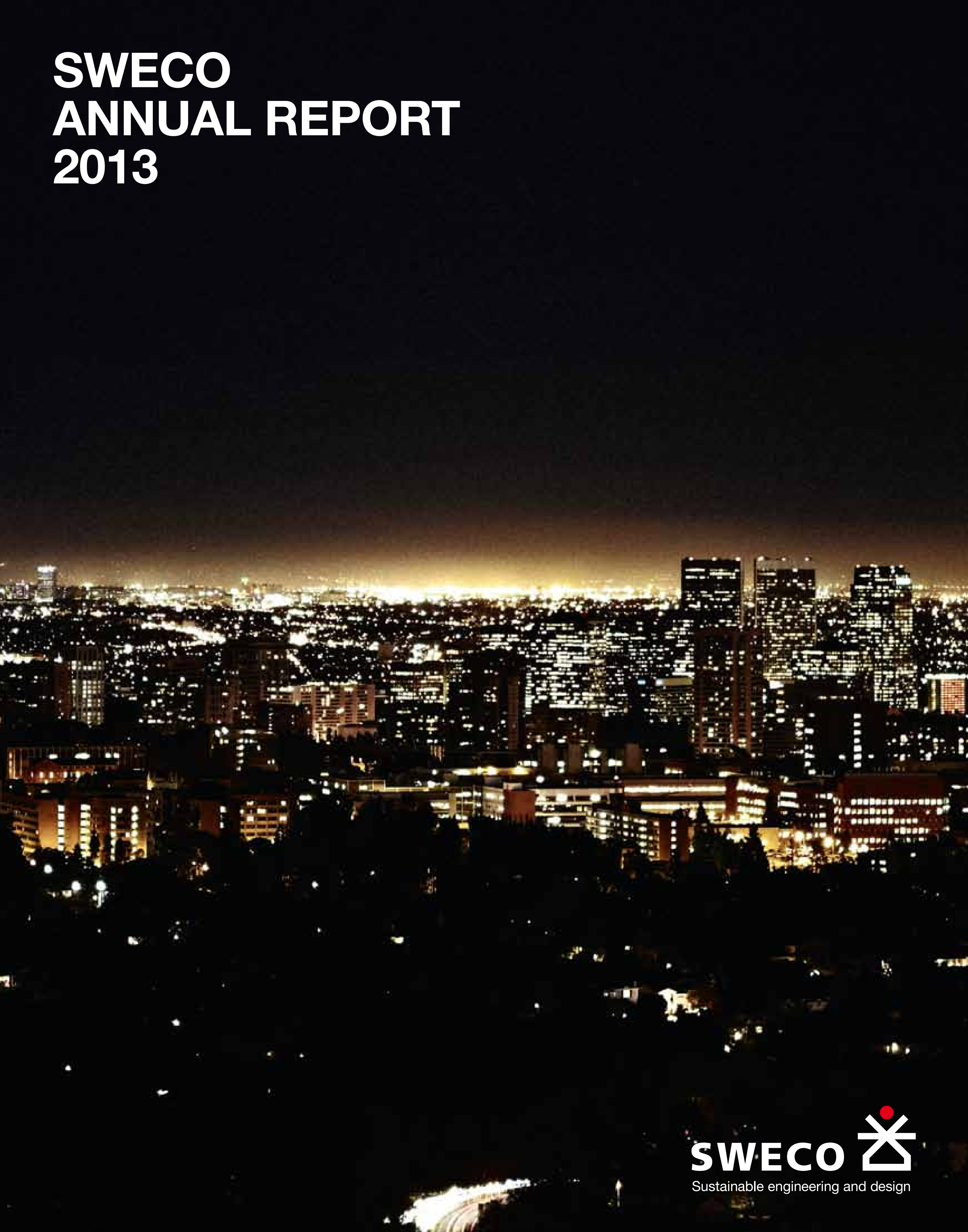
SWECO
ANNUAL REPORT
2013



SWECO

Sustainable engineering and design

Financial calendar

7 May 2014	Interim report Jan–Mar 2014
18 July 2014	Interim report Jan–Jun 2014
23 October 2014	Interim report Jan–Sep 2014
12 February 2015	Year-end report 2014

Green news

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Contents

SWECO IN BRIEF

CONTINUED STRONG DEVELOPMENT IN 2013

- **Net sales up 9 per cent.**
- **More than 1,300 new employees through acquisitions and organic growth.[1]**
- **The Nordic region's largest engineering consultancy through the acquisition of Vectura.**
- **The year was characterised by a weak market and major variations in demand between different geographical areas and client segments.**
- **The growth strategy is unchanged – Sweco will continue its trajectory of profitable growth, both organically and through acquisitions.**

1) This is a correction to the Swedish printed version of the annual report.

NORDIC LEADERSHIP – 9,000 EMPLOYEES IN A WORLD-CLASS INTERNATIONAL KNOWLEDGE NETWORK

PROFIT AND KEY RATIOS, GROUP

	2013	2012
Net sales, SEK M	8,198.8	7,503.5
EBITA, SEK M	656.3	757.0
EBITA margin, %	8.0	10.0
Operating profit (EBIT), SEK M	560.7	681.6
Operating margin, %	6.8	9.1
Profit before tax, SEK M	526.8	653.1
Billing ratio, %	73.9	74.2
Net debt/equity ratio, %	81.0	24.4
Net debt/EBITDA	1.7	0.5
Earnings per share, SEK	4.11	5.15
Equity per share, SEK	17.75	18.1
Distribution to the shareholders per share, SEK	3.25[1)]	3.25
Average number of employees	7,947	7,336

1) Proposed dividend of SEK 3.25 per share.

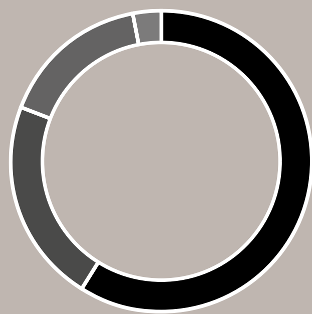
CLIENTS
Net sales by client category in 2013, %

- Industrial companies, 31 (32)
- Other private sector companies, 2 (2)
- Housing, real estate and construction companies, 20 (23)
- Public administrations and agencies, 24 (17)
- Municipal and county governments, 23 (26)

SERVICES
Share of consolidated net sales in 2013, %

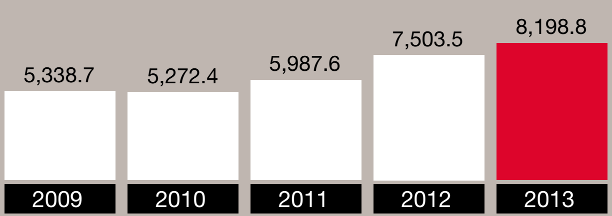
- Infrastructure, 21 (16)
- Structural Engineering, 19 (19)
- Energy, 12 (13)
- Building Service Systems, 11 (14)
- Water & Environment, 10 (12)
- Industry, 9 (9)
- Project Management, 8 (6)
- Architecture, 7 (8)
- IT for Urban Development, 3 (3)

NET SALES BY BUSINESS AREA
Share of consolidated net sales in 2013, %

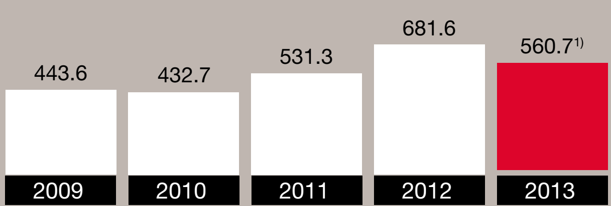


- Sweco Sweden, 59 (55)
- Sweco Norway, 22 (23)
- Sweco Finland, 16 (17)
- Sweco Central Europe, 3 (5)

CONSOLIDATED NET SALES
SEK M

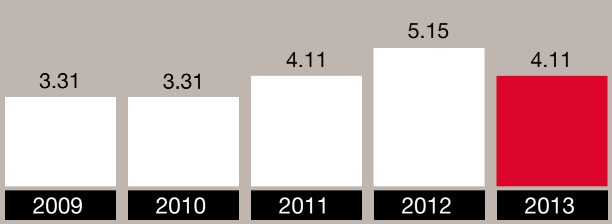


CONSOLIDATED OPERATING PROFIT
SEK M

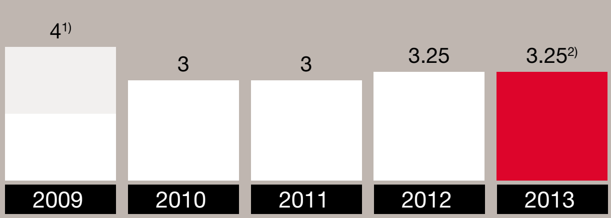


1) Profit was charged with SEK 49.3 million in impairment of acquisition-related intangible assets in Eastern Europe. Profit was charged with integration costs for Vectura totalling SEK 53.0 million.

EARNINGS PER SHARE
SEK



DIVIDEND PER SHARE
SEK



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

The engineers, architects and environmental experts at Sweco work together to develop solutions that help create 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 profitability 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, from feasibility studies, analysis and strategic planning to engineering, design and project management.

Sweco is one of the ten largest technical consultancies in Europe and is the Nordic market leader. During 2013 Sweco carried out close to 42,000 projects for approximately 17,000 clients in some 70 countries worldwide.

SIGHTS SET ON THE CITIES OF THE FUTURE.

Today more and more people live in cities. While the pace of urbanisation is most rapid in Africa and Asia, a powerful wave of urbanisation is also moving through many European countries. Stockholm and Oslo are currently the fastest-growing cities in Europe. Since cities account for a large share of global greenhouse gas emissions and energy consumption, we can expect continued rising demand for sustainable solutions for urban development and growth. In light of this, it is abundantly clear that an urban development-oriented consulting company with a Nordic home market and a global export market needs to be an expert in everything that has to do with cities.

How, then, should urban development be done in a way that creates future cities that are attractive, accessible and dynamic places to live in? Sweco's approach to sustainable urban planning is clearly reflected in the wide range of projects we delivered throughout the year. We believe in long-term decisions, a holistic approach and interconnected systems to equip cities for the challenges of the future.

What distinguishes our approach from other proposals is that we are not looking ten or twenty years into the future – we've set our sights nearly sixty years ahead, to 2070.

When it comes to a city like Stockholm, we need to look back to the 1940s and 50s to find the truly long-term decisions. In spite of a relatively small population, a bold and prudent decision was made to build an extensive subway system based on projected population growth. Now that the Nordic region's major cities are once again growing beyond their limits, Sweco has demonstrated expertise in a vision that we have applied to Stockholm. What distinguishes our approach from other proposals is that we are not looking ten or twenty years into the future – we've set our sights nearly sixty years ahead, to 2070, when Stockholm's population is forecasted to have grown by more than one million additional people. Our vision presents a sustainable, technologically feasible and fully financed proposal that describes ways to create the urban environments required to meet the needs of future generations.

But although cities throughout the Nordic region are growing relatively quickly, these growth rates are modest when compared to Africa and Asia. Sweco also plays a key role in developing cities of the future in these fast-growing regions. In China, for instance, hundreds of thousands of people are transitioning from rural to urban areas. Over the past 15 years Sweco has often been entrusted with planning the creation of entire new cities. This trust is founded on Sweco's unique expertise in what is needed to create a sustainable city. Our model is based on a holistic approach that enables entire city-districts to reduce their emissions. Systems for water, waste, energy, transports and the built environment are interconnected to create essentially climate-neutral cities.

For entirely new cities, as well as existing ones that are undergoing expansion, it is becoming increasingly evident that physical solutions are not enough. Views on sustainability in urban development have undergone a critical shift in the wake of the "smart cities" trend. Fantastic opportunities open up when all parts of a city are online and existing buildings and infrastructure can be utilized in smarter ways. Creating attractive housing, access to clean water, an efficient supply of energy and effective infrastructure are typical Sweco projects and, traditionally speaking, require investments. The foundation will always be the physical city, but adding the information technology layer gives cities a huge boost forward. Being involved in creating smart cities is only natural for an engineering consultancy like Sweco. It's a part of our ambition to always be at the leading edge in terms of satisfying our clients' needs for sustainable solutions. In the past year Sweco has clearly demonstrated that we are poised for the future and better equipped than anyone else to take on tomorrow's cities.

Sweco's client offering in infrastructure was strengthened beyond our expectations with the acquisition of Vectura, our largest acquisition to date. The rapid integration of the company and the tangible synergies that have been realised are proof of Sweco's ability to drive profitable growth through acquisitions.

Looking at the tens of thousands of different projects Sweco carried out during the year, it is clear that we have made a real contribution to the development of society. But this strong influence also comes with great responsibility. As the market's leading consulting company in sustainable development and design, we strive to be number one in client focus, business ethics and expertise. Our capacity to create sustainable value for our clients and society has never been greater.

Stockholm, February 2014

Tomas Carlsson
President and CEO

THE NORDIC REGION'S LEADING ENGINEERING, ENVIRONMENTAL TECHNOLOGY AND ARCHITECTURE CONSULTANCY.

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

Business model.
Sweco's business model is to create sustainable value through the delivery of professional consulting services.

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 projects.

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.

Sweco's consultants are studying, planning and designing the cities and communities we will see in the future. Through world class expertise and the market's widest range of services in sustainable engineering and design, we are well-positioned to meet our clients' needs for economically, socially and environmentally sustainable solutions.

Growth

Sweco will confirm its position as an industry leader in the Nordic market and develop a growth platform in Central Europe. The focus is on long-term growth segments such as energy, infrastructure and water and environment. This growth will occur organically and through acquisitions. All growth will be subject to strict profitability requirements.

Results and activities in 2013

- Growth of 9 per cent.
- Acquisition of Vectura with 1,200 employees in the infrastructure segment.
- Sweco is now the largest engineering consultancy in the Nordic market.
- Four additional acquisitions in project management, structural engineering and building service systems in Norway, as well as building service systems, measurement technology and energy engineering in Sweden.

Employees

Sweco aims to be the most attractive employer for consulting engineers and architects, with ample opportunities for development in challenging projects that build a sustainable society. All employee development should be focused on performance, expertise and knowledge sharing and is monitored via the Sweco Barometer employee survey. 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 leadership and specialist expertise. Sweco's client-driven organisation has a strong leadership culture that is defined and measured based on the Sweco Leadership Compass.

Results and activities in 2013

- Over 1,300 additional employees during the year through acquisitions and recruitment.[1]
- Greater efficiency in the talent identification and development process.
- Continued strong results in Sweco Barometer employee survey: index of 73 per cent.
- 81 per cent of all employees completed Sweco Talk.

Knowledge

Sweco's knowledge strategy is to effectively utilise the company's combined expertise to offer clients the best solutions. This expertise should enable clients to carry out their projects with high quality, good profitability 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 client relationships. The sweco@work management system ensures that projects are quality assured and that new knowledge is preserved.

Results and activities in 2013

- Leadership training in all business areas.
- Continued work in the global Next Generation programme for future leaders.
- Focused training activities in business ethics.
- Project manager training with focus on project control and consulting law.

Corporate culture and brand

Sweco uses consistent branding in all markets in which it operates. The brand expresses the company's core values – curiosity, commitment and responsibility. Curiosity drives development, generates new knowledge and contributes to better solutions. Commitment leads to greater work satisfaction, higher quality, deeper relationships and new contact interfaces. Responsibility creates security for our clients.

Results and activities in 2013

- Sweco Sweden was ranked best in the industry by young professional M.Sc. engineering and B.Sc. engineering graduates.
- Pre-feasibility study Stockholm 2070 carried out together with MTR and Skanska.
- Migration to the Sweco brand in FMC Group.

1) This is a correction to the Swedish printed version of the annual report.

STRONG DRIVERS FOR LONG-TERM GROWTH.

Growing cities place heavy demands on socially, economically and ecologically sustainable solutions for residents of the future. Consulting engineers and architects who offer cutting-edge expertise coupled with sustainable solutions are in high demand among clients, and companies with meaningful projects are attractive employers. With its size and market position, Sweco is well-poised for continued profitable growth.

SUSTAINABLE CITIES IN FOCUS FOR URBAN DEVELOPMENT

More and more people live in cities, while society at the same time needs to adapt to a changing climate and limited natural resources. Sweco sees clear growth in demand in areas associated with emerging needs and opportunities in urban environments.

- **Urbanisation** – Nordic country populations are increasingly concentrated in major cities. Among EU member states, Sweden is experiencing the most powerful urbanisation. Larger and denser cities demand well-planned and integrated solutions in areas such as transport systems, buildings, water treatment and waste management.
- **Sustainability** – The past three decades have been warmer than any preceding decade since 1850. Higher precipitation levels, rising temperatures and extreme weather are becoming more common. These new conditions generate a need for sustainable solutions that reduce climate impact and adapt society to a changing climate.

CLIENTS THAT DEMAND BOTH DIVERSE AND CUTTING-EDGE EXPERTISE

Sweco's clients come primarily from the infrastructure, energy, construction and industrial segments. One thing they have in common is a need for both expert knowledge and total solutions. The trend is towards a growing demand for suppliers that can take on multidisciplinary and complex projects – an advantage for a large player like Sweco.

- **Total solutions** – Demand for total solutions is on the rise. To a growing extent, clients prefer to retain one consulting company for a total solution rather than carrying out several separate procurement procedures in different disciplines.
- **Streamlining** – Clients are increasingly streamlining their organisations and choosing to buy consulting engineering services as needed, rather than maintaining this competence in-house. This trend has been underway for some time and is driving the consulting engineering industry as a whole.
- **Turnkey contracts** – It is more and more common for engineering consultancies to be contracted by a construction company rather than by the end client. This places higher demands on the consultant, while also providing opportunities to exert influence and help increase the value of the final result.

EMPLOYEES WHO WANT TO MAKE A DIFFERENCE

Having the opportunity to contribute to society is increasingly important to employees. Sweco's corporate culture and brand should inspire commitment and attract top talent to the company.

- **Employer's profile** – People want to work for companies they feel proud of, so there is increasing emphasis on a company's profile. Values, social impact and responsibility are factors that affect the choice of employer.
- **A meaningful job** – An increasingly relevant driving force for employees is feeling that their job has a valuable impact on the development of society. The company's management plays a key role in setting a clear direction while at the same time allowing employees to run the day-to-day business.
- **Personal development** – Today's employees have high ambitions for their professional development. So there is a growing need for a structured development environment where learning takes place through actual work duties and through measures such as training, mentorship and networking.

FEWER AND LARGER PLAYERS IN THE INDUSTRY

The industry is characterised by consolidation, internationalisation and professionalisation. Due to its size and international presence, Sweco can ensure first-rate expertise as well as cost-effective delivery.

- **Consolidation** – Larger companies can offer their clients a more specialised and comprehensive service offering, geographical coverage and greater security, as well as significant economies of scale in administration, marketing and development. Taken together, this creates advantages for the largest companies in the industry.
- **Internationalisation** – Leading national consulting companies are establishing themselves in new countries via acquisitions. With a wider base they have greater opportunities to put together world-class offerings, with first-rate expertise and a competitive cost.
- **Professionalisation** – The consulting engineering industry has entered a phase of professionalisation, with a focus on strengthening internal routines and quality assurance of deliveries. This trend is being led by the major consulting firms in the industry.

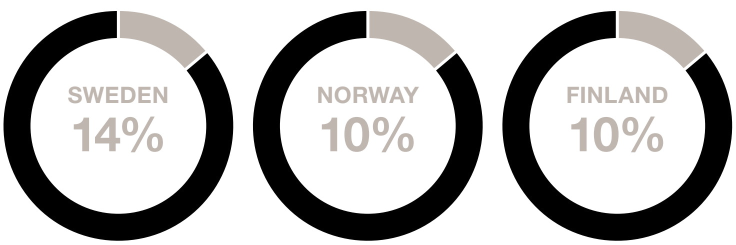
VARIED MARKET DEVELOP-MENT DURING THE YEAR.

Jonas Dahlberg, CFO at Sweco, how would you describe the situation in Sweco's home markets?
"Overall demand has been good, but with major variations. Sweden is currently Sweco's largest business area, with more than 60 per cent of sales. The Swedish market showed positive development during the year, from a weak start to a satisfying level of demand at year-end. The top performer was the Norwegian market, particularly in the infrastructure and construction sectors."

Did any markets stand out as more challenging?
"Finland has experienced a protracted recession, which has led to low demand for Sweco's industry-related services there. It's encouraging that we've seen continued stable demand for our building-related services, which also account for the bulk of sales in the country. Central Europe has also struggled with difficult market conditions."

Most of Sweco's operations are conducted in the Nordic region. What is the outlook when it comes to meeting the target for continued profitable growth?
"We can see that demand for Sweco's services is following the general economic trend, but with a certain amount of lag. In a short- and mid-term perspective we can expect rising demand chiefly in the infrastructure segment, both in Sweden and in the fast-growing Norwegian market."

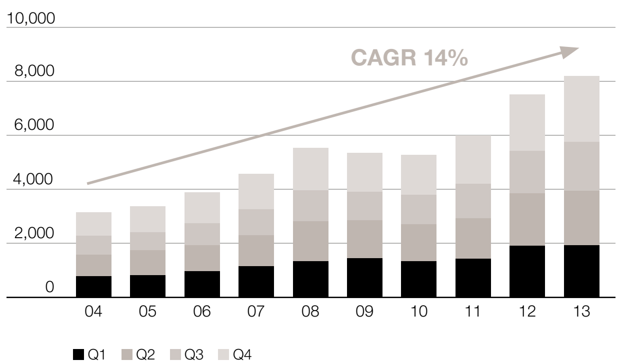
MARKET SHARES



During the year Sweco increased its market share in the Swedish market, due primarily to Sweco's acquisition of Vectura. The industry in general is characterised by consolidation, with a clear trend towards fewer and larger players.

FULL-YEAR SALES

2004–2013



LARGEST ENGINEERING CONSULTANCY IN THE NORDIC MARKET.

Sweco became the Nordic region's leading consulting engineering company during the year. With the acquisition of Vectura, Sweco now has 9,000 employees and the industry's strongest client offering. With a market-leading position in transport infrastructure, Vectura contributes valuable expertise to Sweco's integrated range of services in sustainable engineering and design. The merger has generated excellent opportunities for continued growth in the Nordic region, particularly in Sweden and the fast-growing Norwegian infrastructure market.

Sweco has a well-defined and firmly established growth strategy through which the company aims to continue growing under profitability, both organically and through additional acquisitions. Sweco's history of successful acquisitions is the reason it holds the leading position today. Sweco's two largest acquisitions to date, FMC in 2012 and Vectura in 2013, added a total of 2,300 employees and approximately SEK 2,100 million in annual sales. Sweco has acquired around 90 companies over the past ten years.

Attracting top talent is crucial to our organic growth. In 2013 Sweco was ranked as the industry's best employer in several surveys, the result of our long-term efforts to create a strong corporate culture and a workplace that promotes personal development.

The Vectura acquisition in brief

- In June 2013 Sweco signed an agreement with the Swedish government to acquire 100 per cent of the shares in consulting engineering firm Vectura. The two companies were consolidated in August 2013.
- Vectura is the Nordic region's leading provider of consulting services for transport infrastructure and holds a strong position in the Swedish railway sector. In 2012 the company had 1,200 employees and annual sales of SEK 1,300 million.
- The total purchase price was SEK 927 million and was paid in cash (equity value).
- With the acquisition, Sweco will have net sales of approximately SEK 9,000 million and around 9,000 employees.

A WIDE RANGE OF CUTTING EDGE EXPERTISE.

Åsa Bergman, President, Sweco Sweden
In August, Sweco welcomed its new colleagues from Vectura to the company. For Sweco's Swedish operations, the rapid integration of 1,200 new employees has been an intense period. Åsa Bergman, President of Sweco Sweden, talks about what it's like to be at the forefront of Swedish consulting engineering companies.

"It really feels fantastic! We've increased our lead over competitors and created unrivalled conditions to take on the most complex projects. As our cities grow, we are seeing urgent needs in areas ranging from roads and railbound traffic to housing and energy solutions."

In what way has Sweco changed with Vectura?
"Briefly put, you could say that we now have by far the strongest client offering in the market. With Vectura's leading expertise in transport infrastructure, we're in an excellent position ahead of the massive investments in road and railway systems that are planned for the years ahead."

What happens next?
"We've already won several large and challenging contracts thanks to our combined expertise. The unique combination of a wide range of services and cutting edge expertise is Sweco's strength, and enables us to fully leverage the merger. We're ready to tackle the infrastructure of the future!"

CONCRETE SOLUTIONS FOR THE FUTURE STOCKHOLM.

Stockholm needs 87 kilometres of new subway line and 40 new stations, 1,200 kilometres of bicycle paths and 500,000 new residential units. These are some of the conclusions of the "Stockholm 2070" pre-feasibility study, produced by Sweco, MTR and Skanska. The study demonstrates ways in which a greater use of long-term planning can position Stockholm to remain an attractive, growing and dynamic city for everyone.

"We want to show that it's possible to build the housing and urban environments necessary to meet the needs of future generations. What we're seeing today are many short-term decisions that will not benefit Stockholm's long-term development. By 2070 the city needs to be adapted to accommodate one million more residents, which naturally requires far-reaching and well-planned initiatives from those of us who live in the city today," says Mats Hermansson, President of Sweco TransportSystem.

Thinking long-term – today!
More people take up more room and place heavier demands on the space available. We are also facing a climate challenge that will affect life in the city. Stockholm therefore needs a total solution that will support a socially, economically and ecologically sustainable future. This calls for forward-looking investments in the near term as well as long-term initiatives in which different players join forces to meet common goals.

Because Sweco is currently involved in developing a large share of Stockholm's infrastructure and buildings, we have a cohesive understanding of existing needs and challenges. According to our assessments, two keys to success are creating a denser city and increasing cross-sector collaboration on infrastructure financing with private players.

A city growing from the inside out
The study presents a concrete proposal for how we can build a long-term sustainable city with space for all of the new residents and where more people can choose to live without a car. Mats Hermansson paints his picture of the Stockholm we will meet in 2070:

"It's a denser city, growing from the inside out. We know that people prioritise living close to the urban pulse and want to avoid long travel times. We therefore see a dramatically expanded subway network with cross-connections that relieve city centre congestion and create alternative travel routes. Housing is built along the new hubs to form a multi-centre city. Bicycles play an important role as a complement to the subway. Our vision also includes keeping Stockholm green and not building in nature areas."

RESPONSIBLE BUSINESS METHODS THROUGH RESPONSIBLE EMPLOYEES.

Sweco's consultants work on projects that impact living environments and the development of society, and this sets high standards in terms of ecological, ethical and socioeconomic considerations. Our ambition to contribute to the sustainable development of society is a core value and serves as the basis for our actions.

Good business ethics with transparency and clear guidelines

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, with the individual consultants forming the hub of Sweco's operations. This places high demands on each employee's judgement and business ethics conduct.

Sweco's CSR policy is a key element in our work with business ethics. The policy clarifies the company's position on issues related to business ethics, quality and environment, employee development, human rights, equality and diversity, and occupational health and safety. This is an important document and all employees are responsible for familiarising themselves and acting in compliance with these guidelines. The full version of the policy is found at swecogroup.com.

During the year Sweco carried out a large-scale campaign to raise awareness of business ethics issues within the organisation. Clearer guidelines were introduced and an extensive training programme was initiated and will continue in 2014. At the end of the year Sweco also launched Sweco Ethics Line, an internal telephone line and an online service that enables employees throughout the Group to report suspected violations of business ethics anonymously and in their own language.

Sweco's position is clear. We do not tolerate corruption, bribery, fraud or illegal anti-competitive behaviour. All business is conducted in accordance with applicable laws and regulations and in compliance with Sweco's internal guidelines. Sweco also follows the Code of Ethics prepared by the International Federation of Consulting Engineers (FIDIC), and works according to the principles of the UN's Global Compact and the UN Declaration of Human Rights.

Client-adapted and ISO-certified management system

In their projects, Sweco's consultants have major opportunities to make valuable and long-term contributions towards a sustainable society. This carries with it far-reaching responsibility, and careful consideration is always taken of project factors that impact quality and the environment.

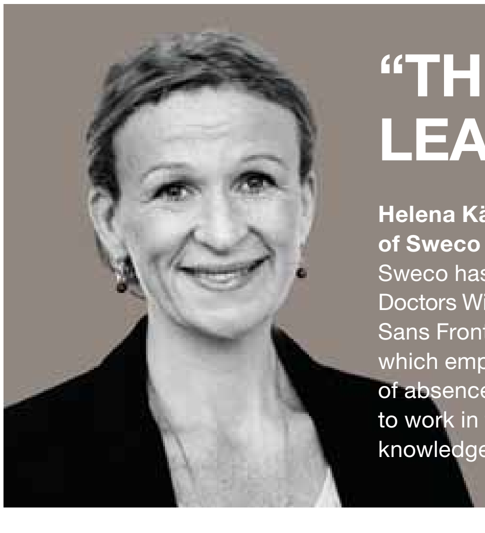
Support is provided by the sweco@work management system, which is certified in accordance with ISO 9001, ISO 14001 and OHSAS 18001 standards. The use of standardised methodologies helps Sweco's consultants to work together and guarantees the best possible quality for the client, regardless of area or country. The uniform approach to both large and small projects results in higher efficiency and optimal project management. Acquired units are certified on an ongoing basis.

The Sweco Talk employee performance review safeguards the employees' working environment and meets their needs for ongoing education and training. The knowledge and experience gained in projects is preserved and developed for future use. By constantly evaluating the projects and working methods, Sweco actively pursues continuous improvements.

High environmental requirements

Sweco aims to conduct its operations in an optimised manner with the lowest possible environmental impact. Through structured internal activities and 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. One example is Sweco's head office in Stockholm, which has 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.

Our way of travelling also has a tangible impact on the environment. Our goal is that Sweco employees choose eco-friendly alternatives and, when possible, replace business trips with tele- or videoconferences. In Sweden and Norway, newly purchased cars are environmentally classified according to national directives for environmentally-classified vehicles (ECVs). Sweco also aims to increase the share of ECVs in other countries in which it operates.



"THE BEST POSSIBLE LEADERSHIP TRAINING"

Helena Källerman, President of Sweco Position.

Sweco has a collaboration with Doctors Without Borders/Médecins Sans Frontières (MSF) through which employees can take a leave of absence, if they are accepted, to work in the field and apply their knowledge in humanitarian initiatives. Helena Källerman, who has been a field worker for the organisation several times, can clearly see how the collaboration contributes to valuable skills development. For example, it provides experience in working with personnel management responsibility in multicultural and demanding projects.

EMPLOYEES WHO APPRECIATE HIGH EXPECTATIONS.

Employees mean everything to a knowledge company like Sweco. The foundation of Sweco's business is the 9,000 skilled employees who go to work every day and help their clients solve various types of technical challenges. Motivation levels to perform at the top of your ability are high in companies where individual contributions are directly connected to developing society in a positive direction. Sweco's employees know that the company expects a lot from them – and that's how they like it.

A workplace characterised by cutting edge expertise across a wide range of areas

Most Sweco employees hold a university degree in architecture or engineering. They are highly educated with in-depth responsibility and engagement to their work as society builders – which may include planning a new subway line, designing a new city district or project management for the construction of a new hospital.

Sweco's distinctive character lies in our unique combination of cutting edge expertise across a wide range of areas – the company has an exceptional number of different specialists and experts. At Sweco's offices you can find everything from acoustics specialists and light designers to structural steel engineers and railway planners.

The capacity to offer clients this type of varied expertise is a key element of Sweco's strength. The ability of an employee with particular expertise to work seamlessly with a colleague from another area of expertise gives us the breadth we need to take on the most complex projects. The result is that our clients are given the most sustainable solutions.

"If you share our values, there's a very good chance that you'll like working at Sweco."
Jessica Petrini, Human Resources Director

Values that create value for clients

Sweco's core values of curiosity, commitment and responsibility describe key employee attributes and strengthen the identity of the organisation as a whole. Sweco has grown dramatically in recent years, both organically and through acquisitions. Sweco's recruitment process is integral to maintaining stable values in the face of rapid growth. We attract the right people by being clear from the start about what Sweco stands for. Supported by our strong and shared set of values, we are able to recruit people with widely varying expertise and experience. We look for client focus and a strong ability to communicate in our recruitments, as well as expertise in a specific area.

Our culture is evaluated from a client perspective. The results of our work, delivered to the client, need to satisfy expectations and ensure the client's continued interest in our services. We ask probing questions so that we can be proactive and understand the client's needs, and our committed approach strengthens the client relationship. With employees that take responsibility, on-time delivery of the appropriate quality is ensured. The best employees possess the right expertise and help our clients realise the value of what we deliver.

Identify people who are passionate leaders

A typical leader at Sweco is interested in developing the business as well as employees – a person who articulates clear expectations and provides constructive feedback. Good leaders and effective management succession planning are highly prioritised success factors.

Internally recruited managers create stability and enable ongoing growth. Sweco works systematically to identify employees with the potential to take on greater responsibility. This may involve development for a management position, but may just as easily involve further specialisation and gaining expertise in a particular area. We know that personal development opportunities are critical for attracting and retaining skilled employees.

Simplicity is a key feature throughout all of Sweco's operations, and we expect our leaders to be an extension of that idea. Feedback is a natural part of our day-to-day work. Regular feedback from a manager who wants you to succeed is one of the best possible learning opportunities. For Sweco, this produces motivated employees who take far-reaching personal responsibility for conducting successful projects based on our clients' high expectations.

Employee facts

- **Number of employees:** 9,000
- **Share of men/women:** Approx. 70 per cent men and 30 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

Ranking of the most attractive employers for engineering students (Företagsbarometern).

1. Google
2. ABB
3. Ikea
4. **Sweco**
5. Spotify
6. Volvo Group
7. Volvo Car Group
8. Saab (Defense & Security)
9. Ericsson
10. ÅF

WE'RE ALREADY DEVELOPING THE SOCIETY OF THE FUTURE.

Sweco is the Nordic region's leading consulting engineering company in sustainable engineering and design. Our 9,000 engineers, architects and environmental experts develop sustainable and value-creating solutions for clients and society. Sweco's consultants are studying, planning and designing the cities and communities we will see in the future.

Through a unique combination of cutting edge expertise across a wide range of areas, Sweco can deliver the most sustainable and profitable solutions for clients and society. These include methods for cleaner air and purer water, an efficient supply of energy, effective infrastructure, attractive homes, and industries that are profitable and environmentally sound.

With the market's widest range of services for urban planning, Sweco has crucial competitive advantages. When planning a new housing development, our architects have access to leading expertise in areas like structural engineering and building service systems from the start – and this produces concrete business advantages for the client. When our infrastructure consultants plan new roads and transport systems, it is invaluable to have close at hand expertise in areas such as water and the environment. Taken together, this helps produce solutions that are sustainable from an environmental, social and economic perspective.

Sweco contributes expertise through all phases of the client's project. We are involved in the very early stages, when the slate is blank and the questions have not yet been answered. We are there during the middle of the process, when design and planning determine the clear structure. To ensure that the client's visions are realised, we often serve as a source of support all the way through project completion. Combining insight into our clients' needs with knowledge of the conditions and requirements that lie ahead, we are able to deliver solutions that maximise value for clients and society.

IN THE SMART CITY, EVERYTHING COMMUNICATES.

Andreas Gyllenhammar, Sustainability Manager at Sweco in Sweden, you've said that perspectives on sustainability in urban development are evolving. "Smart cities" are increasingly mentioned as the solution, but what does it mean?
"In the smart city, everything communicates – not just people. Large data volumes are harnessed to make things like transports, energy consumption, light and water flows more effective. In simple terms you can see it as a way of "fine-tuning" the city. We are used to urban development being about slow and physical changes. Now, when we talk about smart cities, the focus is shifted to using the existing built environment and infrastructure in a more optimised way."

What changes can we expect and when will they happen?
"In the Nordic region we are approaching something of a critical turning point. We are extremely IT mature and an increasing number of public authorities and companies are opening up their data volumes to the public. In the smart city, this collective information helps in real time to make smarter decisions for the city as a whole and for individual citizens. Reduced traffic congestion and smarter operation of our buildings are two concrete examples. The city's new possibilities are closely tied to the way we at Sweco are developing our approach to sustainability."

What role is Sweco playing in making our cities smarter?
"For Sweco, it's natural to take a strong leadership position when it comes to smart cities. With our unique range of services we are already involved in more aspects of urban development than perhaps any other company. Now that it will be possible to use the information produced by the city in a new way, Sweco can develop total solutions. The potential is enormous and, to a large extent, still unexplored."

ARCHITECTURE

Today's trend of accelerating urbanisation is placing new and high demands on the design of environments and buildings. By approaching architecture from a wider context, Sweco can create solutions that last – for ourselves and for future generations. Our goal is that the cities, buildings and environments shaped by Sweco's architects are always first-class examples of how people can live, work and thrive in a sustainable society. Examples of services: **Building architecture, landscape architecture, interior architecture and urban planning**

New regional hub in Gothenburg
A new travel centre is taking shape as part of the major changes being planned for the Gamlestaden district of Gothenburg. The centre will serve as a regional hub in conjunction with the construction of a new commuter train connection between the cities of Gothenburg and Trollhättan. In this large and complex project, Sweco was commissioned for design, project management and preparation of system and building documents. The goal is to integrate the travel centre in a new and dynamic urban area with an inner-city character.

A hair salon that turns heads
In Umeå, Sweden, Sweco's interior architects have created a whole new salon for the Clip hairstyling chain. The interior reflects the client's desire for a salon that stands out from the crowd without compromising functionality, ergonomics and lighting. An angled shape, vibrant colours on the ceiling and innovative use of mirrors give the salon a distinctive atmosphere.

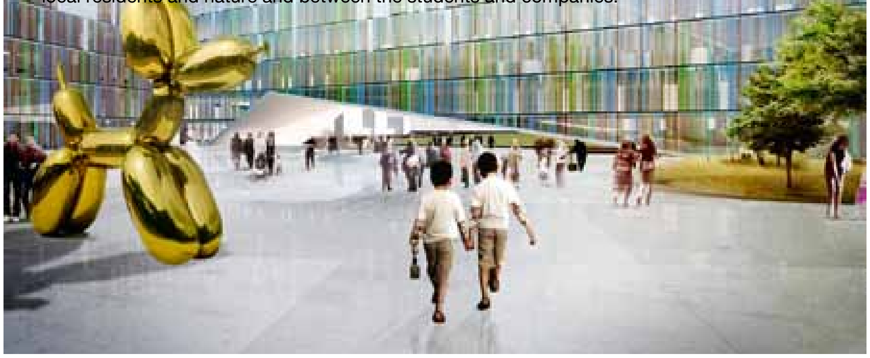
Hotel with fast-paced elegance
Clarion Hotel Arlanda in Sweden was designed to be Europe's top airport hotel. The elegant curved shape calls to mind flight and rapid movement. An innovative structure has given the hotel a very quiet indoor environment in spite of the intensive air traffic. The hotel has 14 floors, 414 rooms, 13 suites, three restaurants and an outdoor swimming pool. Clarion Hotel Arlanda was nominated as 2012 Building of the Year by the construction industry magazine Byggindustrin. Sweco was responsible for the design and was also the main structural engineer.

Yet another sustainable city in China
Due to China's rapid urbanisation, Sweco has taken on several projects that involve planning the development of an entire city. One of the most recent of these is Yinchuan Eco-City, an area near the Yellow River that will be developed into a sustainable, close-to-nature city for more than 80,000 residents. The working model is based on a holistic approach that enables entire city districts to reduce their emissions. Systems for water, waste, energy, transportation and the built environment are interconnected to create a nearly climate-neutral city.

New music building for Danish high school
The number of students at Denmark's Tårnby Gymnasium has risen dramatically in recent years, giving rise to a need for extensive renovation and expansion. New requirements include a new building for music education, a larger dining hall and upgrades to the biology and chemistry facilities. The new music building was influenced by Asian architecture, while the changes were also designed to harmonise with the school's existing expression. Sweco's architects previously prepared a general plan for the school and are now serving as the project's main consultants.

Healthcare project specialists
The ability to handle complex healthcare projects is something of a speciality at Sweco. Sweco's architects worked with Aart architects this year to win a competition for the renovation and expansion of the municipal hospital in Kungälv, Sweden. The project includes design of the hospital's new and existing healthcare facilities and will result in, among other things, around 220 beds and a new main entrance. The jury that selected the winning proposal emphasised factors such as the successful interplay with the existing hospital, which they saw as preserving and enhancing the building's character in an effective manner.

Incubator for Chinese startups
A new centre for startups and innovative companies is being planned in the city of Jinan, south of Beijing. The aim of the new centre is to provide companies with the best possible conditions for accelerated development. Sweco's architects won an architectural competition for the building, which has a total area of 200,000 square meters. The objective has been to integrate the building with the surrounding environment and create bridges between the local residents and nature and between the students and companies.



STRUCTURAL ENGINEERING

Structural engineering is basically 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 load-bearing structures are designed to work in harmony with the building's design, service systems and energy solutions. Examples of services: Building construction planning, industrial building design, advanced steel structures design, moisture and energy studies, and construction economics

A brighter future for the Nationalmuseum
The Nationalmuseum (National Gallery) in Stockholm, Sweden has been open to the public for nearly 150 years. The museum is now undergoing a total refurbishment that will produce a more modern and flexible museum environment. Future visitors will encounter a brighter museum with more exhibition space and an advanced climate control system. Several different areas of expertise from Sweco have been involved in the process of modernising this cultural legacy and adapting it to the needs of the future.

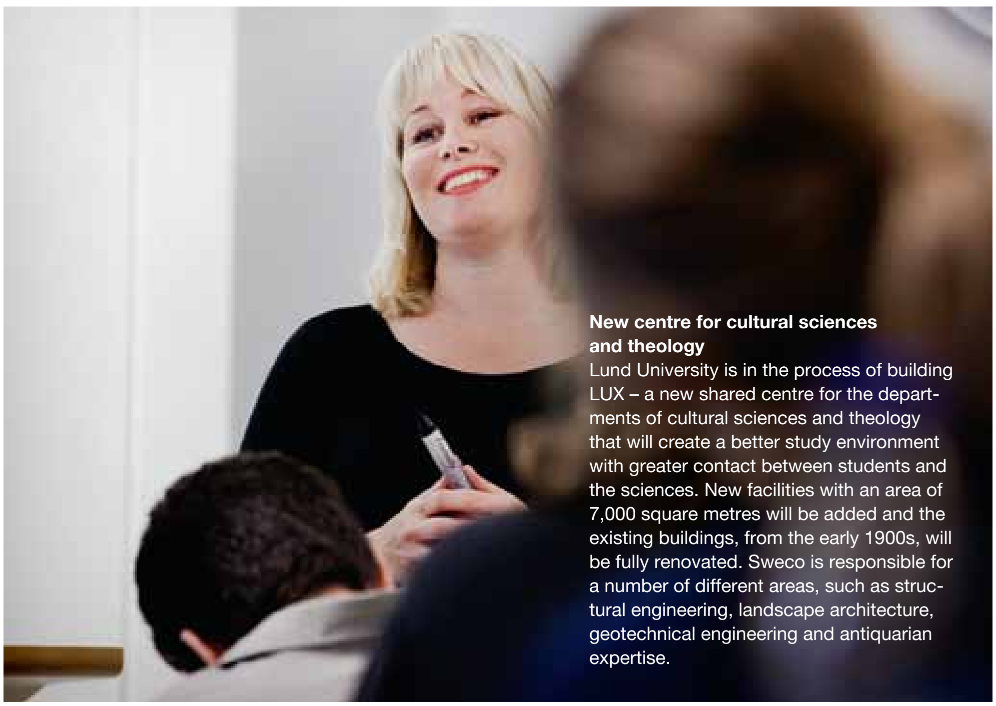
New offices in Töölönlahti
The area around Töölönlahti on the periphery of Helsinki, Finland is being transformed into a more densely built community with new housing and commercial properties. Sweco has been given responsibility for structural engineering of four new office buildings near Finlandia Hall and the railway station. The new buildings will house the head offices of companies like Alma Media, UPM, Ernst & Young and KPMG.

1. Ernst & Young
2. Alma Media
3. UPM
4. KPMG

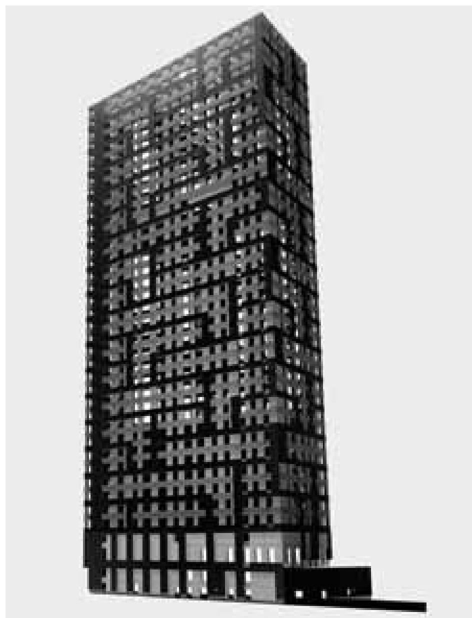
Further expansion of Oslo's airport
Gardemoen in Oslo, Norway is the Nordic region's second largest airport, with more than 20 million passengers per year. Pressure is at a high level and, to increase capacity, the airport is being expanded with a new pier containing several arrival and departure halls. Sweco's task is to plan the roof structure and develop a BIM model for the 21,000-square metre roof for the new pier.

Historical Olympic stadium given new life
With its unique architecture and history, the Olympic Stadium in Helsinki is one of Finland's most iconic buildings. The stadium is now being renovated and enlarged to become a world-class, state-of-the-art sports arena. Renovations include building roofing over the stands and constructing new underground logistics systems. Sweco has been given total responsibility for structural engineering in connection with the renovation.

Better shopping in St. Petersburg
Pearl Plaza Shopping Centre offers shops and services for the residents of Baltic Pearl, a new area being expanded with housing for 35,000 people. Sweco has been commissioned to design the world-class, 110,000-square metre centre.



New centre for cultural sciences and theology
Lund University is in the process of building LUX – a new shared centre for the departments of cultural sciences and theology that will create a better study environment with greater contact between students and the sciences. New facilities with an area of 7,000 square metres will be added and the existing buildings, from the early 1900s, will be fully renovated. Sweco is responsible for a number of different areas, such as structural engineering, landscape architecture, geotechnical engineering and antiquarian expertise.



High-flying housing in Kista
Sweco is responsible for planning the concrete framework for Kista Torn, which will be the highest residential building in Stockholm, Sweden. The tower will be 120 metres high and will include 266 apartments on 40 floors. Rather than casting the concrete on-site, pre-fabricated concrete elements will be transported to the construction site. Sweco has been contracted by the concrete company SCF Betongelement, which will cast and deliver all facade walls, beams and inner walls.

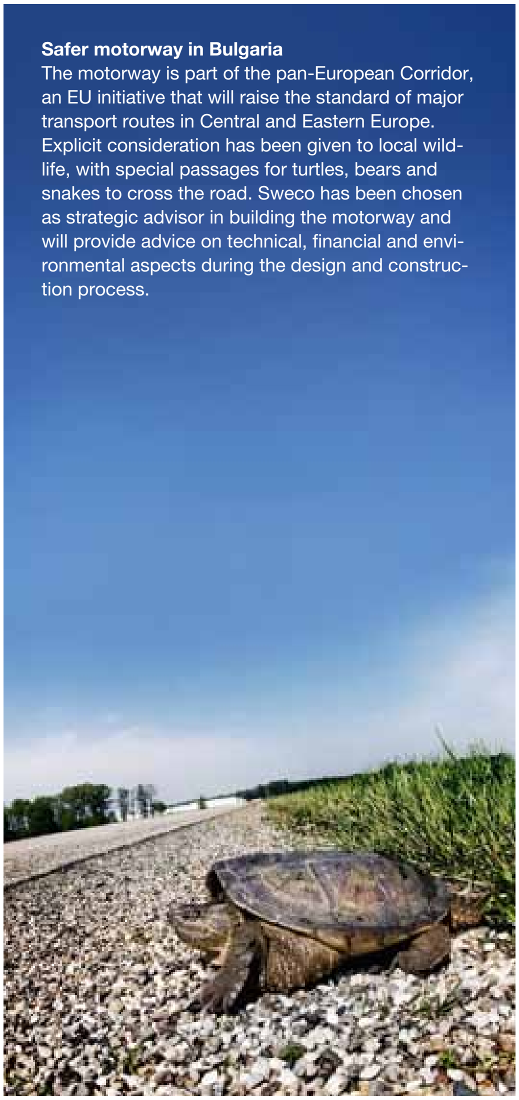
INFRASTRUCTURE

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 an effective transport system simplifies people's everyday lives. Examples of services: **Transport and traffic planning, road and railway planning, rock and geotechnical engineering, design of civil engineering constructions**

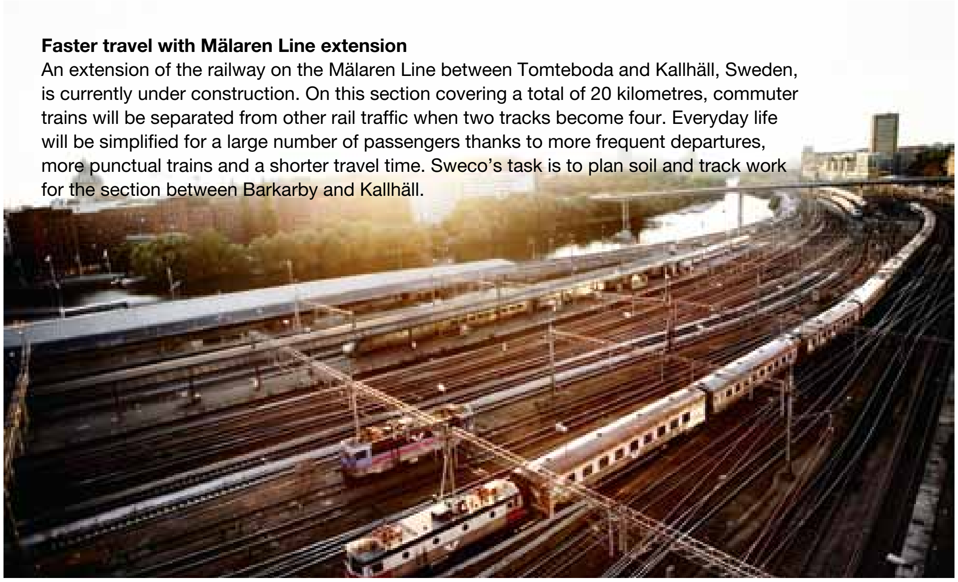
Greater ease for commuters with new LRT line in Lund
Sweco was hired by the Swedish Municipality of Lund to plan a new light rail line between Lund's central station and the Science Village (ESS) research facilities. The initiative will make life easier for commuters in a growing region. The rail line is approximately five kilometres long and has nine stops. Streets and pedestrian and bicycle paths adjacent to the new LRT line will be rebuilt for greater accessibility.

Long-awaited commuter train tunnel under central Stockholm
The City Line is one of the largest infrastructure projects Sweco has been involved in in recent years. The result will be a six-kilometre tunnel with double tracks under central Stockholm, Sweden. The City Line will open in late 2017 and will be trafficked exclusively by commuter trains. Sweco has been instrumental from the start, including in the preparation of construction documents for the City Line's northern section around Odenplan and the southern section around Årsta.

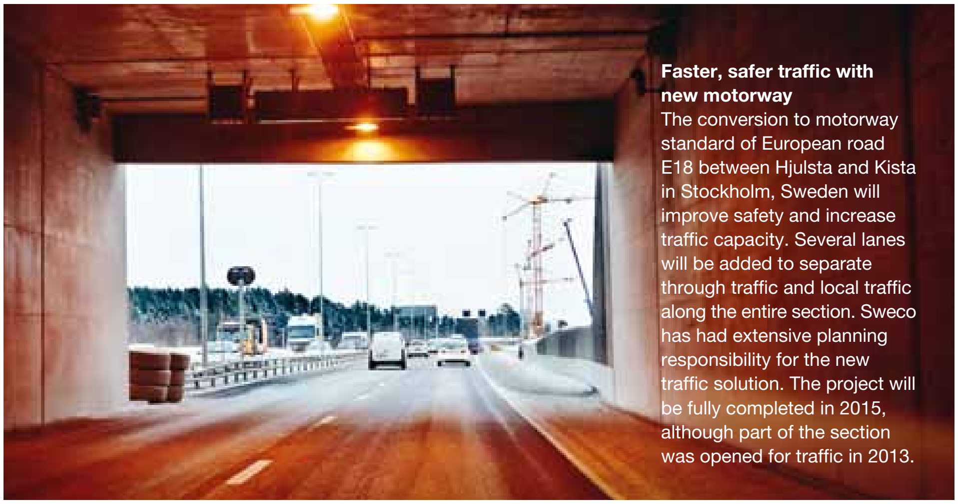
Right path for metro line to Nacka
The municipalities of Nacka and Värmdö are among the most expansive areas of Stockholm, Sweden. Now that an extended subway line to Nacka is on the agenda, Sweco has been commissioned to study alternative alignments and suitable placement of the stations. Sweco will also analyse how the new metro line will affect travel time, accessibility and pressure on the existing infrastructure.



Safer motorway in Bulgaria
The motorway is part of the pan-European Corridor, an EU initiative that will raise the standard of major transport routes in Central and Eastern Europe. Explicit consideration has been given to local wildlife, with special passages for turtles, bears and snakes to cross the road. Sweco has been chosen as strategic advisor in building the motorway and will provide advice on technical, financial and environmental aspects during the design and construction process.



Faster travel with Mälaren Line extension
An extension of the railway on the Mälaren Line between Tomteboda and Kallhäll, Sweden, is currently under construction. On this section covering a total of 20 kilometres, commuter trains will be separated from other rail traffic when two tracks become four. Everyday life will be simplified for a large number of passengers thanks to more frequent departures, more punctual trains and a shorter travel time. Sweco's task is to plan soil and track work for the section between Barkarby and Kallhäll.



Faster, safer traffic with new motorway
The conversion to motorway standard of European road E18 between Hjulsta and Kista in Stockholm, Sweden will improve safety and increase traffic capacity. Several lanes will be added to separate through traffic and local traffic along the entire section. Sweco has had extensive planning responsibility for the new traffic solution. The project will be fully completed in 2015, although part of the section was opened for traffic in 2013.

Straight road through Telemark
In connection with upgrading the standard of European road E134 through the Telemark region, Sweco has been commissioned to plan a new section that will include one of Norway's longest tunnels. The current 23-kilometre section will be reduced to a straight and even distance of 12 kilometres. The solution will make traffic in the area safer and reduce its environmental impact.

Norwegian railway upgraded to European standard
Sweco will provide construction management services for the reconstruction of five railway stations on the Norwegian Østfold Line. The aim is to prepare the stations for ERTMS, the new European signalling system for rail traffic control and monitoring. The system will simplify cross-border interoperability by increasing capacity and will reduce operating disturbances. Sweco will contribute expertise in rail, electrical, signalling and telecom systems, as well as land and engineering design.

BUILDING SERVICE SYSTEMS

It's easy to take a good indoor environment for granted – although, on the other hand, it's quite noticeable when things aren't working. Sweco's building services systems aren't normally 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. Naturally, we always aim for the most energy-efficient solution. Examples of services: **Energy analysis and environmental certification, design of electrical, telecom and security systems, fire engineering and risk analysis, HVAC and sanitation**

Energy-efficient building at Bergen railway station
A new a climate-smart office building is emerging at the railway hub in Bergen, Norway. With is elongated shape and direct connection to the railway station, the design process has been demanding for Sweco. The goal is a "very good" environmental rating for the station building pursuant to BREEAM standards, and Sweco has been chosen to ensure that these requirements are met. Sweco's consultants have also been hired to address the challenges related to traffic and accessibility in the area.

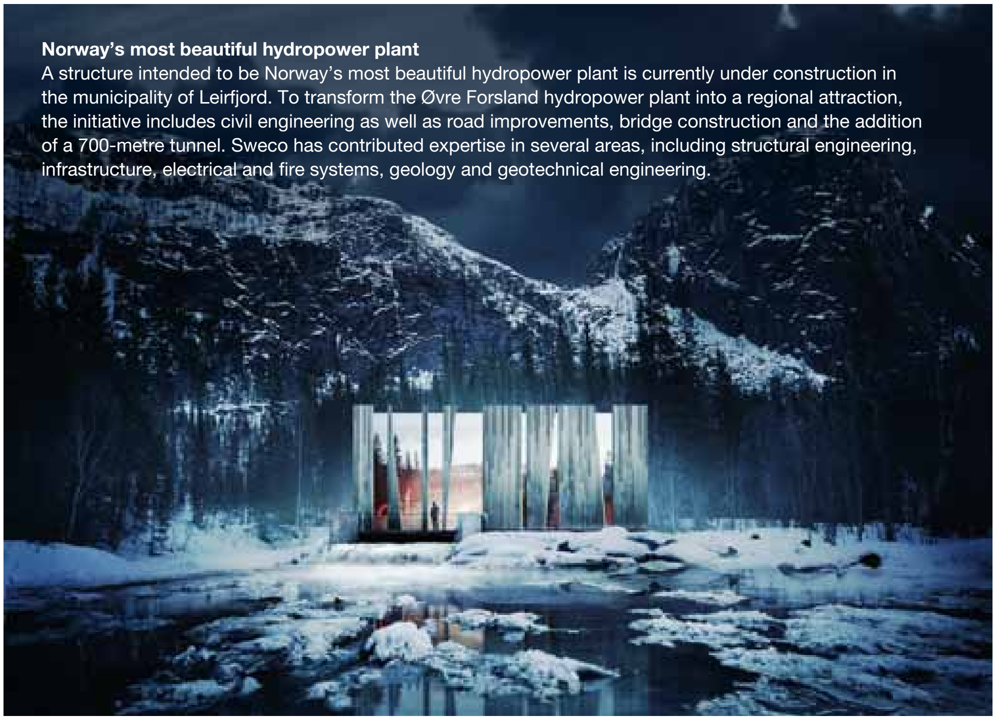
Energy savings for Lidingö
The City of Lidingö, Sweden, has set a target of reducing energy consumption in its properties by 20 per cent by 2015. Sweco carried out an energy study for the city and identified potential savings of SEK 1.4 million per year in operating expenses with a payback period of five months. Since the proposal calls for an operating optimisation rather than new investments, the costs are low. With these simple measures it is even possible to surpass the target and reduce energy consumption by more than 30 per cent.

Renovation of classic head office
Stora Enso's head office in the heart of Helsinki, Finland has undergone an extensive renovation. The complex, built in 1962, was designed by the world famous Alvar Aalto and is today protected by the Alvar Aalto Foundation. One major challenge has been the continuation of day-to-day activities throughout the renovation process. Sweco has been responsible for multiple building services related to HVAC and sanitation, electrical systems and property automation in the project.

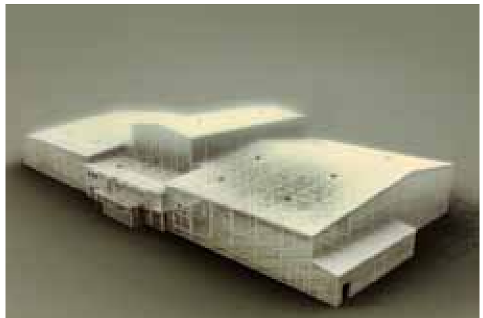
Sustainable modernisation of swimming centre
Swimming centres are challenging environments for creating a good climate, and impose high demands in terms of technical systems. Nolhaga swimming centre in Alingsås, Sweden, was built in the 1960s and is now being renovated with Sweco's help. The swimming section is being modernised and expanded with a family pool, training pools and a lounge area. The result will be a facility that meets today's high demands for energy-efficiency and pool water quality.

ENERGY

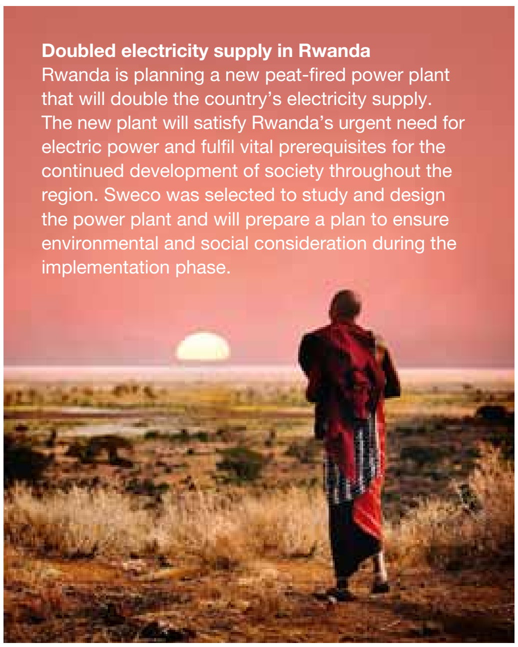
A transition is underway around the world to energy systems based on renewable energy sources and involving major investments. Major initiatives are also being taken to achieve reliable distribution and minimise energy use. Sweco has comprehensive expertise in energy-related services covering all stages of the energy supply chain – from production to distribution and consumption. The goal is to help clients develop a secure, cost-effective and ecologically sustainable energy supply. Examples of services: **Energy production studies, transmission and distribution planning, energy market analysis and advice in energy optimisation**



Norway's most beautiful hydropower plant
A structure intended to be Norway's most beautiful hydropower plant is currently under construction in the municipality of Leirfjord. To transform the Øvre Forsland hydropower plant into a regional attraction, the initiative includes civil engineering as well as road improvements, bridge construction and the addition of a 700-metre tunnel. Sweco has contributed expertise in several areas, including structural engineering, infrastructure, electrical and fire systems, geology and geotechnical engineering.



Submarine cable connects Baltic region to Nordic electricity market
NordBalt is an initiative aimed at creating an electrical interconnection between Sweden and Lithuania. The new cable will connect Baltic countries to the Nordic electricity market and give the entire Baltic region a more secure supply of electricity. The interconnection has a 700 MW capacity, with 40 kilometres of land cable and 400 kilometres of submarine cable. The project for Sweco's energy consultants includes both engineering design and detail planning of the transformer station in Lithuania that will redistribute electricity in the Baltic region.



Doubled electricity supply in Rwanda
Rwanda is planning a new peat-fired power plant that will double the country's electricity supply. The new plant will satisfy Rwanda's urgent need for electric power and fulfil vital prerequisites for the continued development of society throughout the region. Sweco was selected to study and design the power plant and will prepare a plan to ensure environmental and social consideration during the implementation phase.

New power lines strengthen electrical supply
Adequate capacity for electricity transmission is crucial to the distribution of electricity in a reliable and effective manner. Sweco's energy consultants were hired this year by the Swedish National Grid to design a number of new power lines throughout Sweden. In central Sweden, three new lines will enable transmission of more electricity from the Forsmark nuclear power plant. In the Småland region, a similar initiative is being made from the Oskarshamn nuclear plant. Sweco's tasks include detail planning, site surveys, steel and concrete structures and visualisation.

WATER & ENVIRONMENT

Our modern lifestyle burdens the environment in many ways. Sweco's water and environmental consultants help reduce these negative effects by managing and reducing hazardous emissions, optimising waste recycling and managing water resources in a way that meets the needs of today without compromising future generations' capacity to meet their own needs. Examples of services: **water and wastewater engineering services, waste management and soil/site remediation, environmental studies and impact assessments, and water resource planning**

Cleaner water in the Czech Republic
Prague's central wastewater treatment plant will undergo extensive renovation and rebuilding. Because the Moldau River flows onward into Germany via the Elbe, the investment is expected to provide cleaner water far beyond Czech borders. The driving force behind the initiative is the EU's increasingly strict requirements for wastewater treatment facility capacity. In this large-scale project, Sweco is responsible for detail planning and building documents for the new plant.

EU directive requires option to fill your tank with hydrogen
The European Commission has proposed a new directive that will accelerate member states' construction of infrastructure for the use of electricity, hydrogen and biogas. The lack of filling stations and public chargers is seen as the greatest obstacle. Sweco has therefore been commissioned to prepare a plan to enable Swedish motorists in 2020 to fill up with hydrogen gas every 300 miles throughout the country. Sweco will also examine integration with other fuel systems, such as electricity and biogas.

Study on sustainable waste management
The Russian republic of Komi will gain a safer and less toxic environment through improved waste management. Sweco's waste experts will conduct a feasibility study to evaluate the waste projects that should be carried out from an environmental, technical and financial perspective. The project presents several challenges, including the region's harsh climate and the short time allotted for implementation.

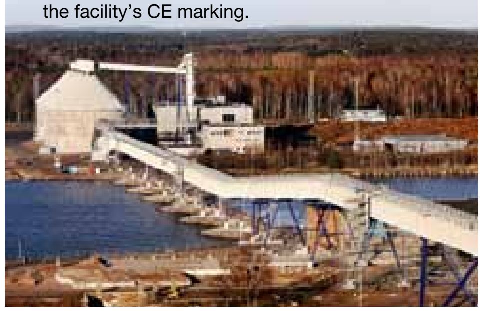
More reliable results for environmental engineering investments
The Swedish government has drawn up a national environmental engineering strategy that covers initiatives in everything from research and innovation to promotion of exports. Sweco's social analysts have been commissioned by the public agency Growth Analysis to continuously evaluate and present proposals tied to initiatives being implemented under the strategy. A total of SEK 400 million will be invested between 2011 and 2014 in various measures that promote environmental engineering.

INDUSTRY

Well-planned and well-implemented investments are crucial for strengthening industrial sector competitiveness. 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. Examples of services: Process engineering services, plant design (electricity, automation, mechanics, piping), logistics planning and project management

New open pit mines in Svappavaara
Svappavaara is LKAB's newest and most expansive mining area, and there are plans to open three new mines in the area over the next few years. With this venture LKAB will meet its production target of 37 million tonnes of iron ore products by 2015, representing a 35 per cent production increase and creating 500 new jobs. Sweco has been chosen to perform feasibility studies and planning of the new industrial facilities.

Better logistics and working environment improve Swedish paperboard mill's competitiveness
Stora Enso has invested in a new woodroom and woodyard at its Skoghall Mill Värmland, Sweden. This major investment has enhanced competitiveness by improving wood handling. With increased storage capacity for wood and chips, a greater share of deliveries are made by rail and logistics are more cost-effective and sustainable. Great importance has been attached to ensuring a safe, low-noise working environment. Among other things, Sweco has had overall responsibility for project management of mechanics and piping, as well as detail planning of external piping. Sweco was also responsible for co-ordinating and establishing the facility's CE marking.



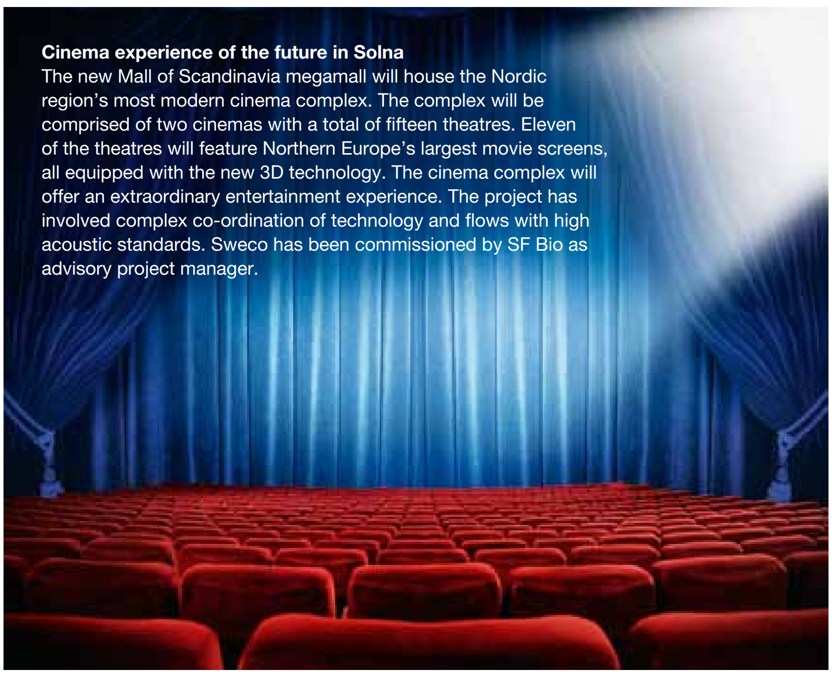
New state-of-the-art containerboard machine
In the Polish city of Ostrołęka, Sweco assisted Stora Enso in an investment that has lowered costs and produced new products. The paper mill has been equipped with a new containerboard machine that creates an efficient internal supply of raw material comprised of recovered fibre. Sweco played an important role in this process by providing expertise in environmental aspects and proposals for energy-saving solutions.

More reliable heat deliveries in Alvesta
Sweco has been hired by the city of Alvesta, Sweden as it expands it district heating capacity. The project is wide-ranging and involves the delivery of all consulting services for the construction of an entire new heating plant. The new plant will improve district heating deliveries to the eastern parts of Alvesta, where there are several nursing homes and retirement homes.

PROJECT MANAGEMENT

Sweco's project managers are distinguished by having one foot firmly planted in the world of technology and the other in the client's business. Our strength lies in our capacity to combine relationship building with the structured working methods required to steer complex projects in the right direction. By providing support throughout all project phases, we ensure that the client's vision becomes reality. Examples of services: **project and design management, property and development management, and information management**

Giant new office complex in Norwegian oil centre
Property developer Seabrokers is building a large new head office for the offshore engineering company Oceaneering. The office is located in Forus, outside Stavanger, an industrial area that is home to some of the country's leading oil industry operators. Sweco has been chosen for project and construction management of the initiative, which will create a full 48,000 square meters of office space and industrial facilities. The new buildings will be ready to open in late 2014.



Cinema experience of the future in Solna
The new Mall of Scandinavia megamall will house the Nordic region's most modern cinema complex. The complex will be comprised of two cinemas with a total of fifteen theatres. Eleven of the theatres will feature Northern Europe's largest movie screens, all equipped with the new 3D technology. The cinema complex will offer an extraordinary entertainment experience. The project has involved complex co-ordination of technology and flows with high acoustic standards. Sweco has been commissioned by SF Bio as advisory project manager.

Collaboration to end student housing shortage
The aim of the Studentbostadsmässan 2017 initiative is to build away the shortage of student housing in Stockholm and reduce the queue time from the current four terms to less than one term. This will strengthen Stockholm's competitiveness as a centre for studies and research. Sweco is in charge of project management in a collaborative effort between municipalities, public agencies, academic institutions and companies that will ensure that at least 6,000 new student apartments are completed by 2017.

New children's hospital in Helsinki
In the Finnish capital Sweco is involved in creating what will be the world's most cutting-edge children's hospital. Sweco has been tasked with construction and project management for the entire process through completion of the hospital. One important aspect of the project is combining technical expertise with knowledge of the complex activities involved at a hospital. By securing all of the most critical needs, Sweco can ensure that the hospital is built to enable optimal functioning.

IT FOR URBAN DEVELOPMENT

As our society becomes increasingly digitised, smart IT solutions are playing a key role in visualising and illustrating the interrelationships between different functions in society. This may involve everything from presenting scenarios and conducting analyses to producing solid data for decision-making – often with the help of maps. With the right information in the right place at the right time, society's resources can be used more efficiently. Examples of services: **Systems development and Big Data, data coordination and BIM, 3D visualisation and geographical analyses, and strategy and operational support**

Modern maps for more effective parking
The parking company in Gothenburg, Sweden manages, develops and oversees a large share of the city's parking spaces. A growing need for parking and shrinking parking areas are making things more complex for this business. Sweco has been selected to develop vectorised maps of all parking spaces, ticket machines and parking signs. The new maps will facilitate the company's decision-making, since each parking space will be presented as an object that can be linked up with information from any other database or map.

Complex information management for Slussen
Reconstruction of the Slussen transport hub in Stockholm, Sweden will commence in 2014. The 75-year-old facilities are run down and outdated, and will be replaced by a new solution adapted to modern conditions and requirements. At this early stage, Sweco has prepared BIM models demonstrating optimal ways of planning the transport hub and achieving the best end result. Sweco is also responsible for handling digital information produced during the project.

Stopping poaching with drones
Illegal rhino hunting is on the rise in Africa and, if left unchecked, threatens the survival of the species. Poaching will now be combatted the help of unmanned and camera-equipped aerial vehicles known as drones. At the request of the Swedish World Wildlife Fund, Sweco has trained park rangers in Tanzania as "UAS pilots". The expectation is that these smart vehicles will improve protection of the country's national parks against poaching and deforestation and support nature conservation efforts.

Contents

BOARD OF DIRECTORS' REPORT

The Board of Directors and the CEO of Sweco AB hereby submit the Annual Report and consolidated financial statements for financial year 2013.

SWECO AB (publ), corporate identity number 556542-9841, is headquartered in Stockholm, Sweden and is the Sweco Group's parent company. The company's engineers, architects and environmental experts work together to create solutions to develop a sustainable society. Sweco delivers qualified consulting services with high knowledge content throughout the client's entire project chain: from feasibility studies, analyses and strategic planning through construction, design and project management. With approximately 9,000 employees, Sweco is one of Europe's largest consulting engineering companies. Around 42,000 projects were carried out this year for over 17,000 clients. Sweco has a local presence in twelve countries and conducts project exports to some 70 countries worldwide.

SWECO GROUP

Sweco has an efficient, client-focused organisation. With Sweco Group's decentralised, achievement-driven business model, all energy is focused on the business and the client's project. The parent company is responsible for group-wide functions. The business is run in four business areas:

Sweco Sweden
Sweco Norway
Sweco Finland
Sweco Central Europe

Sweco is well-positioned for profitable growth. The Group holds market leading positions in Sweden, Norway and Finland and strong niche positions in several Central and Eastern European countries. Sweco's home markets generally have greater GNP growth and stronger public finances than the European average. With top-class profitability in the industry, Sweco is able to grow faster than the market average – both organically and through acquisitions.

The weakening trend in the Nordic market that began in late 2012 continued in 2013. Performance was weakest in the Finnish industrial sector and remained so during the entire year. Norway, Sweden and the Finnish construction market improved gradually during the year.

Powerful drivers are boosting demand for consulting engineering services. Trends like urbanisation and rising living standards are fuelling a need for infrastructure, industrial production, energy production, construction etc. At the same time, there are increasing demands for sustainable development of society and adaptations in response to climate change, which increases demand for services in areas such as energy efficiency, environmental impact assessments, renewable energy solutions, effective traffic planning, water supply, wastewater treatment and soil/site remediation.

PROFIT AND OPERATIONS

Sweco Group's net sales rose 9 per cent to SEK 8,198.8 million (7,503.5). Acquisition-driven growth totalled 9 per cent.

Operating profit totalled SEK 560.7 million (681.6). Amortisation of aquisition-related intangible assets totalled SEK 95.6 million (75.4).

EBITA totalled SEK 656.3 million (757.0). Profit was charged with integration costs for Vectura totalling SEK 53.0 million. Underlying EBITA was therefore SEK 709.3 million (736.0).

Vectura made a positive contribution to EBITA of SEK 44.4 million. In total, acquisitions contributed SEK 56.0 million to EBITA. Underlying EBITA for comparable units was thus SEK 653.3 million (736.0). The year-on-year decrease is primarily attributable to a SEK 65 million reduction in Sweco Finland's operating profit. This decline is a result of the weakening economy, which had a negative effect on the billing ratio.

Calendar-effects had a negative year-on-year impact on profit of approximately SEK 20 million.

Profit was charged with costs for acquisition-related activities totalling SEK 6.2 million (12.8).

Employee bonuses, including payroll overhead and pension expenses, had an impact on profit of SEK -134.2 million (-185.5).

Key ratios	2013	2012
Net sales, SEK M	8,198.8	7,503.5
Organic growth, %	*1*	*8*
Acquisition-driven growth, %	*9*	*17*
EBITA, SEK M	656.3	757.0
Margin, %	*8.0*	*10.0*
Operating profit (EBIT), SEK M	560.7	681.6
Margin, %	*6.8*	*9.1*
Profit before tax, SEK M	526.8	653.1
Earnings per share, SEK	4.11	5.15
Billing ratio, %	73.9	74.2
Number of normal working hours	1,963	1,968
Average number of employees	7,947	7,336

OUTLOOK

Demand for Sweco's engineering consulting services is good overall, albeit with major variations. The market generally follows the overall economic trend in Sweco's submarkets, with some degree of lag.

Net sales, operating profit, operating margin and number of full-time employees, January–December

	Net sales, SEK M		Operating profit, SEK M		Operating margin, %		Number of full-time employees	
Business area	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Sweco Sweden	4,893.9	4,220.1	496.0	444.8	10.1	10.5	3,995	3,400
Sweco Norway	1,814.5	1,753.2	187.1	223.1	10.3	12.7	1,224	1,164
Sweco Finland	1,326.1	1,272.9	71.9	137.1	5.4	10.8	1,764	1,628
Sweco Central Europe	301.4	376.0	-13.1	-4.7	-4.3	-1.2	949	1,130
Group-wide, eliminations, etc.	-137.1	-118.7	-85.6	-43.3	–	–	15	14
Acquisition-related amortisation/ depreciation and impairments	–	–	-95.6	-75.4	–	–	–	–
TOTAL SWECO GROUP	**8,198.8**	**7,503.5**	**560.7**	**681.6**	**6.8**	**9.1**	**7,947**	**7,336**

ORGANISATION

On 1 December business areas Sweco Russia and Sweco Central & Eastern Europe were merged into the new business area Central Europe, headed by Bo Carlsson. Profit and comparative figures are reported as per the new organisation.

Sweco International has been a group-wide function since 1 January 2014 and reports directly to the CEO. The function is headed by Kaj Möller and is responsible for co-ordinating export operations for the entire group.

As of 1 July 2013, Sweco Industry has been divided between the business areas Sweden, Finland and Norway.

ACQUISITIONS AND DIVESTMENTS

Sweco Sweden: In June Sweco signed an agreement with the Swedish government to acquire 100 per cent of the shares in Vectura, which has approximately 1,200 employees. The competition authorities approved the acquisition in late July. The transaction was finalised on 31 July and Vectura has been consolidated into Sweco since 1 August. Vectura now operates under the Sweco brand and as an integrated part of Sweco Sweden. The merger created the largest engineering consultancy in the Nordic market. Present in approximately 40 locations, Vectura holds a particularly strong position in transport infrastructure in Sweden. Sweco Sweden acquired the PICAB Produktion AB consultancy, with 64 employees. PICAB specialises in measurement and energy technology. Sweco also acquired the building consultancy ACNL Elteknik AB, with 25 employees.

Sweco Norway: During the year Sweco acquired the technical consulting company Planstyring AS with 28 employees and the building service systems company MEK-Consult with six employees.

Sweco Finland: During the year Sweco acquired operations in SähköTele Oy with four employees and Insinöörtoimisto Martti Ojala Oy also with four employees. An agreement was signed in December 2013 for the acquisition of Finnish Tocoman Services Oy with 26 employees and the acquisition was finalised in January 2014.

Sweco Central Europe: During the year Sweco acquired the remaining shares in Inseneribüroo KPME OÜ and KPME A&K Disain OÜ with a total of six employees, which have consequently become subsidiaries of the Group.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Sweco's Russian subsidiary Sweco Lenvodokanalproekt was divested in January.

Early in the year Sweco strengthened its positions in Southern and Western Sweden through the acquisitions of Metro Arkitekter with 30 employees and Alfakonsult with 20 employees.

CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 495.8 million (414.8).

Interest-bearing net debt totalled SEK 1,321.9 million (409.3). The net debt/equity ratio was 81.0 per cent (24.4) and the net debt/EBITDA ratio was 1.7 times (0.5).

A four-year credit facility of EUR 102.4 million (SEK 916 million) was raised during the fourth quarter for the primary purpose of refinancing existing credit facilities. A new three-year credit facility of SEK 800 million, used mainly for the acquisition of Vectura, was raised during the third quarter.

During the third quarter, the revaluation of pension commitments in Norway following recommended changes to life expectancy assumptions increased pension commitments by SEK 43.5 million and thus reduced equity by the same amount.

EMPLOYEES

The number of employees at the end of the period was 9,031 (7,768), an increase of 1,263. During the year 1,141 (1,306) employees were hired, 1,233 (1,047) ended their employment, – (4) ended their employment in conjunction with the divestment of companies and 1,355 (1,189) were added via acquired companies. Personnel turnover was 14 per cent (15). The Group had a total of 7,947 (7,336) full-time employees.

ACQUISITION OF VECTURA

On 29 November Sweco announced that the Vectura acquisition is expected to exceed previous estimates. The current assessment is that annual synergies (EBITA) will total SEK 90 million for full-year 2015 and that SEK 70 million will be realised on a full-year basis in 2014. Total integration costs are currently estimated at SEK 65 million.

According to the updated assessment, synergies are SEK 20 million greater, integration costs SEK 35 million lower and the impact on profit will be realised one year sooner than previously communicated at the announcement of the acquisition.

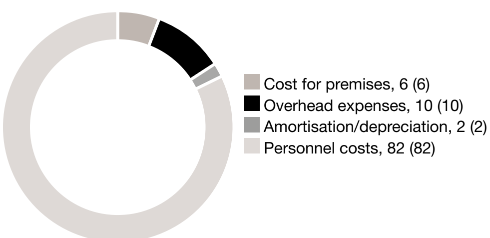
The profit improvement will be achieved primarily through cost synergies, which include reduction of external costs and co-ordination of administration, merger of operations in Norway as well as in traffic and community planning.

Integration costs are estimated at SEK 65 million, of which SEK 53.0 million was charged 2013. Vectura contributed SEK 44.4 million to EBITA in 2013.

The merger created the largest engineering consultancy in the Nordic market, with sales of approximately SEK 9,000 million and over 9,000 employees.

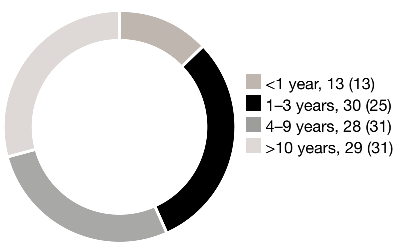
COST STRUCTURE

%



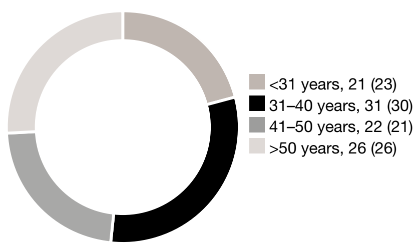
TERM OF EMPLOYMENT

%



AGE STRUCTURE

%



The acquisition is fully in line with Sweco's strategy to consolidate its leading position in the Nordic region and grow in the infrastructure segment. The combination of Vectura's comprehensive expertise in transport infrastructure with Sweco's leading position in sustainable urban development creates excellent prospects for continued growth in the Nordic region, particularly in Sweden and the fast-growing Norwegian market.

The purchase price of SEK 927 million was paid in cash (equity value), corresponding to an enterprise value of SEK 913 million. Vectura reported annual sales of SEK 1,327 million and operating profit of SEK 31 million (EBIT 2012).

The acquisition gave rise to goodwill totalling SEK 691 million and acquisition-related intangible assets of SEK 45 million. Amortisation of acquisition-related intangible assets totalled SEK 2.4 million in Q3 2013, SEK 3.7 million in Q4 2013 and SEK 12.7 for full-year 2014.

BUSINESS AREA – SWECO SWEDEN

Results

Vectura, part of the business area as of 1 August, contributed SEK 564.7 million to sales and SEK 44.4 million to operating profit. Acquisitions contributed a total of SEK 47.4 million to profit. A year-on-year calendar effect of -2 hours had a negative impact on profit of SEK 4 million.

Market

Demand for Sweco's services in Sweden remains stable, but is impacted by Sweden's slow GDP growth.

Demand is strong in the mining sector and the market for construction and real estate is positive. The market for energy and industry-related services is cautious and influenced by the weak industrial economic climate. The Transport Administration's investment plans as well as political focus on infrastructure enable good medium-term growth, while delayed projects have slowed down activity in the short term.

Events and measures

Sweco Sweden has a new organisational structure as of 1 January 2014, with three new Infrastructure divisions: Sweco Rail, Sweco Civil (roads and construction) and Sweco TransportSystem (traffic and community planning). All divisions are market leaders in Sweden in their respective market segments.

Projects

During the year Sweco was commissioned by the Swedish Transport Administration to design parts of the Harbour Line, which will increase capacity for transporting goods via rail to Gothenburg harbour.

Sweco was also commissioned by the Swedish National Grid to design three new power lines to augment electricity transmission from Forsmark's nuclear power plant, and to design a 150-kilometer power line to expand electricity transmission from the Oskarshamn nuclear power plant.

Sweco's architects were commissioned to design the reconstruction and extension of the 220-bed Kungälv Hospital. During the second half of the year Sweco was commissioned to design a new psychiatric clinic at the University Hospital in Linköping, including architecture, energy/electricity/HVAC technology and land use planning. In the renovation of Stockholm South General Hospital, Sweco is responsible for HVAC and sanitation planning in 25,000 sq. m. of new building and 5,400 sq. m. of rebuilt facilities. Sweco's architects have been commissioned to design the extension of the children's emergency room at the Örebro University Hospital. The nearly 1,000 sq. m. building will include waiting rooms, examination/treatment rooms and reception.

Sweco is analysing new sewerage tunnel alignment through Stockholm and new treatment technology at the Henriksdal wastewater treatment plant, with the objective of developing Stockholm's future sewerage system. Sweco was commissioned by Lund Municipality to design a new tramway line.

Sweco's Swedish consultants will also analyse and design a new peat power plant in Rwanda, with a 90-megawatt capacity.

Net sales and profit	2013	2012
Net sales, SEK M	4,893.9	4,220.1
Organic growth, %	*2*	*11*
Acquisition-driven growth, %	*14*	*2*
Operating profit, SEK M	496.0	444.8
Operating margin, %	*10.1*	*10.5*
Average number of employees	3,995	3,400

BUSINESS AREA – SWECO NORWAY

Results

Operating profit totalled SEK 187.1 million (223.1) and the operating margin was 10.3 per cent (12.7). Non-recurring pension effects had a positive impact on profit of SEK 21 million during 2012. The year-on-year calendar effect of -16 hours had a negative impact on profit of SEK 14 million.

Market

Demand was strong during the second half of the year, although some segments are showing signs of slowdown. Large-scale investments in the country's road and railway network signify a favourable long-term market. The new government confirms previous ambitious investment plans, although a change in priorities may shift projects in the short term. Investments in water and wastewater systems remain at a high level. There is healthy demand in the energy area for transmission and distribution of electric power, while investments in electricity production capacity have slowed down. The market for public buildings remains strong whereas the residential sector is showing signs of slackening.

Projects

Sweco won several major projects in Norway during the first quarter, including a new residential development project for NCC in Bergen totalling 70,000 sq. m. The project has a strong environmental focus and encompasses all of Sweco's Norwegian disciplines.

Sweco will design a new section of the E 134 highway between Gvammen and Århus in Telemark. The project includes a 9.4 km tunnel, which will be one of Norway's longest road tunnels. Sweco also won additional road projects in conjunction with the renovation of County Road 78 in northern Norway. The project includes road planning, geotechnics and bridge construction.

The World Bank commissioned Sweco's Norwegian consultants to conduct a comprehensive sustainability study in Tanzania of the country's existing and planned hydropower plants.

Sweco is implementing an extensive planning project for ROM Eiendom for a new office complex in central Bergen. The project includes planning of HVAC, electricity and fire protection systems. Another Bergen-based project is designing the renovation of DNB's offices which, following the renovation, will have Bergen's largest solar cell facility and receive BREEAM certification. Sweco will design a new 25,000 sq. m. headquarters for Odfjell Drilling, a global drilling, well and construction company. Planning covers all technical disciplines, including fire protection and acoustics.

Sweco was also awarded a major installation project by the IT company EVRY in connection with construction of a new data centre outside Oslo.

Sweco will develop a municipal plan and impact assessment for Sarpsborg Municipality. The project includes the design of a new connecting bridge over the Glomma River.

Net sales and profit	2013	2012
Net sales, SEK M	1,814.5	1,753.2
Organic growth, %	*6*	*12*
Acquisition-driven growth, %	*3*	*10*
Operating profit, SEK M	187.1	223.1
Operating margin, %	*10.3*	*12.7*
Average number of employees	1,224	1,164

BUSINESS AREA – SWECO FINLAND

Results

Sweco Finland's sales totalled SEK 1,326.1 million (1,272.9). Operating profit totalled SEK 71.9 million (137.1) and the operating margin was 5.4 per cent (10.8).

The year-on-year calendar effect of -4 hours had a negative impact on profit of SEK 3 million.

Market

Although the Finnish market remains very weak there is satisfactory demand for Sweco's building-related services, particularly structural and engineering. Demand is expected to remain healthy for public facilities such as schools and hospitals. The trend for the RMI (repair, maintenance and improvement) sector also remains positive.

Demand continues to be weak for Sweco's industry-related services with many postponed projects, particularly in the forestry industry and energy sector. More inquiries were received towards the end of the year and there are signs that the market has bottomed out, although the market is characterised by overcapacity and fierce competition.

Events and measures

During the year the number of Industrial consultants was reduced by 70 and an additional 35 people were temporarily laid off. As compared with the close of the 3rd quarter, 30 fewer people are on temporary layoff.

Projects

New projects include the reconstruction and renovation of the Olympic Stadium in Helsinki, for which Sweco has overall responsibility for construction. Sweco has also been commissioned to procure and manage the planning of the Helsinki City Rail Loop, Helsinki's major investment in a new underground commuter train line. Another notable project is project management of terminal reconstruction at Helsinki Airport.

Sweco is responsible for the construction of Finland's largest underground parking garage, with 2,000 parking spaces, in Espoo. Sweco has been selected for extensive engineering design projects in connection with the expansion of a shopping centre in Espoo, which will be one of the largest in the Nordic region and will connect to the new Helsinki-Espoo metro line.

Sweco won two major contracts within the healthcare sector. One is for structural and construction engineering of a new 255-bed hospital in Espoo of around 70,000 sq. m. The other is for a new paediatric hospital in Helsinki, for which Sweco has been commissioned for site supervision and project management.

Sweco is responsible for structural and construction engineering for Finland's largest wooden residential property. The building had five floors and is being constructed in Vantaa, outside Helsinki. Sweco also won a structural engineering project for a new 69,000 sq. m. logistics centre outside Helsinki.

At the end of the year Sweco was awarded a technical consultancy project ahead of the construction of a 32 km highway between Hamina and Vaalimaa. Sweco was also given responsibility for preliminary construction of the railway terminal at the Tripla centre in Pasila, outside Helsinki – a megaproject of around 355,000 sq. m. that includes offices, a shopping centre and public transport terminal.

Net sales and profit	2013	2012
Net sales, SEK M	1,326.1	1,272.9
Organic growth, %	*0*	*3*
Acquisition-driven growth, %	*5*	*160*
Operating profit, SEK M	71.9	137.1
Operating margin, %	*5.4*	*10.8*
Average number of employees	1,764	1,628

BUSINESS AREA – SWECO CENTRAL EUROPE

Results

Operating profit for Sweco Central Europe fell to SEK -13.1 million (-4.7), with the weak performance primarily attributable to the units in Poland, Russia and Estonia.

Market

The low level of public investment is a reflection of the prevailing economic situation. The exception is the water and environment segment, which is relatively stable across the entire business area. The infrastructure market remains very weak in Poland. EU's structural funds for 2014–2020 to support less-developed EU regions are expected to stimulate long-term demand for Sweco's services, particularly in Eastern Europe.

Events and measures

The eastern European countries went through a prolonged recession following the 2008 financial crisis. Operations have had weak profitability and have been cut back to meet demand. Accordingly, business areas Sweco Central & Eastern Europe and Sweco Russia were merged to form business area "Sweco Central Europe", with an added objective to develop growth opportunities in Central/Western Europe. The value of existing Eastern European operations will be maximised and the objective is to develop the business in attractive markets. The new head of the business area is Bo Carlsson.

Due to cutbacks in operations and the new objectives, Sweco is taking an impairment charge totalling SEK 49 million in goodwill and acquisition-related intangible assets. The impairment is attributable to operations in Russia, Poland, Estonia and Lithuania and is charged centrally on the Group level.

The Russian subsidiary Lenvodokanalproekt was divested in early January 2014. The subsidiary has around 100 employees, sales of SEK 26.4 million and contributed approximately SEK 1.4 million to operating profit (EBITA) in 2013.

Projects

New projects include site supervision of a new power line between the cities of Tartu and Sindi in Estonia and planning of a new district heating plant in Kaunas, Lithuania. Sweco is responsible for project management in connection with the construction of a new hotel in Tallin, Estonia and planning of a new thermal power station in Latvia. In Lithuania, Sweco is responsible for project management and site supervision in connection with the expansion of the harbour in Sventoji.

In Poland, Sweco has been engaged to plan a frontage road in Targowisko and conduct on-site inspection of construction works on the road running between Brzesko and Krzyż. Sweco is also planning a flood protection system along the Uszwica River in Poland and has been engaged to plan a flood protection system along the Watok River. Another new project is the planning of a new natural gas power plant for Siemens in Gorzow, Poland, to be carried out in collaboration with Sweco Sweden.

In Bulgaria, Sweco will design stage two of the Struma Highway, a new highway between Sofia and the Greek border, and will conduct a status assessment of the Zhekov Vir dam. In the city of Sliven, Bulgaria, Sweco will be responsible for site supervision and inspection for the expansion and renovation of the municipal water and wastewater systems.

Sweco will upgrade the sewerage system in the Jarovce, Rusovce and Cunovo areas of Slovakia and will be responsible for surveying the drainage basin leading to the Vlatava River in the Czech Republic. In the Trencin region of western Slovakia, Sweco will be responsible for designing the renovation and expansion of the water and wastewater network.

Commissions received by Sweco's Russian consultants include designing a wastewater treatment facility for the chemical treatment company Metahim, analysing optimisation of route networks for passenger transport in Yaroslavl and analysing market conditions for high-speed trains between Moscow and Jekaterinberg. In Russia, Sweco has also been commissioned to carry out traffic studies for the highway network in the Pskov region and plan maintenance measures to ensure effective drainage of the highway between St. Petersburg and Moscow.

Sweco has been engaged to analyse and plan the upcoming extensive renovation and expansion of the wastewater treatment plant in Prague, the largest in the Czech Republic. When completed, the plant will increase capacity and produce cleaner wastewater – benefitting residents far beyond Czech borders.

Net sales and profit	2013	2012
Net sales, SEK M	301.4	376.0
Organic growth, %	*-17*	*-10*
Acquisition-driven growth, %	*0*	*16*
Operating profit, SEK M	-13.1	-4.7
Operating margin, %	*-4.3*	*-1.2*
Average number of employees	949	1,130

OTHER INFORMATION

Changes in segment reporting

Changes were made to the Sweco Group's principles for segment reporting as of the 4th quarter of 2013. Operating profit per business area is now reported before acquisition amortisation and is therefore equivalent to EBITA. As a result of this change, amortisation/depreciation and impairment of goodwill and acquisition-related intangible assets (acquisition amortisations) are gathered at the Group level.

The change was made to provide a better external picture of the operational, cash-flow-generating results per business area and to facilitate equalised result comparisons internally. For comparative purposes, each business area is also reported as per the previous principles at the end of this report.

Investments, January–December 2013

Investments in equipment totalled SEK 116.1 million (151.0) and were primarily attributable to computers and other IT investments. Depreciation of equipment totalled SEK 117.1 million (90.8) and amortisation of intangible assets totalled SEK 61.1 million (55.9).

Purchase consideration paid to acquired companies totalled SEK 1,004.6 million (785.7) and had an impact of SEK 904.7 million (539.6) on Group cash and cash equivalents.

Dividends totalling SEK 296.2 million (274.0) were distributed to Sweco AB shareholders during the year.

Parent company, January–December 2013

Parent company net sales totalled SEK 271.4 million (214.4) and were attributable to intra-group services. Earnings after financial items totalled SEK 464.2 million (389.5). Investments in equipment totalled SEK 25.7 million (10.1) and cash and cash equivalents at the end of the period totalled SEK 0.1 million (0.5).

The Sweco share

Sweco is listed on NASDAQ OMX Stockholm. The share price of the Sweco class B share was SEK 106.00 at the end of the period, a 45 per cent year-on-year increase. The OMX Stockholm General Index rose by 19 per cent over the same period.

In accordance with the request of the shareholders, 9,300 class A shares were converted into class B shares as stipulated by the conversion provision in Sweco's Articles of Association.

Sweco repurchased 120,800 shares during the year for a total of SEK 9.4 million, corresponding to SEK 77.89 per share. Sweco holds 403,965 treasury class B shares as of 31 December 2013.

The total number of shares at year-end was 91,516,847 of which 9,372,364 were class A shares and 82,144,483 class B shares. After the allowance for treasury shares, the total number of outstanding shares at year-end was 91,112,882 of which 9,372,364 were class A shares and 81,740,518 class B shares.

Share Savings Schemes

The 2013 Annual General Meeting (AGM) resolved to implement a long-term share savings scheme for Sweco Group senior executives. Through the scheme, 35 senior executives have acquired some 28,000 Sweco shares. Pursuant to IFRS 2 provisions, the cost of the 2013 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.

The 2011 and 2012 AGMs resolved on corresponding schemes, under which just over 28,000 and 34,000 shares were acquired, respectively. Under the three share savings schemes, a total of approximately 310,000 shares may be issued if established targets are met.

THE BOARD'S PROPOSED GUIDELINES FOR SENIOR EXECUTIVE COMPENSATION, FOR RESOLUTION BY THE 2014 AGM

Sweco Group's objective is to offer a competitive and market-based level of remuneration that facilitates the recruitment and retention of senior executives. Compensation for senior executives is comprised of basic salary, variable compensation, pension, other remuneration and share-based incentive schemes.

Basic salary and variable compensation

Compensation levels shall be based on factors such as work duties, qualifications, experience, position and performance. In addition, the breakdown between base salary and variable compensation shall be proportionate to the employee's position and work duties. Variable compensation is linked to predetermined, measurable criteria that are devised to comply with the company's long-term value creation. Variable compensation for the President and CFO may not exceed 75 per cent of basic salary. For other senior executives, variable compensation may not exceed 50 per cent of basic salary. Variable compensation is determined based on results in relation to predetermined profitability targets. Targets for the President and other senior executives are set by the Board of Directors.

Pension

The terms and conditions for pensions for Sweco's President and senior executives shall be market-based relative to what generally applies to comparable senior executives in the market, and shall normally be based on defined contribution pension solutions.

Other compensation

Other compensation may be awarded, primarily in the form of company car and mobile phone benefits.

Share-based incentive schemes

Sweco Group senior executives may be offered various forms of incentive schemes on market-based terms. The rationale for share-based incentive schemes is to increase/diversify senior executives' share ownership/exposure and to more closely align the interests of the company's decision-makers and shareholders. A long-term, personal shareholder commitment among key personnel is expected to stimulate greater interest in the company's operations and earnings trend and to increase motivation and solidarity with the company.

Decisions on share-based incentive schemes are always resolved by the 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 the President's resignation, the notice period is six months.

For 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 the executive's resignation.

Other

These principles shall apply to agreements entered into subsequent to AGM resolutions and to any changes or alterations made to existing agreements after this date, to the extent permitted under the terms of the existing agreements. The Board of Directors is authorised to deviate from the principles if warranted by special circumstances in individual cases.

BOARD PROPOSALS

Proposed appropriation of profits

The Board of Directors and President propose that profit carried forward and non-restricted reserves	689.1 SEK M
along with net profit for the year	476,9 SEK M
or, in aggregate,	1,166.0 SEK M
be appropriated for the distribution of a dividend	
to the shareholders of SEK 3.25 per share	297.4 SEK M[1)]
and that the remaining amount be carried forward.	868.6 SEK M

1) The dividend amount will be a maximum of SEK 297.4 million, calculated by the number of shares outstanding at 7 March 2014, including shares held in treasury. The dividend amount will change in the event the Board exercises the authority granted it by the 2013 AGM to buy back additional shares or to transfer treasury shares.

The estimated record date for dividend distribution is 23 April 2014.

The income statements and balance sheets of the Group and the Parent Company will be submitted to the Annual General Meeting for adoption on 16 April 2014.

The Board of Directors of SWECO AB (publ) has proposed that the 2014 AGM resolve to distribute a dividend of SEK 3.25 (3.25) per share, for a maximum total of SEK 297.4 million (296.2).

Sweco's dividend policy specifies that at least half of profit after tax shall be distributed to the shareholders, while also requiring that the company maintain a capital structure that provides scope to develop and make investments in the company's core business. Pursuant to Sweco's financial targets, the company shall maintain a level of net indebtedness over time. Sweco's net debt shall not exceed 40 per cent of equity. In view of the Board's proposed dividend (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 shareholders does not constitute an impediment to the company's capacity to meet its obligations in the short or long term, and that the company's financial position allows for continued investments and expansion.

In light of the above, the Board deems that the proposed dividend to shareholders is warranted considering the amount of shareholder equity required due to the nature, scope and risks associated with the company's operations, and by the company's consolidation requirements, liquidity and overall financial position.

2014 Share Savings Scheme

The Board has proposed that the 2014 Annual General Meeting resolve to implement a long-term share savings scheme for 80 senior executives and other key people within the Sweco Group.

2014 Share-based Incentive Scheme

The Board has also proposed that the 2014 AGM resolve to implement a share-based incentive scheme for employees in Sweden, which will replace the current cash-based incentive scheme for the same group of employees.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, 16 April 2014 at Näringslivets Hus, Storgatan 19, Stockholm.

CORPORATE GOVERNANCE REPORT

GENERAL ABOUT SWECO

Sweco AB is a public limited liability company headquartered in Stockholm, Sweden. Sweco's corporate governance is based on the Swedish Companies Act, the company's Articles of Association, NASDAQ OMX Stockholm's Rulebook for Issuers, the Swedish Code of Corporate Governance and other applicable Swedish and international laws and regulations. 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. In accordance with the Swedish Companies Act and the company's Articles of Association, Sweco's governance, management and control are divided between the shareholders at the Annual General Meeting, the Board of Directors and the President. 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, 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.

Sweco's activities are largely carried out as assignments. The project teams vary depending on 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 in accordance with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007) promotes effective project management and a consistent approach to the project process and client relationship. Sweco@work supports both complex and less complex projects and gives every project 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 are also subject to regular internal audits.

The consultants' task is to deliver sustainable and client-adapted solutions that have high knowledge content, are of the appropriate quality and that benefit the client's business. The Group's business system is centred on the assignment process and is accessible to the consultants at all times. Sweco works continuously with improvement measures to develop the company's working methods, promote sustainability and support employees. Strategic skills development programmes are used to meet the consultants' need for ongoing education and training. Knowledge and experience gained by the consultants in their assignments is preserved and developed for future use.

ETHICS, RESPONSIBILITY AND COMMITMENT

Sweco's commitment to CSR (Corporate Social Responsibility), defined as the company's responsibility to society, is based on the pledge that underpins the company's business – "Sustainable engineering and design". Sweco's long-term profitability and growth are driven by solutions that promote the sustainable development of society from an ecological, social and economic perspective. As consultants, Sweco's employees are often deeply involved in client projects, frequently in an early stage, which gives them an opportunity to exert an influence but also carries an obligation to take responsibility for any aspects within their control. Sweco's CSR policy serves as a source of guidance for employees. Sweco's vision and missions are cornerstones in this context.

- 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.

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

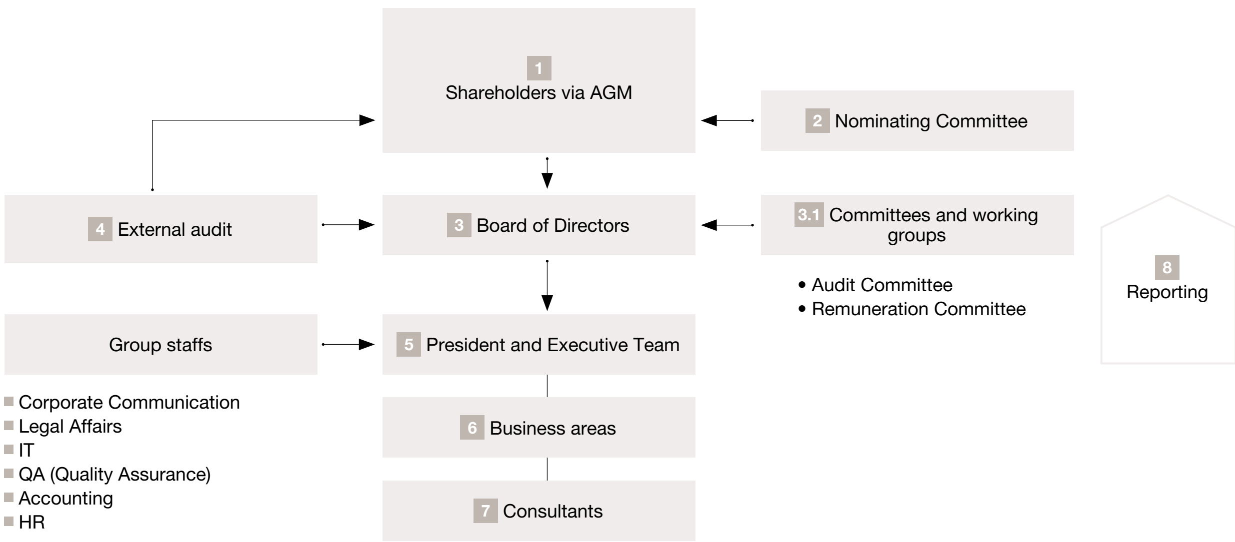
Sweco has high standards for conduct and business ethics, with objective and independent employees who act professionally in the best interest of the client. Sweco has zero tolerance for fraud, corruption, bribes unpermitted competition-restricting practises. No one at Sweco may, directly or indirectly, request or accept improper payment or other types of improper gifts, nor may anyone at Sweco, directly or indirectly, offer or provide payment or other types of compensation that may be regarded as improper to individuals, organisations or companies or persons closely associated thereto. No one at Sweco may provide cash or other assets to anyone representing Sweco in a particular matter who consequently promotes handling with influence or the giving or taking of a bribe. Employees may not engage in activities in which there is a risk of conflict with Sweco's interests. No employee may exploit his or her position for personal gain at the expense of the company, its clients or its business partners. A Sweco employee who suspects business ethics improprieties is obligated to report this, in the first place, to his or her manager, manager's manager, HR or group Legal Affairs staff and, in the second place, via Sweco's whistle-blower function (Sweco Ethics Line).

Sweco takes into account the religion, culture, working conditions and traditions of each country and region and respects fundamental freedoms and rights. Sweco views diversity as essential in creating an innovative and inspiring working environment and actively promotes equal rights and opportunities in the workplace regardless of gender, ethnic origin, nationality, religious beliefs, disabilities, sexual orientation, age, etc.

In its CSR policy, Sweco has established the company's and employees' basic outlook on the company's responsibilities in society. The CSR policy covers the areas of business ethics, quality and assurance, employee development, human rights, equality and diversity, and occupational health and safety. Group-wide and local guidelines specify responsibility in each area in greater detail. Examples of this include ethics guidelines concerning anti-corruption, gifts and entertainment.

All managers are responsible for ensuring that they and their employees comply with the CSR policy and guidelines. All employees are obligated to familiarise themselves and comply with the provisions of

CORPORATE GOVERNANCE AT SWECO



Internal policies and processes that affect Sweco's governance:

- Sweco's business model
- Internal control
- Board's rules of procedure
- Instructions to the President & CEO
- Authorisation and signatory rules
- Finance policy
- CSR policy
- Corporate communication policy
- IT security policy
- Crisis management policy
- Policy for purchase of non-audit services from auditing firms
- Insurance and legal instructions
- Financial instructions
- Manual for financial accounting and reporting in the Group
- Sweco@work
- Quality and environmental policy
- Risk management

External regulations and recommendations that affect Sweco's governance:

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

the policy and guidelines and to encourage external partners to apply these principles. The President holds ultimate responsibility for ensuring that the policy is followed up; this is monitored through internal and external audits, etc.

ORGANISATION

1. SHAREHOLDER GOVERNANCE THROUGH THE ANNUAL GENERAL MEETING

The Annual General Meeting is Sweco's highest decision-making body, where all shareholders are entitled to make decisions on Sweco AB's affairs. Shareholders who are recorded in the share register on the record day and who provided notification of their participation by the specified date are entitled to participate in the AGM and vote all of their shares. AGM resolutions are normally made by simple majority. In certain issues, however, the provisions of the Swedish Companies Act stipulate a certain level of attendance to achieve a quorum or a specific majority of votes.

The Annual General Meeting must be held in Stockholm within six months following the close of the financial year. Resolutions made by the AGM include adoption of Parent Company and Group income statements and balance sheets; approval of dividends; discharge from liability for the Board of Directors and President; determination of fees for the Board of Directors and auditors; election of Board members, Board Chairman and auditor; decisions regarding the Nominating Committee; and other matters 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 during the past year. The Board of Directors, management group and auditors are present to answer these questions.

2013 Annual General Meeting

The 2013 Annual General Meeting was held on 17 April in Stockholm and was attended by a total of 143 shareholders, representing 84 per cent of the votes and 75 per cent of the share capital. Olle Nordström was elected chairman of the AGM. The AGM approved an ordinary dividend of SEK 3.25 per share, and also resolved to implement a long-term share savings scheme (the 2013 Share Savings Scheme) for Sweco Group senior executives. The scheme comprises a maximum of 244,000 Sweco class B shares (no more than 194,000 for delivery to participants and no more than 50,000 to cover social security contributions). The AGM authorised the Board, during the period preceding the 2014 AGM, to decide on the purchase of a maximum of 194,000 treasury class B shares on the stock exchange to ensure delivery of Matching and Performance Shares to scheme participants and on the purchase and transfer of no more than 50,000 treasury class B shares on the stock exchange to cover the cost of social security contributions. The AGM also approved the free-of-charge transfer of no more than 194,000 treasury class B shares to participants in the 2013 Share Savings Scheme during the period they are entitled to receive Matching and Performance Shares. The AGM authorised the Board, during the period preceding the 2014 AGM, to decide on the purchase and transfer of treasury shares to give the Board greater manoeuvrability in working with the company's capital structure and to use as consideration in connection with future acquisitions. The AGM authorised the Board, during the period preceding the 2014 AGM, to decide on the transfer of treasury class A and B shares (excluding treasury class B shares held within the scope of the 2011-2013 Share Savings Schemes) to finance acquisitions in a cost-efficient manner.

The AGM 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 AGM also resolved on principles for salaries and other compensation for senior executives and on instructions for the Nominating Committee. In his address to the AGM, President and CEO Tomas Carlsson commented on Sweco's performance in 2012, Sweco's development in recent years and on the outlook for 2013. The auditor in charge reported on audit-related work conducted during 2012.

2. NOMINATING COMMITTEE

The Nominating Committee is the AGM's body for preparing resolutions related to appointments, and is tasked with preparing material to assist the AGM with these matters. Apart from proposing the composition of the Board, the Nominating Committee submits recommendations on AGM chairman, Board members, Chairman of the Board, Board fees (broken down per Chairman, other Board members and committee membership) and election and remuneration of auditors.

During 2013 the Nominating Committee focused primarily on:

- monitoring and evaluation of the Board and its performance,
- discussion and analysis of the Board's competency requirements based on Sweco's operations, and
- proposals for Board composition and compensation issues ahead of the upcoming AGM.

The 2013 AGM resolved on instructions for the Nominating Committee ahead of the 2014 Annual General Meeting. Among other things, these instructions specify that the Board Chairman shall convene a Nominating Committee comprised of one representative from each of company's largest shareholders (at least three and at most four) and of 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 15 October 2013.

The Nominating Committee has held four meetings ahead of the 2014 AGM. The Nominating Committee is comprised 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 Nominating Committee is chaired by Olle Nordström.

3. BOARD OF DIRECTORS

The Board of Directors is responsible for the company's organisation and management 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 an annual basis through a systematic and structured process.

The Board's rules of procedures, including instructions for the division of duties between the Board and President, are updated and adopted annually. The rules of procedure regulate the Board's obligations, the division of duties within the Board, the number of Board meetings, the annual agenda and main topic 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 ownership structure. In accordance with Sweco's Articles of Association, the Board of Directors is comprised of at least three and not more than nine members. These members are elected by the Annual General Meeting to serve for the period through the conclusion of the next AGM.

Composition of the Board

Sweco's Board of Directors is comprised of eight ordinary members elected by the AGM to serve for a period of one year through the conclusion of next year's AGM. The Board has also included three employee representatives and three employee-appointed deputies. With the exception of the President (Tomas Carlsson), none of the AGM-elected Board members have an operational role in the company. All Board members but one are from Sweden. Four of the eight members are men. All AGM-elected members, aside from the President (Tomas Carlsson) 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 2013 Annual General Meeting appointed Olle Nordström as Board Chairman. The other ordinary Board members appointed by the 2013 AGM were Anders G. Carlberg, Tomas Carlsson, Gunnel Duveblad, Eva Lindqvist, Johan Nordström, Pernilla Ström and Carola Teir-Lehtinen. The employee representatives were Thomas Holm, Göran Karloja and Anna Leonsson as ordinary members, with Görgen Edenhagen, Sverker Hanson and Christer Åberg as deputies.

No Board member was 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.

Work of the Board

Apart from the statutory Board meeting held immediately following the AGM, the Board meets at least six times per year. In 2013 the Board held nine meetings, four of which were held in conjunction with publication of interim reports. The meeting of April 15th and the meeting prior to the publication of the Q2 report were held via telephone, with all documentation distributed in advance. The Board made two study visits in connection with the August meeting in Stockholm: to the NKS (New Karolinska Hospital) building site in Solna and to the Stockholm City Line tunnels. Assignment presentations were made to the Board during both visits.

In addition to reporting on the development of Sweco's operations and finances, the Board meetings in 2013 devoted considerable attention to organic and acquisition-driven growth, the company's strategic focus, management and HR issues, risk management, internal control issues and other matters for which decision responsibility is assigned

Board composition and fees[1)]

	Position	Year of birth	Nationality	Elected in	Independent	Board and committee fees, SEK[2)]
Olle Nordström	Chairman of the Board, chairman of the Remuneration Committee	1958	Swedish	1997	no	450,000
Anders G. Carlberg	Board member, member of the Audit Committee	1943	Swedish	2009	no	250,000
Tomas Carlsson	Board member, President and CEO	1965	Swedish	2013	no	–
Gunnel Duveblad	Board member, chairman of the Audit Committee	1955	Swedish	2008	yes	300,000
Eva Lindqvist	Board member	1958	Swedish	2013	yes	200,000
Johan Nordström	Board member, member of the Audit Committee	1966	Swedish	2012	no	250,000
Pernilla Ström	Board member, member of the Remuneration Committee	1962	Swedish	2009	yes	225,000
Carola Teir-Lehtinen	Board member, member of the Remuneration Committee	1952	Finnish	2011	yes	225,000
Thomas Holm	Employee representative, appointed by employees	1953	Swedish	2007	–	–
Göran Karloja	Employee representative, appointed by employees	1953	Swedish	2008	–	–
Anna Leonsson	Employee representative, appointed by employees	1971	Swedish	2005	–	–
Görgen Edenhagen	Deputy, appointed by employees	1964	Swedish	2011	–	–
Sverker Hanson	Deputy, appointed by employees	1963	Swedish	2011	–	–
Christer Åberg	Deputy, appointed by employees	1953	Swedish	2011	–	–

1) For the period from the 2013 AGM through the 2014 AGM.
2) Fees for work on the Board and the Audit and Remuneration Committees pursuant to the resolution of the 2013 AGM.

to the Board by the rules of procedure. Other Sweco executives participate in Board meetings to present reports when necessary. 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 Board, Audit Committee and Remuneration Committee meetings in 2013 is presented in the following table.

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

1) Joined the Audit Committee after the 2013 AGM.
2) Board member as of the 2013 AGM.
3) Resigned from Audit Committee after the 2013 AGM.
4) Resigned from the Board in conjunction with the 2013 AGM.
5) Resigned from the Audit Committee after the 2013 AGM.
6) Joined the Remuneration Committee after the 2013 AGM.

Evaluation of Board performance and its members
An annual evaluation is conducted of the Board and its members to ensure that the Board meets the requisite performance criteria. Such an evaluation was also conducted in 2013. The results of the evaluation are discussed by the Board and reported to the Nominating Committee. The performance of the President and management group is also regularly evaluated and is discussed during at least one Board meeting at which the management group is not present.

3.1 BOARD COMMITTEES

Remuneration Committee
The statutory meeting of the Board appoints the Remuneration Committee. The members of the Committee are Olle Nordström, Pernilla Ström and Carola Teir-Lehtinen, with Olle Nordström serving as chairman. The tasks of the Remuneration Committee include drafting proposals for principles for remuneration, terms of employment, pension benefits and bonus systems for the management group and other senior executives, and presentation of these proposals to the Board for decision. The Remuneration Committee meets at least twice per year, and held six meetings in 2013.

Audit Committee
The statutory meeting of the Board also appoints the Audit Committee. Audit Committee members are Anders G. Carlberg, Gunnel Duveblad and Johan Nordström, with Gunnel Duveblad serving as chairman. The company's independent auditor attended all committee meetings. The tasks of the Audit Committee include supporting the work of the Board by ensuring the quality of the company's financial reporting, maintaining regular 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 on 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 2013 the Audit Committee held six meetings.

4. EXTERNAL AUDIT

The auditor has been appointed by the AGM on an annual basis since the 2012 AGM. The task of the auditor is to examine, on behalf of the shareholders, 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 PricewaterhouseCoopers AB (PwC) was re-elected by the 2013 AGM to serve as Sweco's auditor through the conclusion of the 2014 AGM. Authorised Public Accountant Lennart Danielsson has been auditor in charge since 2008. For financial year 2013, fees for audit services totalled SEK 4.8 million (3.8) and fees for non-audit services totalled SEK 3.1 million (0.7). Apart from audit services, Sweco consulted PwC on various matters related to financial accounting and mergers. PwC also 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, MANAGEMENT GROUP AND STAFFS

The Board of Directors has delegated to the President responsibility for day-to-day operations of the company and the Group. The President supervises operations within the framework determined by the Board of Directors. The Board has also established instructions governing the division of duties between the Board of Directors and the President, which are updated and adopted annually. The management group has been comprised of President Tomas Carlsson, CFO Jonas Dahlberg and Director Bo Jansson and has been assisted by group staffs for Corporate Communication, QA (Quality Assurance), Accounting, Legal Affairs, HR and IT. As of 14 February 2014, the managers group is comprised of the President, CFO, business area managers and the heads of group staffs for HR, Legal Affairs and Corporate Communication. Due to the formation of the new management group, called Executive Team, the "executive management" term will no longer be used.

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

6. BUSINESS AREAS

The Sweco Group's business activities are organised in four 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. Apart from ongoing contact and monthly meetings with the management of each business area, the management group exercises its control over the business areas through involvement in board activities. The business areas' boards include members from the management group (represented by Sweco's President and

CFO), the business areas' management teams and, in certain cases, employee representatives. All business areas are subject to the same rules for division of responsibilities between the board of directors and the president as those applicable 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 distinguished by far-reaching decentralisation, with a high degree of autonomy for each unit. Under the Group's business model, business momentum is generated by the entire organisation and all employees take part in working with clients. With Sweco's policies and guidelines as a framework, 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 is focused on performance, expertise and knowledge sharing. This work is supported by the annual 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 ensure strong leadership Sweco uses the Sweco Leadership Compass, which defines the company's leadership culture and links leadership with Sweco's business culture. Effective management succession is ensured through Next Generation, a process and programme for continuous identification and development of good leaders. Sweco's second global Next Generation programme was completed in March 2014 by 22 of the original 25 participants who began the programme in 2012. The majority of the participants had advanced to new leadership positions when they started the programme, and have strengthened their leadership roles and expanded their networks within Sweco. A new Next Generation Programme with 25 participants will start in March 2014.

8. INTERNAL CONTROL, RISK MANAGEMENT AND MONITORING

Control environment

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

Sweco's Board of Directors has formulated explicit decision-making procedures, rules of procedure 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 rules of procedure, instructions to the President, authorisation and signatory rules and a finance policy, and reviews the Group's other policy documents. Rules of procedure for the board and instructions to the president are found in every company in the Group, and are based on the same principles as those that apply for Sweco AB's Board of Directors. Sweco also has a number of policies for financial information, corporate communication, IT security, CSR, crisis management, HR and quality assurance. These policies are the 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 Sweco AB Board of Directors. The areas 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 achieve their objectives. The company's Board of Directors and top management are responsible for risk management.

Sweco's risk management is an ongoing process. Large parts 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 risk management and internal control activities.

Based on the mapping of the Group's risks and risk management, during 2013 Sweco further developed and reinforced its routines for day-to-day risk monitoring. In 2013 these activities were reported regularly to the Audit Committee and the Board. Within each business area, a risk map is continuously monitored at business area board meetings, where the agenda also includes a standing item on risk management. A report on risk management and internal control within the Group – covering the areas of market and business risks, CSR, QA (Quality Assurance), HR, Accounting, IT and Corporate Communications – was discussed by the Board of Directors, the Audit Committee and the EGM (Extended Group Management, which includes among others the President, CFO, business area presidents and heads of the group staffs).

A business ethics compliance programme based on Sweco's CSR policy was implemented in the Group during the year. This included the revision of the CSR policy, a risk assessment, new guidelines for anti-corruption as well as gifts and entertainment, and new procedures and training for managers. A whistle-blower function (Sweco Ethics Line) was also established. The purpose of the programme is to increase awareness, ensure that adequate risk management procedures are in place, and monitor compliance within the Group. Manager training will continue through the spring of 2014, and e-learning training for all employees on CSR issues will be conducted.

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 report is submitted annually to the EGM, the Audit Committee and the Board.

Information on Sweco's governing documents (including group policies, manuals, guidelines and routines) is available on the Sweco Group intranet. Important guidelines, manuals, etc., are continuously updated and communicated to the relevant employees. The goal is for all employees to complete an e-learning course on the Sweco Group – which includes details on the Group's overall objectives, values and policies (including its CSR policy) – as new employees and on an ongoing basis every second year.

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

Monitoring
Each business area has a controller responsible for ensuring compliance with policies, guidelines and routines for financial reporting. Controllers are also responsible for ensuring the accuracy and completeness of the reported financial information. To further enhance internal control of financial reporting, a self-assessment questionnaire on financial reporting was 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 includes 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. Operationally relevant key ratios 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, a corporate communication policy defines the responsibilities and rules for communication with external parties.

Internal audit
Sweco has a simple and uniform operational structure throughout the Group. Controllers at the Group and business area levels regularly monitor compliance with Sweco's established operating and internal control systems. Controllers also conduct ongoing analyses of the companies' reporting and financial results in order to ensure 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 and risk management on pages 82–83.

9. INFORMATION TO THE CAPITAL MARKET
Sweco strives to provide 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 communication policy that is part of the internal control environment and ensures that Sweco meets the requirements imposed on listed companies.

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

- interim and annual reports, published in Swedish and English.
- press releases in Swedish and English on 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.
- regular meetings with the media, investors and analysts in Sweden and around the world throughout the year.

When interim reports, annual reports and press releases are published in printed form, the material is simultaneously published on the corporate website, www.swecogroup.com, which also contains a large volume of other information that is updated on a regular basis.

REMUNERATION FOR THE BOARD AND SENIOR EXECUTIVES
Remuneration for the Board
Board remuneration is determined by the Annual General Meeting. Board fees for 2013/2014 were set at SEK 1,600,000, of which SEK 400,000 is payable to the Chairman and SEK 200,000 to each of the six AGM-elected Board members 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 each period.

The chairman of the Remuneration Committee is paid an additional fee of SEK 50,000 and the other members of the Remuneration Committee each receive an additional fee of SEK 25,000. The chairman of the Audit Committee is paid an additional fee of SEK 100,000 and the other members of the Audit Committee each receive an additional fee of SEK 50,000.

Principles for salary and other remuneration to senior executives pursuant to the 2013 AGM resolution 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 2013 was SEK 9,663 million (6,653). Share capital totalled SEK 91.5 million, divided between 9,372,364 class A shares and 82,144,483 class B shares. The class A shares carry 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. As requested by a shareholder, 3,300 class A shares were converted to class B shares in March 2013 and 6,000 class A shares were converted to class B shares in December 2013 pursuant to the conversion clause in the Articles of Association.

Sweco AB had 7,778 shareholders at year-end 2013. 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 22.8 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 18.3 per cent of the share capital and 9.7 per cent of the votes. Together, the ten largest shareholders control the equivalent of 69.7 per cent of the share capital and 79.4 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 specifies that at least half of profit after tax shall be distributed to the shareholders, while also requiring that the company maintain a capital structure that provides scope to develop and make investments in the company's core business.

10. DEVIATIONS FROM THE CODE
The Chairman of the Board of Directors also chairs the Nominating Committee. The principal shareholders represented on the Nominating Committee in accordance with the committee's instructions deem it desirable that the committee be chaired by the representative for the largest shareholder in terms of voting power.

CONSOLIDATED INCOME STATEMENT

SEK M	Note	2013	2012
Net sales	2, 3, 33	8,198.8	7,503.5
Other operating income		1.5	12.5
Total operating income		**8,200.3**	**7,516.0**
Other external expenses	4, 5, 33	-1,975.6	-1,817.4
Personnel costs	6, 28	-5,433.3	-4,839.3
EBITDA		**791.4**	**859.3**
Amortisation/depreciation and impairment losses	3, 7	-135.1	-102.3
EBITA	3	**656.3**	**757.0**
Acquisition-related amortisation/depreciation and impairment losses		-95.6	-75.4
Operating profit (EBIT)	**3**	**560.7**	**681.6**
Financial income	8, 33	4.7	4.6
Financial expenses	8, 33	-38.1	-33.6
Share in profit of associates	8	-0.5	0.5
Net financial items	8	**-33.9**	**-28.5**
Profit before tax		**526.8**	**653.1**
Income tax expense	10	-147.2	-177.2
PROFIT FOR THE YEAR		**379.6**	**475.9**
Profit for the year attributable to:			
Owners of the Parent Company		374.9	470.4
Non-controlling interests		4.7	5.5
Earnings per share attributable to owners of the Parent Company	11		
Basic earnings per share, SEK		4.11	5.15
Diluted earnings per share, SEK		4.11	5.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	2013	2012
Profit for the year	**379.6**	**475.9**
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit pensions	-71.8	157.8
Tax on remeasurement of defined benefit pensions	18.8	-44.2
Total items that will not be reclassified to profit or loss	**-53.0**	**113.6**
Items that may be subsequently reclassified to profit or loss		
Exchange difference on translation of foreign operations	-14.4	-33.5
Hedge of net investment in subsidiary	-24.3	20.9
Total items that may be subsequently reclassified to profit or loss	**-38.7**	**-12.6**
COMPREHENSIVE INCOME FOR THE YEAR	**287.9**	**576.9**
Comprehensive income attributable to:		
Owners of the Parent Company	282.4	572.0
Non-controlling interests	5.5	4.9

CONSOLIDATED BALANCE SHEET

SEK M	Note	31 Dec 2013	31 Dec 2012	1 Jan 2012
ASSETS	32			
Non-current assets				
Goodwill	14	2,088.4	1,418.1	907.5
Other intangible assets	14	150.6	144.6	88.3
Property, plant and equipment	15	394.9	288.5	230.8
Investments in associates	17	6.1	6.5	1.0
Financial investments	19	11.8	11.5	7.9
Deferred tax assets	10	25.8	7.0	70.7
Other non-current receivables	22, 28	8.0	3.9	3.8
Total non-current assets		**2,685.6**	**1,880.1**	**1,310.0**
Current assets				
Trade receivables	33	1,434.0	1,278.7	909.5
Work in progress less progress billings	23	1,254.0	781.6	650.1
Current tax assets		54.2	62.4	34.2
Other current receivables		55.3	112.6	49.2
Prepaid expenses and accrued income	24	210.8	165.0	133.1
Short-term investments	25	3.5	9.4	–
Cash and cash equivalents	25	317.0	357.4	219.6
Total current assets		**3,328.8**	**2,767.1**	**1,995.7**
TOTAL ASSETS	3	**6,014.4**	**4,647.2**	**3,305.7**
EQUITY AND LIABILITIES				
Equity	26			
Share capital		91.5	91.5	91.5
Other contributed capital		239.0	239.0	239.0
Reserves		-80.9	-41.4	-29.4
Retained earnings, including profit for the year		1,367.9	1,362.6	1,023.9
Equity attributable to owners of the Parent Company		**1,617.5**	**1,651.7**	**1,325.0**
Non-controlling interests		15.1	22.3	10.5
Total equity		**1,632.6**	**1,674.0**	**1,335.5**
Liabilities	32			
Non-current liabilities				
Non-current interest-bearing liabilities	27, 29	1,393.1	665.9	23.5
Provisions for pensions	27, 28	68.4	14.4	223.9
Deferred tax liabilities	10	146.7	148.9	141.8
Other non-current liabilities		30.2	4.3	20.2
Total non-current liabilities		**1,638.4**	**833.5**	**409.4**
Current liabilities				
Current interest-bearing liabilities	27, 29	249.3	110.2	48.2
Progress billings in excess of work in progress	23	775.1	354.4	280.3
Trade payables	33	257.9	286.9	245.8
Current tax liabilities		55.0	71.1	41.0
Other current liabilities	30	370.8	399.2	282.9
Accrued expenses and prepaid income	30	1,035.3	917.9	662.6
Total current liabilities		**2,743.4**	**2,139.7**	**1,560.8**
Total liabilities	3	**4,381.8**	**2,973.2**	**1,970.2**
TOTAL EQUITY AND LIABILITIES		**6,014.4**	**4,647.2**	**3,305.7**

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

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Note	2013	2012
Operating activities			
Profit before tax	8	526.8	653.1
Adjustments for non-cash items			
Capital gains/losses		0.0	-18.0
Amortisation/depreciation and impairment losses	3, 7	231.2	177.7
Difference between pension premiums expensed and paid		-13.1	-54.4
Other items		-2.1	4.8
Total non-cash items		**216.0**	**110.1**
Income taxes paid		-226.6	-197.7
Cash flow from operating activities before changes in working capital		**516.2**	**565.5**
Changes in working capital			
Change in current receivables		-397.1	-234.7
Change in current liabilities		376.7	84.0
Cash flow from operating activities		**495.8**	**414.8**
Investing activities			
Purchase of intangible assets		-4.5	-4.1
Disposal of intangible assets		0.0	0.1
Purchase of property, plant and equipment	12	-92.8	-131.4
Disposal of property, plant and equipment		3.4	1.3
Acquisition of subsidiaries and operations, net cash effect	13	-904.7	-539.6
Disposal of subsidiaries and operations, net cash effect	13	-0.1	-0.4
Acquisition of financial investments		-0.1	–
Disposal of financial investments	19	0.1	9.3
Change in non-current receivables		1.1	9.3
Cash flow from investing activities		**-997.6**	**-655.5**
Financing activities			
Repurchase of treasury shares	26	-9.4	-19.5
Capital distribution to owners of the Parent Company	26	-296.2	-274.0
Capital distribution to non-controlling interests		-6.0	-0.8
Borrowings		896.8	723.2
Repayment of borrowings		-113.2	-35.7
Cash flow from financing activities		**472.0**	**393.2**
CASH FLOW FOR THE YEAR		**-29.8**	**152.5**
Cash and cash equivalents at beginning of year	25	**366.8**	**219.6**
Foreign exchange differences in cash and cash equivalents		**-16.5**	**-5.3**
Cash and cash equivalents at end of year	25	**320.5**	**366.8**

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 at 1 January 2012	26	**91.5**	**239.0**	**-29.4**	**1,192.1**	**1,493.2**	**10.5**	**1,503.7**
Effect of changes in accounting policies	–	–	–	–	-168.2	-168.2	–	-168.2
Adjusted equity at beginning of year		**91.5**	**239.0**	**-29.4**	**1,023.9**	**1,325.0**	**10.5**	**1,335.5**
Profit for the year		–	–	–	584.0	584.0	5.5	589.5
Foreign currency translation difference		–	–	-12.0	–	-12.0	-0.6	-12.6
Comprehensive income for the year		–	–	-12.0	584.0	572.0	4.9	576.9
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	27	–	–	–	46.9	46.9	–	46.9
Equity at 31 December 2012/ 1 January 2013		**91.5**	**239.0**	**-41.4**	**1,362.6**	**1,651.7**	**22.3**	**1,674.0**
Profit for the year		–	–	–	321.9	321.9	4.7	326.6
Foreign currency translation difference		–	–	-39.5	–	-39.5	0.8	-38.7
Comprehensive income for the year				-39.5	321.9	282.4	5.5	287.9
Capital distribution to the shareholders – dividend	26	–	–	–	-296.2	-296.2	-6.0	-302.2
Non-controlling interests in acquired companies	13	–	–	–	-13.4	-13.4	-6.7	-20.1
Share savings scheme – value of employee service		–	–	–	2.4	2.4	–	2.4
Repurchase of treasury shares		–	–	–	-9.4	-9.4	–	-9.4
EQUITY AT 31 DECEMBER 2013		**91.5**	**239.0**	**-80.9**	**1,367.9**	**1,617.5**	**15.1**	**1,632.6**
Proposed capital distribution to the shareholders								
TOTAL PROPOSED CAPITAL DISTRIBUTION TO THE SHAREHOLDERS					**-297.4**	**-297.4**	**–**	**-297.4**

PARENT COMPANY INCOME STATEMENT

SEK M	Note	2013	2012
Net sales	3, 33	271.4	214.4
Total operating income		**271.4**	**214.4**
Other external expenses	3, 4, 5, 33	-235.6	-202.1
Personnel costs	6, 28	-51.3	-45.6
Amortisation/depreciation and impairment losses	3, 7	-14.1	-10.7
Total operating expenses		**-301.0**	**-258.4**
Operating loss	3	**-29.6**	**-44.0**
Profit from investments in group companies	8	521.6	453.1
Financial income	8, 33	2.3	2.0
Financial expenses	8, 33	-30.1	-21.6
Net financial items	8	**493.8**	**433.5**
Profit after net financial items		**464.2**	**389.5**
Appropriations	9	86.7	-86.8
Profit before tax		**550.9**	**302.7**
Income tax expense	10	-74.0	-70.1
PROFIT FOR THE YEAR		**476.9**	**232.6**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK M	2013	2012
Profit for the year	**476.9**	**232.6**
Foreign exchange differences	0.8	-0.4
COMPREHENSIVE INCOME FOR THE YEAR	**477.7**	**232.2**

PARENT COMPANY BALANCE SHEET at 31 December

SEK M	Note	2013	2012
ASSETS	32		
Intangible assets	14	**5.2**	**6.9**
Property, plant and equipment	15	**28.9**	**14.3**
Financial assets			
Investments in group companies	16	1,073.1	1,073.1
Receivables from group companies	21	957.3	37.9
Other non-current securities	20	0.9	0.9
Total financial assets		**2,031.3**	**1,111.9**
Total non-current assets		**2,065.4**	**1,133.1**
Current assets			
Receivables from group companies	21	1,559.9	1,598.7
Current tax assets		18.9	23.1
Other receivables		2.4	2.5
Prepaid expenses and accrued income	24	43.6	38.0
Cash and bank	25	0.1	0.5
Total current assets		**1,624.9**	**1,662.8**
TOTAL ASSETS	3	**3,690.3**	**2,795.9**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	26		
Share capital		91.5	91.5
Statutory reserve		187.5	187.5
Total restricted equity		**279.0**	**279.0**
Non-restricted equity	26		
Fair value reserve		–	-0.8
Share premium reserve		51.5	51.5
Retained earnings		637.6	708.5
Profit for the year		476.9	232.6
Total non-restricted equity		**1,166.0**	**991.8**
Total equity		**1,445.0**	**1,270.8**
Untaxed reserves	9	**1.3**	**88.0**
Liabilities	32		
Non-current liabilities			
Liabilities to group companies		8.9	8.6
Liabilities to credit institutions	27	1,312.0	662.0
Total non-current liabilities		**1,320.9**	**670.6**
Current liabilities			
Current interest-bearing liabilities	27	173.6	44.9
Trade payables		11.7	10.4
Liabilities to group companies		710.0	686.5
Other current liabilities	30	2.6	2.6
Accrued expenses and prepaid income	30	25.2	22.1
Total current liabilities		**923.1**	**766.5**
Total liabilities	3	**2,245.3**	**1,525.1**
TOTAL EQUITY AND LIABILITIES		**3,690.3**	**2,795.9**
Contingent liabilities	31	161.3	175.8

PARENT COMPANY CASH FLOW STATEMENT

SEK M	Note	2013	2012
Operating activities			
Profit after net financial items		464.2	389.5
Adjustments for non-cash items			
Capital gains/losses			
Amortisation/depreciation and impairment losses	7	14.1	10.7
Dividends and group contributions	8	-298.7	-413.3
Difference between interest recognised and received/paid	8	3.0	2.1
Other items		1.0	0.6
Total non-cash items		**183.6**	**-399.9**
Income taxes paid		-71.8	-93.9
Cash flow from operating activities before changes in working capital		**111.8**	**-104.3**
Changes in working capital			
Change in current receivables		-81.3	-72.4
Change in current liabilities		27.2	-9.9
Cash flow from operating activities		**57.7**	**-186.6**
Investing activities			
Purchase of property, plant and equipment	12	-27.0	-10.1
Acquisition of subsidiaries, net cash effect		–	-694.3
Cash flow from investing activities		**-27.0**	**-704.4**
Financing activities			
Group contributions		413.3	408.9
Change in non-current receivables		-917.9	–
Capital distribution to owners of the Parent Company	26	-296.2	-274.0
Repurchase of treasury shares		-9.4	-19.5
Borrowings		779.1	715.4
Cash flow from financing activities		**-31.1**	**830.8**
CASH FLOW FOR THE YEAR		**-0.4**	**-60.2**
Cash and cash equivalents at beginning of year	25	**0.5**	**60.7**
Cash and cash equivalents at end of year	25	**0.1**	**0.5**

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 at 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
Foreign exchange differences		–	–	–	-0.4	–	–	-0.4	-0.4
Comprehensive income for the year		–	–	–	-0.4	–	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 at 31 December 2012/ 1 January 2013	26	**91.5**	**187.5**	**279.0**	**-0.8**	**51.5**	**941.1**	**991.8**	**1,270.8**
Profit for the year		–	–	–	–	–	476.9	476.9	476.9
Foreign exchange differences on hedge instruments		–	–	–	0.8	–	–	0.8	0.8
Comprehensive income for the year		–	–	–	0.8	–	476.9	477.7	477.7
Capital distribution to the shareholders – dividend		–	–	–	–	–	-296.2	-296.2	-296.2
Share savings scheme		–	–	–	–	–	2.1	2.1	2.1
Repurchase of treasury shares		–	–	–	–	–	-9.4	-9.4	-9.4
EQUITY AT 31 DECEMBER 2013	26	**91.5**	**187.5**	**279.0**	**–**	**51.5**	**1,114.5**	**1,166.0**	**1,445.0**
Proposed capital distribution to the shareholders									
Dividend	26, 36						-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 7 March 2014. The income statements and balance sheets of the Parent Company and the Group will be put before the Annual General Meeting for adoption on 16 April 2014.

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
Below is a description of the changed accounting standards that are applied by the Group with effect from 1 January 2013. Other changes in IFRSs with application as of 2013 have not had any significant impact on the consolidated financial statements.

IAS 1, Presentation of Financial Statements (Presentation of Items of Other Comprehensive Income) (Amendment). Pursuant to the change, items in other comprehensive income 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 have been or can be reclassified include translation differences. Items that will not be reclassified include remeasurement of defined benefit pension plans. The comparative figures are presented in accordance with the new rules.

IAS 19, Employee Benefits (Amendment). Pursuant to the change, the "corridor approach" is no longer permitted. Actuarial gains and losses are instead recognised in other comprehensive income. Previously, actuarial gains and losses were recognised according to the "corridor approach". The expected return on plan assets is based on the discount rate that is used for calculating the pension liability. This means that net interest on the pension liability now consists of interest expense on the pension liability and interest income on the plan assets. The difference between the actual and expected return on plan assets is recognised in other comprehensive income. The effect of the changed accounting standard is presented below.

The change has been applied retrospectively in accordance with IAS 8 and has affected the financial statements as follows:

	2012
Personnel costs	22.3
Income tax	-6.2
Change in profit for the year	**16.1**
Remeasurement of defined benefit pensions	157.8
Tax on remeasurement of defined benefit pensions	-44.2
CHANGE IN COMPREHENSIVE INCOME FOR THE YEAR	**129.7**
Change in basic earnings, SEK	0.18
Change in diluted earnings per share, SEK	0.18

	31 Dec 2012	1 Jan 2012
Deferred tax assets	–	65.4
Other non-current receivables	-42.3	-16.5
CHANGE IN TOTAL ASSETS	**-42.3**	**48.9**
Reserves	-2.0	–
Retained earnings, including profit for the year	-38.5	-168.2
Provisions for pensions	13.9	217.0
Deferred tax liabilities	-15.7	0.1
CHANGE IN EQUITY AND LIABILITIES	**-42.3**	**48.9**

IFRS 13 Fair Value Measurement, is a new and uniform standard for measurement of fair value and improved disclosure requirements. The new disclosure requirements are presented in Note 32.

The amended IAS 36 Impairment of Assets, which states that the recoverable amount need only be disclosed in the event of impairment losses, will be early adopted as of 1 January 2013.

New IFRSs that are not yet applied:
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.

IFRS 9 Financial Instruments, is intended to replaced IAS 39 Financial Instruments: Recognition and Measurement by 2015 at the latest. The IASB has published the first two phases of what will be the final IFRS 9. The first phase deals with classification and measurement of financial assets. The categories of financial assets that are found in IAS 39 are replaced by two categories, those that are measured at fair value and those measured at amortised cost. Amortised cost is used for instruments that are held in a business model whose objective is to collect the contractual cash flows; which shall consist of payments of principal and interest on the principal outstanding on specified dates. Other financial assets are measured at fair value and the possibility of applying the "Fair Value Option" as in IAS 39 remains. Changes in fair value are recognised in profit or loss, with the exception of value changes on equity instruments that are held for trading and for which an initial choice is made to measure value changes in other comprehensive income. Value changes on derivatives in hedge accounting are not affected by this phase of IFRS 9, but will continue to be reported in in accordance with IAS 39 until further notice. In October 2010 the IASB also published those parts of IFRS 9 that are related to classification and measurement of financial liabilities. The greater portion corresponds to the earlier rules in IAS 39 aside from that which refers to financial liabilities that are voluntarily measured at fair value according to the "Fair Value Option". For these liabilities, the value change is divided between changes that are attributable to the entity's own creditworthiness and changes in a reference interest rate. The company has not decided whether the new principles will be adopted early or with effect from 2015.

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.

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, no 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.

Note 1

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 hyperinflationary economies.

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

	2013		2012	
	Closing	Average	Closing	Average
EUR	8.94	8.65	8.62	8.71
NOK	1.06	1.11	1.17	1.16

On consolidation, foreign 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. Foreign exchange differences arising on 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 acquires 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 by category

Derivative 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. Foreign 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, whereby 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
– 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).

For goodwill and other intangible assets that are not yet ready for use, 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 is the higher of fair value less costs to sell or 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.

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 reference to market yields at the balance sheet date on high quality corporate bonds, including mortgage bonds, with a term to maturity corresponding to the Group's pension obligations. 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. The Group's net obligation consists of the present value of the obligation, reduced by the fair value of plan assets and adjusted for any asset ceiling.

All of the components included in a period's cost for a defined benefit plan are recognised in operating profit or loss.

Revaluation effects consist of actuarial gains and losses, the difference between the actual return on plan assets and the amount included in net interest income/expense and any changes in the effects of the asset ceiling (excluding interest that is included in net interest income/expense). Revaluation effects are recognised in other comprehensive income.

When valuation leads to an asset for the Group, the recognised value of the asset is limited to the lower of the surplus in the plan and the asset ceiling calculated with the help of the discount rate. The asset ceiling consists of the present value of the future economic benefits in the form of lower future employer contributions or cash refunds. In calculating the present value of future refunds or contributions, any minimum funding requirements are taken into account.

Changes or curtailments in a defined benefit plan are recognised at the earliest of the following dates; a, when a change in the plan or a curtailment occurs, or b, when the company recognises related restructuring costs and termination benefits. Changes/curtailments are recognised directly in profit or loss.

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, 2012 and 2013 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, the 2015 financial year for the 2012 share savings scheme and the 2016 financial year for the 2013 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 from subsidiaries 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 2013 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 during the periods 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.

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 ex-

change 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 Team, which consists of the President and the CFO, 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 Team monitors the profit generated by the Group's different geographical areas. Each business area is headed by a manager who is responsible overseeing day-to-day operations and who regularly reports the business area's operating results and performance to the Executive Team. Since the Executive Team monitors the results of the business areas, these comprise the Group's operating segments.

The Group's internal reporting is structured so that the Executive Team primarily monitors the business areas.

On 1 July 2013 Sweco carried out an organisational change in which Sweco Industry was divided and transferred to the Sweco Finland, Sweco Sweden and Sweco Norway business areas. The main objective is to clarify the organisation and strengthen the total offering to industrial clients in the Nordic region. The Sweco Russia and Sweco Central & Eastern Europe business areas were merged on 1 December to create the Central Europe business area.

At the end of the year Sweco's internal monitoring was changed with regard to segment profit or loss. The new monitoring means that amortisation and impairment of goodwill and acquisition-related assets are concentrated in the group-wide segment. The performance metric for the business areas is thus to be equated with operating profit before amortisation and impairment of acquired intangible assets (EBITA). Operating profit that is reported below is the same performance metric that is monitored internally.

The following business areas have been identified:

Sweco Sweden	Architecture, Structural Engineering, Building Service Systems, Infrastructure, Water & Environment, Project Management, Energy, geographical IT, Institutional Services, Industry
Sweco Norway	Structural Engineering, Energy, Water & Environment, Infrastructure, Building Service Systems, Industry
Sweco Finland	Project Management, Structural Engineering, Building Service Systems, Industry, Water & Environment
Sweco Central Europe	Water & Environment, Structural Engineering, Building Service Systems, Infrastructure, Energy, Architecture, Project Management
Group-wide	Group-wide staff function and IT

2013	Sweco Sweden	Sweco Norway	Sweco Finland	Sweco Central Europe	Group-wide	Eliminations	Acquisition-related amortisation/ deprecation and impairment[1]	Unallocated	**Total Group**
External sales	4,797.6	1,792.0	1,319.8	289.4	–	–	–	–	**8,198.8**
Internal sales	96.3	22.5	6.3	12.0	259.8	-396.9	–	–	**–**
TOTAL NET SALES	**4,893.9**	**1,814.5**	**1,326.1**	**301.4**	**259.8**	**-396.9**	**–**	**–**	**8,198.8**
Amortisation/depreciation and impairment	-68.7	-17.4	-9.9	-5.1	-34.0	–	-95.6	–	**-230.7**
Operating profit/loss	496.0	187.1	71.9	-13.1	-85.6	–	-95.6	–	**560.7**
Financial income					4.7				**4.7**
Financial expenses					-38.6				**-38.6**
Profit before tax									**526.8**
Assets	3,457.7	960.7	1,417.5	373.0	2,812.3	-3,032.6	–	25.8	**6,014.4**
Investments in property, plant and equipment	188.1	8.6	13.1	3.3	25.7	–	–	–	**238.8**
Investments in intangible assets	777.1	16.8	4.8	0.9	1.2	–	–	–	**800.8**
Liabilities	3,253.7	529.4	340.5	464.5	1,609.2	-1,962.2	–	146.7	**4,381.8**

2012	Sweco Sweden	Sweco Norway	Sweco Finland	Sweco Central Europe	Group-wide	Eliminations	Acquisition-related amortisation/ deprecation and impairment[1)]	Unallocated	**Total Group**
External sales	4,150.3	1,728.0	1,265.9	359.3	–	–	–	–	**7,503.5**
Internal sales	69.8	25.2	7.0	16.7	212.4	-331.1	–	–	**–**
TOTAL NET SALES	**4,220.1**	**1,753.2**	**1,272.9**	**376.0**	**212.4**	**-331.1**	**–**	**–**	**7,503.5**
Amortisation/depreciation and impairment	-45.7	-18.7	-8.5	-7.5	-21.9	–	-75.4	–	**-177.7**
Operating profit/loss	444.8	223.1	137.1	-4.7	-43.3	–	-75.4	–	**681.6**
Financial income					5.1				**5.1**
Financial expenses					-33.6				**-33.6**
Profit before tax									**653.1**
Assets	1,762.5	1,081.7	1,434.0	474.7	2,810.3	-2,923.0	–	7.0	**4,647.2**
Investments in property, plant and equipment	111.9	17.5	16.4	3.1	10.1	–	–	–	**159.0**
Investments in intangible assets	9.7	19.0	635.9	1.3	–	–	–	–	**665.9**
Liabilities	1,715.3	470.7	330.8	488.6	1,655.8	-1,852.6	–	164.6	**2,973.2**

1) Impairment losses in the Group amounted to SEK 49.3 million (29.5), of which SEK 0.0 million (11.5) is attributable to Sweco Sweden and SEK 49.3 million (18.0) to Sweco Central Europe.

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 271.4 million (214.4). 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, 33 per cent (34) 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 0.1 million (0.5).

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 Team.

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 and acquisitions related amortisation, depreciation and impairment. 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	
	2013	2012
Infrastructure	1,684.8	1,196.1
Structural engineering	1,539.4	1,451.7
Energy	1,023.9	984.7
Building Service Systems	944.2	1,056.7
Water & Environment	860.4	868.0
Industry	726.7	709.4
Project Management	624.0	468.0
Architecture	576.8	577.5
IT for Urban Development	218.6	191.4
TOTAL	**8,198.8**	**7,503.5**

OPERATING SEGMENTS – GEOGRAPHICAL AREAS

	External sales		Non-current assets[1)]	
	2013	2012	**2013**	2012
Sweden	4,726.7	3,917.8	2,172.3	370.8
Norway	1,776.7	1,698.3	434.3	476.5
Denmark	33.9	38.5	7.9	7.6
Finland	1,188.1	913.2	864.3	862.4
Estonia	32.2	61.4	18.7	33.8
Lithuania	59.3	80.3	12.1	22.3
Czech Republic	79.0	85.9	32.8	34.9
Slovakia	11.6	6.1	3.2	3.1
Bulgaria	18.4	19.8	5.7	5.8
Poland	25.4	96.7	28.6	35.8
Rest of EU	9.9	19.5	0.8	0.4
Russia	147.2	162.2	16.3	38.3
Rest of Europe	19.0	201.1	–	–
Africa	14.6	52.3	–	–
Asia	21.8	112.5	0.3	0.1
Oceania	2.2	2.5	–	–
North America	19.0	1.7	–	–
South and Central America	13.8	33.7	–	–
Eliminations	–	–	-955.4	-36.9
TOTAL	**8,198.8**	**7,503.5**	**2,641.9**	**1,854.9**

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	
	2013	2012	**2013**	2012
PricewaterhouseCoopers AB				
– audit services	4.8	3.8	1.0	0.5
– audit services aside from the statutory audit	0.4	0.3	–	–
– tax advice	0.1	0.1	–	–
– non-audit services	2.6	0.3	2.3	0.2
Total	**7.9**	**4.5**	**3.3**	**0.7**
Other auditing firms				
– audit services	2.1	1.9	–	–
Total	**2.1**	**1.9**	**–**	–
TOTAL	**10.0**	**6.4**	**3.3**	**0.7**

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

Fees according to leases and rental contracts in force	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Rents for premises paid during the year[1]	335.4	263.6	2.2	2.6
Other charges paid during the year	15.0	9.0	0.3	0.2
TOTAL RENTS AND CHARGES PAID DURING THE YEAR	**350.4**	**272.6**	**2.5**	**2.8**
Future lease payments and rents,				
– within one year	337.9	258.5	1.7	2.6
– between one and five years	953.2	676.2	5.2	6.9
– later than five years	774.1	565.6	7.3	8.6
TOTAL FUTURE LEASE PAYMENTS	**2,065.2**	**1,500.3**	**14.2**	**18.1**

1) The comparative figures have been corrected in relation to the 2012 annual report.

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 0.3 million (0.2).

6 Employees and personnel costs

Personnel costs	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Salaries and remuneration, other employees	3,727.0	3,361.7	7.2	7.1
Salaries and remuneration, senior executives	87.7	76.2	15.9	15.5
Total salaries and remuneration[1]	**3,814.7**	**3,437.9**	**23.1**	**22.6**
Social security contributions, excl. pension costs	873.8	754.6	10.1	9.3
Pension costs, senior executives[2][3]	17.5	14.4	4.2	4.4
Pension costs, others[2]	441.0	362.6	7.5	5.0
TOTAL	**5,147.0**	**4,569.5**	**44.9**	**41.3**

1) Senior executives in the table consist of board members and presidents in the Parent Company and all subsidiaries, and amount to 81 individuals (79) in the Group and 11 individuals (12) 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 74 individuals (71) in the Group and 4 individuals (4) in the Parent Company.

Average number of employees	2013 Total	2013 Of whom, men %	2012 Total	2012 Of whom, men %
Sweden				
Parent Company	15	40	14	43
Subsidiaries	3,910	70	3,329	70
Total Sweden	**3,925**	**70**	**3,343**	**70**
Outside Sweden				
Norway	1,226	72	1,159	73
Finland	1,693	76	1,554	77
Denmark	35	63	27	70
Estonia	79	65	91	60
Lithuania	226	58	250	55
Russia	277	48	357	43
Czech Republic	218	56	225	55
Slovakia	19	63	22	68
Bulgaria	60	52	65	48
Poland	137	65	183	68
Rest of Europe	13	69	13	92
Africa	11	100	9	100
Asia	23	91	31	94
South and Central America	1	100	2	100
North America	4	100	5	100
Total outside Sweden	**4,022**	**70**	**3,993**	**69**
TOTAL GROUP	**7,947**	**70**	**7,336**	**70**

Percentage of women, %	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Board members in all companies	21	16	57	50
Other senior executives, 60 individuals (70)	18	11	0	0

Sickness absence, %	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Total sickness absence	2.8	3.1	0.6	1.1
– long-term sickness absence	0.9	1.2		
– sickness absence for men	2.2	2.4		
– sickness absence for women	4.0	4.5		
– employees –29 years	2.3	2.6		
– employees 30–49 years	2.7	2.7		
– employees 50– years	3.1	4.0		

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 Team and all managers who report directly to the President.

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 to senior executives consists of basic salary, variable salary, pension, other remuneration and share-based incentive schemes.

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 Team 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 2013 (SEK 000s)

	Basic salary/ board fees	Variable salary[3]	Other benefits	Pension cost	TOTAL
Board Chairman Olle Nordström	447	–	–	–	447
Board member Anders G. Carlberg	233	–	–	–	233
Board member Gunnel Duveblad	293	–	–	–	293
Board member Eva Lindqvist[1]	133	–	–	–	133
Board member Johan Nordström	247	–	–	–	247
Board member Aina Nilsson Ström[2]	73	–	–	–	73
Board member Pernilla Ström	230	–	–	–	230
Board member Carola Teir-Lehtinen	223	–	–	–	223
Board member Kai Wärn[2]	67	–	–	–	67
President	4,886	1,598	57	1,776	8,317
Other senior executives (6 individuals)	10,834	2,268	401	3,653	17,156
TOTAL	**17,666**	**3,866**	**458**	**5,429**	**27,419**

1) As of the 2013 Annual General Meeting.
2) Until the 2013 Annual General Meeting.
3) Variable salary includes provisions for share-based payments of SEK 381,000 to the President and SEK 707,000 to other senior executives.

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	160	–	–	–	160
Board member Aina Nilsson Ström	212	–	–	–	212
Board member Pernilla Ström	232	–	–	–	232
Board member Carola Teir-Lehtinen[1]	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 provisions for share-based payments of SEK 55,000 to the President and SEK 348,000 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 Team and the business area presidents (excluding the President of Sweco AB).

Variable salary refers to bonuses and share-based payments that were expensed in 2013 and 2012.

Share savings scheme

The 2011, 2012 and 2013 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 and the 2016 financial year for the 2013 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		
Share Savings Scheme	**2013**	2012	2011	**2013**	2012	2011
Number of participants still employed	35	32	31	7	7	5
No. of shares acquired	28,132	34,107	28,543	10,138	15,985	8,129
Granted no. of matching shares per savings share	1	1	1	1	1	1
Maximum no. of matching shares	28,132	34,107	28,543	10,138	15,985	8,129
Granted no. of performance shares per savings share[1]	1–4	1–4	1–4	1–4	1–4	1–4
Maximum no. of performance shares	69,162	92,043	60,552	34,921	57,621	23,616
The year's provision, SEK M[2]	0.3	1.7	1.1	0.1	0.9	0.3
Accumulated provision, SEK M[2]	0.3	2.0	2.6	0.1	1.1	0.6
Estimated total cost, SEK M[2]	5.5	5.6	4.0	2.4	3.1	0.9
Lock-up period	Nov 2013– Feb 2017	Nov 2012– Feb 2016	Nov 2011– Feb 2015	Nov 2013– Feb 2017	Nov 2012– Feb 2016	Nov 2011– Feb 2015

1) Members of the Executive Team 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	
	2013	2012	**2013**	2012
Impairment of goodwill1)	-43.2	-29.5	–	–
Intangible assets capitalised on acquisition, amortisation	-46.3	-45.9	–	–
Intangible assets capitalised on acquisition, impairment	-6.1	–	–	–
Other intangible assets, amortisation	-14.9	-10.0	-2.9	-2.9
Buildings, depreciation	-3.1	-1.5	–	–
Equipment, depreciation	-117.1	-90.8	-11.2	-7.8
TOTAL	**-230.7**	**-177.7**	**-14.1**	**-10.7**

1) Impairment losses in the Group amounted to SEK 43.2 million (29.5), of which SEK 0.0 million (11.5) is attributable to Sweco Sweden and SEK 43.2 million (18.0) to Sweco Central Europe.

8 Net financial items

GROUP

	2013	2012
Financial income		
Dividends on financial assets measured at fair value	0.6	0.1
Interest income – trade receivables	1.2	1.6
Interest income – bank	2.7	2.5
Other financial income	0.2	0.4
Total financial income	**4.7**	**4.6**
Financial expenses		
Change in value of assets measured at fair value	–	-0.3
Interest expenses – trade payables	-0.3	-0.7
Interest expenses – bank	-28.5	-25.6
Other financial expenses	-8.2	-4.4
Net foreign exchange losses	-1.1	-2.6
Total financial expenses	**-38.1**	**-33.6**
Shares in profit of associates	**-0.5**	0.5
TOTAL NET FINANCIAL ITEMS	**-33.9**	**-28.5**
Interest income received during the year	3.8	4.1
Interest expenses paid during the year	-25.9	-24.2

PARENT COMPANY

	2013	2012
Profit from investments in group companies		
Dividends	222.9	39.8
Group contributions	298.7	413.3
Total profit from investments in group companies	**521.6**	**453.1**
Financial income		
Interest income from group companies	0.6	0.8
Other interest income	0.7	1.0
Foreign exchange gains	1.0	0.2
Total financial income	**2.3**	**2.0**
Financial expenses		
Interest expenses to group companies	-0.9	-0.7
Other interest expenses	-21.7	-17.6
Other financial expenses	-7.5	-3.3
Total financial expenses	**-30.1**	**-21.6**
TOTAL NET FINANCIAL ITEMS	**493.8**	**433.5**
Interest income received during the year	1.4	1.6
Interest expenses paid during the year	-19.7	-16.1

9 Appropriations and untaxed reserves

PARENT COMPANY

Appropriations	2013	2012
Accelerated depreciation	-1.3	1.2
Provision to tax allocation reserve	88.0	-88.0
TOTAL	**86.7**	**-86.8**

Untaxed reserves	2013	2012
Accelerated depreciation	1.3	–
Provision to tax allocation reserve	–	88.0
TOTAL	**1.3**	**88.0**

10 Income taxes

	Group		Parent Company	
Current income tax	**2013**	2012	**2013**	2012
The period's income tax expense	-184.2	-170.8	-74.1	-69.9
Adjustment of tax attributable to prior years	-0.7	-7.8	0.1	-0.2
Total current income tax	**-184.9**	**-178.6**	**-74.0**	**-70.1**
Deferred tax income/expense				
Deferred tax on temporary differences	11.0	-4.1	–	–
Deferred tax income/expense arising on change in untaxed reserves	26.7	5.5	–	–
Total deferred tax income/ expense	**37.7**	**1.4**	**–**	**–**
TOTAL REPORTED INCOME TAX	**-147.2**	**-177.2**	**-74.0**	**-70.1**

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 -38.6 million (-12.6).

	Group				Parent Company			
Reconciliation of effective tax	**2013, %**	**2013**	2012, %	2012	**2013, %**	**2013**	2012, %	2012
Profit before tax		526.8		653.1		550.9		302.7
Income tax computed according to national tax rates for profit in each country	38.3	201.9	27.4	179.1	22.0	121.2	26.3	79.6
Tax effects of:								
– Non-taxable dividends	-12.4	-65.5	-2.1	-13.8	-8.9	-49.1	-3.5	-10.5
– Other income not subject to tax	-1.7	-8.8	-0.8	-5.3	–	–	0.0	0.0
– Expenses not deductible for tax purposes	4.7	24.7	3.9	25.4	0.3	2.0	0.3	0.8
Utilisation of previously uncapitalised loss carryforwards	-0.3	-1.5	-0.2	-1.3	–	–	–	–
Effect of deferred tax regarding lowered tax rate	-0.8	-4.3	-3.2	-20.9	–	–	–	–
Effect of changed accounting policy	–	–	0.9	6.2	–	–	–	–
Correction of income tax expense in prior years	0.1	0.7	1.2	7.8	0.0	-0.1	0.1	0.2
THE YEAR'S INCOME TAX EXPENSE	**27.9**	**147.2**	**27.1**	**177.2**	**13.4**	**74.0**	**23.2**	**70.1**

Deferred tax assets and liabilities

	Group	
The year's change in carrying amount	**31 Dec 2013**	31 Dec 2012
Opening carrying amount, deferred tax assets	7.0	70.7
Increase through business combinations	3.5	–
Reclassification to deferred tax liabilities	-6.1	-62.2
Other deferred tax expenses in the income statement	2.6	-1.4
Deferred tax expenses in other comprehensive income	18.8	-0.1
Foreign currency translation differences	0.0	0.0
Closing carrying amount, deferred tax assets	**25.8**	**7.0**
Opening carrying amount, deferred tax liabilities	-148.9	-141.8
Increase through business combinations	-38.6	-29.5
Reclassification from deferred tax assets	6.5	61.8
Change in tax component of untaxed reserves in the income statement	26.7	6.0
Other deferred tax expenses in the income statement	8.4	-3.1
Deferred tax expenses in other comprehensive income	–	-44.1
Foreign currency translation differences	-0.8	1.8
Closing carrying amount, deferred tax liabilities	**-146.7**	**-148.9**
Deferred taxes at end of year		
Deferred tax asset in loss carryforwards	8.1	1.0
Deferred tax asset in revaluation deficit relating to pensions	18.7	0.5
Deferred tax asset in other temporary differences	-1.0	5.5
Total deferred tax assets	**25.8**	**7.0**
Deferred tax component of the companies' reported untaxed reserves	-85.9	-96.0
Deferred tax liabilities in temporary differences	-60.8	-52.9
Total deferred tax liabilities	**-146.7**	**-148.9**
TOTAL DEFERRED TAXES, NET	**-120.9**	**-141.9**

Of the deferred tax assets, a sum of SEK 6.8 million is expected to be utilised within 12 months. Of the deferred tax liabilities, a sum of SEK 6.4 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 3.5 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		
	31 Dec 2013	31 Dec 2012	1 Jan 2012	**31 Dec 2013**	31 Dec 2012	1 Jan 2012	**31 Dec 2013**	31 Dec 2012	1 Jan 2012
Property, plant and equipment	0.7	0.9	1.6	-3.7	-4.1	-4.1	-3.0	-3.2	-2.5
Intangible assets	-5.8	0.6	0.7	-52.0	-43.7	-26.2	-57.8	-43.1	-25.5
Financial assets	-0.2	-0.1	-0.2	-0.2	-1.8	-0.5	-0.4	-1.9	-0.7
Current assets	4.3	4.1	1.4	-4.9	-3.7	-1.3	-0.6	0.4	0.1
Untaxed reserves	–	–	–	-85.9	-96.0	-102.0	-85.9	-96.0	-102.0
Pensions	18.7	0.5	66.1	–	0.4	-7.7	18.7	0.9	58.4
Loss carryforwards	8.1	1.0	1.1	–	–	–	8.1	1.0	1.1
TOTAL	**25.8**	**7.0**	**70.7**	**-146.7**	**-148.9**	**-141.8**	**-120.9**	**-141.9**	**-71.1**

2013	Opening balance 2013	Recognised through profit or loss	Acquisitions	Reclassifications	Foreign currency translation difference	**Closing balance 2013**
Property, plant and equipment	-3.1	0.2	–	–	-0.1	-3.0
Intangible assets	-43.1	11.0	-21.9	-3.6	-0.2	-57.8
Financial assets	-1.9	1.6	–	–	-0.1	-0.4
Current assets	0.3	-1.5	–	–	0.6	-0.6
Untaxed reserves	-95.9	26.7	-16.7	–	0.0	-85.9
Pensions	0.8	14.7	–	4.0	-0.8	18.7
Loss carryforwards	1.0	3.8	3.5	–	-0.2	8.1
TOTAL	**-141.9**	**56.5**	**-35.1**	**0.4**	**-0.8**	**-120.9**

2012	Opening balance 2012	Recognised through profit or loss	Acquisitions	Reclassifications	Foreign currency translation difference	**Closing balance 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	58.4	-58.3	–	-0.1	0.8	0.8
Loss carryforwards	1.1	-0.9	–	0.8	0.0	1.0
TOTAL	**-71.1**	**-42.6**	**-29.5**	**-0.4**	**1.7**	**-141.9**

11 Earnings per share

GROUP

	2013	2012
Average number of shares before dilution	91,133,507	91,354,385
Average number of shares after dilution	**91,133,507**	**91,354,385**
Earnings per share on profit attributable to owners of the Parent Company		
Basic earnings per share, SEK	4.11	5.15
Diluted earnings per share, SEK	4.11	5.15

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	
	2013	2012	**2013**	2012
The year's purchases according to Note 15	116.6	151.5	25.8	10.1
Held under finance leases	-23.8	-20.1	–	–
TOTAL	**92.8**	**131.4**	**25.8**	**10.1**

13 Acquisition and divestiture of subsidiaries and operations

GROUP

	Date	Holding, %[1]	Holding after transaction, %[1]	Purchase consideration
Acquisitions				
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	0.85	100	0.1
Arkkitehtitoimisto Brunow & Maunula Oy, Finland	25 April 2012	100	100	9.5
B&B VVS Konsult AB, correction of contingent consideration	5 July 2012		100	0.1
Lahden Projektiimi Oy, Finland, asset deal	31 August 2012	100	100	4.3
TOTAL ACQUISITIONS IN 2012				**785.7**
Planstyring AS, Norway	4 January 2013	100	100	13.8
MEK-Consult AS, Norway	1 February 2013	100	100	6.3
KPME A&L; Disain OÜ, Estonia, acquisition of associated company	28 June 2013	53	100	0.0
Inseneribüroo KPME OÜ, Estonia, acquisition of associated company	28 June 2013	53	100	0.0
B&B VVS Konsult AB, correction of contingent consideration	5 July 2013		100	0.1
Vectura Consulting AB	31 July 2013	100	100	927.0
Insinööritoimisto Sähkötele Oy, Finland, asset deal	1 August 2013	100	100	2.4
Insinööritoimisto Martti O. Ojala Oy, Finland, asset deal	22 August 2013	100	100	0.2
PICAB Produktion AB (energy technology), asset deal	1 October 2013	100	100	9.4
PICAB Produktion AB (measurement technology), asset deal	1 October 2013	100	100	18.6
ACNL Elteknik AB, asset deal	1 October 2013	100	100	6.7
Sweco Lietuva, Lithuania, acquisition of non-controlling interests	17 December 2013	8	99	4.5
Narmaplan oy, Finland, acquisition of non-controlling interests	19 December 2013	25	100	15.6
TOTAL ACQUISITIONS IN 2013				**1,004.6**
Divestitures				
Hydroprojekt Slovakia s.r.o., Slovakia	1 October 2012	100	0	0.1
TOTAL DIVESTITURES IN 2012				**0.1**
Ledningskompaniet i Sverige AB	30 September 2013	100	0	0.8
TOTAL DIVESTITURES IN 2013				**0.8**

1) The ownership stake corresponds to the equity interest.

In 2013 Sweco Sweden acquired 100 per cent of the shares in Vectura with 1,222 employees. Vectura is the Nordic region's leading provider of consulting services for transport infrastructure and has an especially strong position in the Swedish railway sector. The company has a presence in some 40 locations in Sweden, Norway and Denmark. Vectura reported annual sales of SEK 1,327 million and operating profit of SEK 31 million (EBIT 2012). The acquisition is in line with Sweco's strategy to consolidate its leading positions in the Nordic region and grow in the infrastructure segment. By combining Vectura's comprehensive expertise in transport infrastructure with Sweco's forefront position in sustainable engineering and design, it is possible to create excellent potential for continued growth in the Nordic region, particularly in Sweden and in the fast-growing Norwegian market.

Motives for the merger

Value-creating growth:

- Consolidates Sweco's position as the leading consultancy in sustainable engineering and design.
- Supplements Sweco's offering with a market-leading position in the railway sector.
- Reinforces both companies' capabilities in road engineering, project management and traffic planning.
- Opens up greater opportunities for expansion in the fast-growing Nordic infrastructure market, particularly in Norway.
- Realises significant cost synergies above all through lower overheads and through coordination of administration and facilities.

In 2013 Sweco Sweden also acquired the operations of the building service systems company ACNL with 25 employees, and the consulting company PICAB with 64 employees, which offers expertise primarily in measurement and energy engineering.

During the year Sweco acquired the engineering consultancy Planstyring AS with 26 employees and the building service systems company MEK-Consult AS with six employees.

During the year Sweco Finland acquired the operations of the project management company Insinööritoimisto Sähkötele Oy, with four employees and the operations of the project management company Insinööritoimisto Martti O. Ojala Oy, with four employees.

Sweco Central Europe has acquired the remaining shares in the associated companies KPME A&L; Disain OÜ and Inseneribüroo KPME OÜ in Estonia with a total of six employees.

In 2013 Sweco divested Ledningskompaniet i Sverige AB.

Acquired companies had a negative impact of SEK 904.7 million (539.6) on the Group's cash and cash equivalents and divested operations decreased consolidated cash and cash equivalents by SEK 0.1 million (0.4). The net effect on the Group's cash and cash equivalents is SEK -904.8 million (-540.0). In connection with the acquisition of Finnmap Consulting Oy in 2012, 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 5.8 million (20.9) and consist of fees to consultants in connection with due diligence procedures and transaction tax of SEK 0.2 million (12.0). These costs are recognised in other external expenses in the income statement and for 2013 amount to SEK 5.6 million (12.5).

The acquisitions carried out in 2013 and 2012, aside from the acquisition of Vectura Group in 2013 and FMC Group in 2012, are reported in aggregated form since they are not individually of such size that separate reporting of each acquisition is motivated.

Net assets of companies acquired and divested on the acquisition date

	2013				2012			
	Vectura Group	Other acquisitions	Acquired values	Divested values	FMC Group	Other acquisitions	Acquired values	Divested values
Intangible assets	51.8	16.8	68.6	–	99.4	11.5	110.9	–
Property, plant and equipment	114.0	8.2	122.2	–	7.1	0.4	7.5	–
Financial assets	8.8	0.1	8.9	–	19.4	0.0	19.4	–
Current assets[1)]	258.8	12.3	271.1	–	381.9	9.3	391.2	0.9
Cash and cash equivalents	83.9	9.0	92.9	0.9	193.9	10.4	204.3	–
Non-current liabilities	-84.4	0.0	-84.4	–	-7.9	–	-7.9	–
Deferred tax	-34.7	-3.9	-38.6	–	-26.5	-3.0	-29.5	–
Other current liabilities	-162.4	-21.5	-183.9	-0.1	-441.5	-11.7	-453.2	-0.4
Non-controlling interests recognised on acquisitions	–	–	–	–	-8.0	0.2	-7.8	–
Consolidated goodwill recognised on acquisitions	691.2	36.5	727.7	–	530.4	20.5	550.9	–
Acquisition of non-controlling interests	–	6.7	6.7	–	–	–	–	–
Equity attributable to owners of the Parent Company	–	13.4	13.4	–	–	-0.1	-0.1	–
Capital gain/loss recognised on divestiture	–	–	–	0.0	–	–	–	-0.4
Total purchase consideration	**927.0**	**77.6**	**1,004.6**	**0.8**	**748.2**	**37.5**	**785.7**	**0.1**
Unsettled consideration commitments	–	-12.7	-12.7	–	–	-5.1	-15.1	–
Payment of previously withheld consideration	–	5.7	5.7	–	–	10.2	10.2	–
Consideration paid in shares	–	–	–	–	-46.9	–	-46.9	–
Cash and cash equivalents in acquired companies	-83.9	-9.0	-92.9	-0.9	-193.9	-10.4	-204.3	-0.5
DECREASE/INCREASE IN THE GROUP'S CASH AND CASH EQUIVALENTS	**843.1**	**61.6**	**904.7**	**-0.1**	**507.4**	**32.2**	**539.6**	**-0.4**

1) Of which, receivables amount to SEK 240,6 million (369,8).

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

The unsettled consideration of SEK 12.7 million refers to contingent consideration of SEK 3.0 million. The contingent consideration is payable on the attainment of certain predetermined targets for profit and can amount to a maximum of SEK 4.2 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 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	7.1
Dividend	-2.6
Effect of increased holdings	-6.7
Share of profit for the year	1.9
Foreign currency translation difference	0.3
The company's holdings at end of the year	**0.0**

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

	2013		2012	
	Acquisitions	Divestiture	Acquisitions	Divestiture
Contribution to net sales in the year's accounts	627.8	–	830.6	0.3
Contribution to net sales if the company had been owned for the full year	1,390.1		912.0	
Contribution to operating profit in the year's accounts	42.7	–	101.6	-0.3
Contribution to operating profit if the company had been owned for the full year[1)]	-0.4		111.4	

1) The full-year contribution to operating profit does not reflect the future earning ability of the acquired units.

14 Intangible assets

GROUP

	2013			2012		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Opening cost	1,469.1	306.4	1,775.5	933.4	201.1	1,134.5
Purchases	–	4.5	4.5	–	4.1	4.1
Increase through business combinations	727.6	68.6	796.2	550.9	110.9	661.8
Decrease on adjustment of purchase price allocation	–	–	–	-0.1	–	-0.1
Increase on adjustment of purchase price allocation	0.1	–	0.1	12.0	–	12.0
Reclassification	–	-3.0	-3.0	–	–	–
Sales and disposals	–	-1.2	-1.2	-0.4	-4.1	-4.5
Foreign currency translation difference	-13.8	1.4	-12.4	-26.7	-5.6	-32.3
Closing accumulated cost	**2,183.0**	**376.7**	**2,559.7**	**1,469.1**	**306.4**	**1,775.5**
Opening accumulated amortisation and impairment	-51.0	-161.8	-212.8	-25.9	-112.8	-138.7
Reclassification	–	2.8	2.8	–	0.1	0.1
Sales and disposals	–	1.2	1.2	–	3.9	3.9
Foreign currency translation difference	-0.4	-1.1	-1.5	4.4	2.9	7.3
The year’s impairment losses	-43.2	-6.1	-49.3	-29.5	–	-29.5
The year’s amortisation	–	-61.1	-61.1	–	-55.9	-55.9
Closing accumulated amortisation and impairment	**-94.6**	**-226.1**	**-320.7**	**-51.0**	**-161.8**	**-212.8**
CLOSING CARRYING AMOUNT	**2,088.4**	**150.6**	**2,239.0**	**1,418.1**	**144.6**	**1,562.7**
Specification						
Sweco Sweden	876.3			143.2		
Sweco Norway	388.8			397.1		
Sweco Finland	748.5			757.5		
Sweco Central Europe	74.8			120.3		
Capitalised licence costs for software		9.1			10.7	
Capitalised development costs for software		5.2			6.9	
Assets capitalised on acquisition		135.9			126.7	
Other intangible assets		0.4			0.3	
CLOSING CARRYING AMOUNT	**2,088.4**	**150.6**		**1,418.1**	**144.6**	

All of the above intangible assets have been acquired through business combinations or purchases, aside from developed software of SEK 5.2 million (6.9). 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.

The estimated recoverable amounts of the cash-generating units 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.

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, the EBITA margin 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.

EBITA margin

The EBITA margin is forecasted based on an assessment of future profitability with reference to historical outcomes, concrete action plans and an assessment of future potential.

Diskonteringsränta

The discount rate before tax, based on each country’s specific market conditions with regard to the risk-free rate and risk premium. Furthermore, the discount factor is based on Sweco’s loan financing cost and assumptions and Sweco’s long-term capital structure.

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

2013	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Central Europe	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	4.2	-36.0	5.0	-28.0	3.7	-11.0	5.0	4.5
Average EBITA margin, %	9.5	2.3	10.3	1.1	8.1	3.7	6.3	6.2
Discount rate before tax, %	9.0	45.0	9.5	112.0	8.7	17.8	11.6	11.7

	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Central & Eastern Europe		Sweco Russia		Sweco Industry	
2012 **Variable**	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	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

PARENT COMPANY

Other intangible assets	2013	2012
Opening cost	14.1	14.1
Purchases	1.2	–
Closing accumulated cost	**15.3**	**14.1**
Opening accumulated amortisation	-7.2	-4.4
The year's amortisation	-2.9	-2.8
Closing accumulated amortisation	**-10.1**	**-7.2**
CLOSING CARRYING AMOUNT	**5.2**	**6.9**

15 Property, plant and equipment

GROUP

	2013			2012		
	Buildings and land	Equipment	Total	Buildings and land	Equipment	Total
Opening cost	46.0	713.9	759.9	46.1	625.7	671.8
Purchases	0.5	116.1	116.6	0.5	151.0	151.5
Increase through business combinations	6.8	115.4	122.2	–	7.5	7.5
Reclassification	0.5	-0.5	–	-0.4	0.4	–
Sales and disposals	-2.0	-79.4	-81.4	-0.7	-70.6	-71.3
Foreign currency translation difference	1.2	-3.3	-2.1	0.5	-0.1	0.4
Closing accumulated cost	**53.0**	**862.2**	**915.2**	**46.0**	**713.9**	**759.9**
Opening accumulated depreciation	-6.0	-465.4	-471.4	-5.0	-436.0	-441.0
Reclassification	–	–	–	-0.1	-0.1	-0.2
Sales and disposals	0.5	71.2	71.7	0.3	60.7	61.0
Foreign currency translation difference	-0.4	0.5	0.1	0.3	0.8	1.1
Impairment losses	–	-0.5	-0.5	–	–	–
The year's depreciation	-3.1	-117.1	-120.2	-1.5	-90.8	-92.3
Closing accumulated depreciation	**-9.0**	**-511.3**	**-520.3**	**-6.0**	**-465.4**	**-471.4**
CLOSING CARRYING AMOUNT	**44.0**	**350.9**	**394.9**	**40.0**	**248.5**	**288.5**
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	–	131.0	131.0	–	56.9	56.9
Closing accumulated depreciation	–	-28.7	-28.7	–	-19.9	-19.9
Closing carrying amount of finance leases	**–**	**102.3**	**102.3**	**–**	**37.0**	**37.0**

PARENT COMPANY

Equipment	2013	2012
Opening cost	26.6	17.2
Purchases	25.8	10.1
Sale to other group company	–	-0.4
Sales and disposals	–	-0.3
Closing accumulated cost	**52.4**	**26.6**
Opening accumulated depreciation	-12.3	-5.2
Sale to other group company	–	0.4
Sales and disposals	–	0.3
The year's depreciation	-11.2	-7.8
Closing accumulated depreciation	**-23.5**	**-12.3**
CLOSING CARRYING AMOUNT	**28.9**	**14.3**

16 Shareholdings and participations in group companies

PARENT COMPANY

The year's change in carrying amount	2013	2012
Opening carrying amount	1,073.1	332.0
Acquisition of subsidiaries during the year	–	741.1
CLOSING CARRYING AMOUNT	**1,073.1**	**1,073.1**

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
Vattenbyggnadsbyrån AB	556077-9471	Stockholm	100	1,000	0.8
Vattenbyggnadsbyrån 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	99	6,104,021	
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.	371116	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	
Finnmap Polska Sp.zo.o.	PL7392984011	Poland	100	295	
Sweco Energoproekt JSC	1305488081	Bulgaria	73	400	
Sweco Projekt AS	11304200	Estonia	100	355,463	
Vealeidja OÜ	10633373	Estonia	100	1	
SIA Büvuzraudziba 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 Mecaplan Oy	1648295-6	Finland	57	54	
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	
Sweco India Private Limited	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	
Insinööritoimisto Valcon Oy	0772679-5	Finland	80	1,200	
Contesta Oy	1712699-6	Finland	72	7,200	
FM Projects Ltd Oy	0978679-1	Finland	100	28	
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 Sweco Stroiproject	7806311117	Russia	100		
Rak. Suunnittelutoimisto Nylund Oy	0214837-5	Finland	70	70	
Siltanylund Oy	0923248-1	Finland	60	60	
Through Sweco Norge AS					
Sweco Mec AS	934537920	Norway	100	1,000	

Shareholdings at end of year	Corp. ID number	Domicile	Holding, %	No. of shares
Through Sweco Russia AB				
Sweco Lenvodokanalproekt	1057803925409	Russia	100	100
OOO IKTP	1077847208010	Russia	100	4
ZAO NIPI	1027806865668	Russia	100	10,100
Through Sweco Sverige AB				
Sweco Architects AB	556173-0606	Stockholm	100	20,000
Aros Arkitekter AB	556665-0700	Stockholm	100	10,000
Sweco Architects A/S	13 64 20 01	Denmark	96	11,814
Sweco 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 Industry AB	556341-2476	Stockholm	100	20,000
Prows Industry & Management AB	556415-9688	Örebro	100	2,000
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
Sweco TransportSystem AB	556949-1698	Stockholm	100	500
Vectura Consulting AB	556767-9849	Solna	100	1,000
Vectura Consulting AS	996510948	Norway	100	1,200

17 Shareholdings and participations in associated companies

GROUP

The year's change in carrying amount	2013	2012
Opening carrying amount	6.5	1.0
Added through business combinations	–	6.4
The year's dividends	-0.1	-0.9
Share in profit after tax of associates	-0.5	0.3
Foreign currency translation difference	0.2	-0.3
CLOSING CARRYING AMOUNT	**6.1**	**6.5**

The Group's share in revenue, profit, assets, liabilities and equity of associates	2013	2012
Revenue	3.2	19.8
Profit	-0.5	0.3
Assets	11.8	14.1
Equity	6.1	6.5
Liabilities	5.7	7.6

Shareholdings at end of year	Corp. ID number	Domicile	Holding, %	No. of shares	Carrying amount
2013					
Through Finnmap Consulting Oy					
Oü Estkonsult	10410360	Estonia	40	40	1.2
Rapcon Oy	0944024-8	Finland	40	40	0.5
Geotek Oy	0923058-2	Finland	45	45	3.2
Betonialan Ohuthiekeskus FMC OY	1713909-2	Finland	33	33	0.3
Through Sweco Sverige AB					
I2E Energisystemintegration AB	556211-9684	Stockholm	50	50	0.9
Total shares and participations					**6.1**
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 FMC OY	1713909-2	Finland	33	33	0.2
Inseneribüroo KPME OÜ	10506686	Estonia	47	47	0.4
KPME A&K; Disain OÜ	11399560	Estonia	47	47	0.0
Through Sweco Sverige AB					
I2E Energisystemintegration AB	556211-9684	Stockholm	50	50	0.9
Total shares and participations					**6.5**

18 Joint ventures

GROUP

Shareholdings at end of year	Corp. ID number	Domicile	Holding, %
2013			
Sweco ÅF Healthcare Systems AB (owned through Sweco Systems AB)	556881-5764	Sweden	50
SWECO Sojyz Engineering (owned through Sweco Industry Oy)	5077746846920	Russia	45
2012			
Sweco ÅF Healthcare Systems AB (owned through Sweco Systems AB)	556881-5764	Sweden	50
SWECO Sojyz Engineering (owned through Sweco Industry Oy)	5077746846920	Russia	45

The Group's shareholdings in joint ventures

	2013	2012
Operating income	112.8	115.3
Operating expenses	-110.5	-114.5
Net financial items	0.1	0.1
Income taxes	-0.5	-0.2
PROFIT FOR THE YEAR	**1.9**	**0.7**
Non-current assets	0.2	0.2
Current assets	222.4	134.5
Total assets	**222.6**	**134.7**
Current liabilities	-222.7	-132.3
Total liabilities	**-222.7**	**-132.3**
NET ASSETS	**-0.1**	**2.4**

There are no pledged assets or contingent liabilities.

19 Financial investments

GROUP

The year's change in carrying amount	2013	2012
Opening carrying amount	11.5	7.9
Acquisition of other shares	0.1	–
Disposal of other shares	-0.1	-9.3
Added through business combinations	–	13.0
Foreign currency translation difference	0.3	-0.1
CLOSING CARRYING AMOUNT	**11.8**	**11.5**

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
2013					
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	2.6
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	4.9
Other shareholdings and participations					2.8
Total shareholdings and participations					**11.8**
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**

20 Other non-current securities

PARENT COMPANY

The year's change in carrying amount	2013	2012
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
2013			
BRF Störtloppet	716414-8764	Åre	0.9
Total shareholdings and participations			0.9
2012			
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	2013	2012
Non-current assets		
Opening carrying amount	37.9	38.3
Lending to group companies	918.4	0.9
Capitalised interest	0.6	0.8
Recovered receivables	-0.4	-0.8
Foreign currency translation difference	0.8	-1.3
Closing carrying amount	957.3	37.9
Current assets		
Opening carrying amount	1,598.7	1,547.5
The year's change	-38.8	51.2
Closing carrying amount	1,559.9	1,598.7
TOTAL RECEIVABLES FROM GROUP COMPANIES	2,517.2	1,636.6

22 Other non-current receivables

GROUP

The year's change in carrying amount	31 Dec 2013	31 Dec 2012	1 Jan 2012
Opening non-current receivables	3.9	3.8	32.6
Effect of changed accounting policy	–	–	-16.5
Increase in receivables	–	–	0.7
Increase through business combinations	5.3	0.1	–
Decrease in receivables	-1.0	–	-12.9
Foreign currency translation difference	-0.2	0.0	-0.1
CLOSING NON-CURRENT RECEIVABLES	8.0	3.9	3.8
Non-current receivables at end of year			
Other receivables	8.0	3.9	3.8
TOTAL NON-CURRENT RECEIVABLES	8.0	3.9	3.8

23 Work in progress

GROUP

	2013	2012
Work in progress less progress billings		
Value of work completed	2,346.7	2,278.9
Progress billings	-1,092.7	-1,497.3
NET WORK IN PROGRESS LESS PROGRESS BILLINGS	1,254.0	781.6
Progress billings in excess of work in progress		
Value of work completed	759.2	1,186.7
Progress billings	-1,534.3	-1,541.1
NET PROGRESS BILLINGS IN EXCESS OF WORK IN PROGRESS	-775.1	-354.4

24 Prepaid expenses and accrued income

	Group		Parent Company	
	2013	2012	2013	2012
Prepaid rents	48.8	26.9	–	–
Prepaid insurance premiums	5.8	7.0	–	0.0
Accrued income	3.9	1.0	–	–
Prepaid license expenses	22.8	25.1	22.8	25.1
Other prepaid expenses	129.5	105.0	20.8	12.9
TOTAL	210.8	165.0	43.6	38.0

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	
	2013	2012	2013	2012
Cash and bank	317.0	357.4	0.1	0.5
Short-term liquid investments	3.5	9.4	–	–
TOTAL CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	320.5	366.8	0.1	0.5

There was no commercial paper in the Sweco Group at 31 December 2013 or 2012.

26 Equity

Change in the number of shares	A shares	B shares	Total
Number of shares at 1 January 2012	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
Repurchase of treasury shares	–	-120,800	-120,800
Conversion of A shares to B shares	-9,300	9,300	–
NUMBER OF SHARES AT 31 DECEMBER 2013	9,372,364	81,740,518	91,112,882

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.

At the request of shareholders, 9,300 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 17,586,812.3, of which the class A shares correspond to 9,372,364 votes and the class B shares to 8,214,448.3 votes. In 2013 Sweco repurchased 120,800 class B shares for a total of SEK 9.4 million, which is equal to SEK 77.89 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 0.0 million (-0.8).

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 2013 the Group's holding of treasury shares amounted to 403,965 class B shares (283,165). The treasury shares were purchased at an average price of SEK 71.75 each, which is equal to a total of SEK 29.0 million. The market value at 31 December 2013 was SEK 42.8 million. The repurchased shares correspond to 0.4 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 16 April 2014.

	2013	2012
Dividend of SEK 3.25 per common share (3.25)	297.4	296.2

The amounts for 2013 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 2013, 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

The year's change in carrying amount	Group		Parent Company	
	2013	2012	**2013**	2012
Non-current interest-bearing liabilities				
Liabilities to credit institutions	1,316.5	642.3	1,312.0	662.0
Liabilities under finance leases according to Note 29	76.6	23.6	–	–
Total	**1,393.1**	**665.9**	**1,312.0**	**662.0**
Current interest-bearing liabilities				
Bank overdraft facilities	218.1	96.0	173.6	44.9
Other liabilities to credit institutions	0.2	0.2	–	–
Liabilities under finance leases according to Note 29	31.0	14.0	–	–
Total	**249.3**	**110.2**	**173.6**	**44.9**
TOTAL INTEREST-BEARING LIABILITIES	**1,642.4**	**776.1**	**1,485.6**	**706.9**

All financial liabilities are recognised at amortised cost. Other liabilities to credit institutions essentially refer to financing of acquisitions. The most important covenant refers to net debt/EBITDA. All covenants were met by a wide margin at the end of the reporting period. The bank overdraft facilities are renewed yearly and are not associated with any special conditions or obligations.

	Group		Parent Company	
Loan maturity structure	**2013**	2012	**2013**	2012
0–1 year	624.8	110.2	173.6	44.9
1–2 years	29.1	361.9	–	373.7
2–3 years	671.3	302.8	1,023.7	288.3
3–4 years	310.1	–	288.3	–
5 years and later	7.1	1.2	–	–
	1,642.4	776.1	1,485.6	706.9

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

Granted overdraft and credit terms

	Group		Parent Company	
	2013	2012	**2013**	2012
Granted credits	2,346.2	1,325.8	2,163.7	1,200.0
Utilised credits on the balance sheet date	-1,642.4	-776.1	-1,485.6	-706.9
UNUTILISED CREDITS	**703.8**	**549.7**	**678.1**	**493.1**
Rates of interest on the balance sheet date				
Borrowings from credit institutions, short-term fixed interest rates, %	2.00	2.21	2.00	2.21
Utilised short-term credits, variable interest, %	1.71	1.81	1.38	1.28

28 Provisions for pensions

DEFINED BENEFIT PENSION PLANS

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 2013 Alecta's surplus measured as a collective consolidation ratio was 148 per cent (129) and AIP's was 131 per cent (123). 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) also 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 2011 and earlier. In 2013 the Norwegian Accounting Standards Board (NASB) changed its recommendation for future life expectancy. This change resulted in an increase in the pension obligation by SEK 43.5 million 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.

Defined benefit pension plans in the balance sheet	31 Dec 2013	31 Dec 2012	1 Jan 2012
Present value of defined benefit pension obligations	-486.5	-453.1	-675.9
Fair value of plan assets	418.1	438.7	452.0
NET ASSET/LIABILITY FOR DEFINED BENEFIT PLANS	**-68.4**	**-14.4**	**-223.9**
Provisions for pensions	-68.4	-14.4	-223.9
NET AMOUNT IN THE BALANCE SHEET	**-68.4**	**-14.4**	**-223.9**

The year's change in defined benefit pension obligations	2013	2012
Defined benefit pension obligation at beginning of year	-453.1	-675.9
Current service costs	-18.8	-39.0
Interest expenses	-16.6	-16.1
Remeasurements:		
– Actuarial gains and losses on changed financial assumptions	-66.9	141.6
– Experience adjustments	0.1	4.3
Adjustments and changes in the pension plan	3.7	121.8
Benefits paid	21.4	19.4
Foreign currency translation difference	43.7	-9.2
Defined benefit pension obligation at end of year	**-486.5**	**-453.1**

The year's change in fair value of plan assets	2013	2012
Fair value of plan assets at beginning of year	438.7	452.0
Employer contributions	29.3	41.9
Contributions from the participants covered by the plan	-17.1	-14.1
Interest income	15.1	11.0
Return on plan assets, excluding interest income	0.6	0.8
Actuarial gains and losses	-5.0	11.8
Adjustments and changes in the pension plan	-3.7	-70.4
Foreign currency translation difference	-39.8	5.7
Fair value of plan assets at end of year	**418.1**	**438.7**

The present value of the obligation is divided among the members as follows:
- Active members, 56 per cent (65)
- Employees who have left the pension plan prior to retirement 3 per cent (1)
- Retired employees, 41 per cent (34)

Plan assets consist of	2013	2012
Cash and cash equivalents and short-term investments	8.9	22.3
International shares	28.2	24.4
Norwegian shares	5.2	4.6
Private equity	12.1	16.8
Alternative investments (hedge funds)	12.5	18.1
Credits	81.3	87.2
Government bonds	208.0	184.4
Fixed income securities	15.6	17.7
Real estate	46.3	63.2
TOTAL PLAN ASSETS	**418.1**	**438.7**

Defined benefit pension plans	2013	2012
Net expense in the income statement		
Current service costs	-18.8	-39.0
Net interest income/interest expense	-1.1	-5.0
Adjustments and changes in the pension plan	0.2	48.0
TOTAL NET EXPENSE	**-19.7**	**4.0**
The net expense is recognised in the income statement as		
Personnel costs	-19.7	4.0
Net expense in profit for the year	**-19.7**	**4.0**
Expense recognised in other comprehensive income		
Revaluations:		
Actuarial gains and losses	-71.8	157.8
Net expense recognised in other comprehensive income	**-71.8**	**157.8**
NET EXPENSE RECOGNISED IN COMPREHENSIVE INCOME	**-91.5**	**161.8**

The defined benefit plans are exposed to actuarial risks such as life expectancy, currency, interest rate and investment risks.

	Norway		Finland	
Actuarial assumptions, %	**2013**	2012	**2013**	2012
Discount rate	4.0	3.8	5.0	5.0
Expected return on plan assets	4.0	3.8	5.0	5.0
Annual rate of salary increase	3.8	3.8	3.0	3.0
Annual rate of pension increase	0.2	0.5	–	–
Inflation	3.8	3.3	2.0	2.0
Life expectancy assumption – pensioned at end of period:				
Men	20.7	18.1	19.0	19.0
Women	23.9	21.1	24.7	24.7
Life expectancy assumption – pensioned 20 years after end of period:				
Men	23.0	18.1	20.6	20.6
Women	26.3	21.1	26.4	26.4

The assumptions regarding future life expectancy are based on official statistics and historical experience in each country.

Sensitivity analysis

The table below presents possible changes in actuarial assumption on the balance sheet date, all other assumptions remaining constant, and how these would affect the defined benefit obligation.

	Increase	Decrease
Discount rate (1% change)	58.0	78.3
Annual rate of salary increase (1% change)	26.5	24.7
Annual rate of pension increase (1% change)	43.3	8.4

At 31 December 2013 the weighted average maturity was 15 years. For the financial year 2014, contributions to plans for post-retirement benefits are estimated at around SEK 24 million. The Group estimates that approximately SEK 27 million will be paid to defined benefit pension plans during 2014.

DEFINED CONTRIBUTION PLANS

Defined contribution pension plans	2013	2012
Allocation of expenses by pension plan		
Sweden, Alecta	-233.9	-205.0
Sweden, AIP	-19.0	-17.5
Finland	-130.4	-114.2
Norway	-54.1	-41.9
Other countries	-1.4	-1.3
TOTAL EXPENSE OF DEFINED CONTRIBUTION PENSION PLANS	**-438.8**	**-379.9**

29 Liabilities under finance leases

GROUP

	2013		2012	
	Present value	Nominal amount	Present value	Nominal amount
In current interest-bearing liabilities				
Due within one year	31.0	34.1	14.0	17.5
Total current liabilities	**31.0**	**34.1**	**14.0**	**17.5**
In liabilities to credit institutions				
Due within more than one but less than two years	29.1	30.9	14.9	17.2
Due within more than two but less than three years	41.6	42.0	8.7	9.6
Due within more than five years	5.9	5.9	–	–
Total non-current liabilities	**76.6**	**78.8**	**23.6**	**26.8**
TOTAL LIABILITIES UNDER FINANCE LEASES	**107.6**	**112.9**	**37.6**	**44.3**

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 future lease payments and residual value at the end of the lease period.

30 Accrued expenses, prepaid income and other current liabilities

	Group		Parent Company	
	2013	2012	**2013**	2012
Accrued payroll costs	144.0	158.0	2.3	4.4
Accrued vacation and overtime pay	425.5	358.0	1.3	1.3
Accrued social security contributions	346.6	271.6	9.5	7.8
Accrued interest	5.3	2.2	5.1	2.1
Other	113.9	128.1	7.0	6.5
TOTAL	**1,035.3**	**917.9**	**25.2**	**22.1**
Other current liabilities				
VAT	210.3	195.6	0.0	0.0
Employee withholding tax	124.0	109.7	0.8	0.9
Other	36.5	93.9	1.8	1.7
TOTAL	**370.8**	**399.2**	**2.6**	**2.6**

31 Pledged assets and contingent liabilities

	Group		Parent Company	
	2013	2012	**2013**	2012
Pledged assets				
Pledged assets for rents	–	1.8	–	–
TOTAL	–	**1.8**	–	–
Contingent liabilities				
Guarantee for liability of subsidiary	–	–	16.1	29.0
Performance bonds	188.9	194.3	145.2	146.8
TOTAL	**188.9**	**194.3**	**161.3**	**175.8**

32 Financial instruments by category

GROUP

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

	Carrying amount					**Fair value**			
2013	Assets held for trading	Loans and receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Shares	–	–	11.9	–	11.9	–	–	11.9	**11.9**
Currency forwards for hedging	0.7	–	–	–	0.7	–	0.7	–	**0.7**
TOTAL	**0.7**	**–**	**11.9**	**–**	**12.6**	**–**	**0.7**	**11.9**	**12.6**
Financial assets not measured at fair value									
Non-current receivables	–	8.0	–	–	8.0	–	–	–	**–**
Trade receivables	–	1,434.0	–	–	1,434.0	–	–	–	**–**
Cash and cash equivalents	–	317.0	–	–	317.0	–	–	–	**–**
TOTAL	**–**	**1,759.0**	**–**	**–**	**1,759.0**	**–**	**–**	**–**	**–**
Financial liabilities not measured at fair value									
Liabilities to credit institutions	–	–	–	1,534.8	1,534.8	–	–	–	–
Liabilities under finance leases	–	–	–	107.6	107.6	–	–	–	–
Other non-current liabilities	–	–	–	30.2	30.2	–	–	–	–
Trade payables	–	–	–	257.9	257.9	–	–	–	–
TOTAL	**–**	**–**	**–**	**1,930.5**	**1,930.5**	**–**	**–**	**–**	**–**

2012	Carrying amount Assets held for trading	Loans and receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Shares	–	–	11.5	–	11.5	–	–	11.5	**11.5**
Currency forwards for hedging	5.4	–		–	5.4	–	5.4	–	**5.4**
TOTAL	**5.4**	**–**	**11.5**	**–**	**16.9**	**–**	**5.4**	**11.5**	**16.9**
Financial assets not measured at fair value									
Non-current receivables	–	3.8	–	–	3.8	–	–	–	**–**
Trade receivables	–	1,278.7	–	–	1,278.7	–	–	–	**–**
Cash and cash equivalents	–	357.4	–	–	357.4	–	–	–	**–**
TOTAL	**–**	**1,639.9**	**–**	**–**	**1,639.9**	**–**	**–**	**–**	**–**
Financial liabilities not measured at fair value									
Liabilities to credit institutions	–	–	–	738.5	738.5	–	–	–	–
Liabilities under finance leases	–	–	–	37.6	37.6	–	–	–	–
Other non-current liabilities	–	–	–	4.3	4.3	–	–	–	–
Trade payables	–	–	–	286.9	286.9	–	–	–	–
TOTAL	**–**	**–**	**–**	**1,067.3**	**1,067.3**	**–**	**–**	**–**	**–**

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

PARENT COMPANY

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

2013	Carrying amount Loans and receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Fair value Level 3	Total
Other non-current securities	–	0.9	–	0.9	0.9	0.9
Cash and cash equivalents	0.1	–	–	0.1	–	**–**
TOTAL	**0.1**	**0.9**	**–**	**1.0**	**0.9**	**0.9**
Non-current interest-bearing liabilities	–	–	1,312.0	1,312.0	–	**–**
Current interest-bearing liabilities	–	–	173.6	173.6	–	**–**
Trade payables	–	–	11.7	11.7	–	**–**
TOTAL	**–**	**–**	**1,497.3**	**1,497.3**	**–**	**–**

2012	Carrying amount Loans and receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Fair value Level 3	Total
Other non-current securities	–	0.9	–	0.9	0.9	0.9
Cash and cash equivalents	0.5	–	–	0.5	–	**–**
TOTAL	**0.5**	**0.9**	**–**	**1.4**	**0.9**	**0.9**
Non-current interest-bearing liabilities	–	–	662.0	662.0	–	**–**
Current interest-bearing liabilities	–	–	44.9	44.9	–	**–**
Trade payables	–	–	10.4	10.4	–	**–**
TOTAL	**–**	**–**	**717.3**	**717.3**	**–**	**–**

The table above 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

No transfers between any of the levels took place during the year.

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.

The table on the next page presents a reconciliation between the opening and closing balances for financial instruments that are measured at fair value in the report in the balance sheet based on a valuation technique that uses unobservable market data (Level 3).

GROUP

	Financial investments
Opening balance at 1 January 2012	7.9
Total reported gains and losses	
– recognised in profit for the year	0.0
– recognised in other comprehensive income	-0.1
Cost of acquisitions	13.0
Proceeds from divestitures	-9.3
CLOSING BALANCE AT 31 DECEMBER 2012	**11.5**
Gains and losses recognised in profit for the year for assets that are included in the closing balance at 31 December 2012	–
Opening balance at 1 January 2013	11.5
Total reported gains and losses	
– recognised in profit for the year	
– recognised in other comprehensive income	0.3
Cost of acquisitions	0.1
Proceeds from divestitures	-0.1
CLOSING BALANCE AT 31 DECEMBER 2013	**11.8**
Gains and losses recognised in profit for the year for assets that are included in the closing balance at 31 December 2013	–

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 exchange 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 exchange contracts after matching of incoming and outgoing payments in the same currency.

The Group's transaction exposure from exports in 2013 can be broken down into the following significant currencies:

	2013			2012		
SEK M	EUR	USD	NOK	EUR	USD	NOK
Income	91.1	45.7	38.3	78.2	68.4	0.8
Expenses	-63.2	-24.3	-41.0	-51.5	-16.7	-3.5
NET	**27.9**	**21.4**	**-2.7**	**26.7**	**51.7**	**-2.7**

On the balance sheet date, the Group had the following open forward exchange contracts with a remaining time to maturity of between 0 and 27 months (previous year 0 and 36 months).

	Contract amount		Unrealised gains + / losses -		Average rate	
Currency	2013	2012	2013	2012	2013	2012
EUR	42.3	56.4	1.0	2.3	9.16	9.09
USD	9.8	32.6	0.0	2.5	6.47	7.01
Others	3.2	19.0	-0.2	0.6		

Hedge accounting has not been applied for the forward exchange 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 2013 was NOK 442 million (506) and EUR 123.6 million (135.5). The Group's policy is to not hedge translation exposure in foreign currencies except for in connection with the acquisition of FMC Group. The net investment in the foreign operation has been hedged through a foreign currency loan of EUR 74.4 million.

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 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.

Foreign exchange differences recognised in profit	Group		Parent Company	
	2013	2012	2013	2012
Net sales	0.4	0.5	–	–
Other operating expenses	-0.7	-0.6	–	–
Total foreign exchange differences in operating profit	**-0.3**	**-0.1**	**–**	**–**
Financial income	–	–	1.0	–
Financial expenses	-1.1	-2.6	–	-1.4
Total foreign exchange differences in net financial items	**-1.1**	**-2.6**	**1.0**	**-1.4**
TOTAL FOREIGN EXCHANGE DIFFERENCES IN PROFIT	**-1.4**	**-2.7**	**1.0**	**-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. The company's assessment is that loans with variable interest result in the lowest risk and financing cost over time.

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 1,024.3 million (916.5). 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:

2013	Nominal amount in original currency	Total	Within 1 mth	1–3 mths	3 mth– 1 year	1–5 years
Interest-bearing liabilities		1,316.7	–	–	0.2	1,316.5
Forward exchange contracts, EUR	4.7	42.3	-1.9	4.8	36.5	2.9
Forward exchange contracts, USD	1.5	9.8	–	4.4	5.4	–
Forward exchange contracts, others		3.2	–	3.2	–	–
Finance lease liabilities, SEK	112.9	112.9	4.5	6.2	23.4	78.8
Trade payables		257.9	171.7	80.9	4.5	0.8
Other liabilities		401.0	334.3	–	36.5	30.2
TOTAL		**2,143.8**	**508.6**	**99.5**	**106.5**	**1,429.2**

2012	Nominal amount in original currency	Total	Within 1 mth	1–3 mths	3 mth– 1 year	1–5 years
Interest-bearing liabilities		642.5	–	–	0.2	642.3
Forward exchange contracts, EUR	6.5	56.4	0.1	8.1	12.0	36.2
Forward exchange contracts, USD	5.0	32.6	11.2	11.3	10.1	–
Forward exchange 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**

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 17,000 clients in both the private and public sectors. The public sector accounts for 47 per cent, property and construction companies for 20 per cent, industrial companies for 31 per cent and other private sector companies for 2 per cent.

The ten largest clients account for 18 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 payables

	2013			2012		
	Gross	Reserve	Net	Gross	Reserve	Net
Trade receivables not yet due	1,032.2	–	1,032.2	1,026.3	–	1,026.3
Overdue trade receivables 0–30 days	237.4	-3.8	233.6	123.3	-0.6	122.7
Overdue trade receivables > 31–90 days	67.7	-1.9	65.8	40.0	-0.7	39.3
Overdue trade receivables > 91–180 days	57.4	-9.0	48.4	55.6	-9.5	46.1
Overdue trade receivables > 180 days	76.5	-22.5	54.0	60.1	-15.8	44.3
TOTAL	**1,471.2**	**-37.2**	**1,434.0**	**1,305.3**	**-26.6**	**1,278.7**

At 31 December 2013, trade receivables amounting to SEK 401.8 million (252.4) 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	2013	2012
SEK	890.6	708.1
EUR	274.4	258.9
USD	16.1	24.5
NOK	165.9	194.6
CZK	24.8	26.1
RUB	35.4	33.7
Other currencies	26.8	32.8
TOTAL	**1,434.0**	**1,278.7**

Changes in the reserve for doubtful trade receivables	2013	2012
Opening reserve for doubtful trade receivables	-26.6	-18.8
Increase through business combinations	-3.9	–
Provisions to reserve for doubtful trade receivables	-13.2	-16.4
The year's write-off of non-collectible receivables	2.9	6.5
Reversal of unutilised amount	2.7	1.4
Foreign currency translation difference	0.9	0.7
CLOSING RESERVE FOR DOUBTFUL TRADE RECEIVABLES	**-37.2**	**-26.6**

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. The district court in Helsinki announced its ruling on the case on 2 July 2013, whereby the court found that the claim of gross negligence lacked grounds. Sweco PM was found to have been negligent in certain aspects and was therefore liable for damage claims amounting to EUR 393,310 (excluding interest) to the counterparty. The case has been appealed to a higher court. Sweco PM does not consider itself to have acted with either negligence or gross negligence in the assignment.

Vattenbyggnadsbyrån 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 considers the claim to be without grounds and should furthermore be considered barred by the statute of limitations. The counterparty's claim has amounted to around SEK 25 million, but the appellate court in Ankara has finally established in respect of the ongoing lawsuit that the claim may not exceed EUR 84,000 (excluding interest).

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 +/-	2013 Effect +/-	2012 Effect +/-
Currency			
EUR	10%	4.0	10.8
USD	10%	1.6	3.8
NOK	10%	11.7	13.8
Interest rate on lending/borrowing	1%-point	2.1	2.5

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	2013	2012	1 Jan 2012
Equity	1,617.5	1,651.7	1,325.0
Non-controlling interests	15.1	22.3	10.5
TOTAL	**1,632.6**	**1,674.0**	**1,335.5**

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 2014 Annual General Meeting approve a dividend of SEK 3.25 per share, equal to a dividend share of approximately 78 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 82 per cent of profit after tax. The Group's policy is to pay an extra dividend or carry out a redemption of shares when this is permitted by the capital structure and financing requirements.

In 2013 Sweco acquired Vectura Consulting AB. The purchase consideration amounted to SEK 927 and the enterprise value was SEK 913 million. The acquisition was financed with a combination of existing loans and a new three-year credit facility. As a consequence of the acquisition and its financing, the financial target will be exceeded, which can be permitted temporarily as long as it takes place with balanced risk.

Sweco's 2013 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 2013 Share Savings Scheme.

Furthermore, the Board proposes that the 2014 Annual General Meeting authorise the Board to decide on the repurchase and transfer of treasury shares and to enable delivery of shares for the 2014 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.

To companies owned by the Nordström family, which is a shareholder controlling approximately 35 per cent of the votes in Sweco, goods and services have been sold for SEK 3.4 million (0.3). 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, consulting services have been sold for an amount of SEK 10.6 million (2.3). The related trade receivable at 31 December amounted to SEK 0.4 million (0.2). To companies owned jointly by the Nordström and Douglas families, Consulting services have been sold for an amount of SEK 0.0 million (0.1).

35 Events after the balance sheet date

On 13 February 2014 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 completed the acquisition of Finnish Tocoman Services Oy with 26 employees. Sweco has also acquired Alfakonsult AB with 26 employees and signed an agreement to acquire Metro Arkitekter with 30 employees.

After the end of the year, Sweco divested the Russian subsidiary Sweco Lenvodokanalproekt with 98 employees. The purchase consideration amounted to SEK 24 million.

36 Critical 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). Deviations in the actual outcome of these parameters are recognised in other comprehensive income.

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 19 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, 7 March 2014

Olle Nordström
Board Chairman

Anders G. Carlberg
Board member

Gunnel Duveblad
Board member

Eva Lindqvist
Board member

Johan Nordström
Board member

Pernilla Ström
Board member

Carola Teir-Lehtinen
Board member

Thomas Holm
Employee representative

Göran Karloja
Employee representative

Anna Leonsson
Employee representative

Tomas Carlsson
President & CEO

Our audit report was submitted on 11 March 2014
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 2013. 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 Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the 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 Managing Director 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 judgement, 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 Managing Director, 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 opinions.

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 2013 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 2013 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 Managing Director of SWECO AB (publ) for the year 2013.

Responsibilities of the Board of Directors and the Managing Director

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 Managing Director 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 Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director 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 Managing Director be discharged from liability for the financial year.

Stockholm, 11 March 2014
PricewaterhouseCoopers AB

Lennart Danielsson
Authorized Public Accountant

FIVE-YEAR OVERVIEW

	2013	2012[1]	2011	2010	2009
Income statement, SEK M					
Net sales	8,198.8	7,503.5	5,987.6	5,272.4	5,338.7
EBITA	656.3	757.0	554.2	443.1	456.6
Operating profit (EBIT)	560.7	681.6	531.3	432.7	443.6
Net financial items	-33.9	-28.5	-4.5	-9.0	0.0
Profit before tax	526.8	653.1	526.8	423.7	443.6
Profit for the year	379.6	457.9	374.8	299.9	294.6
Balance sheet, SEK M					
Balance sheet total	6,014.4	4,647.2	3,256.8	2,988.4	3,151.3
Equity	1,617.5	1,674.0	1,503.7	1,429.6	1,595.7
Cash and cash equivalents and current interest-bearing receivables	320.5	366.8	219.6	376.7	557.3
Interest-bearing liabilities	1,642.4	776.1	78.7	136.6	138.8
Net interest-bearing receivable/liability	-1,321.9	-409.3	140.9	240.1	418.5
Cash flow, SEK M					
Cash flow from operating activities	495.8	414.8	513.0	341.8	529.7
Cash flow from investing activities	-997.6	-655.5	-312.9	-132.5	-93.6
Cash flow from financing activities	472.0	393.2	-355.9	-362.5	-201.3
Cash flow for the year	**-29.8**	**152.5**	**-155.8**	**-153.2**	**234.8**
Key ratios					
Operating profit per employee, SEK 000s	71	93	92	87	87
Value added per employee, SEK 000s	754	753	758	758	743
Billing ratio, %	73.9	74.2	73.9	73.4	73.6
Operating margin (EBITA), %	8.0	10.0	9.3	8.4	8.6
Operating margin (EBIT), %	6.8	9.1	8.9	8.2	8.3
Profit margin, %	6.4	8.7	8.8	8.0	8.3
Equity/assets ratio, %	27.1	36.0	46.2	47.8	50.6
Net debt/equity ratio, %	81.0	24.4	-9.4	-16.8	-26.2
Debt/equity ratio, times	1.7	0.5	0.1	0.1	0.1
Interest coverage ratio, times	15	21	48	31	42
Return on equity, %	23.2	29.9	25.6	19.9	19.6
Return on capital employed, %	19.8	34.0	34.2	26.5	27.5
Return on total assets, %	10.6	17.4	17.2	14.3	14.7
Average number of employees	7,947	7,336	5,772	4,986	5,082
Share data					
Earnings per share, SEK	4.11	5.15	4.11	3.31	3.31
Diluted earnings per share, SEK	4.11	5.15	4.11	3.28	3.28
Dividend return, %	3.1	4.5	5.2	5.2	7.4
Equity per share, SEK	17.75	18.10	16.46	15.61	17.82
Diluted equity per share, SEK	17.75	18.10	16.46	15.61	17.40
Cash flow per share, SEK	-0.33	1.67	-1.71	-1.70	2.66
Diluted cash flow per share, SEK	-0.33	1.67	-1.71	-1.68	2.63
Bid price SWECO B at 31 December, SEK	106.00	73.00	57.50	58.25	53.75
Market capitalisation, SEK M	9,663	6,653	5,258	5,394	4,963
Ordinary dividend per share, SEK (2013 – proposed)	3.25	3.25	3.00	3.00	2.00
Extraordinary dividend and other profit distribution	–	–	–	–	2.00
Number of shares at 31 December	91,112,882	91,233,682	90,719,827	90,957,774	88,943,037
Number of shares after dilution at 31 December	91,112,882	91,233,682	90,719,827	90,957,774	91,074,951
Number of shares after full dilution at 31 December	91,112,882	91,233,682	90,719,827	92,257,774	92,374,951
Number of class B and C treasury shares	403,965	283,165	797,020	559,073	3,059,073

1) Due to changed accounting policies, the figures for 2012 have been restated.

COMMENTS ON THE FIVE-YEAR OVERVIEW

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 increase 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.

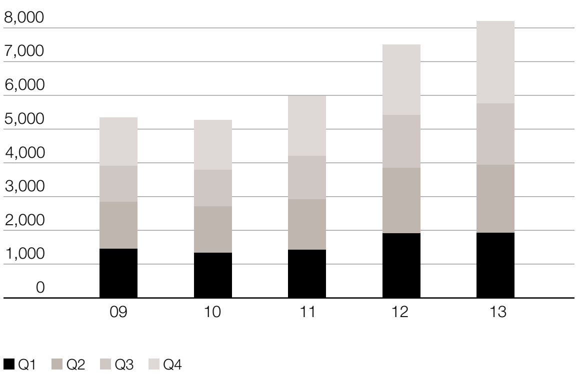
2011
2011 started with healthy demand in all of Sweco's markets. In particular, the Swedish market and the construction and infrastructure sectors showed solid growth during the year. Another stand-out was the Finnish market, which stabilised and noted rising demand for Sweco's industry-related consulting 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 682 million and operating margin was 9.1 per cent. The increase in profit of SEK 150 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.

2013
In June Sweco signed an agreement to acquire Vectura Consulting AB from the Swedish Government. Through the acquisition, Sweco became the largest engineering consultancy in the Nordic market with an unrivalled offering in the infrastructure segment. On 1 July the Sweco Industry business area was divided between the Finland, Sweden and Norway business areas. On 1 December the Russia and Central & Eastern Europe business areas were merged to create the new Central Europe business area. The downturn in the Nordic market that started at the end of 2012 continued into the first quarter of 2013. Development was weakest in the Finnish industrial sector and remained so throughout the year. The other markets in Norway, Sweden and Finland strengthened gradually during the year. Net sales were up by 9 per cent, substantially through acquisitions, and amounted to SEK 8,198.8 million. Operating profit was SEK 560.7 million. Total amortisation and impairment of acquisition-related intangible assets amounted to SEK 95.6 million (75.4), of which SEK 49.3 million refers to impairment of acquisition-related intangible assets in Russia and Eastern Europe. Integration costs for Vectura were charged to profit in an amount of SEK 53.0 million. Net debt in relation to equity was 81 per cent. Net debt in relation to EBITDA was 1.7. The number of employees rose during the year by 1,263, of which 1,355 through acquisitions. The bid price for the Sweco B share at the end of the year was SEK 106.00, an increase of 45 per cent.

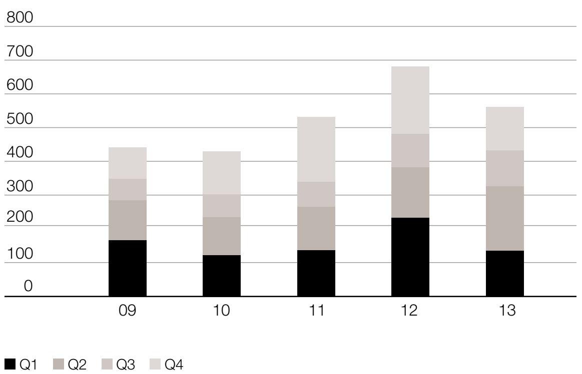
NET SALES

SEK M



OPERATING PROFIT

SEK M



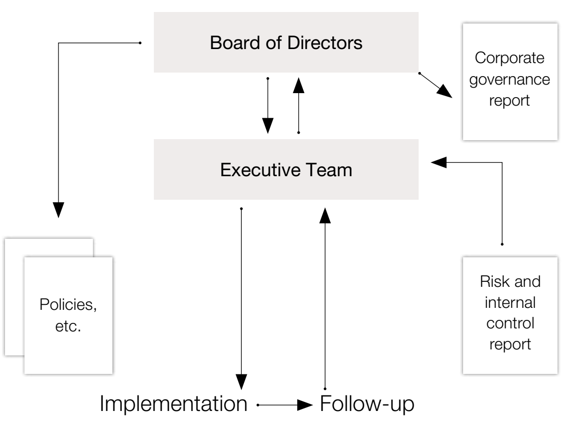
RISKS AND RISK MANAGEMENT

The Sweco Group delivers qualified consulting services to more than 17,000 clients in some 42,000 assignments every year. The Group's operations are decentralised and are conducted at 120 local offices in 12 countries. Approximately 47 per cent of the clients come from the public sector and 53 per cent from the private sector. The ten largest clients account for only 18 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 Team 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 Executive Team. Furthermore, at each meeting of the Board and the Audit Committee, a report is presented on the Group's material disputes. Below is a schematic illustration of the company's risk management process.



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.

During the year the company has had a special focus on business ethics and a business ethics compliance programme, based on Sweco's CSR policy, was implemented throughout the Group. The programme has included a risk assessment that has been carried out in each business area in order to identify risks related to business ethics. During the year the CSR policy was updated and new guidelines related to anti-corruption and gifts and business representation were introduced. In addition, new routines for suppliers and other business partners were introduced. A training programme that has included the Group's Executive Team and divisional managers, as well as other managerial positions and key positions has been carried out. A whistle-blower function, Sweco Ethics Line, has also been established. The aim of the programme is to increase awareness, ensure that adequate risk management routines are in place and also to monitor compliance within the Group. Training of managers will continue in the spring of 2014. Furthermore, an e-learning course on CSR issues will be conducted for all employees.

STRATEGIC AND OPERATIONAL RISKS

Market and projects

Changed market conditions, 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 income and margins for Sweco. Sweco's decentralised organisation and closeness to the clients enable early observation of changes in the market. The effects of 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.

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 programme that includes professional indemnity insurance to protect against liability for damages related to performance of the assignments. Quality assurance of the assignments takes place with the support of the group-wide management system sweco@work, which is certified according to the ISO 9001:2008, ISO 14001:2004 and OHSAS 18001 standards.

Employees and expertise

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 2013. 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 Programme.

Skills development and knowledge sharing are also vital for Sweco's success. The employees' expertise and ability to translate their knowledge into optimal solutions for the clients is the core of the Group's business and 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 cooperation 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.

Acquisitions
Sweco's growth is partly due to acquisitions, which can involve risks. Examples are that a transaction is based on incomplete or incorrect data, key persons leave the company, the integration is unsuccessful or anticipated results fail to materialise. In addition, acquisitions in new markets involve to risks associated with factors such as an understanding of the local market conditions, price scenario and competitive situation. These risks are minimised through a well developed acquisition and integration process where decisions about new acquisitions are made by the Board or the Executive Team according to a process with fixed decision-making points. Sweco's Board of Directors conducts an ongoing evaluation of previous acquisitions.

Business ethics and CSR
Sweco's growth involves 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. Sweco's policies, guidelines and processes are subject to continuous review and during the year the company developed these with a special focus on business ethics violations such as fraud, bribery, prohibited competition-restricting collusion and conflicts of interest.

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, regular software upgrades and redundant data centres minimise disruptions arising from technical problems. The company has an 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.

Communication
Sweco's success is associated with the ability to communicate effectively with both internal and external stakeholders. Through clear communication and a strong brand we inspire confidence and build relationships. 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 risks. Sweco' 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 pages 76–77.

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, which means that direct interest rate risk is low. With regard to currency risk, the Group normally has natural risk coverage since 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 17,000 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 Team carries out monthly reviews with the management of each business area. For more information about internal control, see page 42.

SENSITIVITY ANALYSIS

SENSITIVITY ANALYSIS

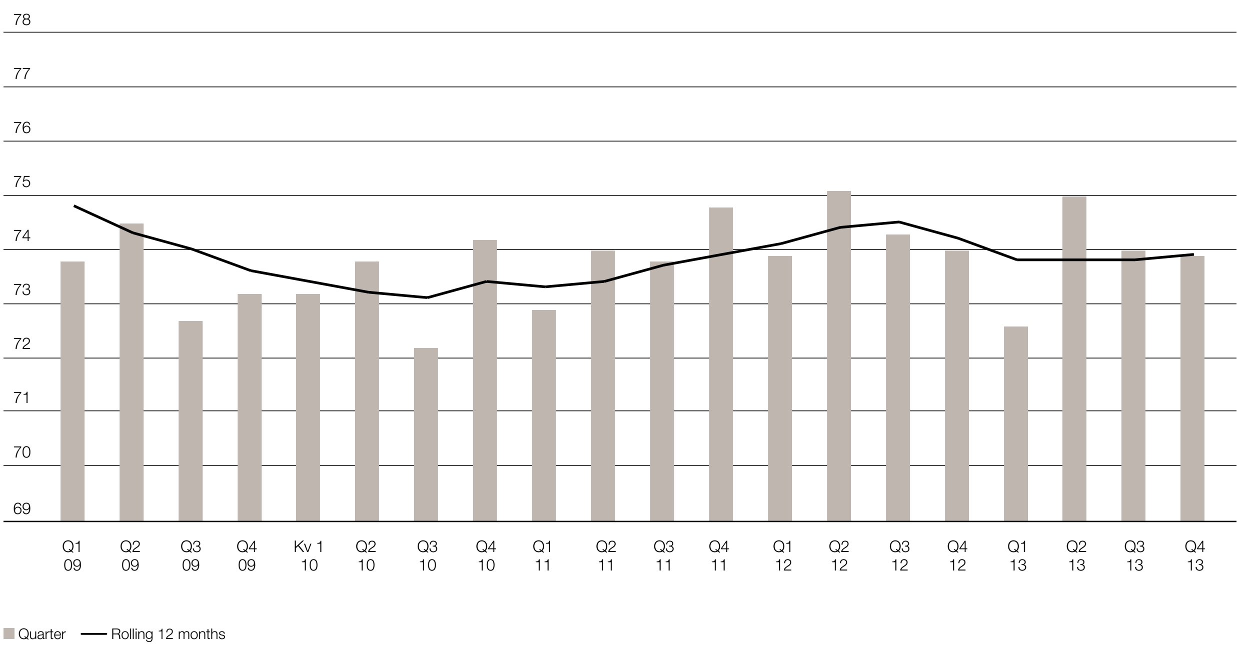
Sweco's earnings are influenced by a number of factors. The billing ratio is of vital importance for attaining high profitability in a consulting company, where small changes in capacity utilisation and prices have a significant impact on earnings, both upwards and downwards. For Sweco, an increase in 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 87 million. An increase of SEK 10 in the average hourly fee would lead to an increase in annual profit by around SEK 99 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 2013. For every assumed change, all other variables are assumed to be constant.

Sensitivity analysis

		Effect +/-	
Factor	**+/-**	**Cash flow/operating profit**	**Earnings per share[1)]**
Net sales			
– average fee	1%	SEK 72 million	SEK 0.57
– average hourly fee	SEK 10	SEK 99 million	SEK 0.80
– billing ratio	1 %-point	SEK 87 million	SEK 0.70
Personnel costs	1%	SEK 54 million	SEK 0.44
Overhead expenses	1%	SEK 12 million	SEK 0.10
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 9,663 million.

SHARE PRICE PERFORMANCE AND TRADING

The bid price for the Sweco B share was SEK 73.00 at the beginning of the year and SEK 106.00 at the end of the year, representing an increase of 45 per cent during the year. Over the same period, NASDAQ OMX Stockholm rose by 23 per cent. The highest bid price for the class B share in 2013 was SEK 106.00 and the lowest was SEK 68.75. The highest bid price for the class A share was SEK 102.00 and the lowest was SEK 66.00.

A total of 6,732,724 Sweco shares were traded on NASDAQ OMX Stockholm during the year. The average trading volume per business day was 26,587 class B shares and 641 class A shares.

The annual total return on the Sweco B share, defined as the sum of share price performance and reinvested dividends, has averaged at 31 per cent over the past five years. The corresponding figure for NASDAQ OMX Stockholm was a total of 20 per cent.

SWECO AB's SHARES[1)2)]

	Number		Holding, %	
	Shares	Votes	Shares	Votes
A	9,372,364	9,372,364.0	10.2	53.3
B	82,144,483	8,214,448.3	89.8	46.7
TOTAL	**91,516,847**	**17,586,812.3**	**100.0**	**100.0**

1) Including 403,965 class B shares and 40,396.5 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.

LARGEST SHAREHOLDERS AT 30 DECEMBER 2013[1)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
Investmentaktiebolaget Latour	1,222,760	27,775,000	28,997,760	22.8	31.7
J. Gust. Richert Memorial Foundation	1,769,420	168,511	1,937,931	10.2	2.1
JPM Chase NA	0	3,854,138	3,854,138	2.2	4.2
Swedbank Robur Fonder	0	3,227,687	3,227,687	1.8	3.5
Nordea Investment Funds	0	3,197,885	3,197,885	1.8	3.5
Öhman, Anders	250,000	450,000	700,000	1.7	0.8
KDTC	0	2,893,289	2,893,289	1.6	3.2
Lannebo fonder	0	2,757,533	2,757,533	1.6	3.0
ODIN Sverige Aksjefondet	0	2,254,734	2,254,734	1.3	2.5
Total, ten largest shareholders	**8,432,796**	**55,326,574**	**63,759,370**	**79.5**	**69.7**
Others	**939,568**	**26,817,909**	**27,757,477**	**20.5**	**30.3**
TOTAL	**9,372,364**	**82,144,483**	**91,516,847**	**100.0**	**100.0**

1) Including 403,965 class B shares and 40,396.5 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.

TREASURY SHARES

At 31 December 2013 Sweco held a total of 403,965 class B treasury shares with an average purchase price of SEK 71.75, equal to a total of SEK 29.0 million. The market value at the end of the year was SEK 42.8 million. The treasury shares correspond to 0.4 per cent of the total number of shares and 0.2 per cent of the votes.

Sweco's 2013 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.

During the year, at the request of shareholders, 9,300 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 17,586,812.3, of which class A shares correspond to 9,372,364 votes and class B shares to 8,214,448.3 votes.

Distribution of shareholdings at 30 December 2013[1)2)]

Number of shares	Number of shareholders	Number of A shares	Number of B shares	Holding, %	Votes, %
1–500	4,309	48,423	806,417	0.9	0.7
501–1,000	1,311	37,562	1,027,525	1.2	0.8
1,001–10,000	1,842	231,557	5,225,086	6.0	4.3
10,001–50,000	220	241,966	4,429,062	5.1	3.9
50,001–100,000	33	190,742	2,098,643	2.5	2.3
100,001–	63	8,622,114	68,557,750	84.3	88.0
TOTAL	**7,778**	**9,372,364**	**82,144,483**	**100.0**	**100.0**

1) Including 403,965 class B shares and 40,396.5 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.

INCENTIVE SCHEMES FOR SENIOR EXECUTIVES

The 2013 Annual General Meeting (like the Annual General Meetings in 2011 and 2012) resolved to implement a long-term share savings scheme directed at senior executives in the Sweco Group, the 2013 Share Savings Scheme. Under the 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 2013. If the Saving Shares are held until the announcement of the year-end report for the 2016 financial year (“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 Board has decided to propose that the 2014 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.

The participants and number of shares covered by each of the earlier share savings schemes are shown below.

	Share savings scheme 2011	2012	2013	Total
Number of participating executives/key staff	28	30	35	–
Number of Savings Shares acquired by the participants with their own funds at market price	28,543	34,107	28,132	90,782
The maximum number of Matching and Performance Shares that can be delivered to the participants[1)]	89,095	126,150	97,294	312,539
The Retention Period runs until the publication of the year-end report for the financial year	2014	2015	2016	–

1) If the Saving Shares are held until the end of the respective Retention Period and the participant remains employed in his/her position, each Savings Share shall grant entitlement to one Matching Share and – provided that the performance criteria for the total yield on the Sweco share are met – to an additional number of not more than one to four Performance Shares.

DIVIDEND POLICY

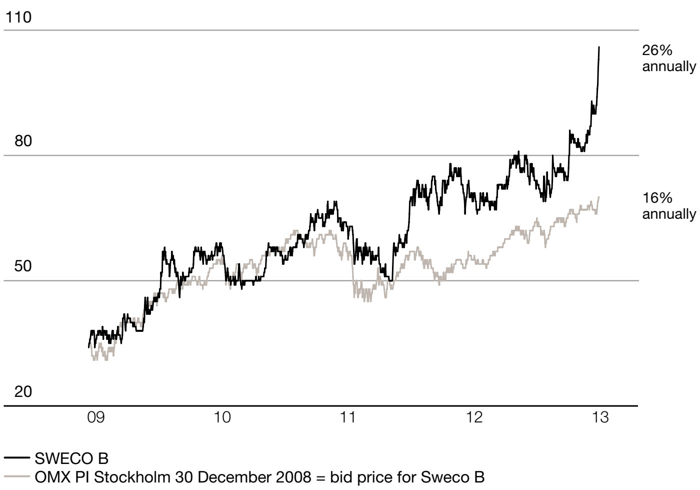
Sweco’s dividend policy is to distribute at least half of profit after tax to the shareholders while maintaining a capital structure that permits development of and investments in the company’s core business.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend for the 2013 financial year of SEK 3.25 per share (3.25), amounting to a maximum capital distribution of SEK 297.4 million (296.2).

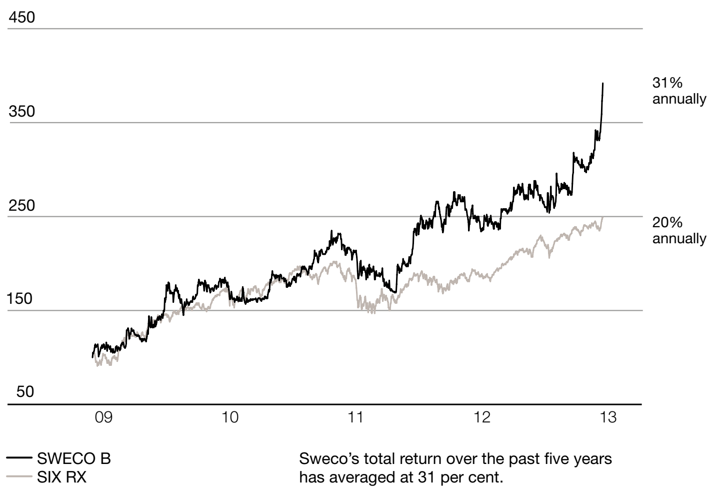
SHARE PRICE PERFORMANCE 5-YEAR

SEK



TOTAL RETURN 5-YEAR

Index 100 = 30 December 2008



Sweco’s total return over the past five years has averaged at 31 per cent.

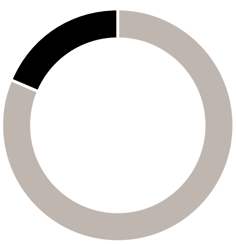
Development of the share capital[1)]

	Change in the number of shares			Total number of shares				
Date	A shares	B shares	C shares	A shares	B shares	C shares	Quota value, SEK	Share capital, SEK M
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
2013, Mar: Conversion	-3,300	3,300	–	9,378,364	82,138,483	–	1	91.5
2013, Dec: Conversion	-6,000	6,000	–	9,372,364	82,144,483	–	1	91.5

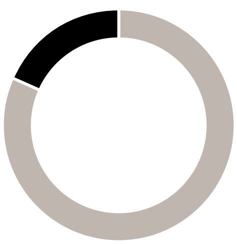
1) Including 403,965 class B shares and 40,396.5 votes pertaining to treasury shares.

SHAREHOLDERS BY CATEGORY, 30 DECEMBER 2013

Holding as a % of shares

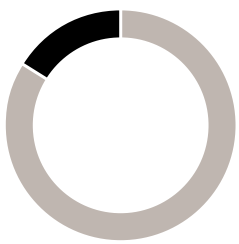


Institutional investors, 81.5%
Private investors, 18.5%

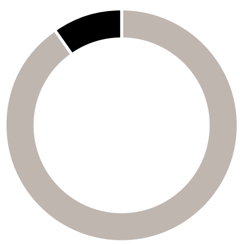


Swedish shareholders, 81.7%
Foreign shareholders, 18.3%

Holding as a % of votes



Institutional investors, 84.1%
Private investors, 15.9%



Swedish shareholders, 90.3%
Foreign shareholders, 9.7%

BOARD OF DIRECTORS AND AUDITORS

OLLE NORDSTRÖM
Born in 1958. Board Chairman. Member of the Board since 1997. **Chairman of:** Skirner AB and Stockholms Stads Brandförsäkringskontor. **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 12,076,413 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. **Board member of:** Axel Johnson Inc, Investment AB Latour, Mekonomen AB, Gränges 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 and former President and CEO of Nobel Industrier AB. **Holdings in Sweco:** 10,000 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:** Architect, Royal Institute of Technology in Stockholm (KTH). **Experience:** CEO of Skirner AB, former Property Manager at Näckebro. **Holdings in Sweco:** 225,000 directly held shares and 12,076,413 shares held through Skirner Förvaltning AB, which is owned by the Nordström family.

GUNNEL DUVEBLAD
Born in 1955. Member of the Board since 2008. **Chairman of:** Team Olivia AB, Global Scanning A/S and Stiftelsen Ruter Dam. **Board member of:** Anoto Group AB, HiQ International AB and PostNord AB, among others. **Education:** Systems Scientist, Umeå University. **Experience:** former President of EDS Norra Europa. **Holdings in Sweco:** 1,000 shares.

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 and Columbia Business School (New York). **Experience:** former President of NCC Construction Sweden. **Holdings in Sweco:** 14,321 shares.

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.

AUDITORS

Pricewaterhouse-Coopers AB
Auditor in Charge: Lennart Danielsson, Authorised Public Accountant.
Other assignments: Studsvik AB.

RESIGNED

Kai Wärn
Born in 1959. Resigned on 17 April 2013.

Aina Nilsson Ström
Born in 1953. Resigned on 17 April 2013.

CAROLA TEIR-LEHTINEN

Born in 1952. Finnish citizen. Member of the Board since 2011. **Board member of:** Stockmann Oyj, Universitetsapoteket, 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.

EVA LINDQVIST

Born in 1958. Member of the Board since 2013. **Board member of:** ASSA ABLOY AB, Tieto Oy, Bodycote plc, Episerver AB and Micronic Mydata AB, among others. **Education:** M.Sc. Eng., Linköping University and MBA, University of Melbourne, Australia. **Experience:** Former President of TeliaSonera International Carrier. **Holdings in Sweco:** 1,000 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.

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.

GÖRAN KARLOJA

Born in 1953. Employee representative since 2008. **Education/ experience:** Engineer. **Employed by Sweco since:** 2001. **Holdings in Sweco:** 677 shares.

DEPUTY MEMBERS

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.

EXECUTIVE TEAM

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 and Columbia Business School (New York). **Experience:** former President of NCC Construction Sweden and member of NCC's management team. **Holdings in Sweco:** 14,321 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:** 7,061 shares.

ÅSA BERGMAN
Born in 1967. President of Sweco Sweden since 2012. **Year of employment:** 1991. **Holdings in Sweco:** 6,497 shares.

MARKKU VARIS
Born in 1958. President of Sweco Finland since 2013. **Year of employment:** 1993. **Holdings in Sweco:** 1,500 shares.

TRON KJØLHAMAR
Born in 1957. President of Sweco Norway since 2012. **Year of employment:** 1988. **Holdings in Sweco:** 4,023 shares.

BO CARLSSON
Born in 1956. President of Sweco Central Europe since 2012. **Year of employment:** 1990. **Holdings in Sweco:** 5,864 shares.

JESSICA PETRINI
Born in 1971. HR Director at Sweco AB since 2006. **Year of employment:** 1998. **Holdings in Sweco:** 476 shares.

ÅSA BARSNESS
Born in 1973. Communications Director at Sweco AB since 2014. **Year of employment:** 2013. **Holdings in Sweco:** 548 shares.

LISA LAGERWALL
Born in 1972. Legal Counsel at Sweco AB since 2011. **Year of employment:** 2006. **Holdings in Sweco:** 1,761 shares.

ANNUAL GENERAL MEETING

Annual General Meeting
The Annual General Meeting of SWECO AB (publ) will be held on Wednesday, 16 April 2014, 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, 10 April 2014, 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, 10 April 2014, 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, 10 April 2014. 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 Wednesday, 23 April 2014. If the Meeting decides in favour of the proposal, dividends are expected to be disbursed by Euroclear Sweden AB on Euroclear Sweden AB on Monday, 28 April 2014.

DEFINITIONS

Acquisition-driven growth
Annual growth in net sales in local currencies, based on acquired businesses.

Amortisation and impairment of acquisition-related intangible assets
Amortisation and impairment of goodwill and other acquisition-related intangible assets.

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 2013) 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.

EBITA
Operating profit before amortisation and impairments of goodwill and acquisition-related intangible assets.

EBITA margin
EBITA in relation to net sales.

EBITDA
Operating profit before amortisation/depreciation and impairments of intangible assets, property, plant and equipment.

EBITDA margin
EBITDA in relation to net sales.

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.

Growth, currency effects
Effect of exchange rate changes on net sales growth.

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.

Net debt
Cash and cash equivalents less interest-bearing liabilities.

Normal working hours
Normal working hours are defined as the potential number of hours, according to the calendar, that an employee could work if he/she is not absent and does not work overtime.

Operating margin
Operating profit as a percentage of net sales.

Operating profit (EBIT)
Profit before net financial items and tax.

Operating profit per employee
Operating profit excluding one-time items divided by the average number of employees.

Organic growth
Annual growth in net sales in local currencies, excluding acquisitions.

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 plus personnel costs divided by the average number of employees.

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