



SWECO ANNUAL REPORT 2012



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Financial calendar

8 May 2013	Interim report January–March 2013
18 July 2013	Interim report January–June 2013
5 November 2013	Interim report January–September 2013
14 February 2014	Year-end report 2013

Green news

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Cover photo

On the cover we have gathered a few of the projects Sweco was involved in during 2012. You can read about these and many more of our activities in the section “Services and projects” starting on page 14. An innovative bridge, the world’s most energy-efficient hotel, a paper mill that reduced its emissions and an award-winning library are all shown on the cover and are examples of the results created through Sweco’s work.

Sweco in brief

The engineers, architects and environmental experts at Sweco are working together to develop total solutions that contribute to the creation of a sustainable society. We call it sustainable engineering and design. We make it possible for our clients to carry out their projects not only with the right quality and good economy but also with the best possible conditions for sustainable development. Sweco delivers professional consulting services with a high knowledge content throughout the client's project chain, from feasibility studies, analyses and strategic planning to engineering, design and project management. Sweco is among the largest players in Europe and is a market leader in the Nordic region and in several segments in Central and Eastern Europe. In 2012 Sweco carried out close to 37,000 projects for around 15,000 clients in some 80 countries worldwide.

Profit and key ratios, Group

	2012	2011
Net sales, SEK M	7,503.5	5,987.6
Operating profit, SEK M	659.3	531.3
Profit before tax, SEK M	630.8	526.8
Operating margin, %	8.8	8.9
Billing ratio, %	74.2	73.9
Return on equity, %	28.5	25.6
Return on capital employed, %	32.6	34.2
Net debt/equity ratio, %	23.9	-9.4
Equity/assets ratio, %	36.6	46.2
Earnings per share, SEK	4.97	4.11
Equity per share, SEK	18.55	16.46
Distribution to the shareholders per share, SEK	3.25 ¹⁾	3.00
Average number of employees	7,336	5,772

1) Proposed dividend of SEK 3.25 per share.

2012 a record year for Sweco

- Net sales rose by 25 per cent and operating profit improved by SEK 128 million.
- More than 1,400 new employees were added through acquisitions and organic growth.
- Sweco became the leading player in Finland through the acquisition of FMC Group.
- Demand remained strong throughout most of 2012, although some slowing was noted in the housing sector and certain industrial segments towards the end of the year.
- The growth strategy is unchanged – Sweco will continue its trajectory of profitable growth, both organically and through acquisitions.

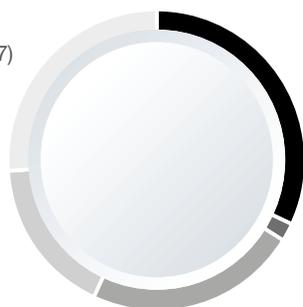
#7,800

EMPLOYEES IN A LEADING INTERNATIONAL KNOWLEDGE NETWORK

Clients

Sales by client category in 2012, %

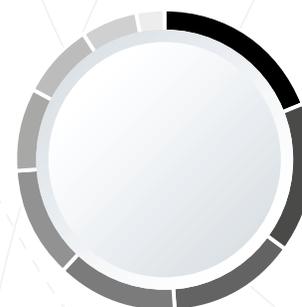
- Industrial companies, 32 (27)
- Other private sector companies, 2 (7)
- Housing, real estate and construction companies, 23 (18)
- Public administrations and agencies, 17 (21)
- Municipal and county governments, 26 (27)



Services

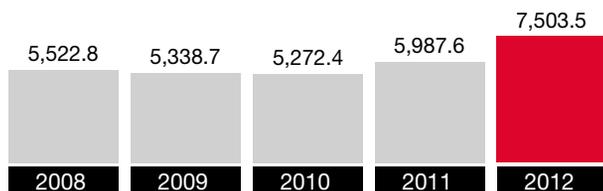
Share of group sales in 2012, %

- Structural Engineering, 19 (13)
- Infrastructure, 16 (17)
- Building Service Systems, 14 (14)
- Energy, 13 (15)
- Water & Environment, 12 (15)
- Industry, 9 (9)
- Architecture, 8 (9)
- Project Management, 6 (6)
- Geographical IT, 3 (2)



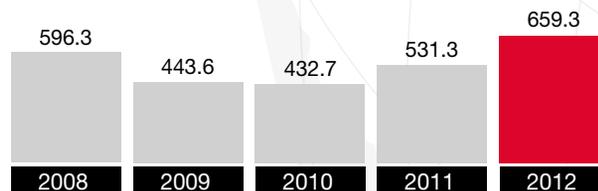
Consolidated net sales

SEK M



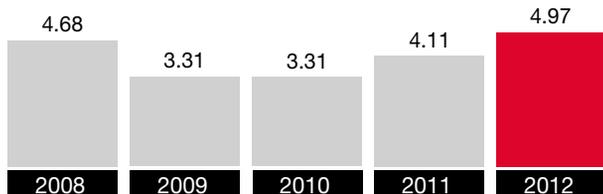
Consolidated operating profit

SEK M



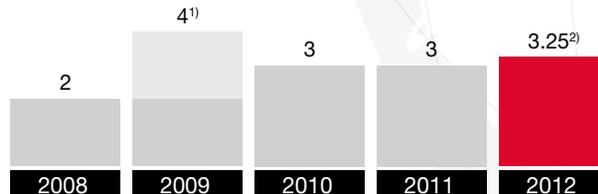
Earnings per share

SEK

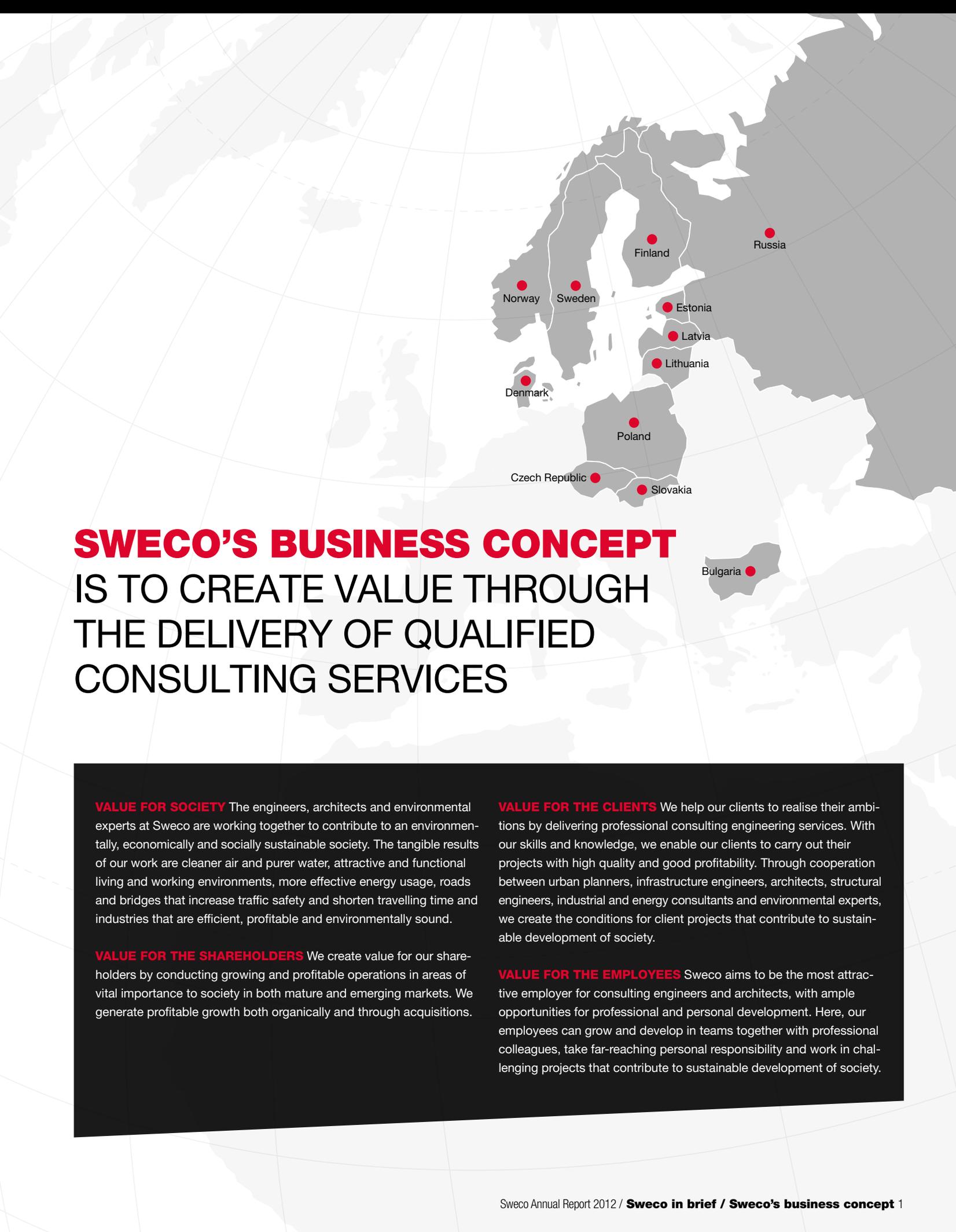


Dividend per share

SEK



1) Dividend of SEK 2 and share redemption of SEK 2 2) Proposed dividend of SEK 3.25 per share



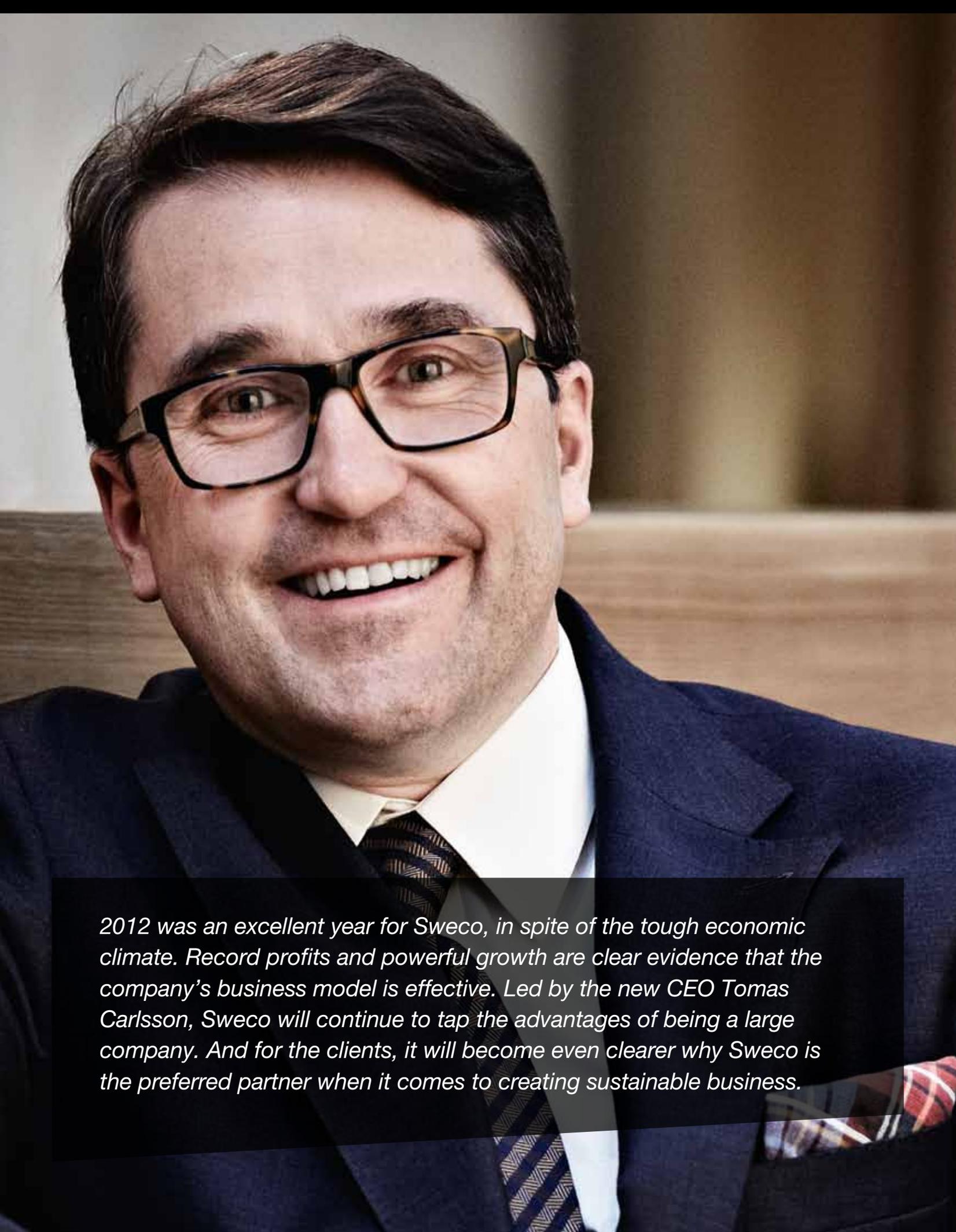
SWECO'S BUSINESS CONCEPT IS TO CREATE VALUE THROUGH THE DELIVERY OF QUALIFIED CONSULTING SERVICES

VALUE FOR SOCIETY The engineers, architects and environmental experts at Sweco are working together to contribute to an environmentally, economically and socially sustainable society. The tangible results of our work are cleaner air and purer water, attractive and functional living and working environments, more effective energy usage, roads and bridges that increase traffic safety and shorten travelling time and industries that are efficient, profitable and environmentally sound.

VALUE FOR THE SHAREHOLDERS We create value for our shareholders by conducting growing and profitable operations in areas of vital importance to society in both mature and emerging markets. We generate profitable growth both organically and through acquisitions.

VALUE FOR THE CLIENTS We help our clients to realise their ambitions by delivering professional consulting engineering services. With our skills and knowledge, we enable our clients to carry out their projects with high quality and good profitability. Through cooperation between urban planners, infrastructure engineers, architects, structural engineers, industrial and energy consultants and environmental experts, we create the conditions for client projects that contribute to sustainable development of society.

VALUE FOR THE EMPLOYEES Sweco aims to be the most attractive employer for consulting engineers and architects, with ample opportunities for professional and personal development. Here, our employees can grow and develop in teams together with professional colleagues, take far-reaching personal responsibility and work in challenging projects that contribute to sustainable development of society.



2012 was an excellent year for Sweco, in spite of the tough economic climate. Record profits and powerful growth are clear evidence that the company's business model is effective. Led by the new CEO Tomas Carlsson, Sweco will continue to tap the advantages of being a large company. And for the clients, it will become even clearer why Sweco is the preferred partner when it comes to creating sustainable business.

Seeing the power of a large company

"In 2012 Sweco posted its highest earnings of all time. You might think it would be a bit intimidating to step in as CEO at a time like that, but I know what Sweco is capable of. We all have the capacity to continue growing with good profitability," says Tomas Carlsson, President and CEO of Sweco.

With growth of 25 per cent and an operating profit that rose by SEK 128 million, Sweco performed well in the flagging market that characterised the year. An operating margin of close to 9 per cent also meant that Sweco maintained a superior level of profitability compared to the competitors. One factor that played a central role in Sweco's success during the year was the acquisition of FMC Group in Finland.

"The acquisition has really lived up to our expectations and we have built a stable platform for the future. With an operating margin of 11.7 per cent, Sweco Finland delivered the highest profit of all of Sweco's business areas. This is ample proof that we have succeeded in our ambition to achieve a strong position in the Finnish market."

Can grow faster than average

Organic growth of around 10 per cent in Sweden and Norway is also included among the year's accomplishments.

"To a large extent, the driver is high profitability, which enables Sweco to grow faster than the market average, both organically and through acquisitions."

In the second half of 2012 Sweco was nonetheless affected by the weak market conditions and noted some slowing in the housing sector and certain industrial segments, primarily in Finland. One particularly difficult area was the Russian infrastructure market, which has still not recovered in the wake of the country's presidential election. This has resulted in very low capac-

ity utilisation and negative earnings for Sweco's Russian operations.

"We are working actively to adapt operations to the current market situation. Towards the end of the year we saw signs of a certain upswing in demand and we recently signed a couple a major new contracts in the country."

Sweco's home markets have generally higher GDP growth and healthier public finances than the European average. This is generating continued robust demand in most service segments, including infrastructure, water supply, energy and geographical IT. Interest in Sweco's wide range of services for sustainable urban development is growing continuously and strong long-term demand is anticipated.

Sustainability a rewarding part of the job

"There are many reasons why I chose to join Sweco, but one of the most compelling was the company's leading position in sustainability. It is enormously rewarding to come to work every day knowing that our efforts contribute to things like better air and cleaner water, efficient use of energy, effective infrastructure and attractive housing."

According to Tomas Carlsson, the breadth that gives Sweco scope to take a holistic approach and set the client assignments in a wider context is also a key to ongoing success.

"My ambition is for Sweco to continue capitalising on the advantages of being a large company. By combining insight about our clients' needs with knowledge about the challenges facing society, we can stand strong in all of our markets."

Sweco remains an attractive employer

In the past year it was once again confirmed that Sweco is seen as an attractive employer among students and recent graduates. In

surveys from both Sweden and Norway, young engineers and engineering students place Sweco among the top 10 employers.

"The ability to attract, develop and retain the best consulting engineers and architects is vital for Sweco to continue growing and becoming stronger. With this in mind, we strive to offer the industry's best opportunities for professional and personal development."

Our good profitability enables Sweco to grow faster than the market average, both organically and through acquisitions.

Taking over after Mats Wäppling

After six years as President and CEO, Mats Wäppling handed over management of Sweco to Tomas Carlsson in December 2012.

"I am proud to take the helm of the company after Mats. Sweco is a market-leading knowledge company in the fields of consulting engineering and architecture with a profitability at the absolute top of the industry. I am therefore delighted to have been entrusted with the task of leading Sweco to new successes together with our 7,800 employees."

Stockholm, February 2013



Tomas Carlsson
President and CEO

Good demand and ongoing consolidation

Sweco maintained strong development throughout most of 2012, although a weakening trend was noted at the end of the year. Ongoing consolidation of the industry and the need for investment in urban development are creating good long-term demand for Sweco's services.



Strong start to 2012 – some slowing towards the end of the year

The strong market conditions that prevailed in 2011 continued throughout most of 2012, in spite of the European debt crisis. The majority of Sweco's service segments enjoyed robust development throughout 2012. At the end of the year a downturn was noted in pace with general weakening in economy.

Demand was strongest in the Nordic countries. Sweden and Norway saw healthy demand in most service segments during the year. Development in Sweden was particularly strong in infrastructure, energy and the mining industry, while housing construction experienced a slowdown at the end of the year. Finland also noted a

“Sweco's market-leading position and a continuing need for investments in urban development vouch for continued profitable growth.

Jonas Dahlberg, CFO



downturn in the industrial and housing sectors in the last few months of 2012. Sweco's markets in Central and Eastern Europe strengthened during 2012. Demand in Russia fell dramatically due to the postponement of many projects in the wake of the Russian presidential election.

Long-term drivers

Demand for Sweco's services is influenced by investments in urban development and the long-term drivers for continued growth are good. Population growth, economic development, urbanisation, increased trade and a growing shortage of natural resources are fundamental forces that are driving the need for investment in urban development. At the same time, there are increasingly stringent requirements for sustainable development of society and adaptation to climate change. This is creating stronger demand for energy efficiency improvements, effective traffic solutions, and services relating to water supply and site remediation.

One additional driver in the consulting market is the trend of streamlining in property development and building contractor companies. In pace with rising demands on cutting-edge technical expertise and an aim for high cost-efficiency, more and more organisations are finding it difficult to maintain their own technical departments with capacity for studies and engineering design. As a result, the consulting engineering industry is growing faster than the need for technical services.

The basic conditions for growth include a favourable socioeconomic environment and healthy public finances. Sweco's markets enjoy strong public finances and robust economic growth in relation to the European average.

Scale economies driving consolidation

The consulting engineering industry remains fragmented compared to other professional service sectors like auditing and IT. At the Nordic level, no engineering consultancy has a market

share of over 10 per cent and at the European level there is none with a leading position in more than one of the five largest European countries.

The clients have increasingly high requirements on breadth and cutting-edge expertise and there is a rising demand for consultancies capable of providing full-service solutions and coordinating multiple disciplines. This offers significant advantages for large consulting engineering companies and is also a key factor behind ongoing consolidation of the industry.

A series of large and cross-border mergers and acquisitions in the past few years have given rise to multinational consulting engineering groups that have continued growth ambitions at the European and international level. Sweco is one of the companies that are actively participating in the consolidation process. Several of Sweco's major competitors are also taking part in restructuring of the industry.

Consolidation of the industry continued in 2012. One example of this was Sweco's acquisition of FMC Group in Finland, which has made Sweco the second largest engineering consultancy in the Finnish market.

The rapid rate of globalisation is also creating greater opportunities for sourcing of planning and design services from low-cost countries and cross-border cooperation. Industrial clients in particular are seeking consultants with high cross-border delivery capacity, but public sector clients are also showing an interest in this.

Competition for the top talent is also intensifying. In this context, the ability to offer the most exciting technical challenges and the best career opportunities in an international environment are valuable competitive advantages. There are also considerable economies of scale in brand building, administration and the delivery process.

The long-term drivers for market growth and restructuring of the industry are creating favourable conditions for the industry's leading companies.



Clear priorities for profitable growth

VISION To become Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture.

MISSION To actively contribute to sustainable development of society.

BUSINESS MODEL Sweco's business model is based on simplicity and client focus, where the idea is that it should be easy for clients to do business with Sweco. The Group has a decentralised and client-driven organisation. The individual consultants form the hub of operations, and it is their work and attitudes that transform the company's aggregate knowledge, experience and creativity into tangible benefit for the clients.

CORE VALUES Sweco's core values of curiosity, commitment and responsibility are words that define and strengthen the Group's identity and underpin the corporate culture. They provide guidance in the company's day-to-day work and create clarity in all assignments.

PROFITABILITY TARGET Sweco's target is an operating margin of at least 12 per cent.

FINANCIAL STRENGTH Sweco aims to maintain a net debt position over time. Sweco's net debt should not exceed 40 per cent of equity.



STRATEGIC PRIORITIES

RESULTS AND ACTIVITIES IN 2012

GROWTH

Sweco will consolidate its position as an industry leader in the Nordic market, strengthen its positions in the emerging markets of Central and Eastern Europe and consider the opportunities for expansion in Western Europe. The focus is on long-term growth segments such as energy, infrastructure, and water and environment. This growth will take place both organically and through acquisitions. All growth will be accompanied by strict profitability requirements.

- Organic growth of 8 per cent.
- Acquisition-driven growth of 17 per cent.
- The acquisition of FMC Group with more than 1,100 employees was completed on 1 February 2012.
- Three additional acquisitions were completed in areas like architecture and project management in Finland and project and construction management in Norway.

EMPLOYEES

Sweco aims to be the most attractive employer for consulting engineers and architects, with ample opportunities for development in challenging projects that contribute to a sustainable society. All employee development should be focused on performance, expertise and knowledge sharing and is monitored via the employee survey Sweco Barometer. Employee development takes place systematically and individually through Sweco Talk, where the individual's performance and potential are discussed and followed up during the year. The Next Generation process ensures succession of qualified leaders and specialists. Sweco's client-driven organisation relies on a strong leadership culture that is defined and measured based on the Sweco Leadership Compass.

- Over 1,400 employees were added during the year through acquisitions and recruitment.
- In Norway Sweco was rated as the fifth most popular employer among engineering students.
- Sweden Sweco was ranked among the top seven employers by young professional civil engineers and in seventh place among future engineering graduates.
- Improved and further strengthening of results in the Sweco Barometer employee survey: index of 74 per cent.
- Sweco received OHSAS 18001 certification for occupational health and safety.
- 82 per cent of all employees completed Sweco Talk performance reviews.

KNOWLEDGE

Sweco's knowledge strategy is to effectively utilise the company's combined expertise to provide the clients with the best solutions. This expertise should enable the clients to carry out their projects with high quality, good economy and the best possible conditions for sustainable development. Sweco is characterised by a corporate culture of curiosity in which knowledge sharing and teamwork between the Group's employees are natural aspects of all dealings with clients. The management system sweco@work ensures that the assignments are performed in an optimal manner and that new knowledge is preserved.

- Sweco Sweden's President Åsa Bergman was named "Competence Developer of the Year" at the 2012 Kompetensgalan, a yearly event that showcases individuals and initiatives behind skills development.
- Sweco Sweden started the leadership program Extend for regional managers.
- A new intranet was launched.
- Leadership training was carried out in Central and Eastern Europe and Russia.
- A new group was started in the global Next Generation program for future leaders.

CORPORATE CULTURE AND BRAND

Sweco uses uniform branding in all markets where the company is active. The brand should express the company's core values of curiosity, commitment and responsibility. Curiosity drives development, uncovers new knowledge and contributes to better solutions. Commitment provides a foundation for greater work satisfaction, higher quality, deeper relationships and new contact interfaces. Responsibility creates security for our clients.

- Brand-building campaigns in Finland and Norway.
- Development of a new communication concept for Sweco's brand.
- Implementation of a uniform brand platform in The Czech Republic.

Powerful growth

In 2012 Sweco carried out the acquisition of Finland's FMC Group and continued its trend of strong organic growth. The company has approximately 7,800 employees and market-leading positions in Sweden, Norway and Finland.

With sales growth of 25 per cent and organic growth of 8 per cent, Sweco can look back on another successful year. At year-end 2012 Sweco had 7,800 employees, an increase of more than 1,400 compared to the end of 2011. The acquisition of FMC Group led to an increase of 1,100 employees, while the other 300 new employees were added through organic growth.

Market leadership in Finland and overall in the Nordic region

For Sweco it has been a longstanding strategic priority to grow and establish a leading position in the Finnish market. At the end of 2011 an agreement was signed to acquire Finland's FMC Group. With FMC Group, which has been part of the Sweco Group since 1 February 2012, Sweco is now the second largest engineering consultancy in Finland. FMC Group had 1,200 employees at the end of the year and contributed net sales of SEK 783 million and operating profit of SEK 95 million to the Sweco Group during 2012.

The acquisition has given Sweco a wider range of services in the Finnish market. FMC is Finland's market leader in structural engineering and also has a strong position in building service systems, environment, project management and industrial engineering, in addition to Sweco's already strong position in industrial engineering, project management and architecture in the Finnish market. Other acquisitions in Finland include the highly respected architectural firm of Brunow & Maunula and the project management company Lahden Projektiimi.

In Norway Sweco acquired the project and construction management company Pyramide. Sweco now holds top four positions among consulting engineering companies in Sweden, Norway and Finland. Overall, there is no other engineering consultancy with an equally strong market position in these three countries.

In 2012 Sweco continued its strong organic growth with a rate of 8 per cent. Sweco's attractiveness to technical talents lies behind this

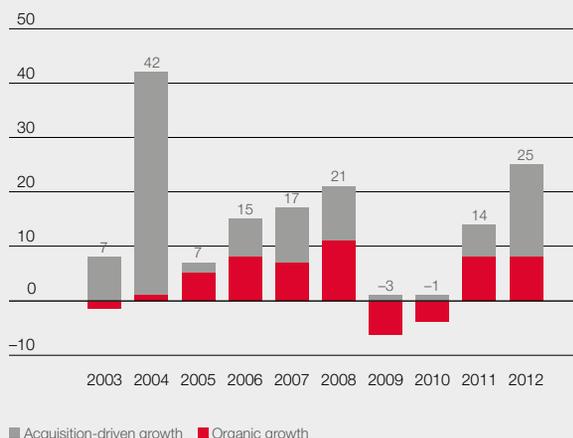
powerful growth in a labour market that is characterised by fierce competition for the best employees. This growth is made possible by the company's high attractiveness in the labour market and leading processes for professional development. In recent years Sweco has been consistently placed among the most highly rated employers in various surveys. In Sweden Sweco was rated as the top employer for professional engineers among all consulting engineering companies (see page 11). In Norway Sweco was rated as the fifth most attractive employer among engineering students in competition with all Norwegian companies.

Value-creating growth strategy

Both organic and acquisition-driven growth are equally important components of Sweco's value creation. Sweco will continue to play an active role in the consolidation of the European consulting engineering industry and all growth will be accompanied by strict profitability requirements.

Organic and acquisition-driven growth

Sales growth, % per year



“ Sweco’s growth is made possible through the **ability to attract**, develop and retain the **best employees**

Jessica Petrini, Head of HR



The challenges differ between Sweco’s home markets, but the ambition is the same: to be the most respected consulting engineering company both among clients and in the labour market, with a multidisciplinary and market-leading position in all countries where Sweco is established.

• **Consolidate the leading Nordic position:**

Sweco is one of the leading engineering consultancies in the Nordic region. However, the market remains fragmented and the potential for sustained growth is good. Sweco’s ambition is to continue consolidating its forefront position to attain the size needed for long-term market leadership. This will be achieved primarily through organic growth, but also through additional acquisitions.

• **Diversify and grow in Eastern Europe:**

In these markets Sweco has strong growth platforms in one or several areas, but lacks a comprehensive multidisciplinary offering.

There are also ample opportunities to increase competitiveness by advancing the market positions. Sweco’s strategy is therefore to broaden its range of services while at the same time growing in the existing niches. Acquisition-driven growth is the primary tool for expanding the offering, while a combination of organic growth and additional acquisitions is being used to grow in the already established niches.

• **Consider establishment in adjacent Western European markets:**

Sweco regularly carries out assignments in nearby areas of Western Europe, but has no significant establishments in these countries. In the long term it is natural for Sweco to expand its geographical presence. Sweco will monitor market development and play an active role in consolidation of the European industry if the right opportunities arise.

Well poised for continued growth

Sweco has good prospects for profitable long-term growth. The company’s home markets in the Nordic region and Eastern Europe have stronger GDP growth, higher rates of investment and healthier public finances than the European average. Sweco is an attractive employer with a highly respected brand and leading market positions, which offers excellent possibilities for sustained and powerful organic growth. Even after the acquisition of FMC Group, Sweco has a strong financial position and cash flow that provide scope for further acquisition-driven growth.



Freedom, development and modern leadership

Sweco is a growing company that offers its employees exciting and challenging assignments where they can contribute to building a sustainable society. Skills development takes place systematically at all levels and is tailored to the needs of both experienced employees and recent graduates.

Sweco's corporate culture is founded on curiosity, commitment and responsibility. Here, the employees can grow and develop in teams together with professional colleagues, take far-reaching personal responsibility and work in challenging international projects that contribute to sustainable development of society. Sweco is also permeated by a strong conviction that the employees perform best when they are able to influence and plan their own work.

A platform for development

Sweco's goal is to offer its clients the market's foremost technical expertise. To achieve this, Sweco must be able to attract the top technical talents and above all to ensure continuous development of both recent graduates and more experienced employees.

Skills development takes place mainly through learning in the assignments and is assured through the yearly performance review Sweco Talk. This means that every year, each employee formulates a personal development plan and goals that are adopted in dialogue with the immediate manager.

Next Generation is Sweco's global process for identifying employees who are ready to take the next step in their career. All employees are included in the process, which is based on the Sweco Talk review that is used to single out employees who are interested in becoming specialists and those who want to widen their scope or take on a leadership role. Management succession is a top priority. The ability to recruit internally for senior positions is vital for Sweco's growth.

Sweco Academy provides development programs for the employees in the form of both e-learning and instructor-led courses. In many cases the courses are held by Sweco's own staff, together with external specialists.

Modern leadership

A strong and modern leadership culture is imperative in a client-driven and decentralised organisation. Sweco Leadership Compass is Sweco's tool for supporting leaders at all levels by defining their responsibilities and powers and showing that there is a clear connection between values, business success, client deliveries and employee development.

Sweco's leaders should exemplify modern leadership and act as role models for Sweco's values. They build confidence and good relations with their employees, delegate responsibility and work systematically with employee development. The leaders also create the conditions for cooperation within and between units in order to provide clients with the best possible expertise.

Sweco's leaders enhance their abilities primarily through business challenges in combination with various leadership development programs at both the central and local level.

Freedom and diversity

Scope to influence their day-to-day work is important for both employee well-being and commitment, and Sweco offers a high degree of freedom under responsibility. This is also a consequence of a corporate culture characterised by modern leadership and delegation of responsibility where the employees are accountable for their own performance, projects, clients and business dealings.

At Sweco there is a good mix of employees of different ages. A large share of them are women and the presence of many nationalities creates a creative climate, which is important in client relationships. In 2012 the share of women in senior positions was 25 per cent.

The majority are proud of their workplace

To find out how Sweco's employees feel about the company and its activities, the company carries out a yearly employee survey called Sweco Barometer. Among other things, the Barometer monitors trends in Sweco's leadership culture, business focus and organisational expertise. In the Barometer for 2012, the Group was given high ratings among other things with regard to the employees' confidence in their immediate manager, the ability to offer meaningful work duties and the employees' capacity to influence their work. The level of expertise at the individual and company level was also given high marks.





SWECO RATED AMONG THE TOP 10 BY ENGINEERS

Ingenjörbarometern is a new survey that has been conducted by the Swedish Association of Graduate Engineers among 2,700 of their professional members. Sweco came in eighth place in the survey, which is the highest ranking of any consulting engineering company.

The survey showed that permanent employment at innovative companies is that which attracts engineers most. When asked what conditions they consider crucial for a potential employer to offer, 83 per cent answered permanent employment and 75 per cent answered flexible working hours. Skills development, far-reaching personal responsibility and powers and challenging work duties were other important factors.

List of the most attractive employers (Ingenjörbarometern)

TOP 10

1. Google
2. Apple
3. Ericsson
4. Volvo group
5. ABB
6. Scania
7. Volvo Cars
8. Sweco
9. Tetra Pak
10. IKEA

Employee facts

Number of employees: 7,800

Share of men/women: Approx. 70 per cent men and 30 per cent women

Share of men/women in senior positions: Approx. 75 per cent men and 25 per cent women

Educational levels: Master's or bachelor's degree in engineering in Sweco's technical areas, environmental science and degrees in architecture.

Typical jobs/titles: Project manager, design engineer, process engineer, environmental engineer, architect.

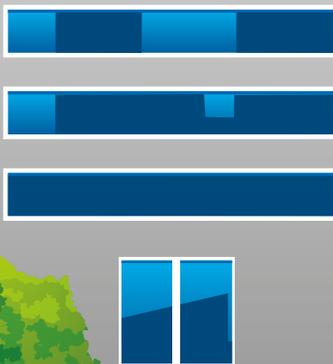
Are you ready to take the step?

SWECO 

First class development

- 37,000 assignments per year
- Personal development plans
- Sweco Academy
- Leadership development program

Our **offer** to those who want to **work for Sweco**



Take the initiative and influence your work

- Personal freedom to plan and influence your day-to-day work
- Responsibility for your own assignments, clients and business dealings
- Flexible and modern working methods

We are looking for people who are

- Curious
- Committed
- Responsible

Opportunity to contribute to sustainable development of society

For Daan Cedergren, time and energy are vital components in maintaining balance. As a father of two and a Regional Manager, it's sometimes hard to keep everything running smoothly. But the freedom offered by Sweco makes it easier.

What opportunities does Sweco give you to balance your work and family life?

At Sweco you have personal responsibility for your own delivery and, within sensible limits, there are ample opportunities to manage your time. It is common to work remotely and some people regularly work from home one day or two per week. I think it's worthwhile working from home sometimes, since this allows me to focus in a different way. I try to be a role model by leaving the office at a reasonable hour, and I made a point of taking parental leave. I have also encouraged my staff to exercise together during lunch, since I think this is a good source of energy.

As a leader, Maija Jokela strives to give her team members the tools and conditions they need to perform at the best of their ability. She feels that Sweco provides excellent scope to develop your own, personal leadership style.

How has Sweco helped you to develop your leadership skills?

We have our own leadership development program here at Sweco Finland, which I have participated in, and I also took part in Sweco's Next Generation program during 2010 and 2011. I have improved my leadership skills both through these initiatives and by talking to other managers in the company and learning from them.

In his role as consultant, Sebastian Job has the chance to work in major projects that affect the daily lives and well-being of many people. No two projects are alike.

What is it like to work as a consultant in various projects?

I work with mapping of water flows and flood control measures. For me it is exciting to be part of something that affects society and our economy in such a tangible way. I often work for government clients, but no two projects are alike and a lot of knowledge and creativity are needed to develop smart solutions. I also have access to the latest software and tools in the industry, which is very satisfying.

How would you describe the culture at Sweco?

With our decentralised business model, the culture is defined by a large degree of personal responsibility. Taking parental leave is a matter of course. We hire people in age groups where people often already have or plan to have children and we encourage them to take the chance to spend time with their kids when they are small. And returning to work is made easier by the fact that most of what we do is project-based.

Do you have any tips for colleagues trying to balance their lives?

Everyone has a different life situation and a different stress threshold. I think it's important for each person to be aware of their own needs and try to define what adds to or subtracts from their energy. If your situation isn't working, you have to do something about it and make sure that your job is fun and fulfilling. We all need to take responsibility for our own balance.

What is distinctive about being a leader at Sweco?

Sweco is a company that invests in its employees and devotes a lot of energy to leadership development. There are different programs and processes, and something called the Leadership Compass to guide us. But there is also excellent scope to develop your own, personal leadership style. One thing I think many leaders at Sweco have in common is that we are accessible and easy to communicate with.

Do you have any advice for other leaders?

Listen to your team, ask them how things are going and how they feel. A good leader is fair, insightful and interested in people. If you get the feeling that there's a problem, you're probably right. And if you ignore a problem it will grow, so don't be afraid to tackle any conflicts immediately. That way, you show your team that you care about them!

How do you see your opportunities for development at Sweco?

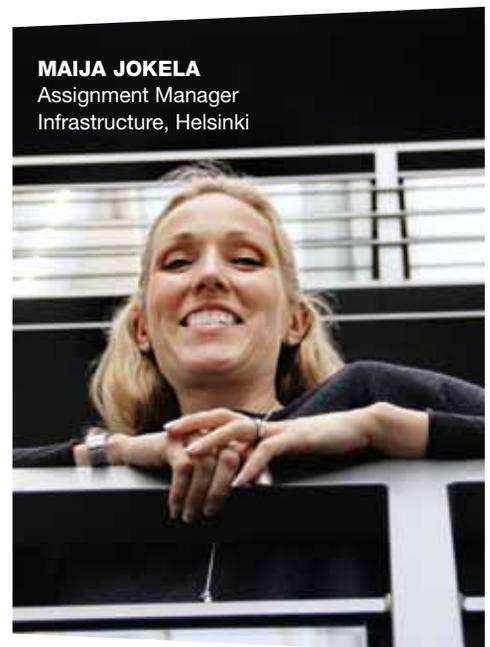
Development and growth are two central issues at Sweco. In the short time since I started here two years ago, Sweco has already grown and gained many new employees. In the future I would like to take on more responsibility and become an assignment manager. At Sweco there is a genuine interest in tapping people's potential and a responsiveness to the needs that exist.

What advice would you give to someone how is interested in working for Sweco?

If you are interested in working in different projects, growing professionally and continuing to learn new things – don't hesitate to seek a job at Sweco. If you run into problems, there are always more experienced colleagues to turn to for help. Here, no one would ever say no to sharing their knowledge! Sweco is one of the leading players in the industry, which creates enormous opportunities for development in the company.



DAAN CEDERGRÉN
Regional Manager
Architecture, Stockholm



MAIJA JOKELA
Assignment Manager
Infrastructure, Helsinki



SEBASTIAN JOB
Consultant
Water & Environment, Kraków

Client projects in a wider context

Sweco has the market's most comprehensive range of services for urban and regional planning. The collaboration between our experts enables us to set the client projects in a wider context and give consideration to everything that affects the end results.

Through our commitment and expertise, Sweco can deliver the most sustainable and profitable solutions for our clients and society. These include methods for cleaner air and purer water, more efficient use of energy, effective infrastructure, attractive homes, and industries that are profitable and environmentally sound.

When we set the client projects in a wider context, we can achieve solutions that are sustainable from an environmental, social and economic perspective. For our clients, this generates concrete business benefits that can include everything from reduced costs for raw materials and energy to minimisation of risks and adaptation to upcoming legislation.

Sweco delivers qualified consulting services throughout the client's project chain, from feasibility studies, analyses and strategic planning to engineering, design and project management. Sometimes we develop an entire city in China, and sometimes we take on a flooded river in Sweden. Regardless of the project, the driving force for Sweco's engineers and architects is always the same – to contribute to the development of a sustainable society.

By combining a feeling for our clients' needs with knowledge about the future challenges facing society, we continuously work towards achieving Sweco's vision – to become Europe's most respected knowledge company in the fields of engineering, environmental technology and architecture.



“ Thanks to **Sweco's** unique combination of depth and breadth, we can set our sights high and maintain a position at the **leading edge** of **urban sustainability**.

Andreas Gyllenhammar
Sustainability Manager



ARCHITECTURE

- Building architecture
- Landscape architecture
- Interior architecture
- Urban planning

STRUCTURAL ENGINEERING

- Building construction planning
- Industrial building design
- Advanced steel structures
- Moisture and energy studies
- Construction economics

INFRASTRUCTURE

- Road and railway planning
- Traffic planning
- Rock and geotechnical engineering
- Bridge construction and civil engineering

WATER & ENVIRONMENT

- Water and wastewater engineering
- Waste management and soil/site remediation
- Environmental studies
- Water resource planning

ENERGY

- Energy production
- Transmission and distribution
- Energy market analysis
- Energy efficiency optimisation

BUILDING SERVICE SYSTEMS

- Energy analysis and environmental performance certification
- Electrical, telecom and security systems
- Fire engineering and risk analysis
- HVAC and sanitation

INDUSTRY

- Process engineering
- Plant design (electricity, automation, mechanics, piping)
- Logistics
- Project management

PROJECT MANAGEMENT

- Project and design management
- Property and development management
- Information management

GEOGRAPHICAL IT

- Systems development and advanced data processing
- Data coordination and BIM
- 3D visualisation and geographical analysis
- Strategy and operational support

Architecture

The modern trend of accelerating urbanisation is placing new and high demands on the design of environments and buildings. By approaching architecture from a wider perspective, Sweco can create solutions that last, both for us today and for future generations. The goal is for the cities, buildings and environments shaped by Sweco's architects to always be first class examples of how people can live, work and thrive in a sustainable society.

Example of services:

- Building architecture
- Landscape architecture
- Interior architecture
- Urban planning

Solar cells set the tone in new multi-use arena

A new multi-use arena has been inaugurated in Helsingborg, Sweden. The 21,000 square metre facility has been built adjacent to the city's existing arenas. All arenas are interconnected and offer multiple indoor courts and playing fields in a single location. Environmental certification of the facility has been a key goal. Sweco's architects have designed an arena where solar cells blend into the graphically patterned facade and solar panels on the roof are used to heat water.

New housing at prime location in Helsinki

Sweco's architects have won a competition to design a new residential development at Kalasatama in Helsinki, Finland. The proposal was chosen with the motivation that it had a personal, elegant and strong architectural coherence. The waterside location demands housing of a high quality. The new area will contain close to 100 residential units that will be ready for occupancy in 2014.



Facelift for entire city block

Sweco has been hired to revitalise a city block in central Stockholm, Sweden, that will contain a church, congregation rooms, a hotel, offices and shops. With Sweco's help, the complex has now undergone extensive rebuilding and modernisation. Environmental consideration and preservation of the structure's 1970s character have been in focus, at the same time that spacious and flexible office facilities have been created. The complex contains the offices of several media companies, such as Talentum and Spotify.





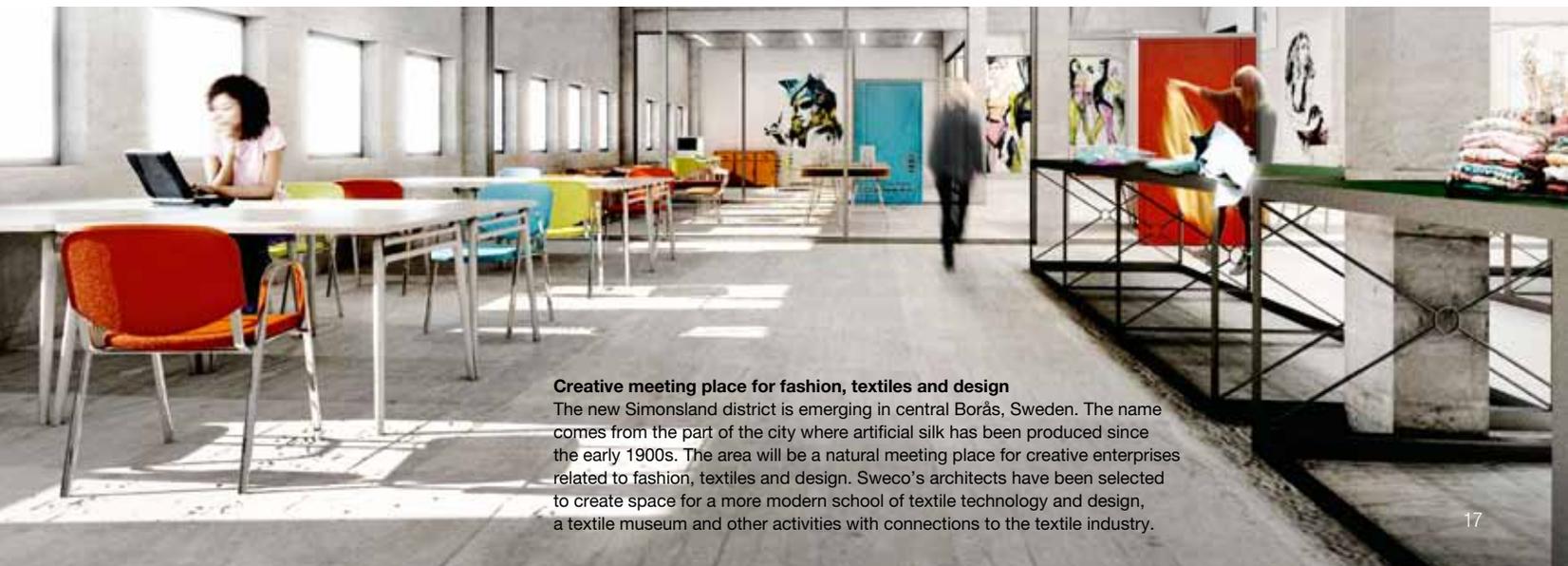
Welcoming design for new acute treatment centre
 In Viborg, Denmark, Sweco's architects and AART Architects in Århus are creating a large new acute treatment centre. The ambition is to give the building a strong architectural identity that feels welcoming to patients, staff and visitors. The acute treatment centre will be built as an annex to the existing regional hospital. The design of the centre has been inspired by the local environment and the open landscape that surrounds the hospital.



Chinese to build preschool based on Swedish model
 A remote mountain area south of Beijing, China, will be the site of a new preschool based on the Swedish model. Sweco has designed the preschool and has also helped to give the school a closed loop system with self-production of biogas and on-site livestock farming. The result will be a preschool with high pedagogical ambitions and a standard that sets the norm for the top preschools in the country.



New landmark for space research in northern Sweden
 Erange Space Center in the far north of Sweden is an ideal location for space-related activities and a vital hub for both basic and climate research. The centre was originally built in the 1960s and now that it is due for upgrading and modernisation, Sweco's architects have been chosen to design the facilities. The new building will be a landmark that gives visitors a lasting and positive first impression.



Creative meeting place for fashion, textiles and design
 The new Simonsland district is emerging in central Borås, Sweden. The name comes from the part of the city where artificial silk has been produced since the early 1900s. The area will be a natural meeting place for creative enterprises related to fashion, textiles and design. Sweco's architects have been selected to create space for a more modern school of textile technology and design, a textile museum and other activities with connections to the textile industry.

Structural engineering

At the core, structural engineering is all about security. Sweco's structural engineers create buildings that are safe to live and work in and that stand the test of time. We take a holistic approach and ensure that the load-bearing structures are designed to work in harmony with the building's design, service systems and energy solutions.

Example of services:

- Building construction planning
- Industrial building design
- Advanced steel structures
- Moisture and energy studies
- Construction economics

Finland's largest university library completed

In central Helsinki, a new university library has opened its doors. The building, which was formerly used for retail space and a car park, has 11 floors – seven above ground and four below. Sweco was commissioned for structural engineering of what is now Finland's largest university library and has been honoured with two prestigious awards – Finnish Glass Building 2012 and Rose for Building 2012.



Virtual coordination of historical renovation

The Swedish Theatre in Helsinki was built in the 1860s and, with its unique rounded form, is a striking landmark in the city. The building has a distinctive character in that it has undergone continuous changes and does not represent any particular period stylistically. The renovation that was completed in 2012 is described as one of the most far-reaching and logistically challenging ever undertaken in a Finnish historical building. With the help of BIM (Building Information Modelling), Sweco has enabled virtual coordination of all phases of the project.



Increased production in Swedish mine

Garpenberg is the site of Sweden's oldest still operating mine. The discovery of new ore deposits has motivated Boliden to invest in a large-scale expansion of production, and Sweco has been given responsibility for the complex planning and design process. The investments will lead to more energy-efficient production, reduced noise and lower water consumption.

Old rail yard area given new life

The Pasila district of central Helsinki serves as a public transport hub for both the city and all of Finland. The area is now undergoing dramatic expansion and will eventually contain housing for 3,000 new residents. In addition to residential, office and commercial space, a new train terminal will be built. Sweco has been chosen to design the terminal and handle project management.





Focus on accessibility in new shopping mall

Sweco has provided structural engineering services for a new shopping mall in the city of Hyvinkää in southern Finland. Accessibility has been decisive in the choice of location. The mall's placement in the city centre has reduced the need for car travel and made it possible to get to by foot or bicycle. The shopping mall, which contains a large number of stores, offices, restaurants and two supermarkets, has given a new feel to the entire block and is directly connected to a number of apartment buildings.

Bergen sets world record with new wooden building

In Bergen, Norway, Sweco's structural engineers are taking part in setting the record for construction of the world's tallest wooden building. All load-bearing structures consist of wood, resulting in a building that is made of a material that is both renewable and strong. All in all, the building will contain 14 stories and 62 apartments with rooftop terraces and balconies, as well as an indoor car park. Sweco is responsible for engineering design and design management.



New landmark for culture and meetings

Malmö is investing ambitiously in culture, meetings and music in the heart of the city. In June 2012 the city broke the first ground for Malmö Live, a whole new meeting point that will feature a concert hall, a conference centre and a hotel. Sweco has designed the entire structural framework, a task that included the challenge of shielding the concert hall from all external noise. Malmö Live will be Malmö's second tallest building and a new landmark for the city and the surrounding area.



Facebook's new data centre adapted to the Nordic climate

Facebook's first data centre outside the USA will be placed in Luleå, Sweden. Sweco's architects, structural engineers and building service system experts have collaborated to design and adapt the building to the Nordic climate. The cold climate, a reliable power grid and access to renewable energy were the main factors behind Facebook's choice of location. The server building has a floor space of close to 30,000 square metres and will be the first of three planned facilities in the area. The project is being carried out with the help of BIM (Building Information Modelling), which provides an easy-to-grasp overview of all relevant information in the different phases of the project.

Infrastructure

The results of Sweco's work in the infrastructure area include greater accessibility, better safety and reduced environmental impact. The goal is to create a society in balance, where traffic flows smoothly and infrastructure and public works contribute to making life easier.

Example of services:

- Road and railway planning
- Traffic planning
- Rock and geotechnical engineering investigations
- Bridge construction and civil engineering services



Better control in Stockholm's subway system

The red line in Stockholm's subway system is heavily congested during the morning and afternoon rush hour periods, and new signalling and traffic control systems are therefore being installed to improve capacity and operating reliability. Sweco is acting as project manager in this process, where one demanding aspect will be to commission the new systems without disrupting commuter traffic.



Northern Link to alleviate traffic in inner city

The Northern Link is one of Northern Europe's largest road tunnel projects. The greatest benefit is that heavy traffic will be rerouted out of inner-city Stockholm, thereby easing congestion and leading to lower environmental impact. One key challenge is that much of the work is being carried out within the Royal National City Park and under the existing groundwater levels. Sweco has been active in planning two extensive sub-sections, and has designed the tunnel space and some of the artwork that will decorate the various exits from the tunnel. The artwork is intended to help drivers orientate themselves and to convey a sense of the landscape in and around Stockholm.

More lanes for safer traffic on accident-prone road section

The E6 motorway between Arnkvern and Moelv, Norway, is an accident-prone section of road that will be widened from two to four lanes. Traffic is periodically congested and the road has capacity constraints. The nearly 30-km road section runs through farmland, industrial areas and residential communities. Sweco's responsibilities include engineering design, structural engineering, landscape architecture and geotechnical studies in this project that will be financed via road user charges.



Major railway initiative in Gothenburg

The Western Link is the Swedish city of Gothenburg's largest railway initiative in modern times and will consist of an 8-kilometre double track railway in the centre of the city. Much of this distance will run underground and three new stations will be built along the tracks. Sweco is part of a consortium that will collaborate in the project.



Ring road to improve flow of traffic in Kazakhstan's largest city

Sweco has been chosen to prepare for the construction of a ring road around Kazakhstan's largest city, Almaty. Currently, one of the main roads between Europe and China and passes through Almaty, leading to severe traffic jams and environmental problems. The final results of Sweco's contribution will be the basis for a 67-kilometre ring road around Almaty that will reduce traffic and noise in the inner city while at the same time improving the flow of traffic.



Russian Silicon Valley taking shape

Skolkovo Innovation Center is an innovation hub that is emerging outside Moscow, Russia. The area will attract high-tech companies and researchers starting in 2014 and is therefore also expected to see a dramatic increase in both residents and commuters. Sweco has been tasked with modelling loads on the different parts of the transport infrastructure and has taken part in designing the road network. The entire project has been shaped by a focus on sustainable urban development, which has included environmental studies and various measures to conserve the local environment.



Bridges shorten travel time over Norwegian fjords

At present, passage over the Norwegian fjords often means relying on ferries that traffic the waters between most of the major roads. To shorten travel time and increase efficiency, the Norwegian road authorities are investigating alternative methods for crossing Sognefjorden, the country's largest fjord. In this project, Sweco has developed a revolutionary concept in which European Road 39 at Sognefjorden can be crossed with the help of a pontoon bridge or a combined pontoon and soil-steel composite bridge. If the entire E39 becomes ferry-free, travel time between Kristiansand and Trondheim can be shortened by an estimated seven hours.



Water & Environment

Our modern lifestyle is creating strain on the environment in many ways. Sweco's water and environmental consultants contribute to reducing these negative effects by dealing with and reducing hazardous emissions, optimising recycling of waste and managing water resources in a way that meets the needs of the present without compromising the ability of future generations to meet their own needs.

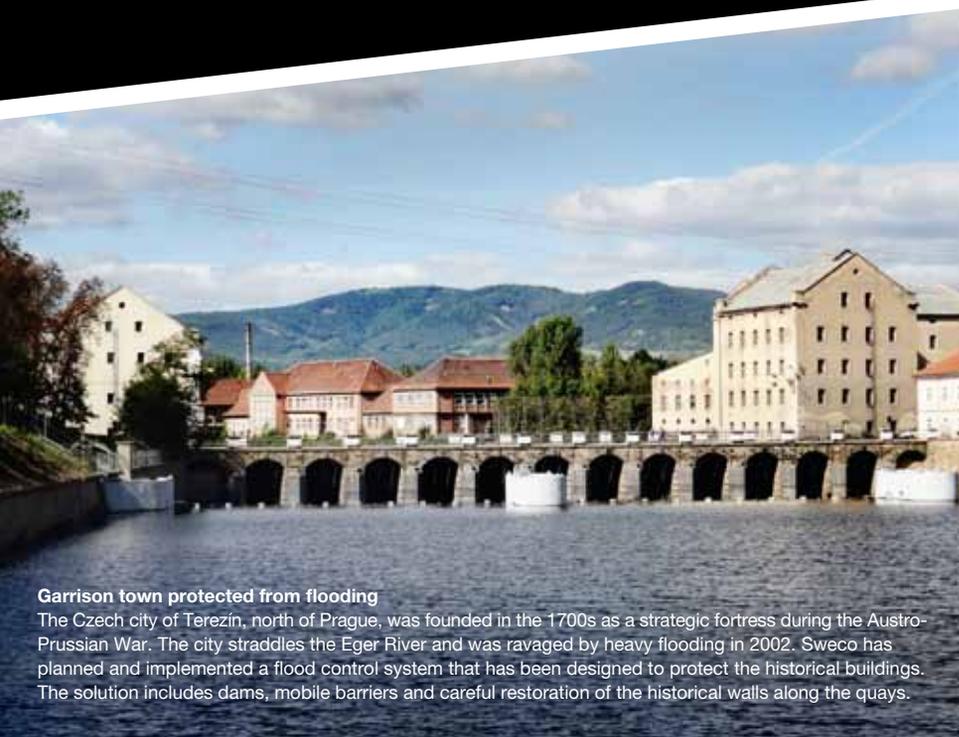
Example of services:

- Water and wastewater engineering services
- Waste management and soil/site remediation
- Environmental studies and impact assessments
- Water resource planning



Active steps against residential segregation in the Stockholm region

The OECD has identified residential segregation as one of the Stockholm region's greatest threats to growth. Sweco has therefore been commissioned to develop a concept for sustainable urban development in the region. The aim is to increase efficiency and coordination in the measures being taken throughout the region to enhance social sustainability and reduce the negative consequences of residential segregation. The project is being carried out at the request of the County of Stockholm and the Stockholm County Administrative Board.



Garrison town protected from flooding

The Czech city of Terezín, north of Prague, was founded in the 1700s as a strategic fortress during the Austro-Prussian War. The city straddles the Eger River and was ravaged by heavy flooding in 2002. Sweco has planned and implemented a flood control system that has been designed to protect the historical buildings. The solution includes dams, mobile barriers and careful restoration of the historical walls along the quays.

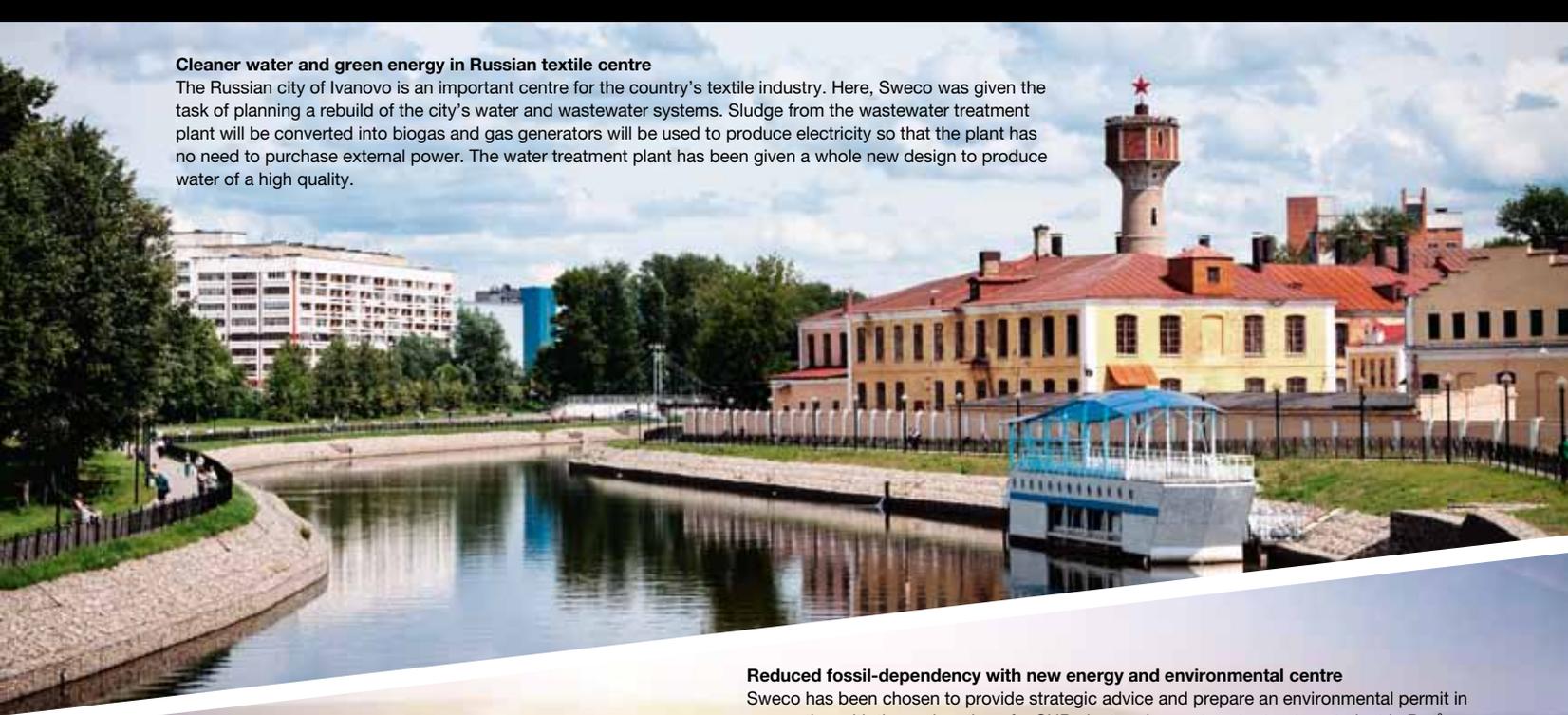
Environmental mapping at Norwegian airports

As part of an in-depth environmental study, Sweco has mapped and analysed soil contamination at 40 Norwegian airports. The airports are located throughout the country and have been subject to many years of accumulated environmental pollutants. There has been a special focus on studying the effects arising from the use of environmentally hazardous foam fire extinguisher. In the project, Sweco has contributed expertise in groundwater and soil decontamination.



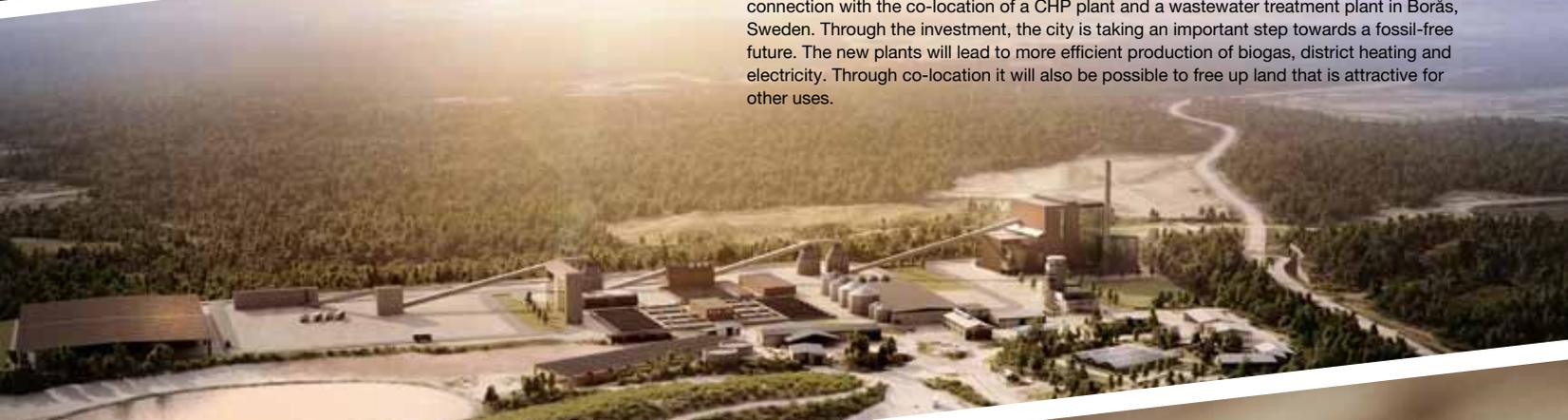
Cleaner water and green energy in Russian textile centre

The Russian city of Ivanovo is an important centre for the country's textile industry. Here, Sweco was given the task of planning a rebuild of the city's water and wastewater systems. Sludge from the wastewater treatment plant will be converted into biogas and gas generators will be used to produce electricity so that the plant has no need to purchase external power. The water treatment plant has been given a whole new design to produce water of a high quality.



Reduced fossil-dependency with new energy and environmental centre

Sweco has been chosen to provide strategic advice and prepare an environmental permit in connection with the co-location of a CHP plant and a wastewater treatment plant in Borås, Sweden. Through the investment, the city is taking an important step towards a fossil-free future. The new plants will lead to more efficient production of biogas, district heating and electricity. Through co-location it will also be possible to free up land that is attractive for other uses.



Even cleaner drinking water in northern Sweden

The city of Luleå, Sweden, is building a new water treatment plant that will supply close to 100,000 people with high quality drinking water. Sweco has contributed comprehensive expertise starting with an early feasibility study and will be involved in the project until the new facility is completed and operational in 2013–2014. The plant will meet rigorous safety standards with regard to microbiological barriers, for example in the form of extra filter steps and the use of UV light.



Courses on environmental engineering aimed at rebuilding countries

Swedish knowhow in environmental engineering and environmental awareness is highly prized in many parts of the world. Sweco has now been hired to train individuals who have a permanent residence permit in Sweden but see an opportunity to move back to their country of origin. The courses concentrate on environmental engineering and are designed to enable the participants to return to their homelands and find jobs that contribute to rebuilding and positive development of the country. So far, the focus has been on three countries – Iraq, Burundi and Rwanda. The projects are being financed by the Swedish Migration Board.



Energy

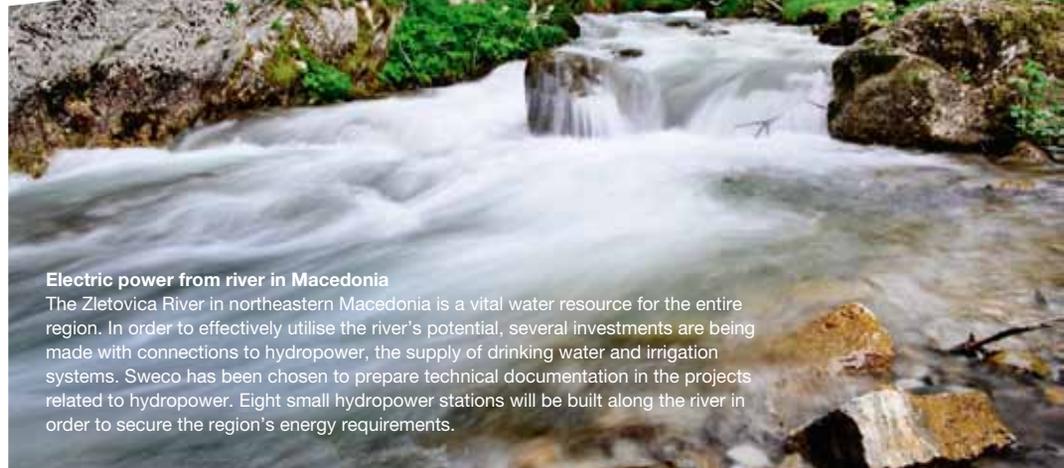
The transition to energy systems based on renewable energy sources is underway around the world and is necessitating major investments. Important initiatives are also being taken to achieve reliable distribution and minimise energy use. Sweco's expertise in energy-related services is comprehensive and covers all stages of the energy supply chain – from production to distribution and consumption. The goal is to help the clients develop a secure, cost-effective and ecologically sustainable energy supply.

Example of services:

- Energy production studies
- Transmission and distribution planning
- Energy market analysis
- Advice in energy efficiency optimisation

Secure supply of power in the Stockholm region

As part of the Swedish national grid operator's initiative to ensure a more secure power supply in the Stockholm region, a new transformer station is being built in the outlying suburb of Danderyd. Sweco has overall responsibility for control and monitoring of the new facility. The assignment also includes engineering design and commissioning. This work is an important piece of the puzzle in plans to demolish some 150 kilometres of overhead lines and thereby create room for recreational areas and new housing.



Electric power from river in Macedonia

The Zletovica River in northeastern Macedonia is a vital water resource for the entire region. In order to effectively utilise the river's potential, several investments are being made with connections to hydropower, the supply of drinking water and irrigation systems. Sweco has been chosen to prepare technical documentation in the projects related to hydropower. Eight small hydropower stations will be built along the river in order to secure the region's energy requirements.

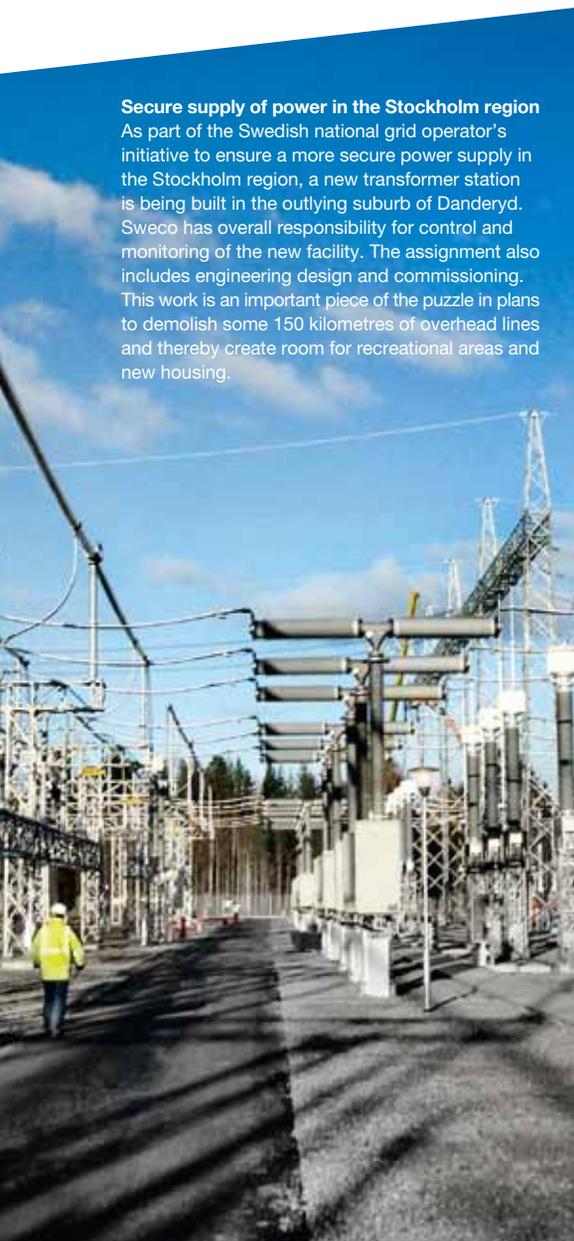
Transmission corridor from Africa to improve electricity interconnections

The European Commission has an ambition to strengthen the energy infrastructure between Africa and Europe. Better electricity interconnections can promote economic growth in Africa while at the same time reducing Europe's dependency on energy from other parts of the world. Sweco is responsible for extensive studies in a project to both expand transmission capacity across the Mediterranean Sea and increase production of solar and wind-generated power in the southern and eastern Mediterranean.



Closer to energy targets with new CHP plant

In working to meet the targets in Lithuania's national energy strategy, studies are underway to investigate the possibility of building a new combined heat and power plant in Kaunas, the country's second largest city. The new plant will have an installed capacity of around 85–100 MW and will supply consumers throughout the region with electricity and heat. Sweco's consultants have been commissioned to provide a fuel analysis, an impact assessment and an environmental impact statement.

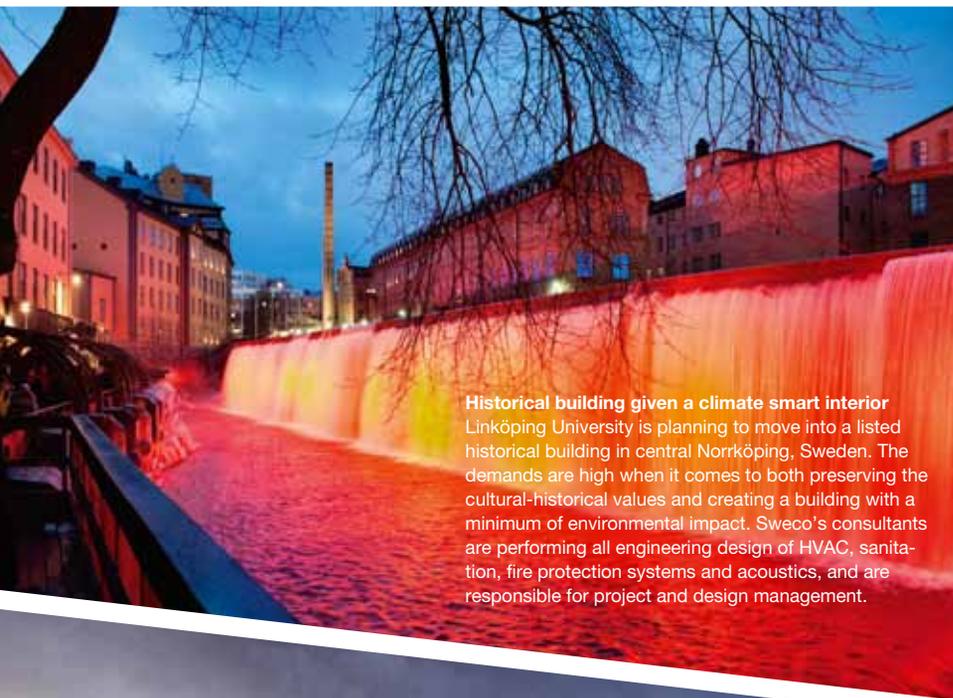


Building Service Systems

A good indoor environment is easy to take for granted. At the same time, it is clearly noticeable when things are not working as intended. Sweco's building services systems are typically not visible from the outside, but result in housing and other buildings that have the right temperature, good ventilation, effective lighting and are safe to use and spend time in. And we naturally always aim for the most energy-efficiency solution.

Example of services:

- Energy analysis and environmental certification
- Design of electrical, telecom and security systems
- Fire engineering and risk analysis
- HVAC and sanitation



Historical building given a climate smart interior
Linköping University is planning to move into a listed historical building in central Norrköping, Sweden. The demands are high when it comes to both preserving the cultural-historical values and creating a building with a minimum of environmental impact. Sweco's consultants are performing all engineering design of HVAC, sanitation, fire protection systems and acoustics, and are responsible for project and design management.



Effective energy use in new local hospital

In order to meet future healthcare needs, Alingsås Hospital in Sweden is being converted into a local community hospital. Sweco has been given the strategic task of handling energy issues to meet the region's target to reduce energy consumption in the properties by half. The goals include influencing the design of the new buildings and energy standards, and coordinating energy use in the buildings for maximum efficiency. Sweco has been involved in the project from an early stage and had thus been able to integrate architecture, building service systems and energy solutions for the best possible end result.



The world's most energy-efficient hotel
The world's most energy-efficient hotel is currently under construction in the Norwegian city of Trondheim. Hotell Scandic Lerkendal is the name of the 75-metre tall hotel that has 20 floors and contains 400 rooms, offices and a conference centre. Energy-efficiency is achieved by optimising known technologies and combining them into a total solution that includes everything from solar panels and heat pumps to logistics for hotel reservations. Sweco has contributed wide-ranging expertise to ensure the best possible energy capacity.

More secure production of Absolut Vodka

Absolut Vodka is exported to more than 100 countries around the world. The hub for these activities is found in the southern Swedish city of Åhus, which is home to the world's only production plant for Absolut Vodka. To increase production security in the plant, Sweco has been commissioned to perform a large-scale risk analysis and planning of security-enhancing measures.



Industry

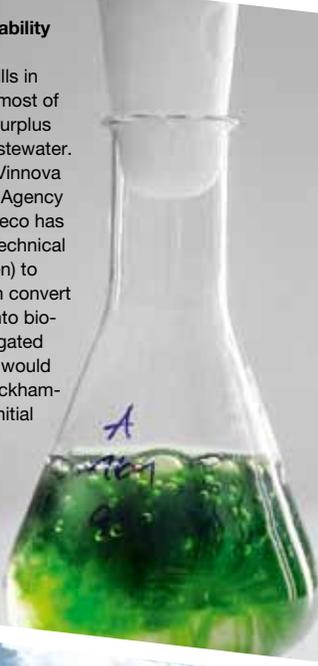
Well planned and implemented investments are vital in strengthening the competitiveness of the industrial sector. Sweco has the full range of skills needed to drive projects from early stage studies to final realisation. The results are effective and resource-efficient production and a safe working environment.

Example of services:

- Process engineering services
- Plant design (electricity, automation, mechanics, piping)
- Logistics planning
- Project management

Algae provide green profitability at paper mill

There are plenty of paper mills in Sweden and one thing that most of them have in common is a surplus of heat and nutrient-rich wastewater. In a new study financed by Vinnova (the Swedish Governmental Agency for Innovation Systems), Sweco has been teamed with SP (the Technical Research Institute of Sweden) to study how algal cultures can convert paper mill waste products into bio-fuel. Sweco has also investigated how micro-algae cultivation would benefit the Nordic Paper Bäckhammar mill and performed an initial cost-benefit analysis for the investment.



Paper mill to improve energy efficiency

Sweco is taking part in the development of a complete evaporation plant at Billelud Skärblacka's paper mill outside Norrköping, Sweden. The project is part of Billelud's investment to improve the mill's environmental performance and energy efficiency and create the conditions for future expansion of production capacity. Sweco will design all piping systems in the new plant.



Eco-friendly electricity and district heating in southern Sweden

The village of Örtofta in southern Sweden is the site of a new biofuel CHP plant that will offer eco-friendly electricity and district heating to 50,000 households in the surrounding areas of Lomma, Lund and Eslöv. The plant will be built adjacent to the main southern railway line, thereby providing access to rail-bound fuel transports. Sweco has played a central role in planning the piping systems and has also designed the systems for cooling water, air, geothermal heating, fuel oil and feed water.



Finnish chemical plant becomes more resource-efficient and effective

The chemical producer CABB has invested in new reactors and related equipment at its plant in Kokkola, Finland. The investment has led to a dramatic increase in capacity and more energy-efficient production. Work is being carried out on a tight schedule and with Sweco as the project manager. Sweco has also contributed technical expertise in detail planning of the layout and piping systems.

Project management

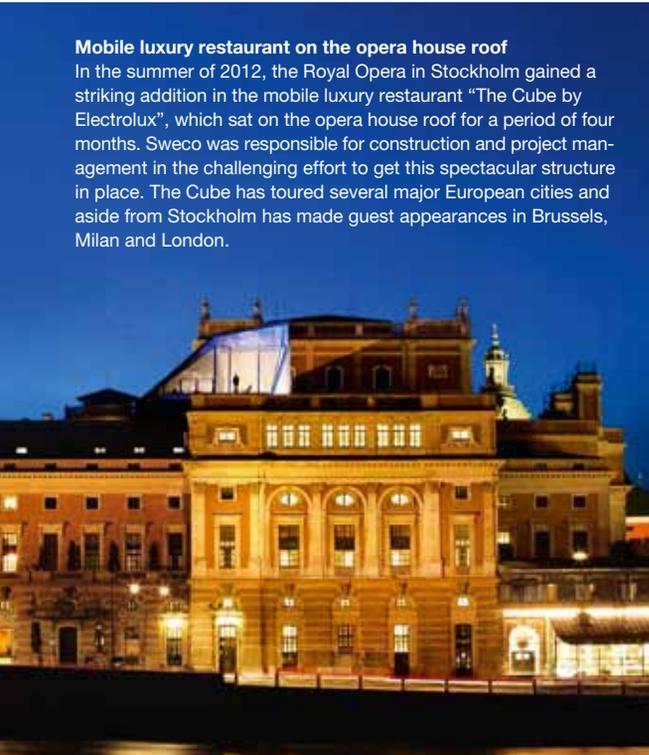
The ability to stand with one foot in the technical world and the other in the client's business is something that characterises Sweco's project managers. Our strength lies in our capacity to combine relationship building with the structured working methods that are needed to steer complex projects in the right direction. By providing support throughout all phases of the project, we ensure that the client's vision becomes reality.

Example of services:

- Project and design management
- Property and development management
- Information management

Mobile luxury restaurant on the opera house roof

In the summer of 2012, the Royal Opera in Stockholm gained a striking addition in the mobile luxury restaurant "The Cube by Electrolux", which sat on the opera house roof for a period of four months. Sweco was responsible for construction and project management in the challenging effort to get this spectacular structure in place. The Cube has toured several major European cities and aside from Stockholm has made guest appearances in Brussels, Milan and London.

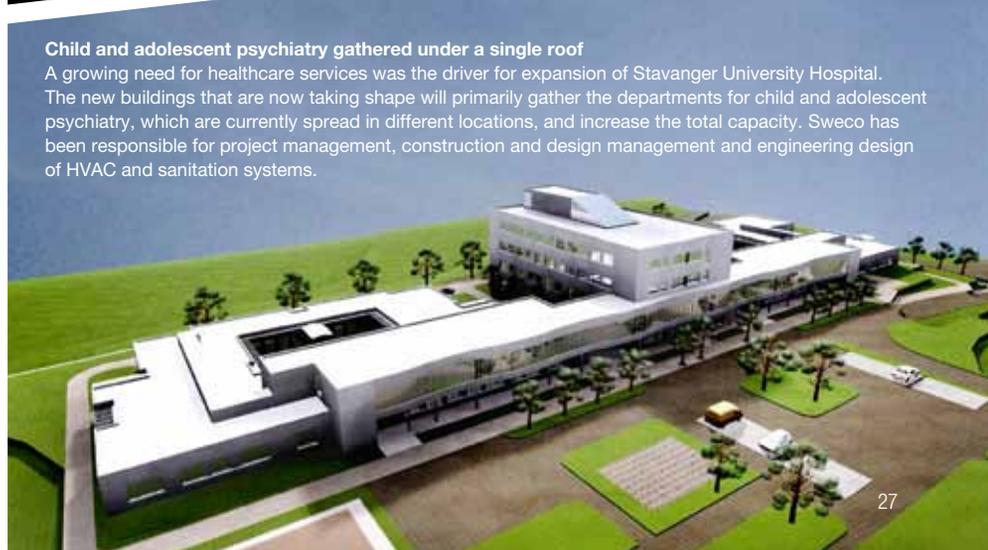


Former industrial area transformed into attractive pedestrian zone

In the periphery of downtown Stockholm, the former Annedal industrial area is being transformed into an attractive pedestrian zone. The area will contain apartments for around 5,000 people and schools for children of all ages. Sweco has been involved from the start in this project that includes project management, design management and coordination of the various building phases. Sweco's architects have also designed one of the new residential buildings.

Child and adolescent psychiatry gathered under a single roof

A growing need for healthcare services was the driver for expansion of Stavanger University Hospital. The new buildings that are now taking shape will primarily gather the departments for child and adolescent psychiatry, which are currently spread in different locations, and increase the total capacity. Sweco has been responsible for project management, construction and design management and engineering design of HVAC and sanitation systems.



Helsinki's largest rail yard to become safer and more efficient

Sweco has served as project manager in the renovation of the rail yard in Helsinki that functions as a hub for all of Finland's high-speed and commuter trains. Improvements have been made to meet modern requirements for increased traffic, higher safety and a better environment. The construction work has been carried out on the rail traffic's terms, which means that the rail yard has been in continuous operation in order to avoid delays for the travellers.



Geographical IT

As our modern lifestyle becomes increasingly digitised, smart IT solutions are playing a key role in visualising and illustrating the interrelationships between different functions in society. This can involve everything from presenting scenarios and performing analyses to creating a sound basis for decision – often with the help of maps. With the right information in the right place and at the right time, our shared resources can be used more efficiently.

Example of services:

- Systems development and advanced data processing services
- Data coordination and BIM
- 3D visualisation and geographical analysis
- Strategy and operational support



Postal carriers navigate with new GPS solution

Sweco has provided Posten, a Swedish postal and logistics company, with a new GPS solution that gives postal carriers information about driving routes and address information via a navigator. The use of geographical information systems (GIS) improves the efficiency of postal deliveries through services such as postcode identification of addresses, postcode searches and estimation of driving distances. Since 2008, Sweco is a total supplier of Posten's entire GIS environment and is responsible for development, operation and administration.



Geographical IT support for sustainable fishing

The Swedish Agency for Marine and Water Management has commissioned Sweco's geographical IT consultants to adapt the Swedish fisheries control system to EU regulations. The aim of the new IT support tools is increase the opportunities to both detect and prevent illegal and unreported fishing activities. The assignment includes operational requirements analysis and development of both existing and new IT support systems.



Effective data coordination results in new world class hospital

The New Karolinska Solna will be a state-of-the-art hospital and world class centre for medicine, research and education. The buildings are being designed to meet the highest level in "Miljöbyggnad", a Swedish system for rating the total environmental performance of buildings. Sweco is taking part in the project with expertise in a wide range of areas. One such example is the data coordination required in a project on this massive scale. Here, Sweco has contributed to more effective BIM planning, more secure deliveries and a structured exchange of information.

Business ethics and social responsibility

Sweco's consultants work in projects that have an impact on development of society and quality of life, which places high demands on consideration to ecological, ethical and socioeconomic aspects.

Responsibility and business ethics

Sweco has a decentralised organisation and a client-driven business model. Each employee is responsible for delivering client-adapted solutions of that are of the right quality and environmentally sound, and in this way has far-reaching individual responsibility for both Sweco's and the client's business. This places significant demands on consideration to ethical and socioeconomic aspects and professional conduct in the best interests of the clients.

Sweco monitors and complies with the laws, regulations and other requirements applicable to operations in the countries where the company is active. Sweco also follows the Code of Ethics formulated by the International Federation of Consulting Engineers (FIDIC), and works according to the principles in the UN's Global Compact and the UN Declaration of Human Rights.

Sweco's own CSR policy describes how the employees are expected to conduct themselves and take responsibility in client projects. The policy covers the areas of business ethics, quality and environment, employee development, human rights, equality, diversity, and occupational health and safety. A review of the CSR policy is part of the About Sweco training course that is mandatory for all of the company's employees. In addition, there are group-wide and local guidelines that specify responsibility on a detailed level.

The full version of Sweco's CSR policy is found at www.swecogroup.com.

Quality assurance

Sweco's consultants always carefully weigh the quality and environmental impacts of the assignments. This is ensured by the management system `sweco@work`, which is certified according to the ISO 9001, ISO 14001 and OHSAS 18001 standards. The system contains Sweco's group-wide working methods for performance of the assignments and ensures that all necessary help functions are accessible to the employees. The use of standardised methodologies helps Sweco's consultants to work together and guarantees the best possible quality for the client, regardless of the area or country. The system assures the quality of the assignment process and management of quality, environment and OHS parameters. The uniform approach to both large and small projects results in higher efficiency and optimal assignment management.

During the year, the management system was certified according to OHSAS 18001, an international standard for occupational health and safety management systems. In this work, Sweco has focused primarily on effective OHS management in the assignments and effective implementation of the HR processes. Acquired units are certified on an ongoing basis.

The employee performance review, Sweco Talk, secures the employees' need for ongoing education and training. The knowledge and experience that they gain in the assignments is preserved and

developed for future use. By continuously evaluating the assignments and working methods, Sweco actively pursues continuous improvements.



Every year Sweco holds an inspiration day for around 400 clients and decision-makers. The theme for the 2012 inspiration day was social perspectives on sustainability, and one of the speakers that entranced the audience was South African Mpho Tutu, author, priest and daughter of Nobel Prize winner Desmond Tutu.

Direct environmental impact

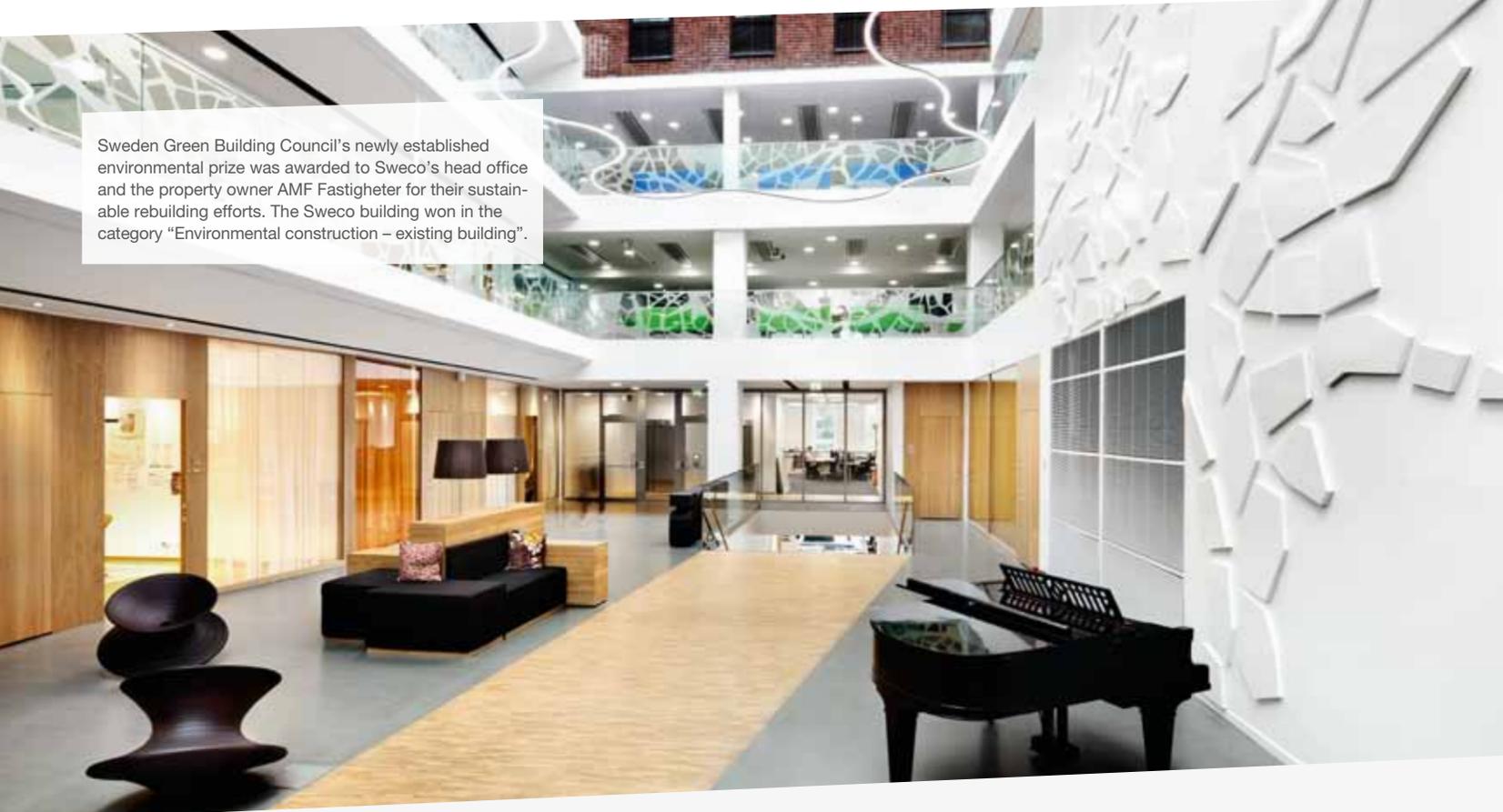
In Sweco's own operations, direct environmental impact is attributable to the company's office environments and business travel. Through structured internal activities, training and effective contract negotiation processes in which Sweco sets high environmental criteria, Sweco strives to achieve the best possible energy performance and use the most suitable technical systems in its own office environments. In 2012 Sweco completed the renovation and rebuilding

of its head office in Stockholm. The building achieved the "Gold" level in the Sweden Green Building Council's environmental certification system, with an emphasis on energy usage, the working environment and material selection.

There are clear directives for travel. The company's employees are expected to choose eco-friendly modes of transport and, when possible, to replace business trips with tele- or videoconferences. In Sweden and Norway, newly purchased cars should be environmentally-classified

vehicles (ECVs). There are also ambitions to increase the share of ECVs in the other Sweco countries.

In 2012 Sweco continued its efforts to reinforce the employees' knowledge in the sustainability area. Among other things, Sweco has a group-wide, web-based sustainability course that is a mandatory part of the introduction for new employees.



Sweden Green Building Council's newly established environmental prize was awarded to Sweco's head office and the property owner AMF Fastigheter for their sustainable rebuilding efforts. The Sweco building won in the category "Environmental construction – existing building".

As one of the leading players in urban sustainability, Sweco has a wide-ranging commitment to society. Sweco is active in a number of different initiatives and collaborative efforts aimed at promoting knowledge and development.

- Sweco has collaborated with Doctors Without Borders/Médecins Sans Frontières (MSF) since 2009 and provides financial donations to the organisation. This collaboration has also enabled several of Sweco's employees to take a leave of absence and apply their architectural and engineering skills in the field. Over the years, these individuals have provided expertise in construction management, transport, logistics, water and environment, and have thereby contributed to sustainable development around the world.
- Participation and transfer of knowledge in connection with international climate meetings. Sweco has attended several of the UN's climate summits, most recently the Rio+20 conference on sustainable development where Sweco took part in the panel debate.
- Sweco supported A Day in the World, a gigantic photo project in which people around the world were asked to photograph their daily life. This resulted in a collection of 100,000 images from 165 countries.
- For more than 25 years Sweco has been presenting the Swedish Energy Prize to acknowledge energy-saving ideas and innovations. The prize for 2012 went to Eksta Bostads AB for its work with renewable energy in housing construction.

Sweco also presents an annual student prize. Mia Pantzar won the prize for 2012 for her thesis project "Sustainable Urban Mobility".

- Spreading of knowledge about sustainable development of society through the following forums, including: the Swedish Green Building Council, Renewal in the Civil Engineering Industry, the Swedish Federation of Consulting Engineers and Architects' sustainability group, the Norwegian Society of Graduate Technical and Scientific Professionals, buildingSMART, the Norwegian Mining and Quarry Industries and the International Federation of Consulting Engineers.
- Sweco collaborates closely with the academic sphere. Several employees are engaged in research and hold professorships in Sweco's areas of operation. In addition, Sweco regularly accepts students working on thesis projects.
- Sweco is participating in Nordic Built Challenge – a competition where the objective is to develop the best concept for sustainable renovation of an existing building.
- In Norway Sweco is a cooperation partner to Global Futures, a career development program by the Confederation of Norwegian Enterprise (NHO) to mobilise highly educated individuals with a multicultural background for relevant positions and directorships in the private and public sectors.

Board of Directors' report

The Board of Directors and the President of SWECO AB (publ) hereby submit the annual report and consolidated annual report for the financial year 2012.

SWECO AB (publ) domiciled in Stockholm, corporate identification number 556542-9841, is the Parent Company of the Sweco Group. The engineers, architects and environmental experts at Sweco are working together to develop total solutions that contribute to the creation of a sustainable society. Sweco delivers professional consulting services with a high knowledge content throughout the client's entire project chain, from feasibility studies, analyses and strategic planning to engineering, design and project management. With around 7,800 employees, Sweco is among the largest players in Europe. In 2012 Sweco carried out some 37,000 projects for more than 15,000 clients. Sweco has a local presence in 12 countries and conducts project exports to some 80 countries worldwide.

SWECO GROUP

Sweco has an efficient and client-driven organisation. Based on Sweco's decentralised and result-oriented business model, all energy can be focused on the company's business and work in the client projects. The Parent Company is responsible for group-wide functions. Operations are conducted in six business areas:

Sweco Sweden
Sweco Norway
Sweco Finland
Sweco Central & Eastern Europe
Sweco Russia
Sweco Industry

Sweco is well positioned for profitable growth. The Group has market-leading positions in Sweden, Norway and Finland and solid niche positions in several countries in Central and Eastern Europe. Sweco's home markets have generally higher GDP growth and healthier public finances than the European average. With a profitability and financial strength at the top of the industry, Sweco has capacity to grow faster than the market average, both organically and through acquisitions.

The strong market conditions that prevailed in 2011 continued throughout most of 2012, in spite of the European debt crisis and general weakening in the economic climate. Development was particularly strong in the

Nordic countries. However, during the autumn demand started to show the effects of the market slowdown in certain segments. At the end of the year a downturn was noted, primarily for building-related services with an emphasis on housing and for services in certain industrial segments. Continued positive development is anticipated in the majority of Sweco's service segments, such as the infrastructure, energy and water supply areas.

There are powerful drivers that are boosting long-term demand for consulting engineering services. These are related to urbanisation and rising living standards, which are contributing to a need for infrastructure, industrial production, energy production and construction. At the same time, there are increasingly stringent requirements for sustainable development of society and adaptation to climate change. This is stimulating demand for services in areas like energy efficiency improvements, environmental impact assessments, renewable energy solutions, effective traffic planning and services related to water supply, wastewater treatment and remediation of contaminated soil and water.

CONSOLIDATED SALES AND PROFIT

The Sweco Group's net sales rose by 25 per cent to SEK 7,503.5 million (5,987.6). Organic growth was 8 per cent and acquisition-driven growth was 17 per cent.

Operating profit was up by 24 per cent to SEK 659.3 million (531.3). The increase of SEK 128.0 million is explained mainly by the acquisition of FMC Group and higher earnings in Sweco Norway.

Net sales for Sweco Sweden rose by 11 per cent to SEK 3,995.9 million. Essentially all growth was organic. Operating profit was SEK 413.2 million (412.3) and operating margin was 10.3 per cent (11.5).

Net sales for Sweco Norway increased by 22 per cent. Sweco Norway also showed a strong improvement in operating profit, which amounted to SEK 190.0 million (125.9). Operating margin was 11.1 per cent (9.0). The rise in earnings is mainly due to changes in the Norwegian pension plans. The changes contributed SEK 48 million, of which SEK 27 million is assessed to be annually recurring.

Sweco Finland reported an operating profit of SEK 104.8 million (7.3) and an operating margin of 11.7 per cent (7.9). FMC Group, which is part of the business area since 1 February 2012, contributed net sales of SEK 783.4 million, an operating profit of SEK 94.7 million and an operating margin of 12.1 per cent.

Net sales, operating profit, operating margin and average number of employees for January–December

Business area	Net sales, SEK M		Operating profit, SEK M		Operating margin, %		Average number of employees	
	2012	2011	2012	2011	2012	2011	2012	2011
Sweco Sweden	3,995.9	3,596.7	413.2	412.3	10.3	11.5	3,169	2,907
Sweco Norway	1,716.3	1,401.8	190.0	125.9	11.1	9.0	1,141	994
Sweco Finland	893.5	92.4	104.8	7.3	11.7	7.9	1,149	73
Sweco Central & Eastern Europe	281.6	256.5	6.6	1.6	2.4	0.6	815	823
Sweco Russia	94.4	109.7	-36.0	10.3	-38.2	9.4	315	306
Sweco Industry	707.5	649.4	24.0	24.9	3.4	3.8	733	653
Group-wide, eliminations	-185.7	-118.9	-43.3	-51.0	-	-	14	16
Total Group	7,503.5	5,987.6	659.3	531.3	8.8	8.9	7,336	5,772

The negative earnings development in Russia is explained by a continued weak market in the infrastructure segment. Additional measures are being taken to adapt operations to the current market conditions. Profit for the year includes a net amount of SEK –15.3 million consisting of restructuring charges, goodwill impairment and reversal of unpaid contingent consideration.

Sweco Industry has shown a solid improvement in profit from operating activities compared to the previous year, mainly owing to higher demand in Finland. Profit for the year includes an amount of SEK –11.5 million pertaining to goodwill impairment.

Employee bonuses were charged to the Sweco Group's earnings in a total amount of SEK 185.5 million (–126.6) including social security contributions and pension costs.

Consolidated profit was negatively affected by acquisition-related costs of SEK 12.8 million (11.5), amortisation of acquisition-related intangible assets of SEK 45.9 million (22.9) and the above-mentioned impairment of goodwill in Sweco Russia and Sweco Industry amounting to SEK 29.5 million (–).

Operating profit before amortisation of acquisition-related intangible assets and impairment of goodwill (EBITA) was SEK 734.7 million (554.2) and operating margin was 9.8 per cent (9.3).

The billing ratio, including all administrative personnel, was 74.2 per cent (73.9).

The number of normal working hours during 2012 was 1,979 (1,996).

Profit before tax was SEK 630.8 million (526.8). The Group's net financial items amounted to SEK –28.5 million (–4.5), and included foreign exchange effects of SEK –2.6 million (–1.6).

Profit after tax was SEK 459.8 million (374.8).

Return on equity was 28.5 per cent (25.6) and return on capital employed was 32.6 per cent (34.2).

No significant transactions with related parties took place during the year.

EARNINGS PER SHARE

Earnings per share amounted to SEK 4.97 (4.11) before dilution and SEK 4.97 (4.11) after dilution.

INVESTMENTS

Investments in equipment totalled SEK 151.0 million (115.7) and referred mainly to office furniture, computers and other IT investments. Depreciation of equipment amounted to SEK 90.8 million (76.6) and amortisation of intangible assets to SEK 55.9 million (31.3).

Purchase consideration paid for the acquisition of companies amounted to SEK 785.7 million (278.6) and had an effect of SEK –539.6 million (–221.3) on the Group's cash and cash equivalents.

CASH FLOW AND FINANCIAL POSITION

The Group's cash flow from operating activities was SEK 414.8 million (513.0).

Cash and cash equivalents amounted to SEK 366.8 million (219.6). Disposable cash and cash equivalents including unutilised bank overdraft facilities at the end of the reporting period totalled SEK 916.5 million (687.8). Interest-bearing debt is reported at SEK 776.1 million (78.7). The net interest-bearing liability was SEK 409.3 million (net receivable of SEK 140.9 million).

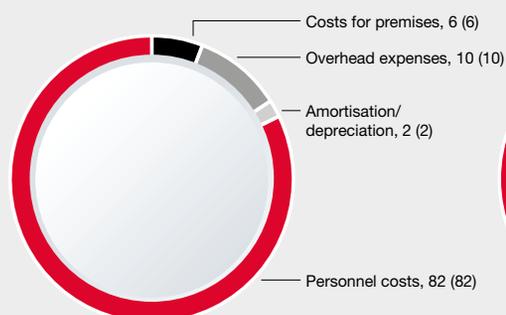
During the year, dividends were paid to Sweco AB's shareholders in a total amount of SEK 274.0 million (272.8).

The net debt/equity ratio was 23.9 per cent (–9.4). The equity/assets ratio was 36.6 per cent (46.2).

Starting in 2013, the revised accounting standard IAS 19 will be applied. All in all, changed accounting standards, changed principles for discount rates in Norway and changed pension plans in Norway are expected to have an effect on consolidated equity of SEK –60 million after tax.

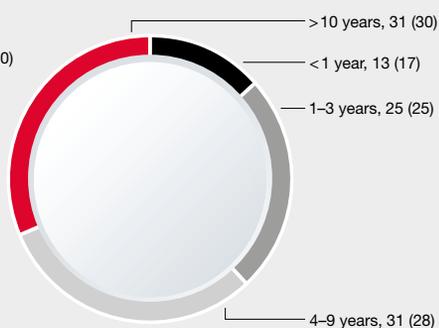
Cost structure

%



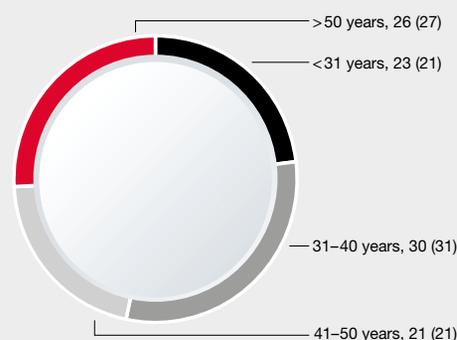
Term of employment

%



Age structure

%



ORGANISATION

Tomas Carlsson took over as the new President and CEO of Sweco on 1 December 2012. He succeeded Mats Wäppling, who left Sweco after six years as President and CEO and nearly ten years as a member of Sweco's Board of Directors. Tomas Carlsson comes most recently from a position as President of NCC Construction Sweden and has worked for the NCC group since 1991. He was born in 1965 and holds a M.Sc. in Civil Engineering and an Executive MBA.

EMPLOYEES

The number of employees at 31 December 2012 was 7,768 (6,324), which is an increase of 1,444. A total of 1,235 employees (1,093) were hired during the year, 1,047 resigned or retired (784), four left in connection with the sale of operations (-) and 1,189 were added through acquisitions (597). The employee turnover rate was 15 per cent (13). The average number of employees in the Group during the year was 7,336 (5,772).

PARENT COMPANY

The Parent Company recorded net sales of SEK 214.4 million (80.3), all of which refers to intra-group services. Profit after net financial items was SEK 389.5 million (411.2). Investments in equipment amounted to SEK 10.1 million (1.4) and cash and cash equivalents at the end of the period totalled SEK 0.5 million (60.7).

THE SWECO SHARE

Sweco is listed on NASDAQ OMX Stockholm. The bid price for the Sweco B share at 31 December 2012 was SEK 73, an increase of 27 per cent during the year. The OMX Stockholm General Index rose by 12 per cent over the same period. The total return on the Sweco B share during the year was 33 per cent.

At the request of shareholders, 4,012 class A shares were converted to class B shares during the year with the support of the conversion clause in the Articles of Association. The total number of votes thereafter amounts to 17,595,182.3, of which the A shares correspond to 9,381,664 votes and the B shares to 8,213,518.3 votes.

The total number of shares at the end of the year was 91,516,847, of which 9,381,664 were of class A and 82,135,183 were of class B. After deduction of treasury shares, the number of shares outstanding at 31 December 2012 was 91,233,682, of which 9,381,664 were of class A and 81,852,018 were of class B.

Share savings schemes

The 2012 Annual General Meeting resolved to implement a long-term share savings scheme directed at senior executives in the Sweco Group. Through the share savings scheme, 32 senior executives have acquired some 36,000 shares. In accordance with IFRS 2, the cost of the 2012 Share Savings Scheme is estimated at approximately SEK 5.6 million (including social security contributions) and will be expensed on a straight-line basis over the retention period.

In 2011 the Annual General Meeting resolved on a corresponding scheme in which more than 31,000 shares were acquired. Under the two share savings schemes, a total of 230,000 shares will be issued if the established goals are met.

Treasury shares

During the year Sweco repurchased 281,145 shares for a total of SEK 19.5 million, which is equal to SEK 69.41 per share. Sweco thus held 283,165 class B treasury shares at 31 December 2012. The treasury shares correspond to 0.3 per cent of the total number of shares and 0.2 per cent of the votes.

SWECO'S BUSINESS AREAS

Sweco Sweden

Net sales and profit	2012	2011
Net sales, SEK M	3,995.9	3,596.7
Operating profit, SEK M	413.2	412.3
Operating margin, %	10.3	11.5
No. of employees at end of period	3,395	3,202

Sweco Sweden is the country's leading provider of consulting engineering services and the Group's largest business area, with around 3,400 employees in some 50 locations. Services are offered in the areas of architecture, structural engineering, building service systems, infrastructure, water & environment, project management, energy systems, geographical IT and institutional services. Sweco Sweden has project exports to countries in Eastern Europe, Africa, Asia, the Middle East and Latin America.

2012 began with powerful demand in all service segments and market development remained stable throughout most of the year. However, a falling trend was noted towards the end of the year, mainly for services in the housing sector. Despite this, demand remains good in most service segments, such as the infrastructure, water supply, energy and geographical IT areas. Interest in Sweco's wide service offering in sustainable urban development has continued to grow and strong long-term demand is anticipated.

Sweco Norway

Net sales and profit	2012	2011
Net sales, SEK M	1,716.3	1,401.8
Operating profit, SEK M	190.0	125.9
Operating margin, %	11.1	9.0
No. of employees at end of period	1,144	1,060

Sweco is one of Norway's largest engineering consultancies, with more than 1,100 employees. The Norwegian business area is organised in five divisions: Energy, Building & Construction, Building Service Systems, Vest and Water, Planning & Transportation.

Sweco's Norwegian market showed continued positive development throughout 2012. Extensive investments in the road and railway network are creating good long-term demand for Sweco. The energy area is also noting healthy demand, above all with regard to electric power production. Investments in commercial properties are rising and demand in the housing sector remains strong. However, certain parts of the industrial sector saw a downturn in the latter half of the year, above all in the export industries.

Sweco Finland

Net sales and profit	2012	2011
Net sales, SEK M	893.5	92.4
Operating profit, SEK M	104.8	7.3
Operating margin, %	11.7	7.9
No. of employees at end of period	1,341	70

As of 1 February 2012, FMC Group is part of Sweco Finland. FMC Group had more than 1,200 employees at year-end 2012 and offers services mainly in the areas of structural engineering, building service systems, industrial engineering, energy and environment. FMC Group is among other things the Finnish market-leader in structural engineering. The business area also includes Sweco PM with 100 employees, which primarily offers project management services to clients in the infrastructure, construction and industrial sectors.

On the whole, demand for Sweco's building-related services in Finland was good during most of 2012, although declining demand was noted for services in the housing sector during the second half of the year. Long-term demand is awaited for public facilities such as schools and hospitals. The outlook is also positive in the renovation, rebuilding and expansion sector. Demand in the infrastructure area remains weak.

Sweco Central & Eastern Europe

Net sales and profit	2012	2011
Net sales, SEK M	281.6	256.5
Operating profit, SEK M	6.6	1.6
Operating margin, %	2.4	0.6
No. of employees at end of period	863	917

Sweco Central & Eastern Europe has close to 900 employees and is active in Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Bulgaria.

The market situation in the business area was stable for most of the year. A certain improvement was noted towards the end of 2012, but from significantly lower levels than normal. The markets in the Baltic countries and Bulgaria, in particular, are showing signs of recovery, primarily in the energy and environmental areas. Poland is seeing continued weak demand for infrastructure and architectural services, while the market situation in the Czech Republic remains stable. Ongoing use of the EU structural funds 2014–2020 to support less developed regions in the European Union is expected to stimulate long-term demand for the business area's services.

Sweco Russia

Net sales and profit	2012	2011
Net sales, SEK M	94.4	109.7
Operating profit, SEK M	-36.0	10.3
Operating margin, %	-38.2	9.4
No. of employees at end of period	298	366

Sweco Russia has around 300 employees and offers services in Infrastructure and water & environment. Sweco Russia is also responsible for coordination of project exports from the other business areas to Russia.

In the wake of the Russian presidential election, a large number of projects have been postponed pending new decisions. This has primarily affected Sweco NIPI and Sweco IKTP, which are active in state-financed infrastructure projects to a large extent. This trend has resulted in very weak capacity utilisation for Sweco during 2012, above all in the latter half of the year. In response to this, additional measures have been taken to adapt operations to the current market conditions. A slight recovery in demand was noted in the last few months of the year, although the level is still comparatively low.

Sweco Industry

Net sales and profit	2012	2011
Net sales, SEK M	707.5	649.4
Operating profit, SEK M	24.0	24.9
Operating margin, %	3.4	3.8
No. of employees at end of period	712	694

Sweco Industry is the Group's resource for qualified industrial consulting services. The business area's capabilities include studies, planning, engineering and project management services for expansion and development of industrial facilities. With some 460 employees in Finland, 230 in Sweden and 20 in Norway, Sweco Industry is one of the Nordic region's largest industrial engineering consultancies. Sweco Industry also has operations in Russia, Eastern Europe and South America. The business area works with a focus on the energy, chemical, pulp and paper, mining and mineral industries, as well as offshore projects.

The market situation for Sweco's industrial consultants showed a clear improvement at the beginning of 2012 and demand was stable for most of the year. In the latter half of 2012, a downturn was noted in certain segments. Above all, demand for energy and mining-related services in Finland has been weakened by project postponements. In December, an increased volume of enquiries was noted across all segments, which is expected to lead to stabilisation of the Finnish market. The Swedish market is stable and is among other things showing continued healthy demand in the mining industry. New investments in the pulp and paper industry have been announced in Asia, South America and Russia, which will benefit demand for Sweco's industry-related services.

ASSIGNMENTS IN 2012

In 2012 Sweco signed a contract worth close to SEK 300 million to provide engineering design services for the New Karolinska Hospital (NKS) in Stockholm, Sweden. Other assignments include architectural design of a new acute treatment centre at the Regional Hospital in Viborg, Denmark. In Gothenburg, Sweden, Sweco will prepare work plans for road E20 through Hova in the Municipality of Gullspång. Additional assignments involve modernisation of electric power systems at the Ringhals nuclear power plant and the provision of coordination and specialist services for the Western Link, the city of Gothenburg's largest railway project in modern times.

In Norway Sweco was commissioned for planning and design of a new children's and youth clinic in Bergen, Norway. Other notable assignments include several extensive road projects on the E6 motorway at Gardermoen airport. In Trondheim Sweco will develop energy-efficient solutions for a 20-storey hotel and in Oslo Sweco will provide engineering design for a large-scale railway expansion.

In Finland Sweco is responsible for structural engineering of a new shopping centre in Pori with an area of around 60,000 square meters, as well as project management for expansion of a passenger terminal at Helsinki-Vanda airport. Sweco will also plan a 26-storey hotel with a total area of 25,000 square meters in central Tampere.

Two high profile assignments in Central and Eastern Europe involve engineering design services in connection with a new plant for the food industry company Vaasan in Estonia and planning of a national research centre in Lithuania. Sweco's Czech consultants have won several contracts for flood protection solutions and in Poland Sweco has been commissioned for planning of a new section of motorway between Brzesko and Krzycz. In Bulgaria Sweco has been assigned total responsibility for construction of a new fresh water dam in Studena and in Slovakia Sweco will plan a new wastewater treatment plant for Volkswagen in Bratislava.

In Russia Sweco has won several new wastewater treatment assignments, for example in Sosnovy Bor and Sortavala. At the end of the year Sweco was awarded a contract to prepare for construction of a ring road around Kazakhstan's largest city of Almaty.

Sweco's industrial consultants are providing services among other things for the development of General Electric's production plant in Lindesnes, Norway, and a feasibility study for the European Spallation Source research facility in Lund, Sweden. Other assignments include new feasibility studies on behalf of the mining company LKAB in Kiruna and Gällivare, Sweden. Several new contracts were also signed during the year with clients such as Metso, Neste Jacobs and Outotec.

ACQUISITIONS

Acquisitions during 2012 have increased the number of employees in the Sweco Group by 1,189.

Sweco Sweden

During the year, Sweco acquired the Finnish architectural firm of Arkkitehtitoimisto Brunow & Maunula Oy with 18 employees. Brunow & Maunula is one of Finland's leading residential architects.

Sweco Norway

In 2012 Sweco acquired the project and construction management company Pyramide AS in Norway with 13 employees.

Sweco Finland

Sweco has acquired the Finnish engineering consultancy FMC Group (whose parent company is Finnmap Consulting Oy) with 1,149 employees on the date of acquisition.

During the year, Sweco acquired the operations of the Finnish project management consultancy Lahden Projektiimi with nine employees.

EVENTS AFTER THE END OF THE REPORTING PERIOD

After the end of the year, Sweco acquired the Norwegian consulting engineering firm of Planstyring AS with 28 employees.

Sweco has also acquired the Norwegian building service systems company MEC Consult AS with six employees.

THE BOARD'S PROPOSED PRINCIPLES FOR SALARY AND REMUNERATION TO SENIOR EXECUTIVES FOR DECISION BY THE 2013 ANNUAL GENERAL MEETING

The Sweco Group's objective is to offer a competitive and market-based level of remuneration that makes it possible to recruit and retain qualified senior executives. Remuneration for senior executives consists of basic salary, variable salary, pension, other remuneration and share-based incentive schemes.

Basic salary and variable salary

The level of remuneration shall be based on factors such as work duties, expertise, experience, position and performance. Furthermore, the relationship between basic and variable salary shall be proportionate to the responsibilities and powers of the individual in question. Variable salary shall be based on the attainment of predetermined and measurable targets that are designed to promote the company's long-term value creation. The maximum amount of variable salary for the Group Executive Management is 75 per cent of basic salary. For other senior executives, the maximum amount of variable salary is 50 per cent of basic salary. The variable salary component is based on actual outcomes in relation to predetermined profitability targets. The targets for the President and other senior executives are established by the Board of Directors.

Pension

The pension terms of the President and other senior executives shall be market-based in relation to that which is generally applicable for comparable executives in the market and shall normally be based on defined contribution pension solutions.

Other remuneration

Other remuneration may be awarded and consists primarily of company car and mobile telephone benefits.

Share-based incentive schemes

Senior executives in the Sweco Group may be offered various forms of incentive schemes on market-based terms. The motive for share-based incentive schemes is to achieve an increase and spread of share ownership/exposure among the senior executives and to achieve a greater alignment of interests between senior executives and the company's shareholders. A long-term personal share ownership commitment among key personnel can be expected to stimulate greater interest in the company's operations and profit growth, and to increase motivation and solidarity with the company.

Decisions regarding share-based incentive schemes shall always be resolved on by an Annual General Meeting or Extraordinary General Meeting.

Term of notice

In the event of dismissal by the company, the President shall have a maximum notice period of 18 months. In the event of his resignation, the President has a six-month notice period.

Between the company and other senior executives, the term of notice is normally 12 months in the event of dismissal by the company and six months in the event of resignation by the executive.

Other

These principles shall apply to agreements entered into after the decision of the Annual General Meeting and any changes in existing agreements made after this date, to the extent that this is permitted under the existing agreements. The Board shall have the right to deviate from the principles in individual cases when there is special reason to do so.

BOARD PROPOSALS

Proposed appropriation of profits

The Board of Directors and the President propose that retained earnings, non-restricted reserves and net profit for the year together amounting to	SEK 759.2 million
be appropriated so that	SEK 232.6 million
the shareholders receive a dividend of SEK 3.25 per share	SEK 991.8 million
and that the remaining sum be carried forward to new account.	SEK 297.4 million ¹⁾
	SEK 694.4 million

1) The distribution will amount to a maximum of SEK 297.4 million calculated on the number of shares outstanding at 5 March 2013, including shares held in treasury. Should the Board exercise the authorisation granted by the Annual General Meeting in April 2012 to either purchase additional treasury shares or transfer treasury shares, the amount to be distributed will change.

The estimated record date for payment of dividends is 22 April 2013.

The income statements and balance sheets of the Group and the Parent Company will be put before the Annual General Meeting on 17 April 2013 for adoption.

The Board of Directors of SWECO AB (publ) has proposed that the 2013 Annual General Meeting resolve to approve a dividend of SEK 3.25 per share (3.00), or a maximum of SEK 297.4 million (274.0).

Sweco's dividend policy states that at least half of profit after tax shall be distributed to the shareholders, while at the same time maintaining a capital structure that provides scope for development of, and investment in, the company's core operations. Sweco's financial targets mean that the company should maintain a level of net debt over time. Sweco's net debt should not exceed 40 per cent of equity. In view of the Board's proposal for payment of dividends as stated above, the Board hereby issues the following statement pursuant to Chapter 18, Paragraph 4, and Chapter 19, paragraph 22, of the Swedish Companies Act.

The Board of Directors is of the opinion that the proposed distribution

to the shareholders does not represent a hinder for the company to meet its obligations in the short or long term, at the same time that the company's financial position permits continued investment and expansion. Based on the balance sheet at 31 December 2012, the Group's net debt/equity ratio after the proposed dividend will amount to around 50 per cent. The net debt/equity ratio prior to the dividend is approximately 24 per cent. Based on the balance sheet at 31 December 2012, the Group's equity/assets ratio after the proposed dividend will amount to approximately 32 per cent. The equity/assets ratio prior to the dividend is approximately 37 per cent.

In view of that stated above, the Board of Directors believes that the proposed dividend to the shareholders is warranted with respect to the amount of shareholders' equity required by the nature, scope and risks associated with the company's business, as well as its consolidation requirements, liquidity and overall financial position.

Repurchase and transfer of treasury shares

The Board of Directors has decided to propose that the 2013 Annual General Meeting authorise the Board to decide on the repurchase of treasury shares. This mandate would enable the Board, during the period before the next Annual General Meeting, to decide on the repurchase of Sweco shares when deemed appropriate. The number of repurchased shares may amount to no more than 10 per cent of the total outstanding share capital, in accordance with the applicable legislation. The repurchase may be carried out over the stock exchange or through an offer to the shareholders. The Board's authorisation is also proposed to include the right to transfer treasury shares.

2013 Share Savings Scheme

The Board has furthermore decided to propose that the 2013 Annual General Meeting approve the implementation of a long-term share savings scheme for up to 80 senior executives and other key staff in the Sweco Group.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, 17 April 2013, at Näringslivets Hus, Storgatan 19, in Stockholm, Sweden.

OUTLOOK FOR 2013

The market for consulting engineering and architectural services is generally good, although a downturn has been noted in areas such as the housing sector and certain industrial segments. Despite this, continued positive development is awaited in most service segments. Sweco's ambition is to achieve sustained profitable growth by strengthening its market positions in the Nordic region and in Central and Eastern Europe. Sweco's healthy finances, leading market positions in several important growth areas and wide offering of services provide a solid platform for stable long-term development.

Corporate governance report

GENERAL ABOUT SWECO

Sweco AB is a public limited liability company domiciled in Stockholm, Sweden. Sweco's corporate governance is regulated by the Swedish Companies Act, the Articles of Association, NASDAQ OMX Stockholm's Rules for Issuers, the Swedish Code of Corporate Governance and other applicable Swedish and international laws and rules. Sweco's Board of Directors and management strive to live up to the requirements of the shareholders, other stakeholders and NASDAQ OMX Stockholm regarding sound and effective corporate governance. Sweco's governance, management and control are divided between the shareholders at the Annual General Meeting, the Board of Directors and the President in accordance with the Swedish Companies Act and the Articles of Association. Sweco's corporate governance report has been prepared in compliance with the Swedish Code of Corporate Governance and the Swedish Annual Accounts Act, and has been examined by the company's auditors.

BUSINESS MODEL AND PROJECT MANAGEMENT

Sweco's business model is to create value through the delivery of professional consulting services. In Sweco's decentralised organisation, the individual consultants form the hub of operations. Since every individual is responsible for generating business, the company's operations must be permeated by a strong entrepreneurial attitude and approach. Sweco's core values of curiosity, commitment and responsibility reflect the corporate culture and serve to promote good conduct and uniform decision-making.

To a large extent, Sweco's activities are carried out in the form of assignments. The project teams vary with consideration to project size, location and complexity. Each project is headed by a responsible assignment manager whose day-to-day work is facilitated by Sweco's group-wide business system, sweco@work. The system, which is quality, environmentally and OHS certified according to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007, promotes effective project management and a consistent approach to the assignment process and client relationship. Sweco@work supports both complex and less complex assignments and gives every assignment manager access to up-to-date financial management data for his or her projects. The system and its usage are audited every year by the independent quality assurance organisation, and also undergo continuous internal audits.

The task of the consultants is to deliver sustainable, client-adapted solutions with a high knowledge content, of the right quality for the benefit of the client's business. The Group's business system is centred around the assignment process and is accessible to the consultants at all times. Sweco pursues continuous improvements to develop the company's working methods, promote sustainability and support the employees. Strategic skills development programs are used to meet the consultants' need for ongoing education and training. The knowledge and experience gained by the consultants in the assignments is preserved and developed for future use.

ETHICS, RESPONSIBILITY AND COMMITMENT

Sweco's mission is to actively contribute to sustainable development of society and the Group strives to uphold the highest standards of conduct and business ethics, with objective and independent employees who act professionally and in the clients' best interests

Sweco's consultants serve as advisors to companies, public agencies, ministries and national governments. Virtually all of Sweco's activities

affect the environment and society in some way. Sweco is often involved in the early stages of a project, which creates an obligation to take responsibility but also provides ample opportunities to exert an influence. Sweco strives to carefully weigh the possible consequences when faced with matters relating to the quality and environmental impact of the assignments. As a result of Sweco's decentralised organisation, these decisions are ultimately made by the individual consultants.

Sweco is represented in many countries and always acts in compliance with local and international laws and regulations. Sweco does not accept fraud, corruption, bribes or unpermitted competition-restricting practices. No one at Sweco may, directly or indirectly, request or accept improper payment or other types of improper gifts or accept a promise thereof, nor may anyone at Sweco, directly or indirectly, offer, promise or provide payment or other types of compensation that can be regarded as improper to individuals, organisations, companies or persons closely linked to them. No one at Sweco may provide cash or other assets to someone who represents Sweco in a certain matter and thereby promotes the giving or taking of a bribe or handling under influence. The employees may not engage in activities where there is a risk for conflict with Sweco's interests. No employee may exploit his or her position for personal gain at the expense of the company, the clients or business partners.

Sweco gives consideration to the religions, cultures, working conditions and traditions of different countries and regions and respects basic freedoms and rights. Sweco sees diversity as essential in creating an innovative and inspiring working environment and actively promotes the equal rights and opportunities of employees in the workplace regardless of their gender, ethnic origin, nationality, religious beliefs, disabilities, sexual orientation, age, etc.

In its CSR policy, Sweco establishes the company's and employees' basic views with regard to Corporate Social Responsibility and thereby defines the company's responsibilities in society. The CSR policy covers the areas of business ethics, quality and environment, employee development, human rights, equality and diversity, and occupational health and safety. Group-wide and local guidelines specify responsibility in each area with a greater level of detail.

Sweco supports the Code of Ethics formulated by the International Federation of Consulting Engineers (FIDIC) and acts according to the principles in the UN's Global Compact and the UN Declaration of Human Rights.

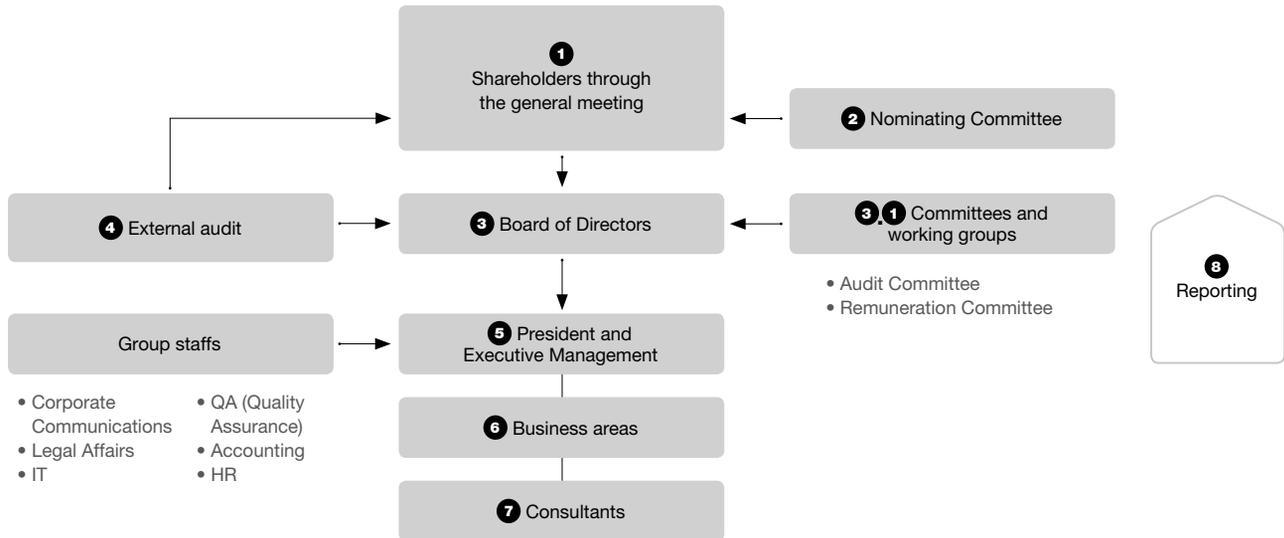
Responsibility for compliance with the CSR policy and the above-mentioned guidelines is shared by all of Sweco's employees. All employees are obligated to familiarise themselves with and follow the contents of the policy and the guidelines, and to also encourage external partners to apply these principles.

ORGANISATION

1. SHAREHOLDER GOVERNANCE THROUGH THE GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is Sweco's highest decision-making body through which the shareholders exercise their influence over Sweco AB. Shareholders who are recorded in the share register on the record date and have notified the company by the specified date have the right to participate in a general meeting and to vote all of their shares. Decisions of the general meeting are normally passed by a simple majority of those present, although in some cases the Swedish Companies Act requires a certain level of attendance to achieve a quorum or a specific voting majority.

Corporate governance at Sweco



Internal policies and processes that affect Sweco's governance:

- Sweco's business model
- Internal control
- The Board's procedural rules
- Instructions for the President & CEO
- Authorisation and signatory rules
- Finance policy
- CSR policy
- Corporate communications policy
- IT security policy
- Crisis management policy
- Insurance and legal instructions
- Financial instructions
- Manual for financial accounting and reporting in the Group
- Sweco@work
- Quality and environmental policy
- Risk management

External rules and recommendations that affect Sweco's governance:

- The Swedish Companies Act
- The Swedish Code of Corporate Governance
- NASDAQ OMX Stockholm's Rules for Issuers
- Laws and regulations in the countries where Sweco operates
- Rules and recommendations in the International Federation of Consulting Engineers' (FIDIC) Code of Ethics
- The UN's rules and recommendations and the principles in the Global Compact
- The OECD's guidelines for multinational companies
- Guidelines from the World Bank, Sida, the OECD, NORAD and other international organisations for assignments in different countries

The Annual General Meeting must be held within six months after the end of the financial year, and is to be held in Stockholm. The Annual General Meeting shall resolve on adoption of the income statements and balance sheets of the Parent Company and the Group, approval of dividends, discharge from liability for the Board of Directors and President, determination of fees to the Board of Directors and auditors, election of the Board members, Board Chairman and auditor, decisions regarding the Nominating Committee and other items of business as required by the Swedish Companies Act. At Sweco's Annual General Meeting, each shareholder has the opportunity to ask questions about the company and its performance in the past year. Representatives from the Board, the Executive Management and the auditors are present to answer these questions.

2012 Annual General Meeting

The 2012 Annual General Meeting was held on 17 April in Stockholm and was attended by a total of 199 shareholders, representing 82 per cent of the votes and 70 per cent of the share capital. Olle Nordström was elected as chairman of the Annual General Meeting. The Annual General Meeting approved an ordinary dividend of SEK 3.00 per share. In addition, the Annual General Meeting resolved to implement a long-term share savings scheme, the 2012 Share Savings Scheme, directed at senior executives in the Sweco Group. The scheme consists of a maximum of 250,000 Sweco class B shares (of which, no more than 198,000 shares for delivery to the participants and no more than 52,000 shares to cover the cost of social security contributions). The Annual General Meeting furthermore authorised the Board, during the period before the next Annual General Meeting, to decide on the repurchase of not more than 198,000 Sweco class B shares on the stock exchange to ensure delivery of Matching and Performance Shares to the participants in the scheme, and the repurchase and transfer of not more than 52,000 Sweco class B shares on the stock exchange to cover the cost of social security contributions. The Annual General Meeting also approved the free-of-charge transfer of not more than 198,000 Sweco class B shares to the participants in the 2012 Share Savings Scheme during the period when they are entitled to receive Matching and Performance Shares. The Annual General Meeting furthermore decided to authorise the Board, during the period before the next Annual General Meeting, to decide on the repurchase and transfer of treasury shares to give the Board greater freedom of action in working to optimise the company's capital structure and to use Sweco shares as consideration in connection with future acquisitions.

In addition, the Annual General Meeting resolved on fees for the Board of Directors, the Audit Committee, the Remuneration Committee and the auditors in accordance with the Nominating Committee's proposal. The Annual General Meeting also resolved on principles for salary and other remuneration to senior executives and instructions for the Nominating Committee. In his address to the Annual General Meeting, President and CEO Mats Wäppling commented on Sweco's performance in 2011, Sweco's development in recent years and the outlook for 2012. The Auditor in Charge reported on audit-related work during 2011.

The Annual General Meeting also resolved on an amendment to § 5 of the Articles of Association so that the number of Board members elected by the general meeting of shareholders shall be at least three and not more than nine, and changes in the wording of § 6 and § 8 in light of the fact that the term for the auditor is now one year.

2. NOMINATING COMMITTEE

The tasks of the Nominating Committee are to recommend candidates for election of officers by the Annual General Meeting and to prepare a solid foundation for the Annual General Meeting's decision in these matters. Aside from proposing the composition of the Board for approval by the Annual General Meeting, the Nominating Committee puts forward recommendations for election of the chairman of the Annual General Meeting, the Board members, the Board Chairman, the amount of Board fees and their apportionment between the Chairman and other Board members and any compensation for committee work, as well as election of auditors and auditing fees.

In 2012 the Nominating Committee focused primarily on:

- monitoring and evaluation of the Board and its performance,
- discussion and analysis of the Board's competency requirements with respect to Sweco's operations, and
- recommendations for the composition of the Board and remunerative matters ahead of the upcoming Annual General Meeting.

The 2012 Annual General Meeting resolved on instructions for the Nominating Committee ahead of the 2013 Annual General Meeting. Among other things, these state that the Board Chairman shall convene a Nominating Committee consisting of one representative for each of the largest shareholders in the company, at least three and at most four, and the Chairman if he/she is not a member in the capacity of shareholder representative. The names of the committee members, together with the names of the shareholders they represent, were published on the company's website on 16 October 2012.

Ahead of the 2013 Annual General Meeting, the Nominating Committee has held four meetings. Sweco's Nominating Committee ahead of the 2013 Annual General Meeting consists of Gustaf Douglas, representing Investment AB Latour, Board Chairman Olle Nordström, representing the Nordström family, and Birgitta Resvik, representing the J. Gust. Richert Memorial Foundation. The chairman of the Nominating Committee is Olle Nordström.

3. BOARD OF DIRECTORS

The Board of Directors is responsible for overseeing the company's organisation and the conduct of the company's business. The Board continuously monitors the financial situation of the company and the Group, and ensures that the company is organised in such a way that its accounting, cash management and other financial circumstances can be adequately controlled. The Board also ensures that its performance is evaluated on a yearly basis through a systematic and structured process.

The Board's procedural rules with instructions for the division of responsibilities between the Board and President is updated and adopted yearly. The procedural rules regulate the Board's obligations, the division of responsibilities within the Board, the number of Board meetings, the annual agenda, the main theme of each meeting, instructions for preparing the agenda and background documentation for decisions, etc.

The Chairman supervises the work of the Board and is responsible for ensuring that the Board carries out its duties in an organised and efficient manner. The Chairman continuously monitors the Group's development through ongoing contact with the President. The Chairman represents the company in matters related to the ownership structure. In accordance with Sweco's Articles of Association, the Board of Directors consists of

at least three and not more than nine members. These members are elected by the Annual General Meeting to serve for the period until the end of the next Annual General Meeting.

Composition of the Board

Sweco's Board of Directors consisted of nine regular members who were elected by the Annual General Meeting to serve for a period of one year until 1 December 2012, when Mats Wäppling resigned from the Board in connection with leaving his post as President and CEO of Sweco. After that, the Board has consisted of eight regular members and one vacancy. The Board of Directors has also included three employee representatives and three deputies for these, appointed by the employees. With the exception of the President (Mats Wäppling), none of the Board members elected by the Annual General Meeting has an operating role in the company. All Board members except one are from Sweden. Five of nine members are men (four after Mats Wäppling's resignation). All mem-

bers elected by the Annual General Meeting, aside from the President (Mats Wäppling) are independent in relation to Sweco. All members aside from Olle Nordström, Johan Nordström and Anders G. Carlberg are independent in relation to the major shareholders.

The 2012 Annual General Meeting appointed Olle Nordström as Board Chairman. The other regular Board members appointed by the 2012 Annual General Meeting were Anders G. Carlberg, Gunnel Duveblad, Aina Nilsson Ström, Pernilla Ström, Carola Teir-Lehtinen, Kai Wärn, Johan Nordström and Mats Wäppling (until 30 November 2012, thereafter one vacancy). The employee representatives have been Thomas Holm, Göran Karloja and Anna Leonsson as regular members, with Görgen Edenhagen, Sverker Hanson and Christer Åberg as deputies.

No Board member has been elected on the basis of agreements with any major shareholder, client, supplier or other party.

For more information about the members of the Board of Directors, see pages 88–89.

Board composition and fees¹⁾

	Position	Year of birth	Nationality	Elected in	Independent	Board and committee fees, SEK ²⁾
Olle Nordström	Chairman, chairman of the Remuneration Committee	1958	Swedish	1997	No	440,000
Anders G. Carlberg	Board member	1943	Swedish	2009	No	200,000
Gunnel Duveblad	Board member, chairman of the Audit Committee	1955	Swedish	2008	Yes	280,000
Aina Nilsson Ström	Board member, member of the Remuneration Committee	1953	Swedish	2005	Yes	220,000
Johan Nordström	Board member, member of the Audit Committee	1966	Swedish	2012	No	240,000
Pernilla Ström	Board member, member of the Audit Committee	1962	Swedish	2009	Yes	240,000
Carola Teir-Lehtinen	Board member, member of the Remuneration Committee	1952	Finnish	2011	Yes	220,000
Mats Wäppling ³⁾	Board member, President and CEO	1956	Swedish	2003	No	–
Kai Wärn	Board member	1959	Swedish	2010	Yes	200,000
Thomas Holm	Employee representative, appointed by the employees	1953	Swedish	2007	–	–
Göran Karloja	Employee representative, appointed by the employees	1953	Swedish	2008	–	–
Anna Leonsson	Employee representative, appointed by the employees	1971	Swedish	2005	–	–
Görgen Edenhagen	Deputy, appointed by the employees	1964	Swedish	2011	–	–
Sverker Hanson	Deputy, appointed by the employees	1963	Swedish	2011	–	–
Christer Åberg	Deputy, appointed by the employees	1953	Swedish	2011	–	–

1) For the period from the 2012 Annual General Meeting to the 2013 Annual General Meeting.

2) Fees for work on the Board, the Remuneration Committee and the Audit Committee according to the decision of the 2012 Annual General Meeting.

3) Resigned from the Board on 30 November 2012.

Work of the Board

Aside from the statutory Board meeting, which is held immediately following the Annual General Meeting, the Board meets at least six times per year. In 2012 the Board held ten meetings, of which two were resolutions by circulation for decision in urgent matters. Four of the Board meetings were held in connection with publication of interim reports. The meeting prior to publication of second quarter report was held by telephone, with all documentation previously distributed. In connection with the meeting in August, the Board visited Kiruna, Sweden, and was given a presentation by the City of Kiruna. A study visit was also made to LKAB's mine. The Board then visited Luleå, Sweden, where the local Sweco office presented its projects and clients and a study visit was made to see Sweco's work related to Facebook's future server halls.

In addition to reporting on development of Sweco's operations and finances, the Board meetings in 2012 devoted considerable attention to growth, both organic and acquisition-driven, the company's strategic focus, management and HR issues, risk management, internal control issues and other matters for which decision responsibility is assigned to the Board according to the procedural rules. When needed, other executives in the company participate in Board meetings in order to present reports. The Board Secretary is the company's General Counsel. The company's auditor takes part in at least one Board meeting per year. Attendance at meetings of the Board, the Audit Committee and the Remuneration Committee in 2012 is shown in the following table.

	Board meetings	Audit Committee	Remuneration Committee
Number of meetings	10	6	5
Olle Nordström	10	–	5
Anders G. Carlberg ¹⁾	9	1	–
Gunnel Duveblad	10	6	–
Aina Nilsson Ström	10	–	5
Johan Nordström ²⁾	7	5	–
Pernilla Ström	10	6	–
Carola Teir-Lehtinen ²⁾	10	–	3
Mats Wäppling ³⁾	8	–	–
Kai Wärn ⁴⁾	9	–	2
Thomas Holm	9	–	–
Göran Karloja	9	–	–
Anna Leonsson	9	–	–
Görgen Edenhagen	8	–	–
Sverker Hanson	2	–	–
Christer Åberg	1	–	–

1) Resigned from the Audit Committee after the 2012 Annual General Meeting to be replaced by Johan Nordström.

2) As of the 2012 Annual General Meeting.

3) Resigned from the Board on 30 November 2012.

4) Resigned from the Remuneration Committee after the 2012 Annual General Meeting to be replaced by Carola Teir-Lehtinen.

Assessment of Board performance

To ensure that the Board meets the requisite performance criteria, a yearly assessment is made of the work of the Board and its members, as was also the case in 2012. The results of the assessment are then subject to open discussion within the Board. The performance of the President and Executive Management is also continuously evaluated and discussed at a minimum of one Board meeting without the presence of the Executive Management.

3.1 BOARD COMMITTEES

Remuneration Committee

The statutory meeting of the Board appoints a Remuneration Committee, which consists of Aina Nilsson Ström, Olle Nordström and Carola Teir-Lehtinen, with Olle Nordström as chairman. The tasks of the Remuneration Committee include drafting of proposals for remuneration principles, terms of employment, pension benefits and bonus systems for the Executive Management and other senior executives, and presentation of these to the Board for decision. The Remuneration Committee meets at least twice a year, and held five meetings in 2012.

Audit Committee

The statutory meeting of the Board also appoints an Audit Committee. The Audit Committee consists of Gunnel Duveblad, Johan Nordström and Pernilla Ström, with Gunnel Duveblad as chairman. The company's independent auditor attended four of the meetings. Among other things, the tasks of the Audit Committee are to support the work of the Board by ensuring the quality of the company's financial reporting, maintaining continuous contact with the company's independent auditor, assisting the Board in preparing a report on internal control and risk management, monitoring significant disputes and damage claims, establishing guidelines for which non-auditing services the company may procure from its auditor and evaluating the auditor's performance. The Audit Committee meets at least three times per year. In 2012 the Audit Committee held six meetings.

4. EXTERNAL AUDIT

The auditor is appointed by the Annual General Meeting yearly since the 2012 Annual General Meeting. The task of the auditor, on behalf of the shareholders, is to examine the company's accounting records and annual report and the administration of the company by the Board of Directors and the President.

The auditing firm of PricewaterhouseCoopers AB (PwC) was re-elected by the 2012 Annual General Meeting to serve as Sweco's auditor until the end of the 2013 Annual General Meeting. Auditor in Charge since 2008 is Authorised Public Accountant Lennart Danielsson. For the financial year 2012, fees for audit services amounted to SEK 3.8 million (SEK 3.5 million in 2011) and for non-audit services to SEK 0.7 million (SEK 5.8 million in 2011). Aside from audit services, Sweco has consulted PwC on various matters related to financial accounting and mergers. Furthermore, PwC has assisted in due diligence processes in connection with acquisitions. The amount of fees paid to all accounting firms in shown in Note 4 on page 59.

5. PRESIDENT, EXECUTIVE MANAGEMENT AND STAFFS

The Board of Directors has delegated responsibility for the day-to-day operations of the company and the Group to the President. The President supervises operations within the framework determined by the Board of Directors. The Board has also established instructions governing the division of responsibilities between the Board of Directors and the President that are updated and adopted yearly. The Executive Management consists of the President Tomas Carlsson together with the CFO Jonas Dahlberg and Director Bo Jansson. The Executive Management is assisted by group staffs for Corporate Communications, QA (Quality Assurance), Accounting, Legal Affairs, HR and IT.

For more information about senior executives, see pages 90–91.

6. BUSINESS AREAS

The Sweco Group's business activities are organised in six business areas, each of which is headed by a president and a controller.

Each business area is led by a board of directors that meets at least four times a year. Sweco's President & CEO is chairman of the board of each business area. Aside from ongoing contact and monthly meetings with the management of each business area, the Executive Management exercises its control over the business areas through involvement in the board activities of the respective business areas. The board of each business area always includes representatives from the Executive Management and the business area's management and, in certain cases, includes employee representatives. The respective business areas are subject to the same rules for division of responsibilities between the board of directors and the president that apply at the Group level. Each business area is made up of underlying companies or business divisions that are organised by area of expertise. Each division/company can then be organised by region, department or group, depending on the number of employees. The smallest organisational unit often consists of between five and 30 employees under the supervision of a manager.

7. CONSULTANTS AND LEADERSHIP

Sweco has a client-driven organisation that is distinguished by far-reaching decentralisation where each unit has a high degree of autonomy. The Group works according to a business model in which business momentum

is generated by the entire organisation and all employees take part in working with clients. Managers at every level in the Group have explicit responsibility and authority to make autonomous decisions and develop their respective operations in line with client needs.

Sweco's international growth ambitions place rigorous demands on the company's leadership. Employee dedication and development are critical for Sweco's growth. All employee development should be focused on performance, expertise and knowledge sharing. This work is supported by the yearly Sweco Talk performance review. Sweco's continued success relies on strong leaders at all levels and in all operating and administrative areas of the Group. To promote strong leadership Sweco uses the Sweco Leadership Compass, which defines the company's leadership culture and links together leadership with Sweco's business culture. Effective management succession is ensured through Next Generation, a process and a program for continuous identification and development of good leaders. Of the 21 participants in Sweco's first global Next Generation Program, 17 have advanced to strategically important positions. A new Next Generation Program with 24 participants was started in the autumn of 2012.

8. INTERNAL CONTROL, RISK MANAGEMENT AND MONITORING

Control environment

Internal control, both over financial reporting and in general, is based on the overall control environment established by the Board and Executive Management. This includes the culture and values communicated and practiced by the Board and management. Key components of the control environment are the organisational structure and the management philosophy and style, as well as responsibilities and powers that are clearly defined and communicated for all levels in the organisation.

The Board of Sweco has formulated explicit procedural rules and instructions for its own work and that of the Remuneration Committee, Audit Committee and President in order to facilitate effective management of operational risks. Every year, the Board updates and adopts the procedural rules, instructions for the President, authorisation and signatory rules and a finance policy, and reviews the Group's other policy documents. Procedural rules for the board and instructions for the president are found in every company in the Group, and are based on the same principles as those that apply for the Board of Sweco AB. In addition, Sweco has a number of policies for financial information, corporate communications, IT security, CSR, crisis management, HR and quality assurance. These policies create a foundation for good internal control.

Sweco has signatory and authorisation rules that clearly regulate the allocation of powers at every level, from the individual consultant to the Board of Directors of Sweco AB. The areas that are covered include tenders, investments, rental and lease agreements, expenditures and guarantees, etc.

Risk management

The goal of Sweco's risk management is to secure the Group's long-term earnings growth and guarantee that Sweco's operations in the various business units are able to meet their objectives. The company's Board of Directors and Executive Management are responsible for risk management.

Sweco's risk management is an ongoing process. A large share of Sweco's operations consist of work in progress. In view of this, there is a special emphasis on continuously monitoring risks and risk management

in work in progress in order to further improve the risk management and internal control activities.

Based on the mapping of the Group's risks and risk management that was carried out in 2010, in the past year Sweco further developed and reinforced its routines for day-to-day risk monitoring. In 2012 these activities were reported regularly to the Audit Committee and the Board. For each business area, a risk map is continuously monitored at the business area's board meetings, where the agenda also includes a standing item on risk management. A report on risk management and internal control in the Group, covering the areas of CSR, Insurance, Accounting, QA (Quality Assurance), IT, HR and Corporate Communications, has been discussed by the Audit Committee and approved by both the EGM (Extended Group Management, consisting of the Executive Management, the business area president and the heads of the group staffs) and the Board of Directors. In the late summer, a special review of policies, guidelines, etc., related to business ethics was started due to changes in the Swedish anti-bribery legislation. The results of this work will be reported to the Audit Committee, the EGM and the Board in the first half of 2013.

The illustration at right describes Sweco's risk process: risks are identified, necessary guidelines and policies are created, these are implemented in the organisation and monitored at several different levels, and a yearly report is submitted to the EGM, the Audit Committee and the Board.

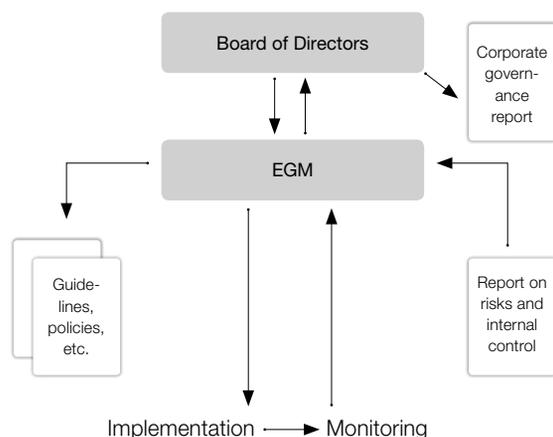
Information about Sweco's normative documents such as group policies, manuals, guidelines and routines is gathered on the Sweco Group's intranet. Important guidelines, manuals, etc., are continuously updated and communicated to the affected employees. One such example is the e-learning course about the Sweco Group that was carried out during the year and includes overall goals, values and policies (including the CSR policy). The ambition is for all employees to complete the course both in connection with hiring and continuously every second year.

Guidelines and policies have been implemented at different levels in the organisation and are monitored continuously, among other things through internal follow-up and external audits.

Monitoring

Each business area has a controller whose task is to monitor compliance with policies, guidelines and routines for financial reporting. The controllers are also responsible for ensuring the accuracy and completeness of the reported financial information. In order to further enhance internal control over the financial reporting, a self-assessment questionnaire on financial reporting has been developed and circulated to all controllers in the Group. The purpose of the questionnaire is to ensure the effectiveness of all significant internal controls related to the company's financial reporting. The submitted answers are analysed and any shortcomings are identified and corrected.

The Group's business system contains a number of functions for financial management, control and monitoring. There is a web-based project reporting system where project managers can continuously monitor their projects and track monthly earnings and key ratios at the group, region, company/division and business area level. Key ratios of relevance for operations can also be followed up weekly at all of these levels. Every month, a group-wide consolidation is carried out to measure actual results against budgets and internal forecasts.



Communication about financial reporting also takes place in connection with controller meetings that are held regularly within the Group. For external communication there is a corporate communications policy that defines the responsibilities and rules for communication with external parties.

Internal audit

Sweco has a simple and uniform operating structure throughout the Group. Controllers at the Group and business area level regularly monitor compliance with Sweco's established steering and internal control systems. In addition, the controllers conduct ongoing analyses of the companies' reporting and financial results in order to oversee their development. In light of the above, the Board of Directors has chosen not to set up a special internal audit function.

Read more about Sweco's risks on pages 82–83.

9. INFORMATION TO THE CAPITAL MARKET

Sweco strives to provide the shareholders, financial analysts and other interested parties with simultaneous, timely, clear and consistent information about the Group's operations, financial position and development. Sweco has a corporate communications policy that is part of the internal control environment and ensures that Sweco meets the requirements to which it is subject as a listed company.

Sweco regularly provides the market with financial information in the form of:

- interim and annual reports, which are published in Swedish and English.
- press releases in Swedish and English about news and events.
- conference calls and presentations for shareholders, financial analysts, investors and the media in connection with the publication of interim reports.
- Capital Market Days.
- meetings with the media, investors and analysts in Sweden and around the world throughout the year.

In addition to interim reports, annual reports and press releases in printed form, the material is also published on the corporate website www.swecogroup.com, which also contains a large volume of other information that is continuously updated.

REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES

Remuneration to the Board

The amount of remuneration to the Board of Directors is determined by the Annual General Meeting. Board fees for 2012/2013 were set at SEK 1,800,000, of which SEK 400,000 is payable to the Chairman and SEK 200,000 to each of the seven members elected by the Annual General Meeting who are not employed in the company. No Board fees are paid to the President or the employee representatives. Board fees are paid on two occasions during the period in question.

The chairman of the Remuneration Committee is paid an additional fee of SEK 40,000 and the other members of the Remuneration Committee receive additional fees of SEK 20,000 each. The chairman of the Audit Committee is paid an additional fee of SEK 80,000 and the other members of the Audit Committee receive additional fees of SEK 40,000 each.

The principles for salary and other remuneration to senior executives according to the decision of the 2012 Annual General Meeting are shown in Note 6 on pages 60–61.

THE SWECO SHARE

Sweco AB's shares have been traded on NASDAQ OMX Stockholm since 21 September 1998. Sweco AB's total market capitalisation at 31 December 2012 was SEK 6,653 million (5,258). The share capital amounted to SEK 91.5 million, divided between 9,381,664 class A shares and 82,135,183 class B shares. The class A shares grant one vote and the class B shares 1/10 of one vote. All shares carry equal entitlement to dividends. Sweco's Articles of Association stipulate the right to convert shares of class A to class B. In May 2012, at the request of shareholders, 4,012 class A shares were converted to class B shares with the support of the conversion clause in the Articles of Association.

At year-end 2012 Sweco AB had 7,500 shareholders. The three largest shareholders are the Nordström family (with 15.2 per cent of the share capital and 34.5 per cent of the votes), Investment AB Latour (with 31.7 per cent of the share capital and 22.7 per cent of the votes) and the J. Gust. Richert Memorial Foundation (with 2.1 per cent of the share capital and 10.2 per cent of the votes). Foreign investors held 13.7 per cent of the share capital and 7.3 per cent of the votes. Together, the ten largest shareholders control the equivalent of 69.0 per cent of the share capital and 79.8 per cent of the votes. The company is not aware of any agreements between shareholders that could lead to limitations in the right to transfer shares in the company.

Sweco's dividend policy is to distribute at least half of profit after tax to the shareholders while at the same time maintaining a capital structure that provides scope for development of, and investment in, the company's core operations.

10. DEVIATIONS FROM THE CODE

The Board Chairman is also chairman of the Nominating Committee. In the opinion of the principal shareholders who are represented on the Nominating Committee in accordance with the committee's instructions, it is desirable that the committee be chaired by the representative for the largest shareholder in terms of voting power.

Consolidated income statement

SEK M	Note	2012	2011
Net sales	2, 3, 33	7,503.5	5,987.6
Other operating income		12.5	–
Total operating income		7,516.0	5,987.6
Other external expenses	4, 5, 33	–1,817.4	–1,505.1
Personnel costs	6, 28	–4,861.6	–3,841.6
Amortisation/depreciation and impairment losses	3, 7	–177.7	–109.6
Total operating expenses		–6,856.7	–5,456.3
Operating profit	3	659.3	531.3
Financial income	8, 33	4.6	8.6
Financial expenses	8, 33	–33.6	–13.1
Share in profit of associates	8	0.5	–
Net financial items	8	–28.5	–4.5
Profit before tax		630.8	526.8
Income tax expense	10	–171.0	–152.0
PROFIT FOR THE YEAR		459.8	374.8
Profit for the year attributable to:			
Owners of the Parent Company		454.3	373.5
Non-controlling interests		5.5	1.3
Earnings per share attributable to owners of the Parent Company			
Basic earnings per share, SEK	11	4.97	4.11
Diluted earnings per share, SEK		4.97	4.11

Consolidated statement of comprehensive income

SEK M	2012	2011
Profit for the year	459.8	374.8
Foreign currency translation difference	–31.5	–13.6
Hedge of net investment in subsidiary	20.9	–
COMPREHENSIVE INCOME FOR THE YEAR	449.2	361.2
Comprehensive income attributable to:		
Owners of the Parent Company	444.3	360.0
Non-controlling interests	4.9	1.2

Consolidated balance sheet

at 31 December

SEK M	Note	2012	2011
ASSETS	32		
Non-current assets			
Goodwill	14	1,418.1	907.5
Other intangible assets	14	144.6	88.3
Property, plant and equipment	15	288.5	230.8
Investments in associates	17	6.5	1.0
Financial investments	19	11.5	7.9
Deferred tax assets	10	7.0	5.3
Other non-current receivables	22, 28	46.2	20.3
Total non-current assets		1,922.4	1,261.1
Current assets			
Trade receivables	33	1,278.7	909.5
Work in progress less progress billings	23	781.6	650.1
Current tax assets		62.4	34.2
Other current receivables		112.6	49.2
Prepaid expenses and accrued income	24	165.0	133.1
Short-term investments	25	9.4	–
Cash and cash equivalents	25	357.4	219.6
Total current assets		2,767.1	1,995.7
TOTAL ASSETS	3	4,689.5	3,256.8
EQUITY AND LIABILITIES			
Equity	26		
Share capital		91.5	91.5
Other contributed capital		239.0	239.0
Reserves		–39.4	–29.4
Retained earnings, including profit for the year		1,401.1	1,192.1
Equity attributable to owners of the Parent Company		1,692.2	1,493.2
Non-controlling interests		22.3	10.5
Total equity		1,714.5	1,503.7
Liabilities	32		
Non-current liabilities			
Non-current interest-bearing liabilities	27, 29	665.9	23.5
Provisions for pensions	28	0.5	6.9
Deferred tax liabilities	10	164.6	141.7
Other non-current liabilities		4.3	20.2
Total non-current liabilities		835.3	192.3
Current liabilities			
Current interest-bearing liabilities	27, 29	110.2	48.2
Progress billings in excess of work in progress	23	354.4	280.3
Trade payables	33	286.9	245.8
Current tax liabilities		71.1	41.0
Other current liabilities	30	399.2	282.9
Accrued expenses and prepaid income	30	917.9	662.6
Total current liabilities		2,139.7	1,560.8
Total liabilities	3	2,975.0	1,753.1
TOTAL EQUITY AND LIABILITIES		4,689.5	3,256.8

For information about the Group's pledged assets and contingent liabilities, see Note 31.

Consolidated cash flow statement

SEK M	Note	2012	2011
Operating activities			
Profit before tax	8	630.8	526.8
Adjustments for non-cash items			
Capital gains/losses		-18.0	0.0
Amortisation/depreciation and impairment losses	3, 7	177.7	109.6
Difference between pension premiums expensed and paid		-32.1	18.6
Other items		4.8	2.7
Total non-cash items		132.4	130.9
Income taxes paid		-197.7	-138.6
Cash flow from operating activities before changes in working capital		565.5	519.1
Changes in working capital			
Change in current receivables		-234.7	-131.2
Change in current liabilities		84.0	125.1
Cash flow from operating activities		414.8	513.0
Investing activities			
Purchase of intangible assets	14	-4.1	-4.1
Disposal of intangible assets		0.1	-
Purchase of property, plant and equipment	12	-131.4	-91.3
Disposal property, plant and equipment		1.3	3.4
Acquisition of subsidiaries and operations, net cash effect	13	-539.6	-221.3
Disposal of subsidiaries and operations, net cash effect	13	-0.4	-
Disposal of financial investments	19	9.3	1.1
Change in non-current receivables		9.3	-0.7
Cash flow from investing activities		-655.5	-312.9
Financing activities			
Repurchase of treasury shares	26	-19.5	-13.6
Capital distribution to owners of the Parent Company	26	-274.0	-272.8
Capital distribution to non-controlling interests		-0.8	-1.0
Borrowings		723.2	34.6
Repayment of borrowings		-35.7	-103.1
Cash flow from financing activities		393.2	-355.9
CASH FLOW FOR THE YEAR			
Cash and cash equivalents at beginning of year	25	219.6	376.7
Exchange differences in cash and cash equivalents		-5.3	-1.3
Cash and cash equivalents at end of year	25	366.8	219.6

Consolidated statement of changes in equity

SEK M	Note	Share capital	Other contributed capital	Reserves	Retained earnings	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
Equity, 1 January 2011	26	91.5	239.0	-15.9	1,105.0	1,419.6	10.0	1,429.6
Profit for the year		-	-	-	373.5	373.5	1.3	374.8
Foreign currency translation difference		-	-	-13.5	-	-13.5	-0.1	-13.6
Comprehensive income for the year		-	-	-13.5	373.5	360.0	1.2	361.2
Capital distribution to the shareholders – dividend	26	-	-	-	-272.8	-272.8	-1.0	-273.8
Non-controlling interests in acquired companies	13	-	-	-	-	-	0.2	0.2
Acquisition of non-controlling interests	13	-	-	-	-	-	-0.1	-0.1
Change in non-controlling interests		-	-	-	-0.2	-0.2	0.2	0.0
Share savings scheme – value of employee service		-	-	-	0.2	0.2	-	0.2
Repurchase of treasury shares		-	-	-	-13.6	-13.6	-	-13.6
Equity, 31 December 2011/1 January 2012		91.5	239.0	-29.4	1,192.1	1,493.2	10.5	1,503.7
Profit for the year		-	-	-	454.3	454.3	5.5	459.8
Foreign currency translation difference		-	-	-10.0	-	-10.0	-0.6	-10.6
Comprehensive income for the year		-	-	-10.0	454.3	444.3	4.9	449.2
Capital distribution to the shareholders – dividend	26	-	-	-	-274.0	-274.0	-0.8	-274.8
Non-controlling interests in acquired companies	13	-	-	-	-	-	7.9	7.9
Acquisition of non-controlling interests	13	-	-	-	0.1	0.1	-0.2	-0.1
Share savings scheme – value of employee service		-	-	-	1.2	1.2	-	1.2
Repurchase of treasury shares		-	-	-	-19.5	-19.5	-	-19.5
Issue of treasury shares		-	-	-	46.9	46.9	-	46.9
Equity, 31 December 2012	26	91.5	239.0	-39.4	1,401.1	1,692.2	22.3	1,714.5
Proposed capital distribution to the shareholders								
Dividend	26, 35				-297.4	-297.4		-297.4

Parent Company income statement

SEK M	Note	2012	2011
Net sales	3, 33	214.4	80.3
Total operating income		214.4	80.3
Other external expenses	4, 5, 33	-202.1	-92.2
Personnel costs	6, 28	-45.6	-37.3
Amortisation/depreciation and impairment losses	3, 7	-10.7	-3.9
Total operating expenses	3	-258.4	-133.4
Operating loss	3	-44.0	-53.1
Profit from investments in group companies	8	453.1	465.9
Financial income	8, 33	2.0	4.6
Financial expenses	8, 33	-21.6	-6.2
Net financial items	8	433.5	464.3
Profit after net financial items		389.5	411.2
Appropriations	9	-86.8	-1.1
Profit before tax		302.7	410.1
Income tax expense	10	-70.1	-93.7
PROFIT FOR THE YEAR		232.6	316.4

Parent Company statement of comprehensive income

SEK M	2012	2011
Profit for the year	232.6	316.4
Exchange differences	-0.4	-0.2
COMPREHENSIVE INCOME FOR THE YEAR	232.2	316.2

Parent Company balance sheet

at 31 December

SEK M	Note	2012	2011
ASSETS	32		
Intangible assets	14	6.9	9.7
Property, plant and equipment	15	14.3	12.0
Financial assets			
Investments in group companies	16	1,073.1	332.0
Receivables from group companies	21	37.9	38.3
Other non-current securities	20	0.9	0.9
Total financial assets		1,111.9	371.2
Total non-current assets		1,133.1	392.9
Current assets			
Work in progress less progress billings		–	0.6
Receivables from group companies	21	1,598.7	1,547.5
Current tax assets		23.1	–
Other receivables		2.5	5.7
Prepaid expenses and accrued income	24	38.0	10.3
Cash and bank	25	0.5	60.7
Total current assets		1,662.8	1,624.8
TOTAL ASSETS	3	2,795.9	2,017.7
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>	26		
Share capital		91.5	91.5
Statutory reserve		187.5	187.5
Total restricted equity		279.0	279.0
<i>Non-restricted equity</i>	26		
Fair value reserve		–0.8	–0.4
Share premium reserve		51.5	51.5
Retained earnings		708.5	637.2
Profit for the year		232.6	316.4
Total non-restricted equity		991.8	1,004.7
Total equity		1,270.8	1,283.7
Untaxed reserves	9	88.0	1.2
Liabilities	32		
Non-current liabilities			
Liabilities to group companies		8.6	–
Liabilities to credit institutions	27	662.0	–
Total non-current liabilities		670.6	–
Current liabilities			
Current interest-bearing liabilities	27	44.9	–
Progress billings in excess of work in progress		0.0	1.7
Trade payables		10.4	12.7
Liabilities to group companies		686.5	693.8
Current tax liabilities		–	0.6
Other current liabilities	30	2.6	5.4
Accrued expenses and prepaid income	30	22.1	18.6
Total current liabilities		766.5	732.8
Total liabilities	3	1,525.1	734.0
TOTAL EQUITY AND LIABILITIES		2,795.9	2,017.7
Contingent liabilities	31	175.8	204.1

Parent Company cash flow statement

SEK M	Note	2012	2011
Operating activities			
Profit after net financial items		389.5	411.2
Adjustments for non-cash items			
Amortisation/depreciation and impairment losses	7	10.7	3.9
Group contributions	8	-413.3	-408.9
Difference between interest recognised and received/paid	8	2.1	-0.2
Other items		0.6	-
Total non-cash items		-399.9	-405.2
Income taxes paid		-93.9	-53.7
Cash flow from operating activities before changes in working capital		-104.3	-47.7
Changes in working capital			
Change in current receivables		-72.4	-12.7
Change in current liabilities		-9.9	47.9
Cash flow from operating activities		-186.6	-12.5
Investing activities			
Purchase of intangible assets	14	-	-0.1
Purchase of property, plant and equipment	12	-10.1	-12.4
Acquisition of subsidiaries, net cash effect		-694.3	-
Cash flow from investing activities		-704.4	-12.5
Financing activities			
Group contributions		408.9	261.3
Capital distribution to owners of the Parent Company	26	-274.0	-272.8
Repurchase of treasury shares		-19.5	-13.6
Borrowings		715.4	-
Repayment of borrowings		-	-100.4
Cash flow from financing activities		830.8	-125.5
CASH FLOW FOR THE YEAR			
Cash and cash equivalents at beginning of year	25	60.7	211.2
Cash and cash equivalents at end of year	25	0.5	60.7

Parent Company statement of changes in equity

SEK M	Note	Share capital	Statutory reserve	Total restricted	Fair value reserve	Share premium reserve	Retained earnings	Total non-restricted	Total equity
Equity, 1 January 2011	26	91.5	187.5	279.0	-0.2	51.5	923.6	974.9	1,253.9
Profit for the year		-	-	-	-	-	316.4	316.4	316.4
Exchange differences		-	-	-	-0.2	-	-	-0.2	-0.2
Comprehensive income for the year		-	-	-	-0.2	-	316.4	316.2	316.2
Capital distribution to the shareholders – dividend		-	-	-	-	-	-272.8	-272.8	-272.8
Repurchase of treasury shares		-	-	-	-	-	-13.6	-13.6	-13.6
Equity, 31 December 2011/1 January 2012	26	91.5	187.5	279.0	-0.4	51.5	953.6	1,004.7	1,283.7
Profit for the year		-	-	-	-	-	232.6	232.6	232.6
Exchange differences		-	-	-	-0.4	-	-	-0.4	-0.4
Comprehensive income for the year		-	-	-	-0.8	-	232.6	232.2	232.2
Capital distribution to the shareholders – dividend		-	-	-	-	-	-274.0	-274.0	-274.0
Issue of treasury shares		-	-	-	-	-	46.9	46.9	46.9
Share savings scheme		-	-	-	-	-	1.5	1.5	1.5
Repurchase of treasury shares		-	-	-	-	-	-19.5	-19.5	-19.5
EQUITY, 31 December 2012	26	91.5	187.5	279.0	-0.8	51.5	941.1	991.8	1,270.8
Proposed capital distribution to the shareholders									
Dividend	26, 35						-297.4	-297.4	-297.4

Notes

Amounts in SEK M unless otherwise stated.

1 Significant accounting policies

Compliance with norms and laws

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. Furthermore, the Annual Accounts Act and RFR 1, Supplementary Accounting Rules for Groups, have been applied.

The Parent Company applies the same accounting policies as the Group, except in those cases described under "Parent Company accounting policies".

The annual report and consolidated financial statements were approved for publication by the Board of Directors on 5 March 2013. The income statements and balance sheets of the Parent Company and the Group will be put before the Annual General Meeting for adoption on 17 April 2013.

Basis of preparation of the consolidated and Parent Company financial statements

Assets and liabilities are stated at historical cost, aside from certain financial assets and liabilities that are stated at fair value. The financial assets and liabilities stated at fair value consist of derivatives, financial assets classified as financial assets at fair value through profit or loss and available-for-sale (AFS) financial assets.

Functional currency and presentation currency

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the presentation currency of the Parent Company and the Group. The financial statements are therefore presented in SEK.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assumptions.

The estimates and assumptions are evaluated on a regular basis. Changes in estimates are reported in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Note 36 provides a description of inputs and assessments used by the company's management that have a significant impact on the financial reports, and estimates that can lead to significant adjustments in the financial statements of later years.

Significant applied accounting policies

The following accounting policies for the Group have been consistently applied in the periods presented in the consolidated financial statements, unless otherwise stated below. The Group's accounting policies have been consistently applied by all companies in the Group, when needed after adjustment to the Group's policies in associated companies.

Changed accounting standards

Changes in accounting policies resulting from new, revised or amended IFRSs

None of the new IFRSs or IFRIC interpretations that are effective for annual periods beginning on or after 1 January 2012 have had any significant impact on the financial statements of the Group.

New IFRSs not yet applied by the Group:

A number of new, revised or amended IFRSs are effective for annual periods beginning on or after the start of the coming financial year and have not been adopted in advance in the preparation of the year's financial statements. Sweco does not plan to adopt new features or changes for future application in advance of the effective date.

IAS 1, Presentation of Financial Statements (Presentation of Items of Other Comprehensive Income) (Amendment). The change refers to the presentation of items in other comprehensive income. These items are grouped in two categories; those that are potentially reclassifiable to profit or loss in subsequent periods and items that will never be reclassified. Items that could be reclassified include translation gains and losses and gains and losses on cash flow hedges. Items that will not be reclassified include actuarial gains and losses and remeasurements according to the revaluation model for intangible assets and property, plant and equipment. The Group intends to apply the new standard for the financial year beginning on 1 January 2013.

IAS 19, Employee Benefits (Amendment). As a result of the change, the Group will no longer apply the "corridor approach" and will instead recognise all actuarial gains and losses in other comprehensive income. The expected return on plan assets will be based on the discount rate that is used for calculating the pension liability. The

difference between the actual and expected return on plan assets will be recognised in other comprehensive income. The Group intends to apply the amended standard for the financial year beginning on 1 January 2013. The anticipated effect on equity in the financial statements for 2013 regarding the comparison year 2012 is estimated at SEK -233.4 million at 1 January 2012 and SEK -83.3 million at 31 December 2012, excluding any effects on income tax.

IFRS 10, Consolidated Financial Statements, is a new standard for consolidated financial statements that replaces IAS 27 and SIC 12. The standard contains no changes compared to the now applicable IAS 27 with regard to the rules for consolidation in connection with business combinations and disposals. IFRS 10 provides a model to be used in establishing control for all investments made by a company. The Group intends to apply IFRS 10 for the financial year beginning on 1 January 2014 and has not yet evaluated the full effect on the financial statements.

IFRS 11, Joint Arrangements, is a new standard for reporting of joint ventures and joint operations. The new standard will require two main changes compared to IAS 31, Interests in Joint Ventures. The first change is the determination of whether a joint arrangement should be classified as a joint operation or a joint venture. Depending of the type of joint arrangement involved, there are different accounting rules. The other change is that joint ventures must be accounted for according to the equity method, and proportionate consolidation will no longer be permitted. The Group intends to apply IFRS 11 for the financial year beginning on 1 January 2014 and this is not expected to have any significant impact on the financial statements.

IFRS 12 Disclosures of Interests in Other Entities, is a new standard that contains disclosure requirements for interests in subsidiaries, joint arrangements, associated companies and unconsolidated structured entities. The standard will be applied by the Group for the financial year beginning on 1 January 2014.

IFRS 13 Fair Value Measurement, is a new and uniform standard for measurement of fair value and improved disclosure requirements. The Group intends to apply the new standard prospectively, starting with the financial year beginning on 1 January 2013.

IAS 28, Investments in Associates and Joint Ventures (Amendment). The amended standard fundamentally corresponds to the former IAS 28. The amendments pertain to the accounting treatment for changes in holdings and the loss of significant influence or joint control. The Group intends to apply the amended standard for the financial year beginning on 1 January 2014.

None of the other IFRSs or IFRIC interpretations that are not yet effective are expected to have any significant impact on the Group.

Classifications

Non-current assets and non-current liabilities essentially consist of amounts that are expected to be recovered or settled later than 12 months after the balance sheet date. Current assets and current liabilities essentially consist of amounts that are expected to be recovered or settled within 12 months from the balance sheet date.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. An operating segment's results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segment and assess its performance. For additional information about the division into and presentation of operating segments, see Note 3.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which Sweco AB has a controlling influence, meaning that the Parent Company directly or indirectly has the power to govern the subsidiary's financial and operating policies in order to obtain economic benefits. The existence and effect of potential voting rights that can be readily used or converted are a factor to be considered in deciding whether significant influence exists.

All subsidiaries are consolidated according to the acquisition method of accounting, whereby the acquisition of a subsidiary is regarded as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. A purchase price allocation (PPA) is used to determine the acquisition date fair value of the identifiable assets acquired and liabilities assumed, as well as any non-controlling interest in the acquiree. Acquisition-related costs, with the exception of those associated with the issue of equity or debt instruments, are expensed as incurred.

In business combinations where the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree (in a business combination achieved in stages) exceeds the Group's share in the fair value of net identifiable assets acquired and liabilities assumed, the difference is recorded as goodwill. When the difference

is negative, the resulting gain is recognised as a bargain purchase directly in profit or loss.

The consideration transferred for the acquisition of a subsidiary does not include amounts related to the settlement of pre-existing business relationships. Such amounts are recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, it is not remeasured and settlement is accounted for within equity. Otherwise, the fair value of contingent consideration is remeasured at each reporting date and the change is recognised in profit or loss.

In business combinations where less than 100 per cent of the subsidiary is acquired, non-controlling interests arise. There are two alternative methods for accounting for non-controlling interests. The first of these is to record non-controlling interests as their proportionate share of net assets, while the second is to record non-controlling interests at fair value, which means that the non-controlling interests have a share in goodwill. The choice between these two methods can be made on an acquisition-by-acquisition basis. For acquisitions carried out during 2012, non-controlling interests are measured as their proportionate share of net assets.

For business combinations achieved in stages (step acquisitions), the amount of goodwill is determined on the date when control is obtained. Any previously-held equity interests are measured at fair value and value changes are recognised in profit or loss.

Partial disposals of an investment in a subsidiary that result in loss of control are measured at fair value and value changes are recognised in profit or loss.

For business combinations carried out between 1 January 2004 and 31 December 2009 where the cost of acquisition exceeds the fair value of identifiable assets acquired and liabilities and contingent liabilities assumed, the difference was recorded as goodwill. When the difference was negative, it was recognised directly in profit or loss. Acquisition-related costs, other than those associated with the issue of equity or debt instruments, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

For business combinations prior to 1 January 2004, after impairment testing, goodwill was measured at a cost of acquisition corresponding to the carrying amount according to the previously applied accounting policies. The classification and accounting treatment of business combinations prior to 1 January 2004 have not been restated according to IFRS 3 in presentation of the Group's opening balance sheet according to IFRS at 1 January 2004.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit equity balance.

Acquisitions from non-controlling interests are accounted for as equity transactions, i.e. transactions between owners of the Parent Company (retained earnings) and non-controlling interests. As a result, goodwill arises in these transactions. Changes in non-controlling interests are based on their proportionate share in net assets.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction, i.e. a transaction between owners of the Parent Company and non-controlling interests. The difference between the consideration received and the non-controlling interests' proportionate share in acquired net assets is recognised in retained earnings.

Associated companies

Associated companies are all entities over which the Group has a significant influence, but not control, over the operating and financial policies in a manner normally determined by the ownership of between 20 and 50 per cent of the voting power. From the date on which the significant influence passes the Group, investments in associates are reported according to the equity method of accounting, whereby the Group's carrying amount for the investment in an associate corresponds to the Group's share in the fair value of net assets of the associated company as well as goodwill and the effects of any fair value adjustments. In the consolidated income statement, shares in profit or loss attributable to owners of the Parent Company, adjusted for amortisation, impairment losses or reversals on goodwill or negative goodwill, are recognised in "Share in profit of associates". These shares in profit, less dividends received from associated companies, constitute the main change in the carrying amount of investments in associates. The Group's share in other comprehensive income of associates is recognised on a separate line in the Group's comprehensive income.

On acquisition of the investment in an associate, any difference (whether positive or negative) between the cost of acquisition and the investor's share of the fair values of the net identifiable assets including contingent liabilities of the associated company is accounted for in accordance with same principles applied for the acquisition of subsidiaries.

Acquisition-related costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with business combinations

are capitalised as part of the cost of the acquisition. When the Group's share in reported losses of an associated company exceeds the carrying amount of the Group's investment in the associated company, the value of the investment is reduced to zero. Losses are also recognised against long-term interests that, in substance, form part of the investor's net investment in the associated company. Additional losses are recognised by a provision (liability) only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company. The equity method is applied until the date on which the significant influence ceases.

Joint ventures

For accounting purposes, joint ventures are those companies for which the Group has entered into a contractual arrangement whereby two or more parties have joint control over the operating and financial policies. Joint ventures are consolidated according to the proportional method, whereby the Group's share of the joint venture's income, expenses, assets, and liabilities are recognised in the consolidated statement of comprehensive income and the statement of financial position. This is done by combining the venturer's share of the assets, liabilities, income and expenses of the jointly controlled entity with the corresponding items, line by line, in the venturer's consolidated financial statements. Only equity earned after the acquisition date is included in consolidated equity. The proportional method is applied from the date on which joint control passes to the Group and until the date on which joint control ceases.

Transactions to be eliminated on consolidation

All intra-group receivables and liabilities, income or expenses, and unrealised gains or losses arising on transactions between group companies are eliminated in full in presentation of the consolidated financial statements. Unrealised gains arising on transactions with associated companies and joint ventures are eliminated to the extent of the Group's interest in the company. Unrealised losses are similarly eliminated unless they provide evidence of impairment.

Foreign currency

Transactions in foreign currency

Transactions in foreign currencies are translated to the functional currency at the rate of exchange ruling on the transaction date. The functional currency is the currency of the primary economic environment in which the company operates. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing day rate. Foreign exchange differences arising on translation are recognised in the profit or loss.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from the foreign operation's functional currency to the Group's presentation currency, SEK, at the closing day rate of exchange. Income and expenses in foreign operations are translated to SEK at an average rate that is a reasonable approximation of actual rates on the respective transaction dates. Foreign currency translation differences arising on translation of foreign operations are recognised in the statement of comprehensive income and accumulated as a separate component of equity, reserves. When a foreign operation is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the separate component of equity relating to that foreign operation is recognised in profit or loss when the gain or loss on disposal is recognised. Sweco has no group companies in countries with hyper-inflationary economies.

The following exchange rates have been used for translation of the most significant currencies:

	2012		2011	
	Closing	Average	Closing	Average
EUR	8.62	8.71	8.94	9.03
NOK	1.17	1.16	1.15	1.16

On consolidation, exchange differences arising from the translation of net investments in foreign operations and other currency instruments designated as hedges of such investments are recognised in the statement of comprehensive income and accumulated in other reserves in equity, to the extent that the hedge is effective. The ineffective portion is recognised in the consolidated income statement. When a foreign operation is disposed of, the cumulative amount of the exchange differences relating to that foreign operation, after deduction of any currency hedges, is reclassified from equity to profit or loss.

Cumulative translation differences arising before 1 January 2004 (transition to IFRS) have been recognised as a foreign currency translation reserve in equity.

Net investments in foreign operations

Monetary non-current items receivable from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, part of Sweco's net investment in the foreign operation. Exchange differences arising on

Note 1

monetary non-current items are recognised in other comprehensive income and accumulated in a separate component of equity, the foreign currency translation reserve. When a foreign operation is disposed of, the cumulative amount of the exchange differences attributable to monetary non-current items is included in the cumulative exchange differences that are reclassified from the translation reserve in equity to profit or loss.

Revenue

Revenue is measured at the fair value of the consideration receivable for services rendered in the Group's operating activities. The Group recognises revenue when the amount can be measured reliably and it is probable that the economic benefits will flow to the company.

The Group accounts for service contracts (work in progress) in accordance with the percentage of completion method, which means that contract revenue is recognised in pace with completion of the contract. In the consolidated income statements, the year's generated contract revenue for service contracts carried out on both a cost plus and fixed price basis is recognised in operating income. For cost plus contracts, contract revenue refers to work completed that is invoiced to the client. For fixed price contracts, contract revenue is determined by reference to the stage of completion. The stage of completion of a contract is determined by comparing the proportion of contract costs incurred on the balance sheet date with the estimated total contract costs. In the balance sheet, service contracts are recognised at the value of the contract revenue less confirmed losses and anticipated loss risks. Service contracts where the value of work in progress exceeds progress billings are reported among assets as work in progress less progress billings. Service contracts where the value of progress billings exceeds the value of work in progress are reported among liabilities as progress billings in excess of work in progress.

If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are expected to be recoverable.

An expected loss on a contract should be recognised as an expense immediately.

Financial income and expenses

Financial income consists of interest income on invested funds, dividend income, revaluation gains on financial assets at fair value through profit or loss and gains on derivatives that are recognised through profit or loss.

Interest income on financial instruments is calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, accrued transaction costs and any other discounts and premiums. Dividend income is recognised when the right to payment has been established. Gains on the sale of financial instruments are recognised when the significant risks and rewards of ownership of the instrument have been transferred to the buyer and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, effects arising on reversal of the present value of provisions, revaluation losses on financial assets at fair value through profit or loss and impairment losses on financial assets. All borrowing costs are recognised in the income statement through application of the effective interest method, regardless of how the borrowed funds have been used.

Foreign exchange gains and losses are reported net. Foreign exchange gains and losses arising on operating receivables and liabilities are recognised in operating profit, while those arising on financial assets and liabilities are recognised in net financial items.

Financial instruments

The financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, loans and receivables, financial investments and derivatives. On the liability side, these include trade payables, borrowings and derivatives.

Recognition and derecognition of assets and liabilities

A financial asset or liability is recognised in the balance sheet when the company initially becomes party to the contractual provisions of the instrument. Trade receivables are recorded in the balance sheet when an invoice has been issued. Financial liabilities are recognised when the counterparty has performed and there is contractual obligation to pay, even if no invoice has been received. Trade payables are recorded when an invoice has been received.

A financial asset is derecognised from the balance sheet when the company's rights under the agreement are realised, expire or the company has relinquished control of the asset. The same applies to a part of a financial asset. A financial liability is derecognised from the balance sheet when the obligation specified in the agreement is discharged or otherwise extinguished. The same applies to a part of a financial liability.

A financial asset and a financial liability are set off and netted in the balance sheet only when a legal right of setoff exists and there is an intent and ability to set off and net these items or to simultaneously realise the asset and settle the liability.

The purchase or sale of a financial asset is recognised on the trade date, which is the date on which the transaction takes place, except for when the company ac-

quires or sells listed securities, in which case settlement date accounting is applied.

The fair value of a listed financial asset is equal to the asset's quoted market price on the balance sheet date. The fair value of unlisted financial assets is established by using different valuation techniques such as recent transactions, prices for similar instruments and discounted cash flows.

Classification and measurement

Non-derivative financial instruments are initially measured at cost, corresponding to fair value including transaction costs for all financial assets and liabilities not measured at fair value through profit or loss, which are measured at fair value less transaction costs. On initial recognition, a financial instrument is classified based on the intent for acquisition of the financial instrument. Subsequent to initial recognition, the accounting treatment of financial liabilities depends on how they are classified, as described below.

Cash and cash equivalents comprise cash in hand and at bank and other highly liquid short-term investments with original maturities of less than three months which are exposed to insignificant risk for value fluctuations. Highly liquid short-term investments are investments that are readily convertible to known amounts of cash and do not require a buyer in order to be realised.

Financial investments comprise either financial assets or short-term investments depending on the period or intent of the holding. If the maturity or expected holding period is longer than one year the investments are recognised as financial assets, and if it is shorter they are recognised as short-term investments.

Financial assets at fair value through profit or loss

This category consists of financial assets held for trading. Financial instruments in this category are subsequently measured at fair value with fair value changes in operating profit or loss. This category consists mainly of derivatives with a positive fair value, but may also include financial investments.

Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted on an active market. Such receivables arise when Sweco provides goods or services directly to a debtor with no intent of trading the resulting receivables. Assets in this category are subsequently recognised at amortised cost. Amortised cost is calculated using the effective interest rate on the acquisition date. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of those receivables. Significant financial difficulties of the debtor and default or delinquency of payments are considered objective evidence of impairment. If the expected holding period is longer than one year, they are non-current receivables, and if it is shorter they are other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are assets that cannot be allocated to any other category or belong to this category by nature. Shareholdings and participations that are not recognised as subsidiaries, associated companies or joint ventures are recognised here. Available-for-sale financial assets are measured at fair value. The period's gains/losses arising from changes in fair value are recognised in other comprehensive income and cumulative gains/losses as a separate component of equity. Fair value changes due to impairment are recognised in profit or loss. On disposal of such assets, the cumulative gains/losses that were previously recognised in other comprehensive income are recycled into profit or loss. An impairment loss is recognised when there is evidence of a lasting decrease in value.

Financial liabilities at fair value through profit or loss

This category consists of financial liabilities held for trading. Financial instruments in this category are subsequently measured at fair value with value changes recognised in operating profit or loss. This category includes the Group's derivatives with negative fair values.

Other financial liabilities

This category includes borrowings and other financial liabilities, such as trade payables. These liabilities are measured at amortised cost, which is calculated using the effective interest rate on the transaction date. Non-current liabilities have an expected maturity of longer than one year, while current liabilities have a maturity of shorter than one year.

The categories in which the Group's financial assets and liabilities are grouped are presented in Note 32 Financial assets and liabilities.

Derivatives and hedge accounting

Derivative instruments in the Sweco Group consist of forward exchange contracts entered into in order to reduce the risk for exchange rate movements. All derivatives are initially measured at fair value, which means that transaction costs affect profit or loss for the current period. Derivatives are subsequently measured at fair value and changes in fair value are recognised directly in the income statement within operating profit or loss when the criteria for hedge accounting have not been met.

Hedge accounting

Hedge accounting is applied for the investment in FMC Group and the related loan financing. Net investments in foreign operations are hedged by raising foreign currency loans that are translated at the closing day rate on the reporting date. Exchange differences in the foreign currency loan are recognised as hedges of the net investment in a group company and are included in other comprehensive income. Through hedge accounting, the asset (net investment in a foreign operation) and liability (foreign currency loan) are linked to each other, which means that only net value changes are recognised in other comprehensive income.

Receivables and liabilities in foreign currency

Forward exchange contracts are used to hedge assets and liabilities against currency risk. Hedge accounting is not used for these currency hedges, since an economic hedge is reflected in the financial statements in that both the underlying asset or liability and the hedge instrument are translated at the rate of exchange on the balance sheet date and exchange gains and losses are recognised through profit or loss. Changes in the fair value of operating receivables and liabilities are recognised in operating profit, while changes in the fair value of financial assets and liabilities are recognised in net financial items.

Property, plant and equipment**Owned assets**

An item of property, plant and equipment is recognised as an asset in the balance sheet when it is probable that the economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

Historical cost includes the costs of purchase and all directly attributable costs necessary to bring the asset to its required working condition. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are included as part of the cost of that asset.

Items of property, plant and equipment consisting of identifiable parts with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised in the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on sale arising from disposal of an asset is the difference between any disposal proceeds and the carrying amount of the asset less direct costs to sell, and is recognised in other operating income/expenses.

Leased assets

In the consolidated financial statements, leases are classified as either finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recorded as non-current assets in the consolidated balance sheet. The obligation to pay future lease payments is reported in the balance sheet under current and non-current liabilities. The leased assets are depreciated on a straight-line basis, while the lease payments are recognised in interest expenses and repayment of borrowings. The finance charge is allocated to income throughout the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable charges are expensed as incurred.

For operating leases, the lease payments are recognised in profit or loss over the lease term according to the pattern of benefit, which may differ from the de facto amount of lease payments during the year. Incentives for the agreement of a new or renewed operating lease are recognised in the income statement as a reduction of the lease charges on a straight-line basis over the lease term. Variable charges are expensed as incurred.

Subsequent expenditure

Subsequent expenditure is added to the recorded value of the asset or recognised as a separate asset when it is probable that the future economic benefits associated with the asset will flow to Group and the cost of the asset can be measured reliably.

The decisive factor in determining if subsequent expenditure should be capitalised as a component of the asset is whether the expenditure refers to replacement of an identified component, or parts thereof, in which case it is capitalised. In cases where a new component is created, the resulting expenditure is added to historical cost. Any residual value of a replaced component, or parts thereof, is recognised as an expense in connection with replacement. Repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is charged on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. The Group applies component depreciation, where depreciation is based on the estimated useful life of the components.

The estimated useful lives are:

– buildings, operating properties	50 years
– IT and computer equipment	3 years
– other equipment	5 years

The residual value and useful life of an asset are evaluated yearly.

Intangible assets**Goodwill**

Goodwill represents the difference between the fair value of purchase consideration given in connection with an acquisition and the fair value of net assets acquired and liabilities assumed including contingent liabilities.

For goodwill arising from business combinations prior to 1 January 2004, the carrying amount becomes the Group's deemed cost, after impairment testing. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units and is no longer amortised but is instead tested for impairment at least annually (see next page). Goodwill arising on investments in associated companies is included in the carrying amount of the shares in the associated company.

Capitalised development costs

Costs for research aimed at obtaining new scientific or technical knowledge are expensed as incurred.

Costs for development, where knowledge is used to achieve new or improved products or processes, are recognised as an asset in the balance sheet only when the technical and commercial feasibility of the product or process has been established, the Group has adequate resources to complete development and the Group intends and is able to complete the intangible asset and either use it or sell it. It must also be possible to demonstrate how the asset will generate probable future economic benefits and to reliably measure expenditure attributable to the asset during its development. The costs recognised should include the costs of materials, direct employment costs and indirect costs that can be attributed to the asset in a reasonable and consistent manner. Other development costs are expensed as incurred. Capitalised development costs are carried at cost less any amortisation and impairment losses. In the Group, there is a developed software solution for project management.

Capitalisation of intangible assets in business combinations

In connection with a business combination, the value of the order backlog, customer relationships and brands/trademarks is measured. The capitalised order backlog is measured as the contribution margin on fixed orders. Customer relationships and brands/trademarks are measured at cost less accumulated amortisation.

Subsequent expenditure

Subsequent expenditure on a capitalised intangible asset is recognised within assets in the balance sheet only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expense can be measured reliably.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of so-called qualifying assets are capitalised as part of the cost of the asset. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. The Group capitalises borrowing costs primarily on borrowings that are specific to the qualifying asset and, alternatively, on borrowing costs arising on general borrowings that are not specific to any other qualifying asset. The Group's centrally set internal interest rate is used to determine the interest rate for capitalised borrowing costs.

Amortisation

Amortisation is recognised in profit or loss and is carried out straight-line over the estimated life of the asset, unless the useful life is indefinite. Goodwill and intangible assets with indefinite lives are tested for impairment at least annually, or more frequently if circumstances indicate a possible impairment. Amortisable intangible assets are amortised from the date on which they become available for use. The estimated useful lives are:

– capitalised development costs	5 years
– licenses	3 years
– customer relationships	5 years
– brands/trademarks	1–3 years
– order backlog	in pace with realisation

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to look for any indication that an asset may be impaired. If there is an indication of impairment, the asset's recoverable amount is calculated. For deferred tax assets the carrying amount is reviewed according to the applicable standards (see section on taxes).

Note 1

For goodwill and other intangible assets with indefinite useful lives, the recoverable value is calculated annually.

For an asset that does not generate any cash flow independently from other assets, recoverable value is calculated for the smallest identifiable cash-generating unit to which the asset belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable value, an impairment loss is recognised in the income statement.

In the event of an impairment loss, the carrying amount of any goodwill allocated to the cash-generating unit (group of units) is first reduced, and then the carrying amounts of the other assets of the unit (group of units) on a pro rata basis.

Determining recoverable amount

The recoverable amount of other assets is the higher of fair value less costs to sell and value in use. In measuring value in use, the discount rate used should be the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. If it is not possible to determine the recoverable amount for the individual asset, the recoverable amount is calculated for the smallest identifiable cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses are reversed when there is an indication that a previous impairment loss may no longer exist or may have decreased and there has been a change in the estimates used to determine the asset's recoverable amount. Reversal of impairment losses on goodwill is prohibited. An impairment loss is reversed only when the increased carrying amount due to reversal is not more than what the depreciated historical cost would have been if the impairment had not been recognised, with an adjustment of amortisation for future periods.

Impairment losses on trade receivables recognised at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event occurring after the date of the impairment loss.

Equity

Treasury shares

On the repurchase of shares (treasury shares), the amount of consideration given is recognised as a reduction in equity. Proceeds from the sale of treasury shares are recognised as an increase in equity. Any transaction costs are recognised directly in equity.

Dividends

Dividends are recognised as a liability when they have been approved by the Annual General Meeting.

Earnings per share

Earnings per share are calculated by dividing profit or loss attributable to owners of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by adjusting profit or loss and the average number of shares for the effects of dilutive potential ordinary shares, which during the reported periods consist of warrants issued to employees.

Employee benefits

Pension plans

The pension plans are financed through payment of premiums to insurance companies or pension funds, according to periodic actuarial computations. A defined benefit plan is based on a formula indicating the exact amount of benefit to be received by the employee after retiring, normally based on one of more factors such as age, duration of employment or salary. In a defined contribution plan, the employer pays a fixed contribution to a separate legal entity (insurance company). Sweco has both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is classified as a plan where the company's legal or constructive obligation is limited to the amount that it agrees to contribute. The amount of the post-employment benefits received by the employee is thus determined by the amount of contributions paid by the company to the pension plan or to an insurance company, together with investment returns on the accumulated contributions. Consequently, it is the employee who bears both the actuarial risk (that the amount of benefits will be lower than anticipated) and the investment risk (that the invested assets will not be adequate to provide the anticipated benefits). For defined benefit plans, the expense to be recognised in the profit loss account for the period is the contribution payable in exchange for service rendered by employees during the period.

Defined benefit plans

The Group's net obligation under defined benefit plans is determined separately for each plan through a reliable estimate of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. This obligation is discounted to a present value. The discount rate is determined by ref-

erence to market yields at the balance sheet date on high quality corporate bonds with a term to maturity corresponding to the Group's pension obligations. When there is no active market for such corporate bonds, the market yield on government bonds with a corresponding term to maturity is instead used. Valuation is carried out by a qualified actuary using the Projected Unit Credit Method. The fair value of plan assets is also computed on the reporting date. For defined benefit plans, the present value of the defined benefit obligation is reduced by the fair value of plan assets. Defined benefit plans in which the fair value of plan assets exceeds the amount of the obligation are recognised as financial assets.

When the benefits of a plan are improved, that portion of increased benefits attributable to employee service in prior periods is recognised as an expense and is amortised on a straight-line basis over the average period until the amended benefits become vested. If the benefits are fully vested, past service cost is recognised immediately in the income statement.

The corridor approach is applied, whereby accumulated unrecognised actuarial gains and losses that exceed +/- 10 per cent of the higher of the present value of plan obligations and the fair value of plan assets are recognised in income or expense over the expected average remaining working lives of the participating employees. In other case, actuarial gains and losses are not recognised.

When valuation leads to an asset for the Group, the recognised value of the asset is limited to the net total of unrealised actuarial losses and past service costs and the present value of any benefits available in the form of refunds or reductions in future employer contributions to the plan.

When there is a difference between how the pension expense is determined in a legal entity and in the Group, a provision or asset for special payroll tax is recognised on the basis of this difference.

Termination benefits

An expense is recognised on the termination of employees only if the company is demonstrably committed to terminate an employee or group of employees before the normal retirement date.

Short-term employee benefits

For short-term employee benefits, the undiscounted amount of benefits expected to be paid in respect of service rendered by employees in a period is recognised in that period.

Share-based payment

The 2011 and 2012 Annual General Meetings resolved to implement a long-term share savings scheme directed at senior executives in the Sweco Group. Under the two share savings schemes, the participants may use their own funds to acquire class B shares in Sweco ("Savings Shares"). If the Savings Shares are held until the announcement of the year-end report for the 2014 financial year for the 2011 share savings scheme and the 2015 financial year for the 2012 share savings scheme ("the Retention Period") and the participant remains employed in his/her position or an equivalent position in the Sweco Group throughout the Retention Period, each Savings Share shall thereafter grant entitlement to one class B share in Sweco without consideration ("Matching Share") and – provided that the performance criteria have been met – to an additional number of not more than one to four class B shares in Sweco ("Performance Shares"). The granting of performance shares is conditional on a positive total yield for the Sweco share, and is also dependent on the Sweco share's total yield in relation to a group of benchmark companies. The cost will be expensed on a straight-line basis over the Retention Period as a personnel cost with a corresponding increase in equity. The cost of the Matching Share is based on the fair value of the share on the acquisition date and the cost of the Performance Share is based on the fair value of the share as calculated by an external party through a so-called Monte Carlo simulation.

In connection with the grant, social security contributions must be paid for the value of the employee benefit. Provisions for these estimated social security contributions are therefore made during the Retention Period.

Provisions

A provision is recognised in the balance sheet when the Group has a present obligation (legal or constructive) that has arisen as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. When the timing effect of payment is significant, provisions are measured at discounted present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Group's provisions consist of pension provisions.

Income taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss.

Current tax refers to tax payable or receivable with respect to the year's profit or loss, with the application of the tax rates that have been enacted or substantively enacted by the balance sheet date. This also includes adjustments in current tax from earlier periods.

Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between the carrying amount of an asset or liability and its tax base. The following temporary differences are not recognised; temporary differences arising on initial recognition of goodwill, initial recognition of assets and liabilities that are not business combinations and at the time of the transaction affect neither reported nor taxable profit, nor temporary differences attributable to investments in subsidiaries and associated companies where the Group can control the date for recovery of these and it is probable that these will not be recovered in the foreseeable future. The measurement of deferred tax reflects the manner in which the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is computed with the application of the rates/laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets for deductible temporary differences and unused tax loss carryforwards are recognised to the extent that it is probable that these can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Any additional income tax arising on dividends is recorded on the date when the dividend is recognised as a liability.

Contingent liabilities

A contingent liability is recognised where there is a possible obligation depending on the occurrence of some uncertain future event, or whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, or when an obligation is not recognised as a liability or provision because the possibility of an outflow of economic resources is remote.

Parent Company accounting policies

The annual financial statements of the Parent Company are presented in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2, Accounting for Legal Entities. The statements for listed companies issued by the Swedish Accounting Standards Board's Urgent Issues Task Force are also applied. RFR 2 states that in the report for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and IFRSs and statements as far as possible within the framework of the Annual Accounts Act and the Pension Protection Act, with respect to the connection between accounting and taxation. This recommendation defines the exceptions and additional disclosures compared with IFRS.

Differences between the accounting policies of the Group and the Parent Company

The differences between the accounting standards applied by the Group and the Parent Company are described below. The following accounting standards for the Parent Company have been applied consistently for all periods presented in the Parent Company financial statements.

Changed accounting policies

Unless otherwise specified, the accounting policies applied by the Parent Company in 2012 have been adjusted in accordance with the changes described above for the Group.

Subsidiaries, associated companies and joint ventures

In the Parent Company, investments subsidiaries, associated companies and joint ventures are accounted for in accordance with the cost method of accounting. This means that acquisition-related costs are included in the carrying amount of the investment in a subsidiary, associated company or joint venture. In the consolidated financial statements, acquisition-related costs are expensed as incurred.

The value of contingent consideration is measured based on the probability that the consideration will be paid. Any changes in the provision/receivable are added to/reduce the historical cost. In the consolidated financial statements, contingent consideration is measured at fair value with value changes through profit or loss.

A bargain purchase (negative goodwill) that is related to expectations of future losses and expenses is recognised when the expected losses and expenses occur. Negative goodwill arising for other reasons is recognised as a provision to the extent that it does not exceed the aggregate fair value of acquired identifiable non-monetary assets. The portion exceeding this value is recognised directly in profit or loss. That portion that does not exceed the aggregate fair value of acquired identifiable non-monetary assets is recognised as income on a systematic basis over the remaining weighted average useful life of the acquired identifiable depreciable/amortisable assets. In the consolidated financial statements, bargain purchases are recognised directly in profit or loss.

Sale of goods and performance of services

In the Parent Company, revenue from the sale of services is recognised when the performance of the service is completed, according to Chapter 2, paragraph 4 of the Annual Accounts Act. Until then, work in progress is recognised at the lower of cost and net realisable value on the balance sheet date.

The Parent Company's invoicing of group-wide administration and other operations is recognised in net sales in the income statement.

Dividends

Dividends are recognised when the right to receive payment is deemed certain. Similar requirements apply to dividends from subsidiaries, and that the distributed profits must be earned after Sweco's acquisition date. Dividends can also be anticipated if the dividend has been decided or if Sweco can ensure that dividends are paid via its holding in the company.

Work in progress

In the balance sheet, work at a fixed price is reported at the lower of cost and fair value. Work performed on a cost plus basis is not assigned a value in the balance sheet.

Finance leases

In the Parent Company, all leases are recognised according to the rules for operating leases.

Defined benefit pension plans

The Parent Company applies different grounds for calculation of defined benefit pension plans than those stated in IAS 19. The Parent Company complies with the provisions in the Pension Protection Act and the regulations of the Swedish Financial Supervisory Authority since this is a requirement for tax deductibility. The most significant differences compared to the rules in IAS 19 are how the discount rate is determined, that the defined benefit obligation is calculated on the basis of current salary level with no assumption about future salary increases, and that actuarial gains and losses are recognised in the income statement for the period during which they arise.

Income taxes

In the Parent Company, untaxed reserves are reported including deferred tax liabilities. In the consolidated financial statements, however, untaxed reserves are divided between a deferred tax liability and equity.

Hedge accounting

RFR 2, IAS 21, page 4, states that liabilities in foreign currency can in certain cases be recognised at historical cost rather than being translated according to the exchange rate on the balance sheet date. Historical cost may be used for liabilities that constitute hedging instruments to hedge net investments in group companies. This means that both the hedging instrument (the liability) and the hedged item (the investment) are translated at historical exchange rates.

In the Parent Company, loans raised to financing a net investment in a foreign operation are recognised at historical cost. In the Group, hedge accounting is applied and the foreign currency loan is translated at the closing day rate with translation effects in the statement of comprehensive income.

Financial guarantees

The Parent Company's financial guarantee contracts consist of guarantees issued on behalf of subsidiaries. A financial guarantee contract is a contract that requires the company to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due or as agreed. The Parent Company reports financial guarantee contracts according to an optional exception permitted by the Swedish Financial Accounting Standards Council compared to the rules in IAS 39. This optional exception refers to financial guarantee contracts on behalf of subsidiaries, associated companies and joint ventures. The Parent Company reports financial guarantees as a provision in the balance sheet when there is an obligation for which it is probable that settlement will require an outflow of resources.

Group and shareholder contributions for legal entities

Shareholder contributions are recognised directly in equity by the recipient and are capitalised in shares and participating interests by the giver, to the extent that no impairment charge is required. Group contributions received by the Parent Company from a subsidiary are recognised in the Parent Company according to the same principles as customary dividends from subsidiaries. Group contributions paid by the Parent Company to a subsidiary are recognised through profit or loss.

2 Net sales

The Group's net sales are essentially attributable to service contracts.

3 Segment reporting

OPERATING SEGMENTS – BUSINESS AREAS

The Group's operations are divided into operating segments on the basis of the components of the Group that are regularly reviewed by the Executive Management, with application of the so-called management perspective. In the Group, the operating segments are defined as business areas.

Sweco's operations are organised in such a way that the Executive Management monitors the profit, operating margin and billing ratio generated by the Group's different geographical areas. Each business area is headed by an individual who is responsible overseeing day-to-day operations and who regularly reports the business area's operating results and performance to the Executive Management. Since the Executive Management monitors the results of the business areas, these comprise the Group's operating segments.

The Group's internal reporting is structured so that the Group Management can monitor the performance and results of all geographical areas. One exception to this is the Industry business area, whose operations consist of industrial consulting engineering services that are based in several countries. On the basis of this internal reporting, the Group's business areas have been identified and their various components have undergone a process aimed at combining segments that are similar. Consequently, the segments have been combined when they have similar financial attributes, meaning that their services, customers and distribution methods operate in a similar regulatory environment.

The following business areas have been identified:

Sweco Sweden	Architecture, structural engineering, building service systems, infrastructure, water and environment, project management, energy, geographical IT, institutional services
Sweco Norway	Structural engineering, energy, water and environment, infrastructure, building service systems
Sweco Finland	Project management, structural engineering, building service systems, Industry, water and environment
Sweco Russia	Water and environment, infrastructure
Sweco Central & Eastern Europe	Water and environment, structural engineering, building service systems, infrastructure, energy, architecture, project management
Sweco Industry	Chemical industry, mining and mineral industry, pulp and paper industry, energy
Group-wide	Group-wide functions

	Sweco Sweden	Sweco Norway	Sweco Finland	Sweco Central & Eastern Europe	Sweco Russia	Sweco Industry	Group- wide	Eliminations	Unallocated	Total Group
2012										
External sales	3,911.0	1,689.8	881.1	267.4	91.9	662.3	–	–	–	7,503.5
Internal sales	84.9	26.5	12.4	14.2	2.5	45.2	212.4	–398.1	–	–
TOTAL NET SALES	3,995.9	1,716.3	893.5	281.6	94.4	707.5	212.4	–398.1	–	7,503.5
Amortisation/depreciation and impairment ¹⁾	–64.6	–25.7	–26.2	–9.3	–23.0	–18.2	–10.7	–	–	–177.7
Operating profit/loss	413.2	190.0	104.8	6.6	–36.0	24.0	–43.3	–	–	659.3
Financial income							5.1			5.1
Financial expenses							–33.6			–33.6
Profit before tax										630.8
Assets	1,672.3	1,045.4	1,115.5	360.7	114.0	476.1	2,782.4	–2,883.9	7.0	4,689.5
Investments in property, plant and equipment	110.5	17.4	12.4	2.7	0.4	5.5	10.1	–	–	159.0
Investments in intangible assets	9.7	19.0	634.9	1.3	–	1.0	–	–	–	665.9
Liabilities	1,680.2	459.2	232.5	343.3	145.3	135.2	1,667.1	–1,852.4	164.6	2,975.0

1) Impairment losses in the Group amounted to SEK 29.5 million (–), of which SEK 11.5 million (–) is attributable to Sweco Industry and SEK 18.0 million (–) to Sweco Russia.

	Sweco Sweden	Sweco Norway	Sweco Finland	Sweco Central & Eastern Europe	Sweco Russia	Sweco Industry	Group- wide	Eliminations	Unallocated	Total Group
2011										
External sales	3,543.9	1,391.7	91.8	246.7	106.1	607.4	–	–	–	5,987.6
Internal sales	52.8	10.1	0.6	9.8	3.6	42.0	80.3	–199.2	–	–
TOTAL NET SALES	3,596.7	1,401.8	92.4	256.5	109.7	649.4	80.3	–199.2	–	5,987.6
Amortisation/depreciation	–50.7	–20.2	–0.5	–11.4	–7.2	–6.9	–12.7	–	–	–109.6
Operating profit/loss	412.3	125.9	7.3	1.6	10.3	24.9	–51.0	–	–	531.3
Financial income							8.6			8.6
Financial expenses							–13.1			–13.1
Profit before tax										526.8
Assets	1,976.3	855.0	85.4	354.8	144.3	480.2	1,918.7	–2,563.2	5.3	3,256.8
Investments in property, plant and equipment	86.6	21.3	0.4	3.5	4.6	6.0	1.4	–	–	123.8
Investments in intangible assets	57.5	130.5	0.1	21.0	33.9	6.7	–	–	–	249.7
Liabilities	1,974.0	390.0	21.5	339.3	139.3	131.1	889.0	–2,272.8	141.7	1,753.1

Net financial items are not followed up at the business area level since they are affected by measures taken by the central treasury department, which handles the Group's cash liquidity.

Net sales in the Parent Company amounted to SEK 214.4 million (80.3). Of total net sales in the Parent Company, 100 per cent (100) consisted of sales to group companies. Of the Parent Company's other external expenses, 34 per cent (24) consisted of purchases from group companies.

Assets consist of operating receivables, IT equipment and office equipment. The breakdown of intangible assets is shown in Note 14. Group-wide items include cash and cash equivalents of SEK 0.5 million (60.7).

The business areas' profits, assets and liabilities include directly attributable items and items that can be allocated to the business areas in a reasonable and reliable manner. The reported items in profits, assets and liabilities of the operating segments are measured in accordance with the profits, assets and liabilities regularly reviewed by the Executive Management.

Transfer prices between the Group's various operating segments are set according to the "arm's length" principle, i.e. market-based prices.

Group-wide items consist of gains and losses on the sale of financial investments, income tax expenses, tax expenses and general administrative expenses. The group-wide assets and liabilities that have not been allocated are deferred tax assets and deferred tax liabilities.

NET SALES FROM EXTERNAL CUSTOMERS BY SERVICE SEGMENT

	Group	
	2012	2011
Structural Engineering	1,451.7	777.9
Infrastructure	1,196.1	993.9
Building Service Systems	1,056.7	825.9
Energy	984.7	870.9
Water & Environment	868.0	910.2
Industry	709.4	571.1
Architecture	577.5	523.3
Project Management	468.0	375.5
Geographical IT	191.4	138.9
TOTAL	7,503.5	5,987.6

OPERATING SEGMENTS – GEOGRAPHICAL AREAS

	External sales		Non-current assets ¹⁾	
	2012	2011	2012	2011
Sweden	3,917.8	3,399.1	370.8	334.5
Norway	1,698.3	1,446.6	476.5	459.0
Denmark	38.5	74.7	7.6	6.9
Finland	913.2	345.2	862.4	274.8
Estonia	61.4	21.1	33.8	35.5
Lithuania	80.3	59.2	22.3	24.7
Czech Republic	85.9	88.7	34.9	36.7
Slovakia	6.1	5.2	3.1	3.4
Bulgaria	19.8	23.0	5.8	6.5
Poland	96.7	60.1	35.8	26.8
Rest of EU	19.6	51.3	0.4	–
Russia	162.2	175.4	38.3	49.7
Rest of Europe	201.1	70.2	–	–
Africa	52.3	40.0	–	–
Asia	112.5	117.3	0.1	–
Oceania	2.5	0.7	–	–
North America	1.7	3.2	–	–
South and Central America	33.7	6.6	–	–
Eliminations	–	–	–36.9	–28.1
TOTAL	7,503.6	5,987.6	1,854.9	1,230.4

¹⁾ Refers to non-current assets that are not financial instruments, deferred tax assets, assets pertaining to post-retirement benefits or rights arising under insurance agreements.

INFORMATION ABOUT MAJOR CUSTOMERS

The Group has no revenue attributable to any individual customer that accounts for 10 per cent or more of the Group's total net sales. See also section on credit risk in Note 33.

4 Fees to auditors

	Group		Parent Company	
	2012	2011	2012	2011
PricewaterhouseCoopers AB				
– audit services	3.8	3.5	0.5	0.6
– audit services aside from the statutory audit	0.3	0.9	–	0.4
– tax advice	0.1	0.1	–	–
– non-audit services	0.3	4.8	0.2	4.3
Total	4.5	9.3	0.7	5.3
Other auditing firms				
– audit services	1.9	0.5	–	–
Total	1.9	0.5	–	–
TOTAL	6.4	9.8	0.7	5.3

Audit services refer to examination of the consolidated financial statements, the accounts and the administration of the Board of Directors and the President of the company, other tasks incumbent on the company's auditor, and advice or other assistance prompted by observations from such audits or the performance of other such tasks.

5 Operating leases and rental contracts

	Group		Parent Company	
	2012	2011	2012	2011
Fees according to leases and rental contracts in force				
Rents paid during the year	363.6	225.5	2.6	1.2
Other charges paid during the year	9.0	7.4	0.2	0.2
TOTAL RENTS AND CHARGES PAID DURING THE YEAR	372.6	232.9	2.8	1.4
Future lease payments and rents,				
– within one year	258.5	222.1	2.6	1.2
– between one and five years	676.2	578.5	6.9	4.8
– longer than five years	565.6	531.1	8.6	9.1
TOTAL FUTURE LEASE PAYMENTS	1,500.3	1,331.7	18.1	15.1

Future lease payments refer to the nominal amount stipulated in non-cancellable leases and rental contracts. Of future minimum payments, approximately 99 per cent (99) consists of rents for premises. Other lease charges refer primarily to office equipment and IT equipment. For the Parent Company, future finance lease payments are included in an amount of SEK 0.2 million (0.2).

6 Employees and personnel costs

Personnel costs	Group		Parent Company	
	2012	2011	2012	2011
Salaries and remuneration, other employees	3,361.7	2,601.8	7.1	7.3
Salaries and remuneration, senior executives	76.2	55.2	15.5	12.1
Total salaries and remuneration¹⁾	3,437.9	2,657.0	22.6	19.4
Social security contributions, excl. pension costs	754.6	654.8	9.3	8.1
Pension costs, senior executives ²⁾³⁾	14.4	10.7	4.4	3.6
Pension costs, others ²⁾	384.9	305.6	5.0	3.1
TOTAL	4,591.8	3,628.1	41.3	34.2

1) Senior executives in the table consist of board members and presidents in the Parent Company and all subsidiaries, and amount to 79 individuals (58) in the Group and 12 individuals (10) in the Parent Company.

2) See also Note 28, Provisions for pensions.

3) Senior executives who have received pension contributions according to the table include 71 individuals (51) in the Group and 4 individuals (3) in the Parent Company.

Average number of employees	2012		2011	
	Total	Of whom, men %	Total	Of whom, men %
Sweden				
Parent Company	14	43	16	38
Subsidiaries	3,329	70	3,045	71
Total Sweden	3,343	70	3,061	71
Outside Sweden				
Norway	1,159	73	1,016	74
Finland	1,554	77	513	82
Denmark	27	70	34	68
Estonia	91	60	51	49
Lithuania	250	55	251	56
Russia	357	43	305	38
Czech Republic	225	55	244	54
Slovakia	22	68	8	63
Bulgaria	65	48	67	52
Poland	183	68	198	68
Rest of Europe	13	92	–	–
Africa	9	100	4	100
Asia	31	94	19	89
South and Central America	2	100	1	100
North America	5	100	–	–
Total outside Sweden	3,993	69	2,711	67
TOTAL GROUP	7,336	70	5,772	69

Percentage of women, %	Group		Parent Company	
	2012	2011	2012	2011
Board members in all companies	16	24	50	50
Other senior executives, 70 individuals (50)	11	18	0	0

Sickness absence, %	Group		Parent Company	
	2012	2011	2012	2011
Total sickness absence	3.1	2.6	1.1	0.4
– long-term sickness absence	1.2	0.7		
– sickness absence for men	2.4	2.1		
– sickness absence for women	4.5	3.6		
– employees –29 years	2.6	2.2		
– employees 30–49 years	2.7	2.1		
– employees 50+ years	4.0	3.6		

REMUNERATION TO SENIOR EXECUTIVES

Principles

The Board of Directors appoints a Remuneration Committee whose task is to address matters related to terms of employment, pension benefits and bonus systems for senior executives. The Remuneration Committee also deals with general terms of employment and remunerative matters affecting all employees in the company. Senior executives include the President, the members of the Executive Management and all managers who report directly to the President.

The Board of Directors appoints a Remuneration Committee whose task is to address matters related to terms of employment, pension benefits and bonus systems for senior executives. The Remuneration Committee also deals with general terms of employment and remunerative matters affecting all employees in the company. Senior executives include the President, the members of the Executive Management and all managers who report directly to the President.

Basic and variable salary

Remuneration shall be based on factors such as work duties, expertise, experience, position and performance. Furthermore, the relationship between basic and variable salary shall be proportionate to the responsibilities and powers of the individual in question. The variable salary component is based on predetermined and measurable criteria that are designed in order to promote the company's long-term value creation. The maximum amount of variable salary for the Executive Management is 75 per cent of basic salary. For other senior executives, the maximum amount of variable salary is 50 per cent of basic salary. The variable salary component is based on actual outcomes in relation to predetermined profitability targets. The targets for the President and other senior executives are established by the Board of Directors.

Pension

The pension terms of the President and other senior executives shall be market-based in relation to those that generally apply for comparable executives in the market and shall normally be based on defined contribution pension solutions.

Other remuneration

Other remuneration may be awarded and consists primarily of company car and telephone benefits.

Share-based incentive schemes

Senior executives in the Sweco Group may be offered various forms of incentive schemes on market-based terms. The motive for share-based incentive schemes is to achieve an increase in and spread of share ownership/exposure among the senior executives and to achieve a greater alignment of interests between the executives and the company's shareholders. A long-term personal share ownership commitment among key personnel can be expected to stimulate greater interest in the company's operations and profit growth, and to increase motivation and solidarity with the company.

Decisions regarding share-based incentive schemes shall always be resolved on by an Annual General Meeting or an Extraordinary General Meeting.

Notice period and termination benefits

In the event of dismissal by the company, the President has a maximum notice period of 18 months. In the event of his resignation, the President has a six-month notice period.

Between the company and other senior executives, the term of notice is normally 12 months in the event of dismissal by the company and six months in the event of resignation by the executive.

Other

These principles shall apply to agreements entered into after the decision of the Annual General Meeting and any changes in existing agreements made after this date, to the extent that this is permitted under the existing agreements. The Board shall have the right to deviate from the principles in individual cases when there is special reason to do so.

Remuneration and other benefits in 2012 (SEK 000s)

	Basic salary/ board fees	Variable salary ²⁾	Other benefits	Pension cost	TOTAL
Board Chairman					
Olle Nordström	423	–	–	–	423
Board member					
Anders G. Carlberg	205	–	–	–	205
Board member					
Gunnel Duveblad	272	–	–	–	272
Board member					
Johan Nordström ¹⁾	160	–	–	–	160
Board member					
Aina Nilsson Ström	212	–	–	–	212
Board member					
Pernilla Ström	232	–	–	–	232
Board member					
Carola Teir-Lehtinen	234	–	–	–	234
Board member					
Kai Wärn	198	–	–	–	198
President	400	233	0	151	784
Former President	4,309	2,133	95	2,284	8,821
Other senior executives (8 individuals)	11,984	4,563	809	3,892	21,248
TOTAL	18,629	6,929	904	6,327	32,789

1) As of the 2012 Annual General Meeting.

2) Variable salary includes share-based payments of SEK 55,000 to the President and SEK 348,000 to other senior executives.

Remuneration and other benefits in 2011 (SEK 000s)

	Basic salary/ board fees	Variable salary ²⁾	Other benefits	Pension cost	TOTAL
Board Chairman Olle Nordström	390	–	–	–	390
Board member Anders G. Carlberg	215	–	–	–	215
Board member Gunnel Duveblad	255	–	–	–	255
Board member Aina Nilsson Ström	195	–	–	–	195
Board member Pernilla Ström	215	–	–	–	215
Board member Carola Teir-Lehtinen ¹⁾	88	–	–	–	88
Board member Kai Wärn	195	–	–	–	195
President	4,236	1,423	107	2,110	7,876
Other senior executives (6 individuals)	9,938	1,589	654	3,747	15,928
TOTAL	15,727	3,012	761	5,857	25,357

1) As of the 2011 Annual General Meeting.

2) Variable salary includes share-based payments of SEK 47,000 to the President and SEK 60,000 to other senior executives.

The Chairman and other members of the Board receive Board fees and compensation for committee work according to the decision of the Annual General Meeting. The employee representatives receive no board fees.

In the above table, other senior executives consist of the members of the Executive Management and the business area presidents (excluding the President of Sweco AB).

Variable salary refers to bonuses and share-based payments that were expensed in 2012 and 2011.

Share savings scheme

The 2011 and 2012 Annual General Meetings resolved to implement a long-term share savings scheme directed at senior executives in the Sweco Group.

Under the Share Savings Scheme, the participants may use their own funds to acquire class B shares in Sweco ("Savings Shares") on NASDAQ OMX Stockholm for an amount equivalent to no more than 5 to 10 per cent of the respective participant's basic annual salary for the respective year. If the Savings Shares are held until the announcement of the year-end report for the 2014 financial year for the 2011 Share Savings Scheme and the 2015 financial year for the 2012 Share Savings Scheme ("the Retention Period") and the participant remains employed in his/her position or an equivalent position in the Sweco Group throughout the Retention Period, each Savings Share shall thereafter grant entitlement to one class B share in Sweco without consideration ("Matching Share") and – provided that the performance criteria have been met – to an additional number of not more than one to four class B shares in Sweco ("Performance Shares"). The granting of Performance Shares is conditional on a positive total yield for the Sweco share, and is also dependent on the Sweco share's yield return in relation to a group of benchmark companies. The cost is expensed on a straight-line basis over the Retention Period.

	Group		Parent Company	
	2012	2011	2012	2011
Number of participants still employed	32	31	8	6
No. of shares acquired	35,870	31,226	16,646	8,859
Granted no. of matching shares	1	1	1	1
Maximum no. of matching shares	35,870	31,226	16,646	8,859
Granted no. of performance shares ¹⁾	1–4	1–4	1–4	1–4
Maximum no. of performance shares	96,010	66,231	58,282	24,346
The year's provision, SEK M ²⁾	0.3	1.2	0.2	0.2
Accumulated provision, SEK M ²⁾	0.3	1.5	0.2	0.3
Estimated total cost ²⁾	5.6	4.3	3.1	1.0
Lock-up period	Nov 2012– Feb 2016	Nov 2011– Feb 2015	Nov 2012– Feb 2016	Nov 2011– Feb 2015

1) Members of the Executive Management may receive no more than four performance shares, the business area presidents no more than three shares, the subsidiary presidents and divisional managers no more than two shares and key employees in staff functions no more than one share.

2) Including social security contributions.

7 Amortisation/depreciation and impairment

	Group		Parent Company	
	2012	2011	2012	2011
Impairment of goodwill ¹⁾	–29.5	–	–	–
Intangible assets capitalised on acquisition, depreciation	–45.9	–22.9	–	–
Other intangible assets, depreciation	–10.0	–8.4	–2.9	–2.8
Buildings, depreciation	–1.5	–1.7	–	–
Equipment, depreciation	–90.8	–76.6	–7.8	–1.1
TOTAL	–177.7	–109.6	–10.7	–3.9

1) SEK 11.5 million refers to part of Sweco Industry and SEK 18.0 million refers to infrastructure operations in Russia.

8 Net financial items

GROUP

	2012	2011
Financial income		
Distribution of financial assets measured at fair value	0.1	0.2
Interest income – trade receivables	1.6	2.4
Interest income – bank	2.5	5.8
Other financial income	0.4	0.2
Total financial income	4.6	8.6
Financial expenses		
Change in value of assets measured at fair value	–0.3	–
Interest expenses – trade payables	–0.7	–0.3
Interest expenses – bank	–25.6	–9.4
Other financial expenses	–4.4	–1.8
Net foreign exchange losses	–2.6	–1.6
Total financial expenses	–33.6	–13.1
Shares in profit of associates	0.5	–
TOTAL NET FINANCIAL ITEMS	–28.5	–4.5
Interest income received during the year	4.1	8.2
Interest expenses paid during the year	–24.2	–9.7

PARENT COMPANY

	2012	2011
Profit from investments in group companies		
Dividends	39.8	57.0
Group contributions	413.3	408.9
Total profit from investments in group companies	453.1	465.9
Financial income		
Interest income from group companies	0.8	0.9
Other interest income	1.0	3.7
Foreign exchange gains	0.2	–
Total financial income	2.0	4.6
Financial expenses		
Interest expenses to group companies	–0.7	–1.2
Other interest expenses	–17.6	–3.7
Other financial expenses	–3.3	–1.3
Total financial expenses	–21.6	–6.2
TOTAL NET FINANCIAL ITEMS	433.5	464.3
Interest income received during the year	1.6	4.4
Interest expenses paid during the year	–16.1	–4.9

9 Appropriations and untaxed reserves

PARENT COMPANY

	2012	2011
Appropriations		
Accelerated depreciation	1.2	-1.1
Provision to tax allocation reserve	-88.0	-
Total	-86.8	-1.1
Untaxed reserves	2012	2011
Accelerated depreciation	-	1.2
Tax allocation reserve, provision for 2013 tax assessment	88.0	-
TOTAL	88.0	1.2

10 Income taxes

	Group		Parent Company	
	2012	2011	2012	2011
Current income tax				
The period's income tax expense	-170.8	-155.3	-69.9	-93.7
Adjustment of tax attributable to prior years	-7.8	-1.4	-0.2	0.0
Total current income tax	-178.6	-156.7	-70.1	-93.7
Deferred tax income/expense				
Deferred tax on temporary differences	2.1	9.7	-	-
Deferred tax expense arising from prior tax values in loss carryforwards	-	-0.4	-	-
Deferred tax income/expense arising on change in untaxed reserves	5.5	-4.6	-	-
Total deferred tax income/expense	7.6	4.7	-	-
TOTAL REPORTED INCOME TAX	-171.0	-152.0	-70.1	-93.7

The items in the statement of comprehensive income are reported net after tax. No tax is recognised for foreign currency translation differences arising on translation of the financial statements of foreign operations and hedges of net investments in subsidiaries, which amount to SEK-10.6 million (-13.6).

	Group				Parent Company			
	2012, %	2012	2011, %	2011	2012, %	2012	2011, %	2011
Reconciliation of effective tax								
Profit before tax		630.8		526.8		302.7		410.1
Income tax computed according to national tax rates for profit in each country	28.4	179.1	28.8	151.6	26.3	79.6	26.3	107.8
Tax effects of:								
- Non-taxable dividends	-2.2	-13.8	-3.6	-18.9	-3.5	-10.5	-3.7	-15.0
- Other non-taxable income	-0.8	-5.3	-0.2	-0.9	0.0	0.0	-	-
- Non-deductible expenses	4.0	25.4	3.8	20.0	0.3	0.8	0.2	0.9
Utilisation of previously uncapitalised loss carryforwards	-0.2	-1.3	-0.2	-1.2	-	-	-	-
Effect of deferred tax regarding lowered tax rate	-3.3	-20.9	-	-	-	-	-	-
Correction of income tax expense in prior years	1.2	7.8	0.3	1.4	0.1	0.2	0.0	0.0
THE YEAR'S INCOME TAX EXPENSE	27.1	171.0	28.9	152.0	23.2	70.1	22.8	93.7

Deferred tax assets and liabilities

	Group	
	2012	2011
The year's change in carrying amount		
Opening carrying amount, deferred tax assets	5.3	7.1
Increase through business combinations	-	0.4
Reclassification to deferred tax liabilities	3.1	-2.2
Other deferred tax expenses in the income statement	-1.4	0.3
Foreign currency translation differences	0.0	-0.3
Closing carrying amount, deferred tax assets	7.0	5.3
Opening carrying amount, deferred tax liabilities	-141.7	-133.4
Increase through business combinations	-29.5	-16.1
Reclassification from deferred tax assets	-3.5	2.2
Change in tax component of untaxed reserves in the income statement	6.0	-4.7
Other deferred tax expenses in the income statement	3.1	9.1
Foreign currency translation differences	1.0	1.2
Closing carrying amount, deferred tax liabilities	-164.6	-141.7
Deferred taxes at end of year		
Deferred tax asset in loss carryforwards	1.0	1.1
Deferred tax asset in revaluation deficit relating to pensions	0.5	0.7
Deferred tax asset in other temporary differences	5.5	3.5
Total deferred tax assets	7.0	5.3
Deferred tax component of the companies' reported untaxed reserves	-96.0	-102.0
Deferred tax liabilities in temporary differences	-68.6	-39.7
Total deferred tax liabilities	-164.6	-141.7
TOTAL DEFERRED TAXES, NET	-157.6	-136.4

Of the deferred tax assets, a sum of SEK 1.0 million is expected to be utilised within 12 months. Of the deferred tax liabilities, a sum of SEK 26.8 million is expected to be paid within 12 months. There are no deductible temporary differences, loss carryforwards or other future tax deductions that are not included in deferred tax assets. Furthermore, in the Group there are uncapitalised loss carryforwards equal to SEK 0.9 million. At present, these are not expected to be utilisable against future profits and there is no time limit for their utilisation.

	Deferred tax assets		Deferred tax liabilities		Net	
	2012	2011	2012	2011	2012	2011
Property, plant and equipment	0.9	1.6	-4.1	-4.1	-3.2	-2.5
Intangible assets	0.6	0.7	-43.7	-26.2	-43.1	-25.5
Financial assets	-0.1	-0.2	-1.8	-0.5	-1.9	-0.7
Current assets	4.1	1.4	-3.7	-1.3	0.4	0.1
Untaxed reserves	-	-	-96.0	-102.0	-96.0	-102.0
Pensions	0.5	0.7	-15.3	-7.6	-14.8	-6.9
Loss carryforwards	1.0	1.1	-	-	1.0	1.1
TOTAL	7.0	5.3	-164.6	-141.7	-157.6	-136.4

	Opening balance 2012	Recognised through profit or loss	Acquisitions	Reclassifications	Foreign currency translation difference	Closing balance 2012
2012						
Property, plant and equipment	-2.5	-0.4	-	0.0	-0.2	-3.1
Intangible assets	-25.5	7.4	-26.7	0.7	1.0	-43.1
Financial assets	-0.7	1.5	-2.8	-	0.1	-1.9
Current assets	0.1	2.0	-	-1.8	0.0	0.3
Untaxed reserves	-102.0	6.1	0.0	-	0.0	-95.9
Pensions	-6.9	-7.9	-	-0.1	0.0	-14.9
Loss carryforwards	1.1	-0.9	-	0.8	0.0	1.0
TOTAL	-136.4	7.8	-29.5	-0.4	0.9	-157.6

	Opening balance 2011	Recognised through profit or loss	Acquisitions	Foreign currency translation difference	Closing balance 2011
2011					
Property, plant and equipment	-3.2	0.1	-	0.6	-2.5
Intangible assets	-14.8	4.2	-15.7	0.8	-25.5
Financial assets	-1.4	0.7	-	-	-0.7
Current assets	-0.3	0.2	0.3	-0.1	0.1
Untaxed reserves	-96.9	-4.8	-0.3	-	-102.0
Pensions	-10.6	4.1	-	-0.4	-6.9
Loss carryforwards	0.9	0.2	-	0.0	1.1
TOTAL	-126.3	4.7	-15.7	0.9	-136.4

11 Earnings per share

GROUP

	2012	2011
Average number of shares before dilution	91,354,385	90,858,246
Effect of assumed utilisation of share bonus program	-	2,856
Average number of shares after dilution	91,354,385	90,861,102
Earnings per share on profit attributable to owners of the Parent Company		
Basic earnings per share, SEK	4.97	4.11
Diluted earnings per share, SEK	4.97	4.11

Earnings per share have been calculated on profit for the year attributable to owners of the Parent Company, divided by the average number of shares as specified above. For calculation of diluted earnings per share, the weighted average number of common shares outstanding is adjusted for the dilutive effect of all potential common shares.

For additional information about the repurchase of treasury shares, see Note 26.

12 Purchase of property, plant and equipment

	Group		Parent Company	
	2012	2011	2012	2011
The year's purchases according to Note 15	151.5	117.5	10.1	12.4
Held under finance leases	-20.1	-26.2	-	-
TOTAL	131.4	91.3	10.1	12.4

13 Acquisition and divestiture of subsidiaries and operations

GROUP

	Date	Holding, % ¹⁾	Holding after transaction, % ¹⁾	Consideration transferred
Acquisitions				
TD VVS-konsult AB	1 January 2011	100	100	0.8
Castelo Investment sp. z o.o, Poland	3 February 2011	100	100	0.0
APA Markowski Architekci, Poland, asset deal	15 February 2011	100	100	7.7
Wona AB (with subsidiary Axro Consult)	1 March 2011	100	100	14.4
Oppland Bygg Consult AS, Norway	15 March 2011	100	100	10.8
OOO IKTP, Russia	27 April 2011	100	100	9.4
ZAO NIPI, Russia	27 April 2011	100	100	50.6
Stockholms stads Utrednings- och Statistikkontor AB	1 June 2011	100	100	24.7
PROWS Industry & Management AB	1 June 2011	100	100	8.0
B&B VVS Konsult AB, adjustment of contingent consideration	1 July 2011	100	100	0.1
UAB Energetikos linijos, Lithuania	22 July 2011	100	100	1.7
Sweco Architects AS, Denmark, acquisition of non-controlling interest	31 August 2011	94	96	0.1
Kilde Akustikk AS, Norway	1 September 2011	100	100	10.2
K-konsult Elteknik i Gävle AB, asset deal	1 September 2011	100	100	1.3
Inmind Scandinavia AB	12 September 2011	100	100	8.3
HYDROCOOP, spol. s r.o., Slovakia	30 September 2011	80	80	4.4
Sweco International Export AB	30 September 2011	100	100	0.1
Metrix AB, asset deal	1 October 2011	100	100	4.5
Vealeidja OÜ, Estonia	15 December 2011	100	100	11.1
NEAS rådgivende ingeniørvirksomhet, Norway, asset deal	31 December 2011	100	100	110.4
TOTAL ACQUISITIONS IN 2011				278.6
2012				
Pyramide AS, Norway	9 January 2012	100	100	23.5
Finnmap Consulting Oy, Finland	31 January 2012	100	100	741.1
Karasharju Oy, Finland	31 January 2012	100	100	7.1
Sweco Projekt AS, Estonia, acquisition of non-controlling interests	23 March 2012	0.9	100	0.1
Arkkitehtitoimisto Brunow & Maunula Oy, Finland	25 April 2012	100	100	9.5
B&B VVS Konsult AB, adjustment of contingent consideration	5 July 2012	100	100	0.1
Lahden Projektiimi Oy, Finland, asset deal	31 August 2012	100	100	4.3
TOTAL ACQUISITIONS IN 2012				785.7
Divestitures				
Hydroprojekt Slovakia s.r.o., Slovakia	1 October 2012	100	0	0.1
TOTAL DIVESTITURES IN 2012				0.1

1) The ownership stake corresponds to the equity interest.

Note 13

Aside from the acquisition of FMC Group in 2012, the acquisitions made in 2012 and 2011 are reported in aggregated form since they are not of an individual size that motivates separate reporting of each acquisition.

In 2012 Sweco Sweden acquired the Finnish architectural firm of Arkkitehtitoimisto Brunow & Maunula Oy with 18 employees. Brunow & Maunula is one of Finland's leading residential architects.

In 2012 Sweco Norway acquired the project and construction management company Pyramide AS in Norway with 13 employees.

During the year Sweco acquired the Finnish engineering consultancy FMC Group (whose parent company is Finnmap Consulting Oy) with 1,149 employees. The transaction created the second largest engineering consultancy in the Finnish market. FMC Group is the Finnish market-leader in structural engineering and also has strong positions in areas like building service systems and industrial engineering. FMC Group reported an operating profit (EBITA) of EUR 9.4 million for the financial year 2010/2011, according to the Finnish accounting standards applicable at that time. FMC Group has offices at 21 locations in Finland and operations in the Baltic countries, Poland, Russia and India. The group includes companies like Finnmap Consulting, Aaro Kohonen and the Airix companies.

In 2012 Sweco Finland acquired the operations of the Finnish project management consultancy Lahden Projektiimi with nine employees.

During the year, Sweco sold Hydroprojekt Slovakia s.r.o with four employees.

Acquired companies had a negative impact of SEK 539.6 million (221.3) on the Group's cash and cash equivalents and divested operations decreased consolidated cash and cash equivalents for 2012 by SEK 0.4 million. The net effect on the Group's cash and cash equivalents is SEK -540.0 million (-221.3). In connection with the acquisition of Finnmap Consulting Oy, 795,000 Sweco class B shares were transferred as part of the purchase consideration. The value of the shares corresponds to the last quoted bid price for the Sweco class B share on NASDAQ OMX Stockholm at 31 January 2012. For the other acquisitions, the full amount of consideration was paid in cash.

Acquisition-related costs for the above acquisitions in this period and earlier periods totalled SEK 20.9 million (5.6) and consist of fees to consultants in connection with due diligence procedures and transaction tax of SEK 12.0 million. These costs are recognised in other external expenses in the income statement and for 2012 amount to SEK 12.5 million.

Net assets of companies acquired and divested on the acquisition date

	2012				2011
	FMC Group	Other acquisitions	Acquired values	Divested values	Acquired values
Intangible assets	99.4	11.5	110.9	-	67.4
Property, plant and equipment	7.1	0.4	7.5	-	6.3
Financial assets	19.4	0.0	19.4	-	0.7
Current assets ¹⁾	381.9	9.3	391.2	0.9	87.6
Cash and cash equivalents	193.9	10.4	204.3	-	26.5
Non-current liabilities	-7.9	-	-7.9	-	-0.4
Deferred tax	-26.5	-3.0	-29.5	-	-16.1
Other current liabilities	-441.5	-11.7	-453.2	-0.4	-71.5
Non-controlling interests recognised on acquisitions	-8.0	0.2	-7.8	-	-0.2
Consolidated goodwill recognised on acquisitions	530.4	20.5	550.9	-	178.2
Acquisition of non-controlling interests	-	-	-	-	0.1
Equity attributable to owners of the Parent Company	-	-0.1	-0.1	-	-
Capital gain recognised on divestiture	-	-	-	-0.4	-
Total consideration	748.2	37.5	785.7	0.1	278.6
Unsettled consideration commitments	-	-5.1	-5.1	-	-34.9
Payment of previously withheld consideration	-	10.2	10.2	-	4.1
Consideration paid in shares	-46.9	-	-46.9	-	-
Cash and cash equivalents in acquired companies	-193.9	-10.4	-204.3	-0.5	-26.5
DECREASE IN THE GROUP'S CASH AND CASH EQUIVALENTS	507.4	32.2	539.6	-0.4	221.3

1) Of which, receivables amount to SEK 369.8 million.

The acquired values correspond to fair value. The value of goodwill includes the value of the employees' technical expertise.

The unsettled consideration of SEK 5.1 million refers to contingent consideration. The contingent consideration is payable on the attainment of certain predetermined targets for profit and can amount to a maximum of SEK 5.3 million. The fair value of the conditional contingent consideration has been calculated on the basis of weighted probable amounts which have then been discounted.

During the year Sweco made minor acquisitions of non-controlling interests. The effects of these acquisitions are shown below in aggregated form.

Effects of changes in ownership in the company's holdings:	Total
The company's holdings at beginning of the year	0.2
Acquisitions during the year	7.9
Effect of increased holdings	-0.2
Share of profit for the year	4.3
Foreign currency translation difference	-0.3
The company's holdings at end of the year	11.9

Contribution of companies acquired and divested to consolidated sales and operating profit

	2012		2011
	Acquisitions	Divestiture	Acquisitions
Contribution to net sales in the year's accounts	830.6	0.3	206.2
Contribution to net sales if the company had been owned for the full year	912.4	-	402.8
Contribution to operating profit in the year's accounts	101.6	-0.3	9.9
Contribution to operating profit if the company had been owned for the full year	111.4	-	29.3

14 Intangible assets

GROUP

	2012			2011		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Opening cost	933.4	201.1	1,134.5	760.4	135.0	895.4
Purchases	–	4.1	4.1	–	4.1	4.1
Increase through business combinations	550.9	110.9	661.8	178.1	67.4	245.5
Decrease on adjustment of purchase price allocation	–0.1	–	–0.1	–	–	–
Increase on adjustment of purchase price allocation	12.0	–	12.0	0.1	–	0.1
Reclassification	–	–	–	–	–0.4	–0.4
Sales and disposals	–0.4	–4.1	–4.5	–	–3.0	–3.0
Foreign currency translation difference	–26.7	–5.6	–32.3	–5.2	–2.0	–7.2
Closing accumulated cost	1,469.1	306.4	1,775.5	933.4	201.1	1,134.5
Opening accumulated amortisation and impairment	–25.9	–112.8	–138.7	–26.0	–85.7	–111.7
Reclassification	–	0.1	0.1	–	0.1	0.1
Sales and disposals	–	3.9	3.9	–	3.0	3.0
Foreign currency translation difference	4.4	2.9	7.3	0.1	1.1	1.2
Impairment losses	–29.5	–	–29.5	–	–	–
The year's amortisation	–	–55.9	–55.9	–	–31.3	–31.3
Closing accumulated amortisation and impairment	–51.0	–161.8	–212.8	–25.9	–112.8	–138.7
CLOSING CARRYING AMOUNT	1,418.1	144.6	1,562.7	907.5	88.3	995.8
Specification						
Sweco Sweden	143.2			139.7		
Sweco Norway	397.1			378.8		
Sweco Finland	562.1			47.0		
Sweco Central & Eastern Europe	91.3			93.9		
Sweco Russia	29.0			35.5		
Sweco Industry	195.4			212.6		
Capitalised licence costs for software		10.7			11.0	
Capitalised development costs for software		6.9			9.7	
Assets capitalised on acquisition		126.7			67.3	
Other intangible assets		0.3			0.3	
CLOSING CARRYING AMOUNT	1,418.1	144.6		907.5	88.3	

All of the above intangible assets have been acquired through business combinations or purchases, aside from developed software of SEK 6.9 million (9.7). See also Note 7 regarding impairment of goodwill. No borrowing costs have been included in the historical cost of the assets in the above table.

Note 14

The significant intangible values are found in the Sweco Finland, Sweco Industry and Sweco Norway business areas, which also comprise cash-generating units. The estimated recoverable amounts of the CGUs are based on the same assumptions. The calculations are based on five-year forecasts with reference to historical data and external information sources. In the normal case, the cash flows forecasted after the first five years are based on an annual real growth rate of 2 per cent, which corresponds to the expected long-term growth rate in the business areas' markets. In some markets, however, a higher growth rate may be reasonable. One such example is the Sweco Russia business area, where a growth rate of 5 per cent has been used in view of the high expected future rates of inflation and growth.

The table "Impairment tests for cash-generating units with goodwill" shows the values (assumed values) used to determine value in use and the values (adjusted values) that result in a recoverable amount that is equal to the carrying amount, assuming that all other variables are held constant.

The conclusion of this test is that there is no indication of impairment.

The most important variables are sales growth and the discount rate.

Sales growth

Demand for consulting services follows the general economic trend, particularly growth in GDP and fixed investments. Projected market growth is based on a forecasted transition from the prevailing market situation to the anticipated long-term growth rate. Sales growth is based on assumptions about market growth and assumptions about Sweco's market shares.

Discount rate

The discount rate before tax, based on general market conditions together with the specific conditions for the respective unit, is 10 per cent (12) for Sweco Sweden, 11 per cent (13) for Sweco Norway, 10 per cent (14) for Sweco Finland, 12 per cent (15) for Sweco Central & Eastern Europe, 16 per cent (18) for Sweco Russia and 10 per cent (14) for Sweco Industry before tax.

Impairment tests for cash-generating units with goodwill, years 1-5

2012 Variable	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Central & Eastern Europe		Sweco Russia		Sweco Industry	
	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	8	5.2	8	6.0	9	7.7	8	6.9	10	8.7	5	2.9
Discount rate before tax, %	10	70.1	11	54.8	10	16.5	12	14.4	16	18.7	10	29.1

2011 Variable	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Central & Eastern Europe		Sweco Russia		Sweco Industry	
	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	5	3.1	3	1.2	3	2.0	8	7.4	9	8.5	9	7.3
Discount rate before tax, %	12	85.4	13	33.3	14	21.2	15	16.0	18	21.6	14	34.7

PARENT COMPANY

Other intangible assets	2012	2011
Opening cost	14.1	14.0
Purchases	-	0.1
Closing accumulated cost	14.1	14.1
Opening accumulated amortisation	-4.4	-1.6
The year's amortisation	-2.8	-2.8
Closing accumulated amortisation	-7.2	-4.4
CLOSING CARRYING AMOUNT	6.9	9.7

15 Property, plant and equipment

GROUP

	2012			2011		
	Buildings and land	Equipment	Total	Buildings and land	Equipment	Total
Opening cost	46.1	625.7	671.8	48.0	565.0	613.0
Purchases	0.5	151.0	151.5	1.8	115.7	117.5
Increase through business combinations	–	7.5	7.5	–	6.3	6.3
Reclassification	–0.4	0.4	–	–	0.4	0.4
Sales and disposals	–0.7	–70.6	–71.3	–	–60.9	–60.9
Foreign currency translation difference	0.5	–0.1	0.4	–3.7	–0.8	–4.5
Closing accumulated cost	46.0	713.9	759.9	46.1	625.7	671.8
Opening accumulated depreciation	–5.0	–436.0	–441.0	–3.5	–410.0	–413.5
Reclassification	–0.1	–0.1	–0.2	–	–0.2	–0.2
Sales and disposals	0.3	60.7	61.0	–	51.4	51.4
Foreign currency translation difference	0.3	0.8	1.1	0.2	–0.6	–0.4
The year's depreciation	–1.5	–90.8	–92.3	–1.7	–76.6	–78.3
Closing accumulated depreciation	–6.0	–465.4	–471.4	–5.0	–436.0	–441.0
CLOSING CARRYING AMOUNT	40.0	248.5	288.5	41.1	189.7	230.8
Of which, land:						
Opening cost	0.4	–	0.4	0.4	–	0.4
Foreign currency translation difference	0.0	–	0.0	0.0	–	0.0
Closing carrying amount of land	0.4	–	0.4	0.4	–	0.4
Of which, equipment financed through finance leases in the following amounts:						
Closing accumulated cost	–	56.9	56.9	–	50.4	50.4
Closing accumulated depreciation	–	–19.9	–19.9	–	–15.5	–15.5
Closing carrying amount of finance leases	–	37.0	37.0	–	34.9	34.9

PARENT COMPANY

Equipment	2012	2011
Opening cost	17.2	4.8
Purchases	10.1	1.4
Purchase from other group company	0.0	11.0
Sale to other group company	–0.4	–
Sales and disposals	–0.3	–
Closing accumulated cost	26.6	17.2
Opening accumulated depreciation	–5.2	–4.1
Sale to other group company	0.4	–
Sales and disposals	0.3	–
The year's depreciation	–7.8	–1.1
Closing accumulated depreciation	–12.3	–5.2
CLOSING CARRYING AMOUNT	14.3	12.0

16 Shareholdings and participations in group companies

PARENT COMPANY

The year's change in carrying amount	2012	2011
Opening carrying amount	332.0	332.0
Acquisition of subsidiaries during the year	741.1	-
CLOSING CARRYING AMOUNT	1,073.1	332.0

Shareholdings at end of year	Corp. ID number	Domicile	Holding, %	No. of shares	Carrying amount
Directly owned companies					
Sweco Central Eastern Europe AB	556633-5831	Stockholm	100	1,000	0.1
Sweco Finland Oy	1578089-9	Finland	100	61,541	89.9
Sweco Elektronik AB	556301-1765	Västerås	100	2,000	41.6
Sweco Norge AS	967032271	Norway	100	152,349	112.1
Sweco PM Oy	1657257-2	Finland	100	500	73.9
Finnmap Consulting Oy	0871165-9	Finland	100	21,000	741.1
Sweco Russia AB	556221-1689	Stockholm	100	4,005	3.0
Sweco Sverige AB	556032-2496	Stockholm	100	100,000	10.0
Vattenbyggnadsbyrå AB	556077-9471	Stockholm	100	1,000	0.8
Vattenbyggnadsbyrå Export AB	556079-1336	Stockholm	100	4,500	0.6
Total shareholdings and participations in group companies					1,073.1

Indirectly owned companies

Through Sweco Central Eastern Europe AB

HYDROCOOP, spol. s r.o.	31336949	Slovakia	80		
Sweco Hydroprojekt a.s.	26475081	Czech Republic	100	10	
UAB Sweco Lietuva	301135783	Lithuania	91	5,557,199	
UAB Energetikos linijos	135906643	Lithuania	100	400	
UAB Sweco Hidroprojektas	132118698	Lithuania	99	1,000,702	
Sweco Polska sp.z o.o.	356143	Poland	100	100	
Sweco Architekci Sp. z o.o.	3711116	Poland	100	100	
Sweco Hydroprojekt Kraków sp. z o.o.	103414	Poland	100	55	
Sweco Infraprojekt sp. z o.o.	56155	Poland	100	6,350	
Sweco Energoprojekt JSC	1305488081	Bulgaria	73	400	
Sweco Projekt AS	11304200	Estonia	100	355,463	
Vealeidja OÜ	10633373	Estonia	100	1	
SIA Būvuzraudzība Latvija	40103203346	Latvia	100	1	

Through Sweco Finland Oy

Sweco Industry Oy	0350941-9	Finland	100	1,920,000	
Kiinteistö Oy Sammonpiha	0770284-4	Finland	75	166	
Sweco Industry AB	556341-2476	Stockholm	100	20,000	
Prows Industry & Management AB	556415-9688	Örebro	100	2,000	
Sweco Mecaplan Oy	1648295-6	Finland	57	54	
Sweco Mec AS	934537920	Norway	100	1,000	
Sweco PIC Engenharia LTDA	07.984.459/001-16	Brazil	100	34,999	

Through Finnmap Consulting Oy

Aaro Kohonen Oy	0990682-9	Finland	100	800	
Fennopro-Consulting Oy	0928019-2	Finland	100	60	
Finnmap Consulting Engineers (India) Pvt. Ltd.	AABCF0979RST001	India	100	10,000	
Rakennushanke H. Lumivirta Oy	0723572-6	Finland	100	370	
Rakennuttajatoimisto Demaco Oy	0989011-8	Finland	100	80	
Airix Talotekniikka Oy	0957613-7	Finland	100	1,000	
Air-Ix LVIS Oy	0974389-8	Finland	100	1,000	
Cabix Consulting CJSC JV	7727065099	Russia	55	55	
Air-Ix Tieto Oy	1562116-8	Finland	100	1,000	
Airix Teollisuus Oy	0972364-3	Finland	100	1,000	
Insinööri-toimisto Valcon Oy	0772679-5	Finland	80	1,200	
Airix Ympäristö Oy	0564810-5	Finland	100	1,000	
Contesta Oy	1712699-6	Finland	72	7,200	
FM Projects Ltd Oy	0978679-1	Finland	100	28	
Finnmap Polska Sp.zo.o.	PL7392984011	Poland	100	295	
SIA Finnmap Latvija	LV40003620413	Latvia	100	20	
UAB FMC Probalt	LT100003376715	Lithuania	80	80	
IS-Plan Oy	0837209-5	Finland	100	666	
KPM Engineering Oy	1764950-0	Finland	100	777	
Narmaplan Oy	0751527-7	Finland	75	44	
OOO FM Stroiproject	7806311117	Russia	100		
Rak. Suunnittelutoimisto Nylund Oy	0214837-5	Finland	70	70	
Siltanylund Oy	0923248-1	Finland	60	60	

Through Sweco Russia AB

Sweco Lenvodokanalproekt	1057803925409	Russia	100	100	
OOO IKTP	1077847208010	Russia	100	4	
ZAO NIPI	1027806865668	Russia	100	10,100	

Shareholdings at end of year	Corp. ID number	Domicile	Holding, %	No. of shares
Through Sweco Sverige AB				
Sweco Architects AB	556173-0606	Stockholm	100	20,000
Aros Arkitekter AB	556665-0700	Stockholm	100	10,000
SIA Aros Architects	40103889521	Latvia	100	2,000
Sweco Architects A/S	13 64 20 01	Denmark	96	11,814
Sweco Paatela Architects Oy	0635637-4	Finland	100	100
Arkkitehtitoimisto Brunow & Maunula Oy	0399591-2	Finland	100	100
Sweco China Holding AB	556730-8167	Stockholm	100	102
Sweco Connect AB	556083-8624	Stockholm	100	15,000
Sweco Energuide AB	556007-5573	Stockholm	100	60,000
Sweco Environment AB	556346-0327	Stockholm	100	20,000
Sweco-COWI Joint Venture AB	556085-5867	Stockholm	100	1,000
Sweco EuroFutures AB	556342-6559	Stockholm	100	3,000
Stockholms stads Utrednings- och Statistikkontor AB	556740-1640	Stockholm	100	1,000
Sweco Infrastructure AB	556507-0868	Stockholm	100	120,000
Inmind Scandinavia AB	556701-0987	Gothenburg	100	2,500
Sweco International AB	556862-9918	Stockholm	100	500
Sweco Management AB	556140-0283	Stockholm	100	5,000
Sweco Position AB	556337-7364	Stockholm	100	1,250
Sweco Structures AB	556140-9557	Stockholm	100	20,000
Sweco Systems AB	556030-9733	Stockholm	100	1,500,000
Wona AB	556587-1497	Gothenburg	100	1,114
Axro Holding AB	556049-7330	Gothenburg	100	5,300
Axro Consult AB	556250-8480	Gothenburg	100	1,000

17 Shares and participations in associated companies

GROUP

The year's change in carrying amount	2012	2011
Opening carrying amount	1.0	1.0
Added through business combinations	6.4	–
The year's dividends	–0.9	–
Share in profit after tax of associates	0.3	–
Foreign currency translation difference	–0.3	–
CLOSING CARRYING AMOUNT	6.5	1.0

Shareholdings at end of year	Corp. ID number	Domicile	Holding, %	No. of shares	Carrying amount
2012					
Through Finnmap Consulting Oy					
Oü Estkonsult	10410360	Estonia	40	40	1.4
Rapcon Oy	0944024-8	Finland	40	40	0.6
Geotek Oy	0923058-2	Finland	45	45	3.0
Betonialan Ohuthiekeskus FCM Oy	1713909-2	Finland	33	33	0.2
Inseneriburoo KPME OÜ	10506686	Estonia	47	47	0.4
KPME A & K Design OÜ	11399560	Estonia	47	47	0.0
Through Sweco Sverige AB					
I2E Energisystemintegration AB	556211-9684	Stockholm	50	50	0.9
Total shareholdings and participations					6.5
2011					
I2E Energisystemintegration AB	556211-9684	Stockholm	50	50	1.0
Total shareholdings and participations					1.0

The Group's share in operating income, profit, assets, liabilities and equity of associates	2012	2011
Revenue	19.8	–
Profit	0.3	0.0
Assets	14.1	1.0
Equity	6.5	1.0
Liabilities	7.6	0.0

18 Joint ventures

GROUP

Shareholding at end of year	Corp. ID number	Domicile	Holding, %
2012			
Sweco ÄF Healthcare Systems AB (owned through Sweco Systems AB)	556881-5764	Stockholm	50
SWECO Sojyz Engineering (owned through Sweco Industry Oy)	5077746846920	Russia	45
2011			
SWECO Sojyz Engineering (owned through Sweco Industry Oy)	5077746846920	Russia	45

The Group's shareholdings in joint ventures

	2012	2011
Operating income	115.3	35.9
Operating expenses	-114.5	-34.3
Net financial items	0.1	0.1
Income taxes	-0.2	-0.6
PROFIT FOR THE YEAR	0.7	1.1
Non-current assets	0.2	0.2
Current assets	134.5	11.5
Total assets	134.7	11.7
Current liabilities	-132.3	-9.7
Total liabilities	-132.3	-9.7
NET ASSETS	2.4	2.0

There are no pledged assets or contingent liabilities.

19 Financial investments

GROUP

The year's change in carrying amount	2012	2011
Opening carrying amount	7.9	8.9
Disposal of other shares	-9.3	-1.0
Added through business combinations	13.0	-
Foreign currency translation difference	-0.1	0.0
CLOSING CARRYING AMOUNT	11.5	7.9

Financial investments are classified as available-for-sale financial assets. Assets in this category are subsequently measured at fair value with fair value changes in other comprehensive income. An impairment loss is recognised in the income statement when there is objective evidence of a lasting decrease in value, see also Note 8.

Shareholding at end of year	Corp. ID number	Domicile	Holding, %	No. of shares	Carrying amount
2012					
BRF Störtloppet	716414-8764	Åre			0.9
Hirsala Golf Oy	1709135-9	Finland		3	0.6
Kiinteistöosakeyhtiö Kuopion Puijonkatu 26-28	0235274-7	Finland	15	397	2.5
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	4.9
Other shareholdings and participations					2.6
Total shareholdings and participations					11.5
2011					
BRF Störtloppet	716414-8764	Åre			0.9
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	4.9
Other shareholdings and participations					2.1
Total shareholdings and participations					7.9

20 Other non-current securities

PARENT COMPANY

The year's change in carrying amount	2012	2011
Opening carrying amount	0.9	0.9
CLOSING CARRYING AMOUNT	0.9	0.9

Shareholdings at end of year	Corp. ID number	Domicile	Carrying amount
2012			
BRF Störtloppet	716414-8764	Åre	0.9
Total shareholdings and participations			0.9

2011			
BRF Störtloppet	716414-8764	Åre	0.9
Total shareholdings and participations			0.9

21 Receivables from group companies

PARENT COMPANY

The year's change in carrying amount	2012	2011
Non-current assets		
Opening carrying amount	38.3	38.6
Lending to group companies	0.9	–
Capitalised interest	0.8	0.7
Recovered receivables	–0.8	–0.7
Foreign currency translation difference	–1.3	–0.3
Closing carrying amount	37.9	38.3

Current assets		
Opening carrying amount	1,547.5	1,395.1
The year's change	51.2	152.4
Closing carrying amount	1,598.7	1,547.5
TOTAL RECEIVABLES FROM GROUP COMPANIES	1,636.6	1,585.8

22 Other non-current receivables

GROUP

The year's change in carrying amount	2012	2011
Opening non-current receivables	20.3	32.6
Increase in receivables	25.6	0.7
Increase through business combinations	0.1	0.0
Decrease in receivables	0.0	–12.9
Foreign currency translation difference	0.2	–0.1
CLOSING NON-CURRENT RECEIVABLES	46.2	20.3

Non-current receivables at end of year		
Pension assets according to Note 28	42.4	16.5
Other receivables	3.8	3.8
TOTAL NON-CURRENT RECEIVABLES	46.2	20.3

23 Work in progress

GROUP

	2012	2011
Work in progress less progress billings		
Value of work completed	2,278.9	1,988.3
Progress billings	–1,497.3	–1,338.2
NET WORK IN PROGRESS LESS PROGRESS BILLINGS	781.6	650.1

Progress billings in excess of work in progress		
Value of work completed	1,186.7	890.8
Progress billings	–1,541.1	–1,171.1
NET PROGRESS BILLINGS IN EXCESS OF WORK IN PROGRESS	–354.4	–280.3

24 Prepaid expenses and accrued income

	Group		Parent Company	
	2012	2011	2012	2011
Prepaid rents	26.9	26.9	–	0.1
Prepaid insurance premiums	7.0	11.3	0.0	–
Accrued income	1.0	2.4	–	0.6
Prepaid license expenses	25.1	–	25.1	–
Other prepaid expenses	105.0	92.5	12.9	9.6
TOTAL	165.0	133.1	38.0	10.3

25 Cash and cash equivalents and short-term investments

Surplus cash is invested in fixed-income securities such as commercial paper or certificates of deposit, which are special time accounts where the funds are held for a predetermined period of time. Commercial paper is recognised in the balance sheet and the cash flow statement as short-term investments, which are included in current receivables. Commercial paper is classified as financial assets at fair value through profit or loss. Deposits are recognised as short-term liquid investments, which are included in cash and cash equivalents. However, Sweco always has the option of immediately withdrawing the deposited funds prior to the maturity date, but could then lose part of the higher interest payable on the funds.

Short-term investments have been classified as cash and cash equivalents on the basis that:

- They are exposed to an insignificant risk for value fluctuations.
- They are readily convertible to cash.
- They have original maturities of less than three months.

Cash and cash equivalents and short-term investments in the balance sheet	Group		Parent Company	
	2012	2011	2012	2011
Cash and bank	357.4	219.6	0.5	60.7
Short-term liquid investments	9.4	–	–	–
TOTAL CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	366.8	219.6	0.5	60.7

There was no commercial paper in the Sweco Group at 31 December 2012 or 2011.

26 Equity

Change in the number of shares	A shares	B shares	Total
Number of shares at 1 January 2011	9,389,075	81,568,699	90,957,774
Repurchase of treasury shares	–	–237,947	–237,947
Conversion of A shares to B shares	–3,399	3,399	–
NUMBER OF SHARES AT 31 DECEMBER 2011	9,385,676	81,334,151	90,719,827
Issue of treasury shares	–	795,000	795,000
Repurchase of treasury shares	–	–281,145	–281,145
Conversion of A shares to B shares	–4,012	4,012	–
NUMBER OF SHARES AT 31 DECEMBER 2012	9,381,664	81,852,018	91,233,682

A statement of changes in equity is found on page 47 for the Group and on page 51 for the Parent Company. Additional information about the Sweco share is provided on pages 85–87.

In connection with the acquisition of FMC Group, 795,000 class B treasury shares were issued for a total of SEK 46.9 million. At the request of shareholders, 4,012 class A shares were converted to class B shares during the year with the support of the conversion clause in the Articles of Association. The total number of votes thereafter amounts to 17,595,182.3, of which the class A shares correspond to 9,381,664 votes and the class B shares to 8,213,518.3 votes. In 2012 Sweco repurchased 281,145 class B shares for a total of SEK 19.5 million, which is equal to SEK 69.41 per share.

Share capital

The quota value per share is 1. All shares carry entitlement to dividends, which are determined yearly at the Annual General Meeting. Class A shares grant entitlement to one vote in a general meeting and class B shares grant entitlement to one-tenth of one vote each. All shares grant equal entitlement to the company's remaining net assets. With regard to treasury shares, all rights are suspended until these shares are reissued.

Other contributed capital

Other contributed capital consists of equity contributed by the shareholders in the form of shares and other equity instruments issued at a premium, meaning that the amount paid exceeds the quota value of the shares.

Reserves

Reserves consist of a translation reserve containing all exchange differences arising on the translation of foreign operations which present their financial statements in a currency other than that used by the Group. The translation reserve also includes exchange differences arising on revaluation of a net investment in a foreign operation, which amounted to SEK –0.8 million (–0.4).

Retained earnings including profit for the year

Retained earnings including profit for the year consist of profits earned in the Parent Company and its subsidiaries, associated companies and joint ventures. Retained earnings have been charged with the historical cost of treasury shares held by the Parent Company, its subsidiaries and associated companies. Upon utilisation of treasury shares, an amount equal to the market value of the shares is transferred to retained earnings. At 31 December 2012 the Group's holding of treasury shares amounted to 283,165 class B shares (797,020). The treasury shares were purchased at an average price of SEK 69.14 each, which is equal to a total of SEK 19.6 million. The market value at 31 December 2012 was SEK 20.7 million. The repurchased shares correspond to 0.3 per cent of the total number of shares and 0.2 per cent of the votes.

Capital distribution to the shareholders

After the balance sheet date, the Board of Directors has proposed the following capital distributions to the shareholders for decision by the Annual General Meeting on 17 April 2013.

	2012	2011
Dividend of SEK 3.25 per common share (3.00)	297.4	274.0

The amounts for 2012 have been calculated including treasury shares, which means that the change in value could be lower if the shares remain in treasury. Should the Board exercise the authorisation granted by the Annual General Meeting in April 2012, to acquire additional treasury shares, the amount distributed to the shareholders could be further reduced.

PARENT COMPANY

Restricted reserves

Restricted reserves may not be reduced through distribution to the shareholders.

Statutory reserve

The purpose of the statutory reserve is to set aside a portion of net profit that is not used to cover an accumulated deficit. This includes the part of the share premium reserve that was transferred on 31 December 2005. The share premium reserve arose through the issue of equity instruments (shares and subscription warrants) at a premium, meaning that the amount paid exceeded the quota value of the shares.

Fair value reserve

The fair value reserve contains exchange differences attributable to non-current receivables that are part of the net investment in group companies.

Share premium reserve

The share premium reserve arose through the issue of shares and subscription warrants at a premium, meaning that the amount paid exceeded the quota value of the shares.

Retained earnings

Retained earnings consist of the previous year's non-restricted equity after deduction of dividends. Retained earnings together with profit for the year, the share premium reserve and any fair value reserves comprise total non-restricted equity, i.e. the amount available for distribution to the shareholders.

27 Current and non-current interest-bearing liabilities

Carrying amount	Group		Parent Company	
	2012	2011	2012	2011
Non-current interest-bearing liabilities				
Liabilities to credit institutions	642.3	1.5	662.0	–
Liabilities under finance leases according to Note 29	23.6	22.0	–	–
Total	665.9	23.5	662.0	–
Current interest-bearing liabilities				
Bank overdraft facilities	96.0	34.2	44.9	–
Other liabilities to credit institutions	0.2	0.2	–	–
Liabilities under finance leases according to Note 29	14.0	13.8	–	–
Total	110.2	48.2	44.9	–
TOTAL INTEREST-BEARING LIABILITIES	776.1	71.7	706.9	–

All financial liabilities are recognised at amortised cost. The bank overdraft facilities are renewed yearly and are not associated with any special conditions or obligations.

Granted overdraft and credit terms

	Group		Parent Company	
	2012	2011	2012	2011
Granted credits	1,325.8	502.4	1,200.0	447.1
Utilised credits on the balance sheet date	–776.1	–34.2	–706.9	–
UNUTILISED CREDITS	549.7	468.2	493.1	447.1
Rates of interest on the balance sheet date				
Borrowings from credit institutions, short-term fixed interest rates, %	2.21	4.51	2.21	–
Utilised short-term credits, variable interest, %	1.81	2.55	1.28	2.18

Loan maturity structure	Group		Parent Company	
	2012	2011	2012	2011
0–1 years	110.2	48.2	44.9	–
1–2 years	361.9	–	373.7	–
2–3 years	302.8	23.5	288.3	–
9 years	1.2	–	–	–
	776.1	71.7	706.9	–

The fixed interest period for all loans is less than one year.

28 Provisions for pensions

Provisions for pensions

Sweden

The Group's retirement pension obligations for salaried employees in Sweden are secured through insurance in Alecta and AI Pension (AIP). According to statement UFR 3 from the Swedish Accounting Standards Board's Urgent Issues Task Force, these are classified as "multi-employer" plans. The pension plan in AIP is similarly structured and is therefore reported in the same manner. The Group has not had access to sufficient information to report these as defined benefit pension plans. Consequently, the ITP-based pension plans which are secured through insurance in Alecta and AIP are reported as defined contribution plans.

Surpluses in Alecta and AIP can be refunded to the policyholders and/or the insureds. At the end of 2012 Alecta's surplus measured as a collective consolidation ratio was 129 per cent (113) and AIP's was 123 per cent (114). The collective consolidation ratio is the market value of Alecta's and AIP's plan assets as a percentage of insurance obligations computed according to their own actuarial assumptions, which are not consistent with IAS 19.

Norway

Sweco Norge AS has several defined benefit pension plans with similar demographic and financial assumptions. Assets and liabilities in these plans are therefore computed according to the same actuarial assumptions. In 2012 a change was made in the Norwegian pension plans, which had a positive impact on profit of SEK 48 million in the fourth quarter of 2012 and will have a future positive profit effect that is estimated at SEK 27 million annually. In 2012 the Norwegian Accounting Standards Board (NASB) revised its recommendations regarding discount rates for the pension plans' assets and liabilities. Subsequent to the change, starting in 2012 Sweco uses the interest rate on Norwegian mortgage bonds as the discount rate instead of the

interest rate on Norwegian government bonds, as earlier. Together, these two changes have resulted in a decrease in the pension obligation by SEK 161 million before tax compared to the earlier conditions.

Finland

The employees in Finland are covered by defined contribution pension plans. For the employees added through the acquisition of Kemira Engineering Oy in 2004, there is a defined benefit pension plan for supplementary pensions.

Actuarial assumptions, %	Norway		Finland	
	2012	2011	2012	2011
Discount rate	3.8	2.6	5.0	5.0
Expected return on plan assets	3.8	4.1	5.0	5.0
Annual rate of salary increase	3.8	3.5	3.0	3.0
Annual rate of pension increase	0.5	1.1	0.0	0.0
Inflation	3.5	3.3	2.0	2.0

Assumptions with regard to the future life expectancy are based on official statistics and historical experience in each country. The average remaining life expectancy for an individual who retires at the age of 67 years is 16 years for men and 19 for women.

Defined benefit pension plans in the balance sheet	2012	2011
Present value of pension obligations	-480.1	-675.8
Fair value of plan assets	438.7	452.0
Unrecognised actuarial gains and losses	83.3	233.4
NET ASSETS AT END OF YEAR	41.9	9.6

Other non-current receivables	42.4	16.5
Provisions for pensions	-0.5	-6.9
NET ASSET IN THE BALANCE SHEET	41.9	9.6

The year's change in defined benefit pension obligations	2012	2011
Defined benefit pension obligation at beginning of year	-675.8	-596.1
Current service costs and interest expenses	-54.5	-61.2
Actuarial gains and losses	242.8	-42.8
Reclassifications	-	2.8
Benefits paid	15.8	19.9
Foreign currency translation difference	-8.4	1.6
Defined benefit pension obligation at end of year	-480.1	-675.8

The year's change in fair value of plan assets	2012	2011
Fair value of plan assets at beginning of year	452.0	437.1
Employer contributions	41.3	30.8
Expected return on plan assets	16.7	20.8
Actuarial gains and losses	-63.5	-23.4
Contributions	1.4	1.6
Benefits paid	-14.9	-14.1
Foreign currency translation difference	5.7	-0.8
Fair value of plan assets at end of year	438.7	452.0

Plan assets consist of	2012	2011
Shares	56.0	66.4
Fixed-income securities	206.3	219.3
Real estate	62.7	75.5
Other	113.7	90.8
TOTAL PLAN ASSETS	438.7	452.0

Defined benefit pension plans	2012	2011
Net expense in the income statement		
Current service costs	-39.0	-40.1
Interest expense on pension obligations	-15.6	-21.1
Recognised actuarial gains and losses	-22.2	-16.8
Expected return on plan assets	16.7	20.8
Effects of curtailments and settlements	41.8	-
TOTAL NET EXPENSE	-18.3	-57.2

The net expense is recognised in the income statement as	2012	2011
Personnel costs	-19.4	-56.9
Net financial items	1.1	-0.3
TOTAL NET EXPENSE	-18.3	-57.2

The actual return on plan assets was SEK -27.2 million (-19.5).

The expected return on plan assets was established with reference to the expected return on the assets covered by the applicable investment policy. The expected return on investments with fixed interest rates is based on the return earned if these securities are held to maturity. The expected return on shares and real estate is based on historical long-term return in the respective market.

For the financial year 2013, fees for post-retirement benefits are estimated at approximately SEK 23 million.

	2012	2011	2010	2009
Present value of defined benefit pension obligations	-480.1	-675.8	-596.1	-558.4
Fair value of plan assets	438.7	452.0	437.1	438.4
DEFICIT	-41.4	-223.8	-159.0	-120.0
Experience adjustments of defined benefit pension obligations	242.8	-42.8	13.1	12.9
Experience adjustments of plan assets	-63.5	-23.4	-12.3	-14.3

Defined contribution pension plans	2012	2011
Allocation of expenses by pension plan		
Sweden, Alecta	-205.0	-178.7
Sweden, AIP	-17.5	-15.9
Finland	-114.2	-34.0
Norway	-41.9	-28.7
Other countries	-1.3	-2.1
TOTAL EXPENSE OF DEFINED CONTRIBUTION PENSION PLANS	-379.9	-259.4

29 Liabilities under finance leases

GROUP

	2012		2011	
	Present value	Nominal amount	Present value	Nominal amount
In current interest-bearing liabilities				
Due within one year	14.0	17.5	13.8	15.9
Total current liabilities	14.0	17.5	13.8	15.9
In liabilities to credit institutions				
Due within more than one but less than two years	14.9	17.2	8.3	10.4
Due within more than two but less than three years	8.7	9.6	13.7	21.2
Total non-current liabilities	23.6	26.8	22.0	31.6
TOTAL LIABILITIES UNDER FINANCE LEASES	37.6	44.3	35.8	47.5

Liabilities under finance leases are recognised in the balance sheet at present value. The above table also shows nominal liabilities, comprising the sum of minimum lease payments and residual value at the end of the lease period.

Sweco has no liabilities under finance leases falling due after more than three years.

30 Accrued expenses, prepaid income and other current liabilities

	Group		Parent Company	
	2012	2011	2012	2011
Accrued payroll costs	158.0	106.9	4.4	2.7
Accrued vacation and overtime pay	358.0	269.5	1.3	1.0
Accrued social security contributions	271.6	210.1	7.8	4.8
Accrued interest	2.2	-	2.1	-
Other	128.1	76.1	6.5	10.1
TOTAL	917.9	662.6	22.1	18.6
Other current liabilities				
VAT	195.6	149.7	0.0	0.1
Employee withholding tax	109.7	84.9	0.9	0.5
Other	93.9	48.3	1.7	4.8
TOTAL	399.2	282.9	2.6	5.4

31 Pledged assets and contingent liabilities

	Group		Parent Company	
	2012	2011	2012	2011
Pledged assets				
Pledged assets for rents	1.8	-	-	-
TOTAL	1.8	-	-	-
Contingent liabilities				
Guarantee for liability of subsidiary	-	-	29.0	51.9
Performance bonds	194.3	207.7	146.8	152.2
TOTAL	194.3	207.7	175.8	204.1

32 Financial instruments by category

GROUP

The fair value and carrying amount are recognised in the balance sheet as shown below:

	Financial assets at fair value through profit or loss ¹⁾	Loans and receivables	Available- for-sale financial assets	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total carrying amount	Fair value
2012							
Financial investments	-	-	11.5	-	-	11.5	11.5
Non-current receivables	-	3.8	-	-	-	3.8	3.8
Trade receivables	-	1,278.7	-	-	-	1,278.7	1,278.7
Other current receivables	5.4	-	-	-	-	5.4	5.4
Cash and cash equivalents	-	357.4	-	-	-	357.4	357.4
TOTAL	5.4	1,639.9	11.5	-	-	1,656.8	1,656.8
Non-current interest-bearing liabilities	-	-	-	-	665.9	665.9	665.9
Other non-current liabilities	-	-	-	-	4.3	4.3	4.3
Current interest-bearing liabilities	-	-	-	-	110.2	110.2	110.2
Trade payables	-	-	-	-	286.9	286.9	286.9
TOTAL	-	-	-	-	1,067.3	1,067.3	1,067.3
2011							
Financial investments	-	-	7.9	-	-	7.9	7.9
Non-current receivables	-	3.8	-	-	-	3.8	3.8
Trade receivables	-	909.5	-	-	-	909.5	909.5
Other current receivables	2.1	-	-	-	-	2.1	2.1
Cash and cash equivalents	-	219.6	-	-	-	219.6	219.6
TOTAL	2.1	1,132.9	7.9	-	-	1,142.9	1,142.9
Non-current interest-bearing liabilities	-	-	-	-	23.5	23.5	23.5
Other non-current liabilities	-	-	-	-	20.2	20.2	20.2
Current interest-bearing liabilities	-	-	-	-	48.2	48.2	48.2
Trade payables	-	-	-	-	245.8	245.8	245.8
Other current liabilities	-	-	-	0.1	-	0.1	0.1
TOTAL	-	-	-	0.1	337.7	337.8	337.8

1) Held for trading purposes.

In the above table, non-current receivables consist of "Other non-current receivables" except for pension assets. Other current liabilities/assets consist of derivatives and

refer to fair value changes in forward transactions. Non-current and current interest-bearing liabilities include finance lease agreements, see also Notes 27 and 29.

PARENT COMPANY

Fair value and carrying amount are recognised in the balance sheet as shown below:

	Loans and receivables	Available-for-sale financial assets	Other financial liabilities	Total carrying amount	Fair value
2012					
Other non-current securities	-	0.9	-	0.9	0.9
Cash and cash equivalents	0.5	-	-	0.5	0.5
TOTAL	0.5	0.9	-	1.4	1.4
Non-current interest-bearing liabilities	-	-	662.0	662.0	662.0
Current interest-bearing liabilities	-	-	44.9	44.9	44.9
Trade payables	-	-	10.4	10.4	10.4
TOTAL	-	-	717.3	717.3	717.3
2011					
Other non-current securities	-	0.9	-	0.9	0.9
Cash and cash equivalents	60.7	-	-	60.7	60.7
TOTAL	60.7	0.9	-	61.6	61.6
Trade payables	-	-	12.7	12.7	12.7
TOTAL	-	-	12.7	12.7	12.7

The table below provides information about the method for determining the fair value of financial instruments measured at fair value in the balance sheet. The hierarchy for determining fair value is based on the following three levels.

- Level 1: according to quoted market prices in active markets for identical instruments
 Level 2: according to directly or indirectly observable market inputs that are not included in level 1
 Level 3: according to inputs that are not based on observable market data

GROUP

Information about financial instruments measured at fair value through profit or loss

	Level 1	Level 2	Level 3	Total carrying amount
2012				
Financial investments	–	–	11.5	11.5
Financial assets at fair value through profit or loss				
– Derivative instruments	–	5.4	–	5.4
TOTAL ASSETS	–	5.4	11.5	16.9
2011				
Financial investments	–	–	7.9	7.9
Financial assets at fair value through profit or loss				
– Derivative instruments	–	2.1	–	2.1
TOTAL ASSETS	–	2.1	7.9	10.0
Financial liabilities at fair value through profit or loss				
– Derivative instruments	–	0.1	–	0.1
TOTAL LIABILITIES	–	0.1	–	0.1

PARENT COMPANY

Profit for the year includes no financial instruments measured at fair value through profit or loss.

GROUP

	Financial investments
Opening balance, 1 January 2011	8.9
Total recognised gains and losses	
– recognised in profit for the year	0.1
– recognised in other comprehensive income	–
Cost of acquisition	0.0
Proceeds from sale	–1.1
CLOSING BALANCE, 31 DECEMBER 2011	7.9
Gains and losses recognised in profit for the year for assets included in the closing balance at 31 December 2011	–
Opening balance, 1 January 2012	7.9
Total recognised gains and losses	
– recognised in profit for the year	0.0
– recognised in other comprehensive income	–0.1
Cost of acquisition	13.0
Proceeds from sale	–9.3
CLOSING BALANCE, 31 DECEMBER 2012	11.5
Gains and losses recognised in profit for the year for assets included in the closing balance at 31 December 2012	–

The above table presents a reconciliation between the opening and closing balances for financial instruments measured at fair value through profit or loss in the balance sheet according to a valuation technique based on inputs that are not observable in the market (level 3).

Measurement of fair value

Below is a summary of the primary methods and assumptions used to determine the fair values of the financial instruments reported in the above tables.

The fair value of a listed financial asset is equal to the asset's quoted market price on the balance sheet date. The fair value of unlisted financial assets is determined through a valuation technique that makes maximum use of market inputs, such as recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same and discounted cash flows. When there is no reliable basis for determining fair value, financial assets are measured at amortised cost.

For forward exchange contracts, fair value is determined on the basis of quoted market prices for forward exchange contracts on the balance sheet date.

The fair value of liabilities under finance leases is based on the present value of future cash flows discounted at the market rate of interest for similar lease contracts.

For trade receivables and payables with a remaining life of less than one year, the carrying amount is assessed to reflect fair value.

33 Financial risks and finance policy

Through its operations, the Group is exposed to various types of financial risk arising as a result of fluctuations in earnings and cash flow due to changes in exchange rates, interest rates, refinancing and credit risks.

FINANCE POLICY

To control and minimise the financial risks to which the Group is exposed, the Board of Directors has drawn up a finance policy that is revised and adopted at least once a year. The policy regulates the division of responsibilities between the local companies and the central treasury department, which financial risks the Group is permitted to take and how these risks are to be managed. Surplus cash is invested primarily in fixed-income instruments in the money market, where low credit risk and high liquidity are required criteria. Transaction exposure is hedged mainly through forward contracts.

MARKET RISK

Market risk is the risk for fluctuations in the value of financial instruments due to changes in market prices. Sweco's policy minimises this risk by limiting the average duration of financial instruments to 120 days.

CURRENCY RISKS

Transaction exposure

The Group's exposure to currency risk is primarily related to potential exchange rate fluctuations in contracted and anticipated payment flows in foreign currency. The objective in management of currency risk is to minimise the effects of exchange rate movements on the Group's profit and financial position. The Group normally has natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into a non-local currency, the contracted and anticipated payment flows are hedged through forward contracts after matching of incoming and outgoing payments in the same currency.

The Group's transaction exposure from exports in 2012 can be broken down into the following significant currencies:

SEK M	2012			2011		
	EUR	USD	NOK	EUR	USD	NOK
Income	78.2	68.4	0.8	64.0	62.9	2.2
Expenses	–51.5	–16.7	–3.5	–42.3	–10.6	–1.7
NET	26.7	51.7	–2.7	21.7	52.3	0.5

On the balance sheet date, the Group had the following open forward contracts with remaining time to maturity of between 0 and 36 months (previous year 0 and 45 months)

Currency	Contract amount		Unrealised gains + / losses –		Average rate	
	2012	2011	2012	2011	2012	2011
EUR	56.4	51.6	2.3	0.7	9.09	9.22
USD	32.6	32.2	2.5	1.3	7.01	7.20
Others	19.0	14.5	0.6	0.0		

Hedge accounting has not been applied for the forward contracts outstanding on the balance sheet date. Valuation gains/losses on forward exchange contracts are recognised in other external expenses in the income statement and fair value is recognised in other current receivables/liabilities in the balance sheet.

Translation exposure

When the balance sheets of foreign subsidiaries are translated to SEK, a foreign currency translation difference arises in that the current year is translated at a different rate than the preceding year, and that the income statement is translated at the average exchange rate during the year while the balance sheet is translated at the closing day rate.

Translation exposure consists of the risk for changes in equity resulting from translation differences. For the significant currencies, translation exposure at 31 December 2012 was NOK 506 million (419) and EUR 135.5 million (40.4). The Group's policy is to not hedge translation exposure in foreign currencies.

Balance sheet exposure

On the translation of assets and liabilities in intra-group transactions, balance sheet exposure arises in the difference between exchange rates on the transaction date and the closing day rate. The resulting exchange difference is recognised over the

Note 33

income statement. The Group's policy is to eliminate balance sheet exposure by taking up loans in the exposed currency to the extent that this exposure is not seen as part of the net investment and does not refer to normal trade receivables or payables.

Exchange differences recognised in profit	Group		Parent Company	
	2012	2011	2012	2011
Net sales	0.5	0.9	-	-
Other operating expenses	-0.6	-0.9	-	-
Total exchange differences in operating profit	-0.1	0.0	-	-
Financial expenses	-2.6	-1.6	-1.4	-
Total exchange differences in net financial items	-2.6	-1.6	-1.4	-
TOTAL EXCHANGE DIFFERENCES IN PROFIT	-2.7	-1.6	1.4	-

INTEREST RATE RISK

Interest rate risk refers to the effects of interest rate movements on the Group's net financial items and fluctuations in the value of financial instruments due to changes in market interest rates. All loans carry interest with short fixed interest periods and are not associated with any special conditions or obligations. The company's assessment is that loans with variable interest result in the lowest financing cost over time. Indirectly, interest rates can affect the general economic climate and willingness to invest.

LIQUIDITY RISK

Liquidity risk (the risk that the Group will incur higher costs due to insufficient liquidity), cash flow risk (the risk for variations in the size of future cash flows generated by financial instruments) and refinancing risk (the risk for costly refinancing of matured loans) are deemed minor in view of the Group's financial position with unutilised bank overdraft facilities which, including cash and cash equivalents, amounted to SEK 916.5 million (687.8). To minimise the borrowing requirement through the use of surplus liquidity in the Group, there are cash pools in Sweden, Norway and Finland. The bank overdraft facilities are renewed every year and are not associated with any special conditions or obligations, see also Note 27.

An age analysis of financial liabilities is shown in the table below:

2012	Nominal amount in original currency	Total	Within	1-3	3 mth-	1-5
			1 mth	mths	1 year	years
Interest-bearing liabilities		642.5	-	-	0.2	642.3
Forward contracts, EUR	6.5	56.4	0.1	8.1	12.0	36.2
Forward contracts, USD	5.0	32.6	11.2	11.3	10.1	-
Forward contracts, others		19.0	0.6	13.4	5.0	-
Finance lease liabilities, SEK	44.3	44.3	4.1	2.4	11.0	26.8
Trade payables		286.9	168.9	115.4	2.5	0.1
Other liabilities		403.5	305.3	-	93.9	4.3
TOTAL		1,485.2	490.2	150.6	134.7	709.7

2011	Nominal amount in original currency	Total	Within	1-3	3 mth-	1-5
			1 mth	mths	1 year	years
Interest-bearing liabilities		1.7	-	-	0.2	1.5
Forward contracts, EUR	5.7	51.6	9.6	2.4	12.5	27.1
Forward contracts, USD	4.6	32.2	1.0	0.8	12.7	17.7
Forward contracts, others		14.5	-	1.2	2.7	10.6
Finance lease liabilities, SEK	47.5	47.5	4.6	2.3	9.0	31.6
Trade payables		245.8	193.1	44.3	4.5	3.9
Other liabilities		303.1	234.6	-	48.3	20.2
TOTAL		696.4	442.9	51.0	89.9	112.6

CREDIT RISK

The risk that the Group's clients will not meet their obligations, i.e. that payment will not be received from the clients, constitutes a customer credit risk. The Group carries out continuous credit assessment of new clients.

Sweco currently has around 15,000 clients in both the private and public sectors. The public sector accounts for 43 per cent, property and construction companies for 23 per cent, industrial companies for 32 per cent and other private sector companies for 2 per cent.

The ten largest clients account for 21 per cent of total sales. Since Sweco is not dependent on any individual clients, there is little risk that trade receivable losses will have a significant impact on the company. Historically, such losses have been minor.

Age analysis, trade receivables

	2012			2011		
	Gross	Reserve	Net	Gross	Reserve	Net
Trade receivables not yet due	1,026.3	-	1,026.3	689.8	-	689.8
Overdue trade receivables						
0-30 days	123.3	-0.6	122.7	116.0	-4.7	111.3
Overdue trade receivables > 31-90 days	40.0	-0.7	39.3	40.9	-0.2	40.7
Overdue trade receivables > 91-180 days	55.6	-9.5	46.1	24.7	-2.8	21.9
Overdue trade receivables > 180 days	60.1	-15.8	44.3	56.9	-11.1	45.8
TOTAL	1,305.3	-26.6	1,278.7	928.3	-18.8	909.5

At 31 December 2012, trade receivables amounting to SEK 252.4 million (219.7) were overdue without any assessed need to recognise an impairment loss. These apply to a number of independent clients that have not previously had any solvency problems.

Trade receivables by currency	2012	2011
SEK	708.1	497.7
EUR	258.9	123.6
USD	24.5	17.7
NOK	194.6	175.5
CZK	26.1	28.7
RUB	33.7	30.8
Other currencies	32.8	35.5
TOTAL	1,278.7	909.5

Changes in the reserve for doubtful trade receivables	2012	2011
Opening reserve for doubtful trade receivables	-18.8	-13.1
Provisions to reserve for doubtful trade receivables	-16.4	-9.3
The year's write-off of non-collectible receivables	6.5	2.1
Reversal of unutilised amount	1.4	1.4
Foreign currency translation difference	0.7	0.1
CLOSING RESERVE FOR DOUBTFUL TRADE RECEIVABLES	-26.6	-18.8

Sweco PM Oy has filed a claim against a client for non-payment of overdue trade receivables. At the same time, a countersuit has been filed against the company in Finnish court in which the counterparty claims the right to damages on the grounds that Sweco PM has shown gross negligence in an assignment. The damage claim amounts to EUR 16.3 million. In order for the plaintiff to be considered entitled to such damages, in which case the contractual limitations of liability would not apply, the alleged gross negligence must be proven. Until further notice, the dispute is covered by consulting liability insurance. In the event that gross negligence is finally determined by the court, however, the insurance will not be valid. Sweco PM does not consider itself to have acted with either negligence or gross negligence in the assignment.

Vattenbyggnadsbyrå Export AB is party to legal proceedings in Turkey where the counterparty claims that AgriConsult AB (which is now a company in the Sweco Group) acted with negligence in planning of a silo facility. The assignment was carried out in 1994 and the plaintiff filed the claim in 2004. In the course of these proceedings, two arbitration rulings have been announced, one in Sweco's favour and one in the counterparty's favour. The latter has been appealed by Sweco, for which reason the dispute is subject to further court procedure. Sweco feels that the claim is without grounds and should furthermore be considered barred by the statute of limitations. The claim amounts to approximately SEK 25 million.

Sweco's assessment is that neither of these ongoing legal proceedings will have a noticeable effect on the Group.

SENSITIVITY ANALYSIS

To manage currency risks, the Group strives to minimise the impact of short-term fluctuations in profit and cash flows. In a longer perspective, however, profit, cash flows and equity will be affected by more lasting changes in exchange rates and interest rates.

Factor	Change +/-	2012	2011
		Change +/-	Effect +/-
Currency			
EUR	10%	10.8	2.5
USD	10%	3.8	3.8
NOK	10%	13.8	9.3
Interest rate on lending/borrowing	1 %-point	2.5	0.7

The sensitivity analysis is based on the assumption that all other factors are constant. The effect is stated after a standard tax rate of 27 per cent.

CAPITAL MANAGEMENT

The Sweco Group's financial objective is to uphold a good capital structure and financial stability in order to maintain the confidence of investors, creditors and the market. A good capital structure also creates a foundation for ongoing development of the Group's business operations. Capital is defined as total equity and non-controlling interests.

Capital	2012	2011
Equity	1,692.2	1,493.2
Non-controlling interests	22.3	10.5
TOTAL	1,714.5	1,503.7

The Sweco Group's capital is used to finance acquisitions, to maintain a high level of financial flexibility and to provide competitive dividends to Sweco's shareholders.

The Group's dividend policy is to distribute at least half of profit after tax to the shareholders while at the same time maintaining a capital structure that provides scope for development of, and investment, the company's core operations. The Board of Directors has proposed that the 2013 Annual General Meeting approve a dividend of SEK 3.25 per share, equal to a dividend share of approximately 65 per cent of profit after tax. Through the dividend, a maximum of SEK 297.4 million will be distributed to the shareholders.

Sweco's financial target is for Sweco to maintain a level of net debt over time. Sweco's net debt should not exceed 40 per cent of equity. During the past five years, ordinary dividends and the redemption procedure in 2009 have amounted to an average of around 75 per cent of profit after tax. The Group's policy to pay an extra dividend or carry out a redemption of shares when this is permitted by the capital structure and financing requirements. Decisions to pay an extra dividend and/or capital contribution to the shareholders through redemption programs reflect an ambition to distribute any capital to the shareholders that is not deemed necessary for the Group's development. In addition to the ordinary dividend, the Group has paid an extra dividend in 2002 and carried out share redemption procedures in 2005, 2006 and 2009.

Sweco's 2012 Annual General Meeting granted authorisation for the Board to repurchase treasury shares. The aim of the proposed repurchase is to create scope to optimise the company's capital structure and provide opportunities to use Sweco shares as consideration in connection with future acquisitions. The Annual General Meeting also authorised the Board to decide on the transfer of treasury shares. Such transfers may take place in connection with acquisitions. In addition, the Annual General Meeting authorised the Board to repurchase treasury shares in order to enable delivery of shares for the 2012 Share Savings Scheme.

Furthermore, the Board proposes that the 2013 Annual General Meeting authorise the Board to decide on the repurchase and transfer of treasury shares and to enable delivery of shares for the 2013 Share Savings Scheme.

34 Related party transactions

Sales to related parties are carried out on market-based terms. The Group has not had any sales to associated companies.

Consulting services have been sold for an amount of SEK 0.3 million (0.0) to companies owned by the Nordström family, which is a shareholder controlling approximately 34 per cent of the votes in Sweco. Consulting services have been sold for an amount of SEK 2.3 million (0.5) to companies owned by the Douglas family, which has a controlling interest in Investment AB Latour, a shareholder controlling approximately 23 per cent of the votes in Sweco. The related trade receivable at 31 December 2012 amounted to SEK 0.2 million (-). Consulting services have been sold for an amount of SEK 0.1 million (0.0) to companies owned jointly by the Nordström and Douglas families.

35 Events after the balance sheet date

On 14 February 2013 the Board of Directors proposed that the Annual General Meeting resolve on a distribution to the shareholders in the form of a dividend amounting to a maximum of SEK 297.4 million (see Note 26).

After the end of the year, Sweco acquired the Norwegian engineering consultancy Planstyring AS with 28 employees.

Sweco has also acquired the Norwegian building service systems company MEC Consult AS with six employees.

36 Key accounting estimates and assumptions

KEY SOURCES OF ESTIMATION UNCERTAINTY

Pension assumptions

Provisions for pensions are based on Sweco's best actuarial assumptions about the future (see Note 28). When there are large differences between the assumptions and actual outcomes of these variables, the resulting actuarial gains/losses may fall outside the corridor and a portion of the net gain/loss must be recognised in the income statement and balance sheet.

Impairment testing of goodwill

In determining the recoverable amount of cash generating units for impairment testing of goodwill, the company has made assumptions about future conditions and estimated key variables, see Note 14. As illustrated in Note 14, significant changes in these estimates and assumptions can affect the value of goodwill.

Valuation of work in progress

Around 22 per cent of Sweco's sales are generated in fixed price service contracts. Assets and liabilities in these contracts represent significant amounts. Work in progress is recognised at the value of contract revenue less confirmed losses and anticipated loss risks. Revenue is recognised based on the estimated stage of completion. If the stage of completion cannot be estimated reliably, the contract is valued on the basis of contract costs incurred. Determination of the risks in the assignments and the percentage of completion is based on prior experience of similar projects and the specific conditions of each assignment. The balance sheet item consists of multiple contracts, none of which makes up a substantial share of the total. While miscalculation of an individual contract would not have a significant impact on the value of work in progress, a general miscalculation could have a significant impact, although this is not probable.

37 Information about the Parent Company

SWECO AB (publ), corporate identification number 556542-9841, is a Swedish-registered public limited company domiciled in Stockholm. The Parent Company's shares are quoted on NASDAQ OMX Stockholm. The address to the head office is: Sweco AB, Gjörwellsgatan 22, Box 34044, SE-100 26 Stockholm, Sweden.

Signatures of the Board of Directors

The Board of Directors and the President give their assurance that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards IFRSs as adopted by the EU and give a true and fair view of the financial position and results of operations of the Group. The annual accounts have been prepared in accordance with generally accepted accounting standards and give a true and fair view of the financial position and results of operations of the Parent Company.

The Board of Directors' report for the Group and the Parent Company gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 5 March 2013

Olle Nordström
Chairman

Anders G. Carlberg
Board member

Gunnel Duveblad
Board member

Johan Nordström
Board member

Aina Nilsson Ström
Board member

Pernilla Ström
Board member

Carola Teir-Lehtinen
Board member

Kai Wärn
Board member

Thomas Holm
Employee representative

Göran Karloja
Employee representative

Anna Leonsson
Employee representative

Tomas Carlsson
President & CEO

Our audit report was submitted on 7 March 2013
PricewaterhouseCoopers AB

Lennart Danielsson
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of SWECO AB (publ),
corporate identity number 556542-9841

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SWECO AB (publ) for the year 2012. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 31–78.

Responsibilities of the Board of Directors and the President, for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the

group as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of SWECO AB (publ) for the year 2012.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, 7 March 2013
PricewaterhouseCoopers AB

Lennart Danielsson
Authorised Public Accountant

Five-year overview

	2012	2011	2010	2009	2008
Income statement, SEK M					
Net sales	7,503.5	5,987.6	5,272.4	5,338.7	5,522.8
Operating profit	659.3	531.3	432.7	443.6	596.3
Net financial items	-28.5	-4.5	-9.0	0.0	-8.1
Profit before tax	630.8	526.8	423.7	443.6	588.2
Profit for the year	459.8	374.8	299.9	294.6	402.9
Balance sheet, SEK M					
Balance sheet total	4,689.5	3,256.8	2,988.4	3,151.3	3,012.5
Equity	1,714.5	1,503.7	1,429.6	1,595.7	1,414.8
Cash and cash equivalents and current interest-bearing receivables	366.8	219.6	376.7	557.3	321.3
Interest-bearing liabilities	776.1	78.7	136.6	138.8	161.2
Net interest-bearing receivable/liability	-409.3	140.9	240.1	418.5	160.1
Cash flow, SEK M					
Cash flow from operating activities	414.8	513.0	341.8	529.7	557.1
Cash flow from investing activities	-655.5	-312.9	-132.5	-93.6	-273.1
Cash flow from financing activities	393.2	-355.9	-362.5	-201.3	-176.5
Cash flow for the year	152.5	-155.8	-153.2	234.8	107.5
Key ratios					
Operating profit per employee, SEK 000s	90	92	87	87	109
Value added per employee, SEK 000s	753	758	758	743	720
Billing ratio, %	74.2	73.9	73.4	73.6	75.6
Operating margin, %	8.8	8.9	8.2	8.3	10.8
Profit margin, %	8.4	8.8	8.0	8.3	10.6
Equity/assets ratio, %	36.6	46.2	47.8	50.6	47.0
Net debt/equity ratio, %	23.9	-9.4	-16.8	-26.2	-11.3
Debt/equity ratio, times	0.5	0.1	0.1	0.1	0.1
Interest coverage ratio, times	20	48	31	42	32
Return on equity, %	28.5	25.6	19.9	19.6	34.6
Return on capital employed, %	32.6	34.2	26.5	27.5	44.4
Return on total assets, %	16.7	17.2	14.3	14.7	22.3
Average number of employees	7,336	5,772	4,986	5,082	5,453
Share data					
Earnings per share, SEK	4.97	4.11	3.31	3.31	4.68
Diluted earnings per share, SEK	4.97	4.11	3.28	3.28	4.65
Dividend return, %	4.5	5.2	5.2	7.4	5.7
Equity per share, SEK	18.55	16.46	15.61	17.82	16.09
Diluted equity per share, SEK	18.55	16.46	15.61	17.40	15.72
Cash flow per share, SEK	1.67	-1.71	-1.70	2.66	1.25
Diluted cash flow per share, SEK	1.67	-1.71	-1.68	2.63	1.24
Bid price SWECO B at 31 December, SEK	73.00	57.50	58.25	53.75	35.00
Market capitalisation, SEK M	6,653	5,258	5,394	4,963	3,211
Ordinary dividend per share, SEK (2012 – proposed)	3.25	3.00	3.00	2.00	2.00
Extraordinary dividend and other profit distribution	-	-	-	2.00	-
Number of shares at 31 December	91,233,682	90,719,827	90,957,774	88,943,037	87,144,243
Number of shares after dilution at 31 December	91,233,682	90,719,827	90,957,774	91,074,951	89,172,369
Number of shares after full dilution at 31 December	91,233,682	90,719,827	92,257,774	92,374,951	90,424,369
Number of class B and C treasury shares	283,165	797,020	559,073	3,059,073	2,357,867

Comments on the five-year overview

2008

The market for consulting engineering services was good during the year, with particularly strong demand for services in the environment, energy and infrastructure areas. As the effects of the financial crisis reached the European markets, this caused dramatic slowing in the real economy. At the end of the year, lower demand was noted in the construction sector and parts of the industrial sector. In spite of the rapid economic downturn at the end of the year, Sweco recorded its best performance ever in 2008. The Sweco Group's net sales rose to SEK 5,523 million, an increase of 21 per cent of which around 50 per cent was organic and 50 per cent was acquisition-driven. Operating profit improved by 38 per cent to SEK 596 million, with the Swedish and Norwegian units showing the strongest earnings growth. During the year Sweco continued its expansion and strengthened its market positions in both the Nordic region and in Eastern and Central Europe. Several acquisitions were carried out in Norway and the expansion in Eastern Europe continued through additional acquisitions in Lithuania and Bulgaria. In 2008 subscription warrants were issued to some 50 senior executives in the Group. The bid price for the Sweco B share at year-end 2008 was SEK 35, a decrease of 47 per cent during the year. The number of employees at 31 December 2008 was 5,536.

2009

2009 was characterised by a weak market for building-related and industrial services, particularly in Finland and the Baltic countries. At the same time, demand for services related to the environment, energy and infrastructure was generally good. As a result of the unfavourable market, the Sweco Group's net sales fell by 3 per cent to SEK 5,339 million. Operating profit amounted to SEK 444 million with an operating margin of 8.3 per cent. Sweden and Norway delivered strong performance with operating margins of around 11 per cent. Operating profit was burdened with restructuring charges and a write-down of goodwill in Sweco Industry amounting to a total of SEK 41 million, as well as SEK 8 million in costs for resource adaptations in the Baltic countries. The Sweco Group's financial position was strong, with a net receivable of SEK 419 million and cash and cash equivalents including unutilised bank overdraft facilities of SEK 1,122 million. Acquisition activity was low during the year and only a few minor acquisitions were carried out. The bid price for the Sweco B share rose by 54 per cent and amounted to SEK 53.75 at year-end. The number of employees at year-end 2009 was 5,137.

2010

The market for consulting engineering services was characterised by weak development during the spring and a burgeoning recovery in the autumn. At the end of the year the market upturn gained momentum, among other things in the industrial and building sectors. Net sales amounted to SEK 5,272 million. Overall net sales fell by 1 per cent, mainly due to downsizing in the industrial operations in Finland. Operating profit was SEK 432.7 million. Three business areas, Sweco Sweden, Sweco Norway and Sweco Russia, reported robust earnings with operating margins of over 10 per cent. Profit in Sweco Norway was affected by one-time project write-downs of more than SEK 20 million. Ambitious brand building activities in a number of countries and acquisition-related expenses, together amounting to SEK 26 million, led to an in-

crease in group-wide costs. The financial position was strong. The ratio of net debt to equity was approximately -17 per cent and the equity/assets ratio was 48 per cent. Through the acquisitions of Hydroprojekt Kraków and Transprojekt Kraków, a new market was established in Poland. Sweco acquired nine companies with more than 300 employees during the year. The bid price for the Sweco B share at 31 December 2010 was SEK 58.25, representing an increase of 8 per cent. The number of employees at the end of the year was 5,418.

2011

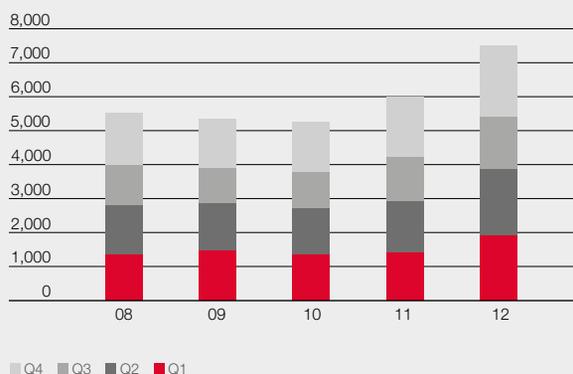
2011 started with healthy demand in all of Sweco's markets. In particular, the Swedish market and the construction and infrastructure sectors showed solid growth during the year. Another stand-out was the Finnish market, which stabilised and noted rising demand for Sweco's industry-related consulting services. The generally high level of demand also continued through the second half of the year, in spite of the European debt crisis and economic slowing. The Sweco Group's net sales were up by 14 per cent to SEK 5,987.6 million. Operating profit rose by 23 per cent to SEK 531.3 million and the operating margin was 8.9 per cent. The financial position remained strong. The ratio of net debt to equity was -9 per cent and the equity/assets ratio was 46 per cent. The number of employees rose by around 900, of which more than 300 employees were added through organic growth. During the year Sweco made 16 acquisitions with a total of around 600 employees. At the end of 2011 an agreement was signed to acquire Finland's FMC Group with annual sales of approximately EUR 80 million and around 1,100 employees. The acquisition of FMC, which was completed in February 2012, gave Sweco annual sales of approximately SEK 6.7 billion and 7,400 employees. The bid price for the Sweco B share at 31 December 2011 was SEK 57.50, a decrease of 1 per cent.

2012

The strong market conditions that prevailed in 2011 continued throughout most of 2012, in spite of the European debt crisis and general weakening in the economic climate. Development was particularly strong in the Nordic countries. At the end of the year a downturn was noted, primarily for building-related services with a focus on housing and for services in certain industrial segments. The Sweco Group's net sales were up by 25 per cent to SEK 7,503 million. Organic growth was 8 per cent and acquisition-driven growth was 17 per cent. Operating profit improved by 24 per cent to SEK 659 million and operating margin was 8.8 per cent. The increase in profit of SEK 128 million is explained mainly by the acquisition of FMC Group, which was consolidated on 1 February 2012, and improved earnings in Sweco Norway. Profit for the year includes a positive non-recurring effect of SEK 21 million arising from changes in the Norwegian pension plans. Profit was charged with costs of SEK 15.3 million for restructuring in the Russian operations and a goodwill impairment loss of SEK 11.5 million in Sweco Industry. The financial position was good. The ratio of net debt to equity was 24 per cent and the equity/assets ratio was 37 per cent. The number of employees rose by 1,200 through acquisitions and 300 through organic growth. The bid price for the Sweco B share at 31 December 2012 was SEK 73.00, an increase of 27 per cent.

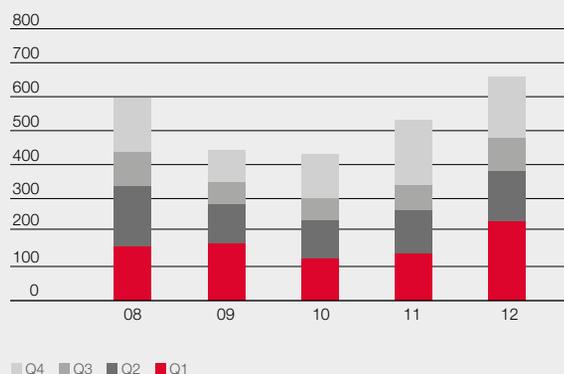
Net sales

SEK M



Operating profit

SEK M



Risks and risk management

Sweco delivers qualified consulting services to more than 15,000 clients in some 37,000 assignments every year. The Group's operations are decentralised and are conducted at 120 local offices in 12 countries. Approximately 43 per cent of the clients come from the public sector and 57 per cent from the private sector. The ten largest clients account for only 21 per cent of net sales. These factors give Sweco a good spread of risks. In spite of this, the Group is exposed to a number of risks through its business activities. Consequently, one important aspect of management and control of the Group's operations is to maintain effective risk management in which risks are identified, evaluated and handled. The aim of Sweco's risk management is to secure the Group's long-term earnings growth and ensure that the various business units meet their objectives.

Sweco's goals, which are expressed in the company's business plan and strategy, provide a foundation for the company's risk management. The Group's risk management is based on a company-wide risk analysis. This inventory of risks is aimed at identifying the most important risks that the company is exposed to, the probability that they will occur and their potential impact on the company's goals. At the same time, the effectiveness of the existing controls and risk mitigation measures is assessed. The results of the overall risk analysis have been gathered in a risk map that reflects the company's risk exposure in each business area and in total for the Group. The risk maps are updated regularly and are used in quarterly monitoring of risk work. At the board meetings of each business area, risk management is a standing item on the agenda.

Sweco's risk management covers all business areas, companies/divisions and processes in the Group. The Group has a central risk group that initiates and drives development of risk work. Each manager is responsible for risk management activities in his/her respective area. The Group's Board of Directors and the Executive Management have ultimate responsibility for risk management.

The risk management situation is continuously reported to the Audit Committee. A yearly summary report on risk and internal control in the Group is presented to and discussed by the Board of Directors, the Audit Committee and the EGM (Extended Group Management). Read more about the company's risk management process in the corporate governance report on page 37.

Sweco's operations are exposed to a number of strategic, operational and financial risks. The risks that Sweco has identified as the most significant in its business operations, and the ways in which these are managed, are described here.

STRATEGIC AND OPERATIONAL RISKS

Market and external factors

Changed market conditions for Sweco, caused by factors such as shifts in the business cycle, a lower propensity to invest among the clients, changes in political priorities, new legislation and consolidation among our clients can result in lower revenue and margins for Sweco. Sweco's decentralised organisation and closeness to the clients enable early detection of possible new trends in the market. Sensitivity to these risks is reduced through a wide geographical presence in areas with often differing market cycles, a comprehensive range of services and a large client base that is spread across different industries and sectors. Sweco has a strong brand and a market-leading position in several countries, which means that Sweco is often the preferred choice of clients.

International presence

Sweco's growth is associated with an expanding international presence. This can give rise to risks tied to the business and political climates and increased exposure to CSR-related risks. With over 100 years of experience of project exports, Sweco has developed and established routines and tools for initiation and implementation of assignments around the world. In 2012 Sweco started a special review of policies, guidelines, etc., related to business ethics due to changes in the Swedish anti-bribery legislation.

Acquisitions

Sweco's growth takes place partly through acquisitions. This can lead to risks for example that a transaction is based on incomplete or incorrect data, that key employees will leave the company, that the integration of an acquired company is unsuccessful or that the anticipated results fail to materialise, in which case the acquisition instead has a negative effect on income and margins. These risks are minimised through a well developed acquisition and integration process with fixed decision-making points. Sweco's Board of Directors conducts a yearly evaluation of previous acquisitions. So far, Sweco's acquisition activities have resulted in profitable growth for many years.

Knowledge and knowledge sharing

The employees' expertise and ability to translate their knowledge into optimal solutions for the clients is the core of the Group's business and also that which distinguishes Sweco from its competitors. Shortcomings in knowledge sharing can result in risks such as low quality in client deliveries. Knowledge and processes for knowledge sharing and co-operation are therefore a strategic priority for Sweco.

The exchange of experiences and learning take place primarily through work in the assignments. All employee development is focused on performance, knowledge and knowledge sharing. Sweco has a large number of processes and tools for knowledge sharing.

Employees

Sweco's success is dependent on the ability to attract, develop and retain the top talent. Sweco has a strong brand and is repeatedly given

high rankings as an attractive workplace among students and young engineers. Sweco was also successful in its ambitions to recruit and grow organically during 2012. Sweco uses a number of processes and tools to develop the employees and strengthen its leadership, such as the Sweco Talk performance review, the Sweco Barometer employee survey, skills training through Sweco Academy and the leadership aspects defined in the Sweco Leadership Compass, as well as management training and succession planning through Next Generation. Read more about Sweco's HR activities on page 10.

Projects

Project risks consist of the risks connected to an individual assignment, such as miscalculation of the amount of time needed or costs involved. Assignments can also lead to disputes regarding Sweco's right to payment and the client's claim to compensation for any damages caused by Sweco. In the assignments, contracts are entered into on suitable terms to minimise risks and avoid disputes with clients. Among other things, the agreements should ensure that the scope of the assignment is defined, that Sweco has the right to payment on performance according to the terms of the contract and that the terms of liability correspond to the insurer's requirements. Sweco has an insurance program that includes professional indemnity insurance to protect against liability for damages related to performance of the assignments. Quality assurance of the assignments takes place in the group-wide management system `sweco@work`, which is certified according to the ISO 9001:2008, ISO 14001:2004 and OHSAS 18001 standards.

IT

Sweco's consultants are dependent on access to advanced IT tools and a secure IT environment. The availability and reliability of the company's IT environment is therefore critical for uninterrupted business operations. Effective firewalls and virus protection and regular software upgrades minimise disruptions arising from technical problems. At the beginning of 2012 Sweco adopted a new information security policy with guidelines focusing on how the employees and sub-consultants should act in order to always uphold the highest possible level of security toward all stakeholders.

Brand

Sweco's image is formed through all types of contacts with internal and external stakeholders, and the company's success is therefore closely associated with the ability to communicate. Effective communication and a strong brand minimise the risk for negative publicity and loss of confidence. A deeply rooted culture where the employees are well aware of the company's values and policies strengthens the Group's identity and creates security for the clients. Sweco has a communication policy with related guidelines for price-sensitive information, mass media contacts and use of the social media. There is also a policy for crisis management that among other things deals with communication in a crisis situation.

FINANCIAL RISKS

Through its operations, Sweco is exposed to different types of financial risk. Sweco's finance policy states how these risks are to be managed in the Group. The Board of Directors is responsible for the finance policy, which contains guidelines, targets and a division of responsibilities for the treasury department together with rules for financial risk management. For more information, see Note 33 on page 75.

Interest rate, currency and liquidity risks

Changes in interest rates, exchange rates and the market prices of financial instruments can affect Sweco's cash flow, profit and balance sheet. Sweco has a strong balance sheet with a small share of borrowing, which means that direct interest rate risk is low. With regard to currency risk, the Group normally has natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into in a non-local currency, the contracted and anticipated payment flows are hedged through forward contracts. Thanks to its strong financial position and large unutilised overdraft facilities, Sweco's liquidity risk is low.

Credit risk

Credit risk is defined as the risk related to the clients' ability to pay. Sweco has a balanced base of around 15,000 clients. Sweco is not dependent on any individual client, since the largest clients account for only a small share of total sales. The assignment volume is evenly distributed between the public and private sectors. Historically, credit losses have been minor.

Risks in the financial reporting

In the Group's financial reporting, there is a risk that errors can arise and that the financial reporting is not prepared in accordance with the legal requirements, rules for listed companies or applicable accounting standards. Through an effective control environment, clear instructions and internal normative documents for financial reporting, Sweco works continuously with control of its accounting and reporting. In addition, extensive monitoring and analysis take place through the use of reporting systems, budgets, forecasts, etc. The Executive Management carries out monthly reviews with the management of each business area. For more information about internal control, see page 42.

Sensitivity analysis

SENSITIVITY ANALYSIS

Sweco's earnings are influenced by a number of factors. The billing ratio is of vital importance for attaining high profitability in a consulting company, where small changes in capacity utilisation and prices have a significant impact on earnings, both upwards and downwards. For Sweco, an increase in the billing ratio (capacity utilisation) by one percentage point (around 25 minutes per consultant and week) would result in an increase

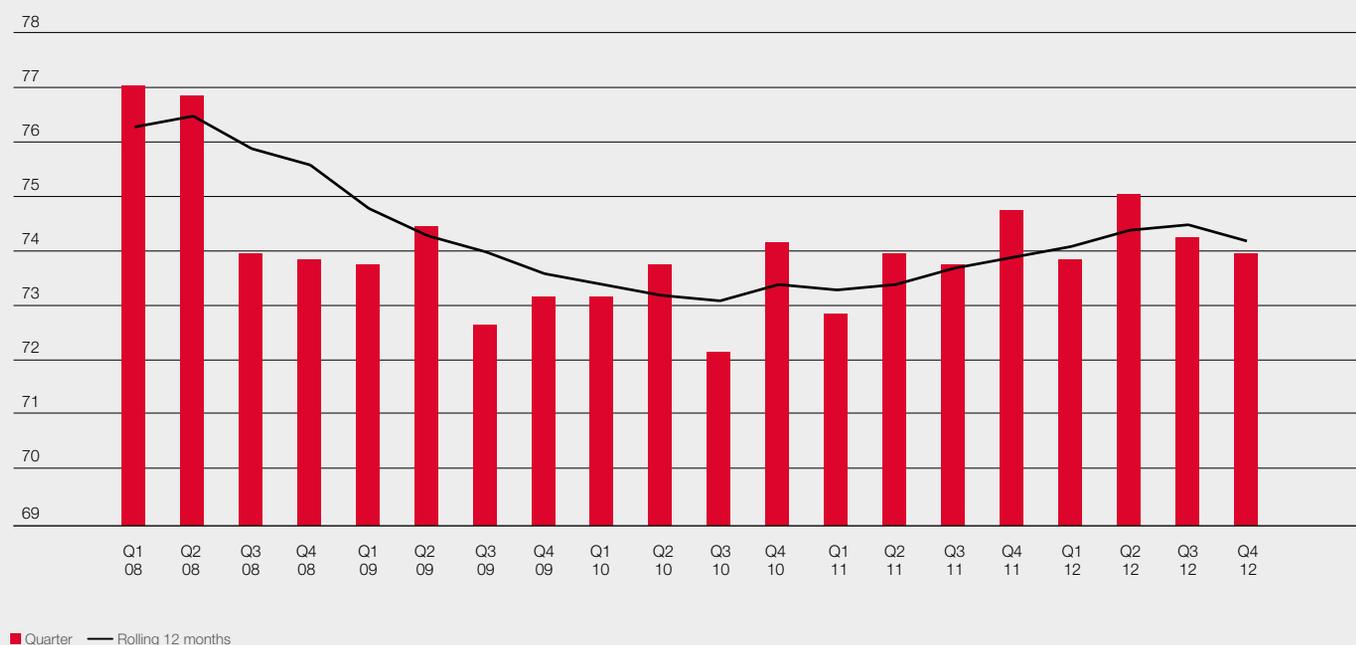
in profit of by around SEK 88 million. An increase of SEK 10 in the average hourly fee would lead to an increase in annual profit by around SEK 92 million. The table shows the effects of some key variables on cash flow, operating profit and earnings per share based on the annual accounts for 2012. For every assumed change, all other variables are assumed to be constant.

Sensitivity analysis

Factor	+/-	Effect +/-	
		Cash flow/operating profit	Earnings per share ¹⁾
Net sales			
- average fee	1%	SEK 65 million	SEK 0.52
- average hourly fee	SEK 10	SEK 92 million	SEK 0.74
- billing ratio	1 %-point	SEK 88 million	SEK 0.70
Personnel costs	1%	SEK 49 million	SEK 0.39
Overhead expenses	1%	SEK 11 million	SEK 0.08
Calendar effect	1 hour	SEK 4 million	SEK 0.03

1) After 27 per cent standard tax.

Billing ratio by quarter and rolling 12 months



The Sweco share

Sweco AB's shares have been listed on NASDAQ OMX Stockholm since 21 September 1998. Sweco's share capital is divided into class A and class B shares, both of which grant equal entitlement to dividends. The class A share grants entitlement to one vote and the class B share to one-tenth of one vote. Sweco's Articles of Association stipulate the right to convert shares of class A to class B. The combined market capitalisation of Sweco shares at year-end was SEK 6,653 million.

SHARE PRICE PERFORMANCE AND TRADING

The bid price for the Sweco B share was SEK 57.50 at the beginning of the year and SEK 73.00 at the end of the year, representing an increase of 27 per cent during the year. Over the same period, NASDAQ OMX Stockholm rose by 12 per cent. The highest bid price for the class B share in 2012 was SEK 78.00 and the lowest was SEK 55.00. The highest bid price for the class A share was SEK 76.00 and the lowest was SEK 56.00.

A total of 7,461,330 Sweco shares were traded on NASDAQ OMX

Stockholm in 2012. The average trading volume per business day was 29,650 class B shares and 196 class A shares.

The average annual total yield on the Sweco share, defined as the sum of share price growth and reinvested dividends, has averaged at 8 per cent over the past five years and 27 per cent over the past ten years. The corresponding figures for NASDAQ OMX Stockholm are 4 per cent and 13 per cent, respectively.

SWECO AB's SHARES¹⁾²⁾

	Number of		Holding, %	
	Shares	Votes	Shares	Votes
A	9,381,664	9,381,664.0	10.3	53.3
B	82,135,183	8,213,518.3	89.7	46.7
TOTAL	91,516,847	17,595,182.3	100.0	100.0

1) Including 283,165 class B shares and 28,316.5 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.

LARGEST SHAREHOLDERS AT 28 DECEMBER 2012¹⁾²⁾

Shareholder	Number of A shares	Number of B shares	Total	Votes, %	Holding, %
Nordström family	5,190,616	8,747,797	13,938,413	34.5	15.2
Investment AB Latour	1,222,760	27,775,000	28,997,760	22.7	31.7
J. Gust. Richert Memorial Foundation	1,769,420	168,511	1,937,931	10.2	2.1
JPM Chase Na	0	4,951,016	4,951,016	2.8	5.4
Swedbank Robur Fonder	0	3,372,687	3,372,687	1.9	3.7
KAS Depository Trust Company	0	3,326,921	3,326,921	1.9	3.6
Öhman, Anders	250,000	450,000	700,000	1.7	0.8
Lannebo Fonder	0	2,808,023	2,808,023	1.6	3.1
Eriksson family	148,267	795,883	944,150	1.3	1.0
Nordea Investment Funds	0	2,137,427	2,137,427	1.2	2.4
Total, ten largest shareholders	8,581,063	54,533,265	63,114,328	79.8	69.0
Others	800,601	27,601,918	28,402,519	20.2	31.0
TOTAL	9,381,664	82,135,183	91,516,847	100.0	100.0

1) Including 283,165 class B shares and 28,316.5 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.

TREASURY SHARES

At 31 December 2012 Sweco held a total of 283,165 class B treasury shares purchased at an average price of SEK 69.14 each, equal to a total of SEK 19.6 million. The market value at the end of the year was SEK 20.7 million. The treasury shares correspond to 0.3 per cent of the total number of shares and 0.2 per cent of the votes.

Sweco's 2012 Annual General Meeting authorised the Board of Directors to purchase treasury shares during the period before the next Annual General Meeting. The aim of the repurchase is to give the Board greater freedom of action in optimising the company's capital structure and to finance acquisitions in a cost-effective manner. No more than 10 per cent

of the total number of shares outstanding may be repurchased. The same Annual General Meeting also authorised the Board to decide on the transfer of treasury shares in connection with acquisitions and for an amount corresponding to the appraised market value. The Board has decided to propose that the 2013 Annual General Meeting grant the Board renewed authorisation for the purchase and transfer of treasury shares.

During the year, at the request of shareholders, 4,012 class A shares were converted to class B shares with the support of the conversion clause in the Articles of Association. The total number of votes thereafter amounts to 17,595,182.3, of which class A shares correspond to 9,381,664 votes and class B shares to 8,213,518.3 votes.

Distribution of shareholdings at 28 December 2012¹⁾²⁾

Number of shares	Number of shareholders	Number of A shares	Number of B shares	Holding, %	Votes, %
1–500	3,948	43,611	762,857	0.9	0.7
501–1,000	1,320	37,870	1,034,564	1.2	0.8
1,001–10,000	1,916	230,843	5,373,549	6.1	4.4
10,001–50,000	218	263,599	4,436,008	5.1	4.0
50,001–100,000	39	137,768	2,555,615	2.9	2.2
100,001–	59	8,667,973	67,972,590	83.8	87.9
TOTAL	7,500	9,381,664	82,135,183	100.0	100.0

1) Including 283,165 class B shares and 28,316.5 votes pertaining to treasury shares.

2) Based on data from Euroclear Sweden AB.

INCENTIVE SCHEMES FOR SENIOR EXECUTIVES

The 2012 Annual General Meeting (like the 2011 Annual General Meeting) resolved to implement a long-term share savings scheme directed at senior executives in the Sweco Group, the 2012 Share Savings Scheme.

Under the two share savings schemes, the participants may use their own funds to acquire class B shares in Sweco (“Saving Shares”) on NASDAQ OMX Stockholm for an amount equivalent to 5 to 10 per cent of the respective participant’s basic annual salary for 2012 (or 2011). If the Saving Shares are held until the announcement of the year-end report for the 2015 financial year (or 2014) (“the Retention Period”) and the participant remains employed in his/her position or an equivalent position in the Sweco Group throughout the Retention Period, each Savings Share shall thereafter grant entitlement to one class B share in Sweco without consideration (“Matching Share”) and – provided that the performance criteria have been met – to an additional number of not more than one to four class B shares in Sweco (“Performance Shares”). The granting of Performance Shares is conditional on a positive total yield for the Sweco share, and is also dependent on the Sweco share’s total yield in relation to a group of benchmark companies.

A total of 31 participants have acquired more than 31,000 Saving Shares through the 2011 Share Savings Scheme and a total of 32 participants have acquired around 36,000 Saving Shares through the 2012 Share Savings Scheme, which means that a maximum of 230,000 shares may be granted if the predetermined targets are met.

The Board has decided to propose that the 2013 Annual General Meeting approve the implementation of a long-term share savings scheme for up to 80 senior executives and key staff in the Sweco Group.

DIVIDEND POLICY

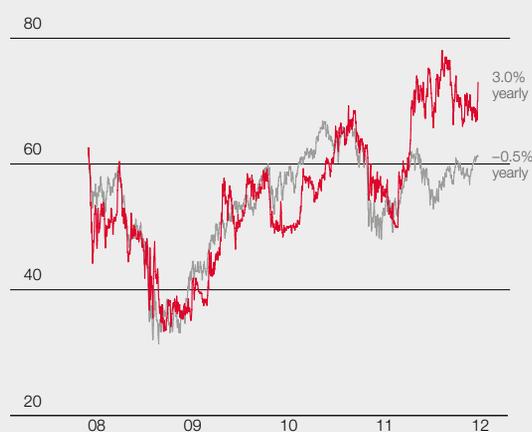
Sweco’s dividend policy is to distribute at least half of profit after tax to the shareholders while maintaining a capital structure that permits development of and investments in the company’s core business.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend for the 2012 financial year of SEK 3.25 per share (3.00), amounting to a maximum capital distribution of SEK 297.4 million (274.0).

Share price performance 5-year

SEK



— SWECO B
— OMX PI Stockholm 28 December 2007 = bid price for Sweco B

Total return 5-year

Index 100 = 28 December 2007



— SWECO B
— SIX RX
Sweco's total annual return over the past five years has averaged at 8 per cent.

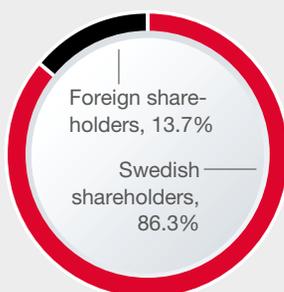
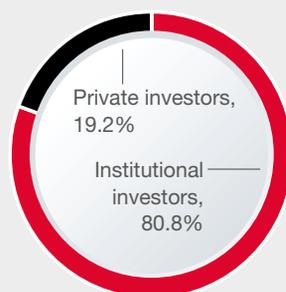
Development of the share capital¹⁾

Date	Change in the number of shares			Total number of shares			Quota value, SEK	Share capital, SEK M
	A shares	B shares	C shares	A shares	B shares	C shares		
1997, Jun: Company formed	1,000	–	–	1,000	–	–	100	0.1
1997, Dec: 20-for-1 split	19,000	–	–	20,000	–	–	5	0.1
1997, Dec: New share issue	1,857,815	12,925,790	–	1,877,815	12,925,790	–	5	74.0
2003, Jul–Nov: Conversion	–	234,924	–	1,877,815	13,160,714	–	5	75.2
2004, Jan: New share issue	–	1,649,501	–	1,877,815	14,810,315	–	5	83.4
2004, Jun: Conversion	–	394,740	–	1,877,815	15,205,055	–	5	85.4
2006, May: 2-for-1 split	1,877,815	15,205,055	–	3,755,630	30,410,110	–	2.5	85.4
2006, May: Redemption	–1,877,815	–15,205,055	–	1,877,815	1,877,055	–	2.5	42.7
2006, May: Bonus issue	–	–	–	1,877,815	1,877,055	–	5	85.4
2007, Apr: New share issue	–	–	200,000	1,877,815	15,205,055	200,000	5	86.4
2007, May: 10-for-1 split	16,900,335	136,845,495	1,800,000	18,778,150	152,050,550	2,000,000	0.5	86.4
2007, May: Redemption	–9,389,075	–76,025,275	–1,000,000	9,389,075	76,025,275	1,000,000	0.5	43.2
2007, May: Bonus issue	–	–	–	9,389,075	76,025,275	1,000,000	1	86.4
2008, Feb: Conversion	–	850,000	–850,000	9,389,075	76,875,275	150,000	1	86.4
2008, Jun: New share issue	–	–	1,400,000	9,389,075	76,875,275	1,550,000	1	87.8
2008, Jun: New share issue	–	1,588,480	–	9,389,075	78,463,755	1,550,000	1	89.4
2008, Oct: New share issue	–	99,280	–	9,389,075	78,563,035	1,550,000	1	89.5
2009, Feb: Conversion	–	1,500,000	–1,500,000	9,389,075	80,113,035	–	1	89.5
2009, May: New share issue	–	–	2,500,000	9,389,075	80,113,035	2,500,000	1	92.0
2010, Mar: Conversion	–	2,500,000	–2,500,000	9,389,075	82,613,035	–	1	92.0
2010, May: 2-for-1 split	9,389,075	82,613,035	–	18,778,150	165,226,070	–	0.5	92.0
2010, May: Redemption	–9,389,075	–82,613,035	–	9,389,075	82,613,035	–	0.5	46.0
2010, May: Bonus issue	–	–	–	9,389,075	82,613,035	–	1	92.0
2010, Sep: Cancellation	–	–485,263	–	9,389,075	82,127,772	–	1	91.5
2011, Aug: Conversion	–3,399	3,399	–	9,385,676	82,131,171	–	1	91.5
2012, May: Conversion	–4,012	4,012	–	9,381,664	82,135,183	–	1	91.5

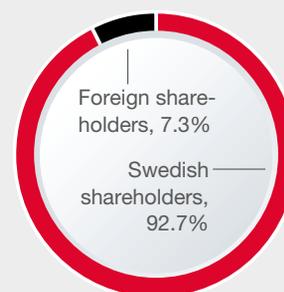
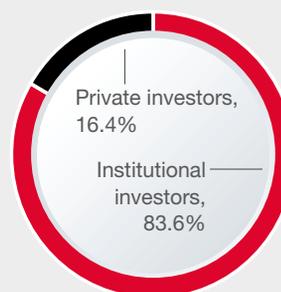
1) Including 283,165 class B shares and 28,316.5 votes pertaining to treasury shares.

Shareholders by category, 31 December 2012

Holding as a % of shares



Holding as a % of votes



Board of Directors and Auditors



Olle Nordström

Born in 1958

Board Chairman. Member of the Board since 1997.

Chairman of: Skirner AB, Stockholms Stads Brandförsäkringskontor and Gustafs Scandinavia AB.

Board member of: Sparbössan Fastigheter AB, ClimateWell AB and Teletec Connect AB, among others.

Education: M.Sc.Econ., Stockholm School of Economics.

Experience: Working Chairman of the family company Skirner AB, former Managing Director of Humlegården Fastigheter AB and FFNS Gruppen AB.

Holdings in Sweco: 525,000 directly held shares and 12,073,413 shares held through Skirner Förvaltning AB, which is owned by the Nordström family.



Anders G. Carlberg

Born in 1943

Member of the Board since 2009.

Chairman of: Höganäs AB.

Board member of: Axel Johnson Inc, Investment AB Latour, Mekonomen AB, Sapa AB, Svenskt Stål AB and Beijer-Alma AB, among others.

Education: M.Sc.Econ, Lund University.

Experience: former President and CEO of Axel Johnson International, former Vice President of SSAB former President and CEO of Nobel Industrier AB.

Holdings in Sweco: 10,000 shares.



Gunnel Duveblad

Born in 1955

Member of the Board since 2008.

Chairman of: Team Olivia AB, Context Holding A/S and Stiftelsen Ruter Dam.

Board member of: Anoto Group AB, HiQ International AB, Aditro Holding AB and PostNord AB, among others.

Education: Systems Scientist, Umeå University.

Experience: former President of EDS Norra Europa.

Holdings in Sweco: 1,000 shares.



Carola Teir-Lehtinen

Born in 1952

Finnish citizen. Member of the Board since 2011.

Board member of: Stockmann Oyj, the Arcada Foundation and the Nottbeck Foundation, among others.

Education: Ph.D., Åbo Akademi University.

Experience: former Corporate Communications Director and Corporate Vice President with responsibility for Sustainability at Fortum Abp.

Holdings in Sweco: 1,000 shares.



Kai Wärn

Born in 1959

Member of the Board since 2010.

Board member of: Dynea Oy, Flabeg GmbH, Hansa AG and Trigo SA.

Education: M.Sc.Eng., Royal Institute of Technology in Stockholm (KTH).

Experience: Partner in IK Investment Partners, responsible for strategy, operations and business control, former President and CEO of Seco Tools AB.

Holdings in Sweco: 2,000 shares.



Thomas Holm

Born in 1953

Employee representative since 2007.

Education/experience: M.Sc.Eng., Licentiate in Engineering.

Employed by Sweco since: 1988.

Holdings in Sweco: 1,000 shares.



Aina Nilsson Ström

Born in 1953

Member of the Board since 2006.

Board member of: The Royal Swedish Academy of Engineering Sciences (IVA) and the Finnish-Swedish Design Academy.

Education: Industrial Designer, School of Design and Crafts, University of Gothenburg.

Experience: Global Design Director at AB Volvo.

Holdings in Sweco: 1,500 shares.



Johan Nordström

Born in 1966

Member of the Board since 2012.

Chairman of: Besqab AB.

Board member of: Skirner AB, Hemfrid i Sverige AB and Sparbössan Fastigheter AB, among others.

Education: Royal Institute of Technology in Stockholm (KTH).

Experience: CEO of Skirner AB, former Property Manager at Näckebro/Drott and Fabega.

Holdings in Sweco: 225,000 directly held shares and 12,073,413 shares held through Skirner Förvaltning AB, which is owned by the Nordström family.



Pernilla Ström

Born in 1962

Member of the Board since 2009.

Board member of: Bonnier AB, Uniflex AB and Bonnierförlagen AB, among others.

Education: studies at the Stockholm School of Economics and Stockholm University.

Experience: Economist, journalist, financial analyst, active in own business Ity AB.

Holdings in Sweco: 3,000 shares.



Göran Karloja

Born in 1953

Employee representative since 2008.

Education/experience: Engineer.

Employed by Sweco since: 2001.

Holdings in Sweco: 677 shares.



Anna Leonsson

Born in 1971

Employee representative since 2005.

Education/experience: Architect SAR/MSA, Faculty of Engineering, Lund University.

Employed by Sweco since: 1997.

Holdings in Sweco: 401 shares.

Resigned

Mats Wäppling

Born in 1956.

Resigned on 30 November 2012.

Resigned

Görgen Edenhagen

Born in 1964. Employed by Sweco.

Employee representative since 2011.

Holdings in Sweco: 0 shares.

Sverker Hanson

Born in 1963. Employed by Sweco.

Employee representative since 2011.

Holdings in Sweco: 2 shares.

Christer Åberg

Born in 1953. Employed by Sweco.

Employee representative since 2011.

Holdings in Sweco: 433 shares.

Auditor

PricewaterhouseCoopers AB

Auditor in Charge:

Lennart Danielsson,

Authorised Public Accountant.

Other assignments: Clas Ohlson AB,

Indutrade AB and Studsvik AB.

Executive Management and senior executives

Executive Management



Tomas Carlsson

Born in 1965.

President and CEO since 2012.

Year of employment: 2012.

Education: M.Sc.Eng. Chalmers University of Technology and Executive MBA, London Business School.

Experience: former President of NCC Construction Sweden and member of NCC's management team.

Holdings in Sweco: 9,059 shares.



Jonas Dahlberg

Born in 1973.

Chief Financial Officer since 2012.

Year of employment: 2008.

Education: M.Sc.Eng. and M.Sc.Econ., Umeå University.

Experience: former President of Sweco Russia and Head of Business Development.

Holdings in Sweco: 4,858 shares.



Bo Jansson

Born in 1952.

Director since 2000.

Year of employment: 2000.

Member of: AI Pension.

Education: M.Sc.Econ, Stockholm School of Economics.

Experience: former CFO and Vice President of Sweco AB, former Finance and Accounting Manager at Sandblom & Stone, Fabega and Hexagon, among others.

Holdings in Sweco: 6,525 shares.

Group staffs

Stig Bremer

Head of IT.

Born in 1971.

Year of employment:
1995.

Fredrik Hedlund

Head of Corporate
Communications.

Born in 1961.

Year of employment:
2000.

Anna Johansson

Head of Group

Accounting.

Born in 1973.

Year of employment:
2006.

Lisa Lagerwall

General Counsel.

Born in 1972.

Year of employment:
2006.

Jessica Petrini

Head of Human

Resources.

Born in 1971.

Year of employment:
1998.

Senior executives



Åsa Bergman

Born in 1967.
President of Sweco Sweden since 2012.
Year of employment: 1991.
Holdings in Sweco: 4,948 shares.



Tron Kjølhamar

Born in 1957.
President of Sweco Norway since 2012.
Year of employment: 1988.
Holdings in Sweco: 2,867 shares.



Markku Varis

Born in 1958.
President of FMC Group since 2010.
Year of employment: 1993.
Holdings in Sweco: 0 shares.



Pär Hammarberg

Born in 1964.
President of Sweco Central and Eastern Europe since 2008.
Year of employment: 1995.
Holdings in Sweco: 2,536 shares.



Bo Carlsson

Born in 1956.
President of Sweco Russia since 2012.
Year of employment: 1990.
Holdings in Sweco: 4,670 shares.



Kari Harsunen

Born in 1953.
President of Sweco Industry since 2007.
Year of employment: 1999.
Holdings in Sweco: 948 shares.

Annual General Meeting

Annual General Meeting

The Annual General Meeting of SWECO AB (publ) will be held on Wednesday, 17 April 2013, 3:00 p.m., at Näringslivets Hus, Storgatan 19, Stockholm, Sweden. Registration for the Meeting will begin at 2:00 p.m. Light refreshments will be served after the Meeting.

Notification

Shareholders who wish to participate in the Meeting must be entered in their own name in the register of shareholders maintained by Euroclear Sweden AB, and must have notified the company of their intention to participate no later than Thursday, 11 April 2013, via Sweco's website, by letter or by calling the number provided below. The notification should include name, address, telephone number, personal identity number registered holding and special mention if the shareholder wishes to be accompanied by an assistant. Registered participants will be mailed an admission card which is to be presented at the entrance to the Meeting premises.

Notification can be made:

- online via Sweco's website: www.swecogroup.com.
- by letter to Sweco AB, "Sweco Årsstämma", Box 7835, SE-103 98 Stockholm, Sweden.
- by calling +46 (0)8-402 90 73, weekdays between 9:00 a.m. and 5:00 p.m.

Nominee shares

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names in order to exercise their voting rights at the Meeting. Such re-registration should be requested in good time prior to Thursday, 11 April 2013, from the bank or securities broker that manages the shares.

Form of proxy

Shareholders who are represented by a proxy must submit an original form of proxy and a certificate of registration, where appropriate, to be sent to the company no later than Thursday, 11 April 2013. Proxies representing a legal entity must attach a verified certificate of registration or corresponding proof of authorisation to sign for the shareholder.

Proposed agenda

The items of business required by law and the Articles of Association will be dealt with at the Annual General Meeting.

Dividend

The Board of Directors proposes that the shareholders receive a dividend of SEK 3.25 per share. The proposed record date is Monday, 22 April 2013. If the Meeting decides in favour of the proposal, dividends are expected to be disbursed by Euroclear Sweden AB on Euroclear Sweden AB on Thursday, 25 April 2013.

Definitions

AVERAGE NUMBER OF EMPLOYEES

Hours of attendance plus hours of absence (excluding long-term absence) divided by normal working hours.

BILLING RATIO

Billable hours in relation to total hours of attendance.

CAPITAL EMPLOYED

Total assets less interest-free current and non-current liabilities and deferred tax liabilities.

CASH FLOW PER SHARE

The year's cash flow divided by the average number of shares outstanding.

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity.

DIRECT RETURN

The year's shareholder dividend (proposed dividend for 2012) divided by the closing bid price for the Sweco class B share.

EARNINGS PER SHARE

Profit for the year attributable to owners of the Parent Company divided by the average number of shares outstanding.

EMPLOYEE TURNOVER RATE

The number of employees who left the Group during the year divided by the average number of employees.

EQUITY/ASSETS RATIO

Shareholders' equity divided by total assets.

EQUITY PER SHARE

Equity attributable to owners of the Parent Company divided by the number of shares outstanding.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

INTEREST COVERAGE RATIO

Profit after net financial items plus financial expenses divided by financial expenses.

MARKET CAPITALISATION

The year's closing bid price for the Sweco class A and class B share multiplied by the number of shares outstanding (excluding treasury shares) in each class.

NET DEBT/EQUITY RATIO

Cash and cash equivalents less interest-bearing liabilities divided by shareholders' equity.

OPERATING MARGIN

Operating profit as a percentage of net sales.

OPERATING PROFIT PER EMPLOYEE

Operating profit excluding one-time items divided by the average number of employees.

PROFIT MARGIN

Profit before tax in relation to net sales.

RETURN ON CAPITAL EMPLOYED

Profit after net financial items plus financial expenses in relation to average capital employed.

RETURN ON EQUITY

Profit for the year attributable to owners of the Parent Company in relation to average equity attributable to owners of the Parent Company.

RETURN ON TOTAL ASSETS

Profit after net financial items plus financial expenses divided by average total assets.

TOTAL RETURN

Share price performance including reinvested dividends.

VALUE ADDED PER EMPLOYEE

Operating profit excluding one-time items plus personnel costs divided by the average number of employees.



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