



PRESSINFO
SCANDIACONSULT

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Interim report January-September 2002

- **Profit after net financial items improved by 12 per cent to MSEK 112.3 (100.7).**
- **Operating profit excluding the refund from Alecta rose 11 per cent to MSEK 85.3 (77.0).**
- **Net sales increased by 7 per cent to MSEK 1,185.9 (1,107.6).**
- **Norwegian operations were reinforced through the acquisition of Unico AS.**
- **Demand in the infrastructure sector is expected to remain strong in the foreseeable future, while further weakening is anticipated in the building construction sector. With a large share of operations in the infrastructure sector and the company's wide geographic coverage in the Nordic region, Scandiaconsult is well poised to benefit from this development.**

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 is a leading consulting engineering company in the Nordic market. The Group offers comprehensive solutions in the fields of civil engineering 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 OM Stockholm Stock Exchange. For more information visit www.scc.se.

The period in review

For the first nine months of 2002 Scandiaconsult posted net sales of MSEK 1,185.9 (1,107.6), an increase of 7 per cent on the corresponding period of last year. The Group's third quarter sales were up 7 per cent to MSEK 352.3 (329.2). The rise in sales is primarily attributable to a better price scenario.

Demand for consulting engineering services in the Nordic market remains strong in the infrastructure sector, but is expected to decline further in the building construction sector. In the near term, Norway is expected to show stronger demand than Sweden and Finland.

Profit after net financial items during the period amounted to MSEK 112.3 (100.7), an increase of MSEK 11.6 or 12 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 a supplementary payment MSEK 15.0 for the sale of Arsenalen. Third quarter profit after net financial items rose 6 per cent to MSEK 28.2 (26.5). Scandiaconsult's ongoing efficiency improvement programme and a shift towards segments with favourable demand have contributed to the positive earnings trend. The operating margin strengthened to 7.2 per cent excluding client company pension funds (7.0).

Acquisitions and sales

Scandiaconsult has reinforced its operations in Norway through the acquisition of Unico AS. The company is located in Kristiansand and is active in industrial engineering, structural engineering and project development. Unico has 60 employees and posted an annual turnover of around MSEK 50 in 2001. The transfer of ownership will take place on 1 January 2003.

In Finland Scandiaconsult has acquired Vesihydro Oy with around 90 employees. The transfer of ownership took place on 1 September 2002. The company is active in the Helsinki and Seinäjoki areas and has an annual turnover of around MSEK 45. Vesihydro's main areas of operation are water and environmental engineering, planning of traffic systems and shipping fairways and geotechnical engineering.

On 1 January 2002, Scandiaconsult took over the firm of Siv. Ing Tom R Hansen in Norway. The company is located in Sandefjord and provides consulting engineering services in structural, civil and water/wastewater engineering, with special expertise in underwater engineering. 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 893.

Scandiaconsult's net sales in Sweden during the period amounted to MSEK 622.8 (615.5), an improvement that was mainly due to an improved price level. Third quarter sales reached MSEK 174.0 (178.2). During the period, Scandiaconsult continued to adapt operations to lower demand in certain segments and locations. Operating profit for the nine-month period amounted to MSEK 43.6 (44.9). For the third quarter, operating profit was MSEK 7.0 (8.9).

On the whole, demand in the Swedish market remained strong during the period, with considerable variations between locations and technical disciplines. Declining demand was noted in the building construction segment, while demand in the civil engineering segment showed positive development. This trend is expected to continue in the next few months.

Scandiaconsult has been commissioned to prepare sanitary engineering plans for system and building documents regarding a new psychiatric clinic at Sahlgrenska University Hospital East in Gothenburg, which covers a total of 20,000 square meters.

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 municipal governments. The average number of employees during the period was 448.

During the period, Scandiaconsult's net sales in Norway rose 18 per cent to MSEK 328.4 (278.7). Adjusted for currency effects, the increase was 11 per cent. This sales growth was primarily attributable to an improved price level. Third quarter sales were up 20 per cent to MSEK 105.5 (87.7). Adjusted for currency effects, the increase was 13 per cent.

Operating profit during the period rose to MSEK 23.5 (16.4), up 43 per cent on the year-earlier figure. Adjusted for currency effects, the increase was 34 per cent. Operating profit for the third quarter improved to MSEK 9.9 (8.0). This earnings growth was mainly attributable to units in structural and civil engineering.

The Norwegian market noted robust development during the period. The infrastructure sector is expected to show continued positive development in the near future, while a weakening trend is anticipated in the building construction sector. In a longer perspective, the recent removal of the investment fee could have a positive impact on investments in the building construction sector.

Scandiaconsult has been awarded an assignment to plan remodelling and new construction at the Akershus Fortress in central Oslo, to which the Norwegian Ministry of Defence and Commander in Chief will be relocated. The project is scheduled for completion in 2004.

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 498.

During the period, Scandiaconsult's net sales in Finland rose 10 per cent to MSEK 245.6 (224.1). Even after adjustment for currency effects, the increase was 10 per cent. Third quarter sales were up 14 per cent to MSEK 75.1 (66.0). Adjusted for currency effects, the increase was also 14 per cent. The increase in sales is explained by an improved price scenario and a higher number of employees.

Operating profit during the period totalled MSEK 17.6 (14.0), corresponding to an increase of 25 per cent. Adjusted for currency effects, the increase also amounted to 25 per cent. Operating profit for the third quarter improved to MSEK 7.1 (3.6). This earnings growth owes mainly to an improved price scenario and the stronger margins resulting from efficiency gains.

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

In the Helsinki area, planning of the new Nordsjö cargo harbour is underway. The aims of the project are to build a modern cargo harbour and to free up land for housing construction in the city center. Scandiaconsult is part of the consulting group responsible for planning construction of road and railway connections to the harbour.

Financial position

The Group has maintained favourable liquidity despite dividend payments of MSEK 86.7 and a share buy-back for MSEK 2.9 during the period. Cash and bank and short-term investments at the end of the period totalled MSEK 213.0 (125.1). Interest-bearing liabilities decreased to MSEK 50.7 (56.5). Cash flow after investments was MSEK 129.0 (14.9) or SEK 5.58 per share (0.64)

The Group's financial position remains strong and the equity ratio at the end of the period was 45 per cent (45). Shareholders' equity amounted to MSEK 356.4 (349.4), corresponding to equity per share before dilution of SEK 15.47 (15.12).

Tax

The period's tax expense was MSEK 33.7, corresponding to 30 per cent of profit before tax.

Investments

New investments in tangible fixed assets amounted to MSEK 23.5 (19.7) and referred primarily to computers and other IT equipment. Depreciation of machinery and equipment during the period totalled MSEK 20.9 (20.3).

Employees

The average number of employees during the period was 1,857 (1,841). Including temporary staff, the number of employees at the end of the period was 2,105 (1,970).

Parent Company

The Parent Company reported net sales of MSEK 22.1 (17.9) during the period. Profit after net financial items was MSEK 14.2 (21.2). The year-earlier figure included a supplementary payment of MSEK 15.0 for the sale of Arsenalen. Investments in machinery and equipment totalled MSEK 0.1 (0.0). Cash and bank and short-term investments amounted to MSEK 190.8 (98.1).

Share buy-back

The annual meeting of shareholders in Scandiaconsult on 7 May authorised the board to buy back shares in the company during the period before the next annual general meeting. During the period from August to September, Scandiaconsult repurchased 71,800 shares at an average price of SEK 40.29 each. Scandiaconsult's holdings of own shares at the end of the period amounted to 856,800 and the total number of shares outstanding was 23,040,028.

Future outlook

Demand in Scandiaconsult's areas of operation varies widely between technical disciplines and locations. This variation is expected to increase in the near future.

Declining demand is anticipated in the building construction sector, while demand in the infrastructure sector is expected to grow provided that the necessary political decisions are made. With a high proportion of operations in the infrastructure sector and the company's wide geographic coverage in the Nordic region, Scandiaconsult is well poised to benefit from this development.

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 2003

The year-end report for 2002 will be published on 18 February.

Interim report (3 months): 8 May

Interim report (6 months): 14 August

Interim report (9 months): 30 October

Stockholm, 25 October 2002

Scandiaconsult AB (publ)

Torbjörn Torell

Managing Director & CEO

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

Auditors' report

This report has not been subject to review by the Company's auditors.

Consolidated condensed income statements (MSEK)	Jan-Sept 2002	Jan-Sept 2001
Net sales	1,185.9	1,107.6
Operating expenses	-1,100.8	-1,031.2
Share in profit of associated companies and items affecting comparability ¹⁾	18.0	0.6
Operating profit	103.1	77.0
Profit after net financial items	112.3	100.7

Billing ratio by market (%)	Jan-Sept 2002	Jan-Sept 2001
Consulting engineering operations in:		
Sweden	74	75
Norway	77	75
Finland	73	73

Net sales by market (MSEK)	Jan-Sept 2002	Jan-Sept 2001
Consulting engineering operations in:		
Sweden	622.8	615.5
Norway	328.4	278.7
Finland	245.6	224.1
Group-wide and eliminations ²⁾	-10.9	-10.7
Total Group	1,185.9	1,107.6

Operating profit by market (MSEK)	Jan-Sept 2002	Jan-Sept 2001
Consulting engineering operations in:		
Sweden	43.6	44.9
Norway	23.5	16.4
Finland	17.6	14.0
Share in profit of associated companies and items affecting comparability ¹⁾	18.0	0.6
Group-wide and eliminations ²⁾	0.4	1.1
Total Group	103.1	77.0

¹⁾ Items affecting comparability for the year 2002 include a refund of MSEK 17.8 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)	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001	Q 3 2001
Consulting engineering operations in:					
Sweden	174.0	228.9	219.9	218.7	178.2
Norway	105.5	113.5	109.4	106.8	87.7
Finland	75.1	90.2	80.3	88.2	66.0
Group-wide and eliminations ¹⁾	-2.3	-4.3	-4.3	-1.7	-2.7
Total Group	352.3	428.3	405.3	412.0	329.2

Operating profit by market (MSEK)	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001	Q 3 2001
Consulting engineering operations in:					
Sweden	7.0	13.9	22.7	9.0	8.9
Norway	9.9	5.6	8.0	11.5	8.0
Finland	7.1	5.4	5.1	4.9	3.6
Share in profit of associated companies and items affecting comparability ²⁾	0.0	-0.2	18.2	-0.2	0.1
Group-wide and eliminations ¹⁾	1.0	-4.2	3.6	-3.0	1.4
Total Group	25.0	20.5	57.6	22.2	22.0

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

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

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

Profit by quarter (MSEK)	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001	Q 3 2001
Fees for services, etc.	300.8	368.0	352.8	349.1	277.3
Income from outlays, subconsulting services	51.5	60.3	52.5	62.9	51.9
Total net sales	352.3	428.3	405.3	412.0	329.2
Expenses for outlays, subconsulting services	-46.4	-59.0	-47.7	-58.0	-47.0
Other external expenses	-58.2	-65.8	-55.8	-66.3	-53.2
Personnel costs	-214.3	-275.0	-254.7	-257.6	-199.2
Depreciation	-8.4	-7.8	-7.7	-7.7	-7.9
Total expenses	-327.3	-407.6	-365.9	-389.6	-307.3
Share in profit of associated companies and items affecting comparability ¹⁾	0.0	-0.2	18.2	-0.2	0.1
Operating profit	25.0	20.5	57.6	22.2	22.0
Net financial items	3.2	3.3	2.7	4.6	4.5
Profit after financial items	28.2	23.8	60.3	26.8	26.5
Tax on profit for the period	-8.3	-7.9	-17.5	-6.4	-8.4
Minority share	0.0	0.0	0.0	0.0	0.0
Net profit for the period	19.9	15.9	42.8	20.4	18.1
Average number of employees	1,857	1,858	1,833	1,841	1,841

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

Key ratios	Jan- Sept 2002	Jan- Sept 2001	Full year 2001
Profit after financial items, MSEK	112.3	100.7	127.5
Equity per share, SEK ¹⁾	15.47	15.12	15.87
Equity per share after dilution, SEK ²⁾	15.62	15.27	16.03
Cash flow per share after investments, SEK ¹⁾	5.58	0.64	3.24
Cash flow per share after investments after dilution, SEK ²⁾	5.56	0.64	3.23
Return on equity, %	28.0	28.2	24.7
Return on capital employed, %	36.7	34.7	30.6
Return on total capital, %	18.9	18.2	15.9
Net margin, %	9.5	9.1	8.4
Operating margin, % ³⁾	7.2	7.0	6.5
Equity ratio, %	45	45	45
Average number of employees	1,857	1,841	1,841
Number of employees at end of period	2,105	1,970	1,983

For definitions, see the annual report for 2001

Number of shares per 30 September 2002: 23,896,828, of which 785,000 were repurchased in 2000 and 71,800 in the third quarter of 2002.

Return is calculated on rolling 12-month profit.

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⁾ The operation margin has been calculated on operating profit excluding the refund from Alecta.

Change in shareholders' equity (MSEK)	Jan-Sept 2002	Jan-Sept 2001	Full year 2001
Consolidated shareholders' equity			
Opening balance	366.9	390.6	391.4
Dividend	-86.7	-127.1	-127.1
Translation difference	2.2	13.2	9.8
Change in group structure	0.0	-0.4	-0.7
Share buy-back	-2.9	-	-
Changed accounting principles in acquired companies	-1.7	-	-
Net profit for the period	78.6	73.1	93.5
Closing balance	356.4	349.4	366.9

**Consolidated condensed
income statements
(MSEK)**

	Jan-Sept 2002	Jan-Sept 2001	July-Sept 2002	July-Sept 2001	Oct 2001- Sept 2002	Full year 2001
Fees for services, etc.	1,021.6	949.2	300.8	277.3	1,370.7	1,298.3
Income from outlays, subconsulting services	164.3	158.4	51.5	51.9	227.2	221.3
Total net sales	1,185.9	1,107.6	352.3	329.2	1,597.9	1,519.6
Expenses for outlays, subconsulting services	-153.1	-149.7	-46.4	-47.0	-211.1	-207.7
Other external expenses	-179.8	-172.8	-58.2	-53.2	-246.1	-239.1
Personnel costs	-744.0	-685.3	-214.3	-199.2	-1,001.6	-942.9
Depreciation	-23.9	-23.4	-8.4	-7.9	-31.6	-31.1
Total expenses	-1,100.8	-1,031.2	-327.3	-307.3	-1,490.4	-1,420.8
Share in profit of associated companies and items affecting comparability ¹⁾	18.0	0.6	0.0	0.1	17.8	0.4
Operating profit	103.1	77.0	25.0	22.0	125.3	99.2
Gain on the sale of Arsenalen	-	15.0	-	-	-	15.0
Net financial items	9.2	8.7	3.2	4.5	13.8	13.3
Profit after financial items	112.3	100.7	28.2	26.5	139.1	127.5
Tax on profit for the period	-33.7	-27.6	-8.3	-8.4	-40.1	-34.0
Minority share	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	78.6	73.1	19.9	18.1	99.0	93.5
Earnings per share after full tax, SEK ²⁾	3.40	3.16	0.86	0.78	4.28	4.04
Earnings per share after full tax after dilution, SEK ³⁾	3.38	3.15	0.86	0.78	4.26	4.02

¹⁾ Items affecting comparability for the year 2002 include a refund of MSEK 17.8 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
Buy-back of shares in third quarter of 2002	71,800
Number of shares outstanding	23,040,028
Outstanding option rights ¹⁾	113,507
Number of shares after dilution	23,153,535

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

**Consolidated condensed
balance sheets
(MSEK)**

	30 Sept 2002	30 Sept 2002	31 Dec 2001
Intangible assets ¹⁾	27.3	23.6	22.1
Tangible assets	63.1	54.6	57.2
Financial assets	53.5	136.6	136.1
Current assets	442.7	437.7	427.8
Short-term investments	110.0	60.2	80.2
Cash and bank	103.0	64.9	94.0
Total assets	799.6	777.6	817.4
Shareholders' equity	356.4	349.4	366.9
Minority interests	-	-	0.0
Provisions ²⁾	83.0	74.5	77.8
Long-term liabilities ²⁾	3.2	11.1	1.0
Current liabilities ²⁾	357.0	342.6	371.7
Total shareholders' equity and liabilities	799.6	777.6	817.4
Assets pledged	1.6	38.6	1.6
Contingent liabilities	35.1	23.1	27.4
Overdraft facilities	40.6	40.0	40.5
¹⁾ Of which, goodwill	27.0	23.5	22.0
²⁾ Of which, interest-bearing liabilities and provisions	50.7	56.5	46.8

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

	Jan-Sept 2002	Jan-Sept 2001	Full year 2001
Cash flow from operating activities before changes in working capital	108.2	31.6	63.9
Changes in working capital	48.3	1.1	44.7
Cash flow from operating activities	156.5	32.7	108.6
Investing activities	-27.5	-17.8	-33.4
Cash flow after investing activities	129.0	14.9	75.2
Financing activities	-89.7	-130.6	-140.3
The period's cash flow	39.3	-115.7	-65.1
Liquid assets, opening balance	174.2	238.6	238.6
Exchange rate difference, liquid assets	-0.5	2.2	0.7
Liquid assets, closing balance	213.0	125.1	174.2

