



PRESSINFO
SCANDIACONSULT

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12 February 2003

Year-end report 2002

- **Record profit. Operating profit excluding the refund from Alecta rose 12 per cent to MSEK 111.1 (99.2).**
- **Profit after net financial items improved by 10 per cent to MSEK 140.4 (127.5).**
- **Net sales increased by 7 per cent to MSEK 1,633.0 (1,519.6).**
- **The Board proposes a dividend of SEK 5.00 per share (3.75), including an extra dividend of SEK 3.00 (2.00).**
- **Scandiaconsult with extensive operations in the infrastructure segment and wide geographic coverage in the Nordic region is well positioned for continued development and growth.**

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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 2,100 at more than 50 locations in Sweden, Norway and Finland. The Group has an annual turnover of SEK 1.6 billion and is quoted on the A list of the Stockholm Stock Exchange. For more information visit www.scc.se.

Scandiaconsult AB (publ)
Year-end report January-December 2002

The year in review

Aside from favourable price development, the positive earnings trend was fuelled by increased market shares, efficiency gains and a shift towards segments with strong demand. All markets showed an increase in sales and profit despite general weakening in the economy. Demand for consulting engineering services in the Nordic market was robust in the infrastructure sector, but declined in the building construction sector.

Scandiaconsult's net sales amounted to MSEK 1,633.0 (1,519.6), an increase of 7 per cent. Fourth quarter sales were up 9 per cent to MSEK 447.1 (412.0).

Profit after net financial items in 2002 totalled MSEK 140.4 (127.5), an improvement of MSEK 12.9 or 10 per cent compared with the previous year. Profit includes reallocated client company pension funds of MSEK 17.8. The year-earlier figure included a supplementary payment MSEK 15.0 for the sale of Arsenalen. Fourth quarter profit after net financial items rose 5 per cent to MSEK 28.1 (26.8). The operating margin strengthened to 6.8 per cent (6.5) excluding client company pension funds.

Acquisitions and sales

In Finland Scandiaconsult has acquired Vesihydro Oy with around 90 employees. The transfer of ownership took place on 1 September 2002. The company is located in Helsinki and Seinäjoki and has an annual turnover of around MSEK 45. The acquisition has strengthened Scandiaconsult's position in the fields of 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 services in structural, civil and water/wastewater engineering, with special expertise in underwater engineering. The company has an annual turnover of around MSEK 5.

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

No units were sold during the year.

National markets

Operations in Sweden

Scandiaconsult in Sweden offers consulting services in infrastructure, building construction, civil engineering and installation. Special areas of expertise include IT coordination, network services, risk analysis, security, road informatics and road condition surveys. The clients are found primarily in the public sector. The average number of employees during the year was 886.

Scandiaconsult's net sales in Sweden during the year increased by MSEK 12.4 to MSEK 846.6 (834.2), an improvement that was mainly due to a better price level. Fourth quarter sales reached MSEK 223.8 (218.7). During the year, Scandiaconsult continued to adapt operations to lower demand in certain segments and locations. Operating profit for the full year rose to MSEK 55.5 (53.9). For the fourth quarter, operating profit was MSEK 11.9 (9.0).

On the whole, demand in the Swedish market remained strong during the period. Declining demand was noted in the building construction segment, while demand in the infrastructure segment was robust.

Scandiaconsult has been commissioned by SIDA to support Zambia's efforts to combat poverty. The assignment includes development of agricultural methods and infrastructural improvements, as well as education of local small business owners, organisations and authorities. The assignment is worth an estimated MSEK 35 and will extend for a period of three years.

Operations in Norway

Scandiaconsult in Norway offers consulting services in the fields of infrastructure, building construction, civil engineering and installation. Special areas of expertise include operating services, logistics, architecture, project development and visualization. The clients are found primarily in the national, county and municipal governments. The average number of employees during the year was 448.

In 2002 Scandiaconsult's net sales in Norway rose 18 per cent to MSEK 453.4 (385.5). Adjusted for currency effects, the increase was 11 per cent. This sales growth was primarily attributable to an improved price level. Fourth quarter sales were up 17 per cent to MSEK 125.0 (106.8). Adjusted for currency effects, the increase was 10 per cent.

Operating profit during the year rose to MSEK 33.1 (27.9), up 19 per cent. Adjusted for currency effects, the increase was 12 per cent. Earnings growth was mainly attributable to units in structural and civil engineering in Oslo. Operating profit for the fourth quarter was MSEK 9.6 (11.5).

The year's investments in the construction and civil engineering market were down somewhat compared with 2001, although there were considerable variations between sectors.

Infrastructural investments rose somewhat, while investments in the building construction sector declined.

The Norwegian Directorate of Public Construction and Property, Statsbygg, has commissioned Scandiaconsult for another large-scale assignment in connection with the planned opera house in Oslo. The assignment includes construction management, coordination and operational planning and the contract is valued at around MSEK 30. The construction time is estimated at five years.

Operations in Finland

Scandiaconsult in Finland offers consulting services in the fields of infrastructure, building construction and civil engineering. Special areas of expertise include applied research in industrial processes, traffic systems and informatics. The clients are found mainly in the public sector, predominantly in infrastructure assignments. The average number of employees during the year was 516.

During the year, Scandiaconsult's net sales in Finland rose 12 per cent to MSEK 349.8 (312.3). After adjustment for currency effects, the increase was 13 per cent. The increase in sales was mainly due to an improved price scenario and the accretive effect of acquisitions. Fourth quarter sales were up 18 per cent to MSEK 104.2 (88.2). Adjusted for currency effects, this represents an increase of 19 per cent.

Operating profit during the year amounted to MSEK 21.3 (18.9), corresponding to an increase of 13 per cent. Adjusted for currency effects, the increase also amounted to 13 per cent. This earnings growth owes mainly to an improved price scenario and the stronger margins resulting from efficiency gains. Operating profit for the fourth quarter improved to MSEK 3.7 (4.9). A new business system was deployed in the second half of 2002.

Development in the infrastructure sector remained strong during 2002. Investments in the building construction sector during 2002 declined somewhat in relation to the preceding year as a result of weak demand in the industrial and building construction market.

The Finnish National Road Administration has awarded Scandiaconsult a five-year contract for road condition surveys on around 30,000 km of Finnish roads. The assignment is a joint effort between Scandiaconsult's unit for road maintenance, RST, and Scandiaconsult's Finnish subsidiary. The contract is worth over MSEK 50.

Financial position

The Group's strong financial position creates scope for active participation in the structural changes taking place in the industry. The equity ratio at year-end was 46 per cent (45) and shareholders' equity amounted to MSEK 380.0 (366.9), corresponding to equity per share before dilution of SEK 16.49 (15.87).

The Group has maintained favourable liquidity. During the year, dividends were paid in the amount of MSEK 86.7 and a share buy-back was carried out for MSEK 2.9. Cash and bank and short-term investments at the end of the year totalled MSEK 296.7 (174.2). Interest-bearing liabilities amounted to MSEK 50.9 (46.8).

The cash flow after investments was strong and amounted to MSEK 212.9 (75.2) or SEK 9.21 per share (3.24). Cash flow includes payment of client-company pension funds of MSEK 120 from Alecta.

Tax

The year's tax expense was MSEK 38.6, corresponding to 27 per cent of profit before tax.

Investments

New investments in tangible assets amounted to MSEK 33.3 (29.7) and referred primarily to computers and other IT equipment. Depreciation of equipment during the year totalled MSEK 29.5 (26.9).

Employees

The average number of employees in 2002 amounted to 1,866 (1,841). Including temporary staff, the number of employees at the end of the year was 2,073 (1,983).

Parent Company

The Parent Company reported net sales of MSEK 30.4 (26.4) during the year. Profit after net financial items was MSEK 74.8 (48.7). Investments in equipment totalled MSEK 0.1 (0.0). Cash and bank and short-term investments amounted to MSEK 281.8 (155.9).

Share buy-back

The annual meeting of shareholders in Scandiaconsult on 7 May 2002 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 year amounted to 856,800 and the total number of shares outstanding was 23,040,028.

Future outlook for 2003

Demand in Scandiaconsult's home markets shows wide variations between both technical disciplines and locations. The building construction sector showed declining demand in 2002, while demand in the infrastructure sector was stable. In 2003 the Swedish Federation of Consulting Engineers and Architects, STD, anticipates total volume growth in Sweden of over 5 per cent. Despite general weakening in the economy, Scandiaconsult, with extensive operations in the infrastructure segment and wide geographic coverage in the Nordic region, is well positioned for continued development and growth.

Accounting principles

This 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.

Dividend

The Board proposes a dividend of SEK 5.00 per share (3.75), including an extra dividend of SEK 3.00. The record date for entitlement to dividends is 13 May.

Annual General Meeting

The Annual General Meeting will be held at 4:30 p.m. on 8 May in the main auditorium of the Polstjärnan Conference Center, Sveavägen 77, Stockholm.

Financial information in 2003

Interim report (3 months): 8 May

Interim report (6 months): 14 August

Interim report (9 months): 30 October

Stockholm, 12 February 2003

Scandiaconsult AB (publ)

The Board of Directors

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

Consolidated condensed income statements (MSEK)	Jan-Dec 2002	Jan-Dec 2001
Net sales	1 633,0	1 519,6
Operating expenses	-1 522,4	-1 420,8
Share in profit of associated companies and items affecting comparability ¹⁾	18,3	0,4
Operating profit	128,9	99,2
Profit after net financial items	140,4	127,5 ²⁾

Billing ratio by market (%)	Jan-Dec 2002	Jan-Dec 2001
Consulting engineering operations in:		
Sweden	74	75
Norway	77	75
Finland	72	73

Net sales by market (MSEK)	Jan-Dec 2002	Jan-Dec 2001
Consulting engineering operations in:		
Sweden	846,6	834,2
Norway	453,4	385,5
Finland	349,8	312,3
Group-wide and eliminations ³⁾	-16,8	-12,4
Total Group	1 633,0	1 519,6

Operating profit by market (MSEK)	Jan-Dec 2002	Jan-Dec 2001
Consulting engineering operations in:		
Sweden	55,5	53,9
Norway	33,1	27,9
Finland	21,3	18,9
Share in profit of associated companies and items affecting comparability ¹⁾	18,3	0,4
Group-wide and eliminations ³⁾	0,7	-1,9
Total Group	128,9	99,2

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

²⁾ Supplementary payment for the sale of Arsenalen, MSEK 15, is included for 2001.

³⁾ 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 4 2002	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001
Consulting engineering operations in:					
Sweden	223,8	174,0	228,9	219,9	218,7
Norway	125,0	105,5	113,5	109,4	106,8
Finland	104,2	75,1	90,2	80,3	88,2
Group-wide and eliminations ¹⁾	-5,9	-2,3	-4,3	-4,3	-1,7
Total Group	447,1	352,3	428,3	405,3	412,0

Operating profit by market (MSEK)	Q 4 2002	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001
Consulting engineering operations in:					
Sweden	11,9	7,0	13,9	22,7	9,0
Norway	9,6	9,9	5,6	8,0	11,5
Finland	3,7	7,1	5,4	5,1	4,9
Share in profit of associated companies and items affecting comparability ²⁾	0,3	0,0	-0,2	18,2	-0,2
Group-wide and eliminations ¹⁾	0,3	1,0	-4,2	3,6	-3,0
Total Group	25,8	25,0	20,5	57,6	22,2

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

²⁾ Items affecting comparability for 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 4 2002	Q 3 2002	Q 2 2002	Q 1 2002	Q 4 2001
Fees for services, etc.	370,1	300,8	368,0	352,8	349,1
Income from outlays, subconsulting	77,0	51,5	60,3	52,5	62,9
Total net sales	447,1	352,3	428,3	405,3	412,0
Expenses for outlays, subconsulting	-66,1	-46,4	-59,0	-47,7	-58,0
Other external expenses	-68,7	-58,2	-65,8	-55,8	-66,3
Personnel costs	-276,9	-214,3	-275,0	-254,7	-257,6
Depreciation	-9,9	-8,4	-7,8	-7,7	-7,7
Total expenses	-421,6	-327,3	-407,6	-365,9	-389,6
Share in profit of associated companies and items affecting comparability ¹⁾	0,3	0,0	-0,2	18,2	-0,2
Operating profit	25,8	25,0	20,5	57,6	22,2
Net financial items	2,3	3,2	3,3	2,7	4,6
Profit after financial items	28,1	28,2	23,8	60,3	26,8
Tax on profit for the period	-4,9	-8,3	-7,9	-17,5	-6,4
Minority share	0,0	0,0	0,0	0,0	0,0
Net profit for the period	23,2	19,9	15,9	42,8	20,4
Average number of employees	1 866	1 857	1 858	1 833	1 841

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

Key ratios	Jan-Dec 2002	Jan-Dec 2001
Profit after financial items, MSEK	140,4	127,5
Equity per share, SEK ¹⁾	16,49	15,87
Equity per share after dilution, SEK ²⁾	16,64	16,03
Cash flow per share after investments, SEK ¹⁾	9,21	3,24
Cash flow after investments per share, after dilution, SEK ²⁾	9,17	3,23
Return on shareholders' equity, %	27,3	24,7
Return on capital employed, %	34,8	30,6
Return on total assets, %	17,9	15,9
Net margin, %	8,6	8,4
Operating margin, % ³⁾	6,8	6,5
Equity/assets ratio %	46	45
Average number of employees	1 866	1 841
Number of employees at year-end	2 073	1 983

For definitions, see the annual report for 2001

Number of shares per 31 December 2002: 23,896,828, of which 785,000 repurchased in 2000 and 71,800 in the third quarter of 2002.

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 operating margin is calculated on operating profit excluding the refund from Alecta.

Change in shareholders' equity (MSEK)	Jan-Dec 2002	Jan-Dec 2001
Consolidated shareholders' equity		
Opening balance	366,9	391,4
Dividend	-86,7	-127,1
Translation difference	3,7	9,8
Change in group structure	-	-0,7
Buy-back of shares	-2,9	-
Changed accounting principle in acquired companies	-2,8	-
Net profit for the year	101,8	93,5
Closing balance	380,0	366,9

**Consolidated condensed
income statements
(MSEK)**

	Jan-Dec 2002	Jan-Dec 2001
Fees for services, etc.	1 391,7	1 298,3
Income from outlays, subconsulting	241,3	221,3
Total net sales	1 633,0	1 519,6
Expenses for outlays, subconsulting	-219,2	-207,7
Other external expenses	-248,5	-239,1
Personnel costs	-1 020,9	-942,9
Depreciation	-33,8	-31,1
Total expenses	-1 522,4	-1 420,8
Share in profit of associated companies and items affecting comparability ¹⁾	18,3	0,4
Operating profit	128,9	99,2
Gain on the sale of Arsenalen	-	15,0
Net financial items	11,5	13,3
Profit after financial items	140,4	127,5
Tax on profit for the year	-38,6	-34,0
Minority share	0,0	0,0
Net profit for the year	101,8	93,5
Earnings per share after full tax, SEK ²⁾	4,41	4,04
Earnings per share after full tax, after dilution, SEK ³⁾	4,39	4,02

¹⁾ Items affecting comparability for 2002 include a refund of MSEK 17.9 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 rights.

Number of shares

Total number of shares	23 896 828
Buy-back of shares in 2000	785 000
Buy-back of shares in 3rd 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 (111,500) grant entitlement to a total of 113,507 shares.

**Consolidated condensed
balance sheets**

(MSEK)	2002-12-31	2001-12-31
Intangible assets ¹⁾	26,4	22,1
Tangible assets	64,9	57,2
Financial assets	69,0	136,1
Current assets	371,0	427,8
Short-term investments	205,0	80,2
Cash and bank	91,7	94,0
Total assets	828,0	817,4
Shareholders' equity	380,0	366,9
Minority interests	0,0	0,0
Provisions ²⁾	77,7	77,8
Long-term liabilities ²⁾	2,6	1,0
Current liabilities ²⁾	367,7	371,7
Total shareholders' equity and liabilities	828,0	817,4
Assets pledged	1,6	1,6
Contingent liabilities	34,5	27,4
Bank overdraft facilities	40,8	40,5
¹⁾ Of which, goodwill	26,0	22,0
²⁾ Of which, interest-bearing liabilities and provisions	50,9	46,8

**Consolidated condensed
cash flow statements**

(MSEK)	Jan-Dec 2002	Jan-Dec 2001
Cash flow from operating activities before changes in working capital	127,5	63,9
Changes in working capital	119,2	44,7
Cash flow from operating activities	246,7	108,6
Investing activities	-33,8	-33,4
Cash flow after investing activities	212,9	75,2
Financing activities	-89,5	-140,3
The year's cash flow	123,4	-65,1
Liquid assets, opening balance	174,2	238,6
Exchange rate difference, liquid assets	-0,9	0,7
Liquid assets, closing balance	296,7	174,2

