

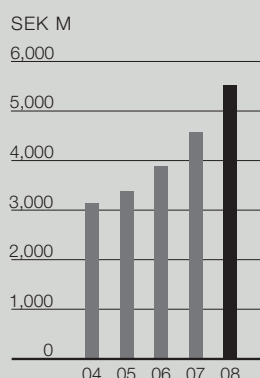
# ustainable engine d design

# Record profit and powerful growth

Sweco's engineers, architects and environmental experts are working together to contribute to the creation of consulting services with a high knowledge content that are often provided at an early stage of client projects, from analyses and strategic planning to engineering, design and project management. With more than 5,500 employees and a leader in several market segments of the Nordic and Baltic regions, Bulgaria, the Czech Republic and Poland, Sweco has completed some 31,000 projects for around 10,000 clients. Sweco has a local presence in ten countries and projects

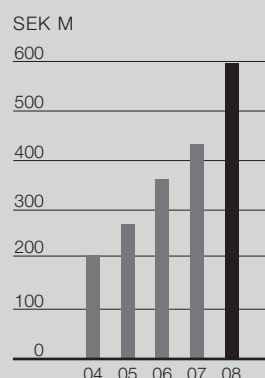
Consolidated net sales in 2008

**+21%**



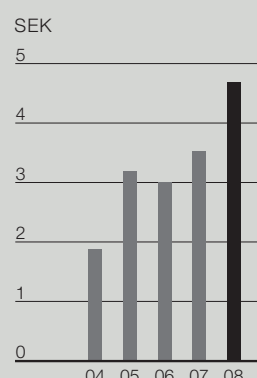
Consolidated operating profit in 2008

**+38%**

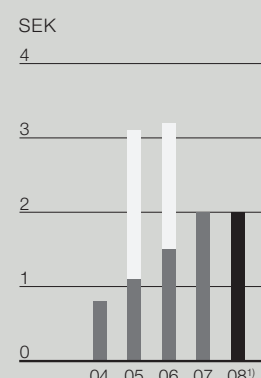


Earnings per share in 2008

**+33%**



Dividend per share in 2008



■ Share redemption  
1) Proposed dividend

- Net sales increased by 21 per cent to SEK 5,522.8 million (4,569.5).
- Operating profit rose by 38 per cent to SEK 596.3 million (432.5).
- Profit after tax was SEK 402.9 million (303.3), equal to earnings per share of SEK 4.68 (3.53).
- Operating margin was 10.8 per cent (9.5).
- Profit before tax was SEK 588.2 million (425.7).
- The Board proposes a dividend of SEK 2.00 per share (2.00).

## Profit and key ratios, Group

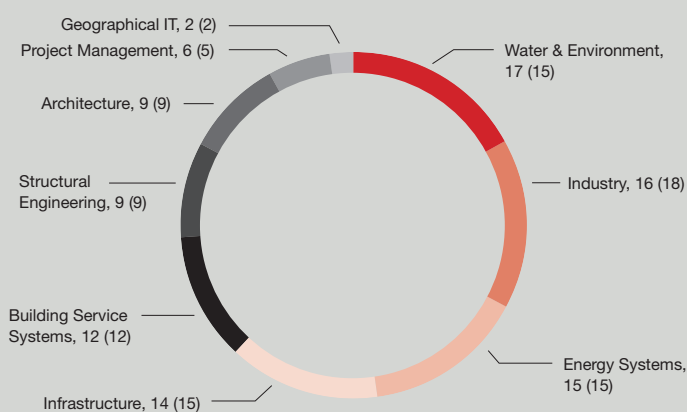
	2008	2007
Net sales, SEK M	<b>5,522.8</b>	4,569.5
Operating profit, SEK M	<b>596.3</b>	432.5
Profit before tax, SEK M	<b>588.2</b>	425.7
Operating margin, %	<b>10.8</b>	9.5
Billing ratio, %	<b>75.6</b>	76.1
Return on equity, %	<b>34.6</b>	33.8
Return on capital employed, %	<b>44.4</b>	41.7
Equity/assets ratio, %	<b>47.0</b>	39.0
Earnings per share, SEK	<b>4.68</b>	3.53
Equity per share, SEK	<b>16.09</b>	11.06
Dividend per share, SEK	<b>2.00<sup>1)</sup></b>	2.00
Average number of employees	<b>5,453</b>	4,699

1) Proposed dividend

on of a sustainable society. Sweco delivers professional  
 ects, covering the entire range from feasibility studies,  
 employees, we are among the largest players in Europe  
 and northwestern Russia. In 2008 Sweco carried out  
 t exports to some 80 countries worldwide.

### Services

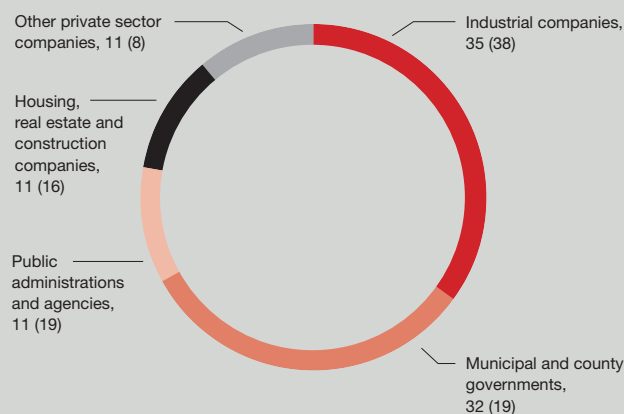
Share of group sales in 2008, %



Read more about Sweco's services on page 6.

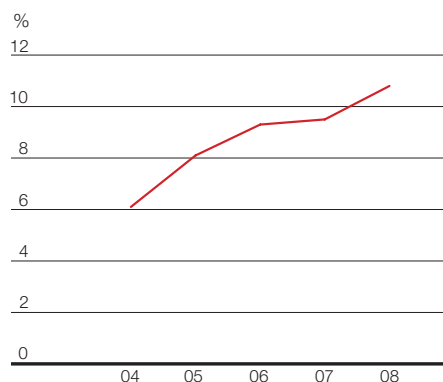
### Sweco's clients

Sales by client category in 2008, %



### Operating margin in 2008

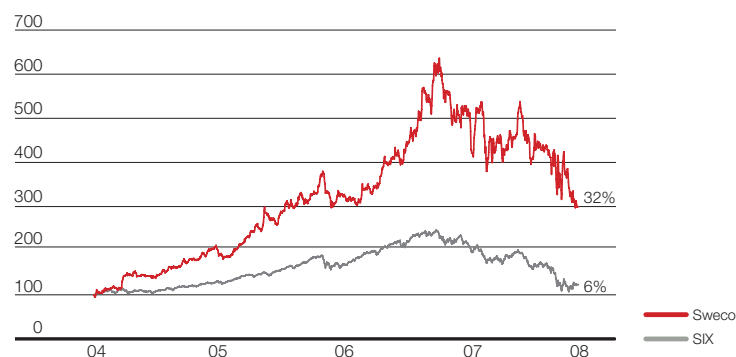
**10.8%**



### Total return Sweco B, 5 years

**32%**

Average total return over the past five years.



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# Engineering Begin

### Financial calendar

4 May 2009	Interim report January–March 2009
21 July 2009	Interim report January–June 2009
9 November 2009	Interim report January–September 2009
12 February 2010	Year-end report 2009

### Green news

Visit [www.swecogroup.com/ir](http://www.swecogroup.com/ir) to subscribe for reports and press releases from Sweco. Choose the information you want to receive and it will be sent to your e-mail address on the date of publication. Fast, easy and eco-friendly!

# Sustainable engineering and design



Today everyone is talking about the need for sustainable long-term development, with a focus on our global climate, energy supply and environment. At Sweco, this focus represents the continuation of a longstanding tradition. Every year, in more than 80 countries worldwide, our more than 5,500 consultants carry out assignments that span across multiple disciplines in engineering, environmental technology and architecture, all defined by a commitment to sustainability. The results of this work are cleaner air and purer water, more efficient energy usage, better living and working environments, smarter transport solutions and industries that are profitable and environmentally sound.

We call it sustainable engineering and design. By that, we simply mean that we make it possible for our clients to carry out their projects not only with high quality and good economy but also with the best possible conditions for sustainable long-term development.

The concept of sustainability, or sustainable development, was established by the UN report "Our Common Future" from 1987, also known as the "Brundtland Report", which defines sustainability development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."





## Message from the CEO

### Well equipped for new opportunities ahead

"With our solid financials, highly skilled employees and strong market positions, we are well equipped to seize the new business opportunities arising in the years ahead."

2008 began with favourable market conditions in all areas of operation; high oil and raw material prices, stable asset prices, rising investment in infrastructure and relatively low market interest rates. The majority of indicators pointed upward. At the same time, environmental and climate issues were high on most agendas and one of our biggest challenges was to secure adequate resources for our contracted assignments.

However, 2008 would prove to be a year of contrasts. As the effects of the financial crisis spilled over to the European markets, they triggered sudden and severe slowing in the real economy. The difficulty of securing project financing combined with declining demand and plummeting asset prices established a whole new playing field for the consulting engineering industry, and naturally also for us.

Despite rapid deterioration in the market at the end of the year, we achieved a level of earnings that represents a significant improvement over 2007. Operating profit reached SEK 596 million, an increase of 38 per cent compared to the year before. And although our overall operating margin of 10.8 per cent fell short of the targeted 12 per cent, a full 65 per cent of our operations in fact exceeded the target level. The year's earnings growth was driven mainly by strong performance in the Swedish and Norwegian units.

After having delivered positive returns to our shareholders for several consecutive years, in 2008 Sweco saw its share price fall by 47 per cent, compared to a decrease of 42 for the OMX Stockholm Index. Seen over a period of five years, total annual return has averaged at 32 per cent, compared to 6 per cent for OMX Stockholm.

We have further advanced our market positions, with growth of around 45 per cent in Sweco Norway and Sweco Finland sustained strong profitability.

Our expansion in Central and Eastern Europe is continuing. We are now one of the leading players in Bulgaria following the acquisition of Energoprojekt, a company whose energy services are well matched to Sweco's offering, particularly with regard to hydropower capabilities. In Russia we acquired the remaining 50 per cent of Lenvodokanalproekt and initiated a large-scale restructuring process in the company.

Our growth strategy stands firm. Although building-related and industrial consulting services will be impacted by a weaker market in the near term, we are convinced that urgent issues in areas like energy supply, environment, climate and infrastructure will stimulate strong demand for our services in the future. Furthermore, the ability to approach these issues from a sustainability perspective demands multidisciplinary expertise. A commitment to sustainable development has been a hallmark of Sweco's culture for many years and is today an integral part of our business.

In one current project we are analysing Stockholm's future energy supply and formulating proposals for strategies and action plans that will

enable the region to minimise its energy usage and climate impact. Another example is found in China, where we remain active in sustainable urban development, this time in planning a new eco-city for one million people in the Tangshan region. Recently, we were also commissioned by Iraq's Ministry of the Environment to prepare a comprehensive development programme to address pollution problems in the country.

We are identifying and addressing strategic challenges for the future and seeking new growth opportunities that meet our profitability requirements. Alongside the introduction of new employees, we are working to integrate new units into the Group and ensure the implementation of our systems and working methods to promote and secure the exchange of knowledge and experience in pace with our growth.

We have continued to strengthen and more clearly define our brand. In the spring we "abandoned" our old company names to become a single, unified Sweco. Parallel to this, we launched activities to position ourselves as the leading provider of services for sustainable engineering and design, which we will be seeing more of in 2009.

Our greatest and most important challenge for the future is to increase the professional capacity of our employees and managers. A number of initiatives have been taken to create the conditions for a more active and uniform employee development process. Sweco Talk, our group-wide employee development tool, will provide a platform for skills and career development, evaluation of goal attainment and support for development of our leadership culture.

What can we expect in 2009? Without a doubt, we will be affected by an escalating market downturn and a decrease in economic activity that is both global and simultaneous. Parts of our operations, mainly in the industrial segment and the Baltic countries, are already feeling the effects of lower demand and we have been forced to adapt our resources accordingly. Despite fears of a deep and protracted recession, several of our business segments will benefit from the expansive economic policy now being pursued. Demand for infrastructure, energy and environmental services will remain strong even in a weak economy.

Sweco is prepared for tougher times. With our healthy finances, highly skilled employees and strong market positions, we are well equipped to seize the new business opportunities arising in the years ahead.

Our strategy stands firm!

Stockholm, February 2009



Mats Wäppling  
President and CEO

Sweco's business concept is to create value through the delivery of professional consulting services



### Value for society

The engineers, architects and environmental experts at Sweco are working together to build a safer, more environmentally sound and growing society. The tangible results of our work are cleaner air and purer water, more attractive and functional living and working environments, more effective distribution and use of energy, roads and bridges that increase traffic safety and shorten travelling time, and industries that are more efficient, profitable and environmentally sound.

### Value for our clients

We help our clients to realise their ambitions by delivering professional consulting engineering services in a wide range of areas. With our skills and knowledge, we enable our clients to carry out their projects with the highest standards of quality and economy. By promoting greater integration between urban planners, infrastructure engineers, architects, structural engineers, industrial and energy consultants and environmental experts, we create the conditions for client projects that contribute to sustainable development of society.

### Value for our shareholders

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



## Vision, mission and strategies

# Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture

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### VISION

Sweco's vision is to become Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture.

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### MISSION

Sweco's mission is to actively contribute to sustainable development of society.

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### BUSINESS MODEL

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

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### PROFITABILITY TARGET

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

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### STRATEGIES

#### GROWTH

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

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#### EMPLOYEES

Sweco aims to be the most attractive workplace for consulting engineers and architects, with ample opportunities for professional and personal development. Both recent graduates and experienced consultants are recruited by communicating the Group's corporate culture and potential in a consistent manner in all countries, and we apply a universal model for introduction of new employees. The skills of employees and managers are enhanced primarily in their day-to-day work but also through a group-wide employee development process based on individual goals, continuous feedback and personalised development plans. Sweco's management succession is ensured through Next Generation, an ongoing process and programme aimed at developing good managers.

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#### KNOWLEDGE

Sweco is a transparent, curiosity-driven and responsive company in which knowledge-sharing and teamwork between the Group's employees and units are a natural aspect of all dealings with clients. The individual employees are assisted in their work by effective systems that support the business model and guarantee optimal performance of assignments to deliver high client benefit. Development and training of our employees and managers are promoted through a standardised course offering via the Sweco Academy. Cutting-edge expertise is developed in group-wide networks and forums with input from Sweco's foremost experts.

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#### CORPORATE CULTURE AND BRAND

Sweco uses a uniform brand in all markets where the company is active to ensure that the clients and other stakeholders have clear idea of what Sweco does and what we stand for. The brand should express the company's core values of curiosity, commitment and responsibility. Curiosity leads to development and the discovery of new knowledge and better solutions. Commitment creates a foundation for greater work satisfaction, higher quality, deeper relationships and new contact interfaces. Responsibility ensures security for our clients.

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# Services

Sweco is one of the leading consulting engineering companies in Europe, with a local presence in ten countries and extensive project exports worldwide. Operations are conducted in six business areas that offer professional consulting services in the segments of water & environment, industry, energy systems, infrastructure, building service systems, architecture, structural engineering, project management and geographical IT. The services are often provided at an early stage of client projects and cover the entire range from feasibility studies, analyses and strategic planning to design, engineering and project management. Through collaboration between the various business segments, representing a wide range of core competencies, Sweco can create strong consulting teams capable of taking on large and complex projects. Of Sweco's clients, 57 per cent come from the private sector and 43 per cent are municipal and county governments, public agencies and national administrations.

## Business segments



### **WATER & ENVIRONMENT, 17% OF GROUP SALES**

Sweco delivers water and environmental services with a focus on efficient long-term utilisation of resources. The services include solutions for water supply, wastewater treatment, waste management, mains systems, industrial environmental engineering and soil and site remediation. Sweco also performs different types of environmental studies and impact assessments.



### **INDUSTRY, 16% OF GROUP SALES**

Sweco's industrial consultants provide technical solutions and methods that streamline, upgrade and quality assure production in the majority of industrial areas and have special expertise targeting the chemical, pulp and paper and marine industries, energy production and product development. The range of services includes everything from consulting, engineering, design to project management services.



### **ENERGY SYSTEMS, 15% OF GROUP SALES**

By offering services at all stages of the energy chain – from production to distribution and consumption – Sweco takes a total approach to energy and helps its clients to develop a cost-effective and environmentally sustainable energy supply. Consulting services are provided in areas such as power and heat generation, power transmission networks, infrastructure engineering, plant supervision, energy settlement, telecommunications, energy analysis and operational development.



### **INFRASTRUCTURE, 14% OF GROUP SALES**

Consulting services are offered in land and transportation, hydraulic works and civil engineering. The goal is to create a society in ecological balance, where traffic flows smoothly and infrastructure and public works contribute to greater ease and higher quality of life. The comprehensive range of services includes studies, engineering and design of roads, railways, bridges, tunnels, dams, harbours and power stations, as well as projects related to traffic planning, public transportation and traffic safety.



### **BUILDING SERVICE SYSTEMS, 12% OF GROUP SALES**

Sweco's building service systems consultants offer solutions for energy design, comfort and security. Integrated systems and solutions create a good indoor climate, low energy usage and functional buildings. The offered services range from advice, planning and design to control and monitoring, inspection, energy optimisation and maintenance planning of service systems.



### **ARCHITECTURE, 9% OF GROUP SALES**

Sweco creates architecture for a sustainable society and contributes to good environments where people can live, work, learn, play and heal. Sweco offers services in interior design, urban planning and landscape architecture and has expertise in architecture for industry, education, care and medical facilities, as well as advanced visualisation and strategic analysis.



### **STRUCTURAL ENGINEERING, 9% OF GROUP SALES**

Sweco's structural engineers provide services for technologically advanced industrial and building construction projects. The service portfolio includes industrial design, building construction, complex steel structures, dynamic analyses, advanced foundational engineering and environmental performance of buildings. Sweco's structural engineers dimension and plan buildings such as industries, homes, businesses, schools, hospitals and sporting facilities.



### **PROJECT MANAGEMENT, 6% OF GROUP SALES**

Sweco's project managers offer qualified project management and administration services and lead projects with high demands on teamwork and a focus on results. The services are provided in projects of all types, primarily in the construction and property sectors. The offering also includes development and management of quality, development and environmental projects, as well as strategic advice, facility management, tenant support, analyses and performance management.



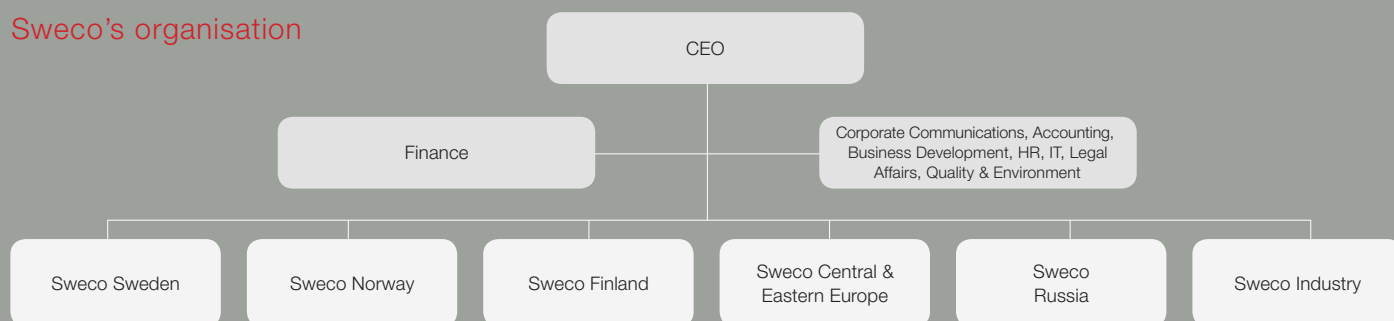
### **GEOGRAPHICAL IT, 2% OF GROUP SALES**

Sweco's GIS consultants structure, analyse and present information in a clear and easy-to-grasp manner with the help of maps and geographical positioning. Sweco has a comprehensive service offering with an emphasis on geographic information system, so-called GIS services, enterprise portals and mobile information systems.

Sweco has a flat and client-driven organisation with offices at 90 locations in Europe and an additional 15 locations in other parts of the world. The Group's decentralised and result-oriented business model means that all energy can be focused on the business and work in the client projects. Of Sweco's total of 5,500 employees, around 4,500 are based in the Nordic region and 1,000 in Central and Eastern Europe.



## Sweco's organisation



## Markets and trends

### Demand driven by growing sustainability challenges

The effects of the global financial crisis emerged at the end of the year and mainly affected industrial and building-related consulting services. Short-term market development is difficult to predict, but there are powerful drivers for rising long-term demand for Sweco's services. Ongoing urbanisation, modernisation of infrastructure and energy systems, a growing awareness of global environmental challenges and dynamic economic growth in Central and Eastern Europe are all key factors that are boosting demand for sustainable solutions.

### Market development

#### Strong market in 2008 shifts to sharp downturn

Development in Sweco's markets was generally strong throughout most of 2008, but economic slowing toward the end of the year had a visible impact on demand in the construction sector and certain industries. Although the market situation in other business segments remained strong at the beginning of 2009, the downturn is accelerating and market development is difficult to predict. At the same time, rising infrastructure investments are anticipated in the coming year. The near term outlook for increased demand in the energy, water and environment areas is also favourable, in both the Nordic region and internationally.

#### *Nordic countries*

The infrastructure market in Sweden and Norway is expanding and the outlook remains positive. Long-term growth is also anticipated in the energy area, among other things with regard to wind and hydroelectric power. Good conditions for growth are present in the water and environment segment, where demand is accelerating in pace with stricter environmental requirements. The market for geographical IT is growing with a steadily rising number of applications, while activity in the construction sector has slowed further, above all in residential building. The order situation for industry-related services in Sweden and Norway remains good, but there is considerable uncertainty about future investments.

Demand for industrial and building-related consulting services in Finland decreased markedly at the end of the year and housing construction fell by nearly half. However, increased rebuilding and renovation is awaited as a result of new energy and environmental requirements. While the Finnish mining, pulp and paper, telecom and electronics industries have all been severely impacted by postponed investments, the level of spending in other industrial sectors remains high and new projects have been launched in the chemical, oil and gas industries. In the infrastructure sector, the outlook in the Finnish market is positive with anticipated volume growth.

#### *Central and Eastern Europe*

Growth in Central and Eastern Europe has slowed. The assessment is that the ongoing adaptation to EU standards will continue, but at a more moderate pace. In the construction sector there has been a clear drop in demand for residential building, although Sweco's exposure to this sector is limited. The slowdown is most pronounced in Estonia. In the Czech Republic and

Bulgaria, where Sweco's emphasis is on water and environmental services, the market situation is stable.

#### *Russia*

Activity in the Russian economy decreased sharply in the fourth quarter. The most significant slowdown has taken place in the raw material and industrial sectors, which have been hard hit by declining global demand. A generally weak market for consulting engineering services is therefore anticipated in 2009. Despite this, public finances remain strong and the government is committed to upholding public investments, of which clean drinking water and improved wastewater treatment are explicit priorities.

#### *Global*

Global demand for consulting engineering services is stable in areas related to energy, environmental and urban planning in connection with modernisation and upgrading of water and wastewater, transport and energy supply systems. Dynamic growth in countries like China and the developing nations of Africa is driving demand for qualified consultants with international experience. This trend indicates good long-term prospects for Sweco's export of qualified services outside Europe.

### Key market trends

Rapid economic development in the new EU member states, modernisation of infrastructure and energy systems and an increased awareness of climate issues are some of the primary drivers behind long-term demand for Sweco's services. Demand is especially strong for services focusing on sustainable solutions, such as environmental impact assessments, energy efficiency, renewable energy solutions, efficient traffic systems, water supply, wastewater treatment and site and soil remediation.

#### **Climate change**

A growing awareness of climate and environmental issues around the world is visible in many ways. One of foremost concerns is our future energy supply, and massive investments are being made to optimise energy efficiency, not least in the industrial sector. In addition, many parts of the world are fast-tracking initiatives to develop new energy sources such as wind and solar power. Extensive restructuring of the energy system is necessary to reduce dependency on fossil fuels in favour of renewable energy sources. In March 2007 the EU member states agreed on a new climate policy, embodied in the so-called

20-20-20 targets. The ambition is to reduce carbon dioxide emissions by 20 per cent by 2020 compared to the level in 1990 at the same time that 20 per cent of all energy consumed in the EU will come from renewable sources. During the same period, the EU's total energy consumption will be reduced by 20 per cent. In response to the focus on climate change, a growing number of companies, organisations and public agencies are setting ambitious climate targets for their own operations independently from the applicable regulatory requirements.

### Modernisation and reinforcement

Many of the new EU member states in Central and Eastern Europe, as well as Russia, have a vast need to build new infrastructure such as roads, railways and harbours and to modernise much of the existing infrastructural base. In these countries, accession to the EU has called for the closure of old nuclear power plants and created power demand for new electricity generation capacity. This should be seen in combination with Eastern Europe's strong dependency on gas imports from countries like Russia. Recent developments have further underlined the importance of safeguarding the power supply and building infrastructure for the distribution of new types of energy.

The long-term level of environmentally-related investment necessary in Central and Eastern Europe has been estimated at EUR 100 billion. The total amount of funding available for environmental projects is approximately EUR 14 billion, of which EUR 4 billion is financed by international institutions and local EU funds for environmental, energy and infrastructure initiatives. In the Baltic countries, Bulgaria, the Czech Republic and Slovakia alone, the need for consulting services in the areas of water and environment, infrastructure and energy has been estimated EUR 4 billion.

### New cities and communities

Today, many parts of the world are undergoing explosive urbanisation. Population growth and rising standards of living are leading to the rapid emergence of new cities and communities with a need to plan sustainable solutions for infrastructure, housing, energy, waste management and transports. This is stimulating global demand for consulting services with a focus on sustainable urban development and integrated solutions. One notable example from Sweco's own operations is the "Sustainable City" concept, which takes a holistic and interdisciplinary approach to urban planning and development from an ecological, social, economic and spatial perspective.

### Consolidation in the consulting engineering industry

Ongoing consolidation in the consulting engineering industry is being fuelled by a global trend in which the projects are becoming increasingly complex and spanning across multiple disciplines. Driven by market needs, the industry has shifted from a multitude of specialised niche companies to comprehensive corporate groups with interdisciplinary resources. Furthermore, many clients, not least public agencies and national governments, prefer to work with larger, more powerful and professional players. Notable competitors that are active in Sweco's markets include WSP, Grontmij, Pöyry, Rambøll, COWI, Norconsult and ÅF.



### Water purification plant in Ledvice and renovation of wastewater system in Vrchlabí

Sweco's Czech subsidiary Hydroprojekt has won several new water and environmental contracts. Among other things, Sweco will plan a whole new water treatment plant in the city of Ledvice and supervise renovation of the wastewater system in the city of Vrchlabí.



# Global energy supply – preparing for the future

Securing the future energy supply is one of the greatest challenges of our time. In order to mitigate climate change, it is necessary to radically restructure the world energy system through development of renewable energy sources, modernisation of existing energy generation facilities and more efficient energy usage. Sweco's energy experts are contributing to advances in all of these areas.

## Climate change – a grave threat

Energy-related carbon dioxide emissions currently account for 60 per cent of total global greenhouse gas emissions. At the same time, in its reference scenario based on continuation of the current trend, the OECD and IEA project an increase in global energy demand by 45 per cent between 2006 and 2030. This means that future development of the global energy system is of central importance in reducing emissions of greenhouse gases. In order to lower emissions to sustainable long-term levels, radical changes in the global energy production system are needed. Political commitment to energy issues has never been greater.

## Not one solution, but many

The transition to a more sustainable energy system take place on many different fronts. New technology based on renewable energy sources is an important part of this shift, but it is also vital to upgrade and modernise the existing systems for energy production, transmission and distribution and to use energy more efficiently. Sweco is active in all parts of the energy chain from production to distribution and consumption and works with both improvement of existing technologies and development of whole new solutions.

Wind power is the fastest-growing energy source at present, and in both Europe and the USA accounted for more than 40 per cent of new generation capacity built during 2008. Sweco delivers services in all phases of wind power development, from feasibility studies, wind analyses and design of wind park layouts to planning of transmission systems, procurement and design review. One prime example is the construction of a unique wind farm on behalf of Norsk Hydro, where Sweco has been responsible for everything from site analysis, concession applications and impact assessments to planning, design and con-

struction management. The special aspect is that aside from producing renewable energy, the facility will also extract hydrogen that can be compressed, stored and transported for later use as an energy source in other contexts.

Sweco takes part in all stages of rehabilitation and expansion of power grids, which are growing more complex in pace with changes in the electricity generation mix and increased cross-border integration of distribution systems. Rising demands on reliability and efficiency call for continuous operational development. The use of modern IT-based tools significantly improves efficiency in both planning and operation of transmission networks. Sweco is active in planning and engineering, work design, inspection and operating support, among other things in the form of plant supervision and outage planning, as well as support for grid connection. In Ethiopia, Sweco is planning the expansion and modernisation of power distribution systems of eight cities, which will allow increased use of hydropower and provide valuable environmental gains. Sweco's services include engineering and design, tendering preliminaries, procurement and monitoring of the implementation stage.

An effective interplay between energy usage and energy supply is critical in achieving optimal total solutions. As a result, Sweco's energy efficiency services are strongly focused on energy management and a holistic approach. One concrete example is Sweco's assignment to plan and design a so-called Aquifer Thermal Energy Storage (ATES) installation at Arlanda Airport outside Stockholm, where energy will be stored in an underground water layer. The ATES will store heat in the summer for later use in the winter and, conversely, store cold in the winter for use in the following summer. The solution will contribute to reducing Arlanda's carbon dioxide emissions by 7,000 tonnes annually.







## Business systems

### Effective tools ensure satisfied clients and profitability

Sweco's business is technologically challenging and complex. In many projects the consultants work side-by-side across disciplinary and geographical boundaries, placing strict demands on how the projects are managed and followed up. Sweco's systems and tools support the individual consultants in their work.

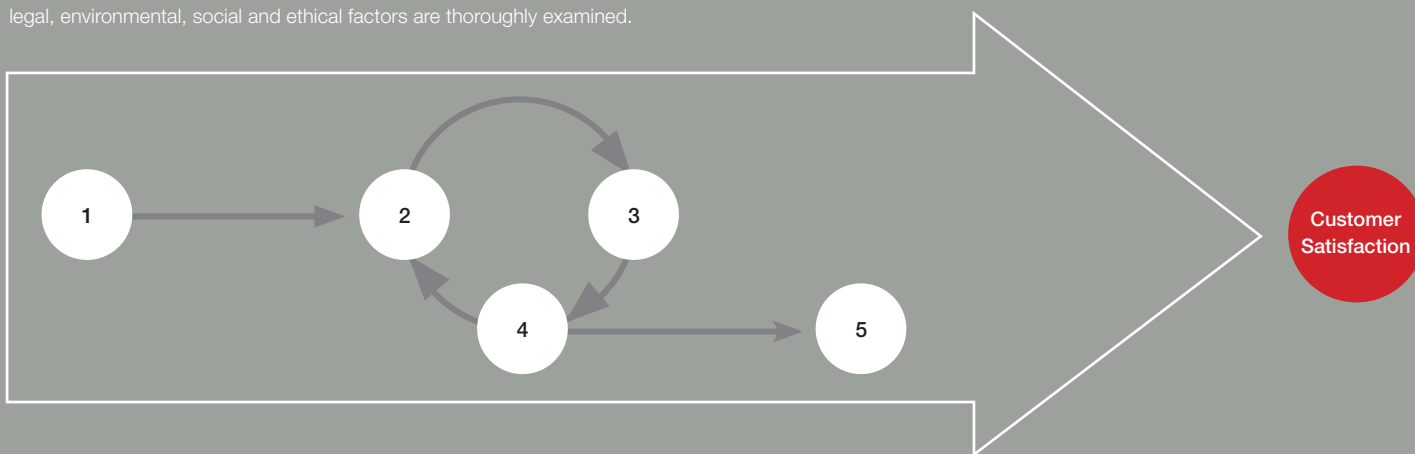
Effective management and control is critical in ensuring satisfied clients and healthy profitability. Sweco has a group-wide business system, sweco@work, that is based on certified quality and environmental management according to ISO 9001 and ISO 14001, which guarantees that relevant environmental and quality aspects are automatically integrated throughout the assignment process. sweco@work contributes not only to cost-effective work processes but also to greater efficiency in collaboration between consultants from different business segments and geographical markets.

#### Step by step towards the goal – satisfied clients

With the help of sweco@work, Sweco can further streamline and facilitate the assignment process. The tool ensures that the individual consultants are given maximum support in their work and are able to maintain the focus on goal attainment, client benefit and profitability. sweco@work contains a set of tools in which the consultants can seek guidance, advice and tips for different aspects of a project, such as steering documents that specify the requirements for Sweco's assignment process. The system ensures that the assignment is initiated in a professional manner, for example that bids and contracts are drawn up

#### The assignment process

sweco@work ensures optimal performance of assignments and results in high client benefit. Before an assignment is initiated through bids and contracts, a number of assessments are made in which business-related, legal, environmental, social and ethical factors are thoroughly examined.



##### 1. Initiation

Ensures that the assignment is initiated in a professional manner, for example that bids and contracts are drawn up in such a way that they satisfy client requirements and are properly executed from a business and legal standpoint.

##### 2. Planning

Ensures that the assignment is planned so that it can be carried out in compliance with all relevant laws, such as environmental laws, norms and regulations, and so that the specifications and expectations agreed on with the client are met.

##### 3. Execution

Ensures that the assignment is carried out according to plan. Among other things, this means that the assignment plans are followed and updated, that various choices that affect the assignment are documented and communicated, that financial performance is monitored and that relevant information is provided to the assignment team.

##### 4. Control

Ensures that the assignment results are checked for compliance with the relevant laws and the satisfaction of all specifications and requirements agreed on with the client.

##### 5. Closure

Ensures that external and internal experience from the assignment is preserved, that financial settlement is expedited in a correct manner and that all assignment documents are archived according to the applicable requirements.



in such a way that they satisfy client expectations and are properly executed from a business and legal standpoint. Using this tool, it is possible at an early stage to plan the assignments for compliance with the relevant laws and regulations and ensure the client's requirements and expectations are met. There are also built-in routines for the closure stage to ensure that both external and internal experience from the assignment is preserved. The ultimate goal is satisfied clients. All Sweco units use sweco@work or similar models. The system has been fully implemented in Sweden, Norway and Estonia and is being deployed in Finland during 2009. Other units are successively introducing the business model.

#### **Better contact and financial control**

Sweco's group-wide intranet contains a contact function in which all employees in the Group are registered with their professional experience and special expertise. This makes it easy to search for colleagues in other business units or companies or individuals with specific business- or assignment-critical skills. The function is a valuable aid, since more

and more assignments involving employees from many different units and disciplines.

The intranet also contains a number of functions for financial management, control and follow-up of assignments. These include an efficient time reporting system that enables both assignment team members and assignment managers to continuously monitor project performance in relation to budget and schedule.

#### **Technological development, knowledge diversification and skills development**

Sweco is a technology-intensive company that relies on advanced methods to simulate and visualise processes, flows, events and relationships. The various Sweco units develop new methods and solutions on an ongoing basis. The decentralised organisation, creative atmosphere and powerful business support systems encourage Sweco's employees to take the initiative in testing new technology and finding better ways of doing things.



#### **New eco-city emerging in China**

China is in urgent need of new urban centres to alleviate pressure on the country's overcrowded and polluted mega-cities. For the past eight years, Sweco has worked in the country in planning of several cities and communities with an ecological profile. In the Tangshan region, some 250 km east of Beijing, Sweco is taking part in development of the new Caofeidian EcoCity which will have a total long-term area of 150 sq km. The first phase covers an area of 30 sq km and an area of approximately 6 sq km containing housing, workplaces, a university, cultural functions and recreational facilities is scheduled for completion in 2010. This is Sweco's largest urban development project to date.

Sweco has been commissioned for a number of services to ensure far-reaching consideration to environmental sustainability. A central objective in all planning is to find integrated energy and environmental solutions that reduce emissions of greenhouse gases. Consultants with expertise in urban planning, architecture, energy, infrastructure, and water and environment are taking part in the assignment, where one challenge is to develop solutions that tie together long-term planning of the region with construction of the first phase.

# Sustainability is good business in all markets

Arturas Abromavicius, President of Sweco BKG LSPI in Lithuania, and Eva Nygren, President of Sweco Sweden, discuss sustainable development from a group-wide business perspective. What does sustainability mean – in Lithuania and in Sweden?

**Arturas Abromavicius:** "Sustainability is an integral part of Sweco's business, something that permeates everything we do. We work extensively with development and modernisation of water supply and wastewater systems in many parts of the country. EU investments in environmental improvement and modernisation measures are generating powerful demand for our services."

**Eva Nygren:** "That's true. We have always been active when it comes to the environment and sustainable development, and have been a driving force for advances in these areas. Demand has surged in recent years and I think you could say that the tide turned after Al Gore's film about global warming. Today many clients are eager to take a forefront position and need our advice and support in addressing sustainability and climate issues. Together we are leading the way and preparing society for the challenges of the future."

**Arturas Abromavicius:** "There is definitely a lot going on in the energy area right now. Among other things, we are involved in the rehabilitation process at the Ignalina nuclear power plant."

**Eva Nygren:** "Energy issues are also a hot topic in Sweden at the moment and many of our projects are related to energy optimisation of buildings, renewable energy sources and industrial energy efficiency. Clients are increasingly realising the advantages and potential cost savings in reducing their energy usage – and we have the knowledge!"

**Arturas Abromavicius:** "For me personally, it is also a question of my own behaviour – what I can do to contribute to sustainable development. Sustainability touches on countless aspects of our everyday lives. For our credibility as a company it is important to practice as we preach, which means staying com-

mitted to environmental issues on a daily basis – in our own energy consumption, travel and other factors that affect the environment. But above all in our assignments, where we often have the chance to influence the results."

**Eva Nygren:** "Taking a uniform approach throughout the Group, regardless of country, business segment or market, is essential for sustainability to permeate everything we do. We have certified systems for quality and environmental management and our group-wide business system [sweco@work](mailto:sweco@work) facilitates cross-border cooperation in our projects. The system is now in place in Sweden, Norway, Estonia and, as of 2009, also in Finland, and is on its way to becoming the standard in all countries where Sweco is active."

**Arturas Abromavicius:** "I agree, we work according to the business system in Lithuania. It provides a good work structure and contributes to more efficient project implementation, a uniform approach and a well defined corporate culture. Given the current financial unrest in the market, it is even more important that we present a clear and consistent profile to our clients and employees."

**Eva Nygren:** "Absolutely! And that we have a clear profile toward the market as a whole. At Sweco we create value for both our clients and our shareholders. We conduct growing and profitable operations in our markets and help our clients to realise their ambitions while at the same time creating the conditions for sustainable development of society."

**Arturas Abromavicius:** "We are definitely on the same page in that respect. Good business sense is a top priority and we assess each and every assignment from a profitability perspective. For us, sustainable business is profitable business. After all, for healthy business we need a healthy planet!"







Arturas Abromavicius, President of Sweco in Lithuania  
and Eva Nygren, President of Sweco Sweden

## Growth

# Value creation through profitable organic and acquisition-driven growth

In recent years Sweco has shown strong growth in income and profitability, both organic and through acquisitions. The growth strategy stands firm with an ambition to grow in the Nordic region and Central and Eastern Europe. The prioritised business segments are energy, infrastructure and environment.

Over the past five-year period Sweco has more than doubled its sales, representing average annual growth of around 15 per cent. At the same time, operating profit has risen by an average of around 30 per cent annually. This growth has been achieved both organically and through acquisitions. Major acquisitions have been carried out to secure leading market positions. All acquisitions have taken place with strict demands on profitability and value creation.

Sweco's expansion continued during 2008 in both the established markets of the Nordic region and the emerging markets of Central and Eastern Europe. Net sales rose by 21 per cent during the year, of which around 50 per cent was organic and 50 per cent was acquisition-driven.

### Stronger positions in the Nordic markets

Sweco showed robust growth in the Nordic market during 2008, among other things in the infrastructure segment where continued favourable opportunities are anticipated in both the short and long term. The company also expanded in the energy segment, mainly in connection with the build-up of renewable energy sources and a higher level of activity in energy optimisation. Rising demand for water and environment services was noted in response to stricter requirements for measures to reduce environmental impact. Sales of geographical IT services, where the number of applications is rising steadily, were very positive. Planned investments in the road and railway networks are expected to generate increased demand.

Growth in Sweco Sweden during 2008 reached 14 per cent and was almost exclusively organic. A number of smaller acquisitions were carried out to strengthen the market positions in infrastructure, water and environment and building service systems.

Net sales in Sweco Norway increased by 45 per cent, of which around 25 per cent was attributable to organic and around 75 per cent to acquisition-driven growth. Through a series of strategic acquisitions in recent years, Sweco Norway has become one of the country's largest engineering consultancies with around 810 employees. Acquisitions in 2008 included Opticonsult, EuroSpatial, Anders Digernes and Tveiten Rådgivande Ingeniører. Opticonsult was fully integrated during 2008 and accounted for a large share of the year's growth. With its 160 employees, Opticonsult was the largest acquisition in Norway and its successful integration has strengthened both Sweco's profitability and its market position in the country. Opticonsult has most of its employees in Bergen and Stavanger and works with an emphasis on consulting services for construction and civil engineering but also has special expertise in carrying out projects in the polar region.

### Continued ventures in Russia and Central and Eastern Europe

In recent years Sweco has expanded dramatically in Central and Eastern

Europe and Russia. In the span of three years, the number of employees in the region has increased from around 100 up to more than 1,000.

The region offers enormous growth potential, fuelled by dynamic underlying economic development and an urgent need to build and modernise environmental, energy and infrastructure systems.

At the beginning of 2008 Sweco completed its acquisition of the Lithuanian company Hidroprojekta with around 175 employees and a focus on services for water supply, hydropower and infrastructure. Through the acquisition, Sweco became the country's largest engineering consultancy.

In 2008 Sweco also acquired a majority holding in the Bulgarian energy consulting company Energoproekt Hydropower. They are the country's leading provider of consulting services related to hydropower and also offers qualified consulting services in water and environment. The acquisition has further strengthened Sweco's position in an important future growth market in Central Europe. In Russia Sweco also acquired the remaining 50 per cent of the subsidiary Lenvodokanalproekt with close to 160 employees, thereby strengthening its position in the Russian market for water and environmental consulting.

### Expansion and diversification of the service offering

Sweco's ambition is to offer a multidisciplinary range of services in the markets where the company is active. In Sweden and Norway, Sweco has a complete portfolio of engineering and design services. In other markets there is potential to expand the offering. For instance, in Finland Sweco is a leading provider of industrial engineering and project management services. By leveraging these already strong positions, it is possible to develop and introduce the rest of Sweco's service offering. Established markets also provide opportunities to diversify the service range and create new niches. One such example is Sweco's geographical IT services, which are being continuously refined for applications in new industries and for new purposes. Other examples of service diversification are community planning, development of new energy sources, energy optimisation of buildings and recovery of waste energy from industries.

### Increased teamwork in the Group

One critical condition for profitable growth is a mutual transfer of knowledge between units and individual employees in the Sweco Group. Resources are therefore invested to continuously systematise working methods and tools and spread "best practice" throughout the Group. Sweco has well developed methods and ample experience of integrating acquired units and implementing Sweco's business model with decentralised profit responsibility. This enables Sweco to quickly assimilate acquired units and create value its clients, employees and shareholders. The group-wide business system is an important and effective tool in this context.





## Bulgaria a platform for eastward expansion

In 2008 Sweco continued its expansion in Central Europe through the acquisition of the energy and environmental consulting company Energoproekt Hydropower in Bulgaria. Energoproekt with 75 employees, is Bulgaria's leading hydropower consultancy and also offers qualified consulting services in water and environment. The acquisition has strengthened Sweco's market position in Bulgaria and its neighbouring countries.

Bulgaria joined the EU in 2007 and has since then undertaken large-scale rehabilitation and modernisation initiatives to raise the standard of its infrastructure, housing and other vital public services to EU levels. One especially important part of this is a more modern and sustainable long-term energy supply. In 2008, via its subsidiary Energoproekt, Sweco was awarded a contract to provide all local consulting services in connection with construction of the new Tsankov Kamak Hydropower Project. The hydroelectric power plant

will be built on the Vacha River in the Rhodope Mountains, some 250 km southeast of the capital city of Sofia, and is scheduled for completion in 2010. Sweco's tasks include geological surveys, design, preparation of drawings and other technical services. The project has entailed a number of challenges that are partly related to the plant's location in area at risk for earthquakes and landslides. Tsankov Kamak's funding is unique in several respects, and is based partly on trading of emission rights. Austria and Bulgaria are collaborating within the Kyoto Protocol, an environmental treaty signed by countries around the globe. During the commitment period of the Kyoto Protocol, the plant is expected to produce environmentally friendly energy equal to 11.1 million tonnes of emission reduction units. Austria, whose target is a 13 per cent reduction in greenhouse gas emissions by 2012 compared to 1990, is able to earn carbon credits by partially funding the power plant's construction.

## Acquired companies

### 2005

Elektroforum, Norway  
Lassen & Bjervig, Norway  
Paatela & Paatela, Finland  
Lenvodokanalproekt, Russia  
FT Engineering, Finland

### 2006

MEC, Norway  
HS-Prosjekt, Norway  
Eitel Networks Konsult, Sweden  
Linja Design, Finland  
LSPI, Lithuania  
Rye Kittelsen, Norway  
CM Urakointi, Finland  
Capriocode's telecom business unit, Finland  
RIBA Kristiansand, Norway  
E-CO Tech, Norway

### 2007

Probeko, Sweden  
NNBK Finnmark, Norway  
Markteknik I Bromma, Sweden  
AT Consult, Norway  
Hydroprojekt, Czech Republic  
Hydreal, Czech Republic  
Flextronics, Finland  
Costers Geoborr, Sweden  
SWEGIS, Sweden  
Grapenfelt, Sweden  
Kedbrant & Wickberg Ingenjörbyrå, Sweden  
Eurofutures, Sweden  
JAPS, Sweden  
Autosolvía, Sweden  
Eesti Project, Estonia  
ETP-Grup, Estonia

### 2008

Stockholm Vatten Byggprojekt, Sweden  
Opticonsult, Norway  
EuroSpatial, Norway  
Anders Digernes, Norway  
Birk Nielsen, Denmark  
Traficon, Sweden  
Hidroprojekta, Lithuania  
Tveiten Rådgivande Ingenjörer, Norway  
Energoproekt Hydropower, Bulgaria  
Lenvodokanalproekt, Russia  
B & B VVS-konsult, Sweden

## Employees in focus

### For consultants with ambition and drive

Sweco offers attractive opportunities for its employees to work in areas that benefit the environment and society. Our flat and business-oriented organisation gives far-reaching responsibility to the individual consultant and provides room for personal development.

Our ambition is to be the best at what we do, to serve as a benchmark of excellence for other companies. We have a curious, friendly and proud corporate culture built on commitment and responsibility, and we are open to new ideas, people and challenges. We are a successful company with a business model based on consultants who are directly involved in working with our clients.

#### Sweco's employees

At the end of 2009 Sweco had 5,536 employees, an increase of 602 compared to year-end 2007. The majority of employees are technical consultants and architects. Employee turnover in 2008 was 14 per cent (15) and value added per employee amounted to SEK 720 (701). In pace with internationalisation and the acquisition of new companies, the Sweco family has expanded with employees from a growing number of countries, which is a positive stimulus and trend for the entire Group.

#### An attractive workplace

Sweco's goal is to be Europe's most attractive workplace for technical consultants, architects and environmental experts. An inflow of new, well educated and highly motivated employees to Sweco is vital to maintain our competitiveness and ongoing development. Sweco continuously recruits both recent graduates and experienced individuals in different areas of expertise, and when possible prioritises internal recruitment to give the existing employees greater knowledge and new challenges. When recruiting new managers, Sweco strives for internal recruitment and seeks an even distribution between women and men. The service segments targeted by Sweco offer abundant scope for the employees' personal and professional development, with ample opportunities for both breadth and specialisation. The large number of assignments and expanding field of activity are opening new paths for employees seeking a management career.

The company has a flat organisation with delegated responsibility for implementation of the assignments. Backed by Sweco's entire organisation and aggregate expertise, each individual consultant is responsible for delivering client-adapted solutions with a high knowledge content that creates value for the client's business. The fact that Sweco is an international player, where project exports are a key ingredient, means that the company can also offer many opportunities to work in other countries and new markets.

Activities targeting universities and technical institutes are carried out continuously to highlight Sweco's identity as an employer and communicate the opportunities the company offers current and potential employees. That many students see favourable prospects for a future career at Sweco is visible among other things in the company's high

rankings in various surveys. In the research company Universum's annual survey, Sweco maintained its 14<sup>th</sup> place and was once again rated highest in the consulting engineering industry. The Young Professionals network, a forum originally for graduates of the Royal Institute of Technology in Stockholm, has ranked Sweco as the 11<sup>th</sup> most attractive workplace for engineers.

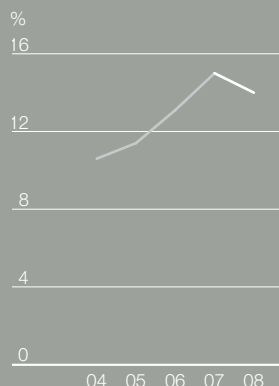
#### Employee development in focus

It is vital not only to attract new employees with the right profile, but also to retain and motivate those who already work for the company by offering attractive opportunities for advancement. A stronger focus on employee development is essential to maximise our competitiveness and ensure continued success in an increasingly tough business climate. In the autumn of 2008 Sweco decided on a number of launch group-wide initiatives that will take employee development to the next level. Three initiatives will be central in realising this ambition: Sweco Talk, group-wide development programmes and clarification of the leadership role in the company.

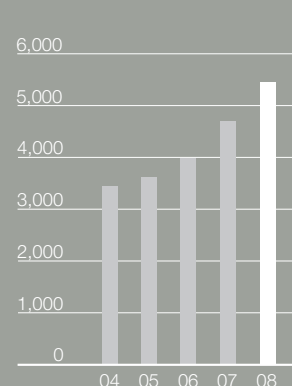
#### Sweco Talk

Sweco Talk is focused on professional development and is a group-wide routine for the performance review between employee and manager.

#### Employee turnover



#### Average number of employees



A consistent Sweco approach will ensure that we are moving in the right direction and are able to meet our business objectives. Sweco Talk is designed to identify developmental needs in an effective manner and make it possible to plan the employee's ongoing development. It also clarifies what goals and expectations exist in the employee's own area or unit. Sweco Talk is mandatory for all employees in the Sweco Group and will be carried out yearly. In Norway, Sweden and Finland, work on Sweco Talk will be started in the first quarter of 2009. In Eastern and Central Europe, these activities will begin at the end of the year.

### Group-wide development programmes

Sweco is a knowledge-intensive company whose business is dependent on the knowledge and skills of its employees. In order to promote cooperation and ongoing international growth, it is vital for Sweco to develop uniform training programmes across national boundaries. At Sweco the group-wide training programmes are gathered within Sweco Academy.

#### *Introduction of new employees*

The earlier introduction training has evolved into a group-wide introductory program. The program will be structured identically regardless of which country or unit the employee begins at. The aim is to give all new employees a consistent picture of Sweco, our business, our brand and our corporate culture.

#### *Forum for business*

In 2009 Sweco will introduce a group-wide specialist forum, "Sweco Excellence Meeting", for the purpose of promoting the company's business.

#### *Management succession*

A group-wide programme for development of future leaders will safeguard the company's management succession and promote networking and cooperation for cross-border business.

#### *Sustainability training to support the business*

In connection with an increased focus on sustainability aspects throughout Sweco's operations, all employees will complete an in-depth training course on the environmental and sustainability perspective as a fundamental element of Sweco's business. The course is part of the company's commitment to ongoing knowledge building and skills enhancement.

#### **Clear leadership**

Another prioritised measure is to clarify the leadership role and establish a common understanding of what defines a leader at Sweco. A group-wide framework has therefore been created to define the leadership role at Sweco. The framework creates a strong connection between leadership, business success, client deliveries and the development of our employees. At the end of 2009 a group-wide employee survey will also be conducted in all countries to ensure that Sweco is developing the right direction toward continued business success.

### Employee facts

**Average number of employees:** 5,453

**Share of men/women:** 70% men and 30% women

**Educational levels at Sweco:** Master's or bachelor's degree in engineering, water and environment, architecture, geology or similar areas related to urban development and technology.

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

## Sweco consultant, researcher and environmental specialist

"The goal is to link technical expertise to an understanding of environmental effects, make sense of it, and use it to do good business!" says Andreas Gyllenhammar, who was hired as an environmental expert at Sweco in Östersund in 2008. He holds a master's in civil engineering and a Ph.D., and has researched both African lakes and Baltic Sea cod. He hasn't left the academic sphere entirely since joining Sweco, and still has one foot in the Department of Wildlife, Fish and Environmental Studies at the Swedish University of Agricultural Sciences in Umeå.

"At the moment I am studying the environmental effects of hydropower."

Andreas came into contact with Sweco last year, when he was working for the Jämtland County Council with environmental analyses, environmental monitoring and development of the county council's climate action plan. "Sweco's activities sounded

exciting, so I took the step." Andreas' work at Sweco is focused on climate-related issues and to a large extent is about bringing together Sweco's wide-ranging expertise in the assignments.

"I really enjoy it. I see global effects and how they relate to people's everyday lives and local environment. We integrate our knowledge with sustainability issues. And it is a privilege to work with such highly skilled colleagues in the Group. Every day is a challenge and I realise how much I still have to learn."

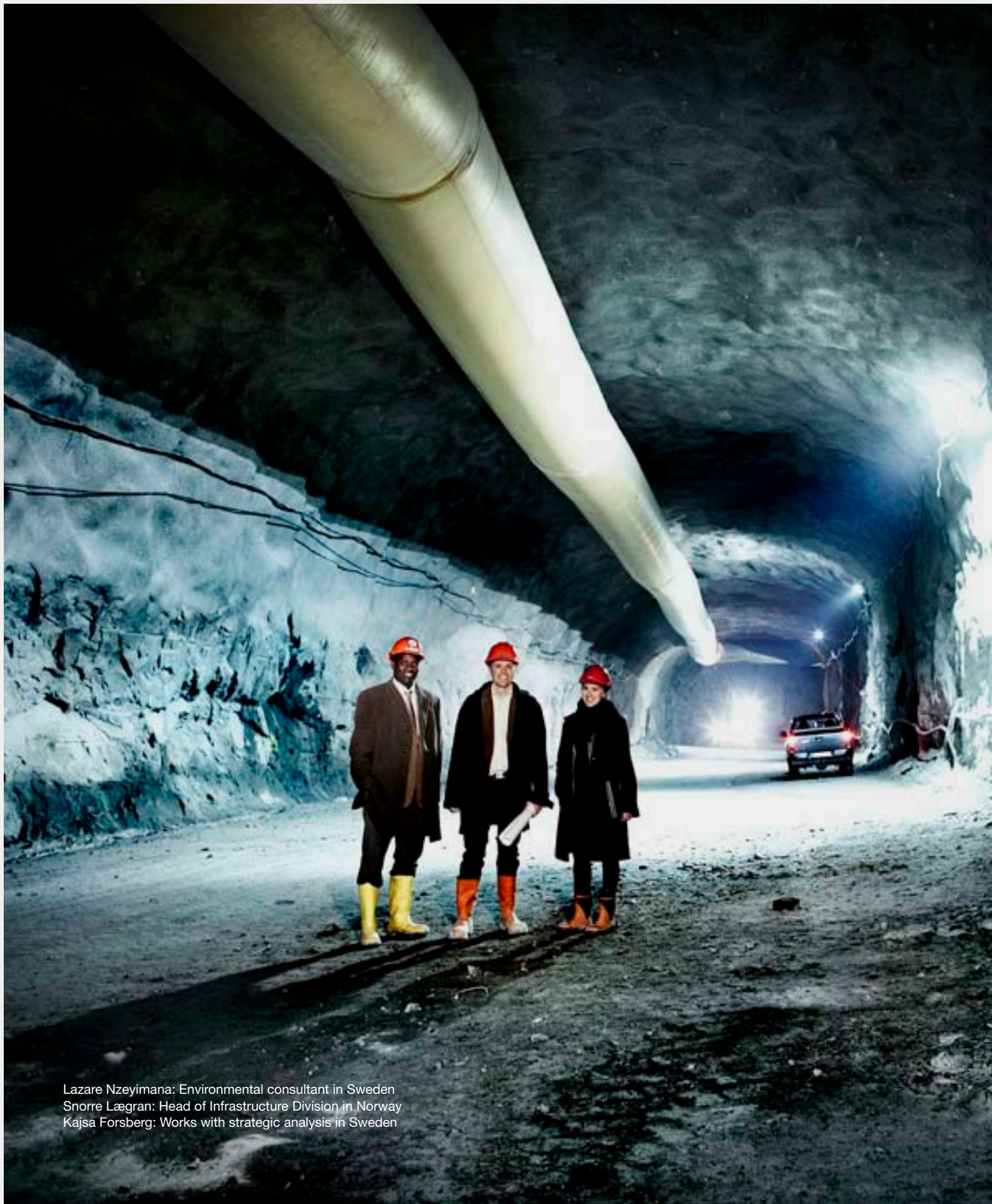
What are your impressions of Sweco so far, in terms of the opportunities you meet as an employee?

"Better than I ever imagined! I am given excellent support and the leadership culture is very clear and empowering. At Sweco you are given a lot of room to realise ideas and initiatives. I would definitely recommend that anyone interested in working with sustainable development come to us."



Andreas Gyllenhammar has authored the report "Norrländ – Changes in a changing climate", which was presented at the end of 2008. Read more about the report on page 32.





Lazare Nzeyimana: Environmental consultant in Sweden  
Snorre Læggran: Head of Infrastructure Division in Norway  
Kajsa Forsberg: Works with strategic analysis in Sweden





## Meet three employees: Opportunities and challenges at Sweco

Sweco is an attractive workplace for both current and potential employees. With the consultant – the individual employee – as the hub of all assignments and projects, there are ample opportunities for personal challenges in key areas.

The step from SMHI (the Swedish Meteorological and Hydrological Institute) to Sweco may seem unexpected career move, but it was exactly what Lazare Nzeyimana, originally from Burundi, did two years ago.

"I was eager for new challenges and Sweco had what I was looking for," says Lazare, whose background includes a master's degree in hydrology. "Above all, I wanted to work more internationally. Today I am active in water, infrastructure and environmental projects in African countries."

### **"Be open to learn"**

The majority of activities at Sweco are carried out in project form.

"By working with others you learn a lot and get to know employees from different parts of the Group. I also enjoy the mix of both taking part in project implementation and seeking potential new contracts."

Lazare continues, "A holistic approach is becoming more important since the assignments are tending to grow in size and span across several different disciplines. Each employee needs to understand his or her role in the project or on the team, to think outside the box. You have to be open to learn something new!"

What areas will be in focus at Sweco in the future? "Water, energy and climate change. Global warming is affecting the entire world through flooding and droughts, more extreme weather in general. We have plenty of work ahead of us to help countries plan for and address these changes, both here at home and in Africa! Since there is a shortage of clean water in many parts of the world, this is also a critical area."

### **"The chance to grow and assume responsibility"**

Kajsa Forsberg is a Junior Consultant at Eurofutures, a relatively new addition to Sweco, and works with analyses and strategies for future regional development.

"Our services are largely oriented towards analysing where society is headed, identifying trends and compiling data that can serve as a basis for planning new infrastructure or other measures," says Kajsa. "For example, we can evaluate what consequences a new road or bridge can have for the area where it is planned." Kajsa enjoys her new working environment and feels that the Sweco affiliation has brought new and wider opportunities.

"There is an open attitude about allowing the employees to grow and assume greater responsibility. A lot depends on the leadership style, which is very clear but also provides freedom under responsibility. My ambition is to develop and grow here, and hopefully manage my own projects in a few years!"

No matter which Sweco unit they belong to, everyone is working for a common goal – sustainable long-term development of society – alongside good profitability for the company. What would you say is the decisive quality needed to succeed as an employee?

"More than anything else, an understanding of how the different parts of society are interconnected. Everything makes a difference."

### **"It's all about the people"**

"Sweco has something for everyone," according to Snorre Læggran, Head of the Infrastructure Division in Norway. "You can work with whatever you like – within Sweco's fields of activity, of course. The opportunities are enormous. Build roads for a while and then switch to railways, and later try your hand at urban planning. And then there is the international aspect."

Snorre has longstanding experience in the industry and is perhaps the most "traditional" Sweco employee of the three, with his civil engineering degree and many years of experience in infrastructure, traffic planning, etc. Today he is a divisional manager in Norway. His choice to pursue a career at Sweco is easily explained:

"In my case it was all about the people. I had worked for several other employers in the industry, including Norconsult, the Norwegian Public Roads Administration and Avinor, but here at Sweco everything just felt right!"

As society grows increasingly complex, this is also raising the demands on technical consulting services.

"In the old days we could build a road and that was it, end of story. Today there are many factors that have to be taken into account, such as environmental and social impacts. It has become more important to manage projects from different perspectives. And we can't forget the purely technical expertise, which has to be first rate. And it's vital to have many different competencies – we need both people who can lead and think ahead and doers who enjoy working with project implementation."

# Business ethics, social responsibility and commitment

Sweco's mission is to actively contribute to sustainable development of society. Within the framework of day-to-day activities, our consultants often have considerable scope to directly influence the development of society and quality of life. It is crucial for the company's success that the employees act in a financially, socially and ethically responsible manner at all times.

## Responsibility and ethics

Sweco's consultants serve as advisors to companies, public agencies, ministries and national governments in far-reaching projects that have an impact on the development of society and quality of life, which places stringent demands on integrity and consideration to ethical and socio-economic aspects. In all operations, Sweco strives to uphold the highest standards of conduct and business ethics, with objective and independent employees who act professionally and in the best interest of our clients. We respect basic freedoms and rights and always comply with local and international laws and regulations. We are against corruption and respect the religions, cultures, working conditions and traditions of different countries and regions.

To be a socially responsible corporate citizen in every way, Sweco works to continuously enhance employee awareness of the Group's attitudes towards ethical conduct.

## Quality and environment

Virtually everything Sweco does has some effect on society and the environment. As consultants we have the privilege of being involved in projects at an early stage. This gives us the opportunity to exert an influence, but also the obligation to take responsibility for any aspects within our control. As a result, we carefully weigh the possible consequences when faced with matters relating to the quality and environmental impact of the assignments. We monitor and comply with all laws, regulations and requirements that are of relevance for our operations.

Sweco has a decentralised organisation with delegated responsibility for implementation of the assignments. Each individual consultant is responsible for delivering client-adapted solutions with a high knowledge content, of the right quality for the benefit of the client's business. Our business systems are centred around the assignment process and is accessible to the consultants at all times.

Sweco strives for continuous improvement and development of its working methods. Strategic skills development programmes are used to meet the consultants' need for ongoing education and training. The knowledge and experience gained by the consultants in the assignments is preserved and developed for future use.

## Working environment

At Sweco we strive to maintain a work environment where our employees can develop and thrive in a climate of physical and emotional well-being. We believe that a good work environment and business success go hand in hand, and therefore work systematically to investigate, con-

duct and monitor operations in such a way as to prevent illness and accidents on the job and achieve a sound working environment. Sweco Talk is an important component of the Group's work environment activities. We all contribute to our mutual work environment, which demands that both managers and staff lead and participate in efforts to create a good working environment.

A good working environment means:

- Active leadership
- Clearly defined goals that create consistency and meaning for the group and the individual
- Opportunities for the employees to influence their own work situation
- A constructive dialogue in the group and between managers and staff
- Effective communication in the organisation
- A good physical work environment with regard to ergonomics, noise, air quality and chemical health hazards

Achieving this work environment requires awareness, openness, ambition and planned development initiatives. Through systematic work environment management we can improve the quality of our services and increase the share of satisfied employees and clients.

## Equality

Sweco does not discriminate between women and men. All employees are given equal opportunities for professional development both within their existing fields and in new areas.

## Rules and recommendations supported by Sweco:

- The International Federation of Consulting Engineers' Code of Ethics
- The UN's rules and recommendations
- The principles in the UN's Global Compact
- The OECD's guidelines for multinational companies
- The Swedish government's Partnership for Global Responsibility
- The rules and recommendations issued by the World Bank, the Swedish International Development Cooperation Agency (Sida), NORAD and other international organisations for assignments in different countries
- The ILO Declaration on Fundamental Principles and Rights at Work

Salary disparities may not exist for identical or similar work duties. Sweco strives for an even gender distribution when choosing staff for projects and other work groups. Sweco's policy for recruitment of managers is to appoint the most qualified individual.

All employees have the right to be treated with respect. Sexual harassment is never acceptable. Sweco takes the greatest possible consideration to the responsibilities of parenthood and allocation of work duties. Managers are obligated to ensure that employees on parental leave maintain contact with their place of work. Equality management is conducted as an active and integral part of Sweco's operations.

### Diversity

To create the conditions for an innovative and inspiring work environment, Sweco takes active measures within the framework of its opera-

tions to promote the equal rights and opportunities of employees in the workplace regardless of their race, nationality, ethnic origins or religious beliefs.

Sweco strives to:

- Use conscious hiring practices to create employee groups made up of diverse competencies, genders, ages and nationalities
- Maintain a work climate characterised by respect, understanding and knowledge about different people and cultures
- Take advantage of the employees' knowledge about different cultures, languages and religions when assembling work teams, dealing with clients, etc.
- Give all employees equal opportunities for professional development both within their existing fields and in new areas



### Thinking ahead at Sweco's inspiration day

In November 2008 Sweco held an inspiration day on sustainability at the Museum of Modern Art in Stockholm where around 300 clients and Sweco employees were inspired by several interesting speakers.

One of these was Native American Oren R. Lyons from Arizona, who emphasised the importance of long-term thinking. "Think seven generations forward in time. Our forefathers thought of us seven generations ago, and now it is our responsibility to think of those who will come after us," he said. Oren also talked about the need to unite across national borders and make use of our combined knowledge. Oren's key message is "value change for survival".

Oren Lyons is a member of the Council of Chiefs of the Six Nations of the Iroquois Confederacy, and an internationally renowned representative for the indigenous peoples of North America. He has received many honorary titles and awards and is one of the world's most

sought-after lecturers. He has spoken for multinational corporations, national governments and the UN and served as a personal advisor to former President Bill Clinton during his time in office.

In connection with the sustainability day, Sweco presented the Swedish Energy Prize – for the 25<sup>th</sup> consecutive year – in a competition for technical ideas and innovations that have been tested in real life and proven effective in saving energy.

The 2008 prize went to Dalarna County Council's property department for its deep and lasting commitment to energy issues. Today Dalarna has Sweden's most energy-efficient county council.

The 2008 Student Prize went to Lund University student Gustav Gustavsson, whose thesis project resulted in a guide to help industries reduce their carbon dioxide emissions.

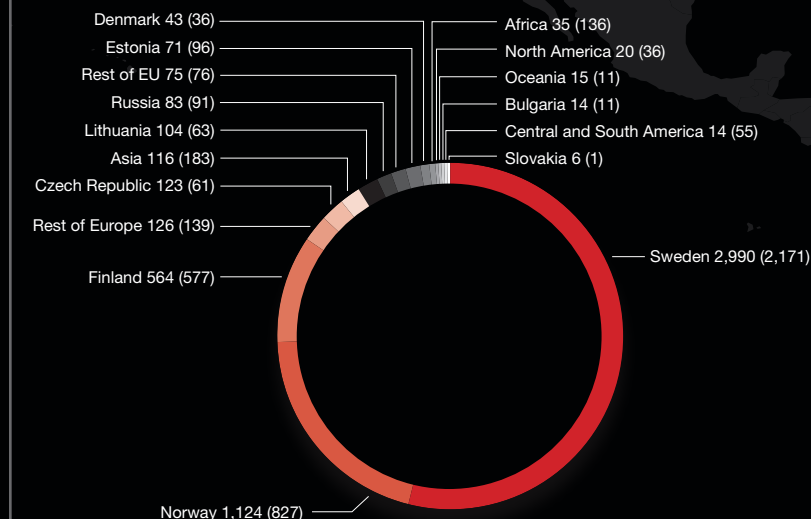
## Our assignments

### The world is our business

In 2008 Sweco carried out some 31,000 assignments for around 10,000 clients around the world. Since undertaking its first international assignment in St. Petersburg, Russia, in 1903, Sweco has carried out projects in more than 100 different countries. Sweco has subsidiaries in Sweden, Norway, Finland, Denmark, Russia, Estonia, Lithuania, the Czech Republic, Slovakia and Bulgaria, and has extensive project exports to the rest of the world.

In the Nordic and Baltic countries, Russia and Central and Eastern Europe, Sweco is pursuing projects in all of the Group's service segments. In Asia, important and socially significant projects are underway in areas like sustainable urban planning, energy and infrastructure. Ethiopia, Botswana and Tanzania are examples of African countries where Sweco has been involved in the rollout and modernisation of power transmission networks, a critical factor for quality of life and business development. In Central and South America, Sweco is involved in efforts to expand the power sector, modernise and upgrade industries and improve the environment.

Sales per geographic region, 2008 (SEK M)



#### Central and South America

- Water and wastewater treatment in 12 cities, Honduras
- Biogas project, Chile
- Pulp industry, Uruguay
- Water resource planning, Ecuador
- Pulp industry, Brazil
- Hydropower expansion, Chile
- Oil platforms for the offshore industry, Mexico
- Solution for management of hospital waste, Honduras
- Pulp industry, Chile



#### Nordic region

- Route optimisation for waste management company, Sweden
- Karolinska Institute Science Park, Sweden
- Solar panel factories, Norway
- Turku University Hospital, Finland
- Hitra wind farm, Norway
- Norra Länken traffic route, Sweden
- Citybanan railway line, Sweden
- Flood mapping of the Mölndal River, Sweden
- Rebuilding of the Riksdag Building in Stockholm, Sweden
- Göta Tunnel, Sweden
- Renovation of the Stockmann department store, Finland
- New water treatment facility in Oslo, Norway
- Optimisation of energy efficiency at the Billerud and Skärblackapaper mills, Sweden
- KK4 pelletising plant for LKAB, Sweden
- Extensive energy savings at Arlanda Airport, Sweden
- Construction plan for the E6 motorway, Norway
- Biofuel-fired CHP plant, Finland
- Utsira wind-to-hydrogen plant, Norway
- Extension of the Helsinki metro, Finland
- City Tunnel, Sweden

#### Europe and Russia

- Sochi Golf & Spa Resort, Russia
- Radisson SAS Hotel in Kiev, Ukraine
- Feasibility study on high voltage cable between Sweden and Lithuania
- Hydropower, Romania
- Energy savings for the city of Kiev, Ukraine
- Gas storage in salt deposits, Kaliningrad, Russia
- Hydropower projects, Bulgaria
- Star rating of the road system in several European countries
- Wastewater treatment in Ledvice and Vrchlabí, Czech Republic
- Road rehabilitation in Armenia
- Systems for drinking and wastewater, Romania
- CHP plant, Hungary
- Wastewater treatment plants in Russia, the Czech Republic and Bulgaria
- Transformation of Freedom Square in Tallinn, Estonia
- Biofuel power plants in Ireland
- Exhaust gas treatment systems for coal-fired power, France
- Measurement of archaeological dig sites, Turkey
- New Seagull housing development in St. Petersburg, Russia
- Wastewater treatment in Belgrade, Serbia
- Expansion of Bucharest's wastewater treatment plant, Romania

#### Africa

- Electrification of eight cities, Ethiopia
- Dam projects, Senegal
- Electrification of 100 villages, Botswana
- Water resource planning, Sudan
- Power supply, Angola
- Planning for expansion of the water supply system, Lesotho
- Water supply, Mozambique
- Waste management in the city of Oujda in northern Morocco
- Electrification of Iringa and Ruvuma regions, Tanzania
- Engineering design of paper machines, Algeria
- Waste management in Nelson Mandela Metro, South Africa
- Environmental impact assessment for Luanda's new airport, Angola

#### Asia, Middle East, Oceania

- Shanghai Tang store concept in Dubai, United Arab Emirates
- Wastewater treatment plant in Amman, Jordan
- Several cities using the Sustainable City concept, China
- Hydropower studies and development in Laos and Vietnam
- Underground oil storage facility in Visakhapatnam, India
- Haikou Meilan International Airport, China
- Waste management in Colombo, Sri Lanka
- Paper pulp mill, Australia
- Hydropower expansion, Nepal
- Water supply in Erbil, Iraq
- Wastewater treatment project in Eskisehir, Turkey
- Wastewater treatment plant outside Amman, Jordan



### Study on indoor climate at Nationalmuseum

Sweco is studying the indoor climate at Nationalmuseum in Stockholm, Sweden's premiere museum of art and home to collections of paintings and sculptures comprising some 16,000 objects. The current indoor climate is a

threat to the collections due to inadequate air treatment, temperature and moisture control, fire protection, security and working conditions. It is of vital cultural value to society that both the building itself and the collections it contains are preserved for future generations.



### A focus on wind power

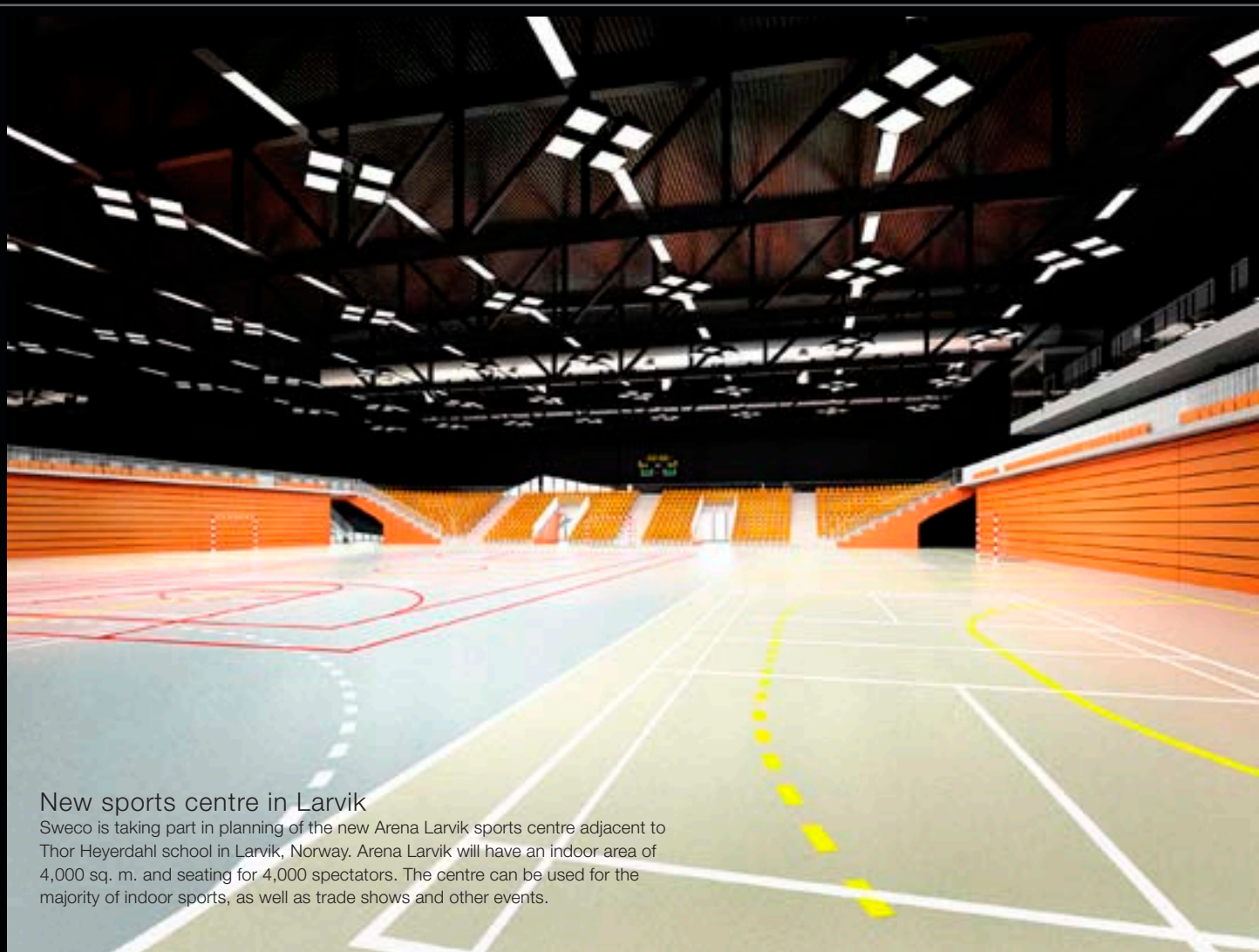
Wind power is an energy source of the future. Sweden alone is planning the expansion of wind generation capacity to 30 TWh by 2020, compared to the current 1.4 TWh. Sweco delivers services for all phases of wind power development and has been instrumental in wind power projects in locations like northern Sweden and the island of Utsira in Norway.



### New hotel in Stockholm

The US-based Marriott hotel chain is building a new hotel at Lindhagensplan in Stockholm that is expected to open in November 2009. Sweco is preparing construction documents for electrical, telecom, air treatment, control and monitoring systems. Work began in the summer of 2006 with relocation of electric power lines on the property and mains coordination with surrounding projects. The hotel will have 12 floors containing 280 rooms and suites on the top floor.





### New sports centre in Larvik

Sweco is taking part in planning of the new Arena Larvik sports centre adjacent to Thor Heyerdahl school in Larvik, Norway. Arena Larvik will have an indoor area of 4,000 sq. m. and seating for 4,000 spectators. The centre can be used for the majority of indoor sports, as well as trade shows and other events.

### Energy projects in Vilnius

Sweco is carrying out a number of electric power and heating projects in the Lithuanian capital city of Vilnius, where the goal is to improve efficiency and increase the capacity of the systems. One such project involves inter-connection of the city's waste incineration plant with the district heating and power transmission networks so that energy from incineration can be used to generate heat and electricity in a sustainable and environmentally friendly manner.



### Mapping of CO<sub>2</sub> impact from the furniture industry

On behalf of the World Wildlife Fund (WWF), Sweco is studying the carbon dioxide impact of a furniture maker with production units in several locations around the world. The aim is to calculate a carbon impact value per item of furniture in the product range.





### Flood mapping along the Mölndal River

The Swedish Rescue Services is compiling general flood inundation maps to assess the risk of flooding along Swedish waterways. Flooding can lead to enormous costs and severe property damage, and the Mölndal River is a waterway where the risk is high.

Sweco has been commissioned for detailed mapping of the river including proposals for concrete measures to prevent flooding. One possible solution, based on the current situation and forecasts, is to store water in upstream lakes and regulate the flow with the help of gates. Downstream, near the sea, flood protectors will be built for particularly vulnerable buildings.



### Waste and environmental expertise in Iraq

The Iraqi Ministry of Environment has commissioned Sweco to prepare an environmental development programme that will help the country address urgent environmental problems that have arisen over the past few decades. The contract is made up of three parts that include an environmental plan to address acute pollution problems, proposed changes in Iraq's environmental legislation and preparation of a waste management plan for the capital city of Baghdad, with a special emphasis on hospital waste.

### The world's largest luxury cruise ship

Oasis of the Seas has been built at the STX shipyard outside Turku, Finland. The ship will carry 5,400 passengers and a crew of 2,100. Oasis of the Seas, with its 2,700 staterooms in 22 different categories, is 361 meters long and 16 decks high. Sweco has been responsible for hull strength and mooring analyses, engineering design of the machinery and planning of electrical systems.







### Sandgrundsparken in Karlstad

Sweco's landscape architects have contributed to designing the environment in Karlstad's new park, Sandgrundsparken. The park is part of the municipality's vision of a dynamic and vibrant thoroughfare along the Klarälven River in central Karlstad.

The contours of the park unfold in gentle swells and lush green hollows, with low sun decks surrounded by meadows, aquatic plants, a sunny beach and a stage. Sandgrundsparken opened in June 2008.



### New rest stop on E6 motorway at Østfold

At the request of the Norwegian Public Roads Administration and in association with Saunders Arkitektur, Sweco is planning the Solbergkrysset rest stop along the E6 motorway Østfold. With its 30 meter tall viewing tower, Solbergkrysset will serve as a landmark but will naturally also contain all the facilities expected of a modern rest stop together with information about cultural heritage sites and the surrounding environment. By offering an attractive place to stop and rest, the goal is contribute toward reducing the number of traffic accidents.





### Swedish pavilion to highlight sustainable development

Sweco's architects have been chosen to engineer and design the Swedish pavilion for the 2010 World Expo. The pavilion reflects the theme of the expo, Better city – Better life, and communicates the message that architecture and nature conservation can go hand in hand. The 2010 World Expo will be held

in Shanghai between 1 May and 31 October 2010, and the event is expected to attract over 200 participating countries and organisations and around 70 million visitors.



### Environmental initiatives for public transport

Sweco has been selected to evaluate environmental initiatives related to public transport in Norway's Romerike region on behalf of Ruter AS, which among other things provides public transport services in the Oslo area. The evaluation will focus primarily on trial use of biofuel in the region's bus traffic.





### Quays, island and café in central Sundsvall

The quays along the Selånger River in central Sundsvall have been in poor condition for many years and are in dire need of renovation. Sweco has been awarded a contract by the Municipality of Sundsvall to prepare construction documents for rehabilitation and rebuilding of 400 meters of quays. The project also includes construction of an island that will be surrounded on one side by the river and on the other side by an artificial dam that can be used for ice skating in the winter. There are plans to build a summer café on the island.



### Better environment for the animals at Tallinn Zoo

Sweco is planning a renovation of the pachyderm house at Tallinn Zoo that includes modernisation of the rhinoceros, hippopotamus and elephant enclosures. The project has been undertaken in response to changes in animal care and management methods over the past 20 years and a need to improve the animals' living conditions at the zoo.

Valuable knowledge has been gathered during the course of this work, such as the amount of force exerted by an elephant against a wall!



### Local resource planning with geographical IT

Sweco is assisting a number of Swedish municipalities in local resource planning with the help of geographical IT. In the public sector this method is being used increasingly to plan and manage resources such as facilities for preschools and schools. Using a special tool, the municipalities can plan for their long-term needs in a strategic manner.



### Analysis of airborne emissions from oil and gas field in Kazakhstan

Kazakhstan is home to one of the world's largest fields for oil and gas extraction, an activity that produces emissions of many substances that are harmful to the environment and local residents. The World Bank has demanded environmental improvements and commissioned Sweco to provide advice and propose appropriate technical measures. These efforts have contributed to emission reductions and more efficient routines for measurement and inspection. Air purification equipment has also been installed.



### Temperature rising in Norrland

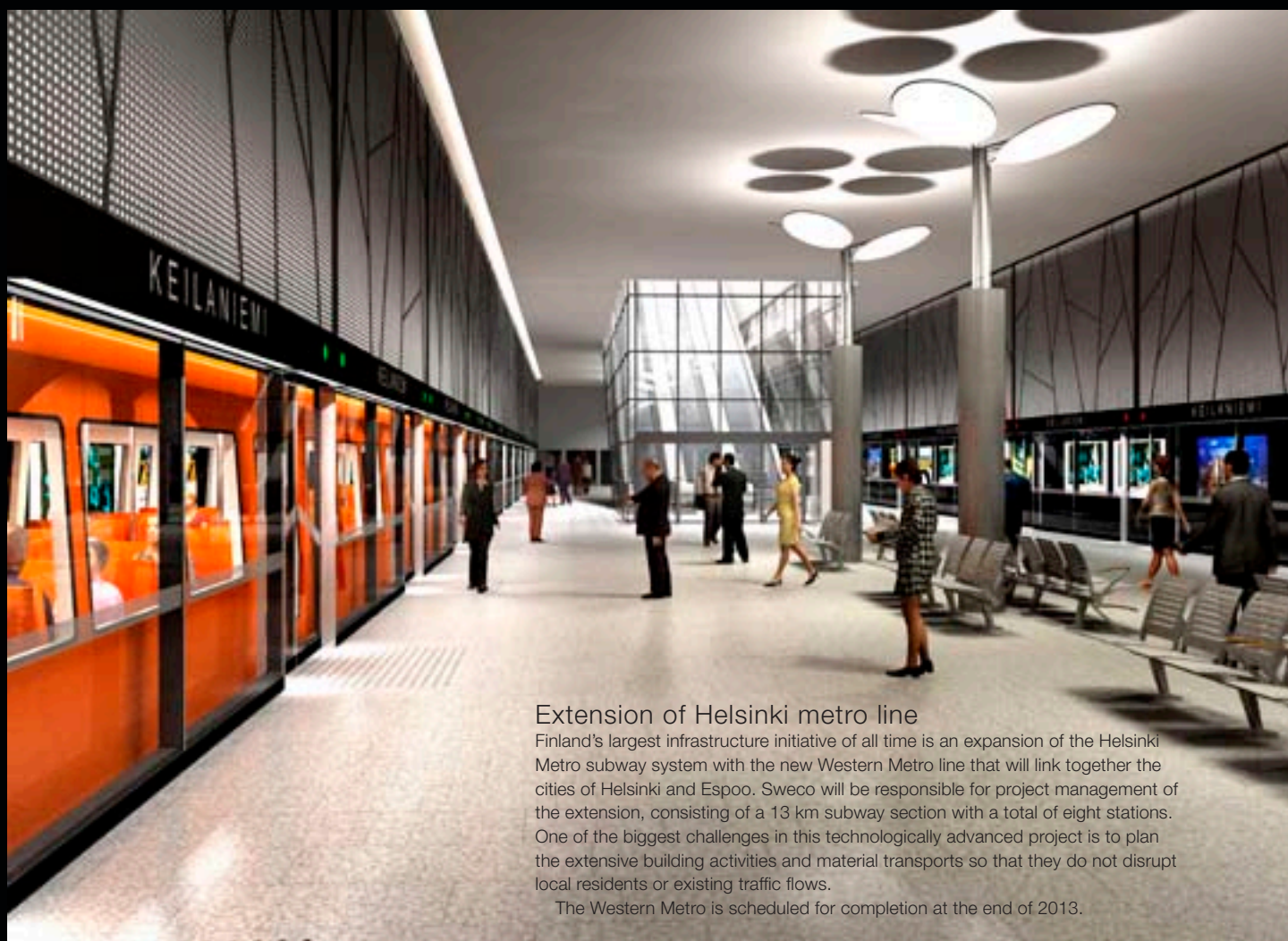
Sweco has carried out an analysis of anticipated climate changes in Sweden's northernmost province of Norrland. The study compares Norrland with the rest of Sweden and describes the overall ecological and economic consequences. One conclusion is that the average temperature in Norrland could become 4.5°C warmer by the year 2100, which is higher than the global mean, leading to increased precipitation and reduced snow cover. The mountain areas will be most tangibly affected from an ecological standpoint and economic effects on reindeer husbandry, agriculture, forestry and tourism are deemed probable.



### Development of Skeppsbron area in Gothenburg

Skeppsbron on Södra Älvsstranden in Gothenburg is one of the city's largest urban development projects. Sweco is engaged in planning and design of new infrastructure such as roads, public spaces and light rail lines, as well as water and sewerage systems and new quays. Considerable attention is being devoted to the design, function and environment. For Gothenburg, the project is resulting in development of attractive urban environments along the city's waterfront.





### Extension of Helsinki metro line

Finland's largest infrastructure initiative of all time is an expansion of the Helsinki Metro subway system with the new Western Metro line that will link together the cities of Helsinki and Espoo. Sweco will be responsible for project management of the extension, consisting of a 13 km subway section with a total of eight stations. One of the biggest challenges in this technologically advanced project is to plan the extensive building activities and material transports so that they do not disrupt local residents or existing traffic flows.

The Western Metro is scheduled for completion at the end of 2013.



### Modernisation of pulp and paper industry in Australia

Sweco has taken part in a large-scale project for the Australian pulp and paper industry aimed at modernisation of various methods and processes in order to increase capacity.



### Lydmar Hotel in Stockholm

The transformation of the Sillhöv block on Blasieholmen in Stockholm now stands complete. Lydmar Hotel version 2008 consists of 46 unique rooms in which the goal has been to respectfully refine a listed historical building. The property has undergone extensive renovation and a total conversion from offices to a hotel in which Sweco's tasks have included architectural services and energy and comfort design in the property.



### Biofuel-fired CHP plant in Finland

For the Finnish energy company Kerava Lämpövoima Oy, Sweco is participating in the construction of a new biofuel-fired Combined Heat and Power (CHP) plant some 30 km north of the capital of Helsinki. The CHP plant will combine electricity and thermal production, covering a large share of the requirement in the city of Kerava with around 30,000 residents.

Sweco has total responsibility for all planning and design of the plant, from project management and structural engineering to mechanical engineering, piping systems and automation. The plant is scheduled for completion in the autumn of 2009.



### Planning of recycling facility in Norway

On behalf of REC ScanWafers in Porsgrunn, a manufacturer of solar panel, Sweco is planning installations in a new recycling facility for waste products from production, primarily lubricant oils. The facility will recycle up to 90 per cent of the waste products. Sweco is responsible for aspects such as detail planning and advice for electrical and structural engineering, water and wastewater systems.



## Hotel in San Francisco

For W Hotels in San Francisco, Sweco's interior architects have designed guest rooms and suites such as the hotel's most exclusive accommodation, the so-called Extreme Wow Suite, with sweeping views over the city. The suite has an area of close to 300 sq. m. and features a sumptuously designed living room and two full baths.

Sweco has wide-ranging experience in providing total interior design services for hotels worldwide.



## Geoenergy trials on the Faroe Islands

Buildings on the Faroe Islands are typically heated with oil-fired boilers, a practice that is both expensive and environmentally inappropriate. At the request of the Faeroese Energy Agency, Sweco has started a pilot project for extraction of geothermal energy.

Two large geothermal stations are operating in the capital city of Torshavn and a few smaller systems for single-family homes are also being tested. Sweco will perform thermic analyses during the pilot stage. The contracted services also include energy calculations and systems for measurement and monitoring, as well as evaluations and proposals for ongoing measures. A final report on the pilot project will be presented in 2010.



## New hospital building in Umeå

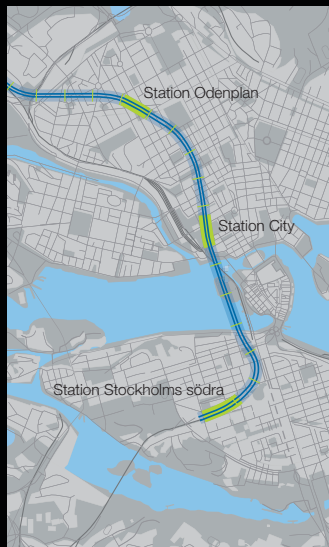
At Norrland University Hospital, Sweco is designing technical systems in connection with construction of a whole new building with an area of around 35,000 sq.m to be completed in 2010. Sweco is responsible for the technical systems, which are gathered on the ground floor to facilitate operation and maintenance. Another part of the assignment is to reduce energy consumption with the help of a bore-hole thermal energy storage system.





## Continued assignments for Citybanan

Work on Citybanan, a new railway line extending under much of central Stockholm, is in full swing and the official starting shot was fired at the beginning of 2008. Among other things, the section contains six km of new double-track line and two stations. Sweco is taking part in a number of assignments connected to this massive and multi-year project, including preparation of construction documents for various sub-projects and is also involved in several parts of the construction stage.



## Ancient salt deposits become modern gas storage in Russia

Under a contract from the Russian energy company Gazprom, Sweco is building gas storage facilities beneath Kaliningrad. Advanced technology is being used to create cavities in salt deposits from the Jurassic period (150–200 million years ago) by first drilling two holes down to a depth of around 1,000 meters and then pumping in sea water through one hole. Sea water is then added in stages until the water has a salt content that minimises environmental impact on the Baltic Sea when pumped out again. A total of 20 cavities will be produced, each measuring around 80 meters in diameter taking around one year to create.





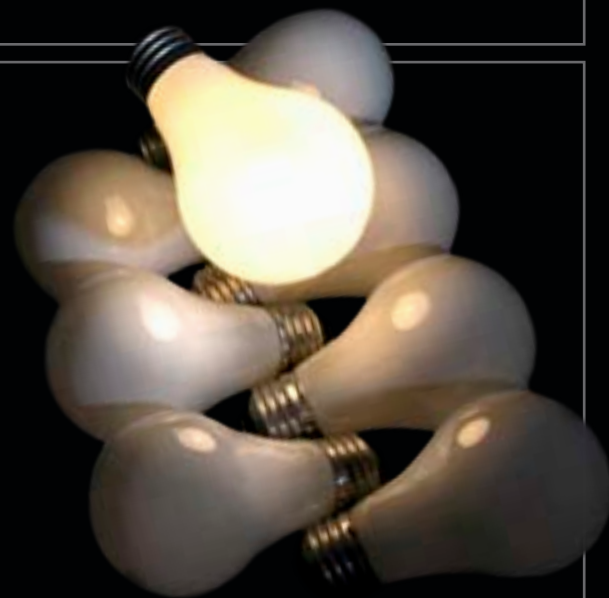
## Power grid expansion in Mozambique's capital city of Maputo

In Mozambique's capital city of Maputo, Sweco has been chosen to plan how the municipal electrical grid can be expanded and modernised. Sweco will also produce tender documents that will help the client, the energy company Electricidade de Moçambique, move forward with the project, as well as monitoring deliveries and installations. In recent years Sweco has been involved in a number of similar assignments in countries like Botswana, Ethiopia and Tanzania.



## Hydropower in Nepal

The potential for hydropower extraction in the mountainous nation of Nepal is excellent and Sweco has been given the task of investigating and charting the possibilities for expansion of hydroelectric power plants on the Tamakoshi River. The assignment includes geological and hydrological measurements and design-related recommendations. A power plant with an installed capacity of 400 MW is planned. The goal is to find a solution with a minimum of impact on living conditions in and around the river.



## A closer look at energy supply

The energy supply in the Stockholm region is a complex issue. Sweco has been chosen to perform a system analysis of the entire region's future energy supply and formulate a number of clearly defined courses of action and strategies that will enable the region to minimise its energy usage and climate impact within three time horizons: 2020, 2030 and 2050. The project is a collaborative effort between the public sector and private sector, according to the PPP model, with funding from several different sources.

## Board of Directors' report

The Board of Directors and the President of SWECO AB (publ) hereby submit the annual report and consolidated annual report for the financial year 2008.

SWECO AB (publ) domiciled in Stockholm, corporate identification number 556542-9841, is the Parent Company of the Sweco Group. The engineers, architects and environmental experts at Sweco are working together to contribute to the creation of a sustainable society. Sweco delivers professional consulting services with a high knowledge content that are often provided at an early stage of client projects. With more than 5,500 employees, Sweco is among the largest players in Europe and a leader in several market segments of the Nordic and Baltic regions, the Czech Republic and northwestern Russia. In 2008 Sweco carried out some 31,000 projects for around 10,000 clients. Sweco has home markets in ten countries and conducts project exports to some 80 countries worldwide.

### THE SWECO GROUP

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

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

Through collaboration between the various subsidiaries, representing a wide range of core competencies, Sweco can create strong consulting teams capable of taking on large and complex projects. With subsidiaries in ten countries and more than 100 local offices, Sweco is close to its clients. Sweco also conducts extensive project exports around the world.

In 2008 Sweco recorded its best year ever with a dramatic increase in profit and an operating margin that rose to 10.8 per cent (9.5). The units in Sweden and Norway showed the strongest earnings growth. During the year Sweco continued its expansion and strengthened its market positions in both the Nordic region and in Eastern and Central Europe.

Demand was particularly keen for services in the environment, energy and infrastructure areas, while weaker demand was noted in the construction sector and parts of the industrial sector toward the end of the year. The Group's resources are being adapted to the new conditions. At the same time, the outlook is bright in the majority of Sweco's service segments.

The fundamental drivers underlying demand for the Group's services are population growth and urbanisation, a growing awareness of environmental and climate issues and modernisation of the new EU member states. These trends are creating new business opportunities and generating healthy demand primarily for environmental, energy and infrastructure services. Sweco's strong market positions in these areas vouch for positive long-term development.

### CONSOLIDATED SALES AND PROFIT

The Sweco Group's net sales rose by 21 per cent to SEK 5,522.8 million (4,569.5). Of the increase, around 50 per cent was organic and 50 per cent was acquisition-driven.

Operating profit is reported at SEK 596.3 million (432.5), an increase of SEK 163.8 million that is mainly explained by strong earnings in the Swedish and Norwegian units. The improvement is attributable to a robust market, improved margins and lower pension costs in Sweden owing to a premium rebate of approximately SEK 44 million from Alecta.

Profit in Sweco Central & Eastern Europe has been affected by a rapid economic downturn in Estonia. The year's profit included provisions of SEK 6 million for bad debt losses.

The drop in earnings for Sweco Russia is due to costs arising from changes in management, project losses and provisions for bad debt losses.

Profit in Sweco Industry was positively affected by a gain of SEK 9.4 million on the sale of operations. As a result of restructuring in the Finnish unit, a write-down of goodwill amounting to SEK 12.9 million has been made and also a provision of SEK 7.3 million made for restructuring charges.

### Net sales, operating profit, operating margin and average number of employees during 2008

Business areas	Net sales, SEK M		Operating profit, SEK M		Operating margin, %		Average no. of employees	
	2008	2007	2008	2007	2008	2007	2008	2007
Sweco Sweden	3,036.9	2,662.1	404.1	278.8	13.3	10.5	2,479	2,336
Sweco Norway	1,132.7	781.2	121.8	66.7	10.8	8.5	831	582
Sweco Finland	135.8	93.4	15.6	14.3	11.5	15.3	87	77
Sweco Central & Eastern Europe	312.9	196.1	3.2	12.4	1.0	6.3	806	529
Sweco Russia	28.6	15.6	-5.5	0.9	-19.2	5.9	126	64
Sweco Industry	993.2	901.7	82.0	60.2	8.3	6.7	1,110	1,097
Group-wide, eliminations, etc.	-117.3	-80.6	-24.9	-0.8	-	-	14	14
<b>Total Group</b>	<b>5,522.8</b>	<b>4,569.5</b>	<b>596.3</b>	<b>432.5</b>	<b>10.8</b>	<b>9.5</b>	<b>5,453</b>	<b>4,699</b>

The increase in group-wide costs is mainly explained by acquisition activities and costs arising from the transition to a uniform brand.

Profit for the Sweco Group was affected by employee bonuses of SEK 118.7 million (97.9) including social security expenses.

The Group's overall operating margin was 10.8 per cent (9.5). The billing ratio, including all administrative personnel, was 75.6 per cent (76.1).

Group's net financial items totalled SEK –8.1 million (–6.8) and profit before tax amounted to SEK 588.2 million (425.7).

Profit after tax was SEK 402.9 million (303.3), of which SEK 403.6 million (297.4) is attributable to equity holders in the Parent Company.

Return on equity was 34.6 per cent (33.8) and return on capital employed was 44.4 per cent (41.7).

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

## EARNINGS PER SHARE

Earnings per share were SEK 4.68 (3.53) before dilution and SEK 4.65 (3.46) after dilution.

## CAPITAL EXPENDITURE

Net expenditure on equipment during the year totalled SEK 101.3 million (86.4) and referred mainly to computers, other IT investments and cars. Depreciation of equipment amounted to SEK 73.2 million (60.2) and amortisation of intangible assets to SEK 24.9 million (14.3).

Purchase consideration paid for the acquisition of companies amounted to SEK 271.2 million (242.3) and purchase consideration received on the sale of operations totalled SEK 47.6 million. The effect on consolidated cash and cash equivalents was SEK 163.4 million (163.2).

## CASH FLOW AND FINANCIAL POSITION

The Group's cash flow from operating activities was SEK 557.1 million (314.2).

Cash and cash equivalents totalled SEK 321.3 million (192.0). Disposable cash and cash equivalents including unutilised bank overdraft facilities at the end of the year amounted to SEK 812.7 million (751.7). Interest-bearing debt is reported at SEK 161.2 million (209.8). The net interest-bearing liability was thus SEK 160.1 million (net debt of SEK 17.8 million).

During the year, a total of SEK 170.6 million (269.6) was transferred to the Parent Company's shareholders. The figures for the previous year include share redemption payments of SEK 143.2 million.

The equity/assets ratio was 47.0 per cent (39.0). Based on the balance sheet at 31 December 2008, and after the proposed dividend, the equity/assets ratio will be approximately 44 per cent.

## PERSONNEL

The number of employees at 31 December 2008 was 5,536 (4,934), an increase of 602 people that is mainly attributable to acquisitions. A total 896 employees (829) were hired during the year, while 731 (744) resigned or retired, 129 (–) left in connection with the sale of operations and 566 (620) were added through acquisitions. The employee turnover rate was 14 per cent (15). The average number of employees in the Group during the year was 5,453 (4,699).

## PARENT COMPANY

The Parent Company recorded net sales of SEK 67.9 million (57.8), all of which refers to intra-group services. Profit after net financial items was SEK 420.0 million (327.3). Capital expenditure on equipment amounted to SEK 0.1 million (0.6) and cash and cash equivalents at the end of the year totalled SEK 152.0 million (61.9).

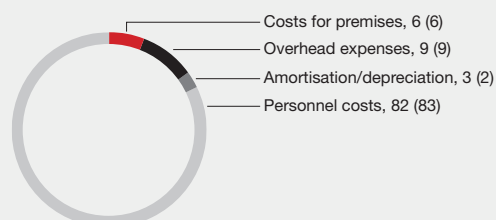
## THE SWECO SHARE

Sweco is listed on NASDAQ OMX Stockholm AB. The bid price for the Sweco B share at the end of the year was SEK 35, representing a decrease of 47 per cent since the beginning of the year. The OMX Stockholm Index fell by 42 per cent over the same period. Total return on the Sweco share in 2008 was –44 per cent. Over the past five years, total annual return on the Sweco share has averaged at 32 percent.

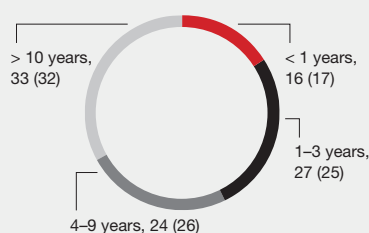
The number of shares was changed during the year through the issue of 1,400,000 class C shares for fulfilment of the 2008 Share Bonus Programme and through subscription for 1,687,760 class B shares under the warrant series 2005/2008.

The total number of shares at the end of the year was 89,502,110, of which 9,389,075 are of class A, 78,563,035 are of class B and 1,550,000

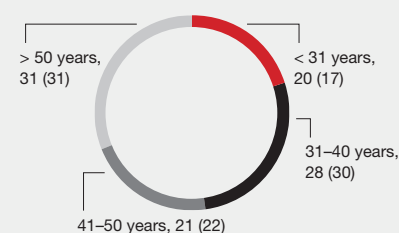
Cost structure, %



Term of employment, %



Age structure, %





are of class C. After deduction of treasury shares, the number of shares outstanding at the end of the year was 87,144,243, of which 9,389,075 are of class A and 77,755,168 are of class B.

#### Incentive scheme for senior executives

The 2008 Annual General Meeting approved the issue of subscription warrants (2008/2011) on market-based terms to some 50 senior executives in the Sweco Group. A total of 1,252,000 warrants were subscribed for, equal to a dilutive effect of 1.4 per cent on the share capital and 0.7 per cent on the votes. In addition, 448,000 subscription warrants have been retained for possible award to future senior executives. The warrants may be exercised for subscription to shares during the period from 30 May 2011 to 30 November 2011 at an exercise price of SEK 65 per share. The warrants have been valued according to Black & Scholes model.

#### Share bonus programme

Under the 2007 Share Bonus Programme, which covers the majority of the Group's employees in Sweden, the employees have been awarded 674,587 class B shares in Sweco, equal to the earned bonus for 2007.

The 2008 Annual General Meeting approved the implementation of a share bonus programme directed to the majority of employees in Sweden, Norway, Finland and Denmark. Under the 2008 Share Bonus Programme, the employees will receive shares in Sweco equal to the earned bonus for the 2008 financial year divided by a base share price. The base share price will be equal to the average volume-weighted bid price for SWECO AB's (publ) class B share during the period from 20 March 2008 to 28 March 2008, less an amount corresponding to the dividend resolved on by the 2008 Annual General Meeting. The base share price was set at SEK 49.

#### Treasury shares

Sweco's holding of repurchased class B shares (treasury shares) changed during the year through the issue of 350,000 shares in connection with the acquisition of Opticonsult AS and 171,852 shares comprising the remaining 50 per cent of the shares in Lenvodokanalproekt, after which Sweco holds 2,357,867 treasury shares. Of these, 807,867 are of class B and 1,550,000 are of class C. The treasury shares correspond to 2.7 per cent of the total number of shares and 1.4 per cent of the votes. Of the 807,867 class B shares, 632,454 are treasury shares that can be used as payment in corporate acquisitions. The shares were purchased at average price of SEK 22.10 each, equal to a total of SEK 14.0 million. The market value at the end of the year was SEK 22.1 million. In addition, Sweco holds 175,413 class B treasury shares and 1,550,000 class C treasury shares to be used under the 2008 Share Bonus Programme.

### SWECO'S BUSINESS UNITS

#### Sweco Sweden

Sweco Sweden is the country's leading provider of consulting engineering services and the Group's largest business unit, with around 2,630 employees in 49 locations. Services are offered in the areas of architecture,

structural engineering, building service systems, infrastructure, water and environment, project management, energy systems and geographical IT. Sweco Sweden also has extensive project exports to countries in Eastern Europe, Africa, Asia, the Middle East and Latin America.

Net sales increased by 14 per cent to SEK 3,036.9 million (2,662.1). Operating profit reached SEK 404.1 million (278.8) and operating margin was 13.3 per cent (10.5).

#### Market

Continued robust development has been seen in most areas of operation. The infrastructure market is expanding and the outlook remains positive. Long-term growth is anticipated in the energy area, particularly with regard to wind and hydroelectric power, and demand for water and environment services is accelerating in pace with stricter environmental requirements. The market for geographical IT is also expanding with a steadily rising number of applications.

Declining demand is being noted in the construction sector, among other things for architectural services. In the industrial sector, the order situation remains favourable, although there is considerable uncertainty about future investments.

#### Major contracts during the year

In 2008 Sweco was selected to act as structural engineer for construction of the new Swedbank Arena in Solna, Sweden. The arena will be Scandinavia's premier football and entertainment venue and the largest in the Nordic region.

Sweco has been chosen to perform a system analysis of the Stockholm region's future energy supply. Sweco will formulate a number of clearly defined courses of action and strategies that will enable the Stockholm region to minimise its energy usage and climate impact within three time horizons – by 2020, 2030 and 2050.

A new city with an ecological profile is being planned in the Tangshan region of China, some 250 km east of Beijing. Sweco has been commissioned to prepare a sustainable development concept for this eco-city, which is eventually expected to be home to around one million people. Sweco has also been selected to perform sustainable urban planning for two new communities outside St. Petersburg, Russia, that will contain housing, parks, commercial centres and workplaces for around 100,000 people.

In Mozambique's capital city of Maputo, Sweco has been chosen to plan how the municipal electrical grid can be expanded and study how the existing infrastructure can be modernised. The assignment is being carried out on behalf of the energy company Electricidade de Moçambique. In Maputo Sweco has also been commissioned to develop a strategy to ensure access to drinking water in the city. Sweco's services will also include studies on the opportunities to reduce the water requirement in Maputo through water reclamation and more efficient water management.

At the end of the year Sweco won a design competition for a new hospital annex in Falun, Sweden, that will be the largest addition to Falun

Hospital since the 1970s. Sweco's proposal meets high demands on efficiency and flexibility. The facilities will permit a varying number of beds throughout the hours of the day and days of the week. It will also be simple to convert clinic areas into patient wards, and vice versa.

Also at the end of the year, Sweco was awarded a contract to prepare a comprehensive development programme for Iraq's Ministry of the Environment. Sweco will draw up an environmental plan to address acute pollution problems in the country, review and propose changes in Iraq's environmental legislation and develop a waste management plan for the capital city of Baghdad.

### Sweco Norway

Sweco is one of Norway's largest engineering consultancies. The Norwegian unit, which also has extensive export operations, is organised in six business divisions: Energy, Water & Environment, Building & Construction, Infrastructure, Building Service Systems and Vest.

Net sales grew by 45 per cent to SEK 1,132.7 million (781.2). Of the increase, around 25 per cent was organic and 75 per cent was acquisition-driven. Operating profit amounted to SEK 121.8 million (66.7), an increase of 83 per cent. Operating margin was 10.8 per cent (8.5).

#### Market

Although the market climate in Norway worsened during the fourth quarter, continued strong demand is being noted for most of Sweco's services. Activity in the construction sector has slowed further, above all with regard to residential building, while the markets for energy and infrastructure services are showing sustained strength. Investments in both the road and railway network are expected to generate increased demand for Sweco's services. Growth is also expected to continue in the environmental area, primarily in water and wastewater treatment.

#### Major contracts during the year

In Porsgrunn, Norway, Sweco has been chosen to plan installations in a new recycling facility for waste products from REC ScanWafer's production of solar cells. The new facility will recycle around 90 per cent of the waste products, primarily lubricant oils.

Along the E6 motorway in the Municipality of Sarpsborg, Norway, Sweco will plan a large and highly publicised rest stop that will serve as a landmark for the area. Among other things, the rest stop will be equipped with a 30 meter tall viewing tower.

Sweco will take part in developing the concept for Norway's pavilion at the Shanghai World Expo in 2010. With their joint proposal "The Nature of Norway", focusing on sustainability and urbanisation, Sweco Norway has been chosen as the winner together with Helen & Hard Arkitektkontor and Melvær&Lien Idé-entreprenør. The themes of the concept are sustainability and urbanisation. Norwegian trade and commerce will be represented with the help of nature, activity and experiences.

At the end of the year Sweco was chosen to plan for expansion of the rail yard at the Halden railway station and to engineering foundational

and concrete structures for the construction of offices and residential buildings in central Fredrikstad, Norway.

### Sweco Finland

The business unit has more than 80 employees and mainly provides construction management and project management services through the subsidiary Sweco CMU. At the beginning of 2009 the company changed name to Sweco PM.

Net sales reached SEK 135.8 million (93.4). Operating profit was 15.6 million (14.3) and operating margin was 11.5 per cent (15.3).

At the end of the year, 37 employees in Sweco Finland were given notice of temporary redundancy or termination in order to adjust the workforce to declining demand.

#### Market

The market for construction management and project management services was severely impacted by economic slowing at the end of the year. Housing construction has fallen by nearly half and construction of commercial space has also decreased markedly. However, increased rebuilding and renovation is anticipated as a result of new energy and environmental requirements. In the infrastructure sector, where the level of investment remains high and is expected to rise further, the outlook is significantly better. Planned stimulus measures in both the construction and infrastructure area are awaited to have a positive effect on demand for Sweco's services.

#### Major contracts during the year

In the by far largest assignment started during 2008, Sweco was awarded a contract for project management in connection with expansion of the Helsinki Metro subway system with the new Western Metro line that will link together the the Finnish capital of Helsinki with the nearby city of Espoo. The project is the largest infrastructure initiative of all time in Finland, carrying an estimated price tag of over SEK 6.8 billion. The new Western Metro extension will consist of a 13 km subway section with a total of 8 stations. Sweco's contract is worth close to SEK 100 million.

### Sweco Central & Eastern Europe

Sweco Central & Eastern Europe has more than 870 employees and is active in Estonia, Lithuania, the Czech Republic, Slovakia and Bulgaria. At the same time, Sweco has extensive project exports to these markets, primarily in water and environment, infrastructure, industry and architecture.

Net sales for Sweco Central & Eastern Europe rose dramatically to SEK 312.9 million (196.1). Operating profit amounted to SEK 3.2 million (12.4) and operating margin was 1.0 per cent (6.3).

At the end of the year, the economic downturn started to have a tangible impact on parts of Sweco's Estonian operations and the number of employees has been reduced by around 20 in response to the current market situation.

*Market*

Growth in Central and Eastern Europe has slowed. The assessment is that the ongoing adaptation to EU standards will continue, but at a more moderate pace. In the construction sector there has been a clear drop in demand for residential building, although Sweco's exposure to this sector is limited. The slowdown is most pronounced in Estonia. In the Czech Republic and Bulgaria, where Sweco's emphasis is on water and environmental services, the market situation is stable.

Demand for Sweco's services is found mainly in the environmental, infrastructure and energy areas, driven by modernisation and upgrading of water/wastewater, transport and energy supply systems, which indicates potential for positive long-term development.

*Major contracts during the year*

Sweco has been chosen to help Lithuania's largest producer of cement products, Akmenas Cementas, expand its operations. Sweco has been given responsibility for structural engineering and preparation of manufacturing documents. The contract is worth close to SEK 25 million. In Lithuania, Sweco has also been commissioned to plan a modern waste treatment plant for the production of district heating.

Sweco's Czech subsidiary Hydroprojekt has won several new water and environmental contracts. Among other things, Sweco will plan a whole new water treatment plan in the city of Ledvice and supervise renovation of the wastewater system in the city of Vrchlabí.

In a widely publicised project in Estonia, Sweco's consultants have been selected by Tallinn Zoo to plan a renovation of the pachyderm house for rhinos, elephants and hippos in the zoo's African exhibit.

**Sweco Russia**

Sweco Russia is focused primarily on water and environmental services and the majority of its clients are found in the public sector. Operations are conducted mainly through the subsidiary Lenvodokanalproekt with over 160 employees. At the same time, Sweco has project exports to the Russia market from Sweden, Norway, Finland and the Czech Republic, primarily in water and environment, infrastructure, industry and architecture.

Net sales for Sweco Russia increased by 83 per cent to SEK 28.6 million (15.6). Operating profit amounted to SEK -5.5 million (0.9) and operating margin was -19.2 per cent (5.9).

*Market*

Activity in the Russian market decreased sharply in the fourth quarter. The most significant slowing has taken place in the raw material and industrial sectors, which have been hard hit by steep price falls and lower demand. A generally weak market for consulting engineering services is therefore anticipated in 2009.

In spite of this trend, Sweco remains relatively well positioned. Public finances are strong and the government is committed to upholding public investments, of which clean drinking water and improved wastewater treatment are an explicit priority. However, several anticipated projects in

the private sector have been postponed and this shift toward public sector clients will most likely continue in 2009.

*Major contracts during the year*

The year's most notable projects include upgrading and modernisation of the Leskovolo water treatment plant in the Municipality of Leningrad. The project includes a new water intake structure, a pumping station and new distribution pipes to the community.

Sweco's Russian subsidiary won a major contract to plan and design storage facilities for natural gas on behalf of Russian-based Gazprom. In total, the project will include 20 underground storage rooms to be built in Kaliningrad.

**Sweco Industry**

Sweco Industry is the Group's global resource for qualified industrial consulting services. The unit's capabilities include consulting, planning, engineering, and project management services for product development, production optimisation and plant investment. With around 730 employees in Finland, 210 in Sweden and 20 in Norway, Industry is one of the Nordic region's largest industrial engineering consultancies. The unit also has extensive international operations in Europe, Asia and South America.

The business area works with a focus on the chemical and petrochemical industry, the pulp and paper industry, the marine industry, energy production and product development.

Net sales improved by 10 per cent to SEK 993.2 million (901.7). Operating profit strengthened to SEK 82.0 million (60.2) and operating margin was 8.3 per cent (6.7).

At the end of the year, more than 120 employees at Sweco Industry in Finland were given notice of temporary redundancy or termination in response to the falling demand in certain industrial segments.

*Market*

Demand for industrial consulting services was severely impacted by the economic downturn at the end of 2008.

Market slowing and postponed investments have affected the mining, pulp and paper, telecom, electronics and other industries in Finland.

Despite ongoing turbulence in the economy, the level of industrial investment remains high. New projects have been started in areas such as energy, chemicals, oil and gas. In particular, stable long-term development is awaited for industrial consulting services in the energy area.

There is considerable uncertainty about how the current economic situation will affect investment levels in 2009.

*Major contracts during the year*

Sweco's industrial consultants were awarded a major contract in connection with the construction of a new CHP plant in Dunaújváros, Hungary. The assignment includes total responsibility for planning and design. The facility will produce 50 MW of electricity and 160 MW of process steam for nearby pulp and paper mills.



In Sweden, Sweco's industrial consultants won a development contract in collaboration with Denmark's leading contract manufacturer, BB Electronics. The assignment includes design and development of a control system that will be produced in BB Electronics' factories in China. Other assignments in Sweden include production planning for a new pump controller on behalf of ABS Pumpex.

The chemical company Yara has chosen Sweco to boost production capacity at its plant in Siilinjärvi, Finland. In the pulp and paper industry, Sweco has won several new assignments from clients like Metso and Andritz, in connection with the construction of a new cooking plant for China Sun Paper.

At the end of the year Sweco was awarded a contract by STX Finland Cruise for services in connection with the construction of two car-passenger ferries for British P&O Ferries. The assignment includes engineering design of the hull and machinery. The ferries will be built at the STX shipyard in Rauma, Finland, and will be as environmentally friendly as possible. Among other things, fuel consumption will be reduced with the help of a hydro-dynamically efficient hull form.

## ACQUISITIONS

### Sweco Sweden

Sweco acquired the building design unit of Stockholm Vatten, the City of Stockholm's municipal water utility. Stockholm Vatten Byggsprojekt AB, with 24 employees, provides studies, planning, design and construction management services in the water and wastewater area. The motive for the acquisition is to strengthen Sweco's capabilities primarily in mains engineering.

In addition, the business unit acquired the operations of the Danish architectural firm Birk Nielsen, with 18 employees in Copenhagen and Aarhus. Birk Nielsen is specialised in landscape architecture, urban planning and wind power.

During the year Sweco also acquired B & B VVS-konsult AB with seven employees in Sweden's Skåne region. The company provides consulting services in heating, ventilation, sanitation, cooling, control and monitoring systems.

### Sweco Norway

At the beginning of the year Sweco acquired Opticonsult AS with 160 employees, most of whom are based in Bergen and Stavanger. Opticonsult offers consulting services in a number of areas, with an emphasis on construction and civil engineering. The company also has special expertise in implementing projects in the polar region.

In addition, Sweco acquired Tveiten Rådgivende Ingeniører AS with 29 employees in the Telemark region, southwest of Oslo. Its speciality areas include water and wastewater engineering, environmental engineering, technical installations, climate technology and structural engineering.

A further acquisition in Norway was Eurospatial AS, a provider of GIS-

related services that has established itself as a leader in the development of information systems and databases for the forestry industry. Eurospatial AS has five employees in Lillehammer, Norway.

Sweco has also acquired the operations of Anders Digernes AS, a firm with four employees specialised in structural engineering.

### Sweco Central & Eastern Europe

Sweco acquired 98 per cent of the Lithuanian company Hidroprojektas with around 175 employees. Hidroprojektas has offices in Vilnius, Kaunas, Klaipeda and Siauliai, and is a provider of consulting engineering services with an emphasis on water supply, hydropower and infrastructure. Through the acquisition, Sweco has become the country's largest engineering consultancy.

In 2008 Sweco also acquired 72.7 per cent of the Bulgarian energy consulting company Energoproekt Hydropower Ltd, with more than 80 employees. Energoproekt is the country's leading provider of consulting services related to hydropower and also offers qualified consulting services in water and environment. The acquisition will create opportunities for continued expansion in Bulgaria.

In addition, Sweco raised its holding in the Estonian subsidiary Sweco Projekt from 73 per cent to 92 per cent.

### Sweco Russia

Sweco acquired the remaining 50 per cent of the Russian consulting company Lenvodokanalproekt with close to 160 employees and offices in St. Petersburg, Moscow and Saratov. The company is one of the leading providers of environmental consulting services in northwestern Russia. Through the acquisition of Lenvodokanalproekt, Sweco has further strengthened its position in the Russian market for water and environmental consulting.

## DIVESTITURES

Sweco sold the Finnish industrial operation's mechanical engineering service unit, with approximately 130 employees, to Engineering Office Comatec Oy. The aim of the sale is to streamline the service offering in industrial engineering and focus on core activities in plant investment, production optimisation and product development/design.

During the year Sweco also sold a subsidiary in China, Sweco PIC China, and the property company Hydoreal in the Czech Republic.

## SUBSEQUENT EVENTS

Sweco has signed an agreement to sell the Finnish industrial operation's mechanical engineering service unit, with 38 employees, to the Swiss electronics company Enics. The aim of the sale is to streamline the service offering in industrial engineering and focus on core activities in plant investment, production optimisation and product development/design.

## RISK MANAGEMENT

The goal of risk management is to secure the Group's profit growth and guarantee uninterrupted operations in the various business units. The company's Board of Directors and executive management are responsible for Sweco's risk management. Some of the practical measures related to risk management are part of the Group's day-to-day management and are handled by Sweco's entire organisation and subsidiaries. The significant risks and uncertainties of the Sweco Group and Parent Company include business risks tied to the general economic trend and investment propensity in different markets, the ability to attract and retain competent personnel and the effects of political decisions. The Group is also exposed to different types of financial risk, such as foreign exchange, interest rate and credit risk. Below is a description of the risks Sweco has identified as significant in its business operations together with a description of the way these are managed.

## 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 profit, both upwards and downwards. For Sweco, a change in the billing ratio (capacity utilisation) by one percentage point (around 25 minutes per consultant and week) would have a profit effect of around SEK 61 million. A change of SEK 10 in the average hourly fee would affect annual profit by SEK 70 million. The table below shows the effects of some key variables on cash flow, operating profit and earnings per share based on the annual accounts for 2008. For every assumed change, all other variables are assumed to be constant.

### Risk management

RISK	MANAGEMENT
<b>Business cycle</b> Sweco's operations are affected by general trends in the business cycle and the propensity to invest in various markets.	Sensitivity to shifts in the business cycle is reduced through: <ul style="list-style-type: none"> <li>• Operations in many different technical disciplines.</li> <li>• A good mix between public and private sector clients.</li> <li>• Wide client base operating in different areas of business/industry.</li> </ul>
<b>Political decisions</b> Political objectives can influence investment decisions that affect Sweco.	<ul style="list-style-type: none"> <li>• 57 per cent of the assignment volume comes from the private sector and 43 per cent of the clients come from municipal and county governments, public agencies and government authorities. This balanced client mix reduces sensitivity to political decisions.</li> <li>• Sweco has subsidiaries in ten countries and extensive project exports, which reduces the risk for negative effects on business operations arising from investment decisions in individual countries.</li> </ul>
<b>Environmental risks</b> Operations that can cause damage, injuries or threats to human health, the environment or other interests, can also give rise to financial risks.	<ul style="list-style-type: none"> <li>• Sweco conducts no activities that are subject to permitting or reporting requirements under the Swedish Environmental Code or similar laws.</li> </ul>
<b>Competition</b> Competition to attract new, and retain existing, clients.	<ul style="list-style-type: none"> <li>• Sweco's combined expertise, with multiple technical disciplines that work together to maximise client benefit, creates competitive advantages.</li> <li>• Sweco has a strong brand and a market-leading position in several countries where the Group has operations.</li> </ul>
<b>Employees</b> To ability to attract new and retain educated and motivated employees is of significant importance for Sweco's competitiveness and ongoing development.	<ul style="list-style-type: none"> <li>• Sweco is an attractive employer that offers its employees extensive opportunities for development in areas that benefit the environment and society.</li> <li>• Sweco's operating breadth and in-depth expertise give the employees scope for ongoing development. This breadth leads to varied assignments and the depth offers the chance to work with the top talent in each area, providing a source of stimulus and development.</li> <li>• A flat and business-oriented organisation with far-reaching individual responsibility and good potential for personal development.</li> <li>• Growth and internationalisation are opening up new paths for the employees' personal development and career opportunities.</li> <li>• Sweco offers qualified ongoing education and technical forums where the employees can network and share experiences.</li> <li>• There are performance-based bonus systems covering all employees, and senior executives in the Sweco Group are offered various types of incentive schemes.</li> </ul>
<b>Client structure</b> A concentrated client structure leads to increased credit risk.	<ul style="list-style-type: none"> <li>• Sweco has a balanced base of approximately 10,000 clients. The ten largest clients account for around 18 per cent of sales. Consequently, Sweco is not dependent on any individual clients. In a historical perspective, trade receivable losses have been low.</li> </ul>

## Sensitivity analysis

		Effect +/-	
	+/-	Cash flow/ Operating profit	Earnings per share <sup>1)</sup>
Net sales			
– average fee	1%	SEK 46 M	SEK 0.38
– average hourly fee	SEK 10	SEK 70 M	SEK 0.58
– billing ratio	1%-point	SEK 61 M	SEK 0.51
Personnel costs	1%	SEK 33 M	SEK 0.28
Overhead expenses	1%	SEK 7 M	SEK 0.06

1) After 28 per cent standard tax.

RISK	MANAGEMENT
<b>Assignments</b> The risk for miscalculation of the expenses and time required to complete an assignment.	<ul style="list-style-type: none"> <li>• The group-wide business system sweco@work, routines and tools for effective management, follow-up and monitoring of assignments reduce assignment-based risks and facilitate early detection of possible losses.</li> <li>• Around 74 per cent of Sweco's assignments are billed by the hour, which means that the clients are billed for the full number of hours of work performed. Around 26 per cent are performed at a fixed price under constructive and foresighted contracts.</li> <li>• Sweco's consultants are given continuous training, according to the needs of the company and employees, in order to improve quality and efficiency in the assignments.</li> </ul>
<b>Financial risks</b> Changes in interest rates, foreign exchange rates and the market prices of financial instruments can impact Sweco's cash flow, profit and balance sheet.	<ul style="list-style-type: none"> <li>• To control and minimise financial risks, the Board of Directors has drawn up a finance policy which is updated and revised yearly. For more information, see Note 34 on page 77.</li> <li>• The Group normally has natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into a non-local currency, the contracted and anticipated payment flows are hedged through forward contracts.</li> <li>• Sweco has a strong balance sheet with a low level of borrowing, which means that direct interest rate risk is low.</li> <li>• In view of the Group's financial position with a low level of borrowing and large unutilised bank overdraft facilities, Sweco's liquidity risk is low.</li> <li>• Credit risks have been historically low, since Sweco is not dependent on individual clients.</li> </ul>
<b>IT security</b> Modern working methods place rigorous demands on IT access and security.	<ul style="list-style-type: none"> <li>• An IT security policy that maximises the availability and reliability of the company's IT environment and guarantees uninterrupted business operations.</li> <li>• Firewall and virus protection and regular software upgrades reduce the risk for disruptions in operations due to technical problems.</li> </ul>
<b>Acquisition of companies</b> The anticipated outcomes and positive effects for the Sweco Group fail to materialise.	<ul style="list-style-type: none"> <li>• Sweco's growth takes place both organically and through the acquisition of other companies. The risks are minimised through a well developed acquisition and integration process with fixed decision-making points. Every year, Sweco's Board of Directors conducts an evaluation of previous acquisitions.</li> </ul>
<b>Brand</b> Risk for bad PR and a damaged image.	<ul style="list-style-type: none"> <li>• An established Code of conduct that places high demands on Sweco's employees with regard to integrity, ethics, business morals and consideration to ethical and socioeconomic aspects.</li> <li>• Established policies for CSR, corporate communication and crisis management.</li> </ul>
<b>Legal risks</b> Disputes can arise in operations.	<ul style="list-style-type: none"> <li>• Quality assurance of assignments takes place in the group-wide business system sweco@work. The use of templates and guidelines already at the initiation phase ensures that contracts are properly executed from a business and legal standpoint.</li> <li>• The Group's insurance programme includes Professional Indemnity Insurance in order to cover the risks connected to disputes in the assignments.</li> </ul>



## BOARD OF DIRECTORS AND ITS WORK

Sweco's Board of Directors consists of seven members elected by the Annual General Meeting to serve for a period of one year, as well as three employee representatives with three alternates who are appointed by the employees. The President is a regular Board member. The Group's legal counsel has served as Board Secretary. Other executives in the company participate in Board meetings as needed in order to present reports. The Chairman is elected at the Annual General Meeting and a Deputy Chairman is appointed at the statutory meeting. The Board meets at least five times per year. In 2008 the Board held twelve meetings, including four resolutions passed by circulation. The members and composition of the Board are presented on page 92–93.

The Board has appointed a Remuneration Committee whose task is to draft proposals for senior executives' remuneration, terms of employment and allocation in any warrant programmes approved by the Annual General Meeting. The Remuneration Committee consists of Olle Nordström, Eric Douglas and Aina Nilsson Ström.

In 2008 the Board set up an Audit Committee that includes all Board members except the President. Among other things, the tasks of the Audit Committee are to support the Board in its efforts to ensure the quality of the company's financial reporting, to maintain continuous contact with the company's auditors, to establish guidelines for which non-auditing services the company may procure from the independent auditors and to evaluate the performance of the auditors.

By decision of the Annual General Meeting, a Nominating Committee made up of representatives for the three largest shareholders has been appointed. The Nominating Committee ahead of the 2009 Annual General Meeting consists of Gustaf Douglas, representing Investment AB Latour, Lars Kritz, representing the Gustav J. Richert Memorial Foundation, and the Board Chairman Olle Nordström, representing the Nordström family.

Additional information about the work of the Board and the Code is provided in the corporate governance report on page 86.

## THE BOARD'S PROPOSED PRINCIPLES FOR REMUNERATION TO SENIOR EXECUTIVES IN 2009

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, a variable salary component, pension, other remuneration and share-based incentive schemes.

### Basic and variable salary

The level of remuneration is based on factors such as work duties, expertise, experience, position and performance. Furthermore, the relationship between basic and variable salary is proportionate to the responsibilities and powers of the individual in question. The maximum amount of variable salary for the President and other senior executives is 50 per cent of basic salary. The variable salary component is based on actual outcomes in relation to predetermined profitability and growth targets. The targets for the President and other senior executives are established yearly by the Board of Directors. The principles for salary and other remuneration to the President and other senior executives in 2008 are shown in Note 6 on page 63.

### Pension

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

### Other remuneration

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

### Share-based incentive schemes

Senior executives in the Sweco Group may be offered various forms of incentive schemes on market-based terms. The motive for share-based incentive schemes is to achieve an increase and spread of share owner-

ship/exposure among the senior executives. 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 alignment with the Company's goals.

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

#### **Notice period and termination benefits**

In the event of dismissal by the Company, the President is entitled to termination benefits equal to 18 monthly salaries. In the event of his resignation, the President has a 6-month notice period. A notice period of 18 months applies even if the President resigns in the event of a change in circumstances whereby the company's principal owner is other than the two currently largest shareholders.

Between the company and other senior executives, the term of notice is normally 12 months in the event of dismissal by the company and 6 months in the event of resignation by the executive.

#### **BOARD PROPOSAL**

##### **Dividend**

The Board of Directors and President propose a dividend of SEK 2.00 per share (2.00), amounting to a maximum capital distribution of SEK 175.6 million (170.6). No dividends are paid on treasury shares.

Sweco's growth strategy stands firm and the Board anticipates interesting opportunities for acquisitions in the next few years. However, in view of the current unrest in the credit market, the Board feel that it is urgent to maintain an especially strong financial position until conditions improve. In spite of the company's excellent results for 2008 and strong financial position, the Board has therefore decided to maintain the dividend at the same level as in the preceding year.

##### **Share bonus programme**

The Board of Directors has decided to propose that the Annual General Meeting approve the implementation of a share bonus programme directed to the majority of employees in Sweden, Norway, Finland and Denmark.

#### **Repurchase and transfer of treasury shares**

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

The Board's final proposals regarding the share bonus programme, warrant programme and repurchase/transfer of treasury shares will be published in connection with the notice to attend the Annual General Meeting.

#### **ANNUAL GENERAL MEETING**

The Annual General Meeting will be held at 3:30 p.m. on Thursday, 16 April 2009, at Hotell Rival, Mariatorget 3, in Stockholm, Sweden.

#### **OUTLOOK FOR 2009**

Market conditions have continued to deteriorate, which is mainly affecting industrial and building-related services. Sweco's ambition is to achieve sustained profitable growth by strengthening its market positions in the Nordic region and Central and Eastern Europe. Sweco's healthy finances and leading market positions in areas such as water and environment, infrastructure and energy provide a solid platform for stable long-term development.

# Consolidated income statement

SEK M	Note	2008	2007
Net sales	2, 3, 34	5,522.8	4,569.5
Other operating income		12.8	–
<b>Total operating income</b>		<b>5,535.6</b>	<b>4,569.5</b>
Other external expenses	4, 5, 34	–1,496.1	–1,201.7
Personnel costs	6, 29	–3,331.5	–2,860.0
Amortisation/depreciation and impairment losses	3, 7	–111.7	–75.3
<b>Total operating expenses</b>		<b>–4,939.3</b>	<b>–4,137.0</b>
<b>Operating profit</b>	3	<b>596.3</b>	<b>432.5</b>
Financial income	8, 34	11.0	5.8
Financial expenses	8, 34	–19.1	–12.6
<b>Net financial items</b>	8	<b>–8.1</b>	<b>–6.8</b>
<b>Profit before tax</b>		<b>588.2</b>	<b>425.7</b>
Income tax expense	10	–185.3	–122.4
<b>PROFIT FOR THE YEAR</b>		<b>402.9</b>	<b>303.3</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		403.6	297.4
Minority interest		–0.7	5.9
<b>Earnings per share for profit attributable to equity holders of the Parent Company</b>	11		
Basic earnings per share, SEK		4.68	3.53
Diluted earnings per share, SEK		4.65	3.46



# Consolidated balance sheet at 31 December

SEK M	Note	2008	2007
<b>ASSETS</b>	33		
<b>Non-current assets</b>			
Goodwill	14	771.7	599.4
Other intangible assets	14	69.6	36.8
Tangible assets	15	191.2	162.2
Investments in associated companies	17	0.9	0.9
Financial investments	19	10.8	11.0
Deferred tax receivables	10	15.0	16.9
Other non-current receivables	22, 29	32.3	10.7
<b>Total non-current assets</b>		<b>1,091.5</b>	<b>837.9</b>
<b>Current assets</b>			
Trade receivables	34	1,001.8	823.0
Work in progress less progress billings	24	406.6	398.0
Current tax receivables		47.1	49.1
Other current receivables	23	37.2	27.0
Prepaid expenses and accrued income	25	107.0	111.0
Cash and cash equivalents	26	321.3	192.0
<b>Total current assets</b>		<b>1,921.0</b>	<b>1,600.1</b>
<b>TOTAL ASSETS</b>	3	<b>3,012.5</b>	<b>2,438.0</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	27		
Share capital		89.5	86.4
Other contributed capital		238.9	187.5
Other reserves		83.4	20.8
Retained earnings, including profit for the year		990.1	637.2
<b>Equity attributable to equity holders of the Parent Company</b>		<b>1,401.9</b>	<b>931.9</b>
Minority interest	27	12.9	18.4
<b>Total equity</b>		<b>1,414.8</b>	<b>950.3</b>
<b>Liabilities</b>	33		
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	28, 30	13.9	9.6
Provisions for pensions	28, 29	6.6	2.8
Deferred tax liabilities	10	113.4	82.4
Other non-current liabilities		0.2	3.3
<b>Total non-current liabilities</b>		<b>134.1</b>	<b>98.1</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	28, 30	140.7	197.4
Progress billings in excess of work in progress	24	260.5	258.4
Trade payables		215.2	177.1
Current tax liabilities		42.5	16.2
Other current liabilities	31	245.3	219.1
Accrued expenses and deferred income	31	559.4	521.4
<b>Total current liabilities</b>		<b>1,463.6</b>	<b>1,389.6</b>
<b>Total liabilities</b>	3	<b>1,597.7</b>	<b>1,487.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,012.5</b>	<b>2,438.0</b>

For information about the Group's pledged assets and contingent liabilities, see Note 32.

# Consolidated cash flow statement

SEK M	Note	2008	2007
<b>Operating activities</b>			
Profit before tax		588.2	425.7
<b>Adjustments for non-cash items</b>			
Capital gains/losses		-12.2	-2.5
Amortisation/depreciation and impairment losses	3, 7	111.7	75.3
Difference between pension premiums allocated and paid	23	-	1.2
Difference between pension premiums recognised and paid		3.4	-11.8
Other items		96.2	0.2
<b>Total non-cash items</b>		<b>199.1</b>	<b>62.4</b>
Income taxes paid		-144.2	-166.6
<b>Cash flow from operating activities before changes in working capital</b>		<b>643.1</b>	<b>321.5</b>
<b>Changes in working capital</b>			
Change in current receivables		-79.2	-98.3
Change in current liabilities		-6.8	91.0
<b>Cash flow from operating activities</b>		<b>557.1</b>	<b>314.2</b>
<b>Investing activities</b>			
Purchase of intangible assets		-24.9	-9.5
Purchase of tangible assets	12	-86.1	-75.9
Disposal of tangible assets		1.3	14.9
Acquisition of subsidiaries and operations, net cash effect	13	-209.5	-163.1
Disposal of subsidiaries and operations, net cash effect	13	46.1	-
Disposal of financial investments	19	0.0	0.2
Disposal of short-term investments		-	29.8
<b>Cash flow from investing activities</b>		<b>-273.1</b>	<b>-203.6</b>
<b>Financing activities</b>			
Reissue of treasury shares	27	0.0	0.6
Issue expenses		0.0	-1.1
Issue of shares	27	45.9	-
Issue of warrants	27	8.0	-
Capital distribution to equity holders of the Parent Company	27	-170.6	-269.6
Capital distribution to minority interest		-0.8	0.0
New loans raised		132.1	190.5
Repayment of borrowings		-191.1	-76.1
<b>Cash flow from financing activities</b>		<b>-176.5</b>	<b>-155.7</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>107.5</b>	<b>-45.1</b>
Cash and cash equivalents at beginning of year	26	192.0	224.6
Exchange gains/losses on cash and cash equivalents		21.8	12.5
Cash and cash equivalents at end of year	26	321.3	192.0

# Consolidated statement of changes in equity

SEK M	Note	Share capital	Other contributed capital	Other reserves	Retained earnings	Total	Minority interests	Total equity
<b>Equity, 1 January 2007</b>		<b>85.4</b>	<b>187.5</b>	<b>-16.8</b>	<b>569.5</b>	<b>825.6</b>	<b>10.3</b>	<b>835.9</b>
Exchange gains/losses on translation of foreign operations		-	-	37.6	-	37.6	0.5	38.1
<b>Net income recognised directly in equity</b>		<b>-</b>	<b>-</b>	<b>37.6</b>	<b>-</b>	<b>37.6</b>	<b>0.5</b>	<b>38.1</b>
Profit for the year		-	-	-	297.4	297.4	5.9	303.3
<b>Total recognised income and expense for the year</b>		<b>-</b>	<b>-</b>	<b>37.6</b>	<b>297.4</b>	<b>335.0</b>	<b>6.4</b>	<b>341.4</b>
Distribution to the shareholders – dividends	27	-	-	-	-126.4	-126.4	-	-126.4
Distribution to the shareholders – share redemption	27	-43.2	-	-	-100.0	-143.2	-	-143.2
Bonus issue		43.2	-	-	-43.2	-	-	-
Minority interest in acquired companies	13	-	-	-	-	-	16.9	16.9
Acquisition of minority interest	13	-	-	-	-	-	-15.2	-15.2
Share bonus programme – issue of shares		1.0	-	-	-	1.0	-	1.0
Share bonus programme – value of employee services		-	-	-	40.4	40.4	-	40.4
Reissue of treasury shares	27	-	-	-	0.6	0.6	-	0.6
Issue expenses		-	-	-	-1.1	-1.1	-	-1.1
<b>Equity, 31 December 2007/1 January 2008</b>		<b>86.4</b>	<b>187.5</b>	<b>20.8</b>	<b>637.2</b>	<b>931.9</b>	<b>18.4</b>	<b>950.3</b>
Exchange gains/losses on translation of foreign operations		-	-	62.6	-	62.6	2.8	65.4
<b>Net income recognised directly in equity</b>		<b>-</b>	<b>-</b>	<b>62.6</b>	<b>-</b>	<b>62.6</b>	<b>2.8</b>	<b>65.4</b>
Profit for the year		-	-	-	403.6	403.6	-0.7	402.9
<b>Total recognised income and expense for the year</b>		<b>-</b>	<b>-</b>	<b>62.6</b>	<b>403.6</b>	<b>466.2</b>	<b>2.1</b>	<b>468.3</b>
Distribution to the shareholders – dividends	27	-	-	-	-170.6	-170.6	-0.8	-171.4
Issue of shares – warrant programme		1.7	43.4	-	-	45.1	1.0	46.1
Minority interest in acquired companies	13	-	-	-	-	-	1.0	1.0
Acquisition of minority interest	13	-	-	-	-	-	-8.8	-8.8
Share bonus programme – issue of shares		1.4	-	-	-	1.4	-	1.4
Share bonus programme – value of employee service		-	-	-	92.6	92.6	-	92.6
Reissue of treasury shares	27	-	-	-	27.3	27.3	-	27.3
Issue of warrants		-	8.0	-	-	8.0	-	8.0
<b>EQUITY, 31 DECEMBER 2008</b>		<b>89.5</b>	<b>238.9</b>	<b>83.4</b>	<b>990.1</b>	<b>1,401.9</b>	<b>12.9</b>	<b>1,414.8</b>
<b>Proposed distribution to the shareholders</b>								
Dividend	27, 36				-175.6	-175.6		-175.6



# Parent Company income statement

SEK M	Note	2008	2007
Net sales	3, 34	67.9	57.8
<b>Total operating income</b>		<b>67.9</b>	<b>57.8</b>
Other external expenses	3, 4, 5, 34	-59.1	-23.8
Personnel costs	6, 29	-31.7	-32.6
Amortisation/depreciation and impairment losses	7	-0.4	-0.5
<b>Total operating expenses</b>		<b>-91.2</b>	<b>-56.9</b>
<b>Operating profit</b>		<b>-23.3</b>	<b>0.9</b>
Gains/losses on participations in group companies	8	444.7	327.7
Financial income	8, 34	15.4	9.3
Financial expenses	8, 34	-16.8	-10.6
<b>Net financial items</b>	<b>8</b>	<b>443.3</b>	<b>326.4</b>
<b>Profit after financial items</b>		<b>420.0</b>	<b>327.3</b>
Appropriations	9	-104.0	0.1
<b>Profit before tax</b>		<b>316.0</b>	<b>327.4</b>
Income tax expense	10	-87.3	-84.8
<b>PROFIT FOR THE YEAR</b>		<b>228.7</b>	<b>242.6</b>

# Parent Company balance sheet at 31 December

SEK M	Note	2008	2007
<b>ASSETS</b>			
<b>Tangible assets</b>	15	<b>1.0</b>	<b>1.3</b>
<b>Financial assets</b>			
Investments in group companies	16	332.0	335.0
Receivables from group companies	21	98.2	136.9
Other non-current securities	20	0.9	0.9
<b>Total financial assets</b>		<b>431.1</b>	<b>472.8</b>
<b>Total non-current assets</b>		<b>432.1</b>	<b>474.1</b>
<b>Current assets</b>			
Trade receivables		0.0	0.0
Receivables from group companies	21	1,545.8	1,264.7
Current tax receivables		5.6	6.9
Other current receivables		9.0	8.0
Prepaid expenses and accrued income	25	1.5	1.5
Cash and cash equivalents	26	151.9	61.9
<b>Total current assets</b>		<b>1,713.8</b>	<b>1,343.0</b>
<b>TOTAL ASSETS</b>		<b>2,145.9</b>	<b>1,817.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>	27		
Share capital		89.5	86.4
Statutory reserve		187.5	187.5
<b>Total restricted equity</b>		<b>277.0</b>	<b>273.9</b>
<i>Non-restricted equity</i>	27		
Fair value reserve		8.8	-0.5
Share premium reserve		51.4	-
Retained earnings		729.5	547.2
Profit for the year		228.7	242.6
<b>Total non-restricted equity</b>		<b>1,018.4</b>	<b>789.3</b>
<b>Total equity</b>		<b>1,295.4</b>	<b>1,063.2</b>
<b>Untaxed reserves</b>	9	<b>104.0</b>	<b>0.0</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current interest-bearing liabilities	28	97.2	190.6
Trade payables		4.1	2.1
Liabilities to group companies		628.9	533.5
Other current liabilities	31	7.9	15.4
Accrued expenses and deferred income	31	8.4	12.3
<b>Total current liabilities</b>		<b>746.5</b>	<b>753.9</b>
<b>Total liabilities</b>		<b>746.5</b>	<b>753.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,145.9</b>	<b>1,817.1</b>
Contingent liabilities	32	143.7	116.1

# Parent Company cash flow statement

SEK M	Note	2008	2007
<b>Operating activities</b>			
Profit after financial items		420.0	327.3
<b>Adjustments for non-cash items</b>			
Capital gains/losses		0.0	0.2
Amortisation/depreciation and impairment losses	7	0.4	0.5
Dividends and group contributions	8	-440.9	-306.6
Difference between interest recognised and received	8	-4.6	-4.5
<b>Total non-cash items</b>		<b>-445.1</b>	<b>-310.4</b>
Income taxes paid		-87.3	-135.7
<b>Cash flow from operating activities before changes in working capital</b>		<b>-112.4</b>	<b>-118.8</b>
<b>Changes in working capital</b>			
Change in current receivables		27.5	-143.7
Change in current liabilities		87.8	137.9
<b>Cash flow from operating activities</b>		<b>2.9</b>	<b>-124.6</b>
<b>Investing activities</b>			
Purchase of tangible assets	12	-0.1	-0.6
Disposal of tangible assets		0.0	0.5
Acquisition of subsidiaries, net cash effect		-5.2	-50.5
Disposal of short-term investments		-	29.8
<b>Cash flow from investing activities</b>		<b>-5.3</b>	<b>-20.8</b>
<b>Financing activities</b>			
Group contributions		303.4	244.5
Reissue of treasury shares	27	0.0	0.6
Issue expenses		0.0	-1.1
Issue of shares		45.0	-
Issue of warrants		8.0	-
Capital distribution to equity holders of the Parent Company	27	-170.6	-269.6
Loans raised		97.2	190.6
Repayment of borrowings		-190.6	-75.2
<b>Cash flow from financing activities</b>		<b>92.4</b>	<b>89.8</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>90.0</b>	<b>-55.6</b>
<b>Cash and cash equivalents at beginning of year</b>	26	<b>61.9</b>	<b>117.5</b>
<b>Cash and cash equivalents at end of year</b>	26	<b>151.9</b>	<b>61.9</b>



# Parent Company statement of changes in equity

SEK M	Note	Share capital	Legal reserve	Total restricted equity	Fair value reserve	Share premium reserve	Retained earnings	Total non-restricted equity	Total equity
<b>Equity, 1 January 2007</b>	27	<b>85.4</b>	<b>187.5</b>	<b>272.9</b>	<b>-4.3</b>	<b>-</b>	<b>780.1</b>	<b>775.8</b>	<b>1048.7</b>
Exchange gains/losses on hedge instruments		-	-	-	3.8	-	-	3.8	3.8
Profit for the year		-	-	-	-	-	242.6	242.6	242.6
Capital distribution to the shareholders – dividend		-	-	-	-	-	-126.4	-126.4	-126.4
Capital distribution to the shareholders – share redemptions		-43.2	-	-43.2	-	-	-100.0	-100.0	-143.2
Bonus issue		43.2	-	43.2	-	-	-43.2	-43.2	-
Reissue of treasury shares		-	-	-	-	-	0.6	0.6	0.6
Share bonus programme – issue of shares		1.0	-	1.0	-	-	-	-	1.0
Share bonus programme – value of employee service		-	-	-	-	-	40.4	40.4	40.4
Group contributions paid		-	-	-	-	-	-3.2	-3.2	-3.2
Issue expenses		-	-	-	-	-	-1.1	-1.1	-1.1
<b>Equity, 31 December 2007/ 1 January 2008</b>	27	<b>86.4</b>	<b>187.5</b>	<b>273.9</b>	<b>-0.5</b>	<b>-</b>	<b>789.8</b>	<b>789.3</b>	<b>1,063.2</b>
Exchange gains/losses on hedge instruments		-	-	-	9.3	-	-	9.3	9.3
Profit for the year		-	-	-	-	-	228.7	228.7	228.7
Capital distribution to the shareholders – dividend		-	-	-	-	-	-170.6	-170.6	-170.6
Issue of shares		1.7	-	1.7	-	43.4	-	43.4	45.1
Reissue of treasury shares		-	-	-	-	-	27.3	27.3	27.3
Share bonus programme – issue of shares		1.4	-	1.4	-	-	-	-	1.4
Share bonus programme – value of employee service		-	-	-	-	-	92.6	92.6	92.6
Issue of warrants		-	-	-	-	8.0	-	8.0	8.0
Group contributions paid		-	-	-	-	-	-9.6	-9.6	-9.6
<b>EQUITY, 31 DECEMBER 2008</b>	27	<b>89.5</b>	<b>187.5</b>	<b>277.0</b>	<b>8.8</b>	<b>51.4</b>	<b>958.2</b>	<b>1,018.4</b>	<b>1,295.4</b>
<b>Proposed distribution to the shareholders</b>									
Dividend	27, 36						-175.6	-175.6	-175.6

# Notes

Amounts in SEK M unless otherwise specified.

## 1 Significant accounting policies

### Compliance with norms and laws

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) that have been endorsed by the European Commission for application in the EU and in accordance with the Swedish Annual Accounts Act. Furthermore, the Annual Accounts Act and RFR 1.1 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 6 March 2009. 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 2009.

### Basis for consolidated and Parent Company financial statements

Assets and liabilities are stated at historical cost, aside from certain financial assets and liabilities which are stated at fair value. The financial assets and liabilities stated at fair value consist of derivatives and financial assets classified as financial assets at fair value through profit or loss.

### 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 consolidated 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 37 provides a description of inputs and assessments used by the company's management which have a significant impact on the financial reports, and estimates which can lead to significant adjustments in the financial statements of later years.

### Significant accounting policies

The following accounting policies for the Group have been consistently applied in 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 policies

The following new standards and interpretations have been applied in preparation of the financial statements for 2008:

IFRIC 11 "IFRS 2 Group and Treasury Share Transactions" addresses how a share-based payment arrangement should be accounted for in an entity that receives services from the employees as consideration for its own equity instruments. The interpretation is effective for annual periods beginning on or after 1 March 2007. The Group has applied IFRIC 11 starting on 1 January 2008, but this has not had any impact on the consolidated financial statements.

Standards, amendments and interpretations of existing standards that are not yet effective and have not been applied in advance by the Group:

IAS 1 (Revised), "Presentation of Financial Statements" (effective 1 January 2009). The revised standard will prohibit presentation of items of income and expense (i.e. "changes in equity excluding transactions with owners") in the statement of changes in equity and require that changes in a company's equity resulting from transactions with owners be presented separately from 'non-owner' changes. Companies will be required to present all non-owner changes in equity in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). When an entity applies an accounting policy retrospectively or makes a retrospective restatement of comparative information, it must present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period, in addition to the existing requirement to present balance sheets at the end of the current period and the comparative period. The Group will apply IAS 1 (Amendment) with effect from 1 January 2009. It is

most likely that both a separate income statement and a statement of comprehensive income will be presented.

IAS 27 (Revised), "Consolidated and Separate Financial Statements" (effective 1 July 2009). Under the revised standard, the effects of all transactions with minority interests that do not result in loss of control are recognised in equity and these transactions no longer give rise to goodwill or gains and losses. The standard also states that when the disposal of an investment in a subsidiary results in loss of control, any remaining holdings are remeasured at fair value and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (Revised) prospectively for transactions with minority interests on or after 1 January 2010.

IFRS 3 (Revised), "Business Combinations" (effective 1 July 2009). The revised standard continues to prescribe application of the purchase method for business combinations, but with a few significant changes. For example, all consideration paid for an investment in a business is measured at fair value on the acquisition date, while subsequent contingent consideration is recognised as a liability with fair value adjustments in profit or loss. Non-controlling equity (minority) interests can be measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets. All acquisition-related costs are expensed. The Group will apply IFRS 3 (Revised) prospectively for all business combinations on or after 1 January 2010.

IFRS 8, "Operating Segments" (effective 1 January 2009). IFRS 8 replaces IAS 14 and adapts segment reporting to the requirements in the US standard SFAS 131, "Disclosures about Segments of an Enterprise and Related Information". The new standard requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker. The Group will apply IFRS 8 with effect from 1 January 2009. The standard will not lead to any changes in the reported segments.

Standards, amendments and interpretations of existing standards that are not yet effective and are not deemed relevant for the Group:

IAS 23 (Amendment), "Borrowing Costs" (effective 1 January 2009). IAS 32 (Amendment), "Financial Instruments: Presentation", and IAS 1 (Amendment), "Presentation of Financial Statements". IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" – "Eligible Hedged Items" (effective 1 July 2009). IFRS 2 (Amendment), "Share-based Payment" (effective 1 January 2009). IFRIC 12, "Service Concession Arrangements" (effective 1 January 2008, but has not yet been endorsed by the EU). IFRIC 13, "Customer Loyalty Programmes" (mandatory for companies in the EU with effect from 1 January 2009, but earlier adoption is permitted). IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (mandatory for companies in the EU with effect from 1 January 2009, but earlier adoption is permitted). IFRIC 15, "Agreements for Construction of Real Estate" (effective 1 January 2009). IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective 1 October 2008). IFRIC 17, "Distributions of Non-cash Assets to Owners" (effective for financial periods beginning on or after 1 July 2009). IFRIC 18 "Transfers of Assets from Customers" (applies to the transfer of tangible assets or cash from customers, when these transfer have been received on or after 1 July 2009).

At 31 December 2008, none of the standards, amendments or interpretations described above had been endorsed by the EU, with the exception of IAS 1, IAS 23, IAS 32, IFRS 2, IFRS 8, IFRIC 13 and IFRIC 14.

### Classifications

Non-current assets and non-current liabilities in the Parent Company and the Group 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

For accounting purposes, a segment is an identifiable component of the Group that provides products or services (business area) within a particular economic environment (geographical area) and is subject to risks and returns that are different from those of other segments. In accordance with IAS 14, information about segments is provided only for the Group.

### Scope of consolidation

#### Subsidiaries

Subsidiaries are companies in which Sweco AB has a controlling influence, meaning that the Parent Company directly or indirectly has the right to govern the subsidiary's financial and operating policies in order to obtain economic benefits. Potential voting rights that can be readily used or converted are a factor to be considered in deciding whether significant influence exists.

Subsidiaries are reported in accordance with the purchase 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 is prepared to determine the Group's cost of acquisition for the investment in the subsidiary. The cost of the acquisition is measured as the aggregate of the fair values, on the date of exchange, of the assets given,

equity instruments issued and liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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.

#### *Associated companies*

Associated companies are all entities over which the Group has a significant but not controlling influence 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, participations in associated companies are reported according to the equity method, whereby the Group's carrying amount for the investment in the associated company 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, the Group's share in the profit/loss of associated companies is stated after tax and minority interest adjusted for amortisation, impairment losses or reversals on goodwill or negative goodwill. Dividends received from associated companies reduce the carrying amount of the investment.

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 are accounted for in accordance with IFRS 3, Business Combinations.

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 income statement includes the Group's share of the income and expenses, and the balance sheet includes the Group's share of the assets and liabilities of the joint venture. This is done by combining the Group's share of the assets, liabilities, income and expenses of the joint venture with the corresponding items, line by line, in the 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.

#### *Transactions with minority shareholders*

Transactions with minority shareholders are treated as transactions with independent external parties. The sale of minority interests results in a gain or loss that is recognised in the consolidated income statement. The purchase of minority interests can give rise to goodwill if the fair value of consideration given exceeds the fair value of net assets acquired.

#### **Foreign currency**

##### *Transactions in foreign currencies*

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 group 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 income statement.

#### *Financial statements of foreign operations*

Assets and liabilities in foreign operations 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. Translation differences arising on translation of foreign operations are recognised directly in a translation reserve within consolidated equity. Sweco has no group companies in countries with hyperinflationary economies.

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

	2008		2007	
	Closing day rate	Average rate	Closing day rate	Average rate
EUR	10.94	9.61	9.47	9.25
NOK	1.10	1.17	1.19	1.16

#### *Net investments in foreign operations*

On consolidation, exchange differences arising from the translation of net investments in foreign operations and other currency instruments designated as hedges of such investments, are recognised directly in a translation reserve in equity. When a foreign operation is sold, cumulative translation differences attributable to the foreign operation are recognised in the consolidated income statement after deduction of any currency hedges.

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

#### **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 it is probable that the economic benefits will flow to the company.

In the consolidated income statement, the year's contract revenue generated by service contracts is recognised in operating income. 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. 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. If the outcome 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 should be recognised as an expense as soon as such loss is probable.

#### **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 hedge instruments that are recognised in the income statement.

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 with 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, interest effects arising on reversal of the present value of provisions, revaluation losses on financial assets at fair value through profit or loss, impairment losses on financial assets and losses on hedge instruments that are recognised in the income statement. 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/losses are reported net. Foreign exchange gains/losses arising on operating receivables and liabilities are recognised in operating profit, while those arising on financial assets and liabilities are recognised in the income statement among 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 (or equivalent institutions) 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 as short-term investments.

*Financial assets at fair value through profit or loss*

This category consists of financial assets held for trading and other financial assets which the company has designated to this category on initial recognition. Assets in this category are subsequently measured at fair value with fair value changes in net financial items. This category includes derivatives with a positive fair value and financial investments.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Such receivables arise when Sweco provides cash, goods or services directly to a customer with no intent of trading the resulting receivable. 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. 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.

*Held-to-maturity investments*

Held-to-maturity investments consist of fixed-income securities with fixed or determinable payments and fixed maturity that the company has a positive intention and is able to hold to maturity. Assets in this category are measured at amortised cost.

*Financial liabilities at fair value through profit or loss*

This category consists of financial liabilities held for trading and other financial liabilities which the company has chosen to place in this category. Liabilities in this category are subsequently measured at fair value, with value changes recognised in net financial items. 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 33 Financial assets and liabilities.

*Subscription warrants*

Premiums received on the issue of subscription warrants are recognised as other contributed capital within equity. Upon exercise of the warrants, the payment received is divided between the share capital and other contributed capital. The subscription warrants in Sweco have been granted only to senior executives in the Group and have been priced at fair market value, with application of the Black & Scholes valuation model, see also Note 27. These are consequently not regarded as share-based payment.

**Derivatives and hedge accounting**

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

*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 hedges, since both the hedged items and the hedge instruments are measured at fair value with fair value changes recognised within exchange gains/losses in the income statement. 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.

*Hedges of a net investment in a foreign operation*

To a certain extent, investments in foreign operations (net assets including goodwill) are hedged through borrowing in foreign currency. These are translated at the rate of exchange on the balance sheet date. Translation gains/losses on a financial instrument that is designated as, and is effective as, an economic hedge of a net investment in a foreign operation are recognised in equity. This is done in order to neutralise the impact of translation gains/losses on equity when the foreign operation is consolidated. Cumulative translation differences in equity are recycled to the income statement when the subsidiary is sold.

**Tangible assets***Owned assets*

A tangible asset 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.

Tangible assets in the Group are recognised 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.

Tangible assets consisting of identifiable parts with different useful lives are treated as separate components of tangible assets.

The carrying amount of a tangible asset 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 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*

Leased assets are reported in accordance with IAS 17. 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 rental expense 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 the 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 are expensed as incurred.

*Depreciation*

Depreciation is charged out 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.

Estimated useful lives:

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

The residual value and useful life of an asset is 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 including contingent liabilities.

On transition to IFRS, the Group has not retrospectively restated goodwill arising from business combinations prior to 1 January 2004. Instead, the carrying amount at this date 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 below). 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. 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 is measured. The capitalised order backlog is measured as the contribution margin on fixed orders. Customer relationships and brands are measured at cost less accumulated amortisation.

*Other intangible assets*

Other intangible assets acquired by the Group are recognised at cost less any amortisation and impairment losses (see below). Expenses incurred for internally generated goodwill and internally generated brands are recognised in profit or loss for the period in which they arise.

*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.

*Amortisation*

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

– capitalised development costs	5 years
– licenses	3 years
– customer relationships	5 years
– brands	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 below).

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

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

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

*Determining recoverable amount*

The recoverable amounts of assets in the category held-to-maturity investments are calculated as the present value of future cash flows discounted at the effective rate in force at initial recognition of the asset. Assets with a time to maturity of less than one year are not discounted.

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

*Reversal of impairment losses*

Impairment losses are reversed when both an impairment test indicates that there has been a recovery of value 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 held-to-maturity investments or loans and 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.

**Share capital***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 equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by adjusting the earnings and the average number of shares for the effects of dilutive potential ordinary shares, which during the reported periods consist of warrants issued to employees.

**Employee benefits***Pension plans*

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

*Defined contribution plans*

A defined contribution plan is classified as a plan where the company's legal or constructive obligation is limited to the amount that it agrees to contribute. Thus, the amount of the post-employment benefits received by the employee is determined by

the amount of contributions paid by the company to the pension plan or to an insurance company, together with investment returns arising from the 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 reduced by the fair value of plan assets. The discount rate is determined by reference to market yields at the balance sheet date on high quality corporate bonds with a term to maturity corresponding to the Group's pension obligations. When there is no active market for such corporate bonds, the market yield on government bonds with a corresponding term to maturity is instead used. Valuation is carried out by a qualified actuary using the Projected Unit Credit Method. The fair value of plan assets is also computed on the reporting date.

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

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

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

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

#### *Termination benefits*

A provision 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*

In the Sweco Group there is a share bonus programme under which a bonus can be paid to the employees in the form of shares in the company, which means that the programme is a so-called equity-settled instrument. The number of shares to be granted is calculated on the basis of an established base share price, which is equal to the average volume-weighted bid price for Sweco AB's class B share during a certain period. The base share is recalculated according to standard terms if Sweco's general meeting of shareholders resolves on a split, preferential rights issue or other similar procedure during the term of the programme. The estimated bonus is recognised on a straight-line basis over the remaining vesting period as a personnel expense with a corresponding increase in equity. The amount recognised as an expense is equal to the fair value of the estimated number of shares expected to vest. This expense is adjusted in subsequent periods to reflect the current number of vested shares.

Social security expenses in respect of share-based payments to employees as consideration for services rendered are recognised over the same period or periods in which the services are provided. Provisions for social security expenses are based on the fair value of the shares on the reporting date.

#### **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 included in profit or loss except when the underlying transaction is recognised directly in equity, in which case the resulting tax effect is also recognised in equity.

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 acquired operations at the time of the transaction affect neither reported nor taxable profit, nor temporary differences attributable to participations in subsidiaries and associated 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 carry-forwards are recognised to the extent that it is probable that these can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

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

#### **Contingent liabilities**

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

#### **Parent Company accounting policies**

The annual financial statements of the Parent Company are presented in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2.1 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 2.1 states in the report for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and statements as far as possible within the framework of the Annual Accounts Act and the Pension Protection Act, and with respect to the connection between accounting and taxation. This recommendation defines the exceptions and additional disclosures compared with IFRS.

#### *Changes in accounting policies*

The Parent Company's accounting changes have been reported in accordance with the transition rules in each standard.

#### *Difference 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.

#### *Associated companies and joint ventures*

Investments in associated companies are accounted for in accordance with the cost method in the Parent Company. Dividends received are recorded as revenue only on the condition that these derive from profits arising after the acquisition date. Dividends in excess of these profits are regarded as a repayment of the investment and reduce the carrying amount of the company's interest.

#### *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*

Invoicing of work on current account and the year's value generated in fixed price contracts are reported as operating income. In the balance sheet, work at a fixed price is reported at the lower of cost and fair value. Work on current account is not assigned a value in the balance sheet.



*Finance leases*

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

*Defined benefit pension plans*

The Parent Company applies different grounds for calculation of defined benefit pension plans than 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.

*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 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 participations by the giver, to the extent that no impairment charge is required. Group contributions are reported in accordance with their financial significance. This means that Group contributions equated with dividends are reported by the recipient in result from participations in group companies and by the giver as a reduction in non-restricted equity.

## 2 Net sales

The Group's net sales are essentially attributable to the performance of services.

## 3 Segment reporting

### PRIMARY SEGMENT – BUSINESS AREAS

The Group is organised in six business areas, so-called operating segments, which make up the primary basis for segmentation. The Group's operating structure and internal reporting to the Group Management and the Board are based on reporting of these business areas.

Internal transactions between the Group's segments are carried out at market-based prices. Because the Group has a joint finance function, a breakdown of net financial items and taxes by segment is not meaningful.

*Operating segment and field of expertise*

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

	External sales		% of total		Internal sales		Total revenue	
	2008	2007	2008	2007	2008	2007	2008	2007
Sweco Sweden	3,009.2	2,635.6	54.5	57.7	27.7	26.5	3,036.9	2,662.1
Sweco Norway	1,130.5	779.6	20.5	17.1	2.2	1.6	1,132.7	781.2
Sweco Finland	129.9	93.3	2.3	2.0	5.9	0.1	135.8	93.4
Sweco Central & Eastern Europe	303.8	183.2	5.5	4.0	9.1	12.9	312.9	196.1
Sweco Russia	28.6	15.6	0.5	0.3	0.0	–	28.6	15.6
Sweco Industry	920.8	862.2	16.7	18.9	72.4	39.5	993.2	901.7
Group-wide	0.0	0.0	0.0	0.0	67.9	57.8	67.9	57.8
Eliminations	–	–	–	–	–185.2	–138.4	–185.2	–138.4
<b>TOTAL GROUP</b>	<b>5,522.8</b>	<b>4,569.5</b>	<b>100.0</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>5,522.8</b>	<b>4,569.5</b>

Net sales in the Parent Company amounted to SEK 67.9 million (57.8). 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, 21 per cent (35) consisted of purchases from group companies.

	Operating profit		% of total		Non-cash items (excl. amortisation/depreciation)		Amortisation/depreciation and impairment	
	2008	2007	2008	2007	2008	2007	2008	2007
Sweco Sweden	404.1	278.8	67.8	64.5	–59.7	–1.8	–45.6	–37.2
Sweco Norway	121.8	66.7	20.4	15.4	–33.3	4.1	–18.6	–11.0
Sweco Finland	15.6	14.3	2.6	3.3	–2.8	–	–1.7	–0.7
Sweco Central & Eastern Europe	3.2	12.4	0.5	2.9	2.7	3.0	–12.0	–6.1
Sweco Russia	–5.5	0.9	–0.9	0.2	–0.4	–	–1.2	–0.3
Sweco Industry	82.0	60.2	13.8	13.9	6.1	7.6	–27.5	–13.9
Group-wide	–24.9	–0.8	–4.2	–0.2	0.0	0.0	–5.1	–6.1
<b>TOTAL GROUP</b>	<b>596.3</b>	<b>432.5</b>	<b>100.0</b>	<b>100.0</b>	<b>–87.4</b>	<b>12.9</b>	<b>–111.7</b>	<b>–75.3</b>

Amortisation/depreciation and impairment include a goodwill write-down of SEK 12.9 million in Sweco Industry 2008 due to restructuring in the Finnish operations. Amortisation/depreciation and impairment include a goodwill impairment loss of SEK 0.2 million in Sweco Norway during 2007 pertaining to the net assets of HS-Projekt, which were written down in full after the employee left the company, see also Note 7.

Non-cash items refer to capital gains, share-based bonus payments and the difference between pension premiums allocated and paid, as well as the difference between pension benefits recognised and paid, see also cash flow statement on page 50.

	Capital expenditure on tangible assets		Capital expenditure on intangible assets		Assets		Liabilities	
	2008	2007	2008	2007	2008	2007	2008	2007
Sweco Sweden	58.7	54.2	30.5	48.9	1,683.7	1,524.9	1,820.3	1,668.7
Sweco Norway	27.2	14.4	150.6	25.5	669.1	432.2	402.1	234.3
Sweco Finland	0.6	0.8	0.0	7.4	116.9	100.8	35.2	30.3
Sweco Central & Eastern Europe	11.8	10.0	42.9	57.8	311.6	198.2	226.1	175.8
Sweco Russia	1.0	0.4	20.6	0.1	58.5	17.2	61.1	5.1
Sweco Industry	12.5	16.6	2.2	40.1	723.7	671.1	313.7	336.9
Group-wide	0.1	0.6	–	–	1,994.1	1,669.5	762.8	653.3
Unallocated	–	–	–	–	15.0	16.9	246.1	273.5
Eliminations	–	–	–	–	–2,560.1	–2,192.8	–2,269.7	–1,890.2
<b>TOTAL GROUP</b>	<b>111.9</b>	<b>97.0</b>	<b>246.8</b>	<b>179.8</b>	<b>3,012.5</b>	<b>2,438.0</b>	<b>1,597.7</b>	<b>1,487.7</b>

The 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 and short-term investments of SEK 152.0 million (61.9).

## SECONDARY SEGMENT – GEOGRAPHICAL AREAS

Geographical areas are the Group's secondary basis for segmentation. The information about the segments' assets and investments is based on geographical areas grouped according to where the assets are located. The information presented about segment income refers to geographical areas grouped according to where the clients are located.

	External sales		Capital expenditure on tangible assets		Capital expenditure on intangible assets		Assets	
	2008	2007	2008	2007	2008	2007	2008	2007
Sweden	2,990.5	2,171.2	58.9	57.2	24.5	81.4	1,561.8	1,456.0
Norway	1,124.2	827.3	27.4	14.4	150.6	25.5	704.6	467.0
Denmark	42.9	35.4	1.2	0.1	6.0	0.0	23.9	20.7
Finland	563.6	577.2	11.6	14.7	2.3	15.0	725.0	686.5
Estonia	71.2	96.2	1.4	4.2	9.0	20.4	80.8	72.8
Lithuania	104.3	62.5	7.4	1.0	21.1	1.6	95.1	28.3
Czech Republic	122.8	60.4	1.6	4.8	2.5	35.8	105.4	90.1
Slovakia	6.6	1.2	0.0	0.0	0.0	0.0	2.0	1.5
Bulgaria	13.9	11.4	1.4	–	10.2	–	28.2	0.7
Rest of EU	74.6	75.7	–	–	–	–	–	–
Russia	82.5	91.3	–	0.4	–	0.1	58.5	17.2
Rest of Europe	126.0	139.4	1.0	–	20.6	–	–	–
Africa	34.9	136.0	–	–	–	–	–	–
Asia	115.5	182.6	–	0.2	–	–	–	–
Oceania	14.9	10.4	–	–	–	–	–	–
North America	20.3	36.0	–	–	–	–	–	–
South and Central America	14.1	55.3	–	–	–	–	–	–
Unallocated	–	–	–	–	–	–	15.0	16.9
Eliminations	–	–	–	–	–	–	–387.8	–419.7
<b>TOTAL</b>	<b>5,522.8</b>	<b>4,569.5</b>	<b>111.9</b>	<b>97.0</b>	<b>246.8</b>	<b>179.8</b>	<b>3,012.5</b>	<b>2,438.0</b>

## 4 Fees to auditors

	Group		Parent Company	
	2008	2007	2008	2007
PricewaterhouseCoopers AB				
– auditing services	4.5	3.3	1.0	0.7
– non-auditing services	0.8	1.0	0.3	0.5
Other auditing firms				
– auditing services	0.5	0.0	–	–
– non-auditing services	0.8	0.5	0.5	0.5
<b>TOTAL</b>	<b>6.6</b>	<b>4.8</b>	<b>1.8</b>	<b>1.7</b>

Auditing 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. All other work is classified as non-auditing services.

## 5 Operating leases and rental contracts

Fees according to leases and rental contracts in force	Group		Parent Company	
	2008	2007	2008	2007
Rents paid during the year	181.4	127.8	1.1	–14.9
Other charges paid during the year	10.3	20.8	2.9	6.1
<b>TOTAL RENTS AND CHARGES PAID DURING THE YEAR</b>	<b>191.7</b>	<b>148.6</b>	<b>4.0</b>	<b>–8.8</b>
Future lease payments and rents,				
– within one year	173.0	157.2	2.1	3.7
– between one and five years	416.7	381.9	3.3	5.4
– longer than five years	76.5	–	–	–
<b>TOTAL FUTURE LEASE PAYMENTS</b>	<b>666.2</b>	<b>539.1</b>	<b>5.4</b>	<b>9.1</b>

Future lease payments refer to the nominal amount stipulated in non-cancellable leases and rental contracts, so-called future minimum payments. Of future minimum payments, approximately 98 per cent (95) 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 (0.3). The negative value with regard to rents paid in the Parent Company in 2007 is explained by a rent reduction of SEK 16.3 million due to rebuilding work.

## 6 Employees and personnel costs

Personnel costs	Group		Parent Company	
	2008	2007	2008	2007
Salaries and remuneration	2,375.3	1,943.5	15.3	14.7
Social security expenses, excl. pension costs	539.3	533.1	6.6	6.8
Pension costs, senior executives <sup>1) 2)</sup>	8.1	7.9	2.5	3.0
Pension costs, others <sup>1)</sup>	235.4	219.3	4.4	1.7
<b>TOTAL</b>	<b>3,158.1</b>	<b>2,703.8</b>	<b>28.8</b>	<b>26.2</b>

1) See also Note 29, Provisions for pensions.

2) Senior executives refer to 3 persons (3) in the Parent Company and 46 persons (46) in the Group.

Salaries and remuneration by country	2008		2007	
	Senior executives (50 persons)	Other employees	Senior executives (51 persons)	Other employees
<b>Sweden</b>				
Parent Company <sup>1)</sup>	10.6	4.7	11.1	3.6
Subsidiaries	20.6	1,174.7	19.5	1,006.2
<b>Total Sweden</b>	<b>31.2</b>	<b>1,179.4</b>	<b>30.6</b>	<b>1,009.8</b>
<b>Outside Sweden</b>				
Norway	6.2	555.9	3.2	383.2
Finland	6.6	418.8	5.3	393.2
Denmark	1.0	27.0	1.2	23.6
Estonia	2.0	26.7	1.8	29.1
Lithuania	0.9	41.9	0.6	8.3
Czech Republic	2.2	42.8	2.0	33.7
Bulgaria	0.3	4.6	0.0	0.5
Russia	0.7	16.0	0.3	6.1
Rest of Europe	0.1	2.9	0.0	6.7
Africa	–	3.7	0.0	2.2
Asia	–	4.1	0.0	2.0
South and Central America	–	0.3	0.0	0.1
<b>Total outside Sweden</b>	<b>20.0</b>	<b>1,144.7</b>	<b>14.4</b>	<b>888.7</b>
<b>TOTAL GROUP</b>	<b>51.2</b>	<b>2,324.1</b>	<b>45.0</b>	<b>1,898.5</b>

1) Senior executives in the Parent Company refer to 9 persons (8), which also includes the Board.

Senior executives in the Group refer to 50 persons (51) and include board members and presidents of the Parent Company and all subsidiaries.

Average number of employees	2008		2007	
	Total	Of whom men, %	Total	Of whom men, %
<b>Sweden</b>				
Parent Company	14	29	14	36
Subsidiaries	2,607	73	2,437	73
<b>Total Sweden</b>	<b>2,621</b>	<b>73</b>	<b>2,451</b>	<b>73</b>
<b>Outside Sweden</b>				
Norway	856	75	611	76
Finland	980	73	981	83
Denmark	42	57	41	68
Estonia	175	50	190	50
Lithuania	329	57	181	48
Russia	126	39	65	34
Czech Republic	269	55	155	59
Slovakia	4	50	4	50
Bulgaria	31	42	2	50
Rest of Europe	2	100	7	78
Africa	7	100	4	100
Asia	10	90	7	86
South and Central America	1	100	–	–
<b>Total outside Sweden</b>	<b>2,832</b>	<b>67</b>	<b>2,248</b>	<b>72</b>
<b>TOTAL GROUP</b>	<b>5,453</b>	<b>70</b>	<b>4,699</b>	<b>72</b>

Percentage of women, %	Group		Parent Company	
	2008	2007	2008	2007
Board of Directors	16	14	43	33
Other senior executives, 45 persons (45)	9	9	0	0

Sickness absence, %	Group		Parent Company	
	2008	2007	2008	2007
Total sickness absence	2.7	2.9	1.0	3.3
– long-term sickness absence	0.7	1.0		
– sickness absence for men	2.3	2.5		
– sickness absence for women	3.5	3.9		
– employees –29 years	2.3	2.5		
– employees 30–49 years	2.3	2.5		
– employees 50+ years	3.2	3.6		

### REMUNERATION TO SENIOR EXECUTIVES

#### Principles

The Board of Directors appoints a Remuneration Committee whose task is to address matters related to terms of employment, pension benefits and bonus systems for senior executives. The Remuneration Committee also deals with general terms of employment and remunerative matters affecting all employees in the Company. Senior executives include the President, the members of the Group Management 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, a variable salary component, 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 maximum amount of variable salary for the President is 50 per cent of basic salary, while the maximum for other senior executives is between 17 and 50 per cent. The variable salary component is based on the actual results in relation to predetermined targets. The targets for the President and other senior executives are established yearly by the Board of Directors.

#### Pension

Senior executives shall have premium-based pension plans with market-based premiums. In Sweden, the pension premium shall correspond to that for the ITP plan. For the President, the amount of pension is equal to 30 per cent of basic and variable salary. All pension benefits shall be vested, and therefore not dependent on future employment. The retirement age for the President is 65 years. For other senior executives, the retirement age varies between 60 and 65 years of age.

#### Other remuneration

Other remuneration may be awarded and may consist 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 and spread of share ownership/exposure among the senior executives. 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 alignment with the Company's goals.

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

#### Notice period and termination benefits

In the event of dismissal by the Company, the President shall receive termination benefits equal to 18 monthly salaries. In the event of his resignation, the President has a six-month notice period. A notice period of 18 months shall apply even if the President resigns in the event of a change in circumstances whereby the Company's principal owner is other than the two currently largest shareholders.

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.



## Remuneration and other benefits in 2008 (SEK 000s)

	Basic salary/ Board fees	Variable salary	Other benefits	Pension cost	TOTAL
Board Chairman					
Olle Nordström	347	–	–	–	347
Vice Chairman					
Eric Douglas	255	–	–	–	255
Board member					
Gunnel Duveblad	170	–	–	–	170
Board member					
Birgit Erngren Wohlin	167	–	–	–	167
Board member					
Øystein Løseth	117	–	–	–	117
Board member					
Aina Nilsson Ström	167	–	–	–	167
President	3,914	760	100	1,610	6,384
Other senior executives (7 persons)	9,459	2,176	500	3,292	15,427
<b>TOTAL</b>	<b>14,596</b>	<b>2,936</b>	<b>600</b>	<b>4,902</b>	<b>23,034</b>

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 President and employee representatives receive no Board fees.

Other senior executives consist of the Group Management and senior executives (excluding the President of Sweco AB) who are presented on pages 94–95.

Variable salary refers to bonuses expensed in 2008.

A series of subscription warrants has been issued to senior executives. The warrant series 2005/2008 was completed in 2008. The former President sold 30,000 warrants and 6 senior executives sold a combined 70,000 warrants. The warrants were sold externally and on market-based terms. The warrants were acquired in 2005 at market value. In 2008 Sweco issued a new warrant series (2008/2011) to 50 senior executives in the Group. According to the Black & Scholes model, the value of the warrants has been appraised by an external party. A total of 1,252,000 warrants were subscribed for on market-based terms, of which the President acquired 150,000 warrants and 6 senior executives acquired a combined 365,000 warrants. The warrants may be exercised for subscription to shares during the period from 30 May 2011 to 30 November 2011. The exercise price amounts to SEK 65 per share.

## 7 Amortisation/depreciation and impairment

	Group		Parent Company	
	2008	2007	2008	2007
Goodwill impairment	–12.9	–0.2	–	–
Other intangible assets, amortisation	–24.9	–14.3	–	–
Buildings, depreciation	–0.7	–0.5	–	–
Equipment, depreciation	–73.2	–60.3	–0.4	–0.5
<b>TOTAL</b>	<b>–111.7</b>	<b>–75.3</b>	<b>–0.4</b>	<b>–0.5</b>

Sweco Industry made a goodwill write-down of SEK 12.9 million due to restructuring in the Finnish operations. In 2007 Sweco Norway wrote down the net assets of HS-Projekt in full, by SEK 0.2 million.

## 8 Net financial items

## GROUP

Net financial items	2008	2007
<b>Financial income</b>		
Dividends on financial assets measured at fair value	1.0	0.0
Interest income – trade receivables	1.1	0.2
Interest income – bank	7.5	5.6
Other financial income	0.2	–
Net foreign exchange gains	1.2	–
<b>Total financial income</b>	<b>11.0</b>	<b>5.8</b>
<b>Financial expenses</b>		
Interest expenses – trade payables	–0.4	–0.2
Interest expenses – bank	–15.2	–6.9
Interest expenses – others	–	–4.3
Other financial expenses	–3.5	–1.1
Net foreign exchange losses	–	–0.1
<b>Total financial expenses</b>	<b>–19.1</b>	<b>–12.6</b>
<b>TOTAL NET FINANCIAL ITEMS</b>	<b>–8.1</b>	<b>–6.8</b>
Interest income received during the year	11.0	5.8
Interest expenses paid during the year	–19.1	–12.6

## PARENT COMPANY

Net financial items	2008	2007
<b>Gains on participations in group companies</b>		
Dividends	3.8	21.1
Group contributions	440.9	306.6
<b>Total gains on participations in group companies</b>	<b>444.7</b>	<b>327.7</b>
<b>Financial income</b>		
Interest income from group companies	13.6	7.3
Other interest income	1.8	2.0
<b>Total financial income</b>	<b>15.4</b>	<b>9.3</b>
<b>Financial expenses</b>		
Interest expenses to group companies	–4.5	–2.9
Other interest expenses	–10.4	–6.7
Foreign exchange losses	–0.7	–0.1
Other financial expenses	–1.2	–0.9
<b>Total financial expenses</b>	<b>–16.8</b>	<b>–10.6</b>
<b>TOTAL NET FINANCIAL ITEMS</b>	<b>443.3</b>	<b>326.4</b>
Interest income received during the year	10.8	4.8
Interest expenses paid during the year	–16.8	–10.6

## 9 Appropriations and untaxed reserves

## PARENT COMPANY

Appropriations	2008	2007
Excess depreciation	–	0.1
Provisions to tax allocation reserves	–104.0	–
<b>TOTAL</b>	<b>–104.0</b>	<b>0.1</b>
<b>Untaxed reserves</b>	<b>2008</b>	<b>2007</b>
Provisions to tax allocation reserves	104.0	–
<b>TOTAL</b>	<b>104.0</b>	<b>–</b>

# 10 Income taxes

	Group		Parent Company	
Current income tax	2008	2007	2008	2007
Tax on profit for the year	-160.2	-115.4	-87.4	-86.1
Adjustment of tax attributable to prior	-0.7	-0.1	0.1	1.3
<b>Total current income tax</b>	<b>-160.9</b>	<b>-115.5</b>	<b>-87.3</b>	<b>-84.8</b>
<b>Deferred tax income/expense</b>				
Deferred tax on temporary differences	3.4	-6.5	-	-
Deferred tax expense arising from prior tax values in loss carryforwards	-	-6.4	-	-
Deferred tax income arising on change in untaxed reserves	-27.8	6.0	-	-
<b>Total deferred tax income/expense</b>	<b>-24.4</b>	<b>-6.9</b>	<b>-</b>	<b>-</b>
<b>TOTAL REPORTED INCOME TAX</b>	<b>-185.3</b>	<b>-122.4</b>	<b>-87.3</b>	<b>-84.8</b>

	Group		Parent Company	
Reconciliation of effective tax	2008	2007	2008	2007
<b>Profit before tax</b>	<b>588.2</b>	<b>425.7</b>	<b>316.0</b>	<b>327.4</b>
Income tax computed according to national tax rates for profit in each country	168.0	114.9	88.4	91.7
Tax effects of:				
– Non-taxable dividends	-2.1	-9.1	-1.0	-5.9
– Non-taxable revaluations of and capital gains on shares	-0.6	0.1	-	-
– Other non-taxable income	-3.7	-0.3	-0.5	-0.1
– Other non-deductible expenses	29.6	16.7	3.2	1.3
Group contributions paid	-	-	-2.7	-0.9
Effect of deferred tax in respect of lowered tax rate	-6.6	-	-	-
Correction of income tax expense in prior years	0.7	0.1	-0.1	-1.3
<b>TOTAL REPORTED INCOME TAX</b>	<b>185.3</b>	<b>122.4</b>	<b>87.3</b>	<b>84.8</b>

Due to a change in the Swedish corporate tax from 28 per cent to 26.3 per cent that was adopted on 10 December 2008 and is effective as of 1 January 2009, the carrying amounts for deferred tax have been restated.

## Deferred tax assets and liabilities

	Group	
The year's change in carrying amount	2008	2007
Opening carrying amount, deferred tax assets	16.9	28.2
Increase through business combinations	-3.6	1.9
Utilised loss carryforwards in the income statement	-	-6.4
Other deferred tax expenses in the income statement	1.7	-8.6
Translation differences in foreign currency	0.0	1.8
<b>Closing carrying amount, deferred tax assets</b>	<b>15.0</b>	<b>16.9</b>
Opening carrying amount, deferred tax liabilities	-82.4	-82.3
Increase through business combinations	-3.6	-7.0
Decrease on disposal of companies	0.1	-
Change in tax component of untaxed reserves in the income statement	-27.8	6.0
Other deferred tax expenses in the income statement	1.7	1.3
Translation differences in foreign currency	-1.4	-0.4
<b>Closing carrying amount, deferred tax liabilities</b>	<b>-113.4</b>	<b>-82.4</b>
<b>Deferred tax at end of year</b>		
Deferred tax asset in loss carryforwards	0.5	0.5
Deferred tax asset in revaluation deficit relating to pensions	9.4	7.6
Deferred tax asset in other temporary differences	5.1	8.8
<b>Total deferred tax assets</b>	<b>15.0</b>	<b>16.9</b>
Deferred tax component of untaxed reserves recognised in the companies	-95.9	-67.8
Deferred tax liabilities in temporary differences	-17.5	-14.6
<b>Total deferred tax liabilities</b>	<b>-113.4</b>	<b>-82.4</b>
<b>TOTAL DEFERRED TAX, NET</b>	<b>-98.4</b>	<b>-65.5</b>

Of the deferred tax assets, a sum of SEK 1.4 million is expected to be utilised within 12 months. Of the deferred tax liabilities, a sum of SEK 2.9 million is expected to be paid within 12 months. There are no temporary differences, loss carryforwards or other future tax deductions that are not included in deferred tax assets.

	Deferred tax assets		Deferred tax liabilities		Net	
	2008	2007	2008	2007	2008	2007
Tangible assets	2.0	2.0	-	-	2.0	2.0
Intangible assets	-	-	-14.8	-12.2	-14.8	-12.2
Financial assets	1.0	0.4	-	-	1.0	0.4
Current assets	2.1	5.8	-2.8	-2.3	-0.7	3.5
Untaxed reserves	-	-	-95.9	-67.8	-95.9	-67.8
Pensions	9.4	8.2	0.1	-0.1	9.5	8.1
Loss carryforwards	0.5	0.5	-	-	0.5	0.5
<b>TOTAL</b>	<b>15.0</b>	<b>16.9</b>	<b>-113.4</b>	<b>-82.4</b>	<b>-98.4</b>	<b>-65.5</b>

	Opening balance 2007	Recognised through profit or loss	Acquisitions	Divestments	Translation difference in foreign currency	Closing balance 2007
<b>2007</b>						
Tangible assets	1.1	1.3	-0.4	-	0.0	2.0
Intangible assets	-8.2	0.0	-3.5	-	-0.5	-12.2
Financial assets	0.3	0.1	-	-	-	0.4
Current assets	5.0	-2.6	0.4	0.0	0.7	3.5
Untaxed reserves	-72.1	6.0	-1.7	-	-	-67.8
Pensions	12.7	-5.5	-	-	0.9	8.1
Loss carryforwards	6.7	-6.4	0.1	-	0.1	0.5
Other liabilities	0.4	-0.6	-	-	0.2	-
<b>TOTAL</b>	<b>-54.1</b>	<b>-7.7</b>	<b>-5.1</b>	<b>0.0</b>	<b>1.4</b>	<b>-65.5</b>

	Opening balance 2008	Recognised through profit or loss	Acquisitions	Divestments/reclassification <sup>1)</sup>	Translation difference in foreign currency	Closing balance 2008
<b>2008</b>						
Tangible assets	2.0	0.0	-0.1	-	0.1	2.0
Intangible assets	-12.2	1.4	-3.2	-	-0.8	-14.8
Financial assets	0.4	0.6	-	-	-	1.0
Current assets	3.5	1.1	0.1	-5.1	-0.3	-0.7
Untaxed reserves	-67.8	-27.8	-0.3	-	-	-95.9
Pensions	8.1	0.3	-3.7	5.2	-0.4	9.5
Loss carryforwards	0.5	0.0	-	-	-	0.5
<b>TOTAL</b>	<b>-65.5</b>	<b>-24.4</b>	<b>-7.2</b>	<b>0.1</b>	<b>-1.4</b>	<b>-98.4</b>

1) The reclassification refers to SEK 5.2 million from current assets to pension receivables.

# 11 Earnings per share

## GROUP

	2008	2007
Average number of shares before dilution	86,228,335	84,254,248
Estimated effect of exercise of warrants	355,659	860,178
Estimated effect of share bonus programme	169,010	774,815
<b>Average number of shares after dilution</b>	<b>86,753,004</b>	<b>85,889,241</b>
<b>Earnings per share on profit attributable to equity holders of the Parent Company</b>		
Basic earnings per share, SEK	4.68	3.53
Diluted earnings per share, SEK	4.65	3.46

Earnings per share have been calculated on profit for the year attributable to equity holders 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. The dilutive effects are a result of the warrant programme and the share bonus programme, see also Note 27. The warrant programme has not led to any adjustment in profit for the year in calculation of diluted earnings per share.

For additional information about outstanding warrants and treasury shares, see pages 84–85.

## 12 Purchase of tangible assets

	Group		Parent Company	
	2008	2007	2008	2007
The year's purchases according to Note 15	101.7	87.7	0.1	0.6
Held under finance leases	–15.6	–11.8	–	–
<b>TOTAL</b>	<b>86.1</b>	<b>75.9</b>	<b>0.1</b>	<b>0.6</b>

## 13 Acquisition of subsidiaries and operations

### GROUP

	Date	Holding, %	Holding after transaction %	Purchase price
<b>Acquisitions</b>				
Sweco Projekt AS, Estonia	2007	73	73	46.0
Autosolvía AB	2 January 2007	100	100	14.0
JAPS Elektronik AB	1 February 2007	100	100	44.6
EuroFutures AB	1 February 2007	100	100	14.0
Kedbrant & Wickberg Teknik AB	27 February 2007	100	100	0.5
Grapenfelt Norr AB, asset deal	1 March 2007	100	100	5.9
Sweco CMU, Finland, adjustment of contingent purchase price	31 March 2007		100	7.4
SWEGIS AB	2 May 2007	100	100	8.0
Lietuvos statybu projektavimo institutas (LSPI), Lithuania, acquisition of minority holding	9 May 2007	29	100	6.3
Sweco Energuide Kraftprojektering AB, adjustment of contingent purchase price	24 May 2007		100	1.2
Costers Geoborr AB	31 May 2007	100	100	2.9
Flextronics ODM Finland Oy, Finland, asset deal	31 May 2007	100	100	0.0
Hydreal a.s., Czech Republic	1 June/16 October 2007	100	100	1.0
Hydroprojekt CZ a.s., Czech Republic	1 June 2007	98	98	57.9
Anleggsteknikk Consult AS, Norway, asset deal	1 June 2007	100	100	16.3
Markteknik i Bromma AB, asset deal	1 June 2007	100	100	1.0
JAPS Stockholm AB, acquisition of minority holding	20 August 2007	25	100	0.5
Nordnorsk Byggkontroll Finnmark AS, Norway, asset deal	1 September 2007	100	100	10.0
Paatela-Paatela & Co Oy, Finland, adjustment of contingent purchase price	30 September 2007		100	2.6
Probeko AB	1 November 2007	100	100	2.2
HS-Projekt AS, Norway, adjustment of contingent purchase price	30 November 2007		100	–0.1
<b>TOTAL 2007</b>				<b>242.2</b>
Stockholm Vatten Byggprojekt AB	1 January 2008	100	100	1.9
Eurospatial AS, Norway	1 January 2008	100	100	6.6
Tveiten Rådgivende Ingenjører AS, Norway	1 January 2008	100	100	28.3
Anders Digernes AS, Norway, asset deal	1 January 2008	100	100	1.8
UAB Hidroprojekta, Lithuania	8 January 2008	99	99	24.3
Opticonsult AS, Norway	21 January 2008	100	100	143.2
Sweco Projekt, Estonia, acquisition of minority holding	2008	19	92	16.1
Skaarup & Jespersen A/S, Denmark, acquisition of minority holding	11 March 2008	2	96	0.1
Autosolvía AB, adjustment of contingent purchase price	31 March 2008		100	–0.4
Birk Nielsen, Denmark, asset deal	1 May 2008	100	100	9.3
Lenvodokanalprojekt, Russia	16 May 2008	50	100	23.3
EuroFutures AB, adjustment of contingent purchase price	30 May 2008		100	–0.4
Traficon AB, asset deal	1 June 2008	100	100	1.2
Sweco BKG/LSPI, Lithuania, acquisition of minority holding	30 June 2008	1	91	1.1
Energoprojekt Hydropower Ltd, Bulgaria	9 July 2008	73	73	13.1
B&B VVS Konsult AB	1 September 2008	100	100	3.8
JAPS Elektronik AB, adjustment of contingent purchase price	30 September 2008		100	–3.0
Hydroprojekt CZ a.s., Czech Republic, acquisition of minority holding	3 December 2008	2	100	0.9
<b>TOTAL 2008</b>				<b>271.2</b>
<b>Divestitures</b>				
Skaarup & Jespersen, Denmark, sale of minority holding	29 April 2008	2	94	0.1
Sweco PIC China, China	30 May 2008	100	0	0.4
Del av Sweco Industry Oy	1 September 2008		100	40.4
Hydreal a.s., Czech Republic	27 October 2008	100	0	6.7
<b>TOTAL 2008</b>				<b>47.6</b>

In 2008 Sweco acquired Opticonsult AS, which offers consulting services in a number of areas with an emphasis on construction and civil engineering with 160 employees, most of whom are based in Bergen and Stavanger. In 2007 Sweco acquired In 2007 Sweco acquired JAPS Elektronik AB (JAPS), one of Sweden's leading consulting firms in industrial electronics with 45 employees, and the Czech consulting company Hydroprojekt CZ (Hydroprojekt) which is active mainly in water and wastewater man-

agement and has 270 employees. These acquisitions are presented separately, while the other acquisitions are aggregated by year. Other acquisitions carried out in 2008 and 2007 are reported in aggregate, since no single acquisition is of such magnitude that separate reporting is motivated. The carrying amount prior to the acquisition is stated according to the Group's accounting policies and the purchase price allocations are preliminary.

## Net assets of companies acquired and disposed of on the date of acquisition

	Opticonsult 2008			Other companies 2008			Total 2008	Divested value
	Carrying amount prior to acquisition	Fair value adjustment	Carrying amount in Group	Carrying amount prior to acquisition	Fair value adjustment	Carrying amount in Group		
Intangible assets	–	13.0	13.0	0.4	17.0	17.4	30.4	34.8
Tangible assets	5.1	–	5.1	5.1	–	5.1	10.2	3.9
Financial assets	2.3	–	2.3	0.3	1.4	1.7	4.0	–
Current assets	61.9	–	61.9	42.8	–0.1	42.7	104.6	0.6
Cash and cash equivalents	16.0	–	16.0	32.7	–	32.7	48.7	1.5
Non-current liabilities	–	–	–	–0.3	–	–0.3	–0.3	–
Deferred tax	0.0	–3.7	–3.7	–0.7	–2.8	–3.5	–7.2	–0.1
Other current liabilities	–61.8	–	–61.8	–53.9	0.9	–53.0	–114.8	–5.7
Minority share recognised on acquisition			–			7.8	7.8	0.1
Goodwill recognised on acquisition			110.4			77.4	187.8	–
Capital gain/loss recognised on divestiture			–			–	–	12.5
<b>Total purchase price</b>			<b>143.2</b>			<b>128.0</b>	<b>271.2</b>	<b>47.6</b>
Share-based payment			–17.9			–9.4	–27.3	–
Unsettled purchase price commitment			–			–5.3	–5.3	–
Payment of previously withheld purchase price			–			19.6	19.6	–
Cash and cash equivalents in acquired companies			–16.0			–32.7	–48.7	–1.5
<b>INCREASE/DECREASE IN THE GROUP'S CASH AND CASH EQUIVALENTS</b>			<b>109.3</b>			<b>100.2</b>	<b>209.5</b>	<b>46.1</b>

The total purchase price includes transaction costs of SEK 0.6 million in Opticonsult and SEK 1.4 million in other companies in 2008. Information about share-based payment is provided in Note 27.

	JAPS 2007 <sup>1)</sup>			Hydroprojekt 2007 <sup>2)</sup>		
	Carrying amount prior to acquisition	Fair value adjustment	Carrying amount in Group	Carrying amount prior to acquisition	Fair value adjustment	Carrying amount in Group
Intangible assets	–	5.8	5.8	3.0	4.5	7.5
Tangible assets	0.8	–	0.8	4.1	–	4.1
Financial assets	–	–	–	7.0	–	7.0
Current assets	21.4	–	21.4	25.1	–	25.1
Cash and cash equivalents	6.3	–	6.3	6.5	–	6.5
Non-current liabilities	–0.4	–	–0.4	–	–	–
Deferred tax	–1.6	–1.6	–3.2	–0.1	–1.1	–1.2
Other current liabilities	–14.9	–	–14.9	–17.8	–	–17.8
Minority share recognised on acquisition			–			–0.4
Goodwill recognised on acquisition			29.3			28.1
<b>Total purchase price</b>			<b>45.1</b>			<b>58.9</b>
Unsettled purchase price commitment			–4.5			–
Cash and cash equivalents in acquired companies			–6.3			–6.5
<b>DECREASE IN THE GROUP'S CASH AND CASH EQUIVALENTS</b>			<b>34.3</b>			<b>52.4</b>

1) Consists of JAPS Elektronik AB and the acquisition of a minority share in its subsidiary JAPS Stockholm AB.

2) Consists of Hydroprojekt CZ a.s. and Hydoreal a.s.

The total purchase price includes transaction costs of SEK 0.1 million in JAPS and SEK 0.5 million in Hydroprojekt.

	Other companies 2007			Total 2007
	Carrying amount prior to acquisition	Fair value adjustment	Carrying amount in Group	
Intangible assets	0.5	8.9	9.4	22.7
Tangible assets	2.9	1.5	4.4	9.3
Financial assets	1.1	0.1	1.2	8.2
Current assets	33.3	–	33.3	79.8
Cash and cash equivalents	44.8	–	44.8	57.6
Deferred tax	–	–2.3	–2.3	–6.7
Other non-current liabilities	–0.5	–	–0.5	–0.9
Current liabilities	–41.0	–	–41.0	–73.7
Minority share recognised on acquisition			–1.2	–1.6
Goodwill recognised on acquisition			90.1	147.5
<b>Total purchase price</b>			<b>138.2</b>	<b>242.2</b>
Unsettled purchase price commitment			–14.9	–19.4
Payment of previously withheld purchase price			–2.1	–2.1
Cash and cash equivalents in acquired companies			–44.8	–57.6
<b>DECREASE IN THE GROUP'S CASH AND CASH EQUIVALENTS</b>			<b>76.4</b>	<b>163.1</b>

The total purchase price for other companies includes transaction costs of SEK 0.2 million in 2007. For other companies in 2007, the total purchase price also includes the reissue of treasury shares in an amount of SEK 0.6 million.

The reported value of goodwill includes the value of the technical knowledge and expertise of the employees in the acquired operations.

## Contribution of companies acquired and disposed of to consolidated sales and operating profit

	2008 Acquisition	2008 Divestiture	2007 Acquisition
Contribution to sales in the year's accounts	346.9	67.9	254.8
Contribution to sales if the company had been owned for the full year	401.5		328.7
Contribution to operating profit in the year's accounts	24.2	6.7	11.2
Contribution to operating profit if the company had been owned for the full year	35.4		14.9



# 14 Intangible assets

## GROUP

	2008			2007		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Opening cost	602.4	58.9	661.3	429.1	25.8	454.9
Purchases	–	24.9	24.9	–	9.4	9.4
Increase through business combinations	191.5	30.4	221.9	147.6	22.7	170.3
Decrease on adjustment of acquisition analysis	–3.7	–	–3.7	–0.1	–	–0.1
Reclassification	–	–	–	0.0	0.0	0.0
Sales and disposals	–34.5	–1.5	–36.0	–	–0.3	–0.3
Translation difference in foreign currency	31.9	7.2	39.1	25.8	1.3	27.1
<b>Closing accumulated cost</b>	<b>787.6</b>	<b>119.9</b>	<b>907.5</b>	<b>602.4</b>	<b>58.9</b>	<b>661.3</b>
Opening accumulated amortisation and impairment	–3.0	–22.1	–25.1	–2.8	–7.6	–10.4
Reclassification	–	–	–	–	0.0	0.0
Sales and disposals	–	1.2	1.2	–	0.3	0.3
Translation difference in foreign currency	0.0	–4.5	–4.5	0.0	–0.4	–0.4
Impairment losses	–12.9	–	–12.9	–0.2	–0.1	–0.3
The year's amortisation	–	–24.9	–24.9	–	–14.3	–14.3
<b>Closing accumulated amortisation and impairment</b>	<b>–15.9</b>	<b>–50.3</b>	<b>–66.2</b>	<b>–3.0</b>	<b>–22.1</b>	<b>–25.1</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>771.7</b>	<b>69.6</b>	<b>841.3</b>	<b>599.4</b>	<b>36.8</b>	<b>636.2</b>
<b>Specification</b>						
Sweco Sweden	91.4			84.1		
Sweco Norway	239.3			121.6		
Sweco Finland	57.5			49.8		
Sweco Central & Eastern Europe	94.1			51.9		
Sweco Russia	25.9			5.6		
Sweco Industry	263.5			286.4		
Capitalised license costs for software		22.9			17.9	
Capitalised development costs for software		16.1			2.4	
Assets capitalised on acquisition		30.6			16.5	
<b>CLOSING CARRYING AMOUNT</b>	<b>771.7</b>	<b>69.6</b>		<b>599.4</b>	<b>36.8</b>	

All of the above intangible asset have been acquired, aside from software developed within Sweco Sweden for a value of SEK 16.1 million (2.4). See also Note 7 regarding impairment of goodwill.

The most significant intangible values are found in the Sweco Industry and Sweco Norway business areas, which also comprise cash-generating units. The estimated recoverable amounts of both units are based on the same assumptions. The calculations are based on 5-year forecasts with reference to historical data and external information sources. The cash flows forecasted after the first five years have been based on an assumed annual growth rate of 2 per cent, which corresponds to the long-term rate of growth in the units' markets.

The following table shows the values (assumed values) used to determine value in use and the values (adjusted values) resulting a recoverable amount that is equal to the carrying amount, assuming that all other variables held constant, are shown in the following table.

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

The most important variables are market growth, hourly rates and personnel costs.

### Market growth

Demand for consulting services has historically followed the business cycle. Projected market growth is based on a forecasted transition from the prevailing market situation to the anticipated long-term growth. The current market share has been assumed to apply for future periods. In this context, market growth means growth in operating profit.

### Hourly rates

Over a business cycle, hourly rates have essentially risen in pace with inflation and real income growth. The forecast for hourly rates is based on anticipated inflation and real wage/income growth.

### Personnel costs

The forecast for personnel costs is based on anticipated inflation, a certain degree of real salary growth (historical average), an unchanged billing ratio and efficiency improvements in operations.

The average discount rate, based on general market conditions and the specific circumstances of the respective unit, is 16 per cent for Sweco Norway, 16 per cent for Sweco Industry, 16 per cent for Sweco Finland, 17 per cent for Sweco Central & Eastern Europe, 24 per cent for Sweco Russia and 14 per cent before tax for Sweco Sweden.

### Impairment tests for cash-generating units with goodwill

Variable	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Central & Eastern Europe		Sweco Russia		Sweco Industry	
	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average market growth for the period, %	3	–51.2	3	–28.9	3	–23.8	17	16.4	63	50.4	3	–17.3
Average hourly rate for the period, %	3	–0.4	3	0.7	3	–0.9	5	5.0	25	24.3	3	4.1
Average increase in personnel costs for the period, %	3	7.9	3	6.2	3	7.3	6	6.0	25	26.1	3	8.4
Average discount rate for the period, %	14	117	16	47	16	41	17	17	24	28	14	34

## 15 Tangible assets

### GROUP

	2008			2007		
	Buildings and land	Equipment	Total	Buildings and land	Equipment	Total
Opening cost	17.5	466.6	484.1	22.5	433.8	456.3
Purchases	0.4	101.3	101.7	1.3	86.4	87.7
Increase through business combinations	–	10.2	10.2	2.6	6.7	9.3
Reclassification	–	0.0	0.0	0.6	–0.6	0.0
Sales and disposals	–2.5	–44.6	–47.1	–10.7	–60.2	–70.9
Translation difference in foreign currency	3.3	1.5	4.8	1.2	0.5	1.7
<b>Closing accumulated cost</b>	<b>18.7</b>	<b>535.0</b>	<b>553.7</b>	<b>17.5</b>	<b>466.6</b>	<b>484.1</b>
Opening accumulated depreciation	–1.8	–320.1	–321.9	–1.6	–312.3	–313.9
Reclassification	–	0.0	0.0	–0.5	0.6	0.1
Sales and disposals	–	35.9	35.9	1.0	51.2	52.2
Translation difference in foreign currency	–1.3	–0.3	–1.6	–0.2	0.7	0.5
Impairment losses	–	–1.0	–1.0	–	–	–
The year's depreciation	–0.7	–73.2	–73.9	–0.5	–60.3	–60.8
<b>Closing accumulated depreciation</b>	<b>–3.8</b>	<b>–358.7</b>	<b>–362.5</b>	<b>–1.8</b>	<b>–320.1</b>	<b>–321.9</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>14.9</b>	<b>176.3</b>	<b>191.2</b>	<b>15.7</b>	<b>146.5</b>	<b>162.2</b>
Of which, land:						
Opening cost	0.3	–	0.3	0.1	–	0.1
Sales and disposals	–0.2	–	–0.2	–	–	–
Translation difference in foreign currency	0.1	–	0.1	–	–	–
Increase through business combinations	–	–	–	0.2	–	0.2
<b>Closing carrying amount of land</b>	<b>0.2</b>	<b>–</b>	<b>0.2</b>	<b>0.3</b>	<b>–</b>	<b>0.3</b>
Of which, equipment financed through finance leases in the following amounts:						
Closing accumulated cost	–	27.6	27.6	–	20.8	20.8
Closing accumulated depreciation	–	–7.1	–7.1	–	–5.5	–5.5
<b>Closing carrying amount of finance leases</b>	<b>–</b>	<b>20.5</b>	<b>20.5</b>	<b>–</b>	<b>15.3</b>	<b>15.3</b>

### PARENT COMPANY

	2008	2007
<b>Equipment</b>		
Opening cost	5.3	5.6
Purchases	0.1	0.6
Sale to other group company	–0.1	–
Sales and disposals	–0.8	–0.9
<b>Closing accumulated cost</b>	<b>4.5</b>	<b>5.3</b>
Opening accumulated depreciation	–4.0	–3.6
Sale to other group company	0.1	–
Sales and disposals	0.8	0.1
The year's depreciation	–0.4	–0.5
<b>Closing accumulated depreciation</b>	<b>–3.5</b>	<b>–4.0</b>
<b>CLOSING RESIDUAL VALUE</b>	<b>1.0</b>	<b>1.3</b>

## 16 Shares and participations in group companies

### PARENT COMPANY

The year's change in carrying amounts	2008	2007
Opening carrying amount	335.0	251.5
Shareholder contribution to PI-Management Oy	–	28.4
Acquisition of subsidiaries	–	52.1
Acquisition from other group company	–	3.0
Adjustment of contingent purchase price	–3.0	0.0
<b>CLOSING CARRYING AMOUNT</b>	<b>332.0</b>	<b>335.0</b>

Shareholding at year-end	Corp. ID number	Domicile	Holding, %	No. of shares	Carrying amount
<b>Directly owned companies</b>					
Sweco CMU Oy (unt. Sweco PM Oy)	1657257-2	Finland	100	500	73.9
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 Norge AS	967032271	Norway	100	152,349	112.1
Sweco International AB	556079-1336	Stockholm	100	4,500	0.6
Sweco Sverige AB	556032-2496	Stockholm	100	100,000	10.0
Vattenbyggnadsbyrån AB	556077-9471	Stockholm	100	1,000	0.8
Sweco JAPS AB	556301-1765	Västerås	100	2,000	41.6
Sweco Russia AB	556221-1689	Stockholm	100	4,005	3.0
<b>Total shares and participations in group companies</b>					<b>332.0</b>
<b>Indirectly owned companies</b>					
<b>Through Sweco Central Eastern Europe AB</b>					
Energoprojekt Hydropower Ltd.	1305488081	Bulgaria	73	400	
Sweco BKG LSPI	301135783	Lithuania	91	5,557,199	
Hidroprojehtas	132118698	Lithuania	99	1,000,702	
Sweco Projekt AS	11304200	Estonia	92	355,463	
Hydroprojekt C.Z a.s.	26475081	Czech Republic	100	517,510	
Hydroprojekt Slovakia s.r.o.	36036307	Slovakia	100		
<b>Through Sweco Finland Oy</b>					
Sweco Industry Oy	0350941-9	Finland	100	1,920,000	
Kiinteistö Oy Sammonpika	0770284-4	Finland	75	166	
Sweco Mecaplan Oy	1648295-6	Finland	57	54	
Sweco Industry AB	556341-2476	Stockholm	100	20,000	
Sweco Mec AS	934537920	Norway	100	1,000	
Sweco PIC Engenharia LTDA	07.984.459/0001-16	Brazil	100	34,999	
<b>Through Sweco Russia AB</b>					
Sweco Pillar AB	556730-8167	Stockholm	100	102	
Lenvodokanalprojekt	1057803925409	Russia	100	100	
Saratovskij Vodokanal Proekt		Russia	100	164	
<b>Through Sweco Sverige AB</b>					
Sweco Structures AB	556140-9557	Stockholm	100	20,000	
Sweco Connect AB	556083-8624	Stockholm	100	15,000	
Sweco Energuide AB	556007-5573	Stockholm	100	60,000	
Sweco Architects AB	556173-0606	Stockholm	100	20,000	
Sweco EuroFutures AB	556342-6559	Stockholm	100	3,000	
Sweco Avista AB	556197-9369	Stockholm	100	2,000	
Sweco Paatela Architects Oy	0635637-4	Finland	100	100	
Sweco Architects A/S	13 64 20 01	Denmark	94	11,814	
Sweco Architects OU	11210887	Estonia	100	40,000	
Sweco Position AB	556337-7364	Stockholm	100	1,250	
Sweco Management AB	556140-0283	Stockholm	100	5,000	
Sweco Systems AB	556030-9733	Stockholm	100	1,500,000	
B&B VVS Konsult AB	556363-8153	Malmö	100	1,000	
Probeko AB	556279-4148	Stockholm	100	3,360	
Sweco Infrastructure AB	556507-0868	Stockholm	100	120,000	
Costers Geoborr AB	556707-3183	Stockholm	100	1,000	
Sweco Environment AB	556346-0327	Stockholm	100	20,000	
Aqua Konsult Hedman & Sjögren AB	556208-3757	Stockholm	100	1,000	
Urban Hydroinformatics Center AB	556718-1481	Stockholm	100	1,000	
Sweco Bulgaria BKG	131429098	Bulgaria	100	400	
Sweco-COWI Joint Venture AB	556085-5867	Stockholm	100	1,000	
VAI VA-Projekt AB	556542-8744	Stockholm	100	40,000	
<b>Through Vattenbyggnadsbyrån AB</b>					
NAB Arkitekter och Ingenjörer AB	556415-5884	Stockholm	100	50,000	

## 17 Shares and participations in associated companies

### GROUP

The year's change in carrying amounts	2008	2007
Opening carrying amount	0.9	0.9
<b>CLOSING CARRYING AMOUNT</b>	<b>0.9</b>	<b>0.9</b>

Shareholding at year-end	Corp. ID number	Domicile	Holding, %	No. of shares	Carrying amount
<b>2008</b>					
I2E Energisystemintegration AB	556211-9684	Stockholm	50	50	0.9
<b>Total shares and participations</b>					<b>0.9</b>
<b>2007</b>					
I2E Energisystemintegration AB	556211-9684	Stockholm	50	50	0.9
<b>Total shares and participations</b>					<b>0.9</b>

No operations have been conducted in the associated companies during 2008. At 31 December 2008, the assets of the associated companies amounted to SEK 1.8 million (1.8) and the liabilities to SEK 0.0 million (0.0).

## 18 Joint ventures

### GROUP

Shareholding at year-end	Corp. ID number	Domicile	Holding, %	No. of shares
<b>2008</b>				
Sweco Sojyz Engineering (owned through Sweco Finland Oy)	5077746846920	Russia	45	
<b>2007</b>				
Lenvodokanalproekt (owned through Sweco Sverige AB)	1057803925409	Russia	50	30
Sweco Sojyz Engineering (owned through PI-Management Oy)	5077746846920	Russia	45	

### The Group's shareholdings in joint ventures

	2008	2007
Operating income	2.3	15.6
Operating expenses	-2.0	-14.7
Net financial items	-0.2	0.1
Income tax expense	0.0	-0.4
<b>PROFIT FOR THE YEAR</b>	<b>0.1</b>	<b>0.6</b>
Non-current assets	0.0	6.6
Current assets	7.0	10.6
<b>Total assets</b>	<b>7.0</b>	<b>17.2</b>
Current liabilities	-6.5	-5.2
<b>Total liabilities</b>	<b>-6.5</b>	<b>-5.2</b>
<b>NET ASSETS</b>	<b>0.5</b>	<b>12.0</b>

There are no pledged assets or contingent liabilities.



## 19 Financial investments

### GROUP

The year's change in carrying amounts	2008	2007
Opening carrying amount	11.0	10.6
Increase through business combinations	0.0	0.1
Acquisition of other shares	–	0.0
Disposal of other shares	0.0	–0.2
Fair value adjustments	–1.2	–
Translation difference in foreign currency	1.0	0.5
<b>CLOSING CARRYING AMOUNT</b>	<b>10.8</b>	<b>11.0</b>

Financial investments are classified as financial assets at fair value through profit or loss. Changes in the fair value of financial assets are recognised in net financial items, see also Note 8.

Shareholding at year-end	Corp. ID number	Domicile	Holding, %	No. of shares	Carrying amount
<b>2008</b>					
BRF Störtpöpet	716414-8764	Åre			0.9
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	5.9
Other shares and participations					4.0
<b>Total shares and participations</b>					<b>10.8</b>
<b>2007</b>					
BRF Störtpöpet	716414-8764	Åre			0.9
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	5.6
Other shares and participations					4.5
<b>Total shares and participations</b>					<b>11.0</b>

## 20 Other non-current securities

### PARENT COMPANY

The year's change in carrying amount	2008	2007
Opening carrying amount	0.9	0.9
<b>CLOSING CARRYING AMOUNT</b>	<b>0.9</b>	<b>0.9</b>

Shareholding at year-end	Corp. ID number	Domicile	Carrying amount
<b>2008</b>			
BRF Störtpöpet	716414-8764	Åre	0.9
<b>Total shares and participations</b>			<b>0.9</b>
<b>2007</b>			
BRF Störtpöpet	716414-8764	Åre	0.9
<b>Total shares and participations</b>			<b>0.9</b>

## 21 Receivables from group companies

### PARENT COMPANY

The year's change in carrying amount	2008	2007
<b>Non-current assets</b>		
Opening carrying amount	136.9	153.7
Capitalised interest	4.6	4.5
Recovered receivables	–60.8	–28.4
Translation difference in foreign currency	17.5	7.1
<b>Closing carrying amount</b>	<b>98.2</b>	<b>136.9</b>
<b>Current assets</b>		
Opening carrying amount	1,264.7	1,055.8
The year's change	281.1	208.9
<b>Closing carrying amount</b>	<b>1,545.8</b>	<b>1,264.7</b>
<b>TOTAL RECEIVABLES FROM GROUP COMPANIES</b>	<b>1,644.0</b>	<b>1,401.6</b>

## 22 Other non-current receivables

### GROUP

The year's change in carrying amount	Group	
	2008	2007
Opening non-current receivables	10.7	4.6
Increase in receivables	18.6	4.1
Increase through business combination	3.9	6.2
Decrease in receivables	–0.8	–5.0
Translation difference in foreign currency	–0.1	0.8
<b>CLOSING NON-CURRENT RECEIVABLES</b>	<b>32.3</b>	<b>10.7</b>
<b>Non-current receivables at end of year</b>		
Pension assets according to Note 29	27.2	7.5
Other receivables	5.1	3.2
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<b>32.3</b>	<b>10.7</b>

## 23 Pension asset, refund from Arkitekternas Pensionskassa

### GROUP

The year's change in carrying amount	2008	2007
Opening asset at nominal value	–	1.2
Pension benefits paid and settled during the year	–	–1.2
<b>CLOSING ASSET AT NOMINAL VALUE</b>	<b>–</b>	<b>–</b>
<b>Amount discounted to present value<sup>1)</sup></b>		
Opening asset at present value	–	1.2
Pension benefits paid and settled during the year	–	–1.2
Change on adjustment of present value	–	–
<b>CLOSING ASSET AT PRESENT VALUE</b>	<b>–</b>	<b>–</b>

1) Present value has been calculated at a discount rate of 4 per cent.

## 24 Work in progress

### GROUP

	2008	2007
<b>Work in progress less progress billings</b>		
Work in progress	1,480.1	1,280.1
Progress billings	-1,073.5	-882.1
<b>NET WORK IN PROGRESS LESS PROGRESS BILLINGS</b>	<b>406.6</b>	<b>398.0</b>
<b>Progress billings in excess of work in progress</b>		
Recognised income	717.5	617.6
Progress billings	-978.0	-876.0
<b>NET PROGRESS BILLINGS IN EXCESS OF WORK IN PROGRESS</b>	<b>-260.5</b>	<b>-258.4</b>

## 25 Prepaid expenses and accrued income

	Group		Parent Company	
	2008	2007	2008	2007
Prepaid rents	31.3	29.7	–	–
Prepaid insurance premiums	3.0	21.4	–	0.0
Accrued income	0.4	0.1	–	–
Other prepaid expenses	72.3	59.8	1.5	1.5
<b>TOTAL</b>	<b>107.0</b>	<b>111.0</b>	<b>1.5</b>	<b>1.5</b>

## 26 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 pre-determined period of time. Commercial paper is recognised in the balance sheet and cash flow statement as short-term investments, within current receivables. Commercial paper is classified as financial assets at fair value through profit or loss. Deposits are recognised as short-term investments within cash and cash equivalents. Sweco always has the option of withdrawing the deposited funds prior to the maturity date, but could then incur a penalty in the form of a higher interest rate.

	Group		Parent Company	
<b>Cash and cash equivalents and short-term investments in the balance sheet</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Cash and bank	263.7	172.0	151.9	61.9
Total cash and cash equivalents	57.6	20.0	–	–
<b>TOTAL CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>	<b>321.3</b>	<b>192.0</b>	<b>151.9</b>	<b>61.9</b>

At 31 December 2008 and 2007 there was no commercial paper in the Sweco Group.

## 27 Equity

<b>Changes in the number of shares</b>	<b>A shares</b>	<b>B shares</b>	<b>C shares</b>	<b>Total</b>
Number of shares at 1 January 2007	1,877,815	14,972,455	–	16,850,270
New share issue	–	–	200,000	200,000
Purchase of treasury shares	–	–	-200,000	-200,000
10-for-1 share split	16,900,335	134,752,095	–	151,652,430
Share redemption	-9,389,075	-74,862,275	–	-84,251,350
Reissue of treasury shares	–	8,694	–	8,694
<b>NUMBER OF SHARES AT 31 DECEMBER 2007</b>	<b>9,389,075</b>	<b>74,870,969</b>	<b>–</b>	<b>84,260,044</b>
New share issue	–	–	1,400,000	1,400,000
Purchase of treasury shares	–	–	-1,400,000	-1,400,000
New share issue – warrant programme	–	1,687,760	–	1,687,760
Reissue of treasury shares	–	1,196,439	–	1,196,439
<b>NUMBER OF SHARES AT 31 DECEMBER 2008</b>	<b>9,389,075</b>	<b>77,755,168</b>	<b>–</b>	<b>87,144,243</b>

A specification of changes in equity is found on page 51 for the Group and page 55 for the Parent Company. Additional information about the Sweco share is provided on pages 84–85.

In 2008 Sweco issued 1,400,000 class C shares were issued for fulfilment of the 2008 Share Bonus Programme as resolved on by the Annual General Meeting and 1,687,760 class B shares were subscribed for in the warrant programme 2005/2008. In 2008, in connection with the acquisition of Opticonsult and 50 per cent of Lenvo-dokanalproekt, Sweco issued 350,000 and 171,852 class B treasury shares for SEK 17.9 million and SEK 9.4 million, respectively. The value corresponds to the market price on the transaction date.

In 2007 Sweco issued 200,000 class C shares for fulfilment of the 2007 Share Bonus Programme as resolved on by the extraordinary general meeting. The 2007 Annual General Meeting resolved on a 10-for-1 share split and a redemption procedure in which every fifth share of class A and B was redeemed, resulting in a reduction in the share capital through retirement of shares and an increase in the share capital through a bonus issue. In 2007 Sweco reissued 8,694 class B treasury shares for a total of SEK 0.6 million in connection with the acquisition of NNBK Finnmark.

### Share capital

The quota value per share is 1. All shares pay dividends, which are determined from year to year. Class A shares grant entitlement to one vote in a general meeting and class B and C shares grant entitlement to one-tenth of one vote each. All shares grant equal entitlement to the company's assets and profits. With regard to treasury shares (see below), all rights are suspended until the shares are reissued or sold.

### 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.

### Other reserves

Other reserves consist of a translation reserve containing all exchange differences arising on the translation of foreign operations which present their financial statements in currency other than that used by the Group. The translation reserve also includes exchange differences arising on translation of liabilities designated as hedges of net investments in foreign operations, which amounted to SEK 8.8 million (–0.5).

### 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 also include treasury shares, which are recognised at the historical cost of own shares held by the Parent Company, its subsidiaries or associated companies. Upon utilisation of treasury shares, an amount equal to the market value of the shares is transferred to retained profit. At 31 December 2008 the Group held 807,867 class B treasury shares (1,154,306), of which 632,454 treasury shares may be used as payment in business combinations. The treasury shares were purchased at an average price of SEK 22.10 each, equal to a total of SEK 14.0 million. The market value at 31 December 2008 was SEK 22.1 million. In order to enable delivery of shares to the employees covered by the 2008 Share Bonus Programme, Sweco holds 175,413 class B treasury shares and 1,550,000 class C treasury shares that will be converted to class B shares prior to allocation under the share bonus programme. The repurchased shares correspond to 2.7 per cent of the total number of shares and 1.4 per cent of the votes.

### Distribution to the shareholders

After the balance sheet date, the Board of Directors has proposed the following for decision by the Annual General Meeting on 16 April 2009.

	2008	2007
Dividend of SEK 2.00 per common share (SEK 2.00)	175.6	170.6

The amounts for 2008 have been calculated including treasury shares that can be used as payment in business combinations. If 632,454 class B shares remain in treasury on the record date, the amount distributed to the shareholders will be reduced by SEK 1.3 million. Should the Board exercise the authorisation granted by the Annual General Meeting in April 2008 to acquire additional treasury shares, the amount distributed to the shareholders would be further reduced.

### 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 and to create a foundation for ongoing development of the Group's business operations. Capital is defined as total equity and minority interests.

<b>Equity</b>	<b>2008</b>	<b>2007</b>
Equity attributable to equity holders of the Parent Company	1,401.9	931.9
Minority interests	12.9	18.4
<b>TOTAL EQUITY</b>	<b>1,414.8</b>	<b>950.3</b>

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

Sweco's dividend policy is to distribute at least half of profit after tax to the shareholders, while at the same time maintaining a capital structure that provides scope for development of, and investment in, the company's core operations. This is judged to be achieved at an equity/assets ratio of around 30 per cent. The equity/ assets ratio at year-end 2008 was 47.0 per cent (39.0). The Board of Directors has decided to propose that the 2009 Annual General Meeting approve a dividend of SEK 2.00 SEK per share, equal to a dividend share of 44 per cent of profit after tax.

Sweco's growth strategy stands firm and the Board anticipates interesting opportunities for acquisitions in the next few years. However, in view of the current in the credit market, the Board feel that it is urgent to maintain an especially strong financial position under conditions improve. In spite of the company's excellent results for 2008 and strong financial position, the Board has decided to maintain the dividend at the same level as in the preceding year.

After payment of the proposed dividend, the equity/assets ratio will amount to approximately 44 per cent (based on the balance sheet at 31 December 2008). Over the past five years, the regular annual dividends and redemption procedures in 2005 and 2006 have amounted to an average of 69 per cent of profit after tax. The Group's policy is to pay an extra dividend when this is permitted by the capital structure and financing requirements. Decisions to pay an extra dividend and/or capital distribution to the shareholders through redemption programmes reflect an ambition to distribute any capital to the shareholders that is not deemed necessary for the Group's development. In addition to the regular dividend, the Group has paid an extra dividend in 2002 and carried out share redemption procedures in 2005 and 2006.

In order to encourage employee share ownership in the Group, a share bonus programme was introduced in 2007 for most of the employees in Sweden. In 2008 the share bonus programme also covered the majority of employees in Norway, Finland and Denmark. The share bonus programme replaced the earlier cash-based bonus system. Under the 2007 Share Bonus Programme, which covers the majority of the Group's employees in Sweden, the employees have been awarded 674,587 class B shares in Sweco, equal to SEK 35 million in earned bonuses. Under the 2008 Share Bonus Programme, the employees will receive shares in Sweco equal to the earned bonus for the 2008 financial year divided by a base share price. The base share price will be equal to the average volume-weighted bid price for Sweco AB's (publ) class B share during the period from 20 March 2008 to 28 March 2008, less an amount corresponding to the dividend resolved on by the 2008 Annual General Meeting. The base share price was set at SEK 49. The Board has decided to propose that the 2009 Annual General Meeting resolve on the implementation of a 2009 Share Bonus Programme directed to the majority of the employees in Sweden, Norway, Finland and Denmark.

There is a warrant series for senior executives. During 2008, the warrant series 2005/2008 was completed and 1,687,760 class B shares were subscribed for, increasing equity by SEK 45.1 million. In 2008 Sweco issued a new warrant series (2008/2011) to 50 senior executives in the Group. According to the Black & Scholes model, the value of the warrants has been appraised by an external party. A total of 1,252,000 were subscribed for on market-based terms, equal to a dilutive effect of 1.4 per cent on the share capital and 0.7 per cent on the number of votes. The warrants may be exercised for subscription to shares during the period from 30 May 2011 to 30 November 2011. The exercise price amounts to SEK 65 per share.

Sweco's 2008 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 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. The transfer may take place in connection with acquisitions or over NASDAQ OMX Stockholm when deemed appropriate. The Board also proposes that the 2009 Annual General Meeting resolve also grant authorisation for the Board to decide on the repurchase and transfer of treasury shares.

## 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 shares and other equity instruments at a premium, meaning that the amount paid exceeds 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 a group company.

## Share premium reserve

The share premium reserve arose through the issue of shares and other equity instruments at a premium, meaning that the amount paid exceeds the quota value of the shares.

## Retained earnings

Retained earnings consist of the previous year's non-restricted equity after deduction of dividends. Retained profit 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.

# 28 Current and non-current interest-bearing liabilities

	Group		Parent Company	
The year's change in carrying amount	2008	2007	2008	2007
<b>Non-current interest-bearing liabilities</b>				
Provisions for pensions	6.6	2.8	–	–
Liabilities to credit institutions	0.4	0.0	–	–
Liabilities under finance leases according to Note 30	13.5	9.6	–	–
<b>Total</b>	<b>20.5</b>	<b>12.4</b>	<b>–</b>	<b>–</b>
<b>Current interest-bearing liabilities</b>				
Bank overdraft facilities	132.2	190.6	97.2	190.6
Other liabilities to credit institutions	0.1	0.5	–	–
Liabilities under finance leases according to Note 30	8.4	6.3	–	–
<b>Total</b>	<b>140.7</b>	<b>197.4</b>	<b>97.2</b>	<b>190.6</b>
<b>TOTAL INTEREST-BEARING LIABILITIES</b>	<b>161.2</b>	<b>209.8</b>	<b>97.2</b>	<b>190.6</b>

There are no non-current liabilities with a time to maturity of longer than five years. All financial liabilities are recognised at amortised cost. Bank overdraft facilities are renewed yearly and are not associated with any special conditions or obligations.

## Granted overdraft and credit terms

	Group		Parent Company	
	2008	2007	2008	2007
Granted bank overdraft facilities	623.6	750.3	578.3	720.4
Utilised bank overdraft facilities on the balance sheet date	–132.2	–190.6	–97.2	–190.6
<b>UNUTILISED BANK OVERDRAFT FACILITIES</b>	<b>491.4</b>	<b>559.7</b>	<b>481.1</b>	<b>529.8</b>
<b>Rates of interest on the balance sheet date</b>				
Borrowings from credit institutions, variable interest, %	3.82	3.78	–	–
Utilised bank overdraft facilities, variable interest, %	3.72	3.25	3.54	3.25

# 29 Provisions for pensions

## DEFINED BENEFIT PENSION PLANS

### Sweden

The Group's retirement pension obligations for salaried employees in Sweden are secured through insurance in Alecia and Arkitekternas Pensionskassa (AP). 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 AP 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 Alecia and AP are reported as defined contribution plans.

Surpluses in Alecia and AP can be refunded to the policyholders and/or the insured. At the end of 2008 Alecia's surplus measured as a collective consolidation ratio was 112 per cent (152) and AP's was 107 per cent (116). The collective consolidation ratio is the market value of Alecia's and AP'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.

**Finland**

The majority of employees in Sweco Industry Oy are covered by defined contribution pension plans. The subsidiary Kemira Oy, which was acquired in 2004, has a defined benefit pension plan.

Actuarial assumptions	Norway		Finland	
	2008, %	2007, %	2008, %	2007, %
Discount rate	4.4	4.7	5.5	4.8
Expected return on plan assets	6.3	5.8	5.3	5.3
Annual rate of salary increase	4.5	4.5	3.0	3.0
Annual rate of pension increase	2.8	2.0	1.8	1.8
Inflation	2.0	2.0	2.0	2.0

Assumptions with regard to the future life expectancy are based on official statistics and historical experience in each country. The average remaining life expectancy for an individual who retires at the age of 67 years is 17 years for men and 20 for women.

Defined benefit pension plans in the balance sheet	2008	2007
Present value of pension obligations	-527.5	-440.2
Fair value of plan assets	371.3	317.1
Unrecognised actuarial gains	176.8	127.8
<b>NET ASSET AT END OF YEAR</b>	<b>20.6</b>	<b>4.7</b>
Other non-current receivables	27.2	7.5
Provisions for pensions	-6.6	-2.8
<b>NET ASSET IN THE BALANCE SHEET</b>	<b>20.6</b>	<b>4.7</b>

The year's change in defined benefit pension obligations	2008	2007
Net liability according to adopted balance sheet, 1 January	-440.2	-313.2
Current service costs and interest expenses	-49.3	-35.3
Actuarial gains and losses	11.5	4.6
Benefits paid	16.9	15.5
Effects of business combinations	-98.1	-83.7
Translation difference in foreign currency	31.7	-28.1
<b>Defined benefit pension obligation at end of year</b>	<b>-527.5</b>	<b>-440.2</b>

The year's change in fair value of plan assets	2008	2007
Fair value of plan assets, 1 January	317.1	292.1
Employer contributions	45.5	31.2
Expected return on plan assets	18.9	14.7
Actuarial gains and losses	-11.2	-33.0
Contributions	1.7	1.9
Benefits paid	-15.5	-14.1
Effects of acquisitions	35.5	0.6
Translation difference in foreign currency	-20.7	23.7
<b>Fair value of plan assets at end of year</b>	<b>371.3</b>	<b>317.1</b>

The plan assets consist of	2008	2007
Shares	22.9	62.7
Fixed-income securities	200.2	160.5
Real estate	56.9	43.8
Other	91.3	50.1
<b>TOTAL PLAN ASSETS</b>	<b>371.3</b>	<b>317.1</b>

Defined benefit pension plans	2008	2007
<b>Net expense in the income statement</b>		
Current service costs	-29.6	-21.7
Correction of service costs for prior periods	-	2.4
Interest expense on pension obligations	-19.7	-13.6
Recognised actuarial gains and losses	-8.7	0.3
Förväntad avkastning på förvaltningsstillgångar	18.9	14.7
<b>TOTAL NET EXPENSE</b>	<b>-39.1</b>	<b>-17.9</b>

**Pension expenses are recognised in the income statement as**

Personnel costs	-38.4	-19.3
Net financial items	-0.7	1.4
<b>TOTAL NET EXPENSE</b>	<b>-39.1</b>	<b>-17.9</b>

The actual return on plan assets was SEK -1.0 million (-18.0).

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

For the financial year 2009, fees for post-retirement benefits are estimated at approximately SEK 50 million.

	2008	2007	2006	2005
Present value of defined benefit pension obligations	-527.5	-440.2	-313.2	-282.9
Fair value of plan assets	371.3	317.1	292.1	245.8
<b>DEFICIT</b>	<b>-156.2</b>	<b>-123.1</b>	<b>-21.1</b>	<b>-37.1</b>
Experience adjustments of defined benefit pension obligations	11.5	4.6	-27.7	19.6
Experience adjustments in plan assets	-11.2	-33.0	27.9	-

Defined contribution pension plans	2008	2007
<b>Allocation of expenses by pension plan</b>		
Sweden, Alecta	-101.5	-117.3
Sweden, AP	-12.3	-12.1
Finland	-66.5	-68.9
Other countries	-24.8	-9.6
<b>TOTAL EXPENSE OF DEFINED CONTRIBUTION PENSION PLANS</b>	<b>-205.1</b>	<b>-207.9</b>

## 30 Liabilities under finance

**GROUP**

	2008		2007	
	Present value	Nominal amount	Present value	Nominal amount
In current interest-bearing liabilities				
Due within one year	8.4	9.8	6.3	7.8
<b>Total current liabilities</b>	<b>8.4</b>	<b>9.8</b>	<b>6.3</b>	<b>7.8</b>
In liabilities to credit institutions				
Due within more than one but less than two years	5.7	6.8	6.0	7.3
Due within more than two but less than three years	7.8	8.2	3.6	4.1
<b>Total non-current liabilities</b>	<b>13.5</b>	<b>15.0</b>	<b>9.6</b>	<b>11.4</b>
<b>TOTAL LIABILITIES UNDER FINANCE LEASES</b>	<b>21.9</b>	<b>24.8</b>	<b>15.9</b>	<b>19.2</b>

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

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



### 31 Accrued expenses, deferred income and other current liabilities

Accrued expenses and deferred income	Group		Parent Company	
	2008	2007	2008	2007
Accrued payroll costs	45.3	82.3	2.0	5.9
Accrued vacation and overtime pay	271.1	221.2	0.6	0.7
Accrued social security expenses	152.7	139.8	3.1	2.6
Other	90.3	78.1	2.7	3.1
<b>TOTAL</b>	<b>559.4</b>	<b>521.4</b>	<b>8.4</b>	<b>12.3</b>
<b>Other current liabilities</b>				
VAT	130.3	115.5	-0.2	0.0
Employee withholding tax	72.3	56.4	0.4	0.5
Derivatives	3.4	0.7	-	-
Other	39.3	46.5	7.7	14.9
<b>TOTAL</b>	<b>245.3</b>	<b>219.1</b>	<b>7.9</b>	<b>15.4</b>

### 32 Pledged assets and contingent liabilities

	Group		Parent Company	
	2008	2007	2008	2007
<b>Pledged assets</b>				
Blocked bank accounts	0.4	-	-	-
<b>TOTAL</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pledged assets by liability item</b>				
Surety for liabilities to credit institutions	0.4	-	-	-
<b>TOTAL</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingent liabilities</b>				
Guarantee for liability of subsidiary	-	-	37.1	30.0
Performance bonds	121.3	98.8	106.6	86.1
Contingent purchase prices	-	6.5	-	-
<b>TOTAL</b>	<b>121.3</b>	<b>105.3</b>	<b>143.7</b>	<b>116.1</b>

No significant liabilities are expected to arise as a result of the reported contingent liabilities. No contingent assets have been identified in the Group. The contingent liabilities refer to bank and Parent Company guarantees for bids and performance guarantees in projects, as well as rental contracts for properties.

### 33 Financial instruments by category

#### GROUP

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

	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total carrying amount	Fair value
<b>2008</b>						
Financial investments	10.8	-	-	-	10.8	10.8
Non-current receivables	-	5.1	-	-	5.1	5.1
Trade receivables	-	1,001.8	-	-	1,001.8	1,001.8
Cash and cash equivalents	-	321.3	-	-	321.3	321.3
<b>TOTAL</b>	<b>10.8</b>	<b>1,328.2</b>	<b>-</b>	<b>-</b>	<b>1,339.0</b>	<b>1,339.0</b>
Non-current interest-bearing liabilities	-	-	-	13.9	13.9	13.9
Other non-current liabilities	-	-	-	0.2	0.2	0.2
Current interest-bearing liabilities	-	-	-	140.7	140.7	140.7
Trade payables	-	-	-	215.2	215.2	215.2
Other current liabilities	-	-	3.4	-	3.4	3.4
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>3.4</b>	<b>370.0</b>	<b>373.4</b>	<b>373.4</b>
	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total carrying amount	Fair value
<b>2007</b>						
Financial investments	11.0	-	-	-	11.0	11.0
Non-current receivables	-	3.2	-	-	3.2	3.2
Trade receivables	-	823.0	-	-	823.0	823.0
Cash and cash equivalents	-	192.0	-	-	192.0	192.0
<b>TOTAL</b>	<b>11.0</b>	<b>1,018.2</b>	<b>-</b>	<b>-</b>	<b>1,029.2</b>	<b>1,029.2</b>
Non-current interest-bearing liabilities	-	-	-	9.6	9.6	9.6
Other non-current liabilities	-	-	-	3.3	3.3	3.3
Current interest-bearing liabilities	-	-	-	197.4	197.4	197.4
Trade payables	-	-	-	177.1	177.1	177.1
Other current liabilities	-	-	0.7	-	0.7	0.7
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.7</b>	<b>387.4</b>	<b>388.1</b>	<b>388.1</b>

In the above table, non-current receivables consist of non-current receivables other than pension assets. Derivates are part of other current liabilities in the balance sheet

and refer to fair value changes in forward transactions. Non-current and current interest-bearing liabilities include finance lease agreements, see also Notes 28 and 30.

**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 table above.

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 the use of 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.

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.

## 34 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 and interest rates, refinancing and credit risks.

**FINANCE POLICY**

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

**MARKET RISK**

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

**CURRENCY RISKS****Transaction exposure**

The Group's exposure to exchange rate risk is primarily related to potential exchange rate fluctuations in contracted and anticipated payment flows in foreign currency. The objective in management of exchange rate risk is to minimise the effects of exchange rate movements on the Group's profit and financial position.

The Group normally has natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into a non-local currency, the contracted and anticipated payment flows are hedged through forward contracts.

The Group's transaction exposure from exports in 2008 can be broken down into the following significant currencies:

SEK M	EUR	USD	NOK
Income	51	21	0
Expenses	–48	–	–4
<b>NET</b>	<b>3</b>	<b>21</b>	<b>–4</b>

On the balance sheet date, the Group had the following open forward contracts with a remaining time to maturity of between 0 and 12 months (previous year 0 to 12 months):

Currency	Contract amount		Unrealised gains + / losses –		Average rate	
	2008	2007	2008	2007	2008	2007
EUR	34.2	26.1	–3.8	–0.7	9.71	9.21
USD	8.7	4.8	0.4	0.1	8.07	6.62
Others	4.0	7.4	0.0	–0.1		

Hedge accounting has not been applied for the forward contracts outstanding on the balance sheet date. Valuation gains/losses on forward exchange contracts are recognised in other current liabilities in the balance sheet.

**Translation exposure**

When the assets and liabilities of foreign subsidiaries are translated to SEK, a 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 2008 was NOK 272 million (197) and EUR 52.4 million (34.2). The Group's policy is to not hedge translation exposure in foreign currencies.

**Balance sheet exposure**

On the translation of assets and liabilities in intra-group transactions, balance sheet exposure arises in the difference between exchange rates on the transaction date and the closing day rate. The resulting exchange difference is recognised over the 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 does not refer to normal trade receivables or payables.

Foreign exchange differences recognised in profit	Group		Parent Company	
	2008	2007	2008	2007
Net sales	2.2	1.3	0.0	–
Other operating expenses	0.3	–2.2	0.0	–
<b>Total foreign exchange differences in operating profit</b>	<b>2.5</b>	<b>–0.9</b>	<b>0.0</b>	<b>–</b>
Financial income	1.2	–	–	–
Financial expenses	–	–0.1	–0.7	–0.1
<b>Total foreign exchange differences in net financial items</b>	<b>1.2</b>	<b>–0.1</b>	<b>–0.7</b>	<b>–0.1</b>
<b>TOTAL FOREIGN EXCHANGE DIFFERENCES IN PROFIT</b>	<b>3.7</b>	<b>–1.0</b>	<b>–0.7</b>	<b>–0.1</b>

**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. Sweco has a strong balance sheet with a low level of borrowing, which means that direct interest rate risk is low. All loans carry variable interest rates and are not associated with any special conditions or obligations. The company's assessment is that loans with variable interest result in the lowest financing cost over time. Indirectly, interest rates can affect the general economic climate and propensity to invest.

**OTHER FINANCIAL RISKS**

In view of the Group's financial position with unutilised bank overdraft facilities which including cash and cash equivalents amounted to SEK 812.7 million and a net interest-bearing receivable of SEK 160.1 million, 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 unfavourable refinancing of matured loans) are deemed minor. The bank overdraft facilities are renewed every year and are not associated with any special conditions or obligations, see also Note 28.

Other financial liabilities are shown in the table below:

	Nom. amount in original currency	Total	Within 1 mth	1–3 mths	3 mths– 1 yr	1–5 yrs
<b>2008</b>						
Forward contracts, EUR	3.1	34.2	3.0	6.7	24.5	–
Forward contracts, USD	1.1	8.7	0.0	–	8.7	–
Forward contracts, Others		4.0	2.9	–	1.1	–
Finance lease liabilities, SEK	24.8	24.8	1.2	1.5	7.1	15.0
<b>TOTAL</b>		<b>71.7</b>	<b>7.1</b>	<b>8.2</b>	<b>41.4</b>	<b>15.0</b>

	Nom. amount in original currency	Total	Within 1 mth	1–3 mths	3 mths– 1 yr	1–5 yrs
<b>2007</b>						
Forward contracts, EUR	2.8	26.1	3.0	10.4	12.7	–
Forward contracts, USD	0.7	4.8	0.5	1.3	3.0	–
Forward contracts, Others		7.4	2.0	5.4	–	–
Finance lease liabilities, SEK	16.5	16.5	1.3	1.4	3.8	10.0
Finance lease liabilities, EUR	0.3	2.7	0.1	0.2	1.0	1.4
<b>TOTAL</b>		<b>57.5</b>	<b>6.9</b>	<b>18.7</b>	<b>20.5</b>	<b>11.4</b>

## 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 10,000 clients in both the private and public sectors.

The public sector accounts for 43 per cent, property and construction companies for 11 per cent, industrial companies for 35 per cent and other private sector companies for 11.

The clients include most of the Nordic region's major companies. 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 receivables

	2008			2007		
	Gross	Reserve	Net	Gross	Reserve	Net
Trade receivables not yet due	802.3	–	802.3	649.7	–	649.7
Overdue trade receivables 0–30 days	112.3	–0.8	111.6	110.0	–0.2	109.8
Overdue trade receivables 31–90 days	37.2	–0.3	36.9	33.1	–0.2	32.9
Overdue trade receivables 91–180 days	17.4	–0.7	16.7	14.2	–0.4	13.8
Overdue trade receivables > 180 days	52.5	–18.1	34.3	32.1	–15.3	16.8
<b>TOTAL</b>	<b>1,021.7</b>	<b>–19.9</b>	<b>1,001.8</b>	<b>839.1</b>	<b>–16.1</b>	<b>823.0</b>

At 31 December 2008, trade receivables amounting to SEK 199.5 million (173.3) were overdue without any assessed need to recognised an impairment loss. These apply to a number of independent clients that have not previously had any solvency problems and their credit quality is considered to be good.

Trade receivables by currency	2008	2007
SEK	515.1	494.4
EUR	160.3	154.2
USD	5.8	1.9
NOK	210.9	110.7
Other currencies	109.7	61.8
<b>TOTAL</b>	<b>1,001.8</b>	<b>823.0</b>

Changes in the reserve for doubtful trade receivables	2008	2007
Opening reserve for doubtful trade receivables	–16.1	–6.2
Provisions to reserve for doubtful trade receivables	–18.5	–12.1
The year's write-off of non-collectible receivables	1.4	1.4
Reversal of unutilised amount	13.6	0.8
Translation difference	–0.3	–

CLOSING RESERVE FOR DOUBTFUL TRADE RECEIVABLES	2008	2007
	<b>–19.9</b>	<b>–16.1</b>

## 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, more long-term changes in exchange and interest rates will have an effect on profit and cash flows in SEK M:

Factor	Change +/-, %	2008 Effect +/-	2007 Effect +/-
Currency			
EUR	10	5.9	9.2
USD	10	1.5	1.9
NOK	10	8.6	6.7
Interest rate on lending/borrowing	1%-point	–0.4	0.1

The sensitivity analysis is based on the assumption that all other factors are constant. The effect is stated after a standard tax rate of 28 per cent.

## 35 Related party transactions

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

Consulting services have been sold for an amount of SEK 0.5 million (0.1) to companies owned by the G. Nordström family, which is a shareholder controlling approximately 34 per cent of the votes in Sweco. Consulting services have been sold for an amount of SEK 4.4 million (7.0) to companies owned by the Douglas family, which has a controlling interest in Investment AB Latour, a shareholder controlling approximately 24 per cent of the votes in Sweco. The amount receivable at year-end 2008 was SEK 0.5 million (0.8). To companies owned jointly by the G. Nordström and Douglas families, consulting services have been sold for an amount of SEK 2.5 million (4.4), for which the amount receivable at year-end was SEK 0.0 million (0.3).

See also transactions with senior executives in Note 6.

## 36 Events after the balance sheet date

On 13 February 2009, the Board of Directors and the President 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 175.6 million (see Note 27).

Sweco has signed an agreement to sell the Finnish industrial operation's mechanical engineering service unit, with 38 employees, to the Swiss electronics company Enics. The aim of the sale is to streamline the service offering in industrial engineering and focus on core activities in plant investment, production optimisation and product development/design.

## 37 Critical 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 29). When there are large differences between the assumptions and actual outcomes of these variables, the resulting actuarial/ gains losses may fall outside the corridor and a portion of the net gain/loss must be recognised in the income statement and balance sheet.

#### Impairment testing of goodwill

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

#### Valuation of work in progress

Around 26 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. 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. If the outcome cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are expected to be recoverable. Determination of the risks in the assignments and the percentage of completion is based on prior experience of similar projects and the specific conditions for the assignment. The balance sheet item consists of multiple contracts, none of which makes up a significant 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.

## 38 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.



# Proposed appropriation of profits

## PARENT COMPANY

The Board of Directors and President propose that retained earnings and non-restricted reserves and net profit for the year together amounting to

SEK 789.7 million  
SEK 228.7 million  
SEK 1,018.4 million

be appropriated

so that the shareholders receive a dividend of SEK 2.00 per share and that the remaining sum be carried forward to new account.

SEK 175.6 million<sup>1)</sup>  
SEK 842.8 million

1) The distribution will amount to a maximum of SEK 175.6 million calculated on the number of shares outstanding at 6 March 2009, including shares held in treasury that may be utilised as consideration for acquisitions. Should the Board exercise the authorisation granted by the Annual General Meeting in April 2008 either purchase additional treasury shares or transfer treasury shares, the amount to be distributed will change.

The proposed date for payment of dividends is 21 April 2009.

The income statements and balance sheets of the Group and the Parent Company will be put before the Annual General Meeting on 16 April 2009 for adoption.

The Board of Directors and the President of SWEKO AB (publ), have proposed that the 2009 Annual General Meeting resolve to approve a dividend of SEK 2.00 per share (2.00), or a maximum of SEK 175.6 million (170.6). In view of the Board's proposal for payment of dividends as stated above, the Board hereby issues the following statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act.

Sweco's dividend policy states that at least half of profit for the year attributable to equity holders of the Parent Company shall be distributed to the shareholders, while at the same time maintaining a capital structure that provides scope for development of, and investment in, the Company's core operations. This is judged to be achieved at an equity/assets ratio of around 30 per cent.

Sweco's growth strategy stands firm and the Board anticipates interesting opportunities for acquisitions in the next few years. However, in view of the current in the credit market, the Board feel that it is urgent to maintain an especially strong financial position under conditions improve. In spite of the company's excellent results for 2008 and strong financial position, the Board has therefore decided to maintain the dividend at the same level as in the preceding year.

The Board of Directors is of the opinion that the proposed distribution to the share-

holders and authorisation to acquire Sweco shares are consistent with the company's dividend policy and do not represent a hinder for the company to meet its obligations in the short or long term, at the same time that the company's financial position permits continued investment and expansion. Based on the balance sheet at 31 December 2008, the Group's equity/assets ratio after the proposed dividend will amount to approximately 44 per cent. The equity/assets ratio prior to the dividend is approximately 47 per cent.

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

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, 6 March 2009

Olle Nordström  
*Chairman*

Eric Douglas  
*Vice Chairman*

Gunnel Duveblad  
*Board member*

Birgit Erngren Wohlin  
*Board member*

Øystein Løseth  
*Board member*

Aina Nilsson Ström  
*Board member*

Håkan Brinkenberg  
*Employee representative*

Thomas Holm  
*Employee representative*

Anna Leonsson  
*Employee representative*

Mats Wäppling  
*Board member, President & CEO*

Our audit report was submitted on 10 March 2009

PricewaterhouseCoopers AB  
Lennart Danielsson  
*Authorised Public Accountant*

# Audit report

To the annual meeting of the shareholders of SWEKO AB (publ)  
Corporate identity number 556542-9841

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of SWEKO AB (publ) for the year 2008. The company's annual accounts and the consolidated accounts are included in the printed version on pages 38–80. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as

well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member 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 our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, 10 March 2009  
PricewaterhouseCoopers AB

Lennart Danielsson  
*Authorised Public Accountant*

# Five-year overview

SEK M	2008	2007	2006	2005	2004
<b>Income statement, SEK M</b>					
Net sales	5,522.8	4,569.5	3,894.7	3,372.2	3,141.4
Operating profit	596.3	432.5	361.9	271.6	208.6
Net financial items	-8.1	-6.8	2.5	79.6	13.7
Profit before tax	588.2	425.7	364.4	351.2	222.3
Profit for the year	402.9	303.3	258.3	274.1	163.8
<b>Balance sheet, SEK M</b>					
Balance sheet total	3,012.5	2,438.0	2,050.9	2,040.5	1,749.4
Equity including minority interest	1,414.8	950.3	835.9	880.7	666.4
Cash and cash equivalents and current interest-bearing receivables	321.3	192.0	255.6	336.3	308.8
Interest-bearing liabilities	161.2	209.8	105.8	124.4	214.2
Interest-bearing net receivable/liability	160.1	-17.8	149.8	211.9	94.6
<b>Cash flow statement, SEK M</b>					
Cash flow from operating activities	557.1	314.2	243.8	275.6	192.1
Cash flow from investing activities	-273.1	-203.6	30.2	-52.8	-125.2
Cash flow from financing activities	-176.5	-155.7	-283.1	-181.7	-71.1
<b>Cash flow for the year</b>	<b>107.5</b>	<b>-45.1</b>	<b>-9.1</b>	<b>41.1</b>	<b>-4.2</b>
<b>Key ratios</b>					
Operating profit per employee, SEK 000s	109	92	91	75	61
Value added per employee, SEK 000s	720	701	701	676	637
Billing ratio, %	75.6	76.1	75.3	74.2	72.1
Operating margin, %	10.8	9.5	9.3	8.1	6.6
Profit margin, %	10.6	9.3	9.4	10.4	7.1
Equity/assets ratio, %	47.0	39.0	40.8	43.2	38.1
Debt/equity ratio, times	0.1	0.2	0.1	0.1	0.3
Interest coverage ratio, times	32	35	51	43	21
Return on equity, %	34.6	33.8	29.9	35.3	26.7
Return on capital employed, %	44.4	41.7	38.2	38.1	27.7
Return on total assets, %	22.3	19.5	18.2	19.0	13.7
Average number of employees	5,453	4,699	3,986	3,626	3,445
<b>Share data</b>					
Earnings per share, SEK	4.68	3.53	3.00	3.18	1.88
Earnings per share after dilution, SEK	4.65	3.46	2.99	3.17	1.86
Dividend return, %	5.7	3.1	6.1	7.4	3.2
Equity per share, SEK	16.09	11.06	9.80	10.28	7.72
Diluted equity per share, SEK	15.72	10.83	9.72	10.22	7.72
Cash flow per share, SEK	1.25	-0.54	-0.11	0.49	-0.05
Diluted cash flow per share, SEK	1.24	-0.53	-0.11	0.49	-0.05
Bid price for the Sweco class B share at 31 Dec., SEK	35.00	65.00	52.80	41.60	25.40
Market capitalisation, SEK M	3,211	5,599	4,422	3,479	2,169
Regular dividend per share, SEK (2008 – proposed)	2.00	2.00	1.50	1.10	0.80
Extraordinary dividend or profit distribution	–	–	1.70	2.00	–
Number of shares at 31 December <sup>1)</sup>	87,144,243	84,260,044	84,251,350	84,451,350	84,451,350
Number of shares after dilution at 31 December <sup>1)</sup>	89,172,369	86,029,339	84,887,845	84,823,810	84,451,350
Number of shares after full dilution at 31 December <sup>1)</sup>	90,424,369	86,947,804	85,739,700	85,896,350	84,451,350
Number of class B and C treasury shares <sup>1)</sup>	2,357,867	2,154,306	1,163,000	963,000	963,000

1) The number of shares for prior periods has been restated with respect to the completed share split in 2007.

# Comments on the five-year overview

## 2004

The market for consulting engineering, architectural and industrial consulting services opened 2004 on a weak note, but improved towards the end of the year. The market was buoyed mainly by rising construction activity and a stronger order intake in the industrial sector. In the energy, water, environmental and infrastructure areas, the market remained stable. The Sweco Group's sales surged by 42 per cent, an increase largely due to the acquisitions of Sweco Grøner and PIC Engineering during 2003. In 2004, the two companies were integrated into the Group. The integration process proceeded according to plan and gave rise to valuable synergies as powerful new business constellations were formed together with other companies in Sweco. Already in their first year, both Grøner and PIC made a significant contribution to the Group's earnings growth. The fourth quarter of 2004 was successful, with high activity in all companies and strong earnings. The share price rose by 71 per cent and ended the year at SEK 127. On 31 December 2004, Sweco had more than 3,600 employees.

## 2005

The majority of Sweco's areas of operation experienced strong demand in both the Nordic and international markets. Sweco advanced its positions in the Nordic home markets while at the same time reaping continued success in the growth markets of Eastern Europe, with several major contracts in the water and environment, infrastructure and architecture areas. The Sweco Group's sales rose by 7 per cent, of which two-thirds were organic and one-third was acquisition-driven. The share of international sales was 41 per cent. During the year, eight companies were acquired in Sweden, Finland and Russia with combined annual sales of around SEK 100 million. An important local presence was established in markets like Russia and Bulgaria. A series of subscription warrants was issued to 50 senior executives in the Group. The bid price of the Sweco B share at 31 December was SEK 208, an increase of 64 per cent during the year. The number of employees at year-end was around 3,700.

## 2006

In 2006 Sweco enjoyed robust demand for its services both in the Nordic countries and internationally. Sweco further strengthened its positions in the Nordic home markets, above all in the energy area. 2006 was a record year of powerful growth and high profitability. The Sweco Group's sales increased by 16 per cent, of which 40 per cent was due to acquisitions and 60 per cent to organic growth. The share of international sales rose to 50 per cent. Operating profit improved by 33 per cent to SEK 362 million, an improvement explained mainly by a continued strong market for all business units, improved internal efficiency and the accretive effects of acquisitions. During the year, companies were acquired in Sweden, Norway, Finland and Lithuania with annual sales

of more than SEK 350 million and 379 employees. In the second quarter Sweco created a new organisation that is designed to improve the scope for international expansion. The share price rose by 27 per cent and ended the year at SEK 264. The number of employees at 31 December was approximately 4,200.

## 2007

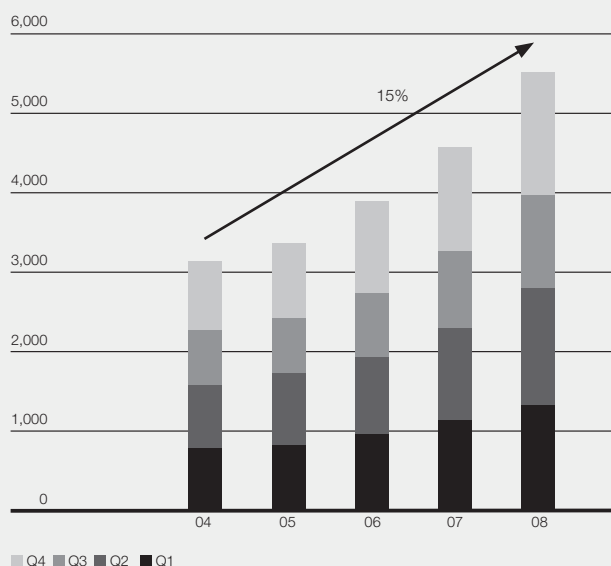
All of Sweco's business units enjoyed robust demand for consulting engineering services during 2007, resulting in continued strong performance and yet another record year for Sweco. The Sweco Group's net sales rose by 17 per cent, of which around 60 per cent was attributable to acquisition-driven growth 40 per cent to organic growth. Operating profit improved by 20 per cent to SEK 433 million, an increase mainly explained by a sustained strong market, improved internal efficiency and the accretive effects of past acquisitions. During the year, Sweco acquired companies and operations with total annual sales of approximately SEK 329 million and around 620 employees. In Norway, Sweco continued its expansion through a number of acquisitions and is now one of the country's leading multidisciplinary engineering consultancies. Further advances were made in the Group's expansion in Central and Eastern Europe. Through the acquisition of Czech-based Hydroprojekt, a new home market was established in Central Europe. Additional acquisitions were made in Estonia and Lithuania, where Sweco now has a clearly dominant market position. The bid price of the Sweco B share rose by 23 per cent during the year and was SEK 65 at year-end. The number of employees at the end of the period was 4,934.

## 2008

The market for consulting engineering services was good during the year. Demand was particularly keen for services in the environment, energy and infrastructure areas, while weaker demand was noted in the construction sector and parts of the industrial sector in the fourth quarter. In spite of the rapid economic downturn at the end of the year, Sweco recorded its best performance ever in 2008. The Sweco Group's net sales rose to SEK 5,523 million, an increase of 21 per cent of which around 50 per cent was organic and 50 per cent was acquisition-driven. Operating profit improved by 38 per cent to SEK 596 million, with the Swedish and Norwegian units showing the strongest earnings growth. During the year Sweco continued its expansion and strengthened its market positions in both the Nordic region and in Eastern and Central Europe. Several acquisitions were carried out in Norway and the expansion in Eastern Europe continued through additional acquisitions in Lithuania and Bulgaria. In 2008 subscription warrants were issued to some 50 senior executives in the Group. The bid price for the Sweco B share at year-end 2008 was SEK 35, a decrease of 47 per cent during the year. The number of employees at 31 December 2008 was 5,536.

## Net sales

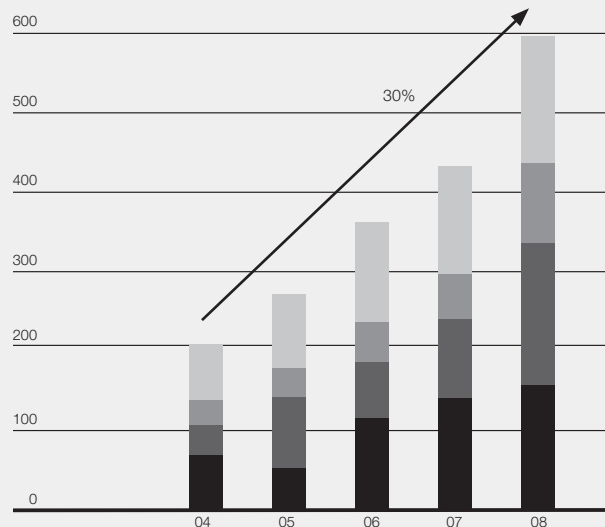
SEK M



Sweco has shown strong financial development over the past five years, with average annual growth of 15 per cent in net sales and 30 per cent in operating profit.

## Operating profit

SEK M





# The Sweco share

The Sweco share has been listed on NASDAQ OMX Stockholm AB since 21 September 1998. Sweco's share capital is divided into class A, class B and class C shares, all of which grant equal entitlement to dividends. The class A share grants entitlement to one vote and the class B and C share to one-tenth of one vote in general shareholder meetings. Sweco's Articles of Association stipulate the right to convert shares of class A to class B, and also state that class C shares, which are held in treasury by the company, may be converted to class B shares at the request of the Board. The combined market capitalisation of the Sweco share at year-end was approximately SEK 3,211 million.

## SHARE PRICE DEVELOPMENT AND TRADING

The bid price of the Sweco B share at the end of the period was SEK 35, a decrease of 47 per cent during the year. Over the same period, OMX Stockholm Index fell by 42 per cent. The highest bid price for the class B share in 2008 was SEK 65 and the lowest was SEK 34. The highest bid price for the class A was SEK 76 and the lowest was SEK 30. A total of 9,500,679 shares were traded on NASDAQ OMX Stockholm in 2008 for a combined value of approximately SEK 465.5 million, equal to a daily average of around SEK 1.85 million. The trading volume per business day was 37,667 class B shares and 35 class A shares.

Total return on the Sweco share, defined as the sum of share price growth and dividends received and reinvested, has averaged at 32 per cent over the past five years. The corresponding aggregate trend for the SIX Return Index was 6 per cent.

## SWECO AB's SHARES<sup>1)</sup>

	Number of		Holding, %	
	Shares	Votes	Shares	Votes
A	9,389,075	9,389,075	10.5	54.0
B	78,563,035	7,856,304	87.8	45.2
C	1,550,000	155,000	1.7	0.8
<b>Total</b>	<b>89,502,110</b>	<b>17,400,379</b>	<b>100.0</b>	<b>100.0</b>

1) Including 807,867 class B shares, 1,550,000 class C shares and 235,787 votes pertaining to treasury shares.

## SHAREHOLDERS BY CATEGORY, 31 DECEMBER 2008<sup>1), 2)</sup>

Category	% of shares	% of votes
Institutional investors	79.9	82.7
Private investors	20.1	17.3
Swedish shareholders, total	86.5	92.8
<b>Foreign shareholders, total</b>	<b>13.5</b>	<b>7.2</b>

1) Including 807,867 class B shares, 1,550,000 class C shares and 235,787 votes pertaining to treasury shares.

2) Based on data from Euroclear Sweden AB (formerly VPC AB).

## LARGEST SHAREHOLDERS AT 31 DECEMBER 2008<sup>1), 2)</sup>

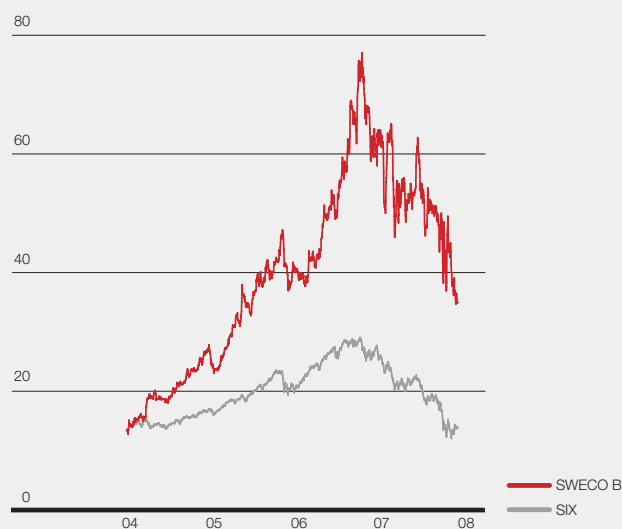
Shareholder	A	B	C	Total	% of shares	% of votes
G. Nordström family (privately and via company)	5,152,445	8,126,850	–	13,279,295	14.8	34.3
Investment AB Latour	1,222,760	29,525,000	–	30,747,760	34.4	24.0
J. Gust. Richert Memorial Fund	1,725,770	95,250	–	1,821,020	2.0	9.9
SSB CL Omnibus	–	5,674,848	–	5,674,848	6.3	3.2
Anders R. Öhman	245,500	434,500	–	680,000	0.8	1.7
Swedbank Robur Fonder	–	2,639,627	–	2,639,627	3.9	1.5
KAS Depositary Trust Company	–	2,572,478	–	2,572,478	2.9	1.5
Sweco AB	–	807,867	1,550,000	2,357,867	2.6	1.4
Fam. Kurt O. Eriksson	146,927	807,883	–	954,810	1.1	1.3
Aktie Ansvar Fonder	–	1,307,000	–	1,307,000	1.5	0.8
Other shareholders	895,675	26,571,732	–	27,467,407	30.7	20.4
<b>Total</b>	<b>9,389,075</b>	<b>78,563,035</b>	<b>1,550,000</b>	<b>89,502,110</b>	<b>100.0</b>	<b>100.0</b>

1) Including 807,867 class B shares, 1,550,000 class C shares and 235,787 votes pertaining to treasury shares.

2) Based on data from Euroclear Sweden AB (formerly VPC AB).

## Share price trend

SEK



## Total return Sweco B, 5 years



## TREASURY SHARES

Sweco's holding of repurchased class B shares (treasury shares) changed during the year through the issue of 350,000 shares in connection with the acquisition of Opticonsult AS and 171,852 shares comprising the remaining 50 per cent of the shares in Lenvodokanalprojekt, after which Sweco holds 2,357,867 treasury shares. Of these, 807,867 are of class B and 1,550,000 are of class C. The treasury shares correspond to 2.7 per cent of the total number of shares and 1.4 per cent of the votes. Of the 807,867 class B shares, 632,454 are treasury shares that can be used as payment in corporate acquisitions. The shares were purchased at average price of SEK 22.10 each, equal to a total of SEK 14.0 million. The market value at the end of the year was SEK 22.1 million. In addition, Sweco holds 175,413 class B treasury shares and 1,550,000 class C treasury shares to be used under the 2008 Share Bonus Programme.

Sweco's 2008 Annual General Meeting authorised the Board of Directors to purchase treasury shares during the period before the next Annual General Meeting. No more than five per cent of the total number of shares outstanding may be repurchased. The aim of the repurchase is to optimise the company's capital structure and create opportunities to use Sweco shares as consideration in future acquisitions. The same Annual General Meeting also authorised the Board to decide on the transfer of treasury shares. Such transfer may take place in connection with acquisitions, in an amount corresponding to an appraised market value. The goal is to finance future acquisitions in a cost-effective manner. The Board has decided to propose that the 2009 Annual General Meeting grant the Board renewed authorisation for the purchase and transfer of treasury shares.

## DISTRIBUTION OF SHAREHOLDINGS AT 31 DECEMBER 2008<sup>1), 2)</sup>

Number of shares	Total holding	Holding, %	No. of shareholders	% of shareholders	No. of votes	% of votes
1–500	669,591	0.7	3,001	54.1	103,151	0.6
501–1,000	647,786	0.7	768	13.8	100,878	0.6
1,001–10,000	4,977,268	5.6	1,427	25.7	707,611	4.1
10,001–50,000	5,097,111	5.7	247	4.5	753,251	4.3
50,001–100,000	2,869,553	3.2	40	0.7	484,267	2.8
100,001–	75,240,801	84.1	65	1.2	15,251,221	87.6
<b>Total</b>	<b>89,502,110</b>	<b>100.0</b>	<b>5,548</b>	<b>100.0</b>	<b>17,400,379</b>	<b>100.0</b>

1) Including 807,867 class B shares, 1,550,000 class C shares and 235,787 votes pertaining to treasury shares.

2) Based on data from Euroclear Sweden AB (formerly VPC AB).

## INCENTIVE SCHEME FOR SENIOR EXECUTIVES

The 2008 Annual General Meeting approved the issue of subscription warrants (2008/2011) on market-based terms to some 50 senior executives in the Sweco Group. A total of 1,252,000 warrants were subscribed for, equal to a dilutive effect of 1.4 per cent of the share capital and 0.7 per cent of the votes. In addition, 448,000 subscription warrants have been retained for possible award to future senior executives. The warrants may be exercised for subscription to shares during the period from 30 May 2011 to 30 November 2011. Each warrant grants the right to subscribe for one (1) share. Full exercise of the warrant series 2008/2011 would increase the number of class B shares by 1,252,000, equal to a dilutive effect of 1.4 on the share capital and 0.7 per cent on the number of votes.

## SHARE BONUS PROGRAMME

The Annual General Meeting of Sweco on 10 April 2008 resolved, in accordance with the Board's proposal, to implement a share bonus programme directed to the majority of the Group's employees in Sweden, Norway, Finland and Denmark. The proposal included resolutions regarding the 2008 Share Bonus Programme, a preferential rights issue of class C shares, authorisation for the Board to repurchase the issued class C shares and the transfer of treasury shares for fulfilment of obligations under the 2008 Share Bonus Programme. Under the Share Bonus Programme, the employees will receive shares in Sweco equal to the earned bonus for the 2008 financial year divided by a base share price. The base share price will be equal to the average volume-weighted bid price for SWECO AB's (publ) class B share during the period from 20 March 2008

to 28 March 2008, less an amount corresponding to the dividend resolved on by the 2008 Annual General Meeting. The base share price was set at SEK 49.

The share bonus programme has replaced the earlier cash-based bonus system. The number of shares to be granted under the 2008 Share Bonus Programme in May 2009 is estimated at a maximum of 1,950,000.

## DIVIDEND POLICY

Sweco's dividend policy is to distribute at least half of profit after tax to the shareholders, while at the same time maintaining a capital structure that provides scope for development of, and investment in, the company's core operations. This is judged to be achieved at an equity/assets ratio of around 30 per cent.

## PROPOSED DIVIDEND

The Board of Directors and President propose a dividend of SEK 2.00 per share (2.00), amounting to a maximum capital distribution of SEK 175.6 million (170.6). No dividends are paid on treasury shares.

Sweco's growth strategy stands firm and the Board anticipates interesting opportunities for acquisitions in the next few years. However, in view of the current unrest in the credit market, the Board feel that it is urgent to maintain an especially strong financial position until conditions improve. In spite of the company's excellent results for 2008 and strong financial position, the Board has therefore decided to maintain the dividend at the same level as in the preceding year.

## DEVELOPMENT OF THE SHARE CAPITAL SINCE THE COMPANY'S FORMATION<sup>1)</sup>

Date	Comment	Change in the number of shares			Total number of shares			Share capital,	
		A	B	C	A	B	C	Quota value	SEK M
1997, June	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, July-Nov	Conversion	–	234,924	–	1,877,815	13,160,714	–	5	75.2
2004, Jan	New share issue	–	1,649,601	–	1,877,815	14,810,315	–	5	83.4
2004, June	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	15,205,055	–	2.5	42.7
2006, May	Bonus issue	–	–	–	–	–	–	5	85.4
2007, April	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	187,781,501	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, June	New share issue	–	–	1,400,000	9,389,075	76,875,275	1,550,000	1	87.8
2008, June	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

1) Including 807,867 class B shares, 1,550,000 class C shares and 235,787 votes pertaining to treasury shares.

# Corporate governance report

## GENERAL

Sweco AB is a public limited company domiciled in Stockholm, Sweden. As of 1 June 2006, the company is subject to compliance with the Swedish Code of Corporate Governance. Sweco's corporate governance is regulated by the Swedish Companies Act, the Articles of Association, the listing agreement for the company's shares on NASDAQ OMX Stockholm, the Swedish Code of Corporate Governance and other applicable Swedish and international laws and rules. Sweco's Board of Directors and executive management strive to live up to the requirements of the shareholders, other stakeholders and the NASDAQ OMX Stockholm regarding sound and effective corporate governance. Sweco's corporate governance report has not been examined by the company's auditors.

## SHAREHOLDERS

Sweco AB's shares have been traded on NASDAQ OMX Stockholm since 21 September 1998. Sweco AB's total market capitalisation at 31 December 2008 was SEK 3,211 million (5,599). The share capital amounted to SEK 89.5 million, divided between 9,389,075 class A shares, 78,563,035 class B shares and 1,550,000 class C shares. The C shares are preference shares and were created by decision of an Extraordinary General Meeting in March 2007 and the Annual General Meeting in April 2008. The purpose of the C shares, after conversion to B shares, is to enable the company to deliver shares to the employees covered by the 2008 Share Bonus Programme. For more information about this programme, see page 40 of the 2008 annual report. The class A share grants one vote and the class B and C 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, and also state that C shares, which are held in treasury by the company, may be converted to B shares at the request of the Board.

## Shareholders, voting rights

At year-end 2008 Sweco AB had 5,548 shareholders. The two largest shareholders are the G. Nordström family (with 14.8 per cent of the share capital and 34.3 per cent of the votes) and Investment AB Latour (34.4 per cent of the share capital and 24.0 per cent of the votes). Foreign investors held 13.5 per cent of the share capital and 7.2 per cent of the votes. Together, the ten largest shareholders control 69.3 per cent of the share capital and 79.6 per cent of the votes.

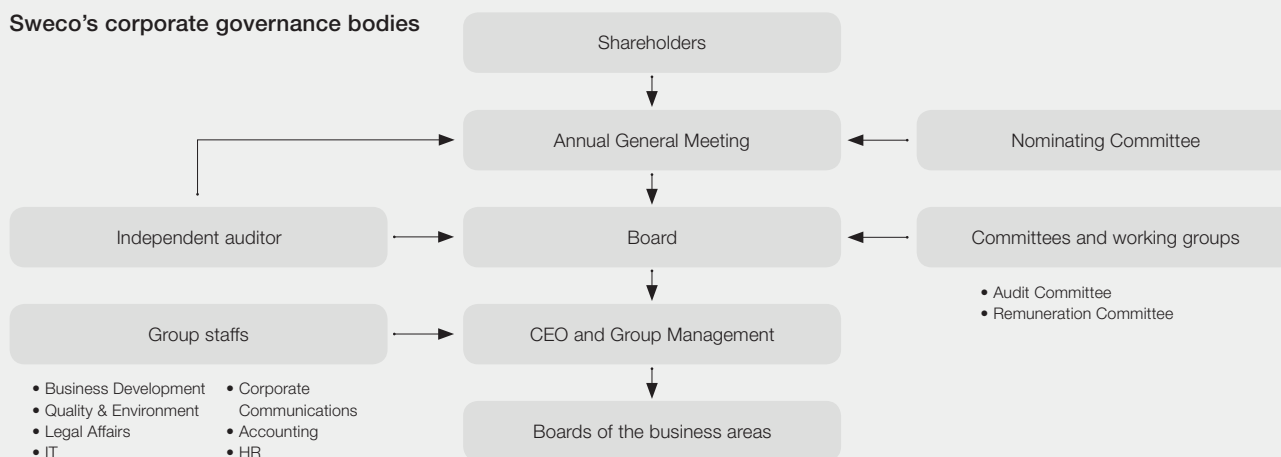
## Dividend policy

Sweco's dividend policy is to distribute at least half of profit after tax to the shareholders while at the same time maintaining a capital structure that provides scope for development of, and investment in, the company's core operations. This is judged to be achieved at an equity/assets ratio of around 30 per cent.

## Shareholder meetings

The general meeting of shareholders is Sweco's highest decision-making body through which the shareholders exercise their influence over the company. Shareholders who are recorded in the share register on the record date and have notified the company by the specified date have the right to participate in a general meeting and to vote all of their

## Sweco's corporate governance bodies



## Internal policies and processes that affect Sweco's governance:

- The Board's procedural rules
- Instructions for the President and CEO
- Sweco's CSR policy
- Sweco's quality and environmental policy
- Sweco's corporate communications and profiling policy
- Sweco's IT policy
- Insurance and legal instructions
- Financial instructions
- Manual for financial accounting in the Group
- Sweco's business model
- Internal control

## External rules and recommendations that affect Sweco's governance:

- The Swedish Companies Act
- The Swedish Code of Corporate Governance
- The listing agreement with NASDAQ OMX Stockholm AB
- Laws and regulations in the countries where Sweco operates
- The International Federation of Consulting Engineers' Code of Ethics
- The UN's rules and recommendations and the principles in the Global Compact
- The OECD's guidelines for multinational companies
- The Swedish government's Partnership for Global Responsibility
- The rules and recommendations issued by the World Bank, the Swedish International Development Cooperation Agency (Sida), the OECD, NORAD and other international organisations for assignments in different countries
- The ILO's Declaration on Fundamental Principles and Rights at Work

shares. Decisions of the general meeting are normally passed by a simple majority of those present, although in certain cases the Swedish Companies Act requires a certain attendance to achieve quorum or a specific voting majority.

The Annual General Meeting (Annual General Meeting) must be held within six months after the end of the financial year, and is held in Stockholm. The responsibilities of the Annual General Meeting include adoption of the income statements and balance sheets of the Parent Company and the Group, approval of dividends, discharge from liability for the Board of Directors and President, determination of fees to the Board of Directors and auditors, election of Board members, the Board Chairman, the Nominating Committee, and when applicable auditors, and other items of business as required by the Swedish companies Act. At Sweco's Annual General Meeting, each shareholder has opportunity to ask questions about the company and its results for the past year. Representatives from the Board, executive management and the auditors are normally present to answer these questions.

### 2008 Annual General Meeting

The 2008 Annual General Meeting was held on 10 April in Stockholm and was attended by a total of 172 shareholders representing 80.1 per cent of the votes and 67.9 per cent of the share capital. Olle Nordström was elected chairman of the Annual General Meeting. The Annual General Meeting approved a regular dividend of SEK 2.00 per share and resolved on the implementation of the 2008 Share Bonus Programme, a preferential rights issue of class C shares, authorisation for the Board to repurchase the issued class C shares and the transfer of treasury shares for fulfilment of obligations under the 2008 Share Bonus Programme. The same Annual General Meeting also authorised the Board to decide on the acquisition and transfer of treasury shares and instructions for the Nominating Committee. The Annual General Meeting furthermore approved the issue of subscription warrants to some 50 senior executives in the Sweco Group. In his address to the Annual General Meeting, President and CEO Mats Wäppling commented on the financial year 2007, Sweco's development in the past year and the outlook for 2008.

Eric Douglas, Birgit Erngren Wohlin, Aina Nilsson Ström, Olle Nordström and Mats Wäppling were re-elected as regular Board members. Gunnel Duveblad and Øystein Løseth were elected as new members. Olle Nordström was re-elected as Board Chairman.

The minutes from the Annual General Meeting are available on Sweco's corporate website.

### 2009 Annual General Meeting

The 2009 Annual General Meeting will be held at 3:30 p.m. on 16 April 2009, in the auditorium at Hotel Rival, Mariatorget 3 in Stockholm, Sweden.

### NOMINATING COMMITTEE

The tasks of the Nominating Committee are to recommend candidates for election of officers by the Annual General Meeting and to prepare a solid foundation for the Annual General Meeting's decision in these matters. Aside from selecting candidates for election to the Board, the Nominating Committee puts forward recommendations for election of the Board Chairman and the chairman of the Annual General Meeting, the amount of Board fees and their apportionment between the Chair-

man and other Board members and any compensation for committee work, as well as election of auditors and auditing fees.

In 2008 the Nominating Committee focused primarily on:

- Discussion and evaluation of the Board and its performance
- Discussion and analysis of the Board's competency requirements with respect to Sweco's operations
- Recommendations for the composition of the Board in the coming year

Ahead of the 2009 Annual General Meeting, the Nominating Committee held five meetings. The 2008 Annual General Meeting resolved on new instructions for the Nominating Committee ahead of the 2009 Annual General Meeting. Among other things, these state that the Board Chairman shall convene a Nominating Committee consisting of one representative for each of the largest shareholders in the company, at least three and at most four, and the Chairman if he/she is not a member in the capacity of shareholder representative. The names of the committee members, together with the names of the shareholders they represent, was made public on 15 October 2008.

Sweco's Nominating Committee ahead of the 2009 Annual General Meeting consists of Gustaf Douglas, representing Investment AB Latour, Lars Kritz, representing the J. Gust. Richert Memorial Fund, and the Board Chairman Olle Nordström, representing the G. Nordström family. The chairman of the Nominating Committee is Olle Nordström.

### BOARD OF DIRECTORS

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

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

The Chairman supervises the work of the Board and is responsible for ensuring that the Board carries out its duties in an organised and efficient manner. The Chairman continuously monitors the Group's development through ongoing contact with the President in strategic issues. The Chairman represents the company in matters related to the ownership structure. In accordance with Sweco's Articles of Association, the Board of Directors consists of at least three at and most eight members with no more than three deputies. These members are elected by the Annual General Meeting to serve for the period until the end of the next Annual General Meeting.

### Composition of the Board

Sweco's Board of Directors consists of seven regular members elected by the Annual General Meeting to serve for a period of one year, as well as three employee representatives with three deputies appointed by the employees. With the exception of the President, none of the Board members



elected by the Annual General Meeting have an operating role in the company. Six Board members are from Sweden and one is from Norway. Three of the seven Board members are women. The members have an average age of 53.7 years. All regular Board members aside from the President are independent in relation to Sweco. All members aside from Olle Nordström and Eric Douglas are independent in relation to the shareholders.

The 2008 Annual General Meeting appointed Olle Nordström as Chairman and the following statutory meeting appointed Eric Douglas as Vice Chairman. The other regular Board members in 2008 were Gunnel Duveblad (as of the 2008 Annual General Meeting), Birgit Erngren Wohlin, Anders Frick (until the 2008 Annual General Meeting), Øystein Løseth (as of the 2008 Annual General Meeting), Aina Nilsson Ström and Mats Wäppling. The employee representatives are Håkan Brinkenberg, Thomas Holm and Anna Leonsson as regular members and Sahar Almashta, Marita Claëson and Göran Karloja as deputies. Mats Wäppling is the only member of the Board who is also a member of Sweco's executive management. No Board member has been elected on the basis of agreements with any major shareholder, client, supplier or other party.

#### Work of the Board

Aside from the statutory Board meeting, which is held immediately following the Annual General Meeting, the Board meets at least five times per year. In 2008 the Board held twelve meetings, including four resolutions by circulation. Four of the Board meetings were held in connection with the publication of interim reports. The meeting prior to publication of second quarter report was held by telephone, with all documentation previously distributed by mail. The August meeting was held at the company's office in Tallinn, Estonia, where a study visit was also made to Sweco's harbour project at Muuga Port.

The statutory Board meeting deals with appointment of the Vice chairman and decisions regarding authorisation to sign for the company.

In addition to reporting on development of the companies' operations and finances, the Board meetings in 2008 devoted considerable attention to Sweco's strategic focus, management issues, the market situation, potential acquisitions, incentive schemes, financial, accounting and inter-

nal control issues, branding strategy and other decisions for which decision responsibility has been assigned to the Board. Other executives in the company participate in Board meetings as needed in order to present reports, etc. The Board Secretary is the company's Legal Counsel. Attendance at meetings of the Board and the Remuneration Committee in 2008 is shown in the following table:

	Board meetings	Audit Committee	Remuneration Committee
<b>No. of meetings</b>	<b>12</b>	<b>2</b>	<b>2</b>
Olle Nordström	12	2	2
Eric Douglas	11	1	2
Gunnel Duveblad <sup>1)</sup>	10	2	–
Birgit Erngren Wohlin	11	2	–
Anders Frick <sup>2)</sup>	2	–	–
Øystein Løseth <sup>1)</sup>	9	2	–
Aina Nilsson Ström	11	2	2
Mats Wäppling	12	–	–
Håkan Brinkenberg	11	2	–
Thomas Holm <sup>1)</sup>	11	2	–
Anna Leonsson	11	1	–
Sahar Almashta <sup>1)</sup>	1	–	–
Marita Claëson	8	2	–
Göran Karloja <sup>1)</sup>	–	–	–

1) Joined the Board on 10 April 2008.

2) Resigned from the Board on 10 April 2008.

#### Remuneration to the Board

The amount of remuneration payable to the Board of Directors is determined by the Annual General Meeting. Board fees for 2008/2009 were set at SEK 1,310,000, of which SEK 350,000 was paid to the Chairman, SEK 260,000 to the Vice Chairman, and SEK 175,000 to each of the four members elected by the Annual General Meeting who are not employed in the company. These fees also include compensation for work on the

#### Composition of the board and approved fees<sup>1)</sup>

	Position	Year of birth	Nationality	Elected in	Independent <sup>2)</sup>	Board and committee fees, SEK <sup>3)</sup>	
						2008	2007
Olle Nordström	Chairman	1958	Swedish	1997	No	350,000	340,000
Eric Douglas	Vice Chairman	1968	Swedish	2000	No	260,000	142,000
Gunnel Duveblad	Board member, Chairman of Audit Committee	1955	Swedish	2008	Yes	255,000	–
Birgit Erngren Wohlin	Board member	1939	Swedish	1997	Yes	175,000	150,000
Øystein Løseth	Board member	1958	Norwegian	2008	Yes	175,000	–
Aina Nilsson Ström	Board member	1953	Swedish	2005	Yes	175,000	150,000
Mats Wäppling	Board member, President & CEO	1956	Swedish	2003	No	–	–
Håkan Brinkenberg	Employee representative, appointed by the employees	1946	Swedish	2005	–	–	–
Thomas Holm	Employee representative, appointed by the employees	1953	Swedish	2008	–	–	–
Anna Leonsson	Employee representative, appointed by the employees	1971	Swedish	2005	–	–	–
Sahar Almashta	Deputy, appointed by the employees	1960	Swedish	2008	–	–	–
Marita Claëson	Deputy, appointed by the employees	1945	Swedish	1997	–	–	–
Göran Karloja	Deputy, appointed by the employees	1953	Swedish	2008	–	–	–

1) For the period from the 2008 Annual General Meeting to the 2009 Annual General Meeting.

2) According to the Nominating Committee's assessment ahead of the 2008 Annual General Meeting.

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

Remuneration Committee. No Board fees are paid to the President or the employee representatives. The chairman of the Audit Committee is paid an additional fee of SEK 80,000 for her work.

### Assessment of Board performance

To ensure that the Board meets the requisite performance criteria, a yearly assessment is made of the work of the Board and its members, as was also the case in 2008. The results of the assessment are then subject to open discussion within the Board. The performance of the President and executive management is continuously evaluated and discussed at a minimum of one Board meeting without the presence of the executive management.

### Board committees – Remuneration Committee

The statutory meeting of the Board appoints a Remuneration Committee, which in 2008/2009 consisted of Olle Nordström, Eric Douglas and Aina Nilsson Ström. The task of the Remuneration Committee is to draft proposals for terms of employment, pension benefits and bonus systems for the President and other senior executives, and to present these to the Board for decision. The Remuneration Committee meets at least twice a year, and held two meetings in 2008 and ahead of the 2009 Annual General Meeting. These meetings have primarily dealt with remuneration matters and issues related to share bonus and warrant programmes.

### Board committees – Audit Committee

In 2008 the Board set up an Audit Committee that includes all members of the Board except the President. The company's independent auditor attends all meetings. Among other things, the tasks of the Audit Committee are to support the work of the Board by ensuring the quality of the company's financial reporting, maintaining continuous contact with the company's independent auditor, establishing guidelines for which non-auditing services the company may procure from its auditor and evaluation of the auditor's performance. In 2008 the Audit Committee met in direct connection with each scheduled Board meeting.

### Incentive scheme for senior executives

The 2008 Annual General Meeting approved the issue of subscription warrants (2008/2011) to some 50 senior executives in the Sweco Group on market-based terms. A total of 1,252,000 warrants were subscribed for. The warrants may be exercised for subscription to shares during the period from 30 May 2011 to 30 November 2011. Each warrant grants the right to subscribe for one (1) share. Full exercise of the warrant series would increase the number of class B shares by 1,252,000, equal to a

dilutive effect of 1.4 on the share capital and 0.7 per cent on the number of votes.

### AUDIT AND AUDITORS

The auditors are appointed by the Annual General Meeting every fourth year. The task of the auditors, on behalf of the shareholders, is to examine the company's accounting records and annual report and the administration of the company by the Board of Directors and the President.

The auditing firm of PricewaterhouseCoopers AB (PwC) was elected by the 2008 Annual General Meeting to serve as Sweco's auditor until the end of the 2012 Annual General Meeting. Auditor in charge is Authorised Public Accountant Lennart Danielsson. For the financial year 2008, fees for auditing services amounted to SEK 4.5 million and for non-auditing services to SEK 0.8 million. In 2007 and 2006, fees for non-auditing services amounted to SEK 1.0 million and SEK 2.1 million, respectively. Aside from auditing services, Sweco has consulted PwC on various accounting matters. Furthermore, PwC has performed due diligence assessments in connection with acquisitions. The amount of fees paid to PwC is shown in Note 4 of Sweco's 2008 annual report.

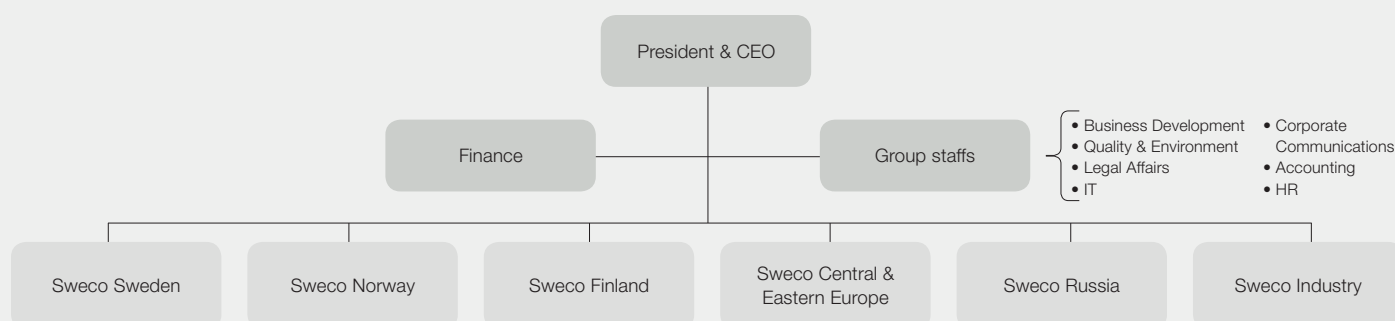
### PRESIDENT, EXECUTIVE MANAGEMENT AND STAFFS

The Board of Directors has delegated responsibility for the day-to-day operations of the company and the Group to the President. The President supervises operations within the framework determined by the Board of Directors. The Board has established instructions governing the division of responsibilities between the Board of Directors and the President which are updated and adopted yearly.

The Sweco Group's executive management currently consists of two individuals; the President & CEO and the Executive Vice President & CFO. The executive management meets at least once a month to discuss the Group's financial development, acquisitions, group-wide development projects, management succession, competency planning and other strategic matters. The heads of the Group's six business areas also report to the President. The executive management is assisted by Group staffs for Business Development, Corporate Communication, Quality & Environment, Accounting, Legal Affairs, HR and IT.

### Remuneration to the President and senior executives

Remuneration to the President and other senior executives consists of basic salary, variable salary, other benefits, pensions and subscription warrants. The objective has been to offer remuneration on market-based terms and to uphold a relationship between basic and variable salary that is proportionate to the responsibilities and powers of the individual



in question. The principles for remuneration of senior executives will be presented at the 2009 Annual General Meeting. For more details, see Note 6 on page 63 of the 2008 annual report.

## BUSINESS AREAS

The Sweco Group is structured in six business areas, each of which is headed by a President and a controller.

Each business area is led by a board of directors that meets at least four times a year. Aside from ongoing contact, the executive management exercises its control over business areas through involvement in the board activities of each area. The board of directors of each business area always includes at least two representatives from executive management and the business area's management, as well as employee representatives. The respective business areas are subject to the same rules for division of responsibilities between the Board of Directors and the President that apply at the Group level. Each business area is made up of underlying companies or business divisions that are organised by area of expertise. Each company or business division is in turn assigned to a region or group, depending on the number of employees. The smallest organisational unit often consists of between 5 and 30 employees under the supervision of a manager.

Sweco carries out approximately 31,000 projects every year. The project teams vary with consideration to project size, location and complexity, and each is headed by a project manager. Sweco's business system, sweco@work, which is quality and environmentally certified according to ISO 9001:2000 and 14001:2004, is a group-wide IT tool that is used in all project-related activities. The system promotes effective project management and a consistent approach to the assignment process and client relationship. sweco@work supports both large and complex projects and smaller undertakings, and gives every project manager access to up-to-date financial management data for his or her projects. The system and its usage are revised every year by an independent quality auditor, and also undergo continuously internal audits.

In Sweco's decentralised organisation and in each business unit, the individual architects and consultants form the hub of operations. Since every individual is responsible for generating successful business, the company's operations must be permeated by a strong entrepreneurial spirit and drive. The Group has therefore adopted a set of values that reflect the corporate culture and serve to promote good conduct and uniform decision-making. Sweco continuously invests in strategic skills development. All new consultants complete an introductory course focusing on business skills and knowledge about Sweco's business model, values and different areas of operation. Personal training and development plans are formulated and followed up during the year. A performance review is conducted with each employee once a year. At the end of 2008 Sweco launched a large-scale training programme for all Nordic employees on the environment and sustainable development. The aim is to increase knowledge about sustainability issues, which are a fundamental part of Sweco's assignments and offering.

## Corporate Social Responsibility

In order to be a socially responsible corporate citizen in every way, Sweco works to continuously enhance employee awareness of the Group's attitudes towards ethical conduct. Sweco has therefore adopted a policy defining the basic approach to Corporate Social Responsibility to be applied by the company and the employees. Sweco's consultants

serve as advisors to companies, public agencies, ministries and national governments in projects that have a direct impact on the development of society and quality of life, a fact that places considerable demands on integrity and consideration to ethical and socioeconomic aspects. In all operations, Sweco strives to uphold the highest standards of conduct and business ethics, with objective and independent employees who act professionally and in the clients' best interest. Basic freedoms and rights are respected and the consultants always comply with local and international laws and regulations. Sweco is against corruption and respects the religions, cultures, working conditions and traditions of different countries and regions. Virtually all of Sweco's activities affect the environment and society in some way. As consultants, Sweco's employees are often involved in the early stages of a project. This gives them an opportunity to exert an influence, but also an obligation to take responsibility for any aspects within their control. As a result, the possible consequences are always weighed when faced with matters relating to the quality and environmental impact of the assignments. Sweco monitors and follows all laws, regulations and requirements with relevance for its operations.

Sweco also strives to create a working environment where the employees can develop and thrive in a climate of both physical and emotional well-being. A good working environment and successful business go hand-in-hand. Sweco therefore works systematically to study, implement and follow up operations in a way that prevents occupational illnesses and injuries and leads to the creation of a sound working environment. At Sweco, performance reviews are an important part of this process.

Sweco does not discriminate between women and men, and all employees are given equal opportunities for professional development both within their existing fields and in new areas. Salary disparities may not exist for identical or similar work duties unless they can be motivated, and those that are not objectively motivated must be corrected immediately. A commitment to equality is an active and integral part of Sweco's operations. Within the framework of its business activities, Sweco takes active measures to promote the equal rights and opportunities of employees in the workplace regardless of their race, nationality, ethnic origin or religious beliefs, in order to promote the creation of an innovative and inspiring working environment.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is based on the overall control environment established by the Board and management. This includes the culture and values established and practiced by the Board. Key components of the control environment are the organisational structure, management philosophy and style, responsibilities and authority that are clearly defined and communicated for all levels in the organisation. Additional components are the knowledge of the employees and a number of normative documents such as policies, manuals, guidelines and routines that create discipline and structure.

### Control environment

The Board of Sweco has formulated explicit procedural rules and instructions for its own work and that of the Remuneration Committee and President to facilitate effective management of operating risks. Every year, the Board updates and adopts the procedural rules, instructions for the President, decision-making and signatory powers and a finance policy. The procedural rules for the board and instructions for the President are found in every company in the Group, and are based on the same principles as

those for Sweco AB. In addition, Sweco has a number of policies for financial information, corporate communications, IT security, CSR, HR, quality and environment which create a foundation for good internal control.

Every business area has a board of directors that meets at least four times per year. Its duties are to continuously monitor compliance with the Group's established guidelines and policies and assess the area's financial situation and results. In their work they are aided by a number of factors, such as a defined control environment, monitoring mechanisms and risk assessments.

Sweco has a flat and client-driven organisation that is distinguished by far-reaching decentralisation where each unit has a high degree of autonomy and authority. The Group works according to a business model in which business momentum is generated by the entire organisation and all employees take part in working with clients. Managers at every level in the Group have explicit responsibility and authority to make autonomous decisions and develop their respective operations in line with client needs.

The Group has a signatory and decision-making policy that clearly regulates the allocation of powers and authorities at every level in the company, from the individual consultant to the Board of Directors of Sweco AB. The areas that are covered include price offers, investments, rental and lease agreements, expenditures and guarantees.

### Risk assessment

Information about Sweco's normative documents such as group policies, manuals, guidelines and routines is gathered on the Sweco Group's intranet. Important guidelines, manuals, etc., are continuously updated and communicated to the affected employees. Communication about financial reporting also takes place in connection with controller meetings that are held regularly within the Group. For external communication there is a corporate communications policy that defines the responsibilities and rules for communication with external parties.

Sweco has performed an analysis of the risks that can affect the completeness and accuracy of the externally reported financial information. The analysis identified a number of items in the income statement and balance sheet that are associated with a heightened risk for significant deficiencies. A large share of Sweco's operations consists of projects and ongoing activities. There is a special emphasis on further improvement and documentation of control to ensure good internal control with respect to projects and ongoing activities.

Read more about Sweco's risk management on pages 44–45 of the 2008 annual report.

### Information and communication

Information about Sweco's normative documents such as group policies, manuals, guidelines and routines is gathered on the Sweco Group's intranet. Important guidelines, manuals, etc., are continuously updated and communicated to the affected employees. Communication about financial reporting also takes place in connection with controller meetings that are held regularly within the Group. For external communication there is a corporate communications policy that defines the responsibilities and rules for communication with external parties.

### Monitoring

The Group's business system contains a number of functions for financial management, control and monitoring. There is a web-based project reporting system where project managers can monitor their projects.

The reporting system tracks monthly earnings and key ratios at the group, region, company/business unit and country level. Key ratios of relevance for operations can also be followed up weekly at all of these levels. Every month, a group-wide consolidation is carried out to measure actual results against budgets and internal forecasts.

Every business unit has a controller whose task is to monitor compliance with policies, guidelines and routines. The controllers are also responsible for ensuring the accuracy and completeness of the reported financial information according to the above.

### Internal audit

Sweco has a simple and uniform operating structure throughout the Group.

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

### INFORMATION TO THE CAPITAL MARKET

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

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

- Interim and annual reports, which are published in Swedish and English.
- Press releases in Swedish and English about news and events with a potential impact on the share price.
- Teleconferences and presentations for shareholders, financial analysts, investors and the media in connection with the publication of interim- and year end report.
- Meetings with the media, investors and analysts in Sweden and around the world throughout the year.
- A Capital Markets Day once a year. In 2008 Sweco invited investors, analysts and the media to a day in Stockholm with a visit to tunnels that will eventually be part of Stockholm's Northern Link traffic route and presented an in-depth picture of Sweco's activities in Sweden.

In addition to interim reports, annual reports and press releases, Sweco publishes material on the corporate website [www.swecogroup.com](http://www.swecogroup.com), which also contains a large volume of information that is continuously updated.

### DEVIATIONS FROM THE CODE

#### Nominating Committee

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



## Board of Directors and Auditors



Olle Nordström



Eric Douglas



Gunnel Duveblad



Mats Wäppling



Håkan Brinkenberg



Thomas Holm

### BOARD MEMBERS

**Olle Nordström** Born in 1958. Board Chairman. Member of the Board since 1997. Chairman of Skirner AB. Board member of Sparbössan Fastigheter AB, Climate Well AB and Teletec Connect, among others. Holdings in Sweco: 525,000 directly held shares and 11,526,795 shares through Skirner Förvaltning AB, which is owned by the Nordström family.

**Eric Douglas** Born in 1968. Vice Chairman. Member of the Board since 2000. Partner in Pod Venture Partners. Board member of Investment AB Latour and AB Fagerhult, among others. Holdings in Sweco: 100,000 directly held shares and 30,747,760 shares through Investment AB Latour, in which the Douglas family is the principal owner.

**Gunnel Duveblad** Born in 1955. Member of the Board since 2008. Board member of HiQ, IBS and Posten AB. Holdings in Sweco: 1,000 shares.

**Mats Wäppling** Born in 1956. President and CEO since 2007. Member of the Board since 2003. Board member of Castellum AB and Pandox AB. Holdings in Sweco: 25,000 shares and 150,000 warrants.

**Håkan Brinkenberg** Born in 1946. Employee representative since 2005. Holdings in Sweco: 1,935 shares.

**Thomas Holm** Born in 1953. Employee representative since 2007. Holdings in Sweco: 214 shares.



Birgit Erngren Wohlin



Øystein Løseth



Aina Nilsson Ström



Anna Leonsson

**Birgit Erngren Wohlin** Born in 1939. Member of the Board since 1997. Board member of the Royal Swedish Academy of Engineering Sciences and Theia AB. Holdings in Sweco: 25,131 shares.

**Øystein Løseth** Born in 1958. CEO of Nuon. Member of the Board since 2008. Board member of Eidsiva Vannkraft AS.

**Aina Nilsson Ström** Born in 1953. Design Director at Volvo AB. Member of the Board since 2006. Board member of the Royal Swedish Academy of Engineering Sciences and the Finnish-Swedish Design Academy. Holdings in Sweco: 1,000 shares.

**Anna Leonsson** Born in 1971. Employee representative since 2005. Holdings in Sweco: 267 shares.

#### DEPUTIES

**Sahar Almashta** Born in 1960. Employee representative since 2008. Holdings in Sweco: 3,480 shares.

**Marita Claëson** Born in 1945. Employee representative since 1997. Holdings in Sweco: 3,330 shares.

**Göran Karloja** Born in 1953. Employee representative since 2008.

#### AUDITORS

PricewaterhouseCoopers AB  
Auditor in Charge: Lennart Danielsson.  
Authorised Public Accountant.

# Group Management and Senior Executives



## GROUP MANAGEMENT

### Mats Wäppling

President and CEO since 2007. Member of the Board of Sweco AB since 2003. Born in 1956. Year of employment: 2007. Board member of Castellum AB and Pandox AB. Holdings in Sweco: 25,000 shares and 150,000 warrants.



### Bo Jansson

Chief Financial Officer since 2000 and Vice President since 2008. Born in 1952. Year of employment: 2000. Holdings in Sweco: 120 shares and 150,000 warrants.



### Eva Nygren

President of Sweco Sweden since 2006. Born in 1955. Year of employment: 1999. Holdings in Sweco: 15,000 warrants.



### Vibecke Hverven

President of Sweco Norway since 2005. Born in 1963. Year of employment: 1987. Holdings in Sweco: 50,000 warrants.

## OTHER SENIOR EXECUTIVES GROUP STAFFS

### Fredrik Hedlund

Head of Corporate Communications. Born in 1961. Year of employment: 2000.

### Anna Johansson

Head of Accounting. Born in 1973. Year of employment: 2006.

### Jenny Klefström

Legal Counsel. Born in 1974. Year of employment: 2002.

### Lisa Lagerwall

Legal Counsel. Born in 1972. Year of employment: 2006.

### Maths Palm

Head of IT and President of Sweco Connect. Born in 1959. Year of employment: 1988.

### Jessica Petrini

Head of Human Resources. Born in 1971. Year of employment: 1998.

## SWECO SWEDEN

### Karin Annerwall Parö

President of Sweco Systems. Born in 1961. Year of employment: 2001.

### Åsa Bergman

President of Sweco Management. Born in 1967. Year of employment: 1991.

### Bo Carlsson

President of Sweco Environment. Born in 1956. Year of employment: 1990.

### Johan Dozzi

President of Sweco Infrastructure. Born in 1969. Year of employment: 1994.

### Sören Hed

President of Sweco Structures. Born in 1960. Year of employment: 1995.

### Annica Hedmark

Head of Personnel. Born in 1970. Year of employment: 2004.

### Jan Mattsson

President of Sweco Architects. Born in 1966. Year of employment: 1999.

### Eva Nygren

Head of Personnel. Born in 1958. Year of employment: 1998.

### Erik Severin

President of Sweco Energiguide. Born in 1954. Year of employment: 1988.

### Jan Zakariasson

President of Sweco Position. Born in 1960. Year of employment: 1996.

## SWECO NORWAY

### Lars Enander

Head of Water & Environment Division. Born in 1963. Year of employment: 1999.

### Frøydis Espedal

Head of Building Service Systems Division. Born in 1967. Year of employment: 1996.

### Tron Kjøllhamar

Head of Building & Construction Division. Born in 1957. Year of employment: 1988.



**Pär Hammarberg**

President of Sweco Central Eastern Europe since 2008. Born in 1964. Year of employment: 1995. Holdings in Sweco: 1,555 shares.



**Jonas Dahlberg**

President of Sweco Russia and Head of Business Development since 2008. Born in 1973. Year of employment: 2008. Holdings in Sweco: 50,000 warrants.



**Kari Harsunen**

President of Sweco Industry since 2007. Born in 1953. Year of employment: 1999. Holdings in Sweco: 50,000 warrants.

**Snorre Lægren**

Head of Infrastructure Division. Born in 1966. Year of employment: 2004.

**Jorunn V. Løyning**

Controller. Born in 1972. Year of employment: 2005.

**Anne Sødem**

Head of Personnel. Born in 1964. Year of employment: 2001.

**Ole-Petter Thunes**

Head of Vest Division. Born in 1960. Year of employment: 2007.

**Jørn Tyrdal**

Head of Energy Division. Born in 1954. Year of employment: 2006.

**SWECO FINLAND**

**Jyrki Keinänen**

President of Sweco PM. Born in 1960. Year of employment: 2008.

**SWECO CENTRAL & EASTERN EUROPE**

**Arturas Abromavicius**

President of Sweco BKG LSPI. Born in 1961. Year of employment: 1993.

**Miroslav Kos**

President of Hydroprojekt CZ. Born in 1955. Year of employment: 1979.

**Dimitr Popov**

President of Energoprojekt Hydro-power. Born in 1961. Year of employment: 2002.

**Aare Uusalu**

President of Sweco Projekt. Born in 1949. Year of employment: 1986.

**SWECO RUSSIA**

**Alexander Limarenko**

President of Lenvodokanalproekt. Born in 1959. Year of employment: 2008.

**SWECO INDUSTRY**

**Sari Anttila**

Head of Personnel. Born in 1968. Year of employment: 2008.

**Tapani Bastman**

Head of Energy and Pulp & Paper Division. Born in 1955. Year of employment: 2004.

**Jarl Brandt**

President of Sweco Industry AB. Born in 1952. Year of employment: 2004.

**Ritva Hätönen**

Controller. Born in 1951. Year of employment: 1975.

**Jukka Korvenoja**

Head of Chemical Industry Division. Born in 1957. Year of employment: 1988.

**Tapani Koski**

Head of Project Execution Division. Born in 1950. Year of employment: 2004.

**Philip M. Pedersen**

President of Sweco MEC AS Born in 1960. Year of employment: 2006.

**Erkki Peni**

Head of Marine Division. Born in 1956. Year of employment: 1987.

**Kari Rahkila**

Head of Product Development Division. Born in 1974. Year of employment: 1998.



# Annual General Meeting

The Annual General Meeting of SWECO AB (publ) will be held at 3:30 p.m. on Thursday, 16 April 2009, at Hotel Rival, Mariatorget 3 in Stockholm, Sweden.

## 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 (formerly VPC AB), and must have notified the company of their intention to participate no later than 12:00 p.m. on 9 April 2009 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](http://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 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 must be completed by Euroclear Sweden AB no later than Wednesday, 8 April 2009, and contact should be made with the nominee well in advance of this date.

## 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, 9 April 2009. 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 2.00 per share. The proposed record date is Tuesday, 21 April 2009. If the Meeting decides in favour of the proposal, dividends are expected to be disbursed by Euroclear Sweden AB on Friday, 24 April 2009.

# Definitions

## **AVERAGE NUMBER OF EMPLOYEES**

Hours of attendance plus hours of absence (excluding long-term absence) divided by normal working hours.

## **BILLING RATIO**

Billable hours in relation to total hours of attendance.

## **CAPITAL EMPLOYED**

Total assets less interest-free current and non-current liabilities and deferred tax liabilities.

## **CASH FLOW PER SHARE**

The year's cash flow divided by the average number of shares after dilution.

## **DEBT/EQUITY RATIO**

Interest-bearing liabilities divided by shareholders' equity.

## **DIRECT RETURN**

The year's dividend (proposed dividend for 2008) divided by the closing bid price for the Sweco class B share.

## **EARNINGS PER SHARE**

Profit for the year attributable to equity holders of the Parent Company divided by the average number of shares outstanding.

## **EMPLOYEE TURNOVER RATE**

The number of employees who left the Group during the year divided by the average number of employees.

## **EQUITY/ASSETS RATIO**

Equity divided by total assets.

## **EQUITY PER SHARE**

Equity attributable to equity holders of the Parent Company divided by the number of shares outstanding.

## **IAS**

International Accounting Standards.

## **IFRS**

International Financial Reporting Standards.

## **INTEREST COVERAGE RATIO**

Profit after net financial items plus financial expenses divided by financial expenses.

## **MARKET CAPITALISATION**

The year's closing bid price for the Sweco class A and class B share multiplied by the number of shares outstanding (excluding treasury shares) in each class.

## **OPERATING MARGIN**

Operating profit as a percentage of net sales.

## **OPERATING PROFIT PER EMPLOYEE**

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

## **PROFIT MARGIN**

Profit before tax in relation to net sales.

## **RETURN ON CAPITAL EMPLOYED**

Profit after net financial items plus financial expenses in relation to average capital employed.

## **RETURN ON EQUITY**

Profit for the year attributable to equity holders of the Parent Company in relation to average equity attributable to equity holders 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 trend including reinvested dividends.

## **VALUE ADDED PER EMPLOYEE**

Operating profit excluding one-time items plus personnel costs divided by the average number of employees.

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