4</b>

<b>Operating profit by market (MSEK)</b>	<b>Q 2 2002</b>	<b>Q 1 2002</b>	<b>Q 4 2001</b>	<b>Q 3 2001</b>	<b>Q 2 2001</b>
Consulting engineering operations in:					
Sweden	13.9	22.7	9.0	8.9	12.0
Norway	5.6	8.0	11.5	8.0	1.6
Finland	5.4	5.1	4.9	3.6	4.6
Share in profit of associated companies and items affecting comparability <sup>2)</sup>	-0.2	18.2	-0.2	0.1	0.3
Group-wide and eliminations <sup>1)</sup>	-4.2	3.6	-3.0	1.4	-1.4
<b>Total Group</b>	<b>20.5</b>	<b>57.6</b>	<b>22.2</b>	<b>22.0</b>	<b>17.1</b>

<sup>1)</sup> Group-wide and eliminations include the Parent Company in Sweden.

<sup>2)</sup> Items affecting comparability for the year 2002 include a refund of MSEK 17.8 from Alecta.

<b>Profit by quarter (MSEK)</b>	<b>Q 2 2002</b>	<b>Q 1 2002</b>	<b>Q 4 2001</b>	<b>Q 3 2001</b>	<b>Q 2 2001</b>
Fees for services, etc.	368.0	352.8	349.1	277.3	331.7
Income from outlays, subconsulting services	60.3	52.5	62.9	51.9	53.7
<b>Total net sales</b>	<b>428.3</b>	<b>405.3</b>	<b>412.0</b>	<b>329.2</b>	<b>385.4</b>
Expenses for outlays, subconsulting services	-59.0	-47.7	-58.0	-47.0	-50.4
Other external expenses	-65.8	-55.8	-66.3	-53.2	-61.5
Personnel costs	-275.0	-254.7	-257.6	-199.2	-248.4
Depreciation	-7.8	-7.7	-7.7	-7.9	-8.3
<b>Total expenses</b>	<b>-407.6</b>	<b>-365.9</b>	<b>-389.6</b>	<b>-307.3</b>	<b>-368.6</b>
Share in profit of associated companies and items affecting comparability <sup>1)</sup>	-0.2	18.2	-0.2	0.1	0.3
<b>Operating profit</b>	<b>20.5</b>	<b>57.6</b>	<b>22.2</b>	<b>22.0</b>	<b>17.1</b>
Net financial items	3.3	2.7	4.6	4.5	1.1
<b>Profit after financial items</b>	<b>23.8</b>	<b>60.3</b>	<b>26.8</b>	<b>26.5</b>	<b>18.2</b>
Tax on profit for the period	-7.9	-17.5	-6.4	-8.4	-6.1
Minority share	0.0	0.0	0.0	0.0	0.0
<b>Net profit for the period</b>	<b>15.9</b>	<b>42.8</b>	<b>20.4</b>	<b>18.1</b>	<b>12.1</b>
Average number of employees	1,858	1,833	1,841	1,841	1,852

<sup>1)</sup> Items affecting comparability for the year 2002 include a refund of MSEK 17.8 from Alecta.

<b>Key ratios</b>	<b>Jan-June 2002</b>	Jan-June 2001	Full year 2001
Profit after financial items, MSEK	<b>84.1</b>	74.2	127.5
Equity per share, SEK <sup>1)</sup>	<b>14.70</b>	14.08	15.87
Equity per share after dilution, SEK <sup>2)</sup>	<b>14.86</b>	14.24	16.03
Cash flow per share after investments, SEK <sup>1)</sup>	<b>3.77</b>	0.18	3.24
Cash flow per share after investments after dilution, SEK <sup>2)</sup>	<b>3.75</b>	0.18	3.23
Return on equity, %	<b>29.2</b>	30.6	24.7
Return on capital employed, %	<b>39.8</b>	35.4	30.6
Return on total capital, %	<b>17.8</b>	16.9	15.9
Net margin, %	<b>10.1</b>	9.5	8.4
Operating margin, % <sup>3)</sup>	<b>7.2</b>	7.1	6.5
Equity ratio, %	<b>41</b>	42	45
Average number of employees	<b>1,858</b>	1,852	1,841
Number of employees at end of period	<b>2,031</b>	1,960	1,983

*For definitions, see the annual report for 2001*

Number of shares per 30 June 2002: 23,896,828, of which 785 000 repurchased in 2000.

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

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

<sup>3)</sup> The operation margin has been calculated on operating profit excluding the refund from Alecta.

<b>Change in shareholders' equity (MSEK)</b>	<b>Jan-June 2002</b>	Jan-June 2001	Full year 2001
Consolidated shareholders' equity			
Opening balance	<b>366.9</b>	390.6	391.4
Dividend	<b>-86.7</b>	-127.1	-127.1
Translation difference	<b>0.8</b>	7.2	9.8
Change in group structure	<b>0.0</b>	-0.4	-0.7
Net profit for the period	<b>58.7</b>	55.0	93.5
<b>Closing balance</b>	<b>339.7</b>	325.3	366.9

**Consolidated condensed  
income statements  
(MSEK)**

	<b>Jan-June 2002</b>	Jan-June 2001	April-June 2002	April-June 2001	July 2001- June 2002	Full year 2001
Fees for services, etc.	<b>720.8</b>	671.9	368.0	331.7	1,347.2	1,298.3
Income from outlays, subconsulting services	<b>112.8</b>	106.5	60.3	53.7	227.6	221.3
<b>Total net sales</b>	<b>833.6</b>	778.4	428.3	385.4	1,574.8	1,519.6
Expenses for outlays, subconsulting services	<b>-106.7</b>	-102.7	-59.0	-50.4	-211.7	-207.7
Other external expenses	<b>-121.6</b>	-119.6	-65.8	-61.5	-241.1	-239.1
Personnel costs	<b>-529.7</b>	-486.1	-275.0	-248.4	-986.5	-942.9
Depreciation	<b>-15.5</b>	-15.5	-7.8	-8.3	-31.1	-31.1
<b>Total expenses</b>	<b>-773.5</b>	-723.9	-407.6	-368.6	-1,470.4	-1,420.8
Share in profit of associated companies and items affecting comparability <sup>1)</sup>	<b>18.0</b>	0.5	-0.2	0.3	17.9	0.4
<b>Operating profit</b>	<b>78.1</b>	55.0	20.5	17.1	122.3	99.2
Gain on the sale of Arsenalen	-	15.0	-	-	-	15.0
Net financial items	<b>6.0</b>	4.2	3.3	1.1	15.1	13.3
<b>Profit after financial items</b>	<b>84.1</b>	74.2	23.8	18.2	137.4	127.5
Tax on profit for the period	<b>-25.4</b>	-19.2	-7.9	-6.1	-40.2	-34.0
Minority share	<b>0.0</b>	0.0	0.0	0.0	0.0	0.0
<b>Net profit for the period</b>	<b>58.7</b>	55.0	15.9	12.1	97.2	93.5
Earnings per share after full tax, SEK <sup>2)</sup>	<b>2.54</b>	2.38	0.69	0.52	4.21	4.04
Earnings per share after full tax after dilution, SEK <sup>3)</sup>	<b>2.53</b>	2.37	0.68	0.52	4.19	4.02

<sup>1)</sup> Items affecting comparability for the year 2002 include a refund of MSEK 17.8 from Alecta.

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

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

**Number of shares**

Total number of shares	<b>23,896,828</b>
Buy-back of shares in 2000	<b>785,000</b>
Number of shares outstanding	<b>23,111,828</b>
Outstanding option rights <sup>1)</sup>	<b>113,507</b>
Number of shares after dilution	<b>23,225,335</b>

<sup>1)</sup> The outstanding option rights (total 111,500) grant entitlement to subscription for a total of 113,507 shares.

**Consolidated condensed  
balance sheets  
(MSEK)**

	<b>30 June 2002</b>	30 June 2001	31 Dec 2001
Intangible assets <sup>1)</sup>	<b>22.8</b>	24.2	22.1
Tangible assets	<b>57.1</b>	55.4	57.2
Financial assets	<b>56.0</b>	146.7	136.1
Current assets	<b>509.9</b>	437.6	427.8
Short-term investments	<b>105.0</b>	50.2	80.2
Cash and bank	<b>68.7</b>	64.4	94.0
<b>Total assets</b>	<b>819.5</b>	<b>778.5</b>	<b>817.4</b>
Shareholders' equity	<b>339.7</b>	325.3	366.9
Minority interests	<b>0.0</b>	0.2	0.0
Provisions <sup>2)</sup>	<b>83.9</b>	73.9	77.8
Long-term liabilities <sup>2)</sup>	<b>0.9</b>	10.8	1.0
Current liabilities <sup>2)</sup>	<b>395.0</b>	368.3	371.7
<b>Total shareholders' equity and liabilities</b>	<b>819.5</b>	<b>778.5</b>	<b>817.4</b>
Assets pledged	<b>1.6</b>	38.6	1.6
Contingent liabilities	<b>37.6</b>	23.1	27.4
Overdraft facilities	<b>40.6</b>	40.0	40.5
<sup>1)</sup> Of which, goodwill	<b>22.4</b>	24.0	22.0
<sup>2)</sup> Of which, interest-bearing liabilities and provisions	<b>48.2</b>	56.7	46.8

**Consolidated condensed  
cash flow statements  
(MSEK)**

	<b>Jan-June 2002</b>	Jan-June 2001	Full year 2001
Cash flow from operating activities before changes in working capital	<b>78.8</b>	-0.8	63.9
Changes in working capital	<b>21.3</b>	18.8	44.7
<b>Cash flow from operating activities</b>	<b>100.1</b>	18.0	108.6
Investing activities	<b>-13.0</b>	-13.7	-33.4
<b>Cash flow after investing activities</b>	<b>87.1</b>	4.3	75.2
Financing activities	<b>-87.0</b>	-129.3	-140.3
<b>The period's cash flow</b>	<b>0.1</b>	-125.0	-65.1
Liquid assets, opening balance	<b>174.2</b>	238.6	238.6
Exchange rate difference, liquid assets	<b>-0.6</b>	1.0	0.7
Liquid assets, closing balance	<b>173.7</b>	114.6	174.2

