

14 February 2017

THE STRONGEST QUARTER TO DATE CONCLUDES A RECORD YEAR

OCTOBER – DECEMBER 2016

- Net sales increased to SEK 4,421 million (4,350), acquired growth was 1 per cent
- EBITA excluding extraordinary items increased to SEK 478 million (390), margin 10.8 per cent (9.0)
- EBITA increased to SEK 395 million (200), margin 8.9 per cent (4.6)
- EBIT increased to SEK 378 million (179), margin 8.6 per cent (4.1)
- Profit after tax increased to SEK 276 million (86), corresponding to SEK 2.30 per share (0.75)

JANUARY – DECEMBER 2016

- Net sales increased to SEK 16,531 million (11,389), acquired growth was 42 per cent
- EBITA excluding extraordinary items increased to SEK 1,482 million (991), margin 9.0 per cent (8.7)
- EBITA increased to SEK 1,336 million (740), margin 8.1 per cent (6.5)
- EBIT increased to SEK 1,249 million (681), margin 7.6 per cent (6.0)
- Net debt decreased to SEK 1,558 million (1,688)
- Net debt/EBITDA decreased to 1.0 times (1.8). Net debt/EBITDA pro forma and excluding extraordinary items was 0.9 times (1.2)
- Profit after tax increased to SEK 931 million (439), corresponding to SEK 7.78 per share (4.36)
- The Board of Directors proposes a dividend distribution of SEK 4.30 per share (3.50)

COMMENTS FROM PRESIDENT AND CEO TOMAS CARLSSON:

Sweco is ending a record year with its strongest quarter to date. EBITA excluding extraordinary items is up 35 per cent for the full year and 23 per cent for the quarter, compared with last year's pro forma. The improvement is mainly due to synergies from the Grontmij integration.

Synergies are estimated to be 20 per cent higher and realised in half the time relative to initial estimates, while extraordinary items are expected to be 11 per cent lower. Close to 90 per cent of the synergies and essentially all extraordinary items were realised by the end of the quarter. With the integration largely completed, this is the last report in which we will comment on the Grontmij integration in detail.

Our focus forward is on Sweco's further development. With a strong financial position and as the market-leading architecture and engineering consultancy in Europe, Sweco is well positioned for continued value-creating growth. Our strategy for the future is to repeat our history. Sweco's operational model remains focused on customers, internal efficiency and having the best people in our business. We will continue to expand our Northern European footprint, through acquisitions and organic growth.

Overall, the market for Sweco's services is good. The Swedish market is strong. The markets in Norway, Denmark, Western Europe and Central Europe are generally good. The markets in Finland and the Netherlands remain challenging.

PROFIT AND OPERATIONS

OCTOBER-DECEMBER

Net sales increased 2 per cent to SEK 4,421 million (4,350). Organic growth was 1 per cent.

EBITA excluding extraordinary items increased by SEK 88 million. All business areas increased EBITA year-on-year. Sweden in particular contributed positively with an improvement of SEK 62 million, resulting in an EBITA margin of 13.8 per cent. Denmark also contributed strongly with an improvement of SEK 16 million, improving the EBITA margin from 7.7 per cent to 12.5 per cent.

In total, synergies from the Grontmij integration contributed approximately SEK 69 million to EBITA (17) and included reduced costs for shared IT and head office functions, reduced costs for overhead in Sweden, and operational improvements in Denmark and the Netherlands.

The billing ratio increased 0.6 percentage points to 75.3 per cent (74.7). The improved billing ratio essentially corresponds to realisation of synergies, predominantly through reduction of administrative staff.

Calendar effects had an impact of +1 working hour, producing a positive year-on-year effect on sales and EBITA of SEK 10 million.

Extraordinary transaction-, integration- and restructuring-related items associated with the Grontmij acquisition totalled SEK -83 million (-190) and are reported in the Group-wide segment.

EBITA was SEK 395 million (200).

Amortisation of acquisition-related intangible assets amounted to SEK 22 million (20). EBIT amounted to SEK 378 million (179).

Net financial items improved to SEK -5 million (-23) mainly due to positive exchange gains on currency hedging derivatives.

Profit after tax increased to SEK 276 million (86).

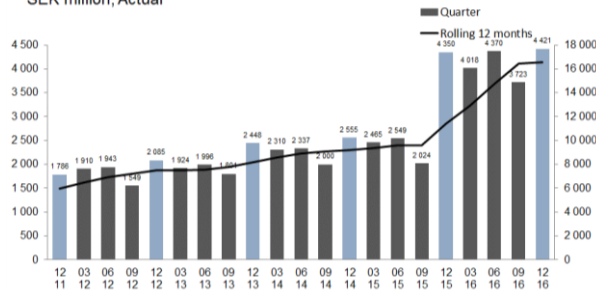
Earnings per share increased to SEK 2.30 per share (0.75).

Key ratios, pro forma	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Pro forma Full-year 2015
Net sales, SEK M	4,421	4,350	16,531	15,998
Organic growth, %	1	6	3	4
EBITA, excl. extraordinary items, SEK M	478	390	1,482	1,100
Margin, %	10.8	9.0	9.0	6.9
Number of full-time employees	14,765	14,621	14,653	14,552
Billing ratio	75.3%	74.7%	74.9%	74.2%
Normal working hours	493	492	1,979	1,968
Net debt/EBITDA excl. extraordinary items			0.9	1.2

Key ratios, Actual	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Actual Full-year 2015
Net sales, SEK M	4,421	4,350	16,531	11,389
Acquisition-related growth, %	1	64	42	18
EBITA, excl. extraordinary items, SEK M	478	390	1,482	991
Margin, %	10.8	9.0	9.0	8.7
EBITA, SEK M	395	200	1,336	740
Margin, %	8.9	4.6	8.1	6.5
Profit after tax, SEK M	276	86	931	439
Earnings per share, SEK*	2.30	0.75	7.78	4.36
Number of full-time employees	14,765	14,621	14,653	10,188
Net debt/EBITDA			1.0	1.8

* In view of the preferential rights issue conducted during Q4 2015, historical share data is restated pursuant to IAS 33.

Net sales by quarter and rolling 12 months
SEK million, Actual



PRO FORMA, JANUARY-DECEMBER

Pro forma reporting facilitates analysis of developments in operational activities on a like-for-like basis, assuming that Grontmij had been part of Sweco since the beginning of 2015.

Net sales increased to SEK 16,531 million (15,998). Organic growth was 3 per cent.

Synergies contributed approximately SEK 222 million (17) to EBITA.

Calendar effects had a positive impact of 11 hours and contributed SEK 67 million to sales and profit compared with last year. Adjusted for calendar effects, organic growth remained essentially unchanged at 3 per cent.

EBITA excluding extraordinary items totalled SEK 1,482 million (1,100). Extraordinary items totalled SEK -146 million (-319) and are reported in the Group-wide segment.

The billing ratio increased to 74.9 per cent (74.2).

ACTUALS, JANUARY-DECEMBER

Net sales increased 45 per cent to SEK 16,531 million (11,389). Acquisition-based growth was 42 per cent and is almost exclusively attributable to the Grontmij-acquisition.

Extraordinary items were SEK -146 million (-250) and EBITA thus totalled SEK 1,336 million (740).

Amortisation of acquisition-related intangible assets increased to SEK 92 million (57). The increase is primarily a result of the Grontmij acquisition and impacted EBIT, which totalled SEK 1,249 million (681).

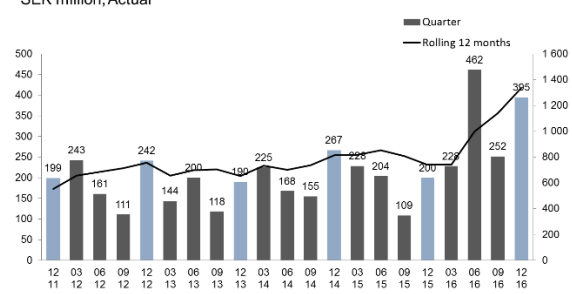
Net financial items amounted to SEK -33 million (-41). Profit after tax increased to SEK 931 million (439).

Earnings per share increased to SEK 7.78 per share (4.36).

EXAMPLES OF NEW PROJECTS

In Poland, Sweco has signed two contracts with the Regional Water Management Authorities, in Wrocław and Szczecin to provide consulting services for the Odra-Vistula Flood Management Project. The project, which is being co-financed by the World Bank, aims to improve flood protection for people living in the area. The

EBITA by quarter and rolling 12 months
SEK million, Actual



combined value of the contracts is approximately SEK 265 million.

In Sweden, Sweco has been commissioned by BillerudKorsnäs for construction management of a new board machine and structural engineering for redesign of the existing pulp mill at Gruvön. The result will be a packaging facility that contributes to reducing fossil dependency and climate impact, while improving food safety. The new board machine will have an annual production capacity of 550,000 tonnes, making it one of the largest in the world. According to BillerudKorsnäs, the entire investment totals SEK 5.7 billion. Sweco has a leading role in nearly all major and recent forest industry projects in the Nordics, including the expansion of SCA's Östrand and Södra Cell's Värö and Mörrum mills in Sweden and Metsä Fibre's Äänekoski mill in Finland.

During the quarter, the Gävleborg Region in Sweden commissioned Sweco to modernise Gävle hospital. The result will be a hospital that meets today's high standards for attractive care facilities, modern technology and patient security. Sweco's experts in areas ranging from architecture to structural and building services will participate in the project. The hospital is scheduled to begin operations in 2021. Sweco has extensive experience in healthcare projects throughout Europe, with recent examples including New Karolinska Hospital and Sahlgrenska University Hospital in Sweden, Kajana Central Hospital in Finland, Rigshospitalet and Glostrup in Denmark and the Charité University Hospital in Germany. In January Sweco announced that it will provide planning services for the new radiotherapy building at Klinikum in Stuttgart, further reinforcing Sweco's strong position in the health care and hospital market.

MARKET

Overall, the market for Sweco's services is good.

The Swedish market is strong. The markets in Norway, Denmark, Western Europe and Central Europe are generally good. The markets in Finland and the Netherlands remain challenging, with signs of improvement.

OUTLOOK

Demand for Sweco's services predominantly follows the general economic trend in Sweco's markets, with some time lag.

The Northern European GDP development is solid and the development is stable compared to last year. Political uncertainty, the global macro-economic situation and financial market events are risks to the development.

There is uncertainty following the EU referendum ("Brexit") in the UK and potential consequences to the general European economy may impact Sweco.

Sweco does not provide forecasts.

EVENTS DURING THE QUARTER

On 19 October Sweco announced that it would acquire Jo. Franzke, a German architectural firm with 44 employees. The acquisition was finalised and consolidated in Sweco's accounts as of 31 December.

The acquisition is in line with Sweco's strategy to leverage its footprint in Germany and Northern Europe for further bolt-on acquisitions.

On 25 October the Enterprise Chamber of Amsterdam (Ondernemingskamer) issued a decision on a statutory buy-out procedure and ordered all remaining Grontmij N.V. shareholders to transfer their shares to Sweco. The payment and transfer of the outstanding shares was finalised in November, whereafter Sweco holds 100 per cent of the shares.

During the quarter, Sweco divested its operations in China. This divestment had no significant impact on Group profit and position.

EVENTS AFTER THE QUARTER

On 11 January Dariush Rezai was announced as the new president of Sweco Denmark, starting 1 April 2017 at the latest.

On 6 February Sweco announced that it is acquiring the Finnish business of Karves Yhtiöt Ltd and the total share capital of its subsidiaries Karves Suunnittelu Ltd and Karves Energia & Valvonta Ltd. The companies have more than 50 employees. Sweco is thereby further strengthening its offering and presence in the Finnish market.

ACQUISITION OF GRONTMIJ

Grontmij, with approximately 6,000 employees in 9 countries, was acquired on 1 October 2015, making Sweco the leading engineering and architecture consultancy in Europe.

The acquisition has proved to be a perfect match and has created value for all stakeholders – customers, employees, shareholders and society in general. It has contributed to the best yearly performance to date and Sweco now holds a leadership position in seven Northern European countries. With the integration mainly

completed, focus forward will be on continuous operational improvements and profitable growth.

Consequently, this is the last quarterly report in which Sweco will comment on the integration. Going forward, synergies and integration costs will not be reported separately.

One year after closing, Sweco conducted a thorough review of the integration plan. The updated estimate was presented in the third quarter report and shows outperformance against all previously communicated key financials.

The updated financial estimates are:

- Annual cost synergies totalling SEK 300 million. Previously estimated at SEK 250 million (+20 per cent)
- Realisation of full run rate at the start of 2018. Previously estimated at 90 per cent within 4 years of acquisition (2 years earlier)
- Extraordinary items totalling SEK -400 million. Previously estimated at SEK -450 million (-11 per cent)
- EPS accretion in 2016. Previously estimated at within 2 years of acquisition (1 year earlier)

The annual run rate of cost synergies at the end of the fourth quarter was approximately SEK 263 million, an increase from SEK 250 million at the end of third quarter 2016. Cost synergies made a positive contribution of approximately SEK 69 million (17) to EBITA during the fourth quarter and SEK 222 million (17) year-to-date.

Cost synergies are found in four main areas and have the following status:

- IT (approximately 30 per cent of cost-saving potential): All major supplier contracts have been renegotiated to a lower price. The new central IT organisation has been implemented. Local IT integrations in Sweden, Denmark and the Netherlands have been completed. IT integration in Belgium is underway. The IT integration is largely expected to be completed during the first half of 2017
- Head office (approximately 20 per cent of cost-saving potential): The new head office organisation is operational. Reductions in staff and management functions are completed and full cost savings have been realised
- Overhead costs within business area Sweden (approximately 20 per cent of cost-saving potential): The new organisation for administrative support has been implemented and staff reductions are completed. Grontmij's Stockholm operations, with approximately 275 employees, have moved to Sweco's premises

- Country-specific operational improvements (approximately 30 per cent of cost-saving potential): The new administrative support organisation in the Netherlands and Denmark is implemented. A new decentralised, customer-focused organisational model is implemented in the Netherlands. The divestment of ancillary operations and restructuring of unprofitable units is ongoing. Reductions in the Dutch consultant organisation commenced during fourth quarter 2015. Measures taken in the Netherlands involved a downsizing of operations during 2016, with sales and profitability expected to stabilise from 2017

A total reduction of approximately 200 positions is expected within the Group due to integration and restructuring. Notice has been given in most cases, and 192 of these employees have left the Group by the end of the period.

Extraordinary items totalled SEK -83 million in the fourth quarter and -146 million for the full year. To date, total extraordinary items for the entire acquisition amount to SEK -396 million. All extraordinary items are reported in the Group-wide segment.

While the short-term cost synergies have now been largely realised, additional value creation can be achieved in the longer term through increased customer focus and internal efficiency as well as organic and acquisition-based growth in Sweco's new home markets.

Sweco continues to work towards the vision of becoming Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture.

CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 1,165 million (1,140). Net debt decreased to SEK 1,558 million (1,688).

The net debt/EBITDA ratio was 1.0 times (1.8). Pro forma and adjusted for extraordinary items, the net debt/EBITDA ratio was 0.9 times (1.2).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 2,138 million (2,229) at the end of the reporting period.

INVESTMENTS, JANUARY-DECEMBER 2016

Investments in equipment totalled SEK 213 million (179) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 219 million (168) and amortisation of intangible assets totalled SEK 134 million (75).

Purchase consideration paid to acquire companies and operations totalled SEK 175 million (3,368) and had a negative impact of SEK 152 million (-1,246) on Group cash and cash equivalents. Purchase consideration received for the divestment of companies and operations totalled SEK 10 million (6) and had a positive impact of SEK 7 million (2) on Group cash and cash equivalents. Repurchases of Sweco shares totalled SEK 126 million and had the same effect on Group cash and cash equivalents.

During the period, dividends totalling SEK 418 million (318) were distributed to Sweco AB shareholders.

ACQUISITION-RELATED INTANGIBLE ASSETS

Acquisition-related intangible assets will be amortised pursuant to the following schedule, based on acquisition to date:

2016 Actuals	SEK -92 million
2017 Estimate	SEK -62 million
2018 Estimate	SEK -54 million
2019 Estimate	SEK -28 million

BUSINESS AREAS

PRO FORMA ACCOUNTS, OCTOBER-DECEMBER

Business areas are reported on a pro forma basis following the new organisation as of 1 October 2015. Pro forma reporting facilitates analysis of developments in operational activities on a like-for-like basis, assuming that Grontmij had been part of Sweco since the beginning of 2015.

SWECO SWEDEN

SALES AND PROFIT, OCTOBER-DECEMBER

EBITA increased by 29 per cent to SEK 273 million and the EBITA margin improved 2.8 per cent points to 13.8 per cent. The improvement to EBITA is mainly due to lower project write-downs, a positive calendar effect, an increased fee level and synergies realised within administrative overhead.

Organic growth was 3 per cent during the quarter. The calendar effect of +8 hours had a positive year-on-year impact of SEK 23 million on net sales and EBITA.

The Swedish market remains strong. There is strong demand in the construction and real estate sector, particularly in the larger cities. The infrastructure market is also strong, supported by major public investments. The industrial market is stable and the market for IT-related services is developing positively. The market for power transmission services is strong, while the energy generation market is weak.

IN BRIEF

Net sales and profit	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Pro forma Full-year 2015
Net sales, SEK M	1,974	1,921	7,148	6,838
Organic growth, %	3	8	4	6
Currency, %	0	0	0	0
EBITA, SEK M	273	211	852	672
EBITA margin, %	13.8	11.0	11.9	9.8
Number of full-time employees	5,605	5,527	5,482	5,375

SWECO NORWAY

SALES AND PROFIT, OCTOBER-DECEMBER

Organic growth was 4 per cent during the quarter. There was no year-on-year difference in the number of available working hours.

Operating profit improved by SEK 6 million. The defined benefit pension plan was closed during the quarter and replaced with a defined contribution plan. Administrative staff was reduced and the office in Alta was closed. Taken together, these actions had a positive impact on EBITA of SEK 4.5 million.

The Norwegian market is good, but demand is distributed unevenly. Markets in the Oslo region and within public infrastructure remain strong. The private commercial construction market is muted due to low oil prices, while the residential and public construction market is good with strong demand. The markets in southern and western Norway are challenging, while the eastern and northern areas are experiencing moderate growth.

IN BRIEF

Net sales and profit	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Actual Full-year 2015
Net sales, SEK M	535	508	2,059	1,991
Organic growth, %	4	6	6	8
Currency, %	1	-8	-3	-4
EBITA, SEK M	58	52	195	161
EBITA margin, %	10.9	10.2	9.5	8.1
Number of full-time employees	1,346	1,323	1,344	1,326

SWECO FINLAND

SALES AND PROFIT, OCTOBER-DECEMBER

EBITA increased by SEK 6 million and the margin improved 1.5 per cent points to 8.6 per cent. The profit improvement is mainly attributable to an increased billing ratio and an increased number of own consultants.

Revenues from own consultants increased organically due to an increased number of employees and an improved billing ratio. However, net sales decreased to SEK 469 million (488). The decline is primarily due to lower revenues from sub consultants and a negative calendar effect. Calendar effects of -6 hours had a negative year-on-year impact of approximately SEK 5 million on net sales and EBITA.

The Finnish market remains challenging. The Finnish economy has basically had zero GDP growth since 2011, although there are signs of improvement. The demand for Sweco's services is stable with positive signs in the building market in the Helsinki region. Demand for construction and real estate-related services is satisfactory, while the infrastructure and industry markets remain challenging.

IN BRIEF

	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Actual Full-year 2015
Net sales and profit				
Net sales, SEK M	469	488	1,785	1,663
Organic growth, %	-5	17	6	6
Currency, %	0	0	1	2
EBITA, SEK M	41	35	138	89
EBITA margin, %	8.6	7.1	7.7	5.4
Number of full-time employees	1,936	1,909	1,984	1,913

SWECO DENMARK

SALES AND PROFIT, OCTOBER-DECEMBER

EBITA increased to SEK 44 million (28) and the EBITA margin improved 4.8 per cent points to 12.5 per cent. The profit improvement is primarily due to an improved billing ratio, higher average fees and a positive calendar effect. Calendar effects of +7 hours had a positive year-on-year impact of SEK 4 million on net sales and EBITA.

Focus during the year has been on improving profitability and reducing unprofitable business. Consequently, net sales in the quarter decreased compared to last year, primarily due to lower revenues from sub consultants.

The market in Denmark is generally good and is developing positively. The construction and real estate sector is developing well and is particularly strong in the larger cities. The infrastructure market is stable with a weaker demand in road construction. Demand in the water and energy sector is stable with growth in the international water segment exceeding growth in the domestic market.

IN BRIEF

	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Pro forma Full-year 2015
Net sales and profit				
Net sales, SEK M	352	365	1,376	1,350
Organic growth, %	-4	11	1	5
Currency, %	0	0	1	3
EBITA, SEK M	44	28	98	39
EBITA margin, %	12.5	7.7	7.1	2.9
Number of full-time employees	1,037	1,094	1,077	1,109

SWECO NETHERLANDS

SALES AND PROFIT, OCTOBER-DECEMBER

Sales decreased to SEK 434 million (450). The decline is primarily due to the ongoing restructuring of the Dutch operations, which impacts both organic and acquired growth. A calendar effect of -8 hours had a negative year-on-year impact of approximately SEK 6 million on net sales and EBITA.

EBITA was essentially unchanged. Focus has been on turning around and restructuring the business. The positive impact on profitability has yet to materialise through sales growth and improved staff utilisation.

The market in the Netherlands has been challenging for several years due to the country's real estate and financial crises. The first signs of market stabilisation are visible, particularly within private building construction. Sweco Netherlands delivers services primarily in the areas of public infrastructure, energy, water and public sector buildings. These markets typically lag behind the private construction market and the market remains challenging overall.

Sweco Netherlands introduced a new decentralised customer-focused organisational model in late 2015 and implementation continued throughout 2016 with staff reductions within administration and the consultant organisation.

IN BRIEF

	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Pro forma Full-year 2015
Net sales and profit				
Net sales, SEK M	434	450	1,746	1,831
Organic growth, %	1	-11	-3	-7
Acquisition-related growth, %	-4	0	-3	0
Currency, %	0	1	1	3
EBITA, SEK M	0	-1	27	24
EBITA margin, %	-0.1	-0.3	1.5	1.3
Number of full-time employees	1,503	1,618	1,504	1,666

SWECO WESTERN EUROPE

SALES AND PROFIT, OCTOBER-DECEMBER

EBITA increased to SEK 30 million (25) and the margin improved 1.2 per cent points to 7.1 per cent mainly due to higher average fees and an increased number of own consultants. Net sales decreased by SEK 7 million primarily due to negative currency effects and a negative calendar effect. Calendar effects of -3 hours had a negative year-on-year impact of approximately SEK 2 million on net sales and EBITA.

Demand for Sweco's services in the UK remained good throughout the fourth quarter. The infrastructure market is good and the energy and water markets are stable. Although there are no tangible signs of a slowdown, there is uncertainty about market development following the EU referendum ("Brexit"). While it is too early to determine the consequences, the private construction market is expected to be more exposed than the market for publicly financed projects.

The market in Belgium is generally stable within all market segments. The private and public building markets are improving. The industry market and the public infrastructure markets are good.

Demand is stable in Turkey, while the market in Bulgaria is slow due to delays in EU-funded projects.

IN BRIEF

	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Pro forma Full-year 2015
Net sales and profit				
Net sales, SEK M	421	428	1,580	1,594
Organic growth, %	0	14	4	5
Currency, %	-1	3	-4	7
EBITA, SEK M	30	25	105	83
EBITA margin, %	7.1	5.9	6.6	5.2
Number of full-time employees	1,734	1,653	1,704	1,618

SWECO CENTRAL EUROPE

SALES AND PROFIT, OCTOBER-DECEMBER

Sales increased to SEK 297 million (262) due to double-digit organic growth in Germany and equally strong acquisitive growth, whereas sales from the other countries decreased. A calendar effect of -11 hours had a negative year-on-year impact of approximately SEK 4 million on net sales and EBITA.

EBITA increased to SEK 26 million (19) and the EBITA margin improved 1.5 percentage points to 8.9 per cent. Improved profits in the existing German business and the acquisition of Ludes during the second quarter mainly contribute to the improvement.

The German market is good overall and is developing positively. The health care and commercial markets are good. Demand is strong in the transport and environmental sector due to public investments, while the energy market remains challenging.

The Lithuanian market is experiencing weak development due to delayed EU investments in public infrastructure, water and environment. The EU investments were initiated gradually during the third quarter and are expected to increase. The Czech market remains challenging, although there is solid demand for Sweco's services. The Polish market is developing positively and shows good investments in energy, transportation and water.

IN BRIEF

	Actual Oct-Dec 2016	Actual Oct-Dec 2015	Actual Full-year 2016	Pro forma Full-year 2015
Net sales and profit				
Net sales, SEK M	297	262	1,052	951
Organic growth, %	0	4	2	7
Acquisition-related growth, %	14	-7	9	-3
Currency, %	0	4	1	1
EBITA, SEK M	26	19	58	49
EBITA margin, %	8.9	7.4	5.5	5.1
Number of full-time employees	1,511	1,364	1,457	1,402

OTHER INFORMATION

PARENT COMPANY, JANUARY-DECEMBER 2016

Parent Company net sales totalled SEK 538 million (355) and were attributable to intra-group services. Profit after net financial items totalled SEK 488 million (464). Investments in equipment totalled SEK 31 million (36). Cash and cash equivalents at the end of the period totalled SEK 570 million (13).

ACCOUNTING PRINCIPLES

Sweco complies with the International Financial Reporting Standards (IFRS) and interpretive statements from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. This interim report was prepared in accordance with IAS 34, Interim Reporting; the Swedish Annual Accounts Act; and the Swedish Financial Reporting Board's RFR 2, Reporting for Legal Entities.

The Group applies the same accounting and valuation principles as those described in Note 1 of the 2015 annual report. In this interim report, amounts in brackets refer to the corresponding period of the previous year. Because table items are individually rounded off, table figures do not always tally. The interim report comprises pages 1 - 17; interim financial information presented on pages 1 - 17 is therefore part of this financial report.

DEFINITIONS

As of third quarter 2016 Sweco follows the new guidelines from ESMA (European Securities and Markets Authority) regarding APMs (Alternative Performance Measures). In brief, these are measures of historical or ongoing operating results and financial performance that are not specified or defined in IFRS. The presentation of non-IFRS financial measures is limited as an analytical tool and should not be used as a substitute for our key ratios pursuant to IFRS. Sweco believes that the APMs will enhance the investor's evaluation of our ongoing operating results, aid in forecasting future periods and facilitate meaningful comparison of results between periods. The non-IFRS financial measures presented in this report may differ from similarly titled measures used by other companies. A complete list of all Sweco's definitions can be found on our website: <http://www.sweco.se/en/IR/definitions/>.

Key ratio calculations that cannot be obtained directly from the income statement and balance sheet can be found on page 17 (revenue growth) and page 16 (EBITA excluding extraordinary items).

THE SWECO SHARE

The Sweco share is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 180.20 at the end of the period, representing a 45 per cent increase during the year. The Nasdaq Stockholm General Index increased by 9 per cent over the same period.

The total number of shares at the end of the period was 121,983,819: 10,533,731 Class A shares, 110,550,088

Class B shares and 900,000 Class C shares. The total number of outstanding shares was 119,554,270: 10,533,731 Class A shares and 109,020,539 Class B shares.

BOARD PROPOSALS TO THE AGM

Dividend: The Board of Directors proposes that the dividend to be increased to SEK 4.30 per share (3.50), not to exceed a dividend amount of SEK 521 million (421).

2017 share savings scheme: The Board of Directors proposes that the 2017 AGM resolve to implement a long-term share savings scheme for up to 100 Sweco Group senior executives and other key employees. The proposal is otherwise essentially identical to last year's proposal.

2017 share-based incentive scheme: The Board of Directors also proposes that the 2017 AGM resolve to implement a share-based incentive scheme for employees in Sweden. The proposal is otherwise identical to last year's proposal.

RISKS AND UNCERTAINTIES

Significant risks and uncertainties affecting the Sweco Group and the Parent Company include business risks associated with the general economic trend and investment spending in various markets, the capacity to attract and retain skilled personnel and the effects of political decisions. The Group is also exposed to various types of financial risks, such as foreign currency, interest rate and credit risks. No significant risks are deemed to have arisen apart from the risks detailed in Sweco's 2015 annual report (page 90, Risks and Risk Management).

ANNUAL GENERAL MEETING

The 2017 annual general meeting will be held at 3:00 PM on Thursday, 27 April at Näringslivets Hus, Storgatan 19, Stockholm. Sweco's 2016 annual report will be available for shareholder perusal at Sweco's headquarters, Gjörwellsgatan 22, Stockholm, and on the company's website, www.swecogroup.com, approximately three weeks prior to the AGM.

SEASONALITY

The number of normal working hours in 2017, based on the 12-month sales-weighted business mix as of September 2016, is broken down as follows:

	<u>2017</u>	<u>2016</u>	
Quarter 1:	506	478	+28
Quarter 2:	464	490	-26
Quarter 3:	511	518	-7
Quarter 4:	490	493	-3
Total:	1,971	1,979	-8

FORTHCOMING FINANCIAL INFORMATION

Interim report January-March	11 May 2017
Interim report January-June	20 July 2017
Interim report January-September	27 October 2017
Year-end report 2017	13 February 2018

Stockholm, 14 February 2017

Tomas Carlsson
President and CEO, Member of the Board of Directors

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This report has not been audited.

KEY RATIOS, ACTUAL

Key ratios ¹⁾	Oct-Dec 2016	Oct-Dec 2015	Full-year 2016	Full-year 2015
Profitability				
EBITA margin, %	8.9	4.6	8.1	6.5
Operating margin (EBIT), %	8.6	4.1	7.6	6.0
Profit margin, %	8.4	3.6	7.4	5.6
Revenue growth²⁾				
Organic growth, %	1	8	3	6
Acquisition-related growth, %	1	64	42	18
Currency, %	0	-2	0	0
Total growth, %	2	70	45	24
Debt				
Net debt, SEK M			1,558	1,688
Interest-bearing debt, SEK M			2,451	2,232
Financial strength				
Net debt/Equity, %			28.7	34.4
Net debt/EBITDA, x			1.0	1.8
Equity/Assets ratio, %			39.3	39.0
Available cash and cash equivalents, SEK M			2,138	2,229
-of which unutilised credit, SEK M			1,245	1,685
Return				
Return on equity, %			18.0	12.9
Return on capital employed, %			16.8	13.2
Share data³⁾				
Earnings per share, SEK ³⁾	2.30	0.75	7.78	4.36
Diluted earnings per share, SEK ²⁾	2.26	0.74	7.65	4.30
Equity per share, SEK ^{3,4)}			45.37	40.98
Diluted equity per share, SEK ^{3,4)}			44.47	40.49
Number of outstanding shares at reporting date			119,554,270	119,537,510
Number of repurchased Class B and Class C shares			2,429,549	1,557,320

¹⁾ Key ratio definitions are available on Sweco's website. Key ratios in this table refer to the consolidated accounts (not pro forma).

²⁾ See page 17 for details on Sweco's calculation of revenue growth.

³⁾ Historical share data is restated in accordance with IAS 33 due to the preferential rights issue conducted during Q4 2015.

⁴⁾ Refers to portion attributable to Parent Company shareholders.

CONSOLIDATED INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

Income Statement SEK M	Oct-Dec 2016	Oct-Dec 2015	Full-year 2016	Full-year 2015
Net sales	4,421	4,350	16,531	11,389
Other income	0	0	0	0
Other external expenses	-1,096	-1,170	-4,052	-2,877
Personnel expenses	-2,863	-2,911	-10,875	-7,581
EBITDA	461	269	1,605	931
Amortisation/depreciation and impairments	-66	-69	-269	-190
EBITA	395	200	1,336	740
Acquisition-related items ¹⁾	-17	-20	-87	-60
Operating profit (EBIT)	378	179	1,249	681
Net financial items	-5	-23	-33	-41
Profit before tax	373	156	1,216	640
Income tax	-97	-70	-285	-200
PROFIT FOR THE PERIOD	276	86	931	439
Attributable to:				
Parent Company shareholders	275	85	930	438
Non-controlling interests	1	0	1	1
Earnings per share attributable to Parent Company shareholders, SEK ²⁾	2.30	0.75	7.78	4.36
Average number of shares ²⁾	119,600,937	113,453,746	119,598,820	100,445,122
Dividend per share, SEK ²⁾			4.30	3.50

¹⁾ Acquisition-related items are defined as amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, and profit and loss on the divestment of companies and operations. See page 15 for additional details.

²⁾ Historical share data is restated in accordance with IAS 33 due to the preferential rights issue conducted during Q4 2015.

Consolidated income statement and other comprehensive income, SEK M	Oct-Dec 2016	Oct-Dec 2015	Full-year 2016	Full-year 2015
Profit for the period	276	86	931	439
Items that will not be reversed in the income statement				
Revaluation of defined benefit pensions, net after tax ¹⁻³⁾	1	24	-30	45
Items that may subsequently be reversed in the income statement				
Revaluation of Grontmij NV holding, net after tax ²⁾	-	-	-	12
Translation differences, net after tax	-12	-65	38	-92
Translation differences transferred to profit for the period	1	1	1	5
COMPREHENSIVE INCOME FOR THE PERIOD	266	45	940	410
Attributable to:				
Parent Company shareholders	266	45	939	409
Non-controlling interests	0	0	1	1
¹⁾ Tax on revaluation of defined benefit pensions	-4	-8	5	-16
²⁾ Tax on revaluation of Grontmij NV holding	-	0	-	-3

³⁾ Revalued annually. Reviewed quarterly in the event of material changes to actuarial assumptions.

CONSOLIDATED BALANCE SHEET, STATEMENTS OF CONSOLIDATED CASH FLOW AND CHANGES IN EQUITY

Cash flow statement SEK M	Oct-Dec 2016	Oct-Dec 2015	Full-year 2016	Full-year 2015
Cash flow from operating activities before changes in working capital and tax paid	498	263	1,677	952
Tax paid	-26	-15	-196	-157
Changes in working capital	384	648	-316	345
Cash flow from operating activities	856	896	1,165	1,140
Cash flow from investing activities	-109	-1,000	-401	-1,440
Cash flow from financing activities	-320	584	-428	707
CASH FLOW FOR THE PERIOD	427	480	336	407

Balance sheet SEK M	31 Dec 2016	31 Dec 2015
Goodwill	6,098	5,752
Other intangible assets	346	416
Property, plant and equipment	616	639
Financial assets	219	157
Current assets excl. cash and cash equivalents	5,650	5,068
Cash and cash equivalents incl. short-term investments	892	544
TOTAL ASSETS	13,820	12,575
Equity attributable to Parent Company shareholders	5,424	4,899
Non-controlling interests	10	9
Total equity	5,435	4,907
Non-current interest-bearing liabilities	1,515	1,985
Other non-current liabilities	833	715
Current interest-bearing liabilities	936	246
Other current liabilities	5,102	4,722
TOTAL EQUITY AND LIABILITIES	13,820	12,575
Pledged assets	22	-
Contingent liabilities	706	704

Changes in equity SEK M	Jan-Dec 2016			Jan-Dec 2015		
	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Equity, opening balance	4,899	9	4,907	1,874	14	1,888
Comprehensive income for the period	939	1	940	409	1	410
Transfer to shareholders	-418	-1	-419	-318	-1	-319
Issue in kind	-	-	-	1,800	-	1,800
Preferential rights issue	-2	-	-2	1,062	-	1,062
Acquisition of non-controlling interests	0	0	0	-12	-4	-16
Non-controlling interests in acquired companies	-	-	-	-	-1	-1
Divestments of non-controlling interests	-	1	1	-	0	0
Buy-back of treasury shares	-126	-	-126	-14	-	-14
Sales of treasury shares	3	-	3	17	-	17
Share-based incentive schemes	125	-	125	76	-	76
Share savings schemes	5	-	5	5	-	5
EQUITY, CLOSING BALANCE	5,424	10	5,435	4,899	9	4,907

ACQUISITIONS, DIVESTMENTS, ACQUISITION-RELATED ITEMS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

ACQUISITION OF SUBSIDIARIES AND OPERATIONS

During the period Sweco acquired Petro Team Engineering AB, Sletten AS, Ludes Generalplaner GmbH and Jo. Franzke Architekten GmbH and expanded its participation in Par 2 Ontwikkeling B.V. to 100 per cent (previously owned 50 per cent). Sweco also acquired operations within Altenia Oy. The acquired businesses have an aggregate total of 160 employees. Purchase consideration totalled SEK 175 million and had a negative impact on cash and cash equivalents of SEK 152 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below. Of the unsettled purchase price commitment of SEK 4 million, SEK 2 million refers to conditional contingent consideration. During the period the acquired companies contributed SEK 112 million in sales and SEK 10 million in operating profit (EBIT). If all of the companies had been owned as of 1 January 2016 they would have contributed approximately SEK 148 million in sales and about SEK 6 million in operating profit. The table also includes revaluation of the Grontmij acquisition, which has an impact on intangible assets of SEK 87 million, property, plant and equipment with SEK -18 million, financial assets with SEK 28 million, non-current liabilities of SEK -70 million and current liabilities of SEK -18 million.

Acquisitions, SEK M	
Intangible assets	236
Property, plant and equipment	-14
Financial assets	28
Current assets	315
Non-current liabilities	-85
Deferred tax	-5
Other current liabilities	-300
Total purchase consideration	175
Unsettled purchase price commitment	-4
Cash and cash equivalents	-19
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	152

DIVESTMENT OF SUBSIDIARIES AND OPERATIONS

During the period, Sweco divested Grontmij Hubei Engineering Consulting Co.Ltd and businesses within Sweco Nederland BV and Park Frederiksoord B.V. with an aggregate total of 45 employees. The businesses contributed SEK 7 million in sales and SEK -4 million in operating profit. The divestments had a positive impact on profit of SEK 3 million and a positive impact on the Group's cash and cash equivalents of SEK 7 million. The divestments impacted the consolidated balance sheet as detailed below.

Divestments, SEK M	
Property, plant and equipment	6
Current assets	6
Non-current liabilities	-3
Current liabilities	-3
Non-controlling interests	1
Capital gain recorded on divestment	3
Total purchase consideration	10
Cash and cash equivalents in divested companies	-3
INCREASE IN GROUP CASH AND GROUP EQUIVALENTS	7

ACQUISITION-RELATED ITEMS

Acquisition-related items SEK M	Oct-Dec 2016	Oct-Dec 2015	Full-year 2016	Full-year 2015
Intangible assets capitalised on acquisition, amortisation	-22	-20	-92	-57
Revaluation of purchase price	3	0	3	3
Profit/loss on sale	2	0	3	-5
ACQUISITION-RELATED ITEMS	-17	-20	-87	-60

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial assets measured at fair value totalled SEK 16 million (13). The derivative instruments are forward currency contracts, the fair value of which are determined based on listed prices for forward currency contracts on the balance sheet date (Level 2). The fair value of unlisted financial assets is determined through market valuation techniques (observable market inputs) such as recent transactions, listed prices of similar instruments and discounted cash flows. In the event no reliable inputs are available for determining fair value, financial assets are reported at acquisition value (Level 3). There were no transfers between levels during the period.

QUARTERLY REVIEW PER BUSINESS AREA

Sweco has restated historical figures to reflect the new Sweco Group organisational structure, effective as of 1 October 2015. Grontmij is included pro forma as if the acquisition had taken place on 31 December 2013¹⁾.

Quarterly summary ²⁾	Actual 2016 Q4	Actual 2016 Q3	Actual 2016 Q2	Actual 2016 Q1	Actual 2015 Q4	Pro forma 2015 Q3	Pro forma 2015 Q2	Pro forma 2015 Q1	Pro forma 2014 Q4
Net sales, SEK M									
Sweco Sweden	1,974	1,481	1,935	1,758	1,921	1,390	1,795	1,732	1,768
Sweco Norway	535	457	568	499	508	401	551	531	521
Sweco Finland	469	408	477	432	488	375	408	392	417
Sweco Denmark	352	334	361	330	365	320	331	334	328
Sweco Netherlands	434	434	455	423	450	445	465	471	496
Sweco Western Europe	421	365	396	398	428	389	393	384	362
Sweco Central Europe	297	290	244	221	262	220	245	224	258
Group-wide, Eliminations, etc.	-61	-44	-66	-45	-73	-36	-68	-44	-43
TOTAL GROUP	4,421	3,723	4,370	4,018	4,350	3,504	4,120	4,024	4,107
EBITA, SEK M									
Sweco Sweden	273	129	280	170	211	91	186	184	223
Sweco Norway	58	40	68	29	52	24	44	40	58
Sweco Finland	41	35	42	21	35	27	10	17	3
Sweco Denmark	44	27	23	4	28	18	-8	0	-5
Sweco Netherlands	0	-4	12	18	-1	12	0	14	21
Sweco Western Europe	30	18	33	23	25	22	23	13	20
Sweco Central Europe	26	18	11	3	19	7	11	12	19
Group-wide, Eliminations, etc.	-77	-12	-9	-40	-170	-63	-79	-23	-58
EBITA	395	252	462	228	200	138	187	257	281
Extraordinary items ³⁾	83	15	12	36	190	59	70	1	58
EBITA excl. extraordinary items	478	266	474	263	390	197	257	258	339
EBITA margin, %									
Sweco Sweden	13.8	8.7	14.5	9.7	11.0	6.6	10.4	10.6	12.6
Sweco Norway	10.9	8.8	12.0	5.8	10.2	6.1	8.0	7.5	11.0
Sweco Finland	8.6	8.6	8.8	4.8	7.1	7.3	2.5	4.2	0.8
Sweco Denmark	12.5	8.0	6.5	1.2	7.7	5.6	-2.3	0.1	-1.4
Sweco Netherlands	-0.1	-0.8	2.7	4.4	-0.3	2.6	0.1	2.9	4.2
Sweco Western Europe	7.1	5.0	8.4	5.9	5.9	5.7	5.8	3.4	5.5
Sweco Central Europe	8.9	6.2	4.7	1.1	7.4	3.1	4.3	5.4	7.4
EBITA margin	8.9	6.8	10.6	5.7	4.6	3.9	4.5	6.4	6.8
Extraordinary items ³⁾	1.9	0.4	0.2	0.9	4.4	1.7	1.7	0.0	1.5
EBITA margin excl. extraordinary items	10.8	7.2	10.8	6.6	9.0	5.6	6.2	6.4	8.3
Billing ratio, %	75.3%	74.6%	75.1%	74.5%	74.7%	74.1%	74.8%	73.2%	73.8%
Number of normal working hours	493	518	490	478	492	519	469	488	486
Number of full-time employees	14,765	14,468	14,804	14,589	14,621	14,339	14,707	14,557	14,565

¹⁾ Pro forma information is based on the consolidated income statements for fourth quarter 2014 and the first three quarters of 2015 for Sweco and Grontmij, respectively. Sweco and Grontmij both apply IFRS. Financial pro forma information has been compiled and presented in accordance with Sweco's accounting policies as described in Sweco's 2015 annual report. Grontmij's financials have been adjusted to correspond with Sweco's income statement presentation. Pro forma information is only intended to describe a hypothetical situation and has been prepared solely for illustrative purposes.

²⁾ Pro forma information excludes Grontmij's French activities which were divested during 2015 and reported by Grontmij as Assets held for sale. Group-wide, Eliminations, etc. includes Group functions, the operations in China, and Grontmij's real estate operations.

³⁾ Extraordinary items include Sweco's and Grontmij's extraordinary items to the extent they are part of Sweco's definition of EBITA. All extraordinary items are included in Group-wide.

PERIOD REVIEW PER BUSINESS AREA

January-December	Net sales, SEK M		EBITA, SEK M		EBITA margin, %		Number of full-time employees	
Business area	Actual 2016	Pro forma 2015	Actual 2016	Pro forma 2015	Actual 2016	Pro forma 2015	Actual 2016	Pro forma 2015
Sweco Sweden	7,148	6,838	852	672	11.9	9.8	5,482	5,375
Sweco Norway	2,059	1,991	195	161	9.5	8.1	1,344	1,326
Sweco Finland	1,785	1,663	138	89	7.7	5.4	1,984	1,913
Sweco Denmark	1,376	1,350	98	39	7.1	2.9	1,077	1,109
Sweco Netherlands	1,746	1,831	27	24	1.5	1.3	1,504	1,666
Sweco Western Europe	1,580	1,594	105	83	6.6	5.2	1,704	1,618
Sweco Central Europe	1,052	951	58	49	5.5	5.1	1,457	1,402
Group-wide, Eliminations, etc. ¹⁾	-216	-221	-138	-336	-	-	101	142
TOTAL GROUP	16,531	15,998	1,336	781	8.1	4.9	14,653	14,552

¹⁾ Group-wide, Eliminations, etc. includes Group functions, the operations in China, and Grontmij's real estate operations. All extraordinary items are included in Group-wide.

REVENUE GROWTH

Revenue growth, pro forma	Actual 2016 Oct-Dec	Actual 2015 Oct-Dec	Growth, % Oct-Dec	Actual 2016 Jan-Dec	Pro forma 2015 Jan-Dec	Growth, % Jan-Dec
Net sales	4,421	4,350	2%	16,531	15,998	3%
Currency effects	0	5	0%	0	-53	0%
Net sales currency-adjusted	4,421	4,355	2%	16,531	15,945	4%
Acquisitions/divestments	-43	-17	1%	-120	-64	0%
Comparable net sales currency-adjusted	4,378	4,338	1%	16,411	15,881	3%

Revenue growth, actual	Actual 2016 Oct-Dec	Actual 2015 Oct-Dec	Growth, % Oct-Dec	Actual 2016 Jan-Dec	Actual 2015 Jan-Dec	Growth, % Jan-Dec
Net sales	4,421	4,350	2%	16,531	11,389	45%
Currency effects	0	5	0%	0	-20	0%
Net sales currency-adjusted	4,421	4,355	2%	16,531	11,370	45%
Acquisitions/divestments	-43	-17	1%	-120	4,546	42%
Comparable net sales currency-adjusted	4,378	4,338	1%	16,411	15,916	3%

PARENT COMPANY INCOME STATEMENT AND BALANCE SHEET

Parent Company income statement, SEK M	Full-year 2016	Full-year 2015
Net sales	538	355
Operating expenses	-600	-399
Operating loss	-63	-44
Net financial items	551	508
Profit/loss after net financial items	488	464
Appropriations	10	-20
Profit/loss before tax	499	444
Tax	-86	-61
PROFIT/LOSS AFTER TAX	413	383

Parent Company balance sheet, SEK M	31 Dec 2016	31 Dec 2015
Intangible assets	75	81
Property, plant and equipment	54	50
Financial assets	6,346	6,348
Current assets	2,572	1,911
TOTAL ASSETS	9,047	8,390
Equity	4,626	4,619
Untaxed reserves	12	23
Non-current liabilities	1,379	2,083
Current liabilities	3,030	1,665
TOTAL EQUITY AND LIABILITIES	9,047	8,390