



SWECO ANNUAL REPORT 2009

Sweco in brief

Sweco's engineers, architects and environmental experts are working together to develop total solutions that encompass engineering and design. By that we simply mean that we make it possible for our clients to carry out their projects under conditions for sustainable long-term development. We do this by delivering qualified consulting services with a focus on feasibility studies, analyses and strategic planning to engineering, design and project management. With architecture as a leader in several market segments of the Nordic and Baltic regions, the Czech Republic and northwestern Europe, we serve our clients. Sweco has a local presence in 11 countries and conducts project exports to some 90 countries worldwide.

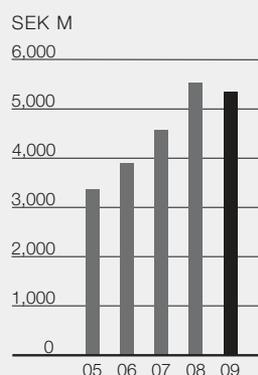
- Net sales of SEK 5,338.7 million (5,522.8).
- Operating profit of SEK 443.6 million (596.3).
- Operating margin of 8.3 per cent (10.8).
- Profit before tax of SEK 443.6 million (588.2).
- Solid financial position with net receivable of SEK 418.5 million (160.1). Strong cash flow from operating activities of SEK 529.7 million (557.1).
- Profit after tax of SEK 294.6 million (402.9) and earnings per share of SEK 3.31 (4.68).
- The Board proposes a dividend of SEK 2.00 per share and a share redemption equal to SEK 2.00 per share.

Profit and key ratios, Group

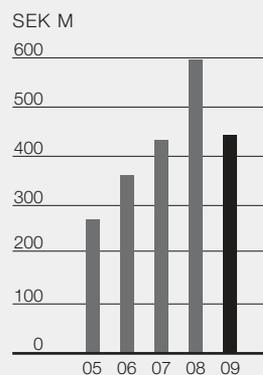
| | 2009 | 2008 |
|--|--------------------|---------|
| Net sales, SEK M | 5,338.7 | 5,522.8 |
| Operating profit, SEK M | 443.6 | 596.3 |
| Profit before tax, SEK M | 443.6 | 588.2 |
| Operating margin, % | 8.3 | 10.8 |
| Billing ratio, % | 73.6 | 75.6 |
| Return on equity, % | 19.6 | 34.6 |
| Return on capital employed, % | 27.5 | 44.4 |
| Net debt/equity, % | -26.2 | -11.3 |
| Equity/assets ratio, % | 50.6 | 47.0 |
| Earnings per share, SEK | 3.31 | 4.68 |
| Equity per share, SEK | 17.82 | 16.09 |
| Distribution to the shareholders, per share, SEK | 4.00 ¹⁾ | 2.00 |
| Average number of employees | 5,082 | 5,453 |

1) Proposed dividend of SEK 2.00 per share and share redemption of SEK 2.00 per share.

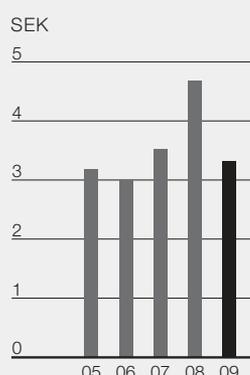
Consolidated net sales in 2009



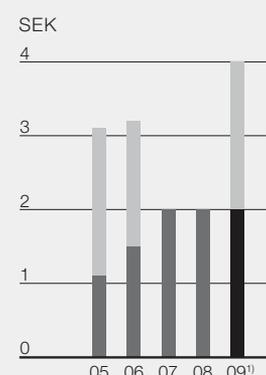
Consolidated operating profit in 2009



Earnings per share in 2009



Dividend per share in 2009

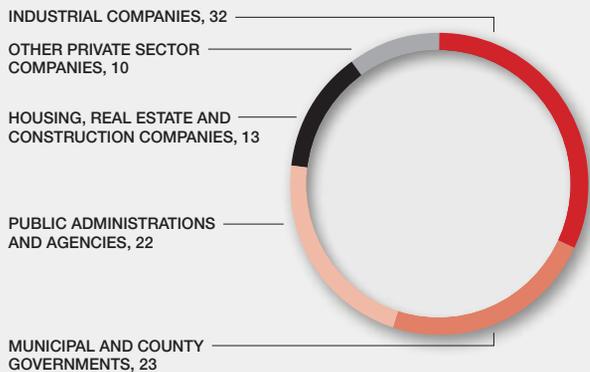


■ Share redemption
 1) Proposed dividend of SEK 2.00 per share and share redemption of SEK 2.00 per share.

contribute to the creation of a sustainable society. We call it sustainable engineering not only with high quality and good economy but also with the best possible price. With a high knowledge content throughout the client's entire project chain from design to construction, Sweco is among the largest players in Europe and a strong player in Russia. In 2009 Sweco carried out some 31,000 projects for around 10,000 clients worldwide.

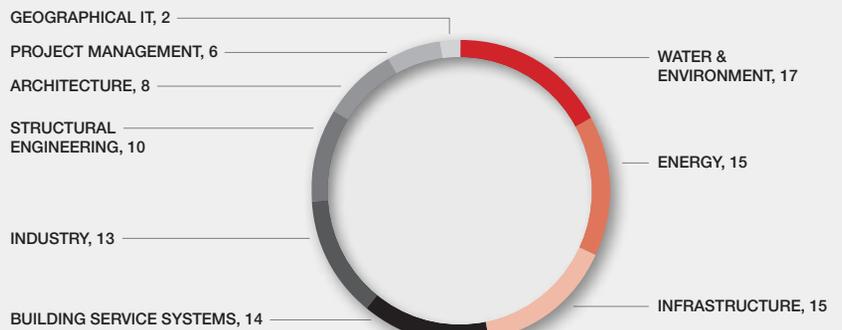
Clients

Sales by client category in 2009, %



Services

Share of group sales in 2009, %



Sweco has a client-driven organisation with offices at around 100 locations. 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 5,100 employees, around 4,300 are based in the Nordic region and 800 in Central and Eastern Europe. Since undertaking its first international assignment in 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, Bulgaria and Poland.



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Financial calendar

| | |
|------------------|---------------------------------------|
| 29 April 2010 | Interim report January–March 2010 |
| 20 July 2010 | Interim report January–June 2010 |
| 2 November 2010 | Interim report January–September 2010 |
| 11 February 2011 | Year-end report 2010 |

Green news

Visit www.swecogroup.com/ir to subscribe for press releases and reports 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.

Sweco's business mission 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 contribute to an environmentally, economically and socially sustainable society. The tangible results of our work are cleaner air and purer water, attractive and functional living and working environments, more effective 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. 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.

Message from the CEO

Ready for continued expansion

After many years of continuous growth, 2009 represented a trend break when Sweco showed negative development in both sales and operating profit. The global recession that began to affect us already in the late autumn of 2008 hit with full force during 2009. Efforts to adjust to the market downturn included intensified market cultivation, cost-cutting measures, lower investments, resource adaptations and activities to reduce our working capital. But although the year necessitated a number of defensive steps, we have been able to continue pursuing our strategic challenges for the future and are well poised to seize the available business opportunities in a tougher market climate.

The majority of Sweco's operations delivered robust earnings despite general slowing in the market. Sweden and Norway both reported operating margins of 11 per cent, and the Czech Republic and Bulgaria also showed continued stable development. Operating profit reached SEK 444 million, which is equal to an operating margin of 8.3 per cent. Among other things, operating profit was burdened with restructuring charges and goodwill impairment losses related to our operations in Finland and the Baltic countries. All in all, some 550 employees were affected by different types of resource adaptations.

Although our growth curve turned downwards in 2009, it was a good year for our shareholders. Sweco's share price rose by 54 per cent and ended the year at SEK 53.75, outpacing an increase of 47 per cent for NASDAQ OMX Stockholm. Seen over a period of five years, total annual return on the Sweco share has averaged at 22 per cent, compared to 8 per cent for NASDAQ OMX Stockholm. For 2009 the Board of Directors proposes a combined distribution to the shareholders of SEK 4 per share in the form of dividends and a share redemption. Over the past five years we will thus have distributed 81 per cent of profit after tax to our shareholders at the same time that we have maintained a very solid financial position.

2009 saw weaker demand for industrial and building-related services but the market remained stable in the water, environment, energy and infrastructure segments, areas where we can expect sustained and stable development. Population growth, accelerating urbanisation and a need for new infrastructure are generating new and qualified assignments for Sweco.

In China Sweco is helping to design the new Caofeidian eco-city and in the Maldives we have created a sustainable long-term solution for the country's waste management. In Jordan we have been commissioned for a new water supply system that will provide the capital city of Amman with drinking water. In Sweden we are planning for the country's largest offshore wind park and are managing a number of projects to develop low-energy buildings.

These projects are examples of what we at Sweco call sustainable engineering and design. Building a sustainable society requires knowledge about how to limit environmental impact and find climate-smart solutions, which in turn calls for a holistic approach and multidisciplinary expertise. At Sweco we have been committed to energy efficiency, water supply, waste and wastewater management for more than 100 years.

We are continuing to position Sweco for the future. Despite cut-backs

in certain areas, we have achieved growth in others. Our operations in the Czech Republic and Bulgaria are growing with improved profitability and since the beginning of 2010 we are established in Poland through the acquisition of Hydroprojekt Kraków, a first step in our ongoing expansion in the country. In Norway we have strengthened our market position in most of our service segments, while Sweden is showing growth in the infrastructure area.

In the past year we launched a number of group-wide projects with a focus on employee development, such as an introductory programme for new employees and a uniform standard for our Sweco Academy training programme. And for the first time we conducted the Sweco Barometer, our employee survey that serves as an analysis tool to ensure continued positive development.

In a consulting engineering company, knowledge means competitiveness. At Sweco we acquire and share knowledge in different ways, partly through our systems but also through the way we work. In the past year we carried out a number of Sweco Excellence Meetings, a forum in which the company's specialists in a certain area get together and join forces to develop their business. In 2009 we also introduced Sweco Share – internal communities where employees can exchange knowledge and information in specific areas of expertise.

Efforts to strengthen Sweco's brand are continuing. The creation of a communication platform has been followed by a profile campaign, which we will see more of in 2010.

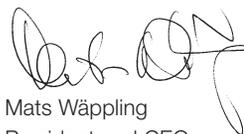
And what does the future hold? There are many signs that we are moving into a global recovery phase. The financial indicators are pointing in the right direction, the economy has stabilised and the majority of our markets predict growth of two to three per cent in 2010. Our markets in the infrastructure, energy, water and environmental areas will remain strong, together with the markets for project management and geographical IT. The building-related service segments weathered the recession relatively well in 2009 and we do not expect any further downturn in the year ahead. The outlook is less favourable for our industrial units, but with large regional differences. Operations in Finland face a challenging year in 2010 while the order situation in Sweden and Norway is significantly more encouraging.

Although the market scenario is brighter than before, there is reason to expect a slow recovery. Government finances in imbalance, reduced stimulus measures, rising interest rates and a risk for falling asset prices are all inhibiting factors.

The future contains both threats and opportunities, but Sweco is well prepared to find and create new business regardless of the market situation.

We look forward to an eventful 2010.

Stockholm, February 2010



Mats Wäppling
President and CEO



Market and trends

An industry in transition

Several powerful factors are fuelling demand for consulting engineering services. But at the same time, the industry is exposed to rising expectations from both clients and employees. The ability to offer total solutions and international presence are increasingly decisive in the choice of consultant. The opportunities for continuous professional development and a stimulating working environment weigh heavily when the top talents choose their employer. High requirements from clients and employees are two forces that are driving consolidation in the industry.

Structural factors behind growth in demand

2009 was marked by weaker demand in certain parts of Sweco's offering, particularly industrial and building-related services. However, stable development was noted throughout the year in the environmental, energy and infrastructure areas. At the same time that the demand scenario has generally stabilised, short-term market development remained difficult to assess at the end of 2009.

In a mid- and long-term perspective, growth in demand for Sweco's services will be driven by several structural factors: accelerating urbanisation, rising infrastructure investments and measures to reduce environmental impact. In many cases these involve services that fundamentally contribute to sustainable development, such as environmental impact assessments, energy optimisation, renewable energy solutions, more efficient traffic solutions, water supply, wastewater treatment and soil and site remediation.

Rapid urbanisation calls for sustainable solutions

Today, half of the world's population lives in cities. Urbanisation is a trend that will accelerate until 2030, when two thirds of all people on Earth are expected to live in urban environments. According to the UN, the share of EU residents that live in cities will increase from 72 per cent in 2007 to 84 per cent in 2050. The rapid emergence of new communities and development of existing cities are stimulating global demand for consulting services in urban planning and integrated solutions for infrastructure, housing, energy, waste management and transports.

Urgent need for infrastructure investments

In Central and Eastern Europe, like in Russia, the basic infrastructure has been neglected in many areas and there is a large need for investment in terms of both building new infrastructure and modernising existing infrastructure such as roads, railways, harbours, water and wastewater networks and power supply systems. A significant share of the power generation capacity in many European countries is outdated and must be replaced within the next few years.

Climate change is also necessitating major investments in transformation of the basic power supply infrastructure. In order to reduce emissions of greenhouse gases to sustainable levels, radical restructuring of the global power generation system is imperative alongside energy efficiency measures to minimise total energy consumption. A changed power generation mix with a higher share of renewables will also demand ambitious investments in adaptation of the power distribution systems.

In many countries there is a pressing need to build transport systems that increase traffic safety and accessibility while at the same time reducing environmental impact. The goal is to offer people and businesses an infrastructure that is socioeconomically efficient and sustainable. In June 2009 the European Commission published its report "A sustainable future for transport – Towards an integrated, technology-led and user-friendly system", which among other things states that investments of around EUR 400 billion are necessary to build a trans-European transport network (TEN-T). Around a third of this sum has already been invested, which according to the EC has made a significant contribution to linking together the markets and people of the EU.

Higher demands from clients and employees

Client demand for tangible added value is rising. Access to the top expertise in every discipline is a fundamental requirement and the ability to deliver full-service solutions is growing markedly in importance. And while the majority of consulting engineering projects are local in nature and focused on individual disciplines, the clients increasingly prefer to work with engineering consultancies that have the resources to handle projects across technical disciplines and an established presence in several countries. These factors are also vital for the ability to attract, develop and retain the best employees, who in turn have high expectations for professional development and rewarding work duties.

Consolidation and professionalisation of the industry

Higher requirements from both clients and employees are benefiting large multinational, multidisciplinary consulting organisations with the capacity to lead complex projects spanning across multiple disciplines. Consolidation in the consulting engineering industry has been underway for many years, driven largely by changing client requirements. A number of multinational corporate groups have been formed and the major players in Sweco's markets include companies like WSP, Grontmij, Pöyry, Rambøll, COWI, Norconsult and ÅF. However, the industry structure remains highly fragmented at the national, European and global level and so far no engineering consultancy has secured a clear global or European leadership position with a strong presence in several key countries. The degree of consolidation in the consulting engineering industry is still significantly lower than in other professional service sectors, such as IT and accounting. The consolidation process will most likely pick up speed in the next few years, with the emergence of several strong pan-European consulting companies.



Climate change – one of the greatest challenges of our time

There is widespread consensus among scientists that human activities are the primary cause of global warming. Since the dawn of industrialisation, anthropogenic emissions have dramatically increased the concentration of greenhouse gases in the atmosphere. The rising trend has continued and the rate has accelerated in recent years. Scientists predict that if nothing is done to avert the problem, the temperature on Earth will rise quickly and with very serious consequences. Addressing the climate threat is therefore one of the greatest challenges of our time. According to the UN's Intergovernmental Panel on Climate Change, IPCC, global warming must be limited to two degrees Celcius compared to pre-industrial levels in order to avoid the most catastrophic effects. This will demand far-reaching changes, not least with regard to use and production of energy.

Research initiatives to develop whole new energy sources can pay off in the long term, but the rising emissions trend must be stopped as quickly as possible to stabilise the concentration of greenhouse gases in the atmosphere. With existing technology, a great deal can be achieved in energy efficiency optimisation, non-fossil energy production and adaptation of infrastructure. Sweco is in a unique position to contribute in all of these areas. The market potential is considerable. In the energy efficiency area, Sweco provides services for energy performance certification of buildings, development of passive buildings and optimisation of industrial processes. When it comes to power generation, Sweco conducts major projects for renewable energy, transmission and distribution. One important aim in the infrastructure area is to expand eco-friendly transport infrastructure, not least railways. Sweco also works with adaptation of infrastructure and buildings to a warmer climate, such as reinforcement of reservoir dams or building of protective levees around cities.

Vision, mission and strategies

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

VISION

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

MISSION

To actively contribute to sustainable development of society.

BUSINESS MODEL

Sweco's business model is based on simplicity and client focus, where the idea is that it should be easy for clients to do business with Sweco. The Group therefore 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.

PROFITABILITY TARGET

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

STRATEGIES

GROWTH

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

EMPLOYEES

Sweco aims to be the most attractive workplace for consulting engineers and architects, with ample opportunities for professional and personal development in an international environment. Both recent graduates and experienced consultants are recruited by communicating the Group's corporate culture and potential in a consistent manner in all countries. Sweco works actively and systematically to increase the professional expertise and performance of all employees. Our competitiveness is enhanced by strong and clear leadership. Leadership development at Sweco is based on the Sweco Leadership Compass, a framework that unites leadership, business success, employee development and client delivery. Sweco's management succession is ensured through Next Generation, an ongoing process and programme aimed at developing good managers.

KNOWLEDGE

Sweco is characterised by a corporate culture of curiosity in which knowledge-sharing and teamwork between the Group's employees are a natural aspect of all dealings with clients. Our employees actively network throughout the organisation to seek new insights and effectively utilise existing knowledge. Development of employees and managers takes place above all through challenging assignments and structured programmes. Sweco has effective group-wide business systems that support the decentralised business model and facilitate cooperation within the Group. The business system sweco@work ensures optimal performance of assignments and results in high client benefit. sweco@work is used in all parts of the assignment process.

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 drives development, creates new knowledge and contributes to better solutions. Commitment creates a foundation for greater work satisfaction, higher quality, deeper relationships and new contact interfaces. Responsibility ensures security for our clients.

Sweco establishes presence in Poland

As part of the strategy to strengthen its positions in the growth markets of Central and Eastern Europe, Sweco has acquired the Polish water and environmental consultancy Hydroprojekt Kraków. The acquisition is the first step in Sweco's establishment in Poland.

Hydroprojekt Kraków has close to 60 years of experience in providing qualified consulting engineering services for hydraulic engineering and water resource management.

Hydroprojekt Kraków recently designed a kayak slalom racing venue in Krakow that meets Olympic requirements for both training and competition. It was named Poland's best construction project of 2009 in the sports and recreation category.



ACTIVITIES IN 2009

- Integration of acquisitions, above all in Norway and in Central and Eastern Europe.
- Acquisition of EME Analys, Sweden's leading niche provider of electricity market analysis services, and a number of smaller acquisitions in Sweden and Norway.
- Growth strategy widened to include acquisitions in the nearby markets of Western Europe.
- Recruitment of qualified infrastructure and energy specialists in Sweden and Norway.
- Implementation of a uniform standard for introduction of new employees.
- New group-wide model for performance reviews, Sweco Talk, developed and introduced.
- Employee survey conducted through Sweco Barometer.
- Implementation of Sweco Leadership Compass in order to develop and strengthen Sweco's leadership.
- Implementation of Sweco Excellence Meetings – global networks with a focus on business development.
- Development and implementation of Sweco Share, internal communities where all employees can exchange experiences in various speciality areas.
- Ongoing implementation of Sweco's group-wide business system, sweco@work, in Central and Eastern Europe.
- Uniform standard for the Sweco Academy training programme developed.
- Internal implementation of the brand promise sustainable engineering and design.
- Sweco's sustainability training course carried out in Central and Eastern Europe.
- New platform for external communication of the brand promise developed and implemented.
- External brand-building activities carried out in Norway and Sweden.

Sustainable engineering and design

Working together for sustainable development of society

The need for sustainable solutions in areas like infrastructure and energy systems is growing dramatically around the world. Creative, sustainable solutions call for a holistic approach and multidisciplinary working methods. At Sweco, we call it sustainable engineering and design.

At Sweco, the focus on sustainability is nothing new. For many years our consultants have been providing strategic advice and project management services related to emissions reduction, energy efficiency, water supply, waste management, traffic planning and adaptation of infrastructure, industries and buildings.

Creative, sustainable solutions often demand a broad holistic and multidisciplinary approach. The engineers, architects and environmental experts at Sweco are therefore working closely to deliver total solutions that contribute to a safer, more environmentally sound and growing society.

For the clients, Sweco's combined expertise and knowledge also result in efficient, well coordinated projects with good economy and

high quality every step of the way. This integrated approach is gaining importance as the assignments grow more complex and increasingly span across several different service segments.

Read more about Sweco's service segments on the following pages:

| | | | |
|--------------------------|----|------------------------|----|
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| Infrastructure | 12 | Industry | 19 |
| Energy | 14 | Geographical IT | 20 |
| Building Service Systems | 15 | Project Management | 21 |
| Architecture | 16 | | |

Sustainable cities and communities require well coordinated solutions for infrastructure, housing, energy, water supply, waste management and transports. With the ability to integrate knowledge from multiple disciplines, Sweco's organisation is uniquely positioned to meet these challenges.

Sustainable buildings

Optimal buildings combine functionality with aesthetics, space efficiency with comfort and urban development with ecological sustainability. Sweco's philosophy is that buildings should be sustainable from an environmental, economic and social standpoint.

Public transport

Well designed public transport solutions satisfy individual travel needs in an efficient and economical manner while at the same time contributing to a sustainable transport system through better traffic safety, lower congestion and reduced environmental impact.

Sweco creating sustainable cities

In 2002 Sweco was commissioned by the Swedish Government and the Swedish Trade Council to design a holistic concept for sustainable cities. The aim was to develop an idea for economically, socially and ecologically sustainable urban development. One central component of this approach is a method to carry out sustainability reviews in which decision-makers, experts and the public join forces to identify key conditions and goals, and to formulate an overall strategy. Each project is unique, but all are united by a closed cycle approach that minimises resource consumption and maximises recovery and recycling. Sweco's model is based on spatial, ecological, economic and social sustainability, where valuable synergies can be realised by linking together different resource flows. The concept has been further developed and applied around the world, for example in Sweden, China, Russia, Ireland, Canada and South Africa. This methodology has become a natural part of Sweco's urban planning assignments and now also serves as a platform for the highly publicised SymbioCity, which is being launched by the Swedish Government and the Swedish Trade Council with great success.



Southeast of Beijing, China, the Caofeidian eco-city is taking shape. The ambition is for this new metropolis to be one of China's most eco-friendly cities. Planners, architects and consulting engineers from Sweco have taken part in preparation of the city plan.



Renewable energy

A reliable, cost-effective and environmentally sustainable energy supply is becoming an increasingly important aspect of urban planning. Greater use of renewable energy sources contributes to lower emissions of greenhouse gases and is an essential part of the solution to the climate problem.

Waste management, district heating and biogas

Eco-friendly and efficient routines for waste management are critical in maintaining a well functioning society and human well-being. Sustainable solutions rely on an integrated approach that covers the entire process for minimisation and pre-sorting of waste to sustainable final treatment with energy and material recovery.

Water and wastewater

Water resources are conserved through eco-friendly and efficient solutions for water and wastewater treatment, as well as drainage, collection and transport of drinking water, wastewater and rain water.

District cooling

Systems for district cooling contribute to valuable energy savings. Cold water can be stored during that part of the day when the need for cooling is lowest. District cooling can then be quickly delivered when demand increases.

Water & Environment

Sweco's Water & Environment services are focused on efficient, long-term resource utilisation. As one of Europe's leading service providers in this area, Sweco is well prepared for the environmental challenges of the future.

Access to drinking water and solutions for wastewater management are critical for a well functioning society. Sweco creates eco-friendly and efficient solutions for water and wastewater treatment, organic waste and sludge. Core operations in Water & Environment include water and wastewater treatment plants, biogas facilities and industrial water treatment plants. In connection with construction and infrastructure projects, Sweco studies how water conditions are affected and performs environmental impact assessments (EIA).

Sweco also seeks methods to transform waste into new raw materials and to handle that which can or should be recycled in an eco-friendly manner. Sweco also develops solutions that contribute to reducing the volume of waste that arises in various processes.

Industries, transports and various products have a continuous impact on the natural environment. Sweco's environmental consultants study contaminated sites and recommend solutions that are optimal from both an environmental and resource standpoint.

In addition, Sweco has in-depth expertise in building systems for environmental, quality and occupational health and safety management in which standards, legal requirements and client needs must be balanced.



Water supply in Amman

Jordan is currently struggling with a severe water shortage. Sweco has been commissioned for project management in the construction of a new water supply system that will improve access to drinking water in the country's capital city of Amman. Groundwater will be pumped from an aquifer and transported via a 350 km pipeline to the capital city. The contract runs for four years and when the system is finished it will supply Amman's 2.5 million residents with close to half of their water requirement.

Decontamination and demolition of reactor building in Ignalina

Sweco has taken part in the shutdown of the Ignalina nuclear power plant in Lithuania. The aim of the assignment was to draft a plan for decommissioning of the reactor building. The open structure houses more than 4,600 cubic meters of complex equipment such as containers, pipes, pumps and cables. Sweco has prepared the basic plan for dismantling and decontamination and an environmental impact assessment for the project.





Renovation of water treatment plant in the Czech Republic

The water treatment plant in Pilsen, Czech Republic, supplies the city's industries and 200,000 residents with water. The raw water, which is drawn directly from the Uhlava River, varies widely in quality and can among other things contain high levels of manganese and ammonium and trace amounts of pesticides. The treatment facilities from the 1950s and 1980s will now be modernised to secure the future water supply. Sweco's tasks include rebuilding of the systems for floccing, sedimentation, sand filtration and chemical handling as well as the accumulators and pump stations.

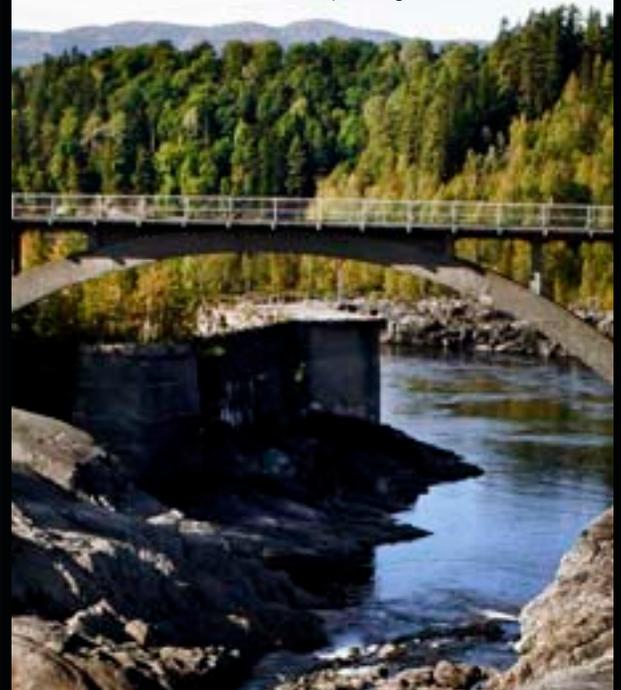


Higher capacity and cleaner technology at the Petrozavodsk water treatment plant

Sweco is leading a large-scale renovation of the water treatment plant in Petrozavodsk, Russia. At the same time that capacity is being raised to meet an increased need for drinking water, the water treatment process is being upgraded to improve the quality and reduce environmental impact.

Environmental consideration central in Norwegian power plant project

Norway's Drammensälven river is the planned site of a new hydro-power plant that will replace the existing facility. With its far-reaching experience in the water and environmental area, Sweco has contributed to defining economically and ecologically sustainable solutions, not least for preservation of the rich stock of fish in the fjord. Sweco is total supplier in the project and has been responsible for technical, economic and environmental planning.



Infrastructure

In today's urbanised society, the need for well planned infrastructure is greater than ever and investments in this area are increasing worldwide. Sweco offers qualified solutions aimed at creating 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 engineering and design of roads, railways, bridges, tunnels, dams, harbours and power stations.

Sweco's infrastructure consultants work with land use planning in residential and industrial areas, which includes engineering and design of streets, water/wastewater systems and the external environment.

In the public transport area, Sweco has knowhow in planning and design of all system components – pedestrian paths, stations, tracks, stops, transport networks, transport interchanges, terminals and travel centres.

In rock and civil engineering projects, Sweco works with engineering and design of road and railway tunnels and other underground structures. The assignments in hydraulic engineering include mine and hydropower dams, hydroelectric plants and underwater constructions.

Sweco is also active in engineering and design of different types of bridges from the early planning stages to realisation. Planning of harbours and shipping fairways, as well as engineering and design of port structures is another area of expertise.

When it comes to railway projects, Sweco has expertise in planning and design of track, electrical, signal and telecom systems, as well as other related areas such as geotechnical and rock engineering, traffic planning and landscape architecture. Sweco also performs risk and environmental analyses for road and rail projects as well as systems for road traffic management and road information in order to make traffic safer and more efficient.



Stockholm Bypass – Sweden's largest road project

The Stockholm Bypass is one of Sweden's largest infrastructure projects of all time. The new section of the E4 motorway will link together the southern and northern ends of Stockholm County from Kungens Kurva to Häggvik. The solution includes a six-lane motorway in which 17 of 21 km will pass through tunnels. The assignment is being carried out by a consortium consisting of Sweco, WSP and Tyréns. Consultants from several of Sweco's service segments are working closely together to create a solution. Sweco's tasks include assignment management, road design, traffic analysis, water and wastewater planning, environmental impact assessments, ventilation in tunnels, data co-ordination and architecture. The assignment is scheduled for completion at the end of 2010.

Function, aesthetics and technology united in the Holtet station area

Sweco has developed a master plan for the Holtet station area in Oslo in collaboration with Axel Kristoffersen Arkitekter. The goal was to create a basis for residential and commercial development with good connections to public transport. One top priority was to unite the functional, aesthetic and technical aspects in an ingenious and sustainable total solution. To achieve this, a multidisciplinary team worked closely together throughout the project. The result was a traffic solution that gives the areas twice the previous park area, without having to reduce the amount of space for construction of new housing and businesses.





Rebirth for Freedom Square in Tallinn

Freedom Square (also known as Vabaduse Square), is located in the heart of Tallinn's Old Town district. In 2007–2009 the area underwent a total refurbishment that created a car-free zone with new walking streets and green areas. The square is often used for cultural events, student festivals and national holidays. Sweco's consultants were responsible for design and detail planning of the entire rebuilding project.



Development of the E6 motorway in Norway

The E6 motorway north of Oslo is being upgraded through two large-scale projects. Among other things, the 13 km section between Øyer and Tretten has been equipped with a median barrier to prevent head-on collisions. Sweco has been responsible for preparation of the construction plan and tender documents, and for planning of a four km tunnel. Along Lake Mjøsa, Sweco is involved in detail and master planning for the five km section between Kleverud and Labbdalen.

Dam structure in Kiruna

Sweco has been selected to develop a technical solution for a new dam on an industrial site for LKAB's mining operations in Kiruna. A unique dam structure, the first of its kind in Sweden, will be placed within an existing dam system that will remain in full operation throughout the construction phase. As a consequence of the local mining operations, Kiruna's urban landscape is undergoing major changes such as the building of a new railway bypass around the city centre. The aim of the dam structure is to make room for the railway and screen off industrial activities from the railway area.

Sweco's assignment includes preparation of tender documents for procurement of contractors and building documents for the construction phase.



Energy

Efficient energy usage is crucial for a sustainable society. The need for restructuring is extensive and the potential for efficiency gains is vast. Sweco is at the cutting edge in developing solutions that limit climate impact. The company's expertise in energy-related services covers all stages of the energy supply chain – from production to distribution and end use. The goal is to help the clients develop a safe, cost-effective and environmentally sustainable energy supply.

A high proportion of Sweco's projects in the energy area are aimed at upgrading and optimising electricity generation resources

on behalf of power companies. Sweco is deeply committed to the expansion of renewable energy production and offers total solutions throughout the process that satisfy society's need for electric power and meet the applicable safety requirements.

The systems for transmission and distribution of electricity are undergoing continuous development and differ between electricity markets. A large share of Sweco's work in this area is focused on satisfying the need for increased transmission capacity. Higher capacity and smart grids are essential in ensuring security of supply and optimal utilisation of production resources.



Lithuania connecting to the European grid

Construction of Lithuania's largest power transmission line has started. The transmission line will go between the Lithuanian city of Alytus and the Polish border, creating an interconnection to the European grid and facilitating the exchange of power between Lithuania and other EU member states. The new line will be a critical step towards Lithuania's goal to increase its energy independence. Sweco's consultants are responsible for both environmental impact assessments and a plan for construction of the new transmission line.



Photo: Agder Energi/Anders Mathiesen

Higher capacity in Norwegian hydropower plant

The Iveland hydropower plant just north of Kristiansand, Norway, has produced electricity since 1949 and will now be enlarged to supply electricity to an additional 7,500 households. The project will increase generation capacity in the region by 150 GWh. Sweco's consultants are the leaders in Norway when it comes to hydropower projects and are responsible for preparing a feasibility study and technical documentation for the new facility. The expansion is an important part of Agder Energi's plans to build 600 GWh of new hydroelectric capacity in the counties of Agder and Telemark by 2015.

Projects for expansion of wind power

Sweco is involved in the expansion of wind power throughout Sweden and has been commissioned for new assignments in the provinces of Blekinge and Östergötland. Blekinge Offshore is planning Sweden's largest offshore wind farm – a venture that is expected to produce an electrical output comparable to a nuclear power plant. Sweco has also been chosen by Vattenfall, which is investigating the potential to build a wind farm outside Valdemarsvik. Sweco's specialists are supporting the developers throughout the process, for example with permitting matters and analysis of the consequences for the environment and infrastructure.



Building service systems

Sweco's building service systems consultants offer solutions for buildings and facilities that meet today's high demands on energy performance. The wide service offering ranges from advice and planning to control and monitoring of HVAC and sanitation, electrical, telecom, fire protection and building automation systems.

Clients can get a clear picture of the final results through visualisation of the buildings, service systems and interiors and through technical analyses. Different alternatives are easily tested in a 3D model where the consequences of changes are clearly illustrated.

Homes and workplaces account for nearly half of society's total energy consumption. Many of Sweco's assignments are aimed at optimising the functional performance and minimising the energy usage of existing buildings. For Sweco, environmental and energy issues go hand-in-hand. Integrated systems and new technical solutions lead to a good indoor climate, low energy usage and functional buildings. Sweco has special expertise in designing and implementing energy analyses, electrical analyses and energy optimisations that help the clients to reduce their energy consumption.



Sustainable solutions in passive buildings

For Svenska Bostäder north of Stockholm, Sweco is planning a passive building with 36 apartments that are adapted to create the best possible conditions for energy optimisation, among other things through solar shading, maximum use of natural daylight, mechanical fresh and exhaust air with heat recovery, an air-tight climate envelope and increased thermal insulation. The building will have an energy usage of around 45 kWh per square metre and year, which is a reduction by half compared to the National Board of Housing, Building and Planning's requirements. In the project, Sweco's consultants are also focusing on other aspects of sustainability such as management of storm water, grey water and waste.

New major dairy in Norway

Tine Mejerier is Norway's largest producer of milk and dairy products. Construction has now started on a new dairy south of Stavanger that will replace four existing dairies when it is completed at the end of 2011. The dairy will handle and process one million litres of milk daily. Sweco has taken part in planning and design of water, wastewater, HVAC and sanitation systems in the new facility, with an area of approximately 35,000 square meters, and has also been commissioned for preparation of work drawings. The dairy will produce a large volume of surplus heat that can be utilised to heat Norway's largest greenhouse, which was recently built on an adjacent site. In the course of a year, the dairy is expected to provide the greenhouse with around 25,000,000 kWh of district heating.



Architecture

Sweco's architects create value for their clients by designing buildings and environments of the highest class. Sweco's architectural offering is among Europe's largest and most comprehensive. The architects combine functionality with aesthetics, space efficiency with comfort and urban development with ecological sustainability. The company's services range from architecture, interior design, landscape architecture and urban planning to advanced visualisation, sustainable development and strategic analysis. This comprehensive expertise facilitates inter-disciplinary coordination and is an essential for success in large and complex assignments.

Housing projects are a significant part of Sweco's architectural operations and the ambition is to continuously improve our knowledge and create better and more beautiful living environments. From a sustainability perspective, it is particularly important to

work with a holistic approach in everything from general planning of entire communities to the design of individual homes.

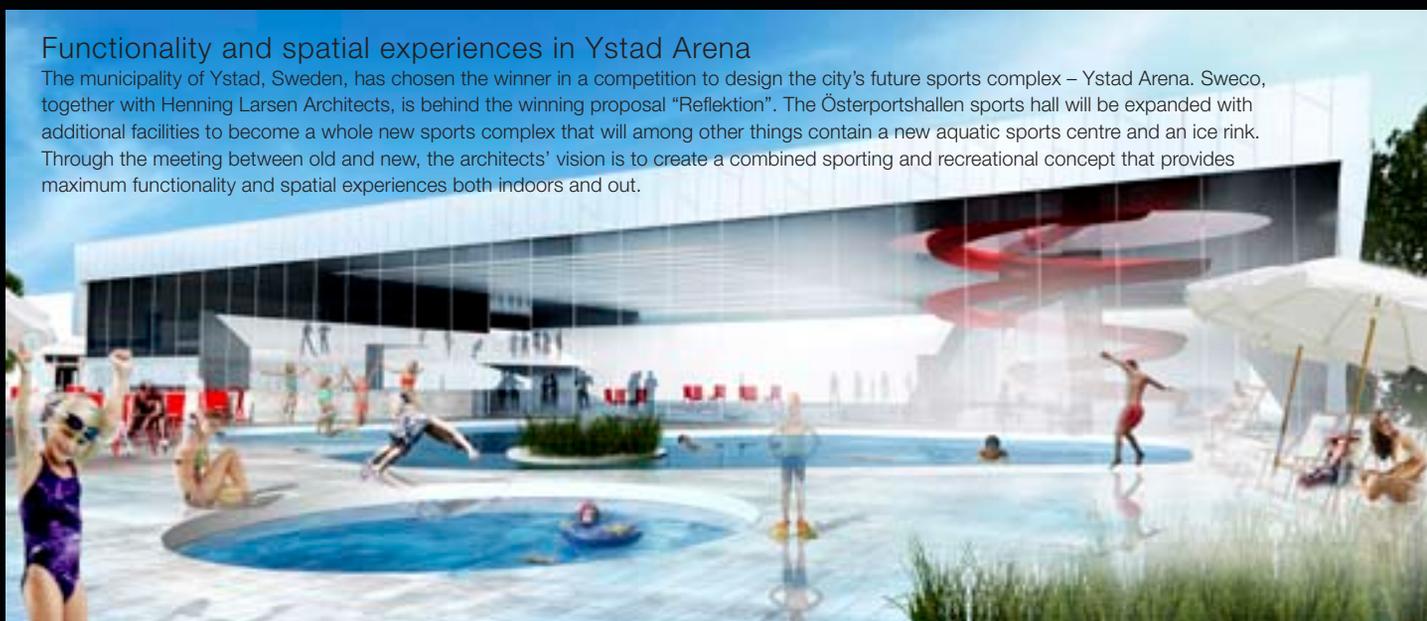
Sweco's architects and engineers also design buildings and facilities for various industrial purposes to meet high technical standards, such as production of pharmaceuticals. In addition, Sweco's architects conduct extensive activities in the healthcare area.

Sweco's landscape architects study and plan everything from urban districts and city blocks to individual streets, parks and plazas. Infrastructure is another key area. Sweco's architects work with planning of traffic and infrastructure and with the aesthetic design of structures like buildings, roads, bridges and lighting.

Sweco's urban planners play a central role in analysing future development of society. One good example is Sustainable City, where Sweco has developed a holistic concept for sustainable urban development that is now being spread around the world.

Functionality and spatial experiences in Ystad Arena

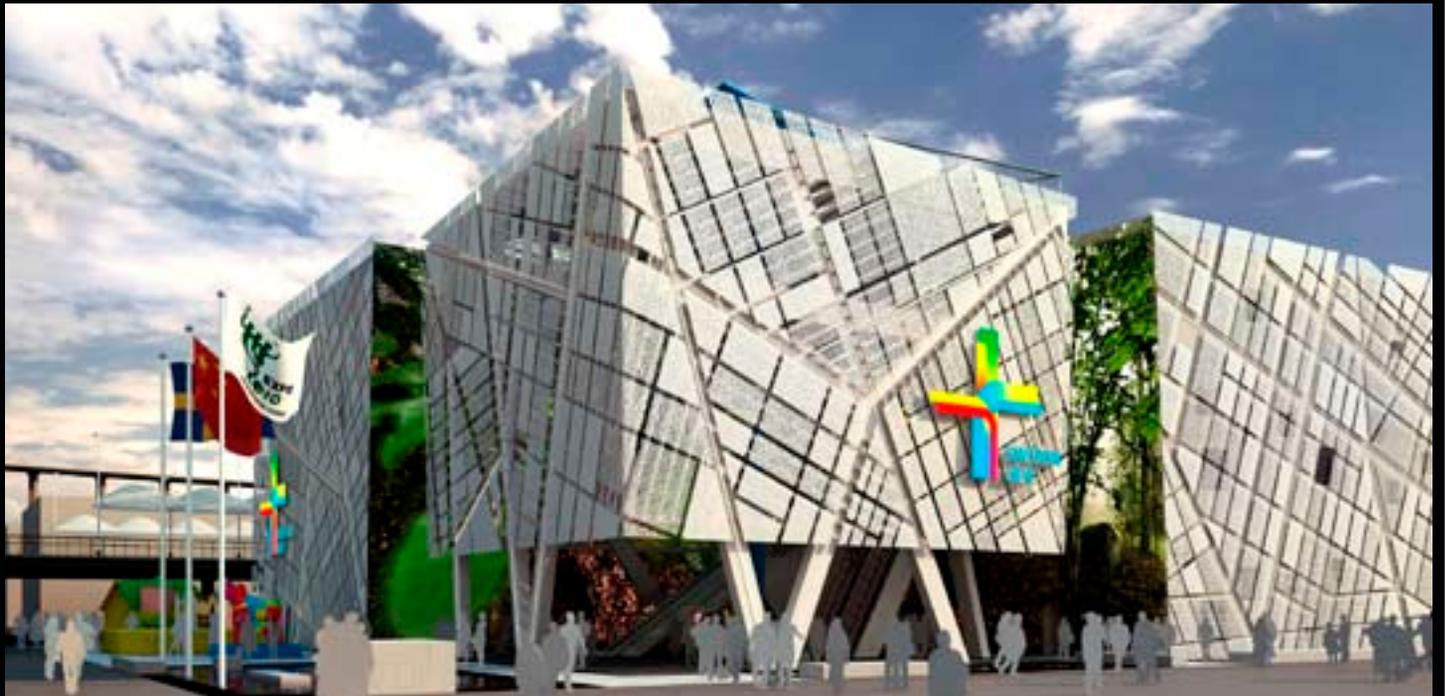
The municipality of Ystad, Sweden, has chosen the winner in a competition to design the city's future sports complex – Ystad Arena. Sweco, together with Henning Larsen Architects, is behind the winning proposal "Reflektion". The Österportshallen sports hall will be expanded with additional facilities to become a whole new sports complex that will among other things contain a new aquatic sports centre and an ice rink. Through the meeting between old and new, the architects' vision is to create a combined sporting and recreational concept that provides maximum functionality and spatial experiences both indoors and out.



New housing in a spectacular location

In 2009 Sweco was awarded a contract to create a housing complex on Kvarnholmen in the municipality of Nacka, including a signature building worthy of its location at the maritime entrance to Stockholm. Kvarnholmen is a place of unique industrial and cultural-historical value and is part of a larger area that has been classified as a national cultural and historical site, including the shipping fairway, coastline and archipelago. Among other things, Kvarnholmen's old silo structures from 1926 will be partly replaced with new residential buildings. Far-reaching consideration is being given to the cultural-historical values.





Swedish pavilion built to inspire innovation

Sweco's architects have designed the Swedish pavilion for the 2010 World Expo. Based on the Swedish theme "Spirit of Innovation", the pavilion shows how the city and nature inspire innovation and the creation of new solutions for sustainable development. The pavilion features an innovative design, among other things through a wood structure that provides the visitors with shade. On the interior walls, Mattias Klum's spectacular nature photographs are shown on an area as large as half a football pitch.

The theme of the 2010 World Expo in Shanghai is "Better City, Better Life". The expo will be held between 1 May and 31 October 2010 and is expected to attract close to 70 million visitors.



Hotel pearl to attract tourists to Turkmenistan

Sweco's architects have designed a hotel proposal that shows how luxury and environmental consideration can go hand-in-hand. The proposal is for a seven-star, ecological hotel on the coast of the Caspian Sea, where the goal is to create a landmark and attract more foreign tourists to Turkmenistan. Caspian Pearl has been designed as a large, shimmering pearl of marble and contains twelve floors with an equal number of spacious double-occupancy rooms on each. All rooms have their own balcony with an ocean view. The building is planned to be climate-neutral, among other things with systems for recovery and treatment of water.

Structural engineering

In reality, structural engineering is all about security. Buildings should be made to maintain their quality for more than 100 years, and should be safe to live and work in. Sweco's structural engineers dimension and plan buildings such as industries, homes, businesses, schools, hospitals and sporting facilities. With its long and in-depth experience, Sweco is able to act as a valuable partner in the early stages of a project and support the client in critical decisions.

The base industries are a significant area of activity for Sweco's structural engineers. The three largest client segments are the forestry, steel and mining industries. The industrial assignments often cover the entire process from feasibility study to construction documents.

Sweco has developed effective methods to coordinate structural engineering in terms of the process, equipment and installations. The models are coordinated in 3D already in the early stages of the planning and design process. The final model then functions as a fabrication drawing for building production.

In building construction, Sweco plans everything from homes, offices and shopping centres to sporting facilities, schools and hospitals. Sweco also has expertise in the structure of older buildings and has performed many technically advanced conversions in these properties. Sweco's structural engineers are the Swedish market-leaders in planning and design of steel structures in everything from large-scale industrial facilities to private homes.

Ecocycle thinking in the Norwegian pavilion

Sweco, in association with Helen & Hard Arkitektkontor and Melvær&Lien Idé-entreprenør, has designed Norway's contribution to the 2010 World Expo in Shanghai. The 2,000 square meter pavilion has sustainability and recycling as its central themes and will contain spaces for different activities and experiences. The pavilion consists of 15 large "trees" of Norwegian glue laminated timber and its ceiling is made up of a transparent membrane construction. The pavilion is permeated by eco-cycle thinking in terms of the choice of both materials and energy solutions. Rainwater from the roof will be collected, purified and offered as drinking water in the exhibition area. After the expo, the trees can be dismantled and used as park installations.



Head office with a focus on sustainability

Sweco in Bulgaria has been chosen to design a new head office for National Electric Company in Sofia. The hypermodern office complex with an area of close to 50,000 square metres will be built in direct connection with an older hydropower plant. Sweco is responsible for everything from the external and internal architecture to landscape architecture, interior design and planning of electrical, HVAC and sanitation systems. The emphasis is on a functional and sustainable working environment and on solutions for energy efficiency, such as utilisation of solar panels to cover energy needs during the daylight hours.

Development and modernisation of Stockholm Central Station

Rail travel is on the rise and Stockholm Central Station is the hub of the Swedish railway network. Built in the late 1800s, most of the station is underpinned by the original wooden poles and parts of the building have subsidence problems that must be corrected. Sweco has been chosen to plan a large-scale foundation reinforcement, a technically advanced project where one critical challenge is to minimise disruptions for the passengers and existing operations. At the same time, the Central Station will be transformed into a modern and functional travel centre and Sweco has also been given responsibility for structural engineering in this project, which will be carried out in stages through the end of 2012.



Industry

Sweco offers customised total solutions for all types of technical investments in the industrial sector, where the goal is to enhance our clients' competitiveness by optimising, developing and quality assuring their production. A close dialogue with the clients and an in-depth knowledge about and understanding of their business are key success factors. Sweco's engineers take part in investment projects in the process, energy production, mining, manufacturing and offshore industries.

Sweco also conducts integrated product development projects with a focus on increasing the total quality of a product in terms of its production, attractiveness and usefulness. These projects are aimed at developing target group-adapted solutions for industries active in manufacturing of investment goods and consumer goods. Sweco offers a wide range of capabilities in the product development area, from research to product launches or individual services.

Through professional project management, Sweco contributes to handling the high degree of complexity that typifies the investment process. Clients are offered effective methods to plan and implement projects and access to experienced project managers and leaders with long experience of both international and national projects.



Increased production capacity for chemicals company

Sweco has a complete offering of services in EPCM contracting (Engineering, Procurement and Construction Management), which includes responsibility for all of the services necessary to complete a project. In 2009 Sweco carried out two EPCM projects for Yara Finland, a producer of agricultural chemicals and synthetic fertiliser, among other things to increase production capacity at the company's plant in Siilijärvi and logistics unit in Uusikaupunki. Within the framework of these projects, Sweco has provided project management, procurement and consulting engineering services, as well as on-site supervision of the projects.



Expansion of Perstorp's plant in Warrington

Sweco is collaborating with Perstorp UK in connection with the expansion of Perstorp's Caprolactone plant in Warrington, England. In the project, which is an EPCM delivery (Engineering, Procurement and Construction Management), Sweco has been teamed with a local partner, Addison Project Plc. Consultants from Sweco's industry and structural engineering segments have collaborated in the project, which was started in the summer of 2008. Sweco's tasks include laser scanning, layout design and detail planning of steel, equipment and pipes, while Addison is responsible for purchasing and assembly management for the entire plant. The project is scheduled for completion at the end of 2011.



Cost-effective and eco-friendly heating in Finnish city of Kerava

The city of Kerava in southern Finland is growing and its existing capacity for production of district heating is limited. Sweco has been awarded a contract to plan and design the city's new combined heat and power plant and will also supervise the construction and commissioning stages. The new 80 MW boiler will be fired with biofuels that are procured locally. The combination of electricity and heat production is an efficient way to fully utilise the energy in the fuel. The goal is to produce the district heating, industrial process heat and electricity needed by the city in a more cost-effective and eco-friendly manner than previously.

Geographical IT

Geographical IT is used to structure, analyse and present information in a clear and easy-to-grasp manner with the help of maps and geographical positioning. Sweco's service offering includes geographical information systems, so-called GIS services, enterprise portals and mobile information systems.

Sweco is committed to Green IT and has an ambition to deliver business benefits and contribute to sustainable development through geographical IT solutions. The greatest potential lies in reducing impact where it is highest, i.e. in transports and housing/construction. For example, through route optimisation in transport planning, it is possible to significantly reduce emissions and eliminate unnecessary traffic.

The energy industry is a major user of geographical information. Distribution of electricity and other energy types requires the use of large and finely meshed networks for which planning and construction rely on detailed map data. To minimise the environmental effects of production, today there are effective tools for planning and follow-up. Sweco can assist with everything from strategies for geographical IT and testing to procurement and deployment of new technology.

As a supplier-unaffiliated geographical IT consultant, Sweco offers the greatest possible client and business benefits in every assignment, regardless of the underlying technology. Sweco's geographical IT consultants are active primarily in areas such as energy, infrastructure, public environments, forestry and transport.



Climate adaptations in Municipality of Nacka

Climate changes and flooding due to rising sea levels can have catastrophic consequences. The Municipality of Nacka, Sweden, has commissioned Sweco to study the effects on the built environment, water quality and infra-

structure. A model based on laser scanned images of the entire municipality has been central for the project's implementation. Sweco's consultants have modelled three sea level scenarios and have also proposed preventative measures to reduce the risk for future damage.

Swedish Postal Service increases use of geographical IT

The Swedish Postal Service has launched a major initiative to develop its use of geographical IT and has chosen Sweco as its partner in this process. The technology will be used in everything from marketing to production, delivery and follow-up, and the gains are both financial and environmental. Geographical IT is already being used in areas such as route planning, presentation of maps on www.posten.se and generation of post codes. Sweco is supporting the Swedish Postal Service in its efforts to develop, implement and maintain the geographical IT environment.



Project management

Communication and leadership are of central importance in keeping complex projects running smoothly from start to finish. Sweco's project managers offer qualified project management and administration services and lead projects with high demands on effective teamwork and a focus on results.

Sweco's assignments cover a wide spectrum and include everything from serving as project manager, design manager and client representative to construction manager, building service systems coordinator, quality manager and inspector. Sweco's project managers are active in both minor property conversions and large-scale projects for the construction of new schools, offices, hospitals, industries and infrastructure.

Sweco's project managers also offer services for project and

operational development, mainly in the construction and real estate industries. The services include strategic advice, process planning, preparation of decision data, organisational support and supervision of interests.

In Facility Management (FM), Sweco offers services to coordinate and optimise facilities and support functions in the best and most cost-effective manner. The offering covers the entire range from needs analysis to implementation and procurement of property operation and management services.

Regardless of the assignment, Sweco offers powerful tools for document and information management to streamline and structure complex information flows and facilitate project management and administration.



Sweco leading construction of Tetra Pak's new facilities

In the Råbyholm area of southern Lund, Sweden, Tetra Pak is investing in a new office complex and production unit for validation, assembly and shipping of packaging machines. Sweco's project managers have been entrusted with managing the entire project from the very start. Construction is being carried out as a turnkey project in order to minimise the planning and procurement times. Ground was broken in the summer of 2008. Sweco's architects have assisted with interior design of the new facilities, which are scheduled for completion on 1 May 2010.

From offices to homes

Sweco was responsible for project management in connection with the conversion of an office building in downtown Helsinki into exclusive residential units. The property was designed by Finnish architect Valter Jung and was built in 1924. The original details were carefully preserved during the conversion and modernisation process. A new seven-floor residential complex was also built in direct connection with the older building.



Human resources

Students rank Sweco highest in industry

In 2009 Sweco focused on securing employee development and becoming an even more attractive workplace for both students and experienced engineers and architects.

The individual consultants form the hub of Sweco's operations. The organisation is flat, with a business model that is borne up by a strong set of values underpinned by curiosity, commitment and personal responsibility. Our values set the tone for day-to-day activities, which are characterised by a distinctly business-oriented approach in which the individual consultants are allowed to take far-reaching individual responsibility at an early stage of their careers. This picture was confirmed by the employee survey that was carried out by Sweco during 2009 and in which "responsibility" and "business orientation" were identified as the foremost aspects of Sweco's corporate culture.

An attractive workplace

Sweco's goal is to be the most attractive workplace for consulting engineers and architects with ample opportunities for professional and personal development in an international environment. A constant inflow of new well educated and highly motivated employees is vital to maintain Sweco's success and growth. Sweco recruits both graduates and experienced individuals in different areas of expertise and prioritises internal recruitment when new opportunities arise to give our employees scope for development within the company. Sweco is highly active in targeting universities and technical institutes and focuses on communicating what Sweco can offer as an employer. Sweco's high ratings in student surveys and surveys of young professionals are proof of the company's attractiveness. In the

research company Universum's latest survey, Sweco advanced its position and is now ranked by students as the most popular employer in the consulting engineering industry.

Three initiatives to take Sweco to the next level

In recent years Sweco has grown significantly and with good profitability, both organically and through acquisitions. This success is entirely attributable to our employees, who create tangible value for our clients on a daily basis while at the same time contributing to a long-term sustainable society. To take the next step in development and realise our vision – to become Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture – Sweco must be the most attractive workplace for consulting engineers, architects and environmental experts. Our continued success depends on our ability to attract, develop and retain the top talent in these areas.

Sweco's HR activities are strongly focused on continuously improving the day-to-day operations and ensuring a dynamic and sustainable organisation. Three group-wide initiatives provide a platform for this work:

- leadership development through Sweco Leadership Compass and Next Generation,
- globally coordinated training and introduction of new employees,
- tools for performance and development; Sweco Talk and Sweco Barometer.



From Bellona to Sweco

"The chance to work with concrete projects that contribute to the development of a sustainable energy system."

So describes Ane Brunvoll her decision to leave the Norwegian environmental organisation Bellona to take over responsibility for Sweco's renewable energy operations in Norway. She chose Sweco largely due to the company's explicit focus on sustainable development, particularly its increasing initiatives in the climate and energy areas.

At Bellona Ane cooperated on a wide front with the commercial sector, politicians and other decision-makers to create a better framework for the expansion of renewable energy. The knowledge and experience Ane brings with her from Bellona, in terms of both technological development and the political system, will be a major asset in her new role at Sweco.

"My work at Sweco is more practical. At Bellona my task was to improve the fundamental conditions for renewable energy in society. Here at Sweco, I can instead realise concrete projects."

Leadership development through Sweco Leadership Compass and Next Generation

People are the hub of Sweco's business. Ultimately, it is through our employees' expertise, attitudes and day-to-day work that we create value for our clients. As a result, one of Sweco's top priorities is to maximise the professional capacity and performance of all employees. Strong and clearly defined leadership strengthens our competitiveness and creates good opportunities for our employees to take responsibility and develop their expertise. This was the motive behind the creation of Sweco Leadership Compass (the Compass), which is being implemented throughout the organisation in 2009 and 2010.

The Compass draws a clear line between leadership, business success, client deliveries and employee development. It is designed to address the most common daily dilemma facing our leaders, namely to find the right balance between long-term strategic planning and delivery of the services our clients demand today, and between the employees' practical work duties and future needs. At the same time, Sweco's leadership culture is reinforced through more clearly defined expectations, responsibilities and powers for our leaders. The Compass supports not only line managers, but also project managers and specialists.

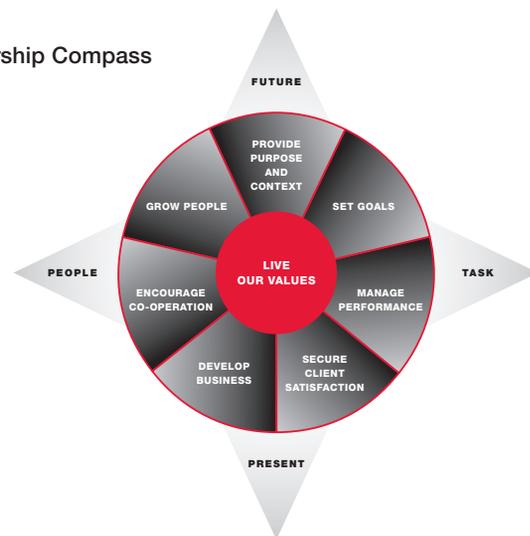
Good management succession is crucial in order to realise Sweco's growth ambitions, and is therefore a highly prioritised area. Through the Next Generation Process, Sweco identifies employees with the potential to take on greater leadership responsibility. This is done in connection with the annual performance reviews (Sweco Talk). Selected participants then take part in Sweco's leadership development course, Next Generation Program.

Globally coordinated training and introduction of new employees

Sweco is a knowledge-intensive company whose business is dependent on the expertise and skills of its employees. In order to promote cooperation and ongoing international growth, it is vital for Sweco to develop uniform training programmes. In 2009 Sweco further enhanced coordination of its training activities. The group-wide introductory programme has now been fully implemented, which means that all new employees complete a two-day introductory course aimed at providing a consistent picture of Sweco's business, brand and corporate culture regardless of where in the Group they work. In addition, all new employees complete a web-base environmental and sustainability training course.

After introduction, all new employees are assigned a mentor and are involved in client projects as quickly as possible. It is primarily through first-hand experience in challenging projects that Sweco's consultants fine-tune their professional skills. Parallel to this, Sweco also conducts internal knowledge development activities, often in focused project form. A key initiative in this area during 2009 was the launch of the group-wide specialist forum Sweco Excellence Meeting, a forum for the development

Sweco Leadership Compass



and exchange of knowledge where a large group of consultants from different parts of the Group gather to discuss topics of interest.

Processes for performance and development

Sweco's group-wide routines for measurement and follow-up are aimed at ensuring that each employee's performance, activities and development plan are consistent with Sweco's overall goals as far as possible. Two main tools are used: Sweco Talk and Sweco Barometer. Sweco Talk is a group-wide process for performance reviews. The process effectively identifies developmental needs and supports planning for ongoing employee development.

In 2009 Sweco Talk was supplemented with Sweco Barometer, a group-wide employee survey carried out in collaboration with Sifo Research International. The survey is focused primarily on monitoring the realisation of Sweco's strategy, the working environment, corporate culture and leadership culture. Previously, local surveys were carried out in certain parts of the company. Sweco Barometer is an important component in management of the Sweco Group at the global level.

Employee facts

Number of employees: approximately 5,100

Share of men/women: 71% men and 29% women

Educational levels at Sweco: Master's or bachelor's degree in engineering with a focus on 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

Deborah Kupferschmidt

“Sweco’s wide range of operations is a major advantage. There are always opportunities to take on new challenges.”

Deborah Kupferschmidt has worked at Sweco for nearly three years, mainly in environmental classification and energy optimisation of buildings. She sees enormous development potential in this area and points out the substantial cost savings and socioeconomic gains resulting from lower resource and energy consumption. Having the opportunity to work at the cutting edge of an area that contributes to sustainable long-term development of society is something Deborah feels strongly about.

“In order to fit in at Sweco and be successful, you have to be open to new ideas and show what you want. Sweco’s ambition to be a forerunner in development of sustainable solutions guarantees a high degree of variety in the job. You are expected to take far-

reaching personal responsibility, but at the same time Sweco’s breadth ensures that you always have access to fantastic support from colleagues in different disciplines.”

As an example, Deborah mentions the vertical greenhouse for the urban environment that Sweco has developed together with the Swedish company Plantagon. The objective of the project was to find a solution that would make it possible to farm locally and space-efficiently. The concept was honoured with the Innovation Award during Globe Forum 2009. Deborah was project manager for the climate system in the feasibility study.

“The results were achieved in very close collaboration between different technical disciplines. This multidisciplinary approach at Sweco suits me very well. It is fun, eye-opening and you learn an unbelievable amount.”



Daniel Persson

Daniel Persson has been involved in environmental issues at Sweco since 2004: “I started here because I was looking for a chance to work with environmental issues in a wide spectrum of projects and with different clients. The international environment also attracted me.”

Six years later, when Daniel describes what he likes most about working at Sweco, it is clear that his expectations have been met:

“The aspect of my job that I enjoy most is the wide variety of work duties, from project management and coordination to field work and environmental impact assessments. From oil terminals in Sweden to power transmission lines in Uganda. There is ample

scope to work in different types of projects in different capacities and with different challenges. You don’t stagnate here at Sweco.”

Daniel emphasises that most development takes place in client projects, particularly international assignments. At the same time, he appreciates Sweco’s commitment to training and knowledge development. In 2010 Daniel will take part in a training course for process management in sustainable social and urban development in a global and local perspective. After the course, the participants will be part of a multidisciplinary team that has responsibility for communicating and developing Sweco’s expertise in this area.



Nikolay Popov

Nikolay Popov started working for the Bulgarian company Energo-proekt AD directly after earning his engineering degree 11 years ago. In 2001 the Hydropower division was hived off to form a separate company, Energo-proekt Hydropower. Since the summer of 2008 this company is part of the Sweco Group, an affiliation that according to Nikolay has created new business and opportunities.

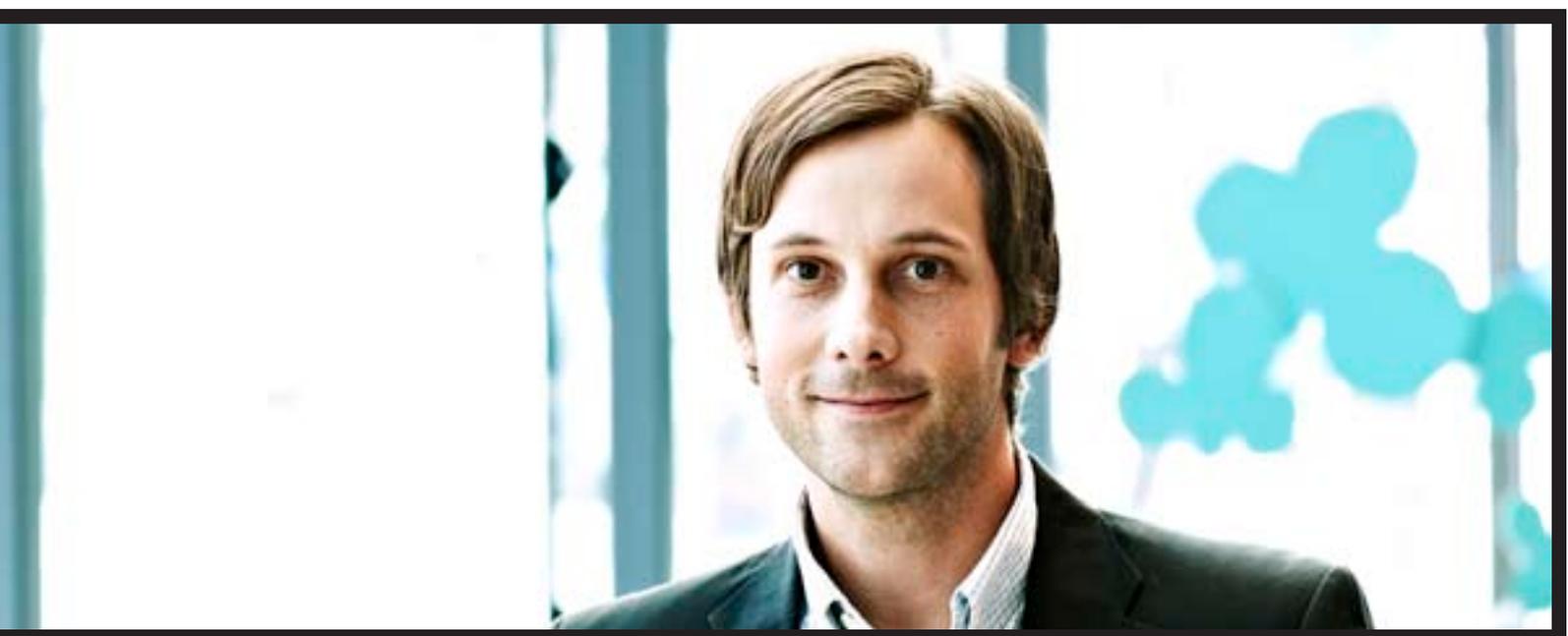
“Being part of Sweco has vastly improved our growth opportunities, especially in international projects for renewable energy. It also feels good that my personal opinions and values are well matched with Sweco’s mission to actively contribute to sustainable development of society.”

All of the projects carried out by Sweco affect the environment in some way. Safety and quality are the most central aspects for Nikolay,

but contributing to a better environment is also a top priority.

“It is a tremendous feeling when a project is completed and you can see the tangible results. Doing something meaningful gives you the energy to throw yourself into the next project and give 100 per cent.”

Nikolay appreciates the opportunities for international knowledge sharing that have opened up since joining the Sweco Group and mentions the “Next Generation” programme as an example. Nikolay is one of the 24 participants in the programme aimed at developing future leaders at Sweco. In 2010 and 2011 the group will meet for training and workshops on four occasions in different countries. This is combined with project activities that will continue throughout the programme.



Business ethics, social responsibility and commitment

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

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

Responsibility and ethics

Sweco's consultants serve as advisors to companies, public agencies, ministries and national governments in 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 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 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.

Sweco supports the "Code of Ethics" formulated by the International Federation of Consulting Engineers (FIDIC) and respects the rules and recommendations issued by the UN, the World Bank, the OECD, the Swedish International Development Cooperation Agency (Sida), NORAD and other international organisations for assignments in different countries. Sweco follows the OECD's guidelines for multinational companies and the principles in the UN's Global Compact, and stands behind the Swedish government's Partnership for Global Responsibility (Globalt Ansvar).

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 are often 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.

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

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 are 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 working environment where our employees can develop and thrive in a climate of physical and emotional well-being. We believe that a good working environment and business success go hand in hand, and therefore work systematically to investigate, conduct and monitor operations in such a way as to prevent illness and accidents on the job and achieve a sound working environment. At Sweco the performance review, Sweco Talk, is an important component of the Group's working environment activities.

We all contribute to our shared working environment, which demands that both managers and staff initiate 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 working environment with regard to ergonomics, noise, air quality and chemical health hazards.

Achieving this working environment requires awareness, openness, ambition and planned development initiatives. Through systematic management of the working environment 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.

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.



Partnership that leads to competence development

In 2009 Sweco was chosen as Doctors Without Borders' main cooperation partner, an agreement that marked the start of a deep and long-term collaboration. Sweco is contributing financial support and its employees are also given the chance to take a leave of absence to participate in Doctors Without Borders' humanitarian initiatives for shorter or longer periods. Those who are interested apply to Doctors Without Borders and the tough acceptance criteria are the same as for all other applicants.

For Sweco this partnership is a valuable source of competence development for both the company and the individual employees. As an international consulting company with operations in more than 90 countries, Sweco sees the experience gained by the employees through their work for Doctors Without Borders as a valuable asset. Activities in disaster and war zones give field workers experience of both staff responsibility and multicultural projects.

Doctors Without Borders sets great store by Sweco's engineering expertise and experience in leading and developing complex projects. For example, Sweco's engineers can apply their professional skills in construction and project management to assist in planning of logistics around a hospital. Road and water experts can contribute in infrastructure projects, not least with their expertise in sanitation issues.

Doctors Without Borders conducts field programmes in close to 80 countries around the world. In addition to doctors and healthcare personnel, the organisation sends administrators, architects, engineers and economists into the field where they can use their knowledge to make a difference. Every year, around 100 Swedes take part.

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 in an appropriate manner.

Equality management is conducted as an active and integral part of Sweco's operations.

Diversity

To create the conditions for an innovative and inspiring working 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 gender, nationality, ethnic origin, religious beliefs, disabilities, sexual orientation and age.

Sweco strives to

- use conscious hiring practices to create diverse employee groups in terms of competency, gender, nationality, ethnic origin, religious beliefs, disabilities, sexual orientation and age,
- maintain a working 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.

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 2009.

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 throughout the client's entire project chain. With more than 5,100 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 2009 Sweco carried out some 31,000 projects for around 10,000 clients. Sweco has a local presence in ten countries and conducts project exports to some 90 countries worldwide.

THE SWECO GROUP

Sweco has an efficient and client-driven organisation. Based on Sweco's decentralised and result-oriented business model, all energy can be focused on the 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 service segments, representing a wide range of core competencies, Sweco can create strong consulting teams capable of taking on large and complex projects.

2009 was characterised by a challenging market for building and industry-related services, particularly in Finland and the Baltic countries. At the same time, demand for services related to the environment, energy and infrastructure was good. In general, the market has stabilised but remains difficult to assess.

Resource adaptations have been carried out successively and the number of employees was reduced by a total of 255 in 2009 as a result of economic slowing. In Finland, Sweco sold its units for electronics, industrial design and the shipping industry with a total of 132 employees. The operation in Saratov, Russia, with 47 employees was also sold. At the end of the year, some 100 employees had been given notice of temporary redundancy.

In spite of the unfavourable market, the majority of Sweco's operations delivered robust earnings. Sweco Sweden and Sweco Norway reported strong operating margins.

The fundamental drivers behind 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 demand for services that contribute to sustainable development of society.

The growth strategy stands firm. Sweco's strong financial position provides a platform for continued profitable growth and a high level of preparedness to seize new opportunities. The aim now is to grow through acquisitions in both existing and new markets in Europe.

CONSOLIDATED SALES AND PROFIT

The Sweco Group reported net sales of SEK 5,338.7 million (5,522.8). Due to weak market conditions during the year, net sales have declined. The bulk of the decrease is attributable to industrial operations in Finland, building-related operations in Sweden and operations in the Baltic countries.

Operating profit amounted to SEK 443.6 million (596.3). In Sweco Industry, operating profit was burdened with restructuring charges of SEK

Net sales, operating profit, operating margin and average number of employees during 2009

| Business area | Net sales, SEK M | | Operating profit, SEK M | | Operating margin, % | | Average no. of employees | |
|--------------------------------|------------------|----------------|-------------------------|--------------|---------------------|-------------|--------------------------|--------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Sweco Sweden | 2,954.6 | 3,036.9 | 327.4 | 404.1 | 11.1 | 13.3 | 2,523 | 2,479 |
| Sweco Norway | 1,288.2 | 1,132.7 | 141.2 | 121.8 | 11.0 | 10.8 | 855 | 831 |
| Sweco Finland | 94.7 | 135.8 | 8.9 | 15.6 | 9.4 | 11.5 | 71 | 87 |
| Sweco Central & Eastern Europe | 307.0 | 312.9 | 5.4 | 3.2 | 1.7 | 1.0 | 699 | 806 |
| Sweco Russia | 31.0 | 28.6 | 1.2 | -5.5 | 4.0 | -19.2 | 139 | 126 |
| Sweco Industry | 762.3 | 993.2 | -22.3 | 82.0 | -2.9 | 8.3 | 782 | 1,110 |
| Group-wide eliminations | -99.1 | -117.3 | -18.2 | -24.9 | - | - | 13 | 14 |
| Total Group | 5,338.7 | 5,522.8 | 443.6 | 596.3 | 8.3 | 10.8 | 5,082 | 5,453 |

28 million and a write-down of goodwill amounting to SEK 13 million, in total SEK 41 million. At the same time, the sale of operations in Sweco Industry had a positive impact of SEK 12 million on profit for the year. Costs for resource adaptations in the Baltic countries had a negative impact on earnings of SEK 8 million.

In a comparison with 2008, consideration should be given to the calendar effect arising from 15 fewer available billable hours than in 2008. Based on the current billing ratio and hourly rate, this is equal to a negative year-on-year impact of around SEK 36 million on net sales and profit for the year. In addition, operating profit for 2008 was positively affected by lower pension expenses due to a temporary premium rebate of approximately SEK 44 million from Alecta.

Sweden and Norway delivered strong results with operating margins of around 11 per cent.

Profit in Sweco Central & Eastern Europe has been impacted by the steep economic downturn in the Baltic countries. Operations in the Czech Republic and Bulgaria show stable earnings.

After its restructuring, Sweco Russia has achieved positive earnings and a satisfactory order intake.

Sweco Industry remains under pressure from significant slowing in the industrial sector in Finland.

Employee bonuses were charged to the Sweco Group's earnings in an amount of SEK -90.4 million (-118.7) including social security expenses.

The Group's overall operating margin was 8.3 per cent (10.8). The billing ratio, including all administrative personnel, was 73.6 per cent (75.6).

Profit before tax amounted to SEK 443.6 million (588.2). The Group's net financial items totalled SEK 0.0 million (-8.1).

Profit after tax was SEK 294.6 million (402.9), of which SEK 292.7 million (403.6) is attributable to owners of the Parent Company.

Return on equity was 19.6 per cent (34.6) and return on capital employed was 27.5 per cent (44.4).

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

EARNINGS PER SHARE

Earnings per share were SEK 3.31 (4.68) before dilution and SEK 3.28 (4.65) after dilution.

INVESTMENTS

Net expenditure on equipment totalled SEK 72.3 million (101.3) and referred mainly to computers, other IT investments and cars. Depreciation of equipment amounted to SEK 76.8 million (73.2) and amortisation of intangible assets was SEK 29.7 million (24.9).

Purchase consideration paid for the acquisition of companies amounted to SEK 27.1 million (271.2) and purchase consideration received on the sale of operations totalled SEK 16.6 million (47.6). The total effect on consolidated cash and cash equivalents including payment of purchase consideration for acquisitions in prior years was SEK -18.4 million (-163.4).

CASH FLOW AND FINANCIAL POSITION

The Group's cash flow from operating activities was SEK 529.7 million (557.1).

Cash and cash equivalents amounted to SEK 557.3 million (321.3). Disposable cash and cash equivalents including unutilised bank overdraft facilities at the end of the year totalled SEK 1,122.2 million (812.7). Interest-bearing debt was reported at SEK 138.8 million (161.2). The net interest-bearing receivable was thus SEK 418.5 million (160.1).

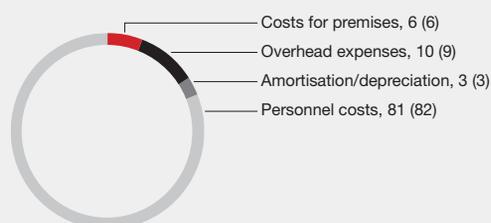
During the year, dividends were paid to Sweco AB's shareholders in a total amount of SEK 174.3 million (170.6).

The ratio of net debt to equity was -26.2 per cent (-11.3). The equity/assets ratio was 50.6 per cent (47.0).

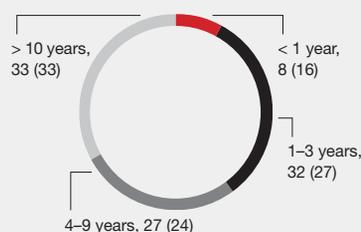
EMPLOYEES

The number of employees at year-end 2009 was 5,137 (5,536), a decrease of 399 people. A total of 477 employees (896) were hired during the year, while 710 (731) resigned or retired, 179 (129) left in connection with the sale of operations and 13 (566) were added through acquisitions.

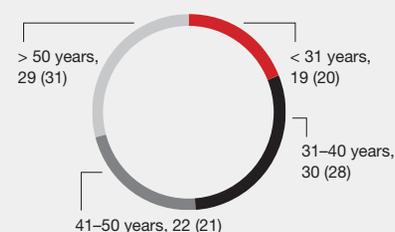
Cost structure, %



Term of employment, %



Age structure, %



The employee turnover rate was 13 per cent (14). The average number of employees in the Group during the year was 5,082 (5,453).

PARENT COMPANY

The Parent Company recorded net sales of SEK 59.7 million (67.9), all of which refers to intra-group services. Profit after net financial items was SEK 241.8 million (420.0). Capital expenditure on equipment amounted to SEK 0.1 million (0.1) and cash and cash equivalents at the end of the year totalled SEK 409.7 million (152.0).

THE SWECO SHARE

Sweco is listed on NASDAQ OMX Stockholm. The bid price for the Sweco B share at the end of 2009 was SEK 53.75, representing an increase of 54 per cent since the beginning of the year. The OMX Stockholm General Index rose by 47 per cent over the same period. Total return on the Sweco share in 2009 was 62 per cent. Over the past five years, total annual return on the Sweco share has averaged at 22 per cent.

The number of shares was changed during the year through the issue of 2,500,000 class C shares for fulfilment of the 2009 Share Bonus Programme.

The total number of shares at the end of the year was 92,002,110, of which 9,389,075 are of class A, 80,113,035 are of class B and 2,500,000 are of class C. After deduction of treasury shares, the number of shares outstanding at the end of the year was 88,943,037, of which 9,389,075 are of class A and 79,553,962 are of class B.

Incentive scheme for senior executives

In 2009 an additional 48,000 warrants were subscribed for in the warrant series 2008/2011. Fifty senior executives have thus subscribed for a total of 1,300,000 warrants in the series, which is equal to a dilutive effect of 1.4 per cent on the share capital and 0.7 per cent on the votes. 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.

Share bonus programme

Under the 2008 Share Bonus Programme, which covered the majority of the Group's employees in Sweden, Norway, Finland and Denmark, the employees were awarded 1,798,794 class B shares in Sweco, equal to the earned bonus for 2008.

The 2009 Annual General Meeting resolved on a continued share bonus programme for 2009 directed to the majority of employees in Sweden, Norway, Finland and Denmark. Under the 2009 Share Bonus Programme, the employees will receive shares in Sweco equal to the earned bonus for 2009 divided by a base share price that was set at SEK 35.35.

Treasury shares

Sweco holds a total of 3,059,073 treasury shares, of which 559,073 class B shares and 2,500,000 class C shares for fulfilment of the 2009 Share Bonus Programme. The treasury shares correspond to 3.3 per cent of the total number of shares and 1.7 per cent of the votes. The class B treasury shares can be used as consideration in corporate acquisitions. The shares were purchased at average price of SEK 22.10 each, equal to a total of SEK 12.4 million. The market value at the end of the period was SEK 30.1 million.

SWECO'S BUSINESS AREAS

Sweco Sweden

Sweco Sweden is the country's leading provider of consulting engineering services and the Group's largest business area, with more than 2,600 employees in 49 locations. Services are offered in the areas of Architecture, Structural Engineering, Building Service Systems, Infrastructure, Water & Environment, Project Management, Energy Systems and Geographic IT. Sweco Sweden also has extensive project exports to countries in Eastern Europe, Africa, Asia, the Middle East and Latin America.

Net sales amounted to SEK 2,954.6 million (3,036.9). Operating profit was SEK 327.4 million (404.1) and operating margin was 11.1 per cent (13.3).

Development in the Swedish market has been stable in the majority of Sweco's service segments. The outlook is very positive in the infrastructure segment and there is an urgent need to recruit more qualified consultants. Long-term growth is anticipated in the energy segment, particularly with regard to wind and hydroelectric power. The market for geographical IT is expanding with a steadily rising number of applications. Demand for water and environment services is holding firm, above all in the area of water supply (treatment, distribution, storm water management, etc.) where demand is increasing dramatically both in Sweden and internationally. In the industrial, private construction and real estate sectors, the market for building-related services remains weak and there is uncertainty about future investments. The market situation for architectural services improved somewhat in the last few months of the year.

One notable new contract awarded during the period was for planning of a new power transmission line between the cities of Hallsberg and Nässjö on behalf of the Swedish National Grid. The 170 kilometre line is part of the SydVästlänken infrastructure project. Sweco has also been selected to develop a technical solution for a new dam on an industrial site for LKAB's mining operations in Kiruna. The dam structure is part of an effort to change Kiruna's entire urban landscape as a consequence of local mining operations. Earlier in the year, Sweco won a record order in connection with a Jordanian initiative to improve access to drinking water in the country's capital city of Amman. The order is one of Sweco's

largest environmental contracts ever and is worth SEK 130 million. Other major contracts received during the period include two large-scale wind energy projects. Blekinge is the planned future site of Sweden's largest offshore wind farm and in Östergötland, the potential to build a wind farm outside Valdemarsvik is being studied. Another contract is related to renovation and modernisation of Stockholm's central station, where Sweco has been given responsibility for structural engineering.

Sweco Norway

Sweco is one of Norway's largest engineering consultancies, with around 850 employees. The Norwegian business area, which also has some export operations, is organised in six divisions: Energy, Water & Environment, Building & Construction, Infrastructure, Building Service Systems and Vest.

Net sales grew by 14 per cent to SEK 1,288.2 million (1,132.7). Operating profit amounted to SEK 141.2 million (121.8), an increase of 16 per cent. Operating margin was 11.0 per cent (10.8).

The general economy improved in the second half of the year. As a whole, however, the year was marked by dramatic slowing in the construction sector. New projects related to development of commercial and office space are now being launched. In the residential sector, previously planned projects are being resumed and the government crisis packages have stimulated demand in connection with renovation and new production of public facilities. Investments in the industrial sector are still low but there are increasingly clear signals of a recovery. In the infrastructure segment, rising demand is being noted in the road and railway sector and demand for Sweco's services is growing. An urgent need to modernise the country's water and wastewater treatment facilities indicates good long-term demand potential for water and environmental services. The level of activity in the energy area remains high, among other things with regard to small-scale hydropower, bioenergy and district heating.

Notable projects during the year include contracts for preconstruction planning of a new water park in Fosnavåg in western Norway and planning of building service systems for a new solar cell factory in Germany on behalf of Innotech Solar. Sweco has also been given responsibility for environmental impact assessment of a large wind farm with 65 turbines that is planned at Sørmarkfjellet in the Municipality of Flatanger. Additional assignments include a detailed feasibility study and preparation of technical documents for the expansion of the Iveland hydropower plant just north of Kristiansand.

Sweco Finland

The business area has around 70 employees in the subsidiary Sweco PM, which provides project management services to clients in the infrastructure, construction and industrial sectors.

Net sales reached SEK 94.7 million (135.8). Operating profit was SEK 8.9 million (15.6) and operating margin was 9.4 per cent (11.5).

Demand fell further in all segments toward the end of the year. At present, there are no signs of a turnaround and market development is very difficult to assess.

New projects received during 2009 include additional orders connected to expansion of the new Western Metro subway line in Helsinki, where Sweco was already acting as project manager. Other examples of contracts won during the year are construction management for a new student housing project in central Helsinki and project management services for rehabilitation and expansion of motorway 51 between Kivenlahti and Krikkonummi, one of Finland's most heavily trafficked roads.

Sweco Central & Eastern Europe

Sweco Central & Eastern Europe has just over 700 employees and is active in Estonia, Lithuania, the Czech Republic, Slovakia and Bulgaria. The units in these markets also conduct project exports.

Net sales for Sweco Central & Eastern Europe are reported at SEK 307.0 million (312.9). Operating profit was SEK 5.4 million (3.2) and operating margin was 1.7 per cent (1.0).

Growth in Central and Eastern Europe stagnated during the year. The assessment is that the ongoing adaptation to EU standards will continue, but at a somewhat slower pace.

Sweco's operations in Central and Eastern Europe are concentrated in the water, environment and energy areas. Sustained strong demand for these services indicates potential for positive long-term development. The economic downturn is continuing to have a tangible impact in Estonia. In Lithuania, improved demand for Sweco's services was noted in the second half of the year. In the Czech Republic and Bulgaria, the market situation remains stable.

Sweco has won several new contracts in Central and Eastern Europe. Among other things, Sweco's Estonian consultants have been chosen to plan the expansion of an oil terminal in Sillamäe and upgrading of the Türi – Võhma – Viljandi railway line. In Lithuania, Sweco has been awarded a large contract to perform a feasibility study and an environmental impact assessment (EIA) for a 400 kV power transmission line that will link together the Lithuanian power grid with Poland and the rest of Europe. In Bulgaria, Sweco will serve as technical advisor for construction of a new wastewater treatment plant in the city of Hairedin and perform feasibility studies in the municipalities of Gorna Malina and Belopoptsi for renovation and reinforcement of the water and sewerage system and planning of a new wastewater treatment plant. Sweco has also been commissioned to prepare tender documents for water and wastewater facilities in the Ilava region of Slovakia.

Sweco Russia

Sweco Russia conducts operations mainly through the subsidiary Lenvodokanalproekt in St. Petersburg with around 100 employees. Lenvodokanalproekt is one of the country's leading water and environment consultancies. Sweco Russia also coordinates project exports from Sweden, Norway, Finland and the Czech Republic to the Russia market in the areas of water and environment, infrastructure, industry and architecture.

Net sales for Sweco Russia amounted to SEK 31.0 million (28.6). Operating profit was SEK 1.2 million (-5.5) and operating margin was 4.0 per cent (-19.2).

The market for publicly-funded water and wastewater treatment projects remains stable. At the same time, demand for privately-funded water and environmental services, primarily in the industrial sector, has fallen sharply.

At the end of the year Sweco was awarded a major contract to design a water treatment plant in the Karelian Republic of Petrozavodsk. Earlier in the year, Sweco was commissioned for several major water and wastewater treatment assignments, among other things related to the construction of a new water treatment plant in Kaliningrad, planning of a new wastewater treatment plant at the Sosnovy Bor nuclear power plant, planning of a drainage system for the Zenit football stadium in St. Petersburg and planning services for the modernisation of a water treatment plant for the Municipality of Novgorod. Sweco was also awarded a major contract in connection with the renovation of a water treatment plant in the city of Dushanbe, Tajikistan.

Sweco Industry

Sweco Industry is the Group's resource for qualified industrial consulting services. The business area's capabilities include consulting, planning, engineering, and project management services for product development, production optimisation and plant investment. With some 540 employees in Finland, 200 in Sweden and 20 in Norway, Sweco Industry is one of the Nordic region's largest industrial engineering consultancies. Sweco Industry also has operations in the rest of Europe, Asia and South America. The business area works with a focus on the chemical and petrochemical industry, the pulp and paper industry, the offshore industry, energy and product development.

Net sales totalled SEK 762.3 million (993.2). The operating loss was SEK 22.3 million (operating profit 82.0) and operating margin was -2.9 per cent (8.3).

Demand for industrial consulting services in Finland declined sharply in 2009. Market slowing and postponed investments have affected the telecom and forestry industries in particular. Sweco Industry's product development operations are in the process of being wound up. Sweco's Swedish and Norwegian industrial operations have not been appreciably impacted by the recession and have shown stable development. In the chemical and energy areas, demand is good in all markets.

Sweco won a number of major contracts at the end of the year, among other things in connection with the expansion of Perstorp AB's chemical plant in Warrington, England. The assignment is being carried out together with Sweco's structural engineers. An additional new contract was received for a feasibility study on behalf of Russian JSC Investlesprom for the enlargement of a pulp and paper mill in the city of Sokol in the Vologda region. Earlier in the year, Sweco's industrial consultants were awarded two sizable energy contracts in Russia worth a total of SEK 80 million to supervise and monitor the construction of new CHP plants in Moscow and Sochi. Another contract won during the year was the second phase of Talvivaara Mining's large-scale mining project for extraction of nickel in Sotkamo, Finland, which was resumed after a six-month hiatus.

ACQUISITIONS

In 2009 Sweco carried out a number of minor acquisitions and increased its holding in the Estonian subsidiary Sweco Projekt from 92 to 99 per cent.

DIVESTITURES

During the year Sweco sold the Finnish industrial operation's unit for industrial electronics, with 38 employees, the unit for industrial design, with 31 employees, and the unit for the shipbuilding industry, with 63 employees.

In Russia, Sweco has sold the subsidiary Saratovskij Vodokanal Proekt, with 47 employees.

SUBSEQUENT EVENTS

Sweco has acquired the Polish water and environmental consultancy Hydroprojekt Kraków Sp.zo.o with 35 employees. Hydroprojekt offers services in areas such as water resource management and hydraulic engineering. The acquisition is a first step in Sweco's establishment in Poland.

Sensitivity analysis

| | | Effect +/- | |
|----------------------|----------|--------------------------------|-------------------------------------|
| | +/- | Cash flow/ Operating profit | Earnings per share ¹⁾ |
| Net sales | | | |
| – average fee | 1% | SEK 45 M | SEK 0.37 |
| – average hourly fee | SEK 10 | SEK 63 M | SEK 0.52 |
| – billing ratio | 1%-point | SEK 61 M | SEK 0.50 |
| Personnel costs | 1% | SEK 33 M | SEK 0.27 |
| Overhead expenses | 1% | SEK 8 M | SEK 0.06 |

1) After 27 per cent standard tax.

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 63 million. The table above shows the effects of some key variables on cash flow, operating profit and earnings per share based on the annual accounts for 2009. For every assumed change, all other variables are assumed to be constant.

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. Sweco's significant risks and uncertainties 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. The risks Sweco has identified as significant in its business operations together with an explanation of the way in which these are managed are found on pages 34–35.

| RISK | MANAGEMENT |
|--|--|
| <p>Business cycle Sweco's operations are affected by general trends in the business cycle and the propensity to invest.</p> | <p>Sensitivity to shifts in the business cycle is reduced through:</p> <ul style="list-style-type: none"> • The wide geographical spread of operations. • Operations in many technical disciplines. • A good mix between public and private sector clients. • A wide client base operating in different areas of business/industry. • Sweco's strong market position and size. |
| <p>Political decisions Political objectives can influence investment decisions that affect Sweco.</p> | <ul style="list-style-type: none"> • 55 per cent of the assignment volume comes from the private sector and 45 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. • Sweco has subsidiaries in 11 countries and extensive project exports, which reduces the risk for negative effects arising from investment decisions in individual countries. |
| <p>Environmental risks Operations that can cause damage, injuries or threats to human health, the environment or other interests can also give rise to financial risks.</p> | <ul style="list-style-type: none"> • Sweco conducts no activities that are subject to permitting or reporting requirements under the Swedish Environmental Code or similar laws. |
| <p>Competition Competition to attract new, and retain existing, clients.</p> | <ul style="list-style-type: none"> • Sweco's combined expertise, with multiple technical disciplines that work together, maximises client benefit and creates competitive advantages. • Sweco has a strong brand and a market-leading position in several countries where the Group has operations. |
| <p>Employees The ability to attract new and retain educated and motivated employees is of significant importance for Sweco's competitiveness and ongoing development.</p> | <ul style="list-style-type: none"> • Sweco is an attractive employer that offers its employees extensive opportunities for development in areas that benefit the environment and society. • 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. • A flat and business-oriented organisation with far-reaching responsibility for the individual consultants and good potential for personal development. • Growth and internationalisation are opening up new paths for the employees' personal development and career opportunities. • Sweco offers qualified ongoing education and forums where the employees can network and share experiences. • Remuneration to employees and senior executives is paid on market-based and competitive terms. There are performance-based bonus systems for all employees, and senior executives are offered various types of incentive schemes. |
| <p>Client structure A concentrated client structure leads to increased credit risk.</p> | <ul style="list-style-type: none"> • Sweco has a balanced base of around 10,000 clients. The ten largest clients account for around 19 per cent of sales. Consequently, Sweco is not dependent on any individual clients. In a historical perspective, trade receivable losses have been low. |
| <p>Assignments The risk for miscalculation of the expenses and time required to complete an assignment.</p> | <ul style="list-style-type: none"> • The group-wide business system sweco@work, processes and tools for effective management, follow-up and control of the assignments reduce the assignment-based risks and facilitate early detection of possible losses. • Around 76 per cent of Sweco's assignments are billed by the hour, which means that the clients are billed for the full number of hours work performed. Around 24 per cent are performed at a fixed price under constructive and professionally sound contracts. • 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. |

| RISK | MANAGEMENT |
|--|--|
| <p>Financial risks Changes in interest rates, foreign exchange rates and the market prices of financial instruments can impact Sweco's cash flow, profit and balance sheet.</p> | <ul style="list-style-type: none"> • To control and minimise financial risks, the Board of Directors has drawn up a finance policy which is updated and adopted yearly. For more information see Note 33 on page 70. • With regard to foreign exchange risk, the Group normally has natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into in a non-local currency, the contracted and anticipated payment flows are hedged through forward contracts. • Sweco has a strong balance sheet with a low level of borrowing, which means that direct interest rate risk is low. • 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. • Credit risks have been historically low, since Sweco is not dependent on individual clients. |
| <p>IT security Modern working methods place rigorous demands on IT access and security.</p> | <ul style="list-style-type: none"> • Sweco has an IT security policy that maximises the availability and reliability of the company's IT environment and guarantees uninterrupted business operations. • Firewall and virus protection and regular software upgrades reduce the risk for disruptions in operations due to technical problems. |
| <p>Acquisition of companies The anticipated outcomes and positive effects for the Sweco Group fail to materialise.</p> | <ul style="list-style-type: none"> • Sweco's growth takes place 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. Sweco's Board of Directors conducts a yearly evaluation of previous acquisitions. |
| <p>Brand Risk for bad PR and a damaged image.</p> | <ul style="list-style-type: none"> • 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. • Established policies for CSR, corporate communication and crisis management. |
| <p>Legal risks Disputes can arise in operations.</p> | <ul style="list-style-type: none"> • Quality assurance of assignments takes place in the group-wide business system sweco@work. The use of templates and guidelines already in the initiation phase ensures that contracts are properly executed from a business and legal standpoint. • Sweco has an insurance programme that includes professional indemnity insurance in order to cover the risks connected to disputes in the assignments. |
| <p>Risks related to financial reporting Errors can arise in the reporting and that the financial reporting is not prepared in accordance with legal requirements, rules for listed companies and applicable accounting standards.</p> | <ul style="list-style-type: none"> • A good control environment through clear instructions and rules of procedure for the Board of Directors, President, audit committee and remuneration committee. Signatory and decision-making instructions clearly regulate the responsibilities and powers at each level in the organisation. Internal normative documents for financial reporting include a finance policy, a finance manual that contains rules for accounting and reporting, a policy for financial information, etc. • Ongoing updating of the risk assessments for financial reporting. • Extensive monitoring and control through reporting systems, budgets, forecasts, etc. Monthly reviews of earnings, risks, etc., with the management of each business area. • Controllers in each business unit that regularly follow up compliance with the established monitoring and control systems. |

BOARD OF DIRECTORS AND ITS WORK

Sweco's Board of Directors consists of seven regular members elected by the Annual General Meeting (AGM) to serve for a period of one year, as well as three employee representatives with three deputies who are appointed by the employees. The President is a regular Board member. The Group's legal counsel serves as Board Secretary. Other executives in the company participate in Board meetings as needed in order to present reports. The Board meets at least six times per year. In 2009 the Board held ten meetings, including three resolutions passed by circulation.

The 2009 AGM re-elected Olle Nordström as Board Chairman. The other members of the Board during 2009 were Anders G. Carlberg (starting from the 2009 AGM), Eric Douglas (until the 2009 AGM) Gunnel Duveblad, Birgit Erngren Wohlin (until the 2009 AGM), Øystein Løseth (until 25 November 2009), Aina Nilsson Ström, Pernilla Ström (starting from the 2009 AGM) and Mats Wäppling. One regular seat on the Board is currently vacant since Øystein Løseth left the Board at his own request on 25 November 2009. The employee representatives have been Håkan Brinkenbergh, Thomas Holm and Anna Leonsson as regular members and Sahar Almashta, Göran Karloja och Anders Perman as deputies.

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 programme approved by the Annual General Meeting. The Remuneration Committee consists of Olle Nordström, Pernilla Ström and Aina Nilsson Ström.

The Board has also appointed an Audit Committee consisting of Anders G. Carlberg, Gunnel Duveblad and Øystein Løseth (until 25 November 2009). 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.

Additional information about the work of the Board and the Code is provided in the corporate governance report on page 78.

THE BOARD'S PROPOSED PRINCIPLES FOR SALARY AND OTHER REMUNERATION TO SENIOR EXECUTIVES FOR DECISION BY THE 2010 AGM

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 salary and variable salary

The level of remuneration shall be based on factors such as work duties, expertise, experience, position and performance. Furthermore, the relationship between basic and variable salary shall be proportionate to the responsibilities and powers of the individual in question. The maximum amount of variable salary for the President and the Vice President is 75 per cent of basic salary. For other senior executives, the maximum amount of variable salary is 50 per cent of basic salary. The variable salary component is based on actual outcomes in relation to predetermined profitability targets. The targets for the President and other senior executives are established by the Board of Directors. The principles for salary and other remuneration to the President and other senior executives in 2009 are shown in Note 6 on page 54.

Pension

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

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 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 six months in the event of resignation by the executive.

FINANCIAL TARGETS

The Board has proposed a new financial target to replace the old equity/assets ratio target. The new target means that Sweco should maintain a level of net debt over time. Sweco's net debt should not exceed 40 per cent of equity.

BOARD PROPOSAL

Dividend

The Board of Directors proposes a dividend of SEK 2.00 per share (2.00), amounting to a maximum capital distribution of SEK 179.0 million (174.3). No dividends will be paid on treasury shares.

Share redemption

The Board also proposes share redemption procedure. The Group has

a solid financial position as a result of strong earnings and cash flows in recent years. Through the redemption, a sum of not more than SEK 179.0 million, or the equivalent of SEK 2.00 per share, will be distributed to the shareholders in Sweco AB. The terms of the share redemption can be found in the notice to attend the Annual General Meeting and on the company's website.

The proposed dividend and share redemption amount to a total of not more than SEK 358.0 million (174.3). Based on the balance sheet at 31 December 2009, the ratio of net debt to equity after the proposed dividend and share redemption will be approximately –5 per cent.

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 next Annual General Meeting, to decide on the repurchase of Sweco shares when deemed appropriate. The number of repurchased shares may amount to no more than 10 per cent of the total outstanding share capital, in accordance with the applicable legislation. The repurchase may be carried out over the stock exchange or through an offer to the shareholders. The Board's authorisation is also proposed to include the right to transfer repurchased shares.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday, 29 April 2010, at Hotel Rival, Mariatorget 3, in Stockholm.

OUTLOOK FOR 2010

The market for consulting engineering services has generally stabilised, although the market situation for building-related and industrial services remains weak. 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 several important growth areas such as environment, infrastructure and energy, provide a platform for stable long-term development.

Consolidated income statement

| SEK M | Note | 2009 | 2008 |
|---|----------|-----------------|-----------------|
| Net sales | 2, 3, 33 | 5,338.7 | 5,522.8 |
| Other operating income | | 11.5 | 12.8 |
| Total operating income | | 5,350.2 | 5,535.6 |
| Other external expenses | 4, 5, 33 | -1,455.3 | -1,496.1 |
| Personnel costs | 6, 28 | -3,331.2 | -3,331.5 |
| Amortisation/depreciation and impairment losses | 3, 7 | -120.1 | -111.7 |
| Total operating expenses | | -4,906.6 | -4,939.3 |
| Operating profit | 3 | 443.6 | 596.3 |
| Financial income | 8, 33 | 10.5 | 11.0 |
| Financial expenses | 8, 33 | -10.6 | -19.1 |
| Share in profit of associates | 8 | 0.1 | - |
| Net financial items | 8 | 0.0 | -8.1 |
| Profit before tax | | 443.6 | 588.2 |
| Income tax expense | 10 | -149.0 | -185.3 |
| PROFIT FOR THE YEAR | | 294.6 | 402.9 |
| Profit for the year attributable to: | | | |
| Owners of the Parent Company | | 292.7 | 403.6 |
| Non-controlling interests | | 1.9 | -0.7 |
| Earnings per share for profit attributable to owners of the Parent Company | 11 | | |
| Basic earnings per share, SEK | | 3.31 | 4.68 |
| Diluted earnings per share, SEK | | 3.28 | 4.65 |
| Statement of comprehensive income, SEK M | | | |
| | Note | 2009 | 2008 |
| Profit for the year | | 294.6 | 402.9 |
| Translation difference | | 0.0 | 65.4 |
| COMPREHENSIVE INCOME FOR THE YEAR | | 294.6 | 468.3 |
| Comprehensive income attributable to: | | | |
| Owners of the Parent Company | | 293.1 | 466.2 |
| Non-controlling interests | | 1.5 | 2.1 |

Consolidated balance sheet

at 31 December

| SEK M | Note | 2009 | 2008 |
|--|--------|----------------|----------------|
| ASSETS | 32 | | |
| Non-current assets | | | |
| Goodwill | 14 | 783.5 | 771.7 |
| Other intangible assets | 14 | 53.4 | 69.6 |
| Tangible assets | 15 | 173.9 | 191.2 |
| Investments in associates | 17 | 1.0 | 0.9 |
| Financial investments | 19 | 10.0 | 10.8 |
| Deferred tax assets | 10 | 14.0 | 15.0 |
| Other non-current receivables | 22, 28 | 34.3 | 32.3 |
| Total non-current assets | | 1,070.1 | 1,091.5 |
| Current assets | | | |
| Trade receivables | 33 | 810.5 | 1,001.8 |
| Work in progress less progress billings | 23 | 526.2 | 406.6 |
| Current tax assets | | 42.4 | 47.1 |
| Other current receivables | | 36.3 | 37.2 |
| Prepaid expenses and accrued income | 24 | 108.5 | 107.0 |
| Cash and cash equivalents | 25 | 557.3 | 321.3 |
| Total current assets | | 2,081.2 | 1,921.0 |
| TOTAL ASSETS | 3 | 3,151.3 | 3,012.5 |
| EQUITY AND LIABILITIES | | | |
| Equity | 26 | | |
| Share capital | | 92.0 | 89.5 |
| Other contributed capital | | 239.0 | 238.9 |
| Other reserves | | 83.8 | 83.4 |
| Retained earnings, including profit for the year | | 1,170.1 | 990.1 |
| Equity attributable to owners of the Parent Company | | 1,584.9 | 1,401.9 |
| Non-controlling interests | 26 | 10.8 | 12.9 |
| Total equity | | 1,595.7 | 1,414.8 |
| Liabilities | 32 | | |
| Non-current liabilities | | | |
| Non-current interest-bearing liabilities | 27, 29 | 13.6 | 13.9 |
| Provisions for pensions | 27, 28 | 5.6 | 6.6 |
| Deferred tax liabilities | 10 | 106.9 | 113.4 |
| Other non-current liabilities | | 0.9 | 0.2 |
| Total non-current liabilities | | 127.0 | 134.1 |
| Current liabilities | | | |
| Current interest-bearing liabilities | 27, 29 | 119.6 | 140.7 |
| Progress billings in excess of work in progress | 23 | 303.6 | 260.5 |
| Trade payables | | 206.9 | 215.2 |
| Current tax liabilities | | 40.9 | 42.5 |
| Other current liabilities | 30 | 215.9 | 245.3 |
| Accrued expenses and deferred income | 30 | 541.7 | 559.4 |
| Total current liabilities | | 1,428.6 | 1,463.6 |
| Total liabilities | 3 | 1,555.6 | 1,597.7 |
| TOTAL EQUITY AND LIABILITIES | | 3,151.3 | 3,012.5 |

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

Consolidated cash flow statement

| SEK M | Note | 2009 | 2008 |
|--|------|---------------|---------------|
| Operating activities | | | |
| Profit before tax | | 443.6 | 588.2 |
| Adjustments for non-cash items | | | |
| Capital gains/losses | | -10.7 | -12.2 |
| Amortisation/depreciation and impairment losses | 3, 7 | 120.1 | 111.7 |
| Difference between pension premiums recognised and paid | | -1.4 | 3.4 |
| Other items | | 67.8 | 96.2 |
| Total non-cash items | | 175.8 | 199.1 |
| Income taxes paid | | -156.8 | -144.2 |
| Cash flow from operating activities before changes in working capital | | 462.6 | 643.1 |
| Changes in working capital | | | |
| Change in current receivables | | 99.6 | -79.2 |
| Change in current liabilities | | -32.5 | -6.8 |
| Cash flow from operating activities | | 529.7 | 557.1 |
| Investing activities | | | |
| Purchase of intangible assets | | -14.5 | -24.9 |
| Disposal of intangible assets | | 0.6 | - |
| Purchase of tangible assets | 12 | -62.9 | -86.1 |
| Disposal of tangible assets | | 1.5 | 1.3 |
| Acquisition of subsidiaries and operations, net cash effect | 13 | -29.7 | -209.5 |
| Disposal of subsidiaries and operations, net cash effect | 13 | 11.3 | 46.1 |
| Disposal of financial investments | 19 | 0.1 | 0.0 |
| Cash flow from investing activities | | -93.6 | -273.1 |
| Financing activities | | | |
| New share issue | 26 | - | 45.9 |
| Issue of warrants | 26 | 0.1 | 8.0 |
| Capital distribution to owners of the Parent Company | 26 | -174.3 | -170.6 |
| Capital distribution to non-controlling interests | | -0.8 | -0.8 |
| New loans raised | | 55.4 | 132.1 |
| Repayment of borrowings | | -81.7 | -191.1 |
| Cash flow from financing activities | | -201.3 | -176.5 |
| CASH FLOW FOR THE YEAR | | 234.8 | 107.5 |
| Cash and cash equivalents at beginning of year | 25 | 321.3 | 192.0 |
| Exchange gains on cash and cash equivalents | | 1.2 | 21.8 |
| Cash and cash equivalents at end of year | 25 | 557.3 | 321.3 |

Consolidated statement of changes in equity

| SEK M | Note | Share capital | Other contributed capital | Other reserves | Retained earnings | Equity attributable to owners of the Parent Company | Non-controlling interests | Total equity |
|--|--------|---------------|---------------------------|----------------|-------------------|---|---------------------------|----------------|
| Equity, 1 January 2008 | 26 | 86.4 | 187.5 | 20.8 | 637.2 | 931.9 | 18.4 | 950.3 |
| Comprehensive income for the year | | – | – | 62.6 | 403.6 | 466.2 | 2.1 | 468.3 |
| Distribution to the shareholders – dividends | 26 | – | – | – | –170.6 | –170.6 | –0.8 | –171.4 |
| Issue of shares – warrant programme | | 1.7 | 43.4 | – | – | 45.1 | 1.0 | 46.1 |
| Non-controlling interests in acquired companies | 13 | – | – | – | – | – | 1.0 | 1.0 |
| Acquisition of non-controlling interests | 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 | | – | – | – | 27.3 | 27.3 | – | 27.3 |
| Issue of warrants | 26 | – | 8.0 | – | – | 8.0 | – | 8.0 |
| Equity, 31 December 2008/1 January 2009 | | 89.5 | 238.9 | 83.4 | 990.1 | 1,401.9 | 12.9 | 1,414.8 |
| Comprehensive income for the year | | – | – | 0.4 | 292.7 | 293.1 | 1.5 | 294.6 |
| Distribution to the shareholders – dividends | 26 | – | – | – | –174.3 | –174.3 | –0.8 | –175.1 |
| Acquisition of non-controlling interests | 13 | – | – | – | – | – | –2.8 | –2.8 |
| Share bonus programme – issue of shares | | 2.5 | – | – | – | 2.5 | – | 2.5 |
| Share bonus programme – value of employee service | | – | – | – | 61.6 | 61.6 | – | 61.6 |
| Issue of warrants | | – | 0.1 | – | – | 0.1 | – | 0.1 |
| EQUITY, 31 DECEMBER 2009 | | 92.0 | 239.0 | 83.8 | 1,170.1 | 1,584.9 | 10.8 | 1,595.7 |
| Proposed distribution to the shareholders | | | | | | | | |
| Dividend | 26, 35 | | | | –179.0 | –179.0 | | –179.0 |
| Share redemption | 26, 35 | | | | –179.0 | –179.0 | | –179.0 |
| TOTAL PROPOSED DISTRIBUTION TO THE SHAREHOLDERS | | | | | –358.0 | –358.0 | | –358.0 |

Parent Company income statement

| SEK M | Note | 2009 | 2008 |
|---|-------------|--------------|--------------|
| Net sales | 3, 33 | 59.7 | 67.9 |
| Total operating income | | 59.7 | 67.9 |
| Other external expenses | 3, 4, 5, 33 | -58.2 | -59.1 |
| Personnel costs | 6, 28 | -26.4 | -31.7 |
| Amortisation/depreciation and impairment losses | 3, 7 | -0.3 | -0.4 |
| Total operating expenses | | -84.9 | -91.2 |
| Operating loss | 3 | -25.2 | -23.3 |
| Profit from participations in group companies | 8 | 262.8 | 444.7 |
| Financial income | 8, 33 | 8.4 | 15.4 |
| Financial expenses | 8, 33 | -4.2 | -16.8 |
| Net financial items | 8 | 267.0 | 443.3 |
| Profit after financial items | | 241.8 | 420.0 |
| Appropriations | 9 | 104.0 | -104.0 |
| Profit before tax | | 345.8 | 316.0 |
| Income tax expense | 10 | -89.1 | -87.3 |
| PROFIT FOR THE YEAR | | 256.7 | 228.7 |

Parent Company balance sheet

at 31 December

| SEK M | Note | 2009 | 2008 |
|--------------------------------------|------|----------------|----------------|
| ASSETS | 32 | | |
| Tangible assets | 15 | 0.7 | 1.0 |
| Financial assets | | | |
| Participations in group companies | 16 | 332.0 | 332.0 |
| Receivables from group companies | 21 | 44.4 | 98.2 |
| Other non-current securities | 20 | 0.9 | 0.9 |
| Total financial assets | | 377.3 | 431.1 |
| Total non-current assets | | 378.0 | 432.1 |
| Current assets | | | |
| Trade receivables | | 0.0 | 0.0 |
| Receivables from group companies | 21 | 1,296.9 | 1,545.8 |
| Current tax assets | | 3.9 | 5.6 |
| Other current receivables | | 7.5 | 9.0 |
| Prepaid expenses and accrued income | 24 | 1.9 | 1.5 |
| Cash and cash equivalents | 25 | 409.7 | 151.9 |
| Total current assets | | 1,719.9 | 1,713.8 |
| TOTAL ASSETS | 3 | 2,097.9 | 2,145.9 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| <i>Restricted equity</i> | 26 | | |
| Share capital | | 92.0 | 89.5 |
| Statutory reserve | | 187.5 | 187.5 |
| Total restricted equity | | 279.5 | 277.0 |
| <i>Non-restricted equity</i> | 26 | | |
| Fair value reserve | | 1.3 | 8.8 |
| Share premium reserve | | 51.5 | 51.4 |
| Retained earnings | | 839.7 | 729.5 |
| Profit for the year | | 256.7 | 228.7 |
| Total non-restricted equity | | 1,149.2 | 1,018.4 |
| Total equity | | 1,428.7 | 1,295.4 |
| Untaxed reserves | 9 | – | 104.0 |
| Liabilities | 32 | | |
| Current liabilities | | | |
| Current interest-bearing liabilities | 27 | 101.6 | 97.2 |
| Trade payables | | 3.9 | 4.1 |
| Liabilities to group companies | | 551.6 | 628.9 |
| Other current liabilities | 30 | 6.5 | 7.9 |
| Accrued expenses and deferred income | 30 | 5.6 | 8.4 |
| Total current liabilities | | 669.2 | 746.5 |
| Total liabilities | 3 | 669.2 | 746.5 |
| TOTAL EQUITY AND LIABILITIES | | 2,097.9 | 2,145.9 |
| Contingent liabilities | 31 | 274.0 | 143.7 |

Parent Company cash flow statement

| SEK M | Note | 2009 | 2008 |
|--|------|---------------|---------------|
| Operating activities | | | |
| Profit after financial items | | 241.8 | 420.0 |
| Adjustments for non-cash items | | | |
| Amortisation/depreciation and impairment losses | 7 | 0.3 | 0.4 |
| Group contributions | 8 | -257.3 | -440.9 |
| Difference between interest recognised and received | 8 | -0.3 | -4.6 |
| Total non-cash items | | -257.3 | -445.1 |
| Income taxes paid | | -89.1 | -87.3 |
| Cash flow from operating activities before changes in working capital | | -104.6 | -112.4 |
| Changes in working capital | | | |
| Change in current receivables | | 178.8 | 27.5 |
| Change in current liabilities | | -77.8 | 87.8 |
| Cash flow from operating activities | | -3.6 | 2.9 |
| Investing activities | | | |
| Purchase of tangible assets | 12 | -0.1 | -0.1 |
| Acquisition of subsidiaries, net cash effect | | - | -5.2 |
| Cash flow from investing activities | | -0.1 | -5.3 |
| Financing activities | | | |
| Group contributions | | 431.3 | 303.4 |
| Issue of shares | | - | 45.0 |
| Issue of warrants | 26 | 0.1 | 8.0 |
| Capital distribution to owners of the Parent Company | 26 | -174.3 | -170.6 |
| Loans raised | | 54.6 | 97.2 |
| Repayment of borrowings | | -50.2 | -190.6 |
| Cash flow from financing activities | | 261.5 | 92.4 |
| CASH FLOW FOR THE YEAR | | 257.8 | 90.0 |
| Cash and cash equivalents at beginning of year | 25 | 151.9 | 61.9 |
| Cash and cash equivalents at end of year | 25 | 409.7 | 151.9 |

Parent Company statement of changes in equity

| SEK M | Note | Share capital | Statutory reserve | Total restricted equity | Fair value reserve | Share premium reserve | Retained earnings | Total non-restricted equity | Total equity |
|--|--------|---------------|-------------------|-------------------------|--------------------|-----------------------|-------------------|-----------------------------|----------------|
| Equity, 1 January 2008 | 26 | 86.4 | 187.5 | 273.9 | -0.5 | - | 789.8 | 789.3 | 1 063.2 |
| Exchange gains 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 |
| Equity, 31 December 2008/1 January 2009 | 26 | 89.5 | 187.5 | 277.0 | 8.8 | 51.4 | 958.2 | 1,018.4 | 1,295.4 |
| Exchange losses on hedge instruments | | - | - | - | -7.5 | - | - | -7.5 | -7.5 |
| Profit for the year | | - | - | - | - | - | 256.7 | 256.7 | 256.7 |
| Capital distribution to the shareholders | | | | | | | | | |
| - dividend | | - | - | - | - | - | -174.3 | -174.3 | -174.3 |
| Share bonus programme – issue of shares | | 2.5 | - | 2.5 | - | - | - | - | 2.5 |
| Share bonus programme – value of employee service | | - | - | - | - | - | 61.6 | 61.6 | 61.6 |
| Issue of warrants | | - | - | - | - | 0.1 | - | 0.1 | 0.1 |
| Group contributions paid | | - | - | - | - | - | -5.8 | -5.8 | -5.8 |
| EQUITY, 31 DECEMBER 2009 | 26 | 92.0 | 187.5 | 279.5 | 1.3 | 51.5 | 1,096.4 | 1,149.2 | 1,428.7 |
| Proposed distribution to the shareholders | | | | | | | | | |
| Dividend | 26, 35 | | | | | | -179.0 | -179.0 | -179.0 |
| Share redemption | 26, 35 | | | | | | -179.0 | -179.0 | -179.0 |
| TOTAL PROPOSED DISTRIBUTION TO THE SHAREHOLDERS | | | | | | | -358.0 | -358.0 | -358.0 |

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) established by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. Furthermore, the Annual Accounts Act and RFR 1.2 Supplementary Accounting Rules for Groups, have been applied.

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

The annual report and consolidated financial statements were approved for publication by the Board of Directors on 5 March 2010. The income statements and balance sheets of the Parent Company and the Group will be put before the Annual General Meeting for adoption on 29 April 2010.

Basis for preparation of the 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 36 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 applied 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.

New standards, amendments and interpretations effective 1 January 2009

The following new standards and interpretations have been applied in preparation of the financial statements for 2009:

IAS 1 (Revised), "Presentation of financial statements" (effective 1 January 2009). The revised standard prohibits presentation of items of income and expense (i.e. "changes in equity excluding transactions with owners") in the statement of changes in equity and requires that changes in a company's equity resulting from transactions with owners be presented separately from "non-owner" changes in a statement of comprehensive income. The Group therefore presents all owner-related changes in equity in the "Consolidated statement of changes in equity" while all changes in equity not resulting from transactions with owners are presented in the "Consolidated statement of comprehensive income". The comparative information has been adjusted in accordance with the revised standard. Since this change of accounting standard affects only the presentation, it has no impact on earnings per share.

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 standard has not led to any changes in the reported segments.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective 1 January 2009). The amendment requires enhanced disclosures about fair value measurement of financial instruments and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. Since this amendment calls only for enhanced disclosure requirements, it has no impact on earnings per share.

IFRS 2 (Amendment), "Share-Based Payment" (effective 1 January 2009). The amended standard deals with vesting conditions and cancellations and clarifies that vesting conditions are service conditions and performance conditions only. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group applies IFRS 2 (Amendment) as of 1 January 2009, but has not had any impact on the consolidated financial statements.

IAS 23 (Amendment), "Borrowing Costs" (effective 1 January 2009). The amended standard requires the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale as part of the cost of that asset. The changed standard 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 27 (Amendment), "Consolidated and Separate Financial Statements" (effective 1 July 2009). Under the revised standard, the effects of all transactions with non-controlling (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 by the Parent Company, 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 non-controlling 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.

Classifications

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

Segment reporting

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 IFRS 8, information about segments is provided only for the Group.

Basis of consolidation

Subsidiaries

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

All subsidiaries are consolidated according to the acquisition method of accounting, whereby the acquisition of a subsidiary is regarded as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. To determine the Group's cost of acquisition for the investment in the subsidiary, a purchase price allocation (PPA) is conducted to establish the historical cost of the investment and the fair value of the acquired identifiable assets and assumed liabilities and contingent liabilities. 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 attributa-

ble 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.

Investments in associates

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, investment in associates are reported according to the equity method of accounting, whereby the Group's carrying amount for the investment in an associate corresponds to the Group's share in the fair value of net assets of the associated company as well as goodwill and the effects of any fair value adjustments. In the consolidated income statement, the Group's share in the profit/loss of associated companies is stated after tax and non-controlling interests 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 non-controlling interests

Transactions with non-controlling interests are treated as transactions with independent external parties. The sale of shares to non-controlling interests results in a gain or loss that is recognised in the consolidated income statement. The purchase of non-controlling 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 in the statement of comprehensive income and accumulated as a separate component of equity, other reserves. When a foreign operation is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the separate component of equity relating to that foreign operation is recognised in profit or loss when the gain or loss on disposal is recognised. Sweco has no group companies in countries with hyperinflationary economies.

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

| | 2009 | | 2008 | |
|-----|------------------|--------------|------------------|--------------|
| | Closing day rate | Average rate | Closing day rate | Average rate |
| EUR | 10.35 | 10.62 | 10.94 | 9.61 |
| NOK | 1.24 | 1.22 | 1.10 | 1.17 |

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 in the statement of comprehensive income and accumulated in other reserves in equity, to the extent that the hedge is effective. The ineffective portion is recognised in the consolidated income statement. When a foreign operation is disposed of, the cumulative amount of the exchange differences relating to that foreign operation, after deduction of any currency hedges, is reclassified from equity to profit or loss.

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

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 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 32 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 26. 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 currency hedges, since an economic hedge is reflected in the financial statements in that both the underlying asset or liability and the hedge instrument are translated at the rate of exchange on the balance sheet date and exchange gains/losses are recognised 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 net investments in foreign operations

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 differences 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 the statement of comprehensive income. This is done in order to neutralise the impact of translation differences that affect the state-

ment of comprehensive income 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. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are included as part of the cost of that asset.

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 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 lease charges on a straight-line basis over the lease term. Variable charges are expensed as incurred.

Subsequent expenditure

Subsequent expenditure is added to the recorded value of the asset or recognised as a separate asset when it is probable that the future economic benefits associated with the asset will flow to 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 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 and liabilities assumed including contingent liabilities.

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

Goodwill is allocated to cash-generating units and is no longer amortised but is instead tested for impairment at least annually (see 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.

Borrowing costs

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

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).

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

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 currently a share bonus programme (2009 share bonus programme) under which a bonus can be paid to the employees in the form of shares in the company. The programme covers the majority of employees in Sweden, Finland, Norway and Denmark and 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 less the amount of any decided dividends. The base share price 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 in the statement of comprehensive income, in which case the resulting tax effect is also recognised in the statement of comprehensive income.

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 2.2 Accounting for Legal Entities. The statements for listed companies issued by the Swedish Accounting Standards Board's Urgent Issues Task Force are also applied. RFR 2.2 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.

Accounting changes

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

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

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

Investments in associates and joint ventures

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

Income taxes

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

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 profit 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

OPERATING SEGMENTS – BUSINESS AREAS

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

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

The Group's internal reporting is structured so that the Group Management can monitor the performance and results of all geographical areas. However, the Industry business area, whose activities consist of industrial consulting engineering services, is an exception since its operations are based in several countries. Based on this internal reporting, the Group's business areas have been identified and their various components have undergone a process aimed at merging or combining segments that are similar. This means that segments have been combined when they have similar financial attributes, services, customers and distribution methods and operate in a similar regulatory environment.

The following business areas have been identified:

| | |
|--------------------------------|--|
| Sweco Sweden | Architecture, structural engineering, building service systems, infrastructure, water and environment, project management, energy, Geographical IT |
| 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 |

| | Sweco Sweden | Sweco Norway | Sweco Finland | Sweco Central & Eastern Europe | Sweco Russia | Sweco Industry | Group-wide | Eliminations | Unallocated | Total Group |
|---|----------------|----------------|---------------|--------------------------------|--------------|----------------|-------------|---------------|-------------|----------------|
| 2009 | | | | | | | | | | |
| External sales | 2,931.6 | 1,284.6 | 89.8 | 296.8 | 29.2 | 706.7 | 0.0 | – | – | 5,338.7 |
| Internal sales | 23.0 | 3.6 | 4.9 | 10.2 | 1.8 | 55.6 | 59.7 | –158.8 | – | – |
| TOTAL NET SALES | 2,954.6 | 1,288.2 | 94.7 | 307.0 | 31.0 | 762.3 | 59.7 | –158.8 | – | 5,338.7 |
| Amortisation/depreciation and impairment | –52.4 | –19.1 | –0.6 | –13.7 | –0.7 | –27.5 | –6.1 | – | – | –120.1 |
| Operating profit/loss | 327.4 | 141.2 | 8.9 | 5.4 | 1.2 | –22.3 | –18.2 | – | – | 443.6 |
| Financial income | | | | | | | 10.6 | | | 10.6 |
| Financial expenses | | | | | | | –10.6 | | | –10.6 |
| Profit/loss before tax | | | | | | | | | | 443.6 |
| Significant non-cash items aside from amortisation/depreciation | –39.3 | –22.9 | 0.2 | –2.5 | –0.4 | 3.7 | 5.5 | – | – | –55.7 |
| Assets | 1,623.4 | 765.0 | 95.1 | 296.1 | 44.8 | 524.2 | 2,008.5 | –2,219.8 | 14,0 | 3,151.3 |
| Capital expenditure on tangible assets | 43.9 | 20.4 | 1.5 | 2.9 | 0.1 | 4.4 | 0.1 | – | – | 73.3 |
| Capital expenditure on intangible assets | 26.6 | 1.7 | 0.3 | 5.2 | 0.1 | 1.1 | – | – | – | 35.0 |
| Liabilities | 1,698.6 | 361.2 | 21.8 | 256.4 | 49.4 | 152.4 | 838.3 | –1,929.4 | 109,6 | 1,555.6 |

| | Sweco Sweden | Sweco Norway | Sweco Finland | Sweco Central & Eastern Europe | Sweco Russia | Sweco Industry | Group- wide | Eliminations | Unallocated | Total Group |
|--|-----------------|-----------------|------------------|--------------------------------------|-----------------|-------------------|----------------|---------------|-------------|----------------|
| 2008 | | | | | | | | | | |
| External sales | 3,009.2 | 1,130.5 | 129.9 | 303.8 | 28.6 | 920.8 | 0.0 | – | – | 5,522.8 |
| Internal sales | 27.7 | 2.2 | 5.9 | 9.1 | 0.0 | 72.4 | 67.9 | –185.2 | – | – |
| TOTAL NET SALES | 3,036.9 | 1,132.7 | 135.8 | 312.9 | 28.6 | 993.2 | 67.9 | –185.2 | – | 5,522.8 |
| Amortisation/depreciation and impairment | –45.6 | –18.6 | –1.7 | –12.0 | –1.2 | –27.5 | –5.1 | – | – | –111.7 |
| Operating profit/loss | 404.1 | 121.8 | 15.6 | 3.2 | –5.5 | 82.0 | –24.9 | – | – | 596.3 |
| Financial income | | | | | | | 11.0 | | | 11.0 |
| Financial expenses | | | | | | | –19.1 | | | –19.1 |
| Profit/loss before tax | | | | | | | | | | 588.2 |
| Significant non-cash items aside from amortisation/depreciation | –59.7 | –33.3 | –2.8 | 2.7 | –0.4 | 6.1 | 0.0 | – | – | –87.4 |
| Assets | 1,683.7 | 669.1 | 116.9 | 311.6 | 58.5 | 723.7 | 1,994.1 | –2,560.1 | 15.0 | 3,012.5 |
| Capital expenditure on tangible assets | 58.7 | 27.2 | 0.6 | 11.8 | 1.0 | 12.5 | 0.1 | – | – | 111.9 |
| Capital expenditure on intangible assets | 30.5 | 150.6 | 0.0 | 42.9 | 20.6 | 2.2 | – | – | – | 246.8 |
| Liabilities | 1,823.4 | 402.1 | 35.2 | 258.5 | 61.1 | 313.7 | 860.0 | –2,269.7 | 113.4 | 1,597.7 |

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

Net sales in the Parent Company amounted to SEK 59.7 million (67.9). 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, 19 per cent (21) consisted of purchases from group companies.

Amortisation/depreciation and impairment losses include goodwill write-downs of SEK 12.8 million in 2009 and SEK 12.9 million in 2008 in Sweco Industry due to restructuring in the Finnish operations, see also Note 7.

Non-cash items refer to capital gains, share-based bonus payments and the difference between pension premiums recognised and paid, see also cash flow statement on page 40.

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 409.7 million (152.0).

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

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

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

NET SALES FROM EXTERNAL CUSTOMERS BY SERVICE SEGMENT

| Net sales from external customers by service segment | Group | |
|--|----------------|----------------|
| | 2009 | 2008 |
| Water & Environment | 929.0 | 914.4 |
| Industry | 689.9 | 887.6 |
| Energy Systems | 773.7 | 802.6 |
| Infrastructure | 822.1 | 790.6 |
| Building Service Systems | 757.0 | 688.5 |
| Architecture | 393.3 | 474.6 |
| Structural Engineering | 544.8 | 522.0 |
| Project Management | 309.6 | 326.3 |
| Geographical IT | 119.3 | 116.2 |
| TOTAL | 5,338.7 | 5,522.8 |

OPERATING SEGMENTS – GEOGRAPHICAL AREAS

Geographical areas are the Group's secondary basis for segmentation. The information about the segments' assets and investments is based on where the Group's assets are located, while income is allocated according to where the clients are located.

| | External sales | | Assets | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Sweden | 2,641.1 | 2,990.5 | 1,886.9 | 1,561.8 |
| Norway | 1,294.8 | 1,124.2 | 811.0 | 704.6 |
| Denmark | 50.0 | 42.9 | 22.8 | 23.9 |
| Finland | 452.3 | 563.6 | 472.2 | 725.0 |
| Estonia | 33.3 | 71.2 | 63.0 | 80.8 |
| Lithuania | 83.6 | 104.3 | 80.2 | 95.1 |
| Czech Republic | 145.1 | 122.8 | 113.9 | 105.4 |
| Slovakia | 2.7 | 6.6 | 1.7 | 2.0 |
| Bulgaria | 33.8 | 13.9 | 36.3 | 28.2 |
| Rest of EU | 103.2 | 74.6 | – | – |
| Russia | 75.7 | 82.5 | 35.6 | 58.5 |
| Rest of Europe | 70.2 | 126.0 | – | – |
| Africa | 111.3 | 34.9 | – | – |
| Asia | 219.4 | 115.5 | – | – |
| Oceania | 4.3 | 14.9 | – | – |
| North America | 4.3 | 20.3 | – | – |
| South and Central America | 13.6 | 14.1 | – | – |
| Unallocated | – | – | 14.0 | 15.0 |
| Eliminations | – | – | –386.3 | –387.8 |
| TOTAL | 5,338.7 | 5,522.8 | 3,151.3 | 3,012.5 |

INFORMATION ABOUT MAJOR CUSTOMERS

The Group has no net sales attributable to any individual customer that accounts for 10 per cent or more of the Group's total net sales.

4 Fees to auditors

| | Group | | Parent Company | |
|---------------------------|------------|------------|----------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| PricewaterhouseCoopers AB | | | | |
| – auditing services | 4.2 | 4.5 | 1.4 | 1.0 |
| – non-auditing services | 0.8 | 0.8 | 0.1 | 0.3 |
| Other auditing firms | | | | |
| – auditing services | 0.2 | 0.5 | – | – |
| – non-auditing services | 0.3 | 0.8 | 0.0 | 0.5 |
| TOTAL | 5.5 | 6.6 | 1.5 | 1.8 |

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 | |
|--|--------------|--------------|----------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| Rents paid during the year | 208.5 | 181.4 | 1.1 | 1.1 |
| Other charges paid during the year | 7.8 | 10.3 | 1.3 | 2.9 |
| TOTAL RENTS AND CHARGES PAID DURING THE YEAR | 216.3 | 191.7 | 2.4 | 4.0 |
| Future lease payments and rents, | | | | |
| – within one year | 189.4 | 173.0 | 1.1 | 2.1 |
| – between one and five years | 438.9 | 416.7 | 2.2 | 3.3 |
| – longer than five years | 105.2 | 76.5 | – | – |
| TOTAL FUTURE LEASE PAYMENTS | 733.5 | 666.2 | 3.3 | 5.4 |

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 (98) 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).

6 Employees and personnel costs

| Personnel costs | Group | | Parent Company | |
|---|----------------|----------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| Personnel costs | 2,346.9 | 2,375.3 | 15.1 | 15.3 |
| Social security expenses, excl. pension costs | 562.5 | 539.3 | 5.7 | 6.6 |
| Pension costs, senior executives ^{1) 2)} | 8.1 | 8.1 | 2.4 | 2.5 |
| Pension costs, others ¹⁾ | 255.5 | 235.4 | 1.2 | 4.4 |
| TOTAL | 3,173.0 | 3,158.1 | 24.4 | 28.8 |

1) See also Note 28, Provisions for pensions.

2) Senior executives refer to 3 persons (3) in the Parent Company and 40 persons (46) in the Group.

| Salaries and remuneration by country | 2009 | | 2008 | |
|--------------------------------------|--------------------------------|-----------------|--------------------------------|-----------------|
| | Senior executives (46 persons) | Other employees | Senior executives (50 persons) | Other employees |
| Sweden | | | | |
| Parent Company ¹⁾ | 10.1 | 5.0 | 10.6 | 4.7 |
| Subsidiaries | 19.6 | 1,191.3 | 20.6 | 1,174.7 |
| Total Sweden | 29.7 | 1,196.3 | 31.2 | 1,179.4 |
| Outside Sweden | | | | |
| Norway | 4.2 | 637.6 | 6.2 | 555.9 |
| Finland | 5.6 | 299.0 | 6.6 | 418.8 |
| Denmark | 1.1 | 25.7 | 1.0 | 27.0 |
| Estonia | 1.5 | 18.2 | 2.0 | 26.7 |
| Lithuania | 0.9 | 31.4 | 0.9 | 41.9 |
| Czech Republic | 2.8 | 45.4 | 2.2 | 42.8 |
| Bulgaria | 0.9 | 11.4 | 0.3 | 4.6 |
| Russia | 0.5 | 18.3 | 0.7 | 16.0 |
| Rest of Europe | 0.1 | 1.7 | 0.1 | 2.9 |
| Africa | – | 5.9 | – | 3.7 |
| Asia | – | 8.3 | – | 4.1 |
| South and Central America | – | 0.4 | – | 0.3 |
| Total outside Sweden | 17.6 | 1,103.3 | 20.0 | 1,144.7 |
| TOTAL GROUP | 47.3 | 2,299.6 | 51.2 | 2,324.1 |

1) Senior executives in the Parent Company refer to 9 persons (9), which also include the Board of Directors.

Senior executives in the Group refer to 46 persons (50) and include board members and presidents of the Parent Company and all subsidiaries.

| Average number of employees | 2009 | | 2008 | |
|-----------------------------|--------------|----------------|--------------|----------------|
| | Total | Of whom men, % | Total | Of whom men, % |
| Sweden | | | | |
| Parent Company | 13 | 38 | 14 | 29 |
| Subsidiaries | 2,634 | 72 | 2,607 | 73 |
| Total Sweden | 2,647 | 72 | 2,621 | 73 |
| Outside Sweden | | | | |
| Norway | 891 | 74 | 856 | 75 |
| Finland | 649 | 83 | 980 | 73 |
| Denmark | 34 | 56 | 42 | 57 |
| Estonia | 89 | 51 | 175 | 50 |
| Lithuania | 272 | 56 | 329 | 57 |
| Russia | 139 | 38 | 126 | 39 |
| Czech Republic | 259 | 54 | 269 | 55 |
| Slovakia | 4 | 50 | 4 | 50 |
| Bulgaria | 70 | 46 | 31 | 42 |
| Rest of Europe | 3 | 67 | 2 | 100 |
| Africa | 9 | 100 | 7 | 100 |
| Asia | 15 | 93 | 10 | 90 |
| South and Central America | 1 | 100 | 1 | 100 |
| Total outside Sweden | 2,435 | 69 | 2,832 | 67 |
| TOTAL GROUP | 5,082 | 71 | 5,453 | 70 |

| Percentage of women, % | Group | | Parent Company | |
|---|-------|------|----------------|------|
| | 2009 | 2008 | 2009 | 2008 |
| Board of Directors in all companies | 22 | 16 | 43 | 43 |
| Other senior executives, 39 persons (45) | 15 | 9 | 0 | 0 |

| Sickness absence, % | Group | | Parent Company | |
|------------------------------|-------|------|----------------|------|
| | 2009 | 2008 | 2009 | 2008 |
| Total sickness absence | 2.9 | 2.7 | 1.5 | 1.0 |
| – long-term sickness absence | 0.7 | 0.7 | | |
| – sickness absence for men | 2.4 | 2.3 | | |
| – sickness absence for women | 4.1 | 3.5 | | |
| – employees –29 years | 2.9 | 2.3 | | |
| – employees 30–49 years | 2.4 | 2.3 | | |
| – employees 50+ years | 3.8 | 3.2 | | |

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 and other senior executives is 50 per cent of basic salary. The variable salary component is based on the actual results in relation to predetermined profitability targets. The targets for the President and other senior executives are established yearly by the Board of Directors.

Pension

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

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 2009 (SEK 000s)

| | Basic salary/ Board fees | Basic salary | Other benefits | Pension cost | TOTAL |
|--|-----------------------------|-----------------|-------------------|-----------------|---------------|
| Board Chairman | | | | | |
| Olle Nordström | 377 | – | – | – | 377 |
| Board member | | | | | |
| Anders G. Carlberg | 143 | – | – | – | 143 |
| Board member | | | | | |
| Gunnel Duveblad | 255 | – | – | – | 255 |
| Board member | | | | | |
| Aina Nilsson Ström | 188 | – | – | – | 188 |
| Board member | | | | | |
| Øystein Løseth | 186 | – | – | – | 186 |
| Board member | | | | | |
| Pernilla Ström | 130 | – | – | – | 130 |
| President | 3,925 | 96 | 94 | 1,405 | 5,520 |
| Other senior executives (6 persons) | 9,425 | 1,260 | 604 | 3,189 | 14,478 |
| TOTAL | 14,629 | 1,356 | 698 | 4,594 | 21,277 |

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 86–87.

Variable salary refers to bonuses expensed in 2009.

Sweco has issued subscription warrants to senior executives. In 2008 Sweco issued a new warrant series (2008/2011) to 50 senior executives in the Group. During 2009, an additional 48,000 subscription warrants were issued. According to the Black & Scholes model, the value of the warrants has been appraised by an external party. A total of 1 300 000 warrants have thus been subscribed for on market-based terms, of which the President acquired 150,000 warrants and six senior executives acquired a combined 325,000 warrants. The warrants may be exercised for subscription to shares during the period from 30 May 2011 to 30 November 2011. The exercise price is SEK 65 per share.

7 Amortisation/depreciation and impairment

| | Group | | Parent Company | |
|---------------------------------------|---------------|---------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| Goodwill impairment | –12.8 | –12.9 | – | – |
| Other intangible assets, amortisation | –29.7 | –24.9 | – | – |
| Buildings, depreciation | –0.7 | –0.7 | – | – |
| Equipment, depreciation | –76.9 | –73.2 | –0.3 | –0.4 |
| TOTAL | –120.1 | –111.7 | –0.3 | –0.4 |

Sweco Industry made a goodwill write-down of SEK 12.8 million in 2008 and SEK 12.9 million in 2009 due to restructuring in the Finnish operations.

8 Net financial items

| GROUP | 2009 | 2008 |
|--|--------------|--------------|
| Financial income | | |
| Dividends on financial assets measured at fair value | 0.0 | 1.0 |
| Interest income – trade receivables | 1.3 | 1.1 |
| Interest income – bank | 3.4 | 7.5 |
| Other financial income | 0.3 | 0.2 |
| Net foreign exchange gains | 5.5 | 1.2 |
| Total financial income | 10.5 | 11.0 |
| Financial expenses | | |
| Value losses on assets measured at fair value | -0.2 | - |
| Interest expenses – trade payables | -0.2 | -0.4 |
| Interest income – bank | -7.6 | -15.2 |
| Other financial expenses | -2.6 | -3.5 |
| Total financial expenses | -10.6 | -19.1 |
| Shares in profit of associates | 0.1 | - |
| TOTAL NET FINANCIAL ITEMS | 0.0 | -8.1 |
| Interest income received during the year | 4.7 | 11.0 |
| Interest expenses paid during the year | -7.7 | -19.1 |

PARENT COMPANY

| | 2009 | 2008 |
|--|--------------|--------------|
| Profit from participations in group companies | | |
| Dividends | 5.5 | 3.8 |
| Group contributions | 257.3 | 440.9 |
| Total profit from participations in group companies | 262.8 | 444.7 |
| Financial income | | |
| Interest income from group companies | 1.9 | 13.6 |
| Other interest income | 1.2 | 1.8 |
| Foreign exchange gains | 5.3 | - |
| Total financial income | 8.4 | 15.4 |
| Total financial income | | |
| Interest expenses to group companies | -0.8 | -4.5 |
| Other interest expenses | -1.5 | -10.4 |
| Foreign exchange losses | - | -0.7 |
| Other financial expenses | -1.9 | -1.2 |
| Total financial expenses | -4.2 | -16.8 |
| TOTAL NET FINANCIAL ITEMS | 267.0 | 443.3 |
| Interest income received during the year | 2.8 | 10.8 |
| Interest expenses paid during the year | -4.2 | -16.8 |

9 Appropriations and untaxed reserves

PARENT COMPANY

| | 2009 | 2008 |
|---------------------------------------|--------------|---------------|
| Appropriations | | |
| Provisions to tax allocation reserves | 104.0 | -104.0 |
| TOTAL | 104.0 | -104.0 |
| Untaxed reserves | | |
| Tax allocation reserves | - | 104.0 |
| TOTAL | - | 104.0 |

10 Income taxes

| | Group | | Parent Company | |
|--|---------------|---------------|----------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| Current income tax | | | | |
| Tax on profit for the year | -149.8 | -160.2 | -89.1 | -87.4 |
| Adjustment of tax attributable to prior years | -4.4 | -0.7 | 0.0 | 0.1 |
| Total current income tax | -154.2 | -160.9 | -89.1 | -87.3 |
| Deferred tax income/expense | | | | |
| Deferred tax on temporary differences | -6.8 | 3.4 | - | - |
| Deferred tax expense arising from prior tax values in loss carryforwards | -0.4 | - | - | - |
| Deferred tax income arising on change in untaxed reserves | 12.4 | -27.8 | - | - |
| Total deferred tax income/expense | 5.2 | -24.4 | - | - |
| TOTAL REPORTED INCOME TAX | -149.0 | -185.3 | -89.1 | -87.3 |

The items in the statement of comprehensive income are reported net after tax. No tax is recognised for translation differences arising on translation of the financial statements of foreign operations, which before tax amount to SEK 0.0 million (65.4).

| | Group | | Parent Company | |
|--|--------------|--------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| Reconciliation of effective tax | | | | |
| Profit before tax | 443.6 | 588.2 | 345.8 | 316.0 |
| Income tax computed according to national tax rates for profit in each country | 127.2 | 168.0 | 90.9 | 88.4 |
| Tax effects of: | | | | |
| - Non-taxable dividends | -2.8 | -2.1 | -1.4 | -1.0 |
| - Non-taxable revaluations of and capital gains on shares | -5.0 | -0.6 | - | - |
| - Other non-taxable income | -0.3 | -3.7 | - | -0.5 |
| - Other non-deductible expenses | 25.5 | 29.6 | 1.1 | 3.2 |
| Group contributions paid | - | - | -1.5 | -2.7 |
| Effect of lower tax rate on deferred tax | - | -6.6 | - | - |
| Correction of income tax expense in prior years | 4.4 | 0.7 | 0.0 | -0.1 |
| TOTAL REPORTED INCOME TAX | 149.0 | 185.3 | 89.1 | 87.3 |

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

Deferred tax assets and liabilities

| | Group | |
|--|---------------|---------------|
| | 2009 | 2008 |
| The year's change in carrying amount | | |
| Opening carrying amount, deferred tax assets | 15.0 | 16.9 |
| Increase through business combinations | – | –3.6 |
| Reclassification from deferred tax liability | 0.1 | – |
| Other deferred tax expenses in the income statement | –2.1 | 1.7 |
| Translation differences in foreign currency | 1.0 | 0.0 |
| Closing carrying amount, deferred tax assets | 14.0 | 15.0 |
| Opening carrying amount, deferred tax liabilities | –113.4 | –82.4 |
| Increase through business combinations | –0.8 | –3.6 |
| Decrease on disposal of companies | – | 0.1 |
| Reclassification from deferred tax asset | –0.1 | – |
| Change in tax component of untaxed reserves in the income statement | 12.4 | –27.8 |
| Other deferred tax expenses in the income statement | –5.1 | 1.7 |
| Translation differences in foreign currency | 0.1 | –1.4 |
| Closing carrying amount, deferred tax liabilities | –106.9 | –113.4 |
| Closing carrying amount, deferred tax liabilities | | |
| Deferred tax asset in loss carryforwards | 0.1 | 0.5 |
| Deferred tax asset in revaluation deficit relating to pensions | 10.3 | 9.4 |
| Deferred tax asset in other temporary differences | 3.6 | 5.1 |
| Total deferred tax assets | 14.0 | 15.0 |
| Deferred tax component of untaxed reserves recognised in the companies | –83.9 | –95.9 |
| Deferred tax liabilities in temporary differences | –23.0 | –17.5 |
| Total deferred tax liabilities | –106.9 | –113.4 |
| TOTAL DEFERRED TAXES, NET | –92.9 | –98.4 |

Of the deferred tax assets, a sum of SEK 0.9 million is expected to be utilised within 12 months. Of the deferred tax liabilities, a sum of SEK 2.2 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 | |
|--------------------|---------------------|-------------|--------------------------|---------------|--------------|--------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Tangible assets | 1.8 | 2.0 | – | – | 1.8 | 2.0 |
| Intangible assets | – | – | –16.8 | –14.8 | –16.8 | –14.8 |
| Financial assets | 0.1 | 1.0 | –0.5 | – | –0.4 | 1.0 |
| Current assets | 1.7 | 2.1 | –1.0 | –2.8 | 0.7 | –0.7 |
| Untaxed reserves | – | – | –83.9 | –95.9 | –83.9 | –95.9 |
| Pensions | 10.3 | 9.4 | –4.7 | 0.1 | 5.6 | 9.5 |
| Loss carryforwards | 0.1 | 0.5 | – | – | 0.1 | 0.5 |
| TOTAL | 14.0 | 15.0 | –106.9 | –113.4 | –92.9 | –98.4 |

| | Recognised | | Acqui- sitions | Divest- ments/ reclassi- fication ¹⁾ | Translation gains/losses in foreign currency | Closing balance 2008 |
|--------------------|----------------------------|------------------------------|-------------------|--|---|----------------------------|
| | Opening balance 2008 | through profit or loss | | | | |
| 2008 | | | | | | |
| 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 |
| TOTAL | –65.5 | –24.4 | –7.2 | 0.1 | –1.4 | –98.4 |

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

| | Recognised | | Acqui- sitions | Reclassi- fication | Translation gains/losses in foreign currency | Closing balance 2009 |
|--------------------|----------------------------|------------------------------|-------------------|-----------------------|---|----------------------------|
| | Opening balance 2009 | through profit or loss | | | | |
| 2009 | | | | | | |
| Tangible assets | 2.0 | –0.2 | – | – | 0.0 | 1.8 |
| Intangible assets | –14.8 | –1.3 | –0.4 | –0.4 | 0.1 | –16.8 |
| Financial assets | 1.0 | –1.4 | – | – | – | –0.4 |
| Current assets | –0.7 | 0.9 | – | 0.4 | 0.1 | 0.7 |
| Untaxed reserves | –95.9 | 12.4 | –0.4 | – | – | –83.9 |
| Pensions | 9.5 | –4.8 | – | – | 0.9 | 5.6 |
| Loss carryforwards | 0.5 | –0.4 | – | – | – | 0.1 |
| TOTAL | –98.4 | 5.2 | –0.8 | – | 1.1 | –92.9 |

11 Earnings per share

| GROUP | 2009 | 2008 |
|--|-------------------|-------------------|
| Average number of shares before dilution | 88,343,439 | 86,228,335 |
| Effect of assumed exercise of warrants | – | 355,659 |
| Effect of assumed utilisation of share bonus programme | 778,275 | 169,010 |
| Average number of shares after dilution | 89,121,714 | 86,753,004 |
| Earnings per share on profit attributable to owners of the Parent Company | | |
| Basic earnings per share, SEK | 3.31 | 4.68 |
| Diluted earnings per share, SEK | 3.28 | 4.65 |

Earnings per share have been calculated on profit for the year attributable to owners of the Parent Company, divided by the average number of shares as specified above. For calculation of diluted earnings per share, the weighted average number of common shares outstanding is adjusted for the dilutive effect of all potential common shares. The dilutive effects are a result of the warrant programme and the share bonus programme, see also Note 26. 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 76–77.

12 Purchase of tangible assets

| | Group | | Parent Company | |
|---|-------------|-------------|----------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| The year's purchases according to Note 15 | 72.5 | 101.7 | 0.1 | 0.1 |
| Held under finance leases | –9.6 | –15.6 | – | – |
| TOTAL | 62.9 | 86.1 | 0.1 | 0.1 |

13 Acquisition of subsidiaries and operations

GROUP

| | Date | Holding, % | Holding after transaction, % | Purchase price |
|--|-------------------|------------|------------------------------|----------------|
| Acquisitions | | | | |
| 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 AS, Estonia, acquisition of non-controlling interests | 2008 | 19 | 92 | 16.1 |
| Skaarup & Jespersen A/S, Denmark, acquisition of non-controlling interests | 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 |
| Leningradskij Vodokanalproekt, 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 non-controlling interests | 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 non-controlling interests | 3 December 2008 | 2 | 100 | 0.9 |
| TOTAL ACQUISITIONS IN 2008 | | | | 271.2 |
| Acquisitions 2009 | | | | |
| H Nilsson Byggkonsult AB, asset deal | 1 January 2009 | 100 | 100 | 0.4 |
| Sweco Projekt AS, Estonia, acquisition of non-controlling interests | 2009 | 7 | 99 | 6.5 |
| El-Design AS, Norway, asset deal | 1 February 2009 | 100 | 100 | 1.2 |
| Sweco Paatela Architects Oy, Finland, adjustment of contingent purchase price | 31 March 2009 | | 100 | 3.5 |
| EME Analys AB | 2 July 2009 | | 100 | 14.1 |
| EuroFutures AB, adjustment of contingent purchase price | 10 July 2009 | | 100 | -1.2 |
| Sweco Paatela Architects Oy, Finland, adjustment of contingent purchase price | 31 August 2009 | 100 | 100 | 2.0 |
| Takskonsult AS, Norway, asset deal | 13 November 2009 | 100 | 100 | 0.6 |
| TOTAL ACQUISITIONS IN 2009 | | | | 27.1 |
| Divestitures | | | | |
| Skaarup & Jespersen, Denmark, sale of non-controlling interests | 29 April 2008 | 2 | 94 | 0.1 |
| Sweco PIC CHINA, China | 30 May 2008 | 100 | 0 | 0.4 |
| Part of Sweco Industry Oy, Finland | 1 September 2008 | | 100 | 40.4 |
| Hydroreal a.s., Czech Republic | 27 October 2008 | 100 | 0 | 6.7 |
| TOTAL DIVESTITURES IN 2008 | | | | 47.6 |
| Divestitures 2009 | | | | |
| Part of Sweco Industry Oy, Finland | 31 January 2009 | | 100 | 6.0 |
| Part of Sweco Industry Oy, Finland | 28 February 2009 | | 100 | 1.0 |
| Part of Sweco Industry Oy, Finland | 31 July 2009 | | 100 | 9.6 |
| Saratovskij Vodokanalproekt, Russia | 24 November 2009 | 100 | 0 | 0.0 |
| TOTAL DIVESTITURES IN 2009 | | | | 16.6 |

In 2008 Sweco acquired Opticonsult AS, which offers consulting services in a number of areas with an emphasis on construction and civil engineering and has 160 employees, most of whom are based in Bergen and Stavanger. This acquisition is presented separately, while the other acquisitions are aggregated by year. Other acquisitions carried out in 2009 and 2008 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 in the tables are preliminary.

Net assets of companies acquired and divested on the date of acquisition

| 2009 | Acquired companies | | | Divested operations |
|---|--------------------------------------|-----------------------|--------------------------|---------------------|
| | Carrying amount prior to acquisition | Fair value adjustment | Carrying amount in Group | |
| Intangible assets | – | 1.9 | 1.9 | 4.3 |
| Tangible assets | 0.8 | – | 0.8 | 0.9 |
| Current assets | 3.7 | – | 3.7 | 2.7 |
| Cash and cash equivalents | 5.1 | – | 5.1 | 0.1 |
| Deferred tax | –0.4 | –0.4 | –0.8 | – |
| Other current liabilities | –5.0 | – | –5.0 | –2.9 |
| Non-controlling interest recognised on acquisition | | | | 2.8 |
| Goodwill recognised on acquisition | | | | 18.6 |
| Capital gain recognised on divestiture | | | | – |
| Total purchase price | | | 27.1 | 16.6 |
| Unsettled purchase price commitment | | | | –3.0 |
| Payment of previously withheld purchase price | | | | 10.7 |
| Cash and cash equivalents in acquired companies | | | | –5.1 |
| INCREASE/DECREASE IN THE GROUP'S CASH AND CASH EQUIVALENTS | | | 29.7 | 11.3 |

Acquired companies have decreased the Group's cash and cash equivalents by SEK 29.7 million and divested operations have increased the Group's cash and cash equivalents by SEK 11.3 million. The net effect on the Group's cash and cash equivalents is SEK –18.4 million. The total purchase price includes transaction costs of SEK 0.0 million.

| 2008 | Opticonsult | | | Other companies | | | Total 2008 | Divested operations |
|---|--------------------------------------|-----------------------|--------------------------|--------------------------------------|-----------------------|--------------------------|--------------|---------------------|
| | 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 |
| Non-controlling interest recognised on acquisition | | | | | | | 7.8 | 0.1 |
| Goodwill recognised on acquisition | | | 110.4 | | | 77.4 | 187.8 | – |
| Capital gain recognised on divestiture | | | – | | | – | – | 12.5 |
| Total purchase price | | | 143.2 | | | 128.0 | 271.2 | 47.6 |
| 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 |
| INCREASE/DECREASE IN THE GROUP'S CASH AND CASH EQUIVALENTS | | | 109.3 | | | 100.2 | 209.5 | 46.1 |

Acquired companies have decreased the Group's cash and cash equivalents by SEK 209.5 million and divested operations have increased the Group's cash and cash equivalents by 46.1 million. The net effect on the Group's cash and cash equivalents is SEK –163.4 million. The total purchase price includes transaction costs of SEK 0.6 million in Opticonsult and SEK 1.4 million in other companies. Information about share-based payment is provided in Note 26.

Contribution of companies acquired and divested to the Group's net sales and operating profit

| | 2009 | | 2008 | |
|--|-------------|-------------|-------------|-------------|
| | Acquisition | Divestiture | Acquisition | Divestiture |
| Contribution to net sales in the year's accounts | 12.8 | 41.2 | 346.9 | 67.9 |
| Contribution to net sales if the company had been owned for the full year | 16.8 | | 401.5 | |
| Contribution to operating profit in the year's accounts | 1.3 | 2.7 | 24.2 | 6.7 |
| Contribution to operating profit if the company had been owned for the full year | 1.5 | | 35.4 | |

14 Intangible assets

GROUP

| | 2009 | | | 2008 | | |
|--|--------------|-------------------------|---------------|--------------|-------------------------|--------------|
| | Goodwill | Other intangible assets | Total | Goodwill | Other intangible assets | Total |
| Opening cost | 787.6 | 119.9 | 907.5 | 602.4 | 58.9 | 661.3 |
| Purchases | – | 14.5 | 14.5 | – | 24.9 | 24.9 |
| Increase through business combinations | 14.3 | 1.9 | 16.2 | 191.5 | 30.4 | 221.9 |
| Decrease on adjustment of purchase price allocation | –1.2 | – | –1.2 | –3.7 | – | –3.7 |
| Increase on adjustment of purchase price allocation | 5.5 | – | 5.5 | – | – | – |
| Sales and disposals | –3.6 | –6.9 | –10.5 | –34.5 | –1.5 | –36.0 |
| Translation difference in foreign currency | 10.4 | –3.2 | 7.2 | 31.9 | 7.2 | 39.1 |
| Closing accumulated cost | 813.0 | 126.2 | 939.2 | 787.6 | 119.9 | 907.5 |
| Opening accumulated amortisation and impairment | –15.9 | –50.3 | –66.2 | –3.0 | –22.1 | –25.1 |
| Sales and disposals | – | 5.8 | 5.8 | – | 1.2 | 1.2 |
| Translation difference in foreign currency | –0.8 | 3.0 | 2.2 | 0.0 | –4.5 | –4.5 |
| Impairment losses | –12.8 | –1.6 | –14.4 | –12.9 | – | –12.9 |
| The year's amortisation | – | –29.7 | –29.7 | – | –24.9 | –24.9 |
| Closing accumulated amortisation and impairment | –29.5 | –72.8 | –102.3 | –15.9 | –50.3 | –66.2 |
| CLOSING CARRYING AMOUNT | 783.5 | 53.4 | 836.9 | 771.7 | 69.6 | 841.3 |
| SPECIFICATION | | | | | | |
| Sweco Sweden | 103.7 | | | 91.4 | | |
| Sweco Norway | 271.2 | | | 239.3 | | |
| Sweco Finland | 54.4 | | | 57.5 | | |
| Sweco Central & Eastern Europe | 92.6 | | | 94.1 | | |
| Sweco Russia | 23.5 | | | 25.9 | | |
| Sweco Industry | 238.1 | | | 263.5 | | |
| Capitalised license costs for software | | 14.4 | | | 22.9 | |
| Capitalised development costs for software | | 18.4 | | | 16.1 | |
| Assets capitalised on acquisition | | 20.3 | | | 30.6 | |
| Other intangible assets | | 0.3 | | | – | |
| CLOSING CARRYING AMOUNT | 783.5 | 53.4 | | 771.7 | 69.6 | |

All of the above intangible assets have been acquired, aside from software developed within Sweco Sweden for a value of SEK 18.4 million (16.1). See also Note 7 regarding impairment of goodwill. No borrowing costs have been included in the historical cost of the assets in the above table. The interest rate for borrowing costs is determined according to the Group's centrally established internal rate of interest.

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 business areas' markets.

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

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 before tax, based on general market conditions and the specific circumstances of the respective unit, is 14 per cent for Sweco Sweden, 15 per cent for Sweco Norway, 16 per cent for Sweco Finland, 17 per cent for Sweco Central & Eastern Europe, 23 per cent for Sweco Russia and 16 per cent for Sweco Industry.

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, % | 6 | –45.7 | 3 | –31.4 | 14 | 0.9 | 12 | 4.0 | 43 | 19.2 | 18 | –2.5 |
| Average hourly rate, % | 4 | –7.8 | 2 | –8.9 | 5 | 0.7 | 3 | 1.4 | 21 | 14.7 | 10 | 5.4 |
| Average increase in personnel costs, % | 5 | 20.2 | 3 | 16.6 | 6 | 13.5 | 3 | 6.1 | 20 | 30.8 | 14 | 20.8 |
| Average discount rate, % | 14 | 107 | 15 | 58 | 16 | 23 | 17 | 19.5 | 23 | 34 | 16 | 27.5 |

15 Tangible assets

GROUP

| | 2009 | | | 2008 | | |
|--|--------------------|---------------|---------------|--------------------|---------------|---------------|
| | Buildings and land | Equipment | Total | Buildings and land | Equipment | Total |
| Opening cost | 18.7 | 535.0 | 553.7 | 17.5 | 466.6 | 484.1 |
| Purchases | 0.2 | 72.3 | 72.5 | 0.4 | 101.3 | 101.7 |
| Increase through business combinations | – | 0.8 | 0.8 | – | 10.2 | 10.2 |
| Sales and disposals | –1.2 | –68.5 | –69.7 | –2.5 | –44.6 | –47.1 |
| Translation differences in foreign currency | –1.3 | 0.2 | –1.1 | 3.3 | 1.5 | 4.8 |
| Closing accumulated cost | 16.4 | 539.8 | 556.2 | 18.7 | 535.0 | 553.7 |
| Opening accumulated depreciation | –3.8 | –358.7 | –362.5 | –1.8 | –320.1 | –321.9 |
| Reclassification | – | –0.2 | –0.2 | – | 0.0 | 0.0 |
| Sales and disposals | 0.2 | 62.5 | 62.7 | – | 35.9 | 35.9 |
| Translation differences in foreign currency | 0.6 | 0.3 | 0.9 | –1.3 | –0.3 | –1.6 |
| Impairment losses | – | –5.7 | –5.7 | – | –1.0 | –1.0 |
| The year's depreciation | –0.7 | –76.8 | –77.5 | –0.7 | –73.2 | –73.9 |
| Closing accumulated depreciation | –3.7 | –378.6 | –382.3 | –3.8 | –358.7 | –362.5 |
| CLOSING CARRYING AMOUNT | 12.7 | 161.2 | 173.9 | 14.9 | 176.3 | 191.2 |
| Of which, land: | | | | | | |
| Opening cost | 0.2 | – | 0.2 | 0.3 | – | 0.3 |
| Sales and disposals | 0.0 | – | 0.0 | –0.2 | – | –0.2 |
| Translation differences in foreign currency | –0.1 | – | –0.1 | 0.1 | – | 0.1 |
| Closing carrying amount of land | 0.1 | – | 0.1 | 0.2 | – | 0.2 |
| Of which, equipment financed through finance leases in the following amounts: | | | | | | |
| Closing accumulated cost | – | 31.4 | 31.4 | – | 27.6 | 27.6 |
| Closing accumulated depreciation | – | –9.9 | –9.9 | – | –7.1 | –7.1 |
| Closing carrying amount of finance leases | – | 21.5 | 21.5 | – | 20.5 | 20.5 |

PARENT COMPANY

| | 2009 | 2008 |
|---|-------------|-------------|
| Equipment | | |
| Opening cost | 4.5 | 5.3 |
| Purchases | 0.1 | 0.1 |
| Sale to other group company | – | –0.1 |
| Sales and disposals | –0.1 | –0.8 |
| Closing accumulated cost | 4.5 | 4.5 |
| Opening accumulated depreciation | –3.5 | –4.0 |
| Sale to other group company | – | 0.1 |
| Sales and disposals | 0.0 | 0.8 |
| The year's depreciation | –0.3 | –0.4 |
| Closing accumulated depreciation | –3.8 | –3.5 |
| CLOSING CARRYING AMOUNT | 0.7 | 1.0 |

16 Shares and participations in group companies

PARENT COMPANY

| The year's change in carrying amounts | 2009 | 2008 |
|---|--------------|--------------|
| Opening carrying amount | 332.0 | 335.0 |
| Adjustment of contingent purchase price | - | -3.0 |
| CLOSING CARRYING AMOUNT | 332.0 | 332.0 |

| Shareholding at year-end | Corp. ID number | Domicile | Holding, % | No. of shares | Carrying amount |
|---|-----------------|-----------|------------|---------------|-----------------|
| Directly owned companies | | | | | |
| 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 |
| Vattenbyggnadsbyrå 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 |
| Total shares and participations in group companies | | | | | 332.0 |

Indirectly owned companies

Through Sweco Central Eastern Europe AB

| | | | | | |
|-------------------------------|------------|----------------|-----|-----------|--|
| Energoprojekt Hydropower Ltd. | 1305488081 | Bulgaria | 73 | 400 | |
| Sweco Lietuva | 301135783 | Lithuania | 91 | 5,557,199 | |
| Hidroprojektas | 132118698 | Lithuania | 99 | 1,000,702 | |
| Sweco Projekt AS | 11304200 | Estonia | 99 | 355,463 | |
| Hydroprojekt C.Z a.s. | 26475081 | Czech Republic | 100 | 517,510 | |
| Hydroprojekt Slovakia s.r.o. | 36036307 | Slovakia | 100 | | |

Through Sweco Finland Oy

| | | | | | |
|---------------------------|-------------------|-----------|-----|-----------|--|
| 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 | 07.984.459/001-16 | Brazil | 100 | 34,999 | |

Through Sweco Russia AB

| | | | | | |
|---------------------|---------------|-----------|-----|-----|--|
| Sweco Pillar AB | 556730-8167 | Stockholm | 100 | 102 | |
| Lenvodokanalprojekt | 1057803925409 | Russia | 100 | 100 | |

Through Sweco Sverige AB

| | | | | | |
|----------------------------------|-------------|-----------|-----|-----------|--|
| 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 | |
| EME Analys AB | 556663-3417 | Stockholm | 100 | 1,000 | |
| 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 | |
| Probeko AB | 556279-4148 | Stockholm | 100 | 3,360 | |
| B&B VVS Konsult AB | 556363-8153 | Malmö | 100 | 1,000 | |
| 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 | |

17 Shares and participations in associated companies

GROUP

| The year's change in carrying amounts | 2009 | 2008 |
|---|------------|------------|
| Opening carrying amount | 0.9 | 0.9 |
| Share in profit of associates after tax | 0.1 | – |
| CLOSING CARRYING AMOUNT | 1.0 | 0.9 |

| Shareholding at year-end | Corp. ID number | Domicile | Holding, % | No. of shares | Carrying amount |
|--|-----------------|-----------|------------|---------------|-----------------|
| 2009 | | | | | |
| I2E Energisystemintegration AB | 556211-9684 | Stockholm | 50 | 50 | 1.0 |
| Total shares and participations | | | | | 1.0 |
| 2008 | | | | | |
| I2E Energisystemintegration AB | 556211-9684 | Stockholm | 50 | 50 | 0.9 |
| Total shares and participations | | | | | 0.9 |

No operations were conducted in the associated companies during 2009. At 31 December 2009, the assets of the associated companies amounted to SEK 1.9 million (1.8) and the liabilities to SEK 0.1 million (0.0).

18 Joint ventures

GROUP

| Shareholding at year-end | Corp. ID number | Domicile | Holding, % |
|---|-----------------|----------|------------|
| 2009 | | | |
| Sweco Sojyz Engineering (owned through Sweco Industry Oy) | 5077746846920 | Russia | 45 |
| 2008 | | | |
| Sweco Sojyz Engineering (owned through Sweco Industry Oy) | 5077746846920 | Russia | 45 |

The Group's shareholdings in joint ventures

| GROUP | 2009 | 2008 |
|----------------------------|-------------|-------------|
| Operating income | 9.3 | 2.3 |
| Operating expenses | –8.0 | –2.0 |
| Net financial items | –0.3 | –0.2 |
| Income tax expense | –0.2 | 0.0 |
| PROFIT FOR THE YEAR | 0.8 | 0.1 |
| Non-current assets | 0.1 | 0.0 |
| Current assets | 5.3 | 7.0 |
| Total assets | 5.4 | 7.0 |
| Current liabilities | –4.2 | –6.5 |
| Total liabilities | –4.2 | –6.5 |
| NET ASSETS | 1.2 | 0.5 |

There are no pledged assets or contingent liabilities.

19 Financial investments

GROUP

| The year's change in carrying amounts | 2009 | 2008 |
|---|-------------|-------------|
| Opening carrying amount | 10.8 | 11.0 |
| Disposal of other shares | -0.1 | 0.0 |
| Fair value adjustments | -0.2 | -1.2 |
| Translation differences in foreign currency | -0.5 | 1.0 |
| CLOSING CARRYING AMOUNT | 10.0 | 10.8 |

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 |
|--|-----------------|----------|------------|---------------|-----------------|
| 2009 | | | | | |
| BRF Störtpöppet | 716414-8764 | Åre | | | 0.9 |
| Kiinteistö Oy Paalupeisto | 0575992-1 | Finland | 13 | 444 | 5.6 |
| Other shares and participations | | | | | 3.5 |
| Total shares and participations | | | | | 10.0 |
| 2008 | | | | | |
| BRF Störtpöppet | 716414-8764 | Åre | | | 0.9 |
| Kiinteistö Oy Paalupeisto | 0575992-1 | Finland | 13 | 444 | 5.9 |
| Other shares and participations | | | | | 4.0 |
| Total shares and participations | | | | | 10.8 |

20 Other non-current securities

PARENT COMPANY

| The year's change in carrying amounts | 2009 | 2008 |
|---------------------------------------|------------|------------|
| Opening carrying amount | 0.9 | 0.9 |
| CLOSING CARRYING AMOUNT | 0.9 | 0.9 |

| Shareholding at year-end | Corp. ID number | Domicile | Carrying amount |
|--|-----------------|----------|-----------------|
| 2009 | | | |
| BRF Störtpöppet | 716414-8764 | Åre | 0.9 |
| Total shares and participations | | | 0.9 |
| 2008 | | | |
| BRF Störtpöppet | 716414-8764 | Åre | 0.9 |
| Total shares and participations | | | 0.9 |

21 Receivables from group companies

PARENT COMPANY

| The year's change in carrying amounts | 2009 | 2008 |
|---|----------------|----------------|
| Non-current assets | | |
| Opening carrying amount | 98.2 | 136.9 |
| Loans to group companies | 34.5 | - |
| Capitalised interest | 0.2 | 4.6 |
| Recovered receivables | -90.2 | -60.8 |
| Translation differences in foreign currency | 1.7 | 17.5 |
| Closing carrying amount | 44.4 | 98.2 |
| Current assets | | |
| Opening carrying amount | 1,545.8 | 1,264.7 |
| The year's change | -248.9 | 281.1 |
| Closing carrying amount | 1,296.9 | 1,545.8 |
| TOTAL RECEIVABLES FROM GROUP COMPANIES | 1,341.3 | 1,644.0 |

22 Other non-current receivables

GROUP

| The year's change in carrying amounts | 2009 | 2008 |
|---|-------------|-------------|
| Opening non-current receivables | 32.3 | 10.7 |
| Increase in receivables | 0.0 | 18.6 |
| Increase through business combinations | - | 3.9 |
| Decrease in receivables | -1.2 | -0.8 |
| Translation differences in foreign currency | 3.2 | -0.1 |
| CLOSING NON-CURRENT RECEIVABLES | 34.3 | 32.3 |
| Non-current receivables at end of year | | |
| Pension assets according to Note 28 | 29.6 | 27.2 |
| Other receivables | 4.7 | 5.1 |
| TOTAL NON-CURRENT RECEIVABLES | 34.3 | 32.3 |

23 Work in progress

GROUP

| | 2009 | 2008 |
|--|---------------|---------------|
| Work in progress less progress billings | | |
| Work in progress | 1,658.5 | 1,480.1 |
| Progress billings | -1,132.3 | -1,073.5 |
| NET WORK IN PROGRESS LESS PROGRESS BILLINGS | 526.2 | 406.6 |
| Progress billings in excess of work in progress | | |
| Recognised income | 678.4 | 717.5 |
| Progress billings | -982.0 | -978.0 |
| NET PROGRESS BILLINGS IN EXCESS OF WORK IN PROGRESS | -303.6 | -260.5 |

24 Prepaid expenses and accrued income

| | Group | | Parent Company | |
|----------------------------|--------------|--------------|----------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| Prepaid rents | 29.5 | 31.3 | – | – |
| Prepaid insurance premiums | 8.5 | 3.0 | – | – |
| Accrued income | 6.0 | 0.4 | 0.3 | – |
| Other prepaid expenses | 64.5 | 72.3 | 1.6 | 1.5 |
| TOTAL | 108.5 | 107.0 | 1.9 | 1.5 |

25 Cash and cash equivalents and short-term investments

Surplus cash is invested in fixed-income securities such as commercial paper or certificates of deposit, which are special time accounts where the funds are held for a predetermined period of time. Commercial paper is recognised in the balance sheet and 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 lose part of the higher interest payable on the funds.

| Cash and cash equivalents and short-term investments in the balance sheet | Group | | Parent Company | |
|---|--------------|--------------|----------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| Cash and bank | 557.3 | 263.7 | 409.7 | 151.9 |
| Short-term liquid investments | – | 57.6 | – | – |
| TOTAL CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | 557.3 | 321.3 | 409.7 | 151.9 |

There was no commercial paper in the Sweco Group at 31 December 2009 and 2008.

26 Equity

| Changes in the number of shares | A shares | B shares | C shares | Total |
|---|------------------|-------------------|------------|-------------------|
| Number of shares at 1 January 2008 | 9,389,075 | 74,870,969 | – | 84,260,044 |
| Issue of shares | – | – | 1,400,000 | 1,400,000 |
| Purchase of treasury shares | – | – | –1,400,000 | –1,400,000 |
| Issue of shares – warrant programme | – | 1,687,760 | – | 1,687,760 |
| Issue of treasury shares | – | 1,196,439 | – | 1,196,439 |
| NUMBER OF SHARES AT 31 DECEMBER 2008 | 9,389,075 | 77,755,168 | – | 87,144,243 |
| Issue of shares | – | – | 2,500,000 | 2,500,000 |
| Purchase of treasury shares | – | – | –2,500,000 | –2,500,000 |
| Issue of treasury shares | – | 1,798,794 | – | 1,798,794 |
| NUMBER OF SHARES AT 31 DECEMBER 2009 | 9,389,075 | 79,553,962 | – | 88,943,037 |

A statement of changes in equity is found on page 41 for the Group and page 45 for the Parent Company. Additional information about the Sweco share is provided on pages 76–77.

In 2009 Sweco issued 2,500,000 class C shares for fulfilment of the 2009 Share Bonus Programme as resolved on by the Annual General Meeting.

In 2008 Sweco issued 1,400,000 class C shares 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 Lenvodokanalprojekt, 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.

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 a 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 1.3 million (8.8).

Retained earnings including profit for the year

Retained earnings including profit for the year consist of profits earned in the Parent Company and its subsidiaries, associated companies and joint ventures. Retained earnings 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 2009 the Group held 559,073 class B treasury shares (807,867), all of which 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 12.4 million. The market value at 31 December 2009 was SEK 30.1 million. In order to enable delivery of shares to the employees covered by the 2009 Share Bonus Programme, Sweco holds 2,500,000 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 3.3 per cent of the total number of shares and 1.7 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 29 April 2010.

| | 2009 | 2008 |
|--|--------------|--------------|
| Dividend of SEK 2.00 per common share (SEK 2.00) | 179.0 | 174.3 |
| Share redemption equal to SEK 2.00 per share | 179.0 | – |
| | 358.0 | 174.3 |

The amounts for 2009 have been calculated including treasury shares that can be used as payment in business combinations. If 559,073 class B shares remain in treasury on the record date, the amount distributed to the shareholders will be reduced by SEK 2.2 million. Should the Board exercise the authorisation granted by the Annual General Meeting in April 2009 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 non-controlling interests.

| Capital | 2009 | 2008 |
|---------------------------|----------------|----------------|
| Equity | 1,584.9 | 1,401.9 |
| Non-controlling interests | 10.8 | 12.9 |
| TOTAL | 1,595.7 | 1,414.8 |

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 2009 was 50.6 per cent (47.0). The Board of Directors has decided to propose that the 2010 Annual General Meeting approve a dividend of SEK 2.00 per share, equal to a dividend share of 61 per cent of profit after tax. The Board of Directors furthermore proposes a share redemption procedure. The Group's financial position is strong following the healthy profits and cash flows of recent years. Through the

redemption procedure, a maximum of SEK 179.0 million, or SEK 2.00 per share, will be distributed to the shareholders.

After the proposed dividend and redemption procedure the equity/assets ratio will amount to approximately 44 per cent (based on the balance sheet at 31 December 2009). Over the past five years, the regular annual dividends and redemption procedures in 2005, 2006 and the proposed redemption procedure in 2009 have amounted to an average of 81 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, 2006 and 2009 (proposed).

At the beginning of 2010 the Board of Directors established a new financial target to replace the old equity/assets ratio target. The new target means that Sweco should maintain a level of net debt over time. Sweco's net debt should not exceed 40 per cent of equity. After the proposed dividend and share redemption procedure, the ratio of net debt to equity will be approximately –5 per cent based on the balance sheet at 31 December 2009.

In order to encourage employee share ownership in the Group, a share bonus programme was implemented in 2009 that covers the majority of the employees in Sweden, Norway, Finland and Denmark. Under the share bonus programme the employees will receive shares in Sweco equal to the earned bonus for the 2009 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 19 March 2009 to 27 March 2009 less an amount corresponding to the dividend resolved on by the 2009 Annual General Meeting. The base share price was set at SEK 35.35.

In 2008 Sweco issued a new subscription 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. In 2009 and additional 48,000 warrants were issued. A total of 1 300 000 warrants have thus been 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 2009 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. Such transfers may take place in connection with acquisitions or over NASDAQ OMX Stockholm when deemed appropriate. The Board also proposes that the 2010 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 exceeded the quota value of the shares.

Fair value reserve

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

Share premium reserve

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

Retained earnings

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

27 Current and non-current interest-bearing liabilities

| The year's change in carrying amount | Group | | Parent Company | |
|---|--------------|--------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| Non-current interest-bearing liabilities | | | | |
| Provisions for pensions | 5.6 | 6.6 | – | – |
| Liabilities to credit institutions | 0.3 | 0.4 | – | – |
| Liabilities under finance leases according to Note 29 | 13.3 | 13.5 | – | – |
| Total | 19.2 | 20.5 | – | – |
| Current interest-bearing liabilities | | | | |
| Bank overdraft facilities | 105.4 | 132.2 | 101.6 | 97.2 |
| Other liabilities to credit institutions | 4.7 | 0.1 | – | – |
| Liabilities under finance leases according to Note 29 | 9.5 | 8.4 | – | – |
| Total | 119.6 | 140.7 | 101.6 | 97.2 |
| TOTAL INTEREST-BEARING LIABILITIES | 138.8 | 161.2 | 101.6 | 97.2 |

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 | |
|--|--------------|--------------|----------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| Granted bank overdraft facilities | 670.3 | 623.3 | 647.2 | 578.3 |
| Utilised bank overdraft facilities on the balance sheet date | –105.4 | –132.2 | –101.6 | –97.2 |
| UNUTILISED BANK OVERDRAFT FACILITIES | 564.9 | 491.1 | 545.6 | 481.1 |

Rates of interest on the balance sheet date

| | 2009 | 2008 | 2009 | 2008 |
|---|------|------|------|------|
| Borrowings from credit institutions, variable interest, % | 3.04 | 3.82 | – | – |
| Utilised bank overdraft facilities, variable interest, % | 0.69 | 3.72 | 0.49 | 3.54 |

28 Provisions for pensions

DEFINED BENEFIT PENSION PLANS

Sweden

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

Surpluses in Alecta and AP can be refunded to the policyholders and/or the insureds. At the end of 2009 Alecta's surplus measured as a collective consolidation ratio was 141 per cent (112) and AP's was 122 per cent (107). The collective consolidation ratio is the market value of Alecta'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 | |
|---------------------------------|--------|------|---------|------|
| | 2009 | 2008 | 2009 | 2008 |
| Actuarial assumptions | 4.3 | 4.4 | 4.8 | 5.5 |
| Expected return on plan assets | 5.6 | 6.3 | 4.0 | 5.3 |
| Annual rate of salary increase | 4.3 | 4.5 | 2.5 | 3.0 |
| Annual rate of pension increase | 1.3 | 2.8 | 0.5 | 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 16 years for men and 19 for women.

| Defined benefit pension plans in the balance sheet | 2009 | 2008 |
|--|-------------|-------------|
| Present value of pension obligations | -558.4 | -527.5 |
| Fair value of plan assets | 438.4 | 371.3 |
| Unrecognised actuarial gains | 144.0 | 176.8 |
| NET ASSET AT END OF YEAR | 24.0 | 20.6 |
| Other non-current receivables | 29.6 | 27.2 |
| Provisions for pensions | -5.6 | -6.6 |
| NET ASSET IN THE BALANCE SHEET | 24.0 | 20.6 |

| The year's change in defined benefit pension obligations | 2009 | 2008 |
|---|---------------|---------------|
| Net liability according to adopted balance sheet, 1 January | -527.5 | -440.2 |
| Current service costs and interest expenses | -68.9 | -49.3 |
| Actuarial gains and losses | 12.9 | 11.5 |
| Benefits paid | 17.4 | 16.9 |
| Effects of business combinations | 68.0 | -98.1 |
| Translation differences in foreign currency | -60.3 | 31.7 |
| Defined benefit pension obligation at end of year | -558.4 | -527.5 |

| The year's change in fair value of plan assets | 2009 | 2008 |
|---|--------------|--------------|
| Fair value of plan assets, 1 January | 371.3 | 317.1 |
| Employer contributions | 64.9 | 45.5 |
| Expected return on plan assets | 26.4 | 18.9 |
| Actuarial gains and losses | -14.3 | -11.2 |
| Contributions | 2.5 | 1.7 |
| Benefits paid | -17.4 | -15.5 |
| Effects of business combinations | -37.1 | 35.5 |
| Translation differences in foreign currency | 42.1 | -20.7 |
| Fair value of plan assets at end of year | 438.4 | 371.3 |

| The plan assets consist of | 2009 | 2008 |
|----------------------------|--------------|--------------|
| Shares | 35.3 | 22.9 |
| Fixed-income securities | 254.4 | 200.2 |
| Real estate | 68.6 | 56.9 |
| Other | 80.1 | 91.3 |
| TOTAL PLAN ASSETS | 438.4 | 371.3 |

| Defined benefit pension plans | 2009 | 2008 |
|--|--------------|--------------|
| Net expense in the income statement | | |
| Current service costs | -44.2 | -29.6 |
| Interest expense on pension obligations | -24.7 | -19.7 |
| Recognised actuarial gains and losses | -11.6 | -8.7 |
| Expected return on plan assets | 26.4 | 18.9 |
| TOTAL NET EXPENSE | -54.1 | -39.1 |

| Pension expenses are recognised in the income statement as | 2009 | 2008 |
|--|--------------|--------------|
| Personnel costs | -55.9 | -38.4 |
| Net financial items | 1.8 | -0.7 |
| TOTAL NET EXPENSE | -54.1 | -39.1 |

The actual return on plan assets was SEK 0.4 million (-1.0).

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 2010, fees for post-retirement benefits are estimated at approximately SEK 45 million.

| | 2009 | 2008 | 2007 | 2006 |
|---|---------------|---------------|---------------|--------------|
| Present value of defined benefit pension obligations | -558.4 | -527.5 | -440.2 | -313.2 |
| Fair value of plan assets | 438.4 | 371.3 | 317.1 | 292.1 |
| DEFICIT | -120.0 | -156.2 | -123.1 | -21.1 |
| Experience adjustments of defined benefit pension obligations | 12.9 | 11.5 | 4.6 | -27.7 |
| Experience adjustments of plan assets | -14.3 | -11.2 | -33.0 | 27.9 |

| Defined contribution pension plans | 2009 | 2008 |
|--|---------------|---------------|
| Allocation of expenses by pension plan | | |
| Sweden, Alecta | | -131.0 |
| Sweden, AP | | -11.4 |
| Finland | | -47.0 |
| Other countries | | -18.3 |
| TOTAL EXPENSE OF DEFINED CONTRIBUTION PENSION PLANS | -207.7 | -205.1 |

29 Liabilities under finance leases

GROUP

| | 2009 | | 2008 | |
|--|---------------|----------------|---------------|----------------|
| | Present value | Nominal amount | Present value | Nominal amount |
| In current interest-bearing liabilities | | | | |
| Due within one year | 9.5 | 11.0 | 8.4 | 9.8 |
| Total current liabilities | 9.5 | 11.0 | 8.4 | 9.8 |
| In liabilities to credit institutions | | | | |
| Due within more than one but less than two years | 10.0 | 10.6 | 5.7 | 6.8 |
| Due within more than two but less than three years | 3.3 | 3.5 | 7.8 | 8.2 |
| Total non-current liabilities | 13.3 | 14.1 | 13.5 | 15.0 |
| TOTAL LIABILITIES UNDER FINANCE LEASES | 22.8 | 25.1 | 21.9 | 24.8 |

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

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

30 Accrued expenses, deferred income and other current liabilities

| | Group | | Parent Company | |
|-----------------------------------|--------------|--------------|----------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| Accrued payroll costs | 31.9 | 45.3 | 0.5 | 2.0 |
| Accrued vacation and overtime pay | 246.2 | 271.1 | 0.6 | 0.6 |
| Accrued social security expenses | 161.8 | 152.7 | 1.9 | 3.1 |
| Other | 101.8 | 90.3 | 2.6 | 2.7 |
| TOTAL | 541.7 | 559.4 | 5.6 | 8.4 |
| Other current liabilities | | | | |
| VAT | 104.2 | 130.3 | 0.0 | -0.2 |
| Employee withholding tax | 80.8 | 72.3 | 0.5 | 0.4 |
| Derivatives | - | 3.4 | - | - |
| Other | 30.9 | 39.3 | 6.0 | 7.7 |
| TOTAL | 215.9 | 245.3 | 6.5 | 7.9 |

31 Pledged assets and contingent liabilities

| | Group | | Parent Company | |
|---|--------------|--------------|----------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| Pledged assets | | | | |
| Blocked bank accounts | - | 0.4 | - | - |
| TOTAL | - | 0.4 | - | - |
| Pledged assets by liability item | | | | |
| Surety for liabilities to credit institutions | - | 0.4 | - | - |
| TOTAL | - | 0.4 | - | - |
| Contingent liabilities | | | | |
| Guarantee for liability of subsidiary | - | - | 39.2 | 37.1 |
| Performance bonds | 260.3 | 121.3 | 234.8 | 106.6 |
| TOTAL | 260.3 | 121.3 | 274.0 | 143.7 |

32 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 |
|--|---|--------------------------|--|-----------------------------------|-----------------------------|----------------|
| 2009 | | | | | | |
| Financial investments | 10.0 | - | - | - | 10.0 | 10.0 |
| Non-current receivables | - | 4.7 | - | - | 4.7 | 4.7 |
| Trade receivables | - | 810.5 | - | - | 810.5 | 810.5 |
| Other current receivables | 1.9 | - | - | - | 1.9 | 1.9 |
| Cash and cash equivalents | - | 557.3 | - | - | 557.3 | 557.3 |
| TOTAL | 11.9 | 1,372.5 | - | - | 1,384.4 | 1,384.4 |
| Non-current interest-bearing liabilities | - | - | - | 13.6 | 13.6 | 13.6 |
| Other non-current liabilities | - | - | - | 0.9 | 0.9 | 0.9 |
| Current interest-bearing liabilities | - | - | - | 119.6 | 119.6 | 119.6 |
| Trade payables | - | - | - | 206.9 | 206.9 | 206.9 |
| TOTAL | - | - | - | 341.0 | 341.0 | 341.0 |
| 2008 | | | | | | |
| 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 |
| TOTAL | 10.8 | 1,328.2 | - | - | 1,339.0 | 1,339.0 |
| 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 |
| TOTAL | - | - | 3.4 | 370.0 | 373.4 | 373.4 |

In the above table, non-current receivables consist of non-current receivables other than pension assets. Other current liabilities/assets consist of derivatives and refer to fair value changes in forward transactions. Non-current and current interest-bearing liabilities include finance lease agreements, see also Notes 27 and 29.

PARENT COMPANY

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

| | Financial assets at fair value through profit or loss | Loans and receivables | Other financial liabilities | Total carrying amount | Fair value |
|--------------------------------------|--|--------------------------|--------------------------------|--------------------------|---------------|
| 2009 | | | | | |
| Other non-current securities | 0.9 | – | – | 0.9 | 0.9 |
| Cash and cash equivalents | – | 409.7 | – | 409.7 | 409.7 |
| TOTAL | 0.9 | 409.7 | – | 410.6 | 410.6 |
| Current interest-bearing liabilities | – | – | 101.6 | 101.6 | 101.6 |
| Trade payables | – | – | 3.9 | 3.9 | 3.9 |
| TOTAL | – | – | 105.5 | 105.5 | 105.5 |

| | Financial assets at fair value through profit or loss | Loans and receivables | Other financial liabilities | Total carrying amount | Fair value |
|--------------------------------------|--|--------------------------|--------------------------------|--------------------------|---------------|
| 2008 | | | | | |
| Other non-current securities | 0.9 | – | – | 0.9 | 0.9 |
| Cash and cash equivalents | – | 151.9 | – | 151.9 | 151.9 |
| TOTAL | 0.9 | 151.9 | – | 152.8 | 152.8 |
| Current interest-bearing liabilities | – | – | 97.2 | 97.2 | 97.2 |
| Trade payables | – | – | 4.1 | 4.1 | 4.1 |
| TOTAL | – | – | 101.3 | 101.3 | 101.3 |

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

Level 1: according to quoted market prices in active markets for identical instruments

Level 2: according to directly or indirectly observable market inputs that are not included in level 1

Level 3: according to inputs that are not based on observable market data

GROUP

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

| | Level 1 | Level 2 | Level 3 | Total carrying amount |
|---------------------------|------------|----------|-------------|-----------------------------|
| 2009 | | | | |
| Financial investments | – | – | 10.0 | 10.0 |
| Other current receivables | 1.9 | – | – | 1.9 |
| TOTAL | 1.9 | – | 10.0 | 11.9 |

PARENT COMPANY

| | Level 1 | Level 2 | Level 3 | Total carrying amount |
|------------------------------|----------|----------|------------|-----------------------------|
| 2009 | | | | |
| Other non-current securities | – | – | 0.9 | 0.9 |
| TOTAL | – | – | 0.9 | 0.9 |

The table below presents a reconciliation between the opening and closing balances for financial instruments measured at fair value in the balance sheet according to a valuation technique based on non-observable inputs (level 3).

GROUP

| | Financial investments |
|---|--------------------------|
| 2009 | |
| Opening balance, 1 January 2009 | 10.8 |
| Total recognised gains and losses | |
| – recognised in profit for the year | –0.2 |
| – recognised in other comprehensive income | –0.5 |
| Proceeds from sale | –0.1 |
| CLOSING BALANCE, 31 DECEMBER 2009 | 10.0 |
| Gains and losses recognised in profit for the year for assets included in the closing balance at 31 December 2009 | –0.2 |

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.

33 Financial risks and finance policy

Through its operations, the Group is exposed to various types of financial risk arising as a result of fluctuations in earnings and cash flow due to changes in exchange 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 that is revised and adopted at least once a year. The policy regulates the division of responsibilities between the local companies and the central treasury department, which financial risks the Group is permitted to take and how these risks are to be managed. Surplus cash is invested primarily in fixed-income instruments in the money market, where low credit risk and high liquidity are required criteria. Transaction exposure is hedged mainly through forward contracts.

MARKET RISK

Market risk is the risk for fluctuations in the value of financial instruments due to changes in market prices. Sweco's policy minimises this risk by limiting the average duration of financial instruments to 120 days. At year-end 2009 there was no commercial paper and the average duration for commercial paper during 2009 was 89 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 after matching of incoming and outgoing payments in the same currency.

The Group's transaction exposure from exports in 2009 can be broken down into the following significant currencies:

| SEK M | EUR | USD | NOK |
|------------|-------------|-------------|-------------|
| Income | 69.2 | 54.2 | 0.0 |
| Expenses | -48.2 | -4.2 | -8.1 |
| NET | 21.0 | 50.0 | -8.1 |

On the balance sheet date, the Group had the following open forward contracts with a remaining time to maturity of between 0 and 42 months (previous year 0 to 12 months):

| Currency | Contract amount | | Unrealised gains + / losses - | | Average rate | |
|----------|-----------------|------|-------------------------------|------|--------------|------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| EUR | 28.7 | 34.2 | 0.0 | -3.8 | 10.37 | 9.71 |
| USD | 92.1 | 8.7 | 1.9 | 0.4 | 7.36 | 8.07 |
| Others | 6.0 | 4.0 | 0.0 | 0.0 | | |

Hedge accounting has not been applied for the forward contracts outstanding on the balance sheet date. Valuation gains/losses on forward exchange contracts are recognised in other current receivables/ 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 2009 was NOK 353 million (272) and EUR 35.9 million (52.4). The Group's policy is to not hedge translation exposure in foreign currencies.

Balance sheet exposure

On the translation of assets and liabilities in intra-group transactions, balance sheet exposure arises in the difference between exchange rates on the transaction date and the closing day rate. The resulting exchange difference is recognised over the 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 | |
|--|------------|------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net sales | 1.9 | 2.2 | 0.0 | 0.0 |
| Other operating expenses | -1.9 | 0.3 | 0.0 | 0.0 |
| Total foreign exchange differences in operating profit | 0.0 | 2.5 | 0.0 | 0.0 |
| Financial income | 5.5 | 1.2 | 5.2 | - |
| Financial expenses | - | - | - | -0.7 |
| Total foreign exchange differences in net financial items | 5.5 | 1.2 | 5.2 | -0.7 |
| TOTAL FOREIGN EXCHANGE DIFFERENCES IN PROFIT | 5.5 | 3.7 | 5.2 | -0.7 |

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 1,122.2 million and a net interest-bearing receivable of SEK 418.5 million, liquidity risk (the risk that the Group will incur higher costs due to insufficient liquidity), cash flow risk (the risk for variations in the size of future cash flows generated by financial instruments) and refinancing risk (the risk for unfavourable refinancing of matured loans) are deemed minor. To minimise the borrowing requirement through the use of surplus liquidity in the Group, there are cash pools in Sweden, Norway and Finland. The bank overdraft facilities are renewed every year and are not associated with any special conditions or obligations, see also Note 27.

Other financial liabilities are shown in the table below:

| 2009 | Nom. amount in original currency | Total | Within | | | 3 mths - 1 yr | 1-5 yrs |
|--------------------------------|----------------------------------|--------------|------------|-------------|---------------|---------------|---------|
| | | | 1 mth | 1-3 mths | 3 mths - 1 yr | | |
| Forward contracts, EUR | 2.8 | 28.7 | - | 3.4 | 25.3 | - | |
| Forward contracts, USD | 12.8 | 92.1 | 0.0 | 22.4 | 25.0 | 44.7 | |
| Forward contracts, Others | | 6.0 | 0.1 | 5.9 | - | - | |
| Finance lease liabilities, SEK | 25.1 | 25.1 | 2.8 | 1.5 | 6.7 | 14.1 | |
| TOTAL | | 151.9 | 2.9 | 33.2 | 57.0 | 58.8 | |

| 2008 | Nom. amount in original currency | Total | Within | | | 3 mths - 1 yr | 1-5 yrs |
|--------------------------------|----------------------------------|-------------|------------|------------|---------------|---------------|---------|
| | | | 1 mth | 1-3 mths | 3 mths - 1 yr | | |
| 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 | |
| TOTAL | | 71.7 | 7.1 | 8.2 | 41.4 | 15.0 | |

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 45 per cent, property and construction companies for 13 per cent, industrial companies for 32 per cent and other private sector companies for 10 per cent.

The clients include most of the Nordic region's major companies. The ten largest clients account for 19 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

| | 2009 | | | 2008 | | |
|-------------------------------|--------------|--------------|--------------|----------------|--------------|----------------|
| | Gross | Reserve | Net | Gross | Reserve | Net |
| Trade receivables not yet due | 593.1 | – | 593.1 | 802.3 | – | 802.3 |
| Overdue trade receivables | | | | | | |
| 0–30 days | 120.2 | –0.9 | 119.3 | 112.3 | –0.8 | 111.5 |
| Overdue trade receivables | | | | | | |
| 31–90 days | 26.2 | –0.1 | 26.1 | 37.2 | –0.3 | 36.9 |
| Overdue trade receivables | | | | | | |
| > 91–180 days | 33.6 | –1.0 | 32.6 | 17.4 | –0.7 | 16.7 |
| Overdue trade receivables | | | | | | |
| > 180 days | 54.2 | –14.8 | 39.4 | 52.5 | –18.1 | 34.4 |
| TOTAL | 827.3 | –16.8 | 810.5 | 1 021.7 | –19.9 | 1,001.8 |

At 31 December 2009, trade receivables amounting to SEK 217.4 million (199.5) were overdue without any assessed need to recognise an impairment loss. These apply to a number of independent clients that have not previously had any solvency problems.

| Trade receivables by currency | 2009 | 2008 |
|-------------------------------|--------------|----------------|
| SEK | 424.0 | 515.1 |
| EUR | 112.2 | 160.3 |
| USD | 26.6 | 5.8 |
| NOK | 180.4 | 210.9 |
| Other currencies | 67.3 | 109.7 |
| TOTAL | 810.5 | 1,001.8 |

| Changes in the reserve for doubtful trade receivables | 2009 | 2008 |
|---|--------------|--------------|
| Opening reserve for doubtful trade receivables | –19.9 | –16.1 |
| Provisions to reserve for doubtful trade receivables | –6.4 | –18.5 |
| The year's write-off of non-collectible receivables | 9.7 | 1.4 |
| Reversal of unutilised amount | 0.0 | 13.6 |
| Translation differences | –0.2 | –0.3 |
| CLOSING RESERVE FOR DOUBTFUL TRADE RECEIVABLES | –16.8 | –19.9 |

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 +/-, % | 2009 Effect +/- | 2008 Effect +/- |
|------------------------------------|------------------|-----------------------|-----------------------|
| Currency | | | |
| EUR | 10 | 3.8 | 5.9 |
| USD | 10 | 3.7 | 1.5 |
| NOK | 10 | 9.8 | 8.6 |
| Interest rate on lending/borrowing | 1%-point | 1.6 | –0.4 |

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

34 Related party transactions

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

Consulting services have been sold for an amount of SEK 0.2 million (0.5) 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 1.4 million (4.4) to companies owned by the Douglas family, which has a controlling interest in Investment AB Latour, a shareholder controlling approximately 23 per cent of the votes in Sweco. The amount receivable at year-end 2009 was SEK 0.1 million (0.5). To companies owned jointly by the G. Nordström and Douglas families, consulting services have been sold for an amount of SEK 0.2 million (2.5).

See also transactions with senior executives in Note 6.

35 Events after the balance sheet date

On 12 February 2010 the Board of Directors proposed that the Annual General Meeting resolve on a distribution to the shareholders in the form of a dividend amounting to a maximum of SEK 358.0 million (see Note 26).

After the end of the year, Sweco acquired the Polish water and environmental consultancy Hydroprojekt Kraków Sp. z o.o with 35 employees.

36 Critical accounting estimates and assumptions

KEY SOURCES OF ESTIMATION UNCERTAINTY

Pension assumptions

Provisions for pensions are based on Sweco's best actuarial assumptions about the future (see Note 28). 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 24 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 of each assignment. The balance sheet item consists of multiple contracts, none of which makes up a substantial share of the total. While miscalculation of an individual contract would not have a significant impact on the value of work in progress, a general miscalculation could have a significant impact, although this is not probable.

37 Information about the Parent Company

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

Proposed appropriation of profits

PARENT COMPANY

The Board of Directors and the President & CEO propose that retained earnings, non-restricted reserves and net profit for the year together amounting to *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 892.5 million
SEK 256.7 million
SEK 1,149.2 million

SEK 179.0 million
SEK 970.2 million

1) The distribution will amount to a maximum of SEK 179.0 million calculated on the number of shares outstanding at 5 March 2010, 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 2009 to either purchase additional treasury shares or transfer treasury shares, the amount to be distributed will change.

The proposed date for payment of dividends is 4 May 2010.

The income statements and balance sheets of the Group and the Parent Company will be put before the Annual General Meeting on 29 April 2010 for adoption.

The Board of Directors of SWECO AB (publ) has proposed that the 2010 Annual General Meeting resolve to approve a dividend of SEK 2.00 per share (2.00), or a maximum of SEK 179.0 million (174.3).

Sweco's dividend policy states that at least half of profit for the year attributable to owners 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.

Aside from the proposed dividend, the Board of Directors proposes a share redemption procedure. The Group has a solid financial position following the strong earnings and cash flows of recent years. Through the share redemption, an amount of not more than SEK 179.0 million, equal to SEK 2.00 per share, will be distributed to the shareholders in Sweco AB. In view of the Board's proposal for payment of dividends and share redemption as stated above, the Board hereby issues the following statement pursuant to Chapter 18, Paragraph 4 and Chapter 20, paragraph 8 of the Swedish Companies Act.

The Board of Directors is of the opinion that the proposed distribution to the shareholders and share redemption 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 2009, the Group's equity/assets ratio after the proposed dividend and share redemption will amount to approximately 44 per cent. The equity/assets ratio prior to the dividend is approximately 51 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, 5 March 2010

Olle Nordström
Chairman

Anders G. Carlberg
Board member

Gunnel Duveblad
Board member

Aina Nilsson Ström
Board member

Pernilla Ström
Board member

Håkan Brinkenber
Employee representative

Thomas Holm
Employee representative

Anna Leonsson
Employee representative

Mats Wäppling
Board member, President & CEO

Our audit report was submitted on 9 March 2010

PricewaterhouseCoopers AB
Lennart Danielsson
Authorised Public Accountant

Audit report

To the annual meeting of the shareholders of SWECO 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 SWECO AB (publ) for the year 2009. The company's annual accounts and the consolidated accounts are included in the printed version on pages 28–72. 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, 9 March 2010
PricewaterhouseCoopers AB

Lennart Danielsson
Authorised Public Accountant

Five-year overview

| SEK M | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|--------------|--------------|--------------|-------------|-------------|
| Income statement, SEK M | | | | | |
| Net sales | 5,338.7 | 5,522.8 | 4,569.5 | 3,894.7 | 3,372.2 |
| Operating profit | 443.6 | 596.3 | 432.5 | 361.9 | 271.6 |
| Net financial items | 0.0 | -8.1 | -6.8 | 2.5 | 79.6 |
| Profit before tax | 443.6 | 588.2 | 425.7 | 364.4 | 351.2 |
| Profit for the year | 294.6 | 402.9 | 303.3 | 258.3 | 274.1 |
| Balance sheet, SEK M | | | | | |
| Balance sheet total | 3,151.3 | 3,012.5 | 2,438.0 | 2,050.9 | 2,040.5 |
| Equity including non-controlling interests | 1,595.7 | 1,414.8 | 950.3 | 835.9 | 880.7 |
| Cash and cash equivalents and current interest-bearing receivables | 557.3 | 321.3 | 192.0 | 255.6 | 336.3 |
| Interest-bearing liabilities | 138.8 | 161.2 | 209.8 | 105.8 | 124.4 |
| Net interest-bearing receivable/liability | 418.5 | 160.1 | -17.8 | 149.8 | 211.9 |
| Cash flow statement, SEK M | | | | | |
| Cash flow from operating activities | 529.7 | 557.1 | 314.2 | 243.8 | 275.6 |
| Cash flow from investing activities | -93.6 | -273.1 | -203.6 | 30.2 | -52.8 |
| Cash flow from financing activities | -201.3 | -176.5 | -155.7 | -283.1 | -181.7 |
| Cash flow for the year | 234.8 | 107.5 | -45.1 | -9.1 | 41.1 |
| Key ratios | | | | | |
| Operating profit per employee, SEK 000s | 87 | 109 | 92 | 91 | 75 |
| Value added per employee, SEK 000s | 743 | 720 | 701 | 701 | 676 |
| Billing ratio, % | 73.6 | 75.6 | 76.1 | 75.3 | 74.2 |
| Operating margin, % | 8.3 | 10.8 | 9.5 | 9.3 | 8.1 |
| Profit margin, % | 8.3 | 10.6 | 9.3 | 9.4 | 10.4 |
| Equity/assets ratio, % | 50.6 | 47.0 | 39.0 | 40.8 | 43.2 |
| Net debt/equity ratio, % | -26.2 | -11.3 | 1.9 | -17.9 | -24.3 |
| Debt/equity ratio, % | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 |
| Interest coverage ratio, times | 42 | 32 | 35 | 51 | 43 |
| Return on equity, % | 19.6 | 34.6 | 33.8 | 29.9 | 35.3 |
| Return on capital employed, % | 27.5 | 44.4 | 41.7 | 38.2 | 38.1 |
| Return on total assets, % | 14.7 | 22.3 | 19.5 | 18.2 | 19.0 |
| Average number of employees | 5,082 | 5,453 | 4,699 | 3,986 | 3,626 |
| Share data | | | | | |
| Earnings per share, SEK | 3.31 | 4.68 | 3.53 | 3.00 | 3.18 |
| Diluted earnings per share, SEK | 3.28 | 4.65 | 3.46 | 2.99 | 3.17 |
| Dividend return, % | 7.4 | 5.7 | 3.1 | 6.1 | 7.4 |
| Equity per share, SEK | 17.82 | 16.09 | 11.06 | 9.80 | 10.28 |
| Diluted equity per share, SEK | 17.40 | 15.72 | 10.83 | 9.72 | 10.22 |
| Cash flow per share, SEK | 2.66 | 1.25 | -0.54 | -0.11 | 0.49 |
| Diluted cash flow per share, SEK | 2.63 | 1.24 | -0.53 | -0.11 | 0.49 |
| Bid price SWECO B at 31 December, SEK | 53.75 | 35.00 | 65.00 | 52.80 | 41.60 |
| Market capitalisation, SEK M | 4,963 | 3,211 | 5,599 | 4,422 | 3,479 |
| Ordinary dividend per share, SEK (2009 – proposed) | 2.00 | 2.00 | 2.00 | 1.50 | 1.10 |
| Extraordinary dividend or profit distribution (2009 – proposed) | 2.00 | - | - | 1.70 | 2.00 |
| Number of shares at 31 December ¹⁾ | 88,943,037 | 87,144,243 | 84,260,044 | 84,251,350 | 84,451,350 |
| Diluted number of shares at 31 December ¹⁾ | 91,074,951 | 89,172,369 | 86,029,339 | 84,887,845 | 84,823,810 |
| Number of shares after full dilution at 31 December ¹⁾ | 92,374,951 | 90,424,369 | 86,947,804 | 85,739,700 | 85,896,350 |
| Number of class B and C treasury shares ¹⁾ | 3,059,073 | 2,357,867 | 2,154,306 | 1,163,000 | 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

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 2005 was SEK 41.60, 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 rose 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 increased 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 52.80. The number of employees at 31 December 2006 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 and 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 con-

sultancies. 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

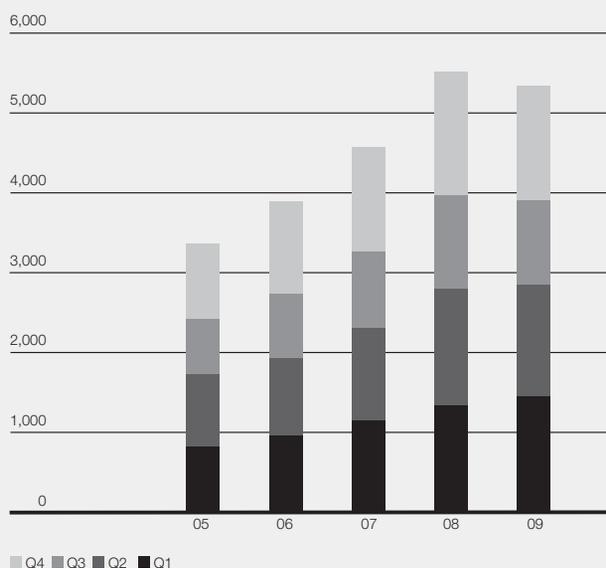
The market for consulting engineering services was good during the year. Demand was particularly keen for services in the environment, energy and infrastructure areas, while weaker demand was noted in the construction sector and parts of the industrial sector in the fourth quarter. In spite of the rapid 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.

2009

2009 was characterised by a weak market for building-related and industrial services, particularly in Finland and the Baltic countries. At the same time, demand for services related to the environment, energy and infrastructure was generally good. As a result of the unfavourable market, the Sweco Group's net sales fell by 3 per cent to SEK 5,339 million. Operating profit amounted to SEK 444 million with an operating margin of 8.3 per cent. Sweden and Norway delivered strong performance with operating margins of around 11 per cent. Operating profit was burdened with restructuring charges and a write-down of goodwill in Sweco Industry amounting to a total of SEK 41 million, as well as SEK 8 million in costs for resource adaptations in the Baltic countries. The Sweco Group's financial position was strong, with a net receivable of SEK 419 million and cash and cash equivalents include unutilised bank overdraft facilities of SEK 1,122 million. Acquisition activity was low during the year and only a few minor acquisitions were carried out. The bid price for the Sweco B share rose by 54 per cent and amounted to SEK 53.75 at year-end. The number of employees at year-end 2009 was 5,137.

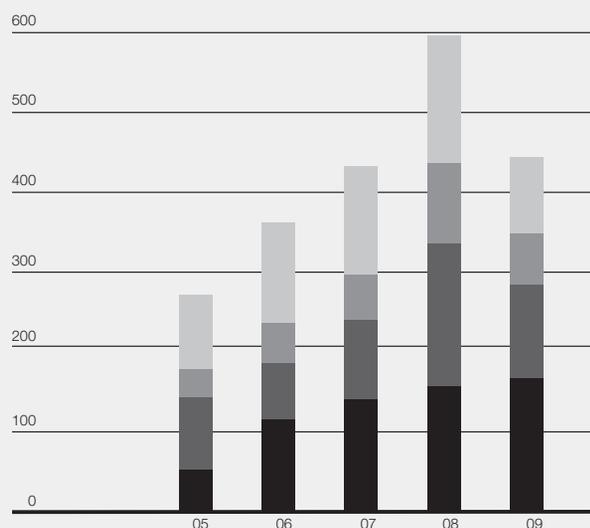
Net sales

SEK M



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 4,963 million.

SHARE PRICE DEVELOPMENT AND TRADING

The bid price of the Sweco B share was SEK 35.00 at the beginning of the year and SEK 53.75 at the end of the year, representing an increase of 54 per cent. Over the same period, NASDAQ OMX Stockholm rose by 47 per cent. The highest bid price for the class B share in 2009 was SEK 60.00 and the lowest was SEK 34.60. The highest bid price for the class A share was SEK 76.00 and the lowest was SEK 30.00.

A total of 10,995,866 Sweco shares were traded on NASDAQ OMX Stockholm in 2009 for a total value of approximately SEK 497.4 million, equal to a daily average of around SEK 1.99 million. The trading volume per business day was 43,804 class B shares and 179 class A shares.

Annual total return on the Sweco share, defined as the sum of share price growth and dividends received and reinvested, has averaged at 22 per cent over the past five years. The corresponding aggregate trend for NASDAQ OMX Stockholm was 8 per cent.

SWECO AB'S SHARES¹⁾

| | Number of | | Holding, % | |
|--------------|-------------------|-------------------|--------------|--------------|
| | Shares | Votes | Shares | Votes |
| A | 9,389,075 | 9,389,075 | 10.2 | 53.2 |
| B | 80,113,035 | 8,011,304 | 87.1 | 45.4 |
| C | 2,500,000 | 250,000 | 2.7 | 1.4 |
| TOTAL | 92,002,110 | 17,650,379 | 100.0 | 100.0 |

1) Including 559,073 class B shares, 2,500,000 class C shares and 305,907 votes pertaining to treasury shares.

SHAREHOLDERS BY CATEGORY, 31 DECEMBER 2009^{1), 2)}

| Category | % of shares | % of votes |
|-----------------------------|-------------|------------|
| Institutional investors | 79.8 | 82.8 |
| Private investors | 20.2 | 17.2 |
| Swedish shareholders, total | 89.9 | 94.6 |
| Foreign shareholders, total | 10.1 | 5.4 |

1) Including 559,073 class B shares, 2,500,000 class C shares and 305,907 votes pertaining to treasury shares.

2) Based on data from Euroclear Sweden AB.

LARGEST SHAREHOLDERS AT 31 DECEMBER 2009^{1), 2)}

| Shareholder | A | B | C | Total | % of shares | % of votes |
|---------------------------------------|------------------|-------------------|------------------|-------------------|--------------|--------------|
| Nordström family | 5,155,945 | 8,203,850 | – | 13,359,795 | 14.5 | 33.9 |
| Investmentaktiebolaget Latour | 1,222,760 | 27,775,000 | – | 28,997,760 | 31.5 | 22.7 |
| J. Gust. Richert Memorial Fund | 1,749,150 | 63,311 | – | 1,812,461 | 2.0 | 10.0 |
| SSB CL Omnibus | – | 5,527,074 | – | 5,527,074 | 6.0 | 3.1 |
| KAS Depository Trust Company | – | 4,616,650 | – | 4,616,650 | 5.0 | 2.6 |
| Swedbank Robur Fonder | – | 3,133,774 | – | 3,133,774 | 3.4 | 1.8 |
| Sweco AB | – | 559,073 | 2,500,000 | 3,059,073 | 3.3 | 1.7 |
| Lannebo Fonder | – | 1,942,000 | – | 1,942,000 | 2.1 | 1.1 |
| Eriksson family | 147,207 | 795,883 | – | 943,090 | 1.0 | 1.3 |
| Helge Ax:Son Johnson Foundation | – | 1,150,000 | – | 1,150,000 | 1.3 | 0.7 |
| Total, 10 largest shareholders | 8,275,062 | 53,766,615 | 2,500,000 | 64,541,677 | 70.1 | 78.9 |
| Others | 1,114,013 | 26,346,420 | – | 27,460,433 | 29.9 | 21.1 |
| TOTAL | 9,389,075 | 80,113,035 | 2,500,000 | 92,002,110 | 100.0 | 100.0 |

1) Including 559,073 class B shares, 2,500,000 class C shares and 305,907 votes pertaining to treasury shares.

2) Based on data from Euroclear Sweden AB.

Share price trend



Total return



Sweco's total annual return over the past five years has averaged at 22 per cent.

TREASURY SHARES

Sweco holds a total of 3,059,073 treasury shares, of which 559,073 class B shares and 2,500,000 class C shares. The class B treasury shares were purchased at an average price of SEK 22.10 each, equal to a total of SEK 12.4 million. The market value at the end of the period was SEK 30.1 million. The treasury shares correspond to 3.3 per cent of the total number of shares and 1.7 per cent of the votes.

Sweco's 2009 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 repur-

chased. 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 transfers 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 2010 Annual General Meeting grant the Board renewed authorisation for the purchase and transfer of treasury shares. According to the proposal, no more than ten per cent of the total number of shares may be repurchased.

DISTRIBUTION OF SHAREHOLDINGS AT 31 DECEMBER 2009¹⁾

| Number of shares | Total holding | Holding, % | No. of shareholders | % of shareholders | No. of votes | % of votes |
|--------------------|-------------------|--------------|---------------------|-------------------|-------------------|--------------|
| 1–500 | 1,163,165 | 1.3 | 4,782 | 56.5 | 153,670 | 0.9 |
| 501–1,000 | 1,247,381 | 1.3 | 1,628 | 19.2 | 159,505 | 0.9 |
| 1,001–10,000 | 5,515,137 | 6.0 | 1,715 | 20.3 | 754,243 | 4.3 |
| 10,001–50,000 | 5,216,590 | 5.7 | 249 | 2.9 | 799,843 | 4.5 |
| 50,001–100,000 | 2,565,176 | 2.8 | 36 | 0.4 | 402,067 | 2.3 |
| 100,001–10,000,000 | 76,294,661 | 82.9 | 61 | 0.7 | 15,381,051 | 87.1 |
| TOTAL | 92,002,110 | 100.0 | 8,471 | 100.0 | 17,650,379 | 100.0 |

1) Including 559,073 class B shares, 2,500,000 class C shares and 305,907 votes pertaining to treasury shares.

INCENTIVE SCHEME FOR SENIOR EXECUTIVES

In 2009 an additional 48,000 warrants were subscribed for in the warrant series 2008/2011. Fifty senior executives have thus subscribed for a total of 1,300,000 warrants in the series. 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. Full exercise of the warrant series would increase the number of class B shares by 1,300,000, which is equal to a dilutive effect of 1.4 per cent on the share capital and 0.7 per cent on the votes.

SHARE BONUS PROGRAMME

The Annual General Meeting of Sweco on 16 April 2009 resolved, in accordance with the Board's proposal, to implement a share bonus programme covering the majority of the Group's employees in Sweden, Norway, Finland and Denmark. The proposal included resolutions regarding the 2009 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 2009 Share Bonus Programme. The number of shares to be granted under the 2009 Share Bonus Programme in May 2010 is estimated at a maximum of 2,140,000.

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.

At the beginning of 2010 the Board established a new financial target to replace the old equity/assets ratio target. As a consequence of this, the dividend policy no longer refers to the equity/assets ratio. The new target means that Sweco should maintain a level of net debt over time. Sweco's net debt should not exceed 40 per cent of equity.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend for 2009 of SEK 2.00 per share (2.00), amounting to a maximum capital distribution of SEK 179.0 million (174.3).

The Board also proposes a share redemption procedure. Through the redemption, a sum of not more than SEK 179.0 million, or the equivalent of SEK 2.00 per share, will be distributed to the shareholders in Sweco AB. The terms of the share redemption can be found in the notice to attend the Annual General Meeting and on the company's website. The proposed dividend and share redemption amount to a total of not more than SEK 358.0 million (174.3). Based on the balance sheet at 31 December 2009, the ratio of net debt to equity after the proposed dividend and share redemption will be approximately –5 per cent. The corresponding figure for the equity/assets ratio will be approximately 44 per cent. No dividends or share redemption are payable on treasury shares.

DEVELOPMENT OF THE SHARE CAPITAL SINCE THE COMPANY'S FORMATION¹⁾

| Date | Comment | Change in the number of shares | | | Total number of shares | | | Quota value | Share capital, SEK M |
|----------------|-----------------|--------------------------------|-------------|------------|------------------------|-------------|-----------|-------------|----------------------|
| | | A | B | C | A | B | C | | |
| 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 |
| 2009, Feb | Conversion | – | 1,500,000 | –1,500,000 | 9,389,075 | 80,113,035 | – | 1 | 89.5 |
| 2009, May | New share issue | – | – | 2,500,000 | 9,389,075 | 80,113,035 | 2,500,000 | 1 | 92.0 |

1) Including 559,073 class B shares, 2,500,000 class C shares and 305,907 votes pertaining to treasury shares.

Corporate governance report

GENERAL

Sweco AB is a public limited company domiciled in Stockholm, Sweden. 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 NASDAQ OMX Stockholm regarding sound and effective corporate governance. Sweco's governance, management and control are divided between the shareholders at the Annual General Meeting, the Board of Directors and the President in accordance with the Swedish Companies Act and the Articles of Association. Sweco's corporate governance report has 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 2009 was SEK 4,963 million (3,211). The share capital amounted to SEK 92 million, divided between 9,389,075 class A shares, 80,113,035 class B shares and 2,500,000 class C shares. The C shares are preference shares and were issued by decision of the Annual General Meeting in 2009. 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 2009 Share Bonus Programme. The class A shares grant 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.

Shareholder voting rights

At year-end 2009 Sweco AB had 8,471 shareholders. The two largest shareholders are the G. Nordström family (with 14.5 per cent of the share capital and 33.9 per cent of the votes) and Investment AB Latour (with 31.5 per cent of the share capital and 22.7 per cent of the votes). Foreign investors held 10.1 per cent of the share capital and 5.4 per cent of the votes. Together, the ten largest shareholders control 70.1 per cent of the share capital and 78.9 per cent of the votes.

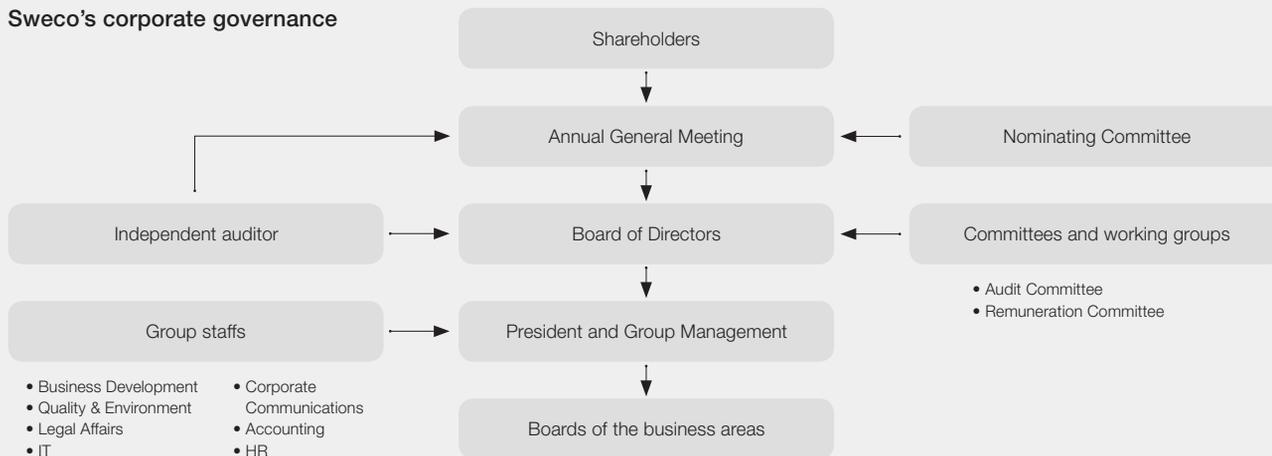
Dividend policy

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.

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 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.

Sweco's corporate governance



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

The 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, and when applicable auditors, decision regarding the Nominating Committee and other items of business as required by the Swedish companies Act. At Sweco's Annual General Meeting, each shareholder has the opportunity to ask questions about the company and its results for the past year. Representatives from the Board, executive management and the auditors are present to answer these questions.

2009 Annual General Meeting

The 2009 Annual General Meeting was held on 16 April in Stockholm and was attended by a total of 160 shareholders representing 78.5 per cent of the votes and 64.0 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 principles for salary and other remuneration to senior executives. The Annual General Meeting furthermore resolved on the implementation of the 2009 Share Bonus Programme, a preferential rights issue of class C shares, authorisation for the Board to repurchase the issued class C shares, the transfer of treasury shares for fulfilment of obligations under the 2009 Share Bonus Programme, and the transfer of additional shares to participants in the 2008 Share Bonus Programme. The Annual General Meeting also authorised the Board to decide on the acquisition and transfer of treasury shares and instructions for the Nominating Committee. In his address to the Annual General Meeting, President and CEO Mats Wäppling commented on the financial year 2008, Sweco's development in the past year and the outlook for 2009.

Gunnel Duveblad, Øystein Løseth, Aina Nilsson Ström, Olle Nordström and Mats Wäppling were re-elected as regular Board members. Anders G. Carlberg and Pernilla Ström 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.

2010 Annual General Meeting

The 2010 Annual General Meeting will be held at 3:00 p.m. on Thursday, 29 April 2010, 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 proposing the composition of the Board, the Nominating Committee puts forward recommendations for election of the chairman of the Annual General Meeting, the Board members, the Board Chairman, the amount of Board fees and their apportionment between the Chairman and Board members and any compensation for committee work, as well as election of auditors and auditing fees.

In 2009 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, and
- recommendations for the composition of the Board in the coming year.

Ahead of the 2010 Annual General Meeting, the Nominating Committee has held six meetings. The 2009 Annual General Meeting resolved on new instructions for the Nominating Committee ahead of the 2010 Annual General Meeting. Among other things, these state that the Board Chairman shall convene a Nominating Committee consisting of one representative for each of the largest shareholders in the company, at least three and at most four, and the Chairman if he/she is not a member in the capacity of shareholder representative. The names of the committee members, together with the names of the shareholders they represent, were published on the company's website on 28 October 2009.

Sweco's Nominating Committee ahead of the 2010 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 fam. 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 of Board meetings, the annual agenda, the main theme of each meeting, instructions for preparing the agenda and background documentation for decisions, etc.

The Chairman supervises the work of the Board and is responsible for ensuring that the Board carries out its duties in an organised and efficient manner. The Chairman continuously monitors the Group's development through ongoing contact with the President 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 and at 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 has an operating role in the company. All Board members at year-end were from Sweden. Half of the Board members are women. The members have an average age of 54.5 years. All regular Board members aside from the President are independent in relation to Sweco. All members aside from Olle Nordström are independent in relation to the owners.

The 2009 Annual General Meeting appointed Olle Nordström Chairman. The other regular Board members in 2009 were Anders G. Carlberg (as of the 2009 Annual General Meeting), Eric Douglas (until the 2009 Annual General Meeting) Gunnel Duveblad, Birgit Erngren Wohlin (until the 2009 Annual General Meeting), Øystein Løseth (until 25 November 2009), Aina Nilsson Ström, Pernilla Ström (as of the 2009 Annual General Meeting) and Mats Wäppling. One regular seat on the Board

is currently vacant since Øystein Løseth left the Board at his own request on 25 November 2009. The employee representatives have been Håkan Brinkenbergh, Thomas Holm and Anna Leonsson as regular members, with Sahar Almashta, Göran Karloja and Anders Perman 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 six times per year. In 2009 the Board held ten meetings, including three resolutions by circulation for decision in urgent matters. 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 Norway, where a study visit was also made to Sweco's projects such as that at Akershus University Hospital.

In addition to reporting on development of the companies' operations, the Board meetings in 2009 devoted considerable attention to the company's strategic focus, management issues, market situation, acquisitions, incentive schemes, financial, accounting and internal control issues, branding strategy and other decisions for which decision responsibility has been assigned to the Board. When needed, other executives in the company participate in Board meetings as needed in order to present reports. The Board Secretary is the company's Legal Counsel. Attendance at meetings of the Board, the Audit Committee and the Remuneration Committee in 2009 is shown in the following table:

| | Board meetings | Audit committee ³⁾ | Remuneration committee |
|----------------------------------|----------------|-------------------------------|------------------------|
| No. of meetings | 10 | 4 | 7 |
| Olle Nordström | 10/10 | 1/1 | 7/7 |
| Anders G. Carlberg ¹⁾ | 7/8 | 2/3 | – |
| Gunnel Duveblad | 10/10 | 4/4 | – |
| Øystein Løseth ²⁾ | 8/9 | 3/4 | – |
| Aina Nilsson Ström | 10/10 | 1/1 | 7/7 |
| Pernilla Ström ¹⁾ | 8/8 | – | 4/4 |
| Mats Wäppling | 10/10 | – | – |
| Håkan Brinkenbergh | 10/10 | 1/1 | – |
| Thomas Holm | 9/10 | 1/1 | – |
| Anna Leonsson | 10/10 | 1/1 | – |
| Sahar Almashta | – | – | – |
| Göran Karloja | 4/7 | – | – |
| Anders Perman ¹⁾ | – | – | – |

1) Joined the Board on 16 April 2009.

2) Resigned from the Board on 25 November 2009.

3) Until the 2009 Annual General meeting, the Audit Committee consisted of the entire Board.

Remuneration to the Board

The amount of remuneration payable to the Board of Directors is determined by the Annual General Meeting. Board fees for 2009/2010 were set at SEK 1,465,000, of which SEK 350,000 is paid to the Chairman and SEK 175,000 is paid to each of the five members elected by the Annual General Meeting who are not employed in the company. No Board fees are paid to the President or the employee representatives.

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

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,

Composition of the Board and approved fees¹⁾

| | Position | Year of birth | Nationality | Elected in | Independent ²⁾ | Board and committee fees, SEK ³⁾ |
|------------------------------|---|---------------|-------------|------------|---------------------------|---|
| Olle Nordström | Chairman, chairman of the Remuneration Committee | 1958 | Swedish | 1997 | no | 390,000 |
| Anders G. Carlberg | Board member, member of the Audit Committee | 1943 | Swedish | 2009 | yes | 215,000 |
| Gunnel Duveblad | Board member, chairman of the Audit Committee | 1955 | Swedish | 2008 | yes | 255,000 |
| Øystein Løseth ⁴⁾ | Board member, member of the Audit Committee | 1958 | Norwegian | 2008 | yes | 127,500 |
| Aina Nilsson Ström | Board member, member of the Remuneration Committee | 1953 | Swedish | 2006 | yes | 195,000 |
| Pernilla Ström | Board member, member of the Remuneration Committee | 1962 | Swedish | 2009 | yes | 195,000 |
| Mats Wäppling | Board member, President & CEO | 1956 | Swedish | 2003 | no | – |
| Håkan Brinkenbergh | 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 | – | – |
| Göran Karloja | Deputy, appointed by the employees | 1953 | Swedish | 2008 | – | – |
| Anders Perman | Deputy, appointed by the employees | 1968 | Swedish | 2009 | – | – |

1) For the period from the 2009 Annual General Meeting to the 2010 Annual General Meeting.

2) According to the Nominating Committee's assessment ahead of the 2009 Annual General Meeting.

3) Fees for work on the Board, Remuneration Committee and Audit Committee according to the decision of the 2009 Annual General Meeting.

4) Resigned from the Board on 25 November 2009.

as was also the case in 2009. 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 2009/2010 consists of Olle Nordström, Pernilla Ström 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 seven meetings in 2009. These meetings have primarily dealt with remuneration matters and issues related to share bonus and warrant programmes.

Board committees – Audit Committee

The statutory meeting of the Board also appoints an Audit Committee. The Audit Committee consists of Anders G. Carlberg, Gunnel Duveblad och Øystein Løseth (until 25 November 2009). 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, monitoring the efficiency of the company's risk management and internal control, establishing guidelines for which non-auditing services the company may procure from its auditor and evaluation of the auditor's performance. In 2009 the Audit Committee held four meetings.

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. In 2009 an additional 48,000 warrants were subscribed for, bringing the total number of subscribed warrants to 1,300,000. 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 each. 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 1,300,000, 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 exam-

ine the company's accounting records and annual report and the administration of the company by the Board of Directors and the President.

The auditing firm of PricewaterhouseCoopers AB (PwC) was re-elected by the 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 2009, fees for auditing services amounted to SEK 4.2 million and for non-auditing services to SEK 0.8 million. In 2008, fees for non-auditing services amounted to SEK 0.8 million. 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 2009 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 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.

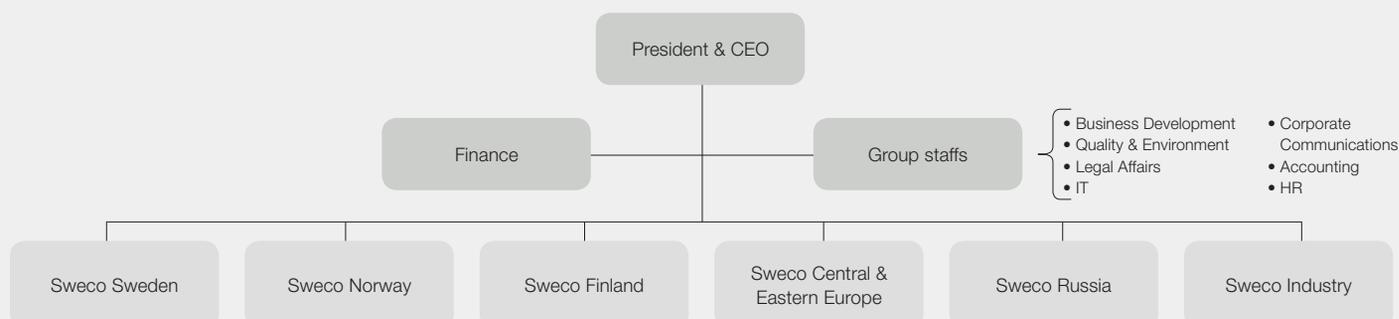
Remuneration to the President and senior executives

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 were adopted by the 2009 Annual General Meeting. For more details, see Note 6 of the 2009 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. The President & CEO is chairman of the board of each business area. 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 representatives from the 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 division/company can then be organised by region or group, depending on the number of employees. The smallest organisational unit often consists of between five and 30 employees under the supervision of a manager.

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 audited 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 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 attitude and approach. 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's HR activities are strongly focused on continuously improving the day-to-day operations and ensuring a dynamic and sustainable organisation. Three group-wide initiatives provide a platform for this work:

- structured leadership development,
- globally coordinated training and introduction of new employees,
- development of support processes, tools and measurement systems.

Sweco's group-wide routines for measurement and follow-up are aimed at ensuring that each employee's performance, activities and development plan are consistent with Sweco's overall goals as far as possible. Two main tools are used: Sweco Talk and Sweco Barometer. Sweco Talk is a group-wide process for performance reviews. In 2009 Sweco Talk was supplemented with Sweco Barometer, a global employee survey in collaboration with Sifo Research International.

Good management succession is crucial in order to realise Sweco's growth ambitions, and is therefore a highly prioritised area. Through the Next Generation Process, Sweco identifies employees with the potential to take on greater leadership responsibility. This takes place in connection with the annual performance reviews (Sweco Talk). Selected participants then take part in Sweco's leadership development course, Next Generation Program.

In 2009 Sweco continued its 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 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 interests. 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, which 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 equivalent work unless objectively motivated. 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 gender, nationality, ethnic origin, religious beliefs, disabilities, sexual orientation and age 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 communicated and practiced by the Board. Key components of the control environment are the organisational structure, management philosophy and style, responsibilities and powers 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 group policies, manuals, guidelines and routines that create discipline and structure. These documents are updated continuously.

Control environment

The Board of Sweco has formulated explicit procedural rules and instructions for its own work and that of the Remuneration Committee, Audit Committee and President 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. 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 the 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 continuously assess the unit's financial situation and results.

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, etc.

Risk assessment

The goal of risk management is to secure the Group's profit growth and guarantee that Sweco's operations in the various business units meet their goals. The company's Board of Directors and executive management are responsible for risk management.

Sweco's risk management is an ongoing process. A large share of Sweco's operations 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.

In 2009 a group-wide risk management project was initiated to further develop Sweco's work on risk management and internal control.

Read more about Sweco's risk management on pages 34–35 of the 2009 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 continuously monitor their projects and track monthly earnings and key ratios at the group, region, company/division and business area level. Key ratios of relevance for operations can also be followed up weekly at all of these levels. Every month, a group-wide consolidation is carried out to measure actual results against budgets and internal forecasts.

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

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 meets the requirements to which it is subject as a listed company.

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

- Interim and annual reports, which are published in Swedish and English.
- Press releases in Swedish and English about news and events 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 reports.
- Meetings with the media, investors and analysts in Sweden and around the world throughout the year.
- A Capital Markets Day once a year. In 2009 Sweco invited investors, analysts and the media to a day in Stockholm with a visit to Hammarby Sjöstad and presented examples of sustainable solutions that are in demand by Sweco's clients worldwide.

In addition to interim reports, annual reports and press releases, Sweco publishes material on the corporate website 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



Anders G. Carlberg



Gunnel Duveblad



Mats Wäppling



Håkan Brinkenberg



Thomas Holm

BOARD OF DIRECTORS

Olle Nordström Born in 1958. Board Chairman. Member of the Board since 1997. Chairman of Skirner AB and Gustafs Inredningar AB. Board member of Sparbössan Fastigheter AB, ClimateWell 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.

Anders G. Carlberg Born in 1943. Member of the Board since 2009. Board member of Axel Johnson AB, Mekonomen AB, Svensk Stål AB, Sapa AB, Säki AB, Höganäs AB and Beijer-Alma AB, among others. Holdings in Sweco: 10,000 shares.

Gunnel Duveblad Born in 1955. Member of the Board since 2008. Board member of BANKIT AB, Global IP Solutions AB, HiQ, IBS and Posten AB, among others. 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 Pandox AB. Holdings in Sweco: 25,000 shares and 150,000 warrants.

Håkan Brinkenberg Born in 1946. Employee representative since 2005. Holdings in Sweco: 2,587 shares.

Thomas Holm Born in 1953. Employee representative since 2007. Holdings in Sweco: 560 shares.



Øystein Løseth



Aina Nilsson Ström



Pernilla Ström



Anna Leonsson

Øystein Løseth Born in 1958. CEO of Nuon. Member of the Board since 2008 and until 25 November 2009. Board member of Eidsiva Vannkraft AS.

Aina Nilsson Ström Born in 1953. Design Director at AB Volvo. 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: 1,500 shares.

Pernilla Ström Born in 1962. Member of the Board since 2009. Board member of Bonnier AB, Uniflex AB, Kappahl AB, HQ Bank AB and Sydsvenska Dagbladet AB, among others. Holdings in Sweco: 3,000 shares.

Anna Leonsson Born in 1971. Employee representative since 2005. Holdings in Sweco: 401 shares.

DEPUTIES

Sahar Almashta Born in 1960. Employee representative since 2008. Holdings in Sweco: 231 shares.

Anders Perman Born in 1968. Employee representative since 2009. Holdings in Sweco: 438 shares.

Göran Karloja Born in 1953. Employee representative since 2008. Holdings in Sweco: 332 shares.

AUDITORS

PricewaterhouseCoopers AB
Auditor in Charge: Lennart Danielsson.
Authorised Public Accountant.

Executive Management and Senior Executives



EXECUTIVE 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 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.

SENIOR EXECUTIVES

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

Stig Bremer

Head of IT. Born in 1971. Year of employment: 1995.

Fredrik Hedlund

Head of Corporate Communications. Born in 1961. Year of employment: 2000.

Anna Johansson

Head of Group Accounting. Born in 1973. Year of employment: 2006.

Jenny Klefström

Legal Counsel. Born in 1974. Year of employment: 2002.

Lisa Lagerwall

Legal Counsel. Born in 1972. Year of employment: 2006.

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.

Jan Mattsson

President of Sweco Architects. Born in 1966. Year of employment: 1999.

Erik Severin

President of Sweco Energuide. Born in 1954. Year of employment: 1988.

SWECO NORWAY

President of Sweco Position. Born in 1960. Year of employment: 1996.

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 and Eastern Europe since 2008. Born in 1964. Year of employment: 1995. Holdings in Sweco: 1,555 shares and 10,000 warrants.

**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 Læggran

Head of Infrastructure Division. Born in 1966. Year of employment: 2004.

Ole-Petter Thunes

Head of Vest Division. Born in 1960. Year of employment: 2007.

Jørn Tyrdal

Head of Energy Division. Born in 1964. 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 Lietuva. 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 Hydropower. 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**Jarl Brandt**

President of Sweco Industry AB. Born in 1952. Year of employment: 2004.

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.

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 3:00 p.m. on Thursday, 29 April 2010, 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, and must have notified the company of their intention to participate no later than Friday, 23 April 2010, via Sweco's website, by letter or by calling the number provided below. The notification should include name, address, telephone number, personal identity number, registered holding and special mention if the shareholder wishes to be accompanied by an assistant. Registered participants will be mailed an admission card which is to be presented at the entrance to the Meeting premises.

Notification can be made:

- online via Sweco's website: www.swecogroup.com,
- by letter to Sweco AB, "Sweco Årsstämma", Box 7835, SE-103 98 Stockholm, Sweden
- by calling +46 (0)8-402 90 73, weekdays between 9:00 a.m. and 5:00 p.m.

NOMINEE SHARES

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names in order to exercise their voting rights at the Meeting. Such re-registration should be requested in good time prior to Friday, 23 April 2010, from the bank or securities broker that manages the shares.

FORM OF PROXY

Shareholders who are represented by a proxy must submit an original form of proxy and a certificate of registration, where appropriate, to be sent to the company no later than Friday, 23 April 2010. 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, 4 May 2010. If the Meeting decides in favour of the proposal, dividends are expected to be disbursed by Euroclear Sweden AB on Friday, 7 May 2010.

The Board of Directors furthermore proposes a share redemption procedure corresponding to SEK 2.00 per share. The proposed terms and conditions of the redemption procedure are described in the notice to attend the Annual General Meeting and on the company's website.

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 2009) divided by the closing bid price for the Sweco class B share.

EARNINGS PER SHARE

Profit for the year attributable to owners of the Parent Company divided by the average number of shares outstanding.

EMPLOYEE TURNOVER RATE

The number of employees who left the Group during the year divided by the average number of employees.

EQUITY/ASSETS RATIO

Shareholders' equity divided by total assets.

EQUITY PER SHARE

Equity attributable to owners of the Parent Company divided by the number of shares outstanding.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

INTEREST COVERAGE RATIO

Profit after net financial items plus financial expenses divided by financial expenses.

MARKET CAPITALISATION

The year's closing bid price for the Sweco class A and class B share multiplied by the number of shares outstanding (excluding treasury shares) in each class.

NET DEBT/EQUITY RATIO

Cash and cash equivalents less interest-bearing liabilities divided by shareholders' equity.

OPERATING MARGIN

Operating profit as a percentage of net sales.

OPERATING PROFIT PER EMPLOYEE

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

PROFIT MARGIN

Profit before tax in relation to net sales.

RETURN ON CAPITAL EMPLOYED

Profit after net financial items plus financial expenses in relation to average capital employed.

RETURN ON EQUITY

Profit for the year attributable to owners of the Parent Company in relation to average equity attributable to owners of the Parent Company.

RETURN ON TOTAL ASSETS

Profit after net financial items plus financial expenses divided by average total assets.

TOTAL RETURN

Share price trend including reinvested dividends.

VALUE ADDED PER EMPLOYEE

Operating profit excluding one-time items plus personnel costs divided by the average number of employees.

