

# INTERIM REPORT JANUARY–JUNE 2014

## SWECO AB (PUBL)

18 July 2014

### STABLE EARNINGS TREND – GRADUAL RECOVERY OF THE MARKET

#### APRIL – JUNE 2014

- Net sales: SEK 2,337.3 million (2,001.7)
- Operating profit: SEK 155.6 million (190.6); operating margin: 6.7 per cent (9.5)
- EBITA: SEK 167.8 million (200.5); EBITA margin: 7.2 per cent (10.0)
- Integration costs for Vectura: SEK 2.8 million
- Profit after tax: 108.6 million (136.2); earnings per share: SEK 1.19 SEK (1.48)

#### JANUARY – JUNE 2014

- Net sales: SEK 4,659.0 million (3,919.3)
- Operating profit: SEK 367.2 million (324.6); operating margin: 7.9 per cent (8.3)
- EBITA: SEK 393.2 million (344.6); EBITA margin: 8.4 per cent (8.8)
- Integration costs for Vectura: SEK 11.3 million
- Profit after tax: 252.5 million (238.4); earnings per share: SEK 2.76 SEK (2.59)
- Net debt: SEK 1,522.8 million (647.9)

#### Comments from President and CEO Tomas Carlsson:

- Sales increased 17 per cent during the second quarter, due primarily to the acquisition of Vectura. Operating profit was down due to the fewer number of available working hours. Vectura and improved utilisation in Finland contributed positively to profit. In view of the negative calendar effects, the earnings trend is stable
- During the second quarter, the market in general is characterised by cautious optimism and recovery compared to the weak start to the year. Recovery is slow, however, and the road to a robust growth in demand has pitfalls in terms of the general economic development. During the quarter the Swedish market is somewhat improved, while the Norwegian market is stable. The markets in Finland and Central Europe remain challenging
- It has now been one year since Vectura was acquired, and it is time to summarize the transaction. Vectura is already exceeding our financial expectations, and Sweco is the Nordic leader in infrastructure. We are thus uniquely positioned to benefit from future investments in roads and railways. The integration is completed and we now focus on continued profitable growth

*Sweco is the Nordic region's leading consultancy for sustainable urban development. Our 9,000 engineers, architects and environmental experts develop value-creating solutions for our clients and for society. Sweco is among the ten largest consulting engineering companies in Europe and annually conducts projects in 80 countries throughout the world. The company has yearly sales of approximately SEK 9 billion and is listed on Nasdaq OMX Stockholm AB.*

*Sweco is required to disclose the above information under the provisions of the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 18 July 2014 at 07:20 CET.*

# Profit and Operations

## Sales and profit, April – June 2014

Net sales increased 17 per cent to SEK 2,337.3 million (2,001.7), primarily due to the acquisition of Vectura.

Operating profit totalled SEK 155.6 million (190.6). Because the Easter holiday fell during the second quarter in 2014, rather than during the first quarter as in 2013, there was a year-on-year difference of 16 fewer working hours which had a negative impact on profit and net sales of approximately SEK 69 million. The profit decrease was thus attributable to calendar effects, while Vectura and Finland contributed positively to year-on-year profitability.

The billing ratio for Sweco Group was up 1.1 percentage point year-on-year. Finland and Central Europe in particular saw significantly improved utilisation in spite of the challenging market situation. Utilisation in Sweden was unchanged year-on-year, while it decreased in Norway.

Amortisation of acquisition-related intangible assets totalled SEK 12.2 million (9.9). Operating profit before amortisation and impairments of acquisition-related intangible assets (EBITA) totalled SEK 167.8 million (200.5).

Integration costs for Vectura totalled SEK 2.8 million and were charged to the Group-wide segment.

Profit was charged with costs for acquisition-related activities totalling SEK 1.4 million (5.4).

## Sales and profit, January – June 2014

Net sales increased 19 per cent to SEK 4,659.0 million (3,919.3), primarily due to the acquisition of Vectura.

Operating profit totalled SEK 367.2 million (324.6). The profit improvement was primarily attributable to the contribution from Vectura and to improved profit in Finland and Central Europe. Calendar effects of -6 working hours had a negative year-on-year impact on profit of approximately SEK 24 million.

The billing ratio for Sweco Group increased 1.0 percentage point year-on-year. Finland and Central Europe contributed positively to the improved utilisation.

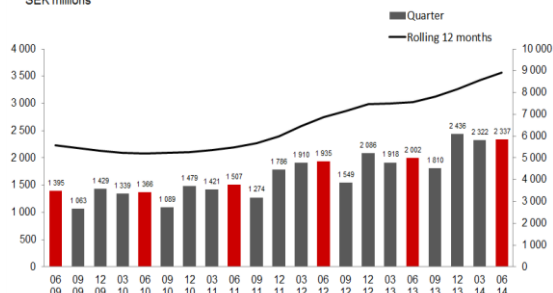
Amortisation of acquisition-related intangible assets totalled SEK 26.0 million (20.0). Operating profit before amortisation and impairments of acquisition-related intangible assets (EBITA) totalled SEK 393.2 million (344.6).

Integration costs for Vectura totalled SEK 11.3 million and were charged to the Group-wide segment. The integration is now completed and no additional costs are expected.

Profit was charged with costs for acquisition-related activities totalling SEK 2.9 million (5.5).

Key ratios	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul 2013 – Jun 2014	Full-year 2013
Net sales, SEK M	2,337.3	2,001.7	4,659.0	3,919.3	8,904.7	8,165.0
Organic growth, %	-1	5	1	1		1
Acquisition-driven growth, %	17	1	18	2		9
EBITA, SEK M	167.8	200.5	393.2	344.6	702.5	653.9
Margin, %	7.2	10.0	8.4	8.8	7.9	8.0
Operating profit (EBIT), SEK M	155.6	190.6	367.2	324.6	600.9	558.3
Margin, %	6.7	9.5	7.9	8.3	6.7	6.8
Profit after tax, SEK M	108.6	136.2	252.5	238.4	393.7	379.6
Earnings per share, SEK	1.19	1.48	2.76	2.59	4.28	4.11
Billing ratio, %	76.4	75.3	75.1	74.1	74.7	74.2
Number of normal working hours	461	477	955	961	1,961	1,967
Average number of employees	8,599	7,505	8,521	7,528	8,392	7,917

**Net sales by quarter and rolling 12 months**  
SEK millions



### Market

Overall, the market during the second quarter was characterised by recovery and cautious optimism compared to the weak start to the year. Significant investments are planned, primarily in housing and infrastructure. Several major infrastructure projects are now coming up for tender.

At the same time, recovery is slow and the road to a robust growth in demand has several pitfalls in terms of the general economic development. Geopolitical turbulence, uncertainty about global economic development, the general election in Sweden and household debt are examples of the risk factors that may interfere with the recovery trend.

The market situation varies between Sweco's business areas, although variations have decreased to a certain degree. Sweden demonstrates some market improvement during the quarter. The Norwegian market is somewhat weakened but characterized by stable demand. Markets in Finland and Central Europe remain challenging, although positive signs can be discerned.

### Outlook

Demand for Sweco's services is stable overall and largely follows the general economic trend in Sweco's submarkets, with some degree of lag.

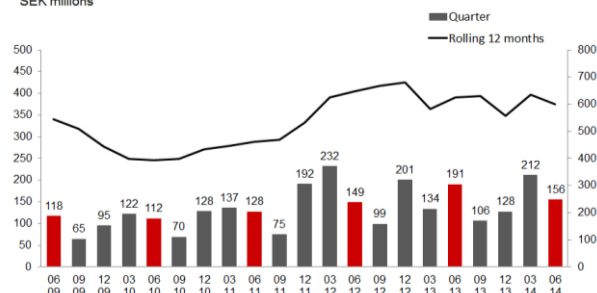
### Acquisitions and divestments during the second quarter

The acquisitions of Savon Controlteam Oy, with 23 employees, and Profil-bau Consulting Oy, with 22 employees, were finalised in Finland. Metro Arkitekter, with 30 employees, was acquired in Sweden. Operations within Vectura's Traffic Measurement division, with 22 employees, were divested during the quarter. The divestment had no impact on profit.

### Cash flow and financial position

Group cash flow from operating activities totalled SEK 186.6 million (145.0) during the first six months of the year. Interest-bearing net debt totalled SEK 1,522.8 million (647.9). The net debt/equity ratio was 94.2 per cent (41.0) and the net debt/EBITDA ratio was 1.8 times (0.8).

**Operating profit by quarter and rolling 12 months**  
SEK millions



### Acquisition of Vectura

Approximately one year has passed since Vectura, with 1,200 employees, was acquired from the Swedish government. The transaction was finalised on 31 July 2013 and Vectura has been consolidated into Sweco since 1 August 2013. Since 1 January 2014, Vectura has been fully integrated under Sweco's brand and in a new organisation along with corresponding units from Sweco Sweden. Due to the new organisation Vectura's earnings cannot be reported separately.

Realised synergies contributed approximately SEK 25 million to profit during the quarter and SEK 45 million during the half-year (EBITA). The previous assessment of synergies totalling SEK 70 million for full-year 2014 will therefore be over-achieved. From 2015 synergies are estimated to at least SEK 90 million. Integration costs totalled SEK 2.8 million during the quarter and SEK 11.3 million during the first six months of the year. Aggregate integration costs total SEK 64.3 million. Compared with original targets, synergies will be SEK 20 million greater and will be realised one year sooner, while integration costs are SEK 35 million lower than originally estimated.

The integration of Vectura is now completed, and this is the final quarterly report in which the integration efforts will be commented.

### Resolutions at Sweco's annual general meeting

At Sweco AB's annual general meeting, held on 16 April 2014, Johan Nordström was newly elected as Chairman of the Board of Directors.

The annual general meeting also resolved to implement the 2014 Share bonus Scheme, which covers all employees in Sweden and entails a reversion to payment in shares as compared to the current cash payment. The annual general meeting resolved to issue 900,000 class C shares in order to carry out the 2014 Share bonus Scheme.

The annual general meeting also resolved to establish the 2014 Share Savings Scheme, in which up to 80 key group employees will be invited to participate.

## Business Area – Sweco Sweden

### Sales and profit, April-June

Sales increased 27 per cent during the quarter, primarily due to the acquisition of Vectura.

The 12 fewer available working hours during the quarter had a negative year-on-year impact of approximately SEK 31 million on operating profit and sales. Fewer available work hours and increased vacation equal to the negative organic growth. The acquisition of Vectura contributed positively to operating profit. There was no change in year-on-year utilisation.

### Sales and profit, January-June

Sales were up 29 per cent and operating profit increased SEK 34.4 million, due primarily to the positive contribution from the Vectura acquisition, while a negative 8-hour calendar effect had a negative year-on-year impact on profit and sales totalling approximately SEK 21 million. The utilisation was somewhat lower than during the corresponding period last year.

### Market

Demand for Sweco's services in Sweden remains stable and is somewhat improved over last quarter. There are signs that demand is recovering, albeit slowly.

Demand is solid in the construction and real estate market. Housing construction is expected to increase in cities and account for a significant portion of future construction investment. Demand remains strong in the mining sector. The market for energy-related services is cautious, while the industrial sector shows signs of improvement. Government investments guarantee good medium-term growth for the infrastructure market.

### Events and measures

The acquisition of Metro Arkitekter, with 30 employees, was finalised during the quarter. Operations within Vectura's Traffic Measurement division, with 22 employees, were divested. Sweco won the 2014 Glass Prize award by the Swedish Federation of Glazing Contractors for the extensive modernisation of Jarlahuset in Stockholm.

### Assignments

After the close of the period Sweco was commissioned by the Swedish Transport Administration to design and plan the renovation of Getingmidjan, the railway line between Stockholm Central Station and South Station trafficked by 600 trains per day. Sweco was commissioned by Södra for all structural and construction engineering for the expansion of the Värö pulp mill. Sweco will design a five-kilometre-long pneumatic tube system for Locum at Danderyd Hospital for the distribution of samples, blood and medicine.



Net sales and profit	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013
Net sales, SEK M	1,447.4	1,139.1	2,913.3	2,253.1
Organic growth, %	-3	6	-1	4
Acquisition-driven growth, %	30	0	30	0
Operating profit, SEK M	125.5	132.0	278.5	244.1
Operating margin, %	8.7	11.6	9.6	10.8
Average number of employees	4,670	3,566	4,637	3,536

### About Sweco Sweden

Sweco Sweden is the country's leading consulting engineering company and the Group's largest business area, with close to 5,000 employees in approximately 50 locations. Operations include architecture, structural and construction engineering, building service systems, infrastructure, water and environment, industrial engineering, project management, energy systems, IT for urban development and societal analysis and strategy.

## Business Area – Sweco Norway

### Sales and profit, April-June

Sales during the quarter remained largely unchanged, while operating profit fell to SEK 24.7 million (64.0). Calendar effects of -32 hours, due to the relatively long Easter holiday in Norway which had a negative year-on-year impact on profit and sales of SEK 28 million. The billing ratio was somewhat lower than last year.

### Sales and profit, January-June

Sales increased to SEK 977.4 million (950.3). The sales growth was mainly organic. Operating profit fell by SEK 12.1 million. The billing ratio was lower than last year. A positive 8-hour calendar effect contributed approximately SEK 7 million year-on-year.

### Market

The Norwegian real estate and energy markets slowed during the second half of 2013, which had a negative impact on Sweco's utilisation during the first six months of 2014.

Demand for Sweco's services is stable despite slower-than-normal growth in the Norwegian economy. The water and sewerage market is strong. A substantial increase in transport infrastructure investments is planned for coming years.

### Assignments

The E39 motorway along the west coast of Norway will be modernised and car ferries will be replaced by permanent connecting links. Sweco has been commissioned to design a 20-kilometre-long road between Volleberg and the Døle bridge and an access road to the E39 motorway.

Hinna Park, a new office and residential area, will be developed in Stavanger. Sweco will design Oseberg, one of the buildings in the area.

Sweco has been engaged by Statkraft-owned Devoll Hydropower for the design and oversight of tunnels and underground excavations in connection with the construction of a new hydropower plant in Albania.



Net sales and profit	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013
Net sales, SEK M	490.0	493.3	977.4	950.3
Organic growth, %	2	12	8	3
Acquisition-driven growth, %	0	2	0	2
Operating profit, SEK M	24.7	64.0	79.5	91.6
Operating margin, %	5.0	13.0	8.1	9.6
Average number of employees	1,263	1,199	1,237	1,191

### About Sweco Norway

Sweco is one of Norway's leading engineering consultancies, with more than 1,200 employees. The Norwegian business area offers services primarily in the areas of energy, structural and construction engineering, building service systems, infrastructure, water and environment and industrial engineering.

## Business Area – Sweco Finland

### Sales and profit, April-June

Sales increased to SEK 391.1 million (336.6) and the organic growth was 7 percent. The organic growth was mainly attributable to construction and real estate operations.

Operating profit increased SEK 10.0 million, due mainly to a higher billing ratio. The increase is attributable to resource adjustments within industrial engineering operations and to strong growth within construction and real estate operations. Calendar effects of -12 hours had a negative impact on profit of approximately SEK 9 million.

### Sales and profit, January-June

Sales for Sweco Finland increased to SEK 746.6 million (653.0), representing growth of 14 per cent. The growth was mainly organic.

Operating profit improved to SEK 54.9 million (34.2). The increase was mainly attributable to an improved billing ratio. Calendar effects of -12 hours had a negative impact on profit of approximately SEK 9 million.

### Market

Although the situation on the Finnish market remains challenging, there is stable demand for Sweco's services. Demand for construction- and property-related services is satisfactory. The infrastructure, energy and environment/water markets remain weak. Demand for industrial consulting services is growing, albeit from a low level, and competition is heavy. New industrial investments are planned within energy, mining and biofuel, although several investment decisions have been delayed.

### Events and measures

The acquisition of Savon Controlteam Oy, with 23 employees, was completed. Sweco has also acquired Profil-bau Consulting Oy, with 22 employees. The acquisition complements Sweco's operations within renovation services. Twenty employees were temporarily laid off during the second quarter, the same number as were temporarily laid off during the first quarter.

### Assignments

Sweco was commissioned during the second quarter to complete an environmental impact assessment and feasibility study for Metsä Fibre's Äänekoski bioproduct plant. This is the largest investment to date in the Finnish pulp and paper industry.

Sweco is responsible for site supervision for a 25,000 square metre office building for the City of Helsinki and for electrical design for the 20,000 square metre Hyvinkään Sairaalanmäki hospital building.



Net sales and profit	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013
Net sales, SEK M	391.1	336.6	746.6	653.0
Organic growth, %	7	-2	7	-1
Acquisition-driven growth, %	4	1	3	11
Operating profit, SEK M	27.9	17.9	54.9	34.2
Operating margin, %	7.1	5.4	7.4	5.2
Average number of employees	1,847	1,781	1,826	1,804

### About Sweco Finland

Sweco Finland is one of the country's largest consulting engineering companies, with around 2,000 employees. The business area chiefly provides services focused on structural and construction engineering, building service systems, energy, environment, industrial engineering and project management.

## Business Area – Sweco Central Europe

### Sales and profit, April-June

Operating profit increased SEK 0.8 million to SEK 2.3 million (1.5) due to an improvement in utilisation.

Sales are essentially unchanged. While the reorganisation of the Polish operations and the sale of Russian subsidiary LVKP reduced the number of employees, this was offset by increased utilisation in other divisions.

### Sales and profit, January-June

Operating profit increased SEK 7.8 million, due primarily to Poland and Russia and to restructuring measures implemented in those divisions.

Sales for Sweco Central Europe fell to SEK 126.8 million (138.4). The decrease was mainly due to the restructuring of the Russian and Polish operations.

### Market

The Central European market is still impacted by the effects of the 2008 financial crisis. Investment levels are very low in most of the countries in the business area and, accordingly, demand for Sweco's services is weak. Demand is decreasing in Estonia and Russia, and the geopolitical conflict in Ukraine is creating additional uncertainty.

Despite this, there are early signs of improved demand in the Czech Republic, Poland and Lithuania, Sweco's largest markets in the region. Preparations have also commenced for projects financed by the EU's structural funds for 2014-2020, although the tendering processes for these projects are not expected to begin on a large scale before the end of the year.

### Events and measures

Measures continue in Poland to streamline operations and reduce administrative costs.



Net sales and profit	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013
Net sales, SEK M	68.9	68.0	126.8	138.4
Organic growth, %	8	-24	0	-24
Acquisition-driven growth, %	-9	0	-8	0
Operating profit, SEK M	2.3	1.5	2.5	-5.3
Operating margin, %	3.3	2.2	2.0	-3.9
Average number of employees	800	948	803	982

### About Sweco Central Europe

Sweco Central Europe has approximately 800 employees and operates in Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Russia and Bulgaria.

## Other information

### Investments, January-June 2014

Investments in equipment totalled SEK 39.7 million (45.6) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 66.7 million (49.7) and amortisation of intangible assets totalled SEK 28.3 million (24.2).

Purchase consideration paid to acquire companies totalled SEK 84.8 million (19.7) and had an impact of SEK -66.8 million (-11.9) on Group cash and cash equivalents. Purchase consideration received for the divestment of companies totalled SEK 45.2 million (-) and had a positive impact of SEK 42.9 million (-) on Group cash and cash equivalents.

Dividends totalling SEK 295.8 million (296.2) were distributed to Sweco AB shareholders during the year.

### Parent Company, January-June 2014

Parent Company net sales totalled SEK 160.5 million (136.0) and were attributable to intra-group services. Profit after net financial items totalled SEK 145.3 million (200.5). Investments in equipment totalled SEK 7.0 million (11.4) and cash and cash equivalents at the end of the period totalled SEK 0.0 million (3.3).

### The Sweco share

Sweco is listed on NASDAQ OMX Stockholm. The share price of the Sweco B share was SEK 111.75 at the end of the period, a 9 per cent increase since the start of the year. The OMX Stockholm General Index grew by 6 per cent over the same period.

During the quarter, 900,000 class C shares were issued and repurchased to carry out the 2014 Share bonus Scheme. Sweco repurchased 62,444 B shares during the quarter on the Stockholm Stock Exchange for a total of SEK 6.8 million, corresponding to SEK 109.50 per share. At the end of the period Sweco held 1,454,492 Treasury shares: 554,492 B shares and 900,000 C shares.

The total number of shares at the end of the period was 92,416,847: 9,368,164 A shares, 82,148,683 B shares and 900,000 C shares. After the allowance for Treasury shares, the total number of outstanding shares at the end of the period was 90,962,355: 9,368,164 A shares and 81,594,191 B shares.

### 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 Enti-

ties. As of 1 January 2014, Sweco applies IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities.

The accounting-related amendment is that the Group's joint venture, Sweco Soyuz Engineering, applies the equity method since the formerly applied proportional method is no longer a valid accounting option. Accordingly, the comparative periods have been adjusted by transferring the company's earnings of SEK 1.9 million for the full-year, SEK 1.3 million for the January-June period and SEK 0.3 million for the quarter to Net Financial Items, and transferring the company's net assets of SEK 4.1 million for the full-year and SEK 3.5 million for the period through the end of June to Financial Assets. The Group's comprehensive income and equity were thus not affected by the amended accounting principles. Cash flow was adjusted marginally.

In all other respects, the Group applied the same accounting and valuation principles as those described in Note 1 of the 2013 annual report. In this interim report, amounts in brackets refer to the corresponding period of the previous year.

### 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 2013 annual report (page 82, Risk Management).



## Other information

### Normal working hours

The number of normal working hours in 2014, based on the 12-month volume-weighted business mix as of Q3 2013 (pro forma acquisitions) is broken down as follows:

Quarter 1:	494 (484)	+10
Quarter 2:	461 (477)	-16
Quarter 3:	525 (523)	+2
Quarter 4:	483 (483)	0
Total 2014:	1,963 (1,967)	-4

### Financial calendar 2014

Interim report January-September 23 October 2014  
Year-end report 2014 12 February 2015

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The Board of Directors and the President give their assurance that this semi-annual report 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 Group companies are exposed.

Stockholm, 18 July 2014

Johan Nordström  
Board Chairman

Anders G. Carlberg  
Board member

Gunnel Duveblad  
Board member

Eva Lindqvist  
Board member

Pernilla Ström  
Board member

Carola Teir-Lehtinen  
Board member

Thomas Holm  
Employee representative

Göran Karloja  
Employee representative

Anna Leonsson  
Employee representative

Tomas Carlsson  
President & CEO  
Board member

This report has not been audited.

## Key ratios

Key ratios <sup>1)</sup>	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul 2013 – Jun 2014	Full-year 2013
<b>Profitability</b>						
EBITA margin, %	7.2	10.0	8.4	8.8	7.9	8.0
Operating margin (EBIT), %	6.7	9.5	7.9	8.3	6.7	6.8
Profit margin, %	6.3	9.1	7.2	8.0	6.2	6.4
<b>Revenue growth</b>						
Organic growth, %	-1	5	1	1		1
Acquisition-driven growth, %	17	1	18	2		9
Currency effects, %	1	-2	0	-1		-1
Total growth, %	17	3	19	2		9
<b>Operational key ratios</b>						
Billing ratio, %	76.4	75.3	75.1	74.1	74.7	74.2
Normal working hours	461	477	955	961	1,961	1,967
Average number of full-time employees	8,599	7,505	8,521	7,528	8,392	7,917
<b>Debt</b>						
Net debt, SEK M			1,522.8	647.9		1,323.6
Interest-bearing debt, SEK M			1,696.2	830.7		1,642.3
<b>Financial strength</b>						
Net debt/Equity, %			94.2	41.0		81.1
Net debt/EBITDA, x			1.8	0.8		1.7
Equity/Assets ratio, %			25.4	32.5		27.2
Available cash and cash equivalents, SEK M <sup>2)</sup>			848.8	675.5		1,022.5
<b>Return</b>						
Return on equity, %			24.7	28.9		22.9
Return on capital employed, %			21.1	26.9		19.7
<b>Share data</b>						
Earnings per share, SEK	1.19	1.48	2.76	2.59	4.28	4.11
Equity per share, attributable to the shareholders of the parent company, SEK M			17.60	17.14		17.75
Number of outstanding shares end of period			90,962,355	91,135,382		91,112,882
Number of class B and class C treasury shares			1,454,492	381,465		403,965

<sup>1)</sup> Key ratio definitions can be found on Sweco's website and in Sweco's 2013 annual report.

<sup>2)</sup> Including unutilised credit.

# Consolidated Income Statement and Comprehensive Income Statement

Income statement SEK M	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul 2013 – Jun 2014	Full-year 2013
Net sales	2,337.3	2,001.7	4,659.0	3,919.3	8,904.7	8,165.0
Other operating income	0.1	0.4	0.5	0.4	1.6	1.5
Other external expenses	-531.2	-441.4	-1,035.9	-859.1	-2,121.0	-1,944.2
Personnel costs	-1,601.1	-1,333.0	-3,158.1	-2,661.4	-5,930.0	-5,433.3
<b>EBITDA</b>	<b>205.1</b>	<b>227.7</b>	<b>465.5</b>	<b>399.2</b>	<b>855.3</b>	<b>789.0</b>
Amortisation/depreciation and impairments	-37.3	-27.2	-72.3	-54.6	-152.8	-135.1
<b>EBITA</b>	<b>167.8</b>	<b>200.5</b>	<b>393.2</b>	<b>344.6</b>	<b>702.5</b>	<b>653.9</b>
Amortisation and impairment of acquisition-related intangible assets	-12.2	-9.9	-26.0	-20.0	-101.6	-95.6
<b>Operating profit (EBIT)</b>	<b>155.6</b>	<b>190.6</b>	<b>367.2</b>	<b>324.6</b>	<b>600.9</b>	<b>558.3</b>
Net financial items	-9.3	-9.1	-30.1	-9.1	-53.0	-32.0
<b>Profit before tax</b>	<b>146.3</b>	<b>181.5</b>	<b>337.1</b>	<b>315.5</b>	<b>547.9</b>	<b>526.3</b>
Income tax	-37.7	-45.3	-84.6	-77.1	-154.2	-146.7
<b>PROFIT FOR THE PERIOD</b>	<b>108.6</b>	<b>136.2</b>	<b>252.5</b>	<b>238.4</b>	<b>393.7</b>	<b>379.6</b>
<b>Attributable to:</b>						
Parent company shareholders, SEK M	107.9	135.2	251.2	236.2	389.9	374.9
Non-controlling interests, SEK M	0.7	1.0	1.3	2.2	3.8	4.7
Earnings per share attributable to parent company shareholders, SEK	1.19	1.48	2.76	2.59	4.28	4.11
Average number of shares	90,994,471	91,135,382	91,020,263	91,135,382	91,075,947	91,133,507
Dividend per share, SEK	-	-	-	-	-	3.25
<b>Consolidated income statement and other comprehensive in- come, SEK M</b>						
Profit for the period	108.6	136.2	252.5	238.4	393.7	379.6
<b>Items that will not be reversed in the income statement</b>						
Revaluation of defined benefit pension, net after tax <sup>1)</sup>	-	-	-	-	-53.0	-53.0
<b>Items that may subsequently be reversed in the income statement</b>						
Translation differences	22.1	27.4	34.6	-23.4	19.3	-38.7
Translation differences transferred to profit for the year	-	-	8.0	-	8.0	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>130.7</b>	<b>163.6</b>	<b>295.1</b>	<b>215.0</b>	<b>368.0</b>	<b>287.9</b>
<b>Profit for the period attributable to:</b>						
Parent company shareholders, SEK M	129.5	161.7	293.4	212.6	363.2	282.4
Non-controlling interests, SEK M	1.2	1.9	1.7	2.4	4.8	5.5
<sup>1)</sup> Tax on revaluation of defined benefit pensions, SEK M	-	-	-	-	18.8	18.8

# Consolidated Balance Sheet, Statements of Consolidated Cash Flow and Changes in Equity

Cash flow statement SEK M	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul 2013 – Jun 2014	Full-year 2013
Cash flow from operating activities before changes in working capital and tax paid	195.5	231.5	444.1	387.6	796.8	740.3
Tax paid	-61.9	-69.2	-178.1	-141.0	-264.2	-227.1
Changes in working capital	-91.3	-83.1	-79.4	-101.6	4.9	-17.3
<b>Cash flow from operating activities</b>	<b>42.3</b>	<b>79.2</b>	<b>186.6</b>	<b>145.0</b>	<b>537.5</b>	<b>495.9</b>
Cash flow from investing activities	-30.3	-25.9	-64.5	-56.2	-1,005.9	-997.6
Cash flow from financing activities	-34.1	-208.8	-287.2	-259.9	444.7	472.0
<b>CASH FLOW FOR THE PERIOD</b>	<b>-22.1</b>	<b>-155.5</b>	<b>-165.1</b>	<b>-171.1</b>	<b>-23.7</b>	<b>-29.7</b>

Balance sheet SEK M	2014-06-30	2013-06-30	2013-12-31
Goodwill	2,146.3	1,422.3	2,088.4
Other intangible assets	141.3	124.7	150.6
Property, plant and equipment	379.7	285.8	394.7
Financial assets	58.6	32.3	55.9
Current assets excl. cash and cash equivalents	3,464.0	2,823.7	2,994.5
Cash and cash equivalents excl. short-term investments	173.3	182.8	318.7
<b>TOTAL ASSETS</b>	<b>6,363.2</b>	<b>4,871.6</b>	<b>6,002.8</b>
Equity attributable to parent company shareholders	1,600.8	1,562.2	1,617.5
Non-controlling interests	15.0	19.0	15.1
<b>Total equity</b>	<b>1,615.8</b>	<b>1,581.2</b>	<b>1,632.6</b>
Non-current liabilities	1,692.8	839.1	1,638.4
Current liabilities	3,054.6	2,451.3	2,731.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,363.2</b>	<b>4,871.6</b>	<b>6,002.8</b>
Pledged assets	-	1.8	-
Contingent liabilities	227.9	222.0	188.9

Changes in equity SEK M	Jan-Jun 2014			Jan-Jun 2013		
	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	1,617.5	15.1	1,632.6	1,651.7	22.3	1,674.0
Comprehensive income for the period	293.4	1.7	295.1	212.6	2.4	215.0
Transfer to shareholders	-295.8	-2.7	-298.5	-296.2	-5.7	-301.9
Non-controlling interests in acquired companies	-	0.8	0.8	-	-	-
Acquisition of non-controlling interests	0.0	0.0	0.0	-	-	-
Divestment of non-controlling interests	-	0.1	0.1	-	-	-
Buy-back of treasury shares	-16.1	-	-16.1	-7.1	-	-7.1
Share savings schemes	1.8	-	1.8	1.2	-	1.2
<b>EQUITY, CLOSING BALANCE</b>	<b>1,600.8</b>	<b>15.0</b>	<b>1,615.8</b>	<b>1,562.2</b>	<b>19.0</b>	<b>1,581.2</b>

# Acquisitions, Divestments and Fair Value of Financial Instruments

## Acquisition of subsidiaries and operations

During the period Sweco acquired Tocoman Services Oy, Alfakonsult AB, Metro Arkitekter Göteborg AB and Savon Controlteam Oy, as well as operations within Metro Arkitekter AB, Helsingborg Energikonsult AB and Profil-bau Consulting Oy. Sweco also acquired minority shares in Sweco Lietuva and Sweco Hidroprojektas during the period. The acquired businesses have an aggregate total of 123 employees. Purchase consideration totalled SEK 84.8 million and had a negative impact on cash and cash equivalents of SEK 66.8 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below. During the period the acquired companies contributed SEK 40.8 million in sales and SEK 3.8 million in operating profit (EBIT). If all of the companies had been owned as of 1 January 2014 they would have contributed approximately SEK 77 million in sales and about SEK 7 million in operating profit. Transaction costs for the acquisitions are recognised in operating profit and totalled SEK 1.4 million during the period.

<b>Acquisitions, SEK M</b>	
Intangible assets	70.9
Property, plant and equipment	2.0
Current assets	36.0
Deferred tax	-2.8
Other current liabilities	-20.5
Non-controlling interests	-0.8
<b>Total purchase consideration</b>	<b>84.8</b>
Outstanding purchase price commitments	-7.4
Purchase price paid for acquisitions in previous years	1.8
Cash and cash equivalents in acquired companies	-12.4
<b>DECREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>66.8</b>

## Divestment of subsidiaries and operations

During the period Sweco sold Sweco Lenvodokanalproekt with 98 employees, UAB FMC Probalt with 13 employees and an operation within the Traffic Measurement division with 22 employees. The companies and operations contributed SEK 6.9 million in sales and an operating loss of SEK 1.5 million. The sales generated capital gains of SEK 0.4 million and had an impact on the Group's cash and cash equivalents of SEK 42.9 million. The effect of the divestments on the consolidated balance sheet is presented in the table below.

<b>Divestments, SEK M</b>	
Intangible assets	36.1
Property, plant and equipment	0.9
Current assets	18.9
Non-current liabilities	-11.2
Deferred tax	0.1
Equity attributable to parent company shareholders	0.4
<b>Total purchase consideration</b>	<b>45.2</b>
Cash and cash equivalents in divested companies	-2.3
<b>INCREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>42.9</b>

## Fair value of financial instruments

The Group's financial assets measured at fair value totalled SEK 12.2 million (13.4). The derivative instruments are forward currency contracts, the fair values 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 and Full-year Review per BA

Quarterly summary	2014 Q2	2014 Q1	2013 Q4 <sup>1)</sup>	2013 Q3 <sup>1)</sup>	2013 Q2 <sup>1)</sup>	2013 Q1 <sup>1)</sup>	2012 Q4 <sup>1)</sup>	2012 Q3 <sup>1)</sup>	2012 Q2 <sup>1)</sup>	2012 Q1 <sup>1)</sup>
<b>Net sales, SEK M</b>										
Sweco Sweden	1,447.4	1,465.8	1,537.8	1,103.0	1,139.1	1,114.0	1,191.9	866.4	1,071.6	1,090.2
Sweco Norway	490.0	487.4	486.6	377.6	493.3	457.0	466.0	356.2	448.7	482.3
Sweco Finland	391.1	355.5	346.2	293.1	336.6	316.4	344.8	282.9	357.5	263.9
Sweco Central Europe	68.9	57.9	91.6	71.4	68.0	70.4	113.4	68.4	95.3	98.9
Group-wide, eliminations, etc.	-60.1	-44.9	-26.2	-35.4	-35.3	-40.2	-30.2	-25.0	-37.8	-25.7
<b>TOTAL GROUP</b>	<b>2,337.3</b>	<b>2,321.7</b>	<b>2,436.0</b>	<b>1,809.7</b>	<b>2,001.7</b>	<b>1,917.6</b>	<b>2,085.9</b>	<b>1,548.9</b>	<b>1,935.3</b>	<b>1,909.6</b>
<b>Operating profit, SEK M</b>										
Sweco Sweden	125.5	153.0	172.8	79.1	132.0	112.1	144.0	51.7	101.5	147.6
Sweco Norway	24.7	54.8	60.6	34.9	64.0	27.6	97.5	29.8	24.1	71.7
Sweco Finland	27.9	27.0	9.2	26.1	17.9	16.3	25.3	36.8	40.5	33.6
Sweco Central Europe	2.3	0.2	-1.9	-5.9	1.5	-6.8	-1.1	-6.1	0.3	2.2
Group-wide, eliminations, etc.	-12.6	-9.6	-49.6	-16.0	-14.9	-5.1	-24.2	-1.1	-5.6	-12.4
<b>EBITA</b>	<b>167.8</b>	<b>225.4</b>	<b>191.1</b>	<b>118.2</b>	<b>200.5</b>	<b>144.1</b>	<b>241.5</b>	<b>111.1</b>	<b>160.8</b>	<b>242.7</b>
Acquisition-related amortisation/depreciation and impairments	-12.2	-13.8	-63.4	-12.2	-9.9	-10.1	-41.1	-11.7	-11.9	-10.7
<b>TOTAL GROUP (EBIT)</b>	<b>155.6</b>	<b>211.6</b>	<b>127.7</b>	<b>106.0</b>	<b>190.6</b>	<b>134.0</b>	<b>200.4</b>	<b>99.4</b>	<b>148.9</b>	<b>232.0</b>
<b>Operating margin, %</b>										
Sweco Sweden	8.7	10.4	11.2	7.2	11.6	10.1	12.1	6.0	9.5	13.5
Sweco Norway	5.0	11.2	12.4	9.2	13.0	6.0	20.9	8.4	5.4	14.9
Sweco Finland	7.1	7.6	2.7	8.9	5.4	5.1	7.4	13.0	11.3	12.7
Sweco Central Europe	3.3	0.4	-2.0	-8.2	2.2	-9.7	-1.0	-8.9	0.3	2.3
<b>EBITA</b>	<b>7.2</b>	<b>9.7</b>	<b>7.8</b>	<b>6.5</b>	<b>10.0</b>	<b>7.5</b>	<b>11.6</b>	<b>7.2</b>	<b>8.3</b>	<b>12.7</b>
Acquisition-related amortisation/depreciation and impairments	-0.5	-0.6	-2.6	-0.7	-0.5	-0.5	-2.0	-0.8	-0.6	-0.6
<b>TOTAL GROUP (EBIT)</b>	<b>6.7</b>	<b>9.1</b>	<b>5.2</b>	<b>5.9</b>	<b>9.5</b>	<b>7.0</b>	<b>9.6</b>	<b>6.4</b>	<b>7.7</b>	<b>12.1</b>

<sup>1)</sup> All quarters in 2012 and 2013 have been restated due to changed accounting principles.

January-June	Net sales SEK M		Operating profit SEK M		Operating margin %		Number of full-time employees	
	2014	2013	2014	2013	2014	2013	2014	2013
Sweco Sweden	2,913.2	2,253.1	278.5	244.1	9.6	10.8	4,637	3,536
Sweco Norway	977.4	950.3	79.5	91.6	8.1	9.6	1,237	1,191
Sweco Finland	746.6	653.0	54.9	34.2	7.4	5.2	1,826	1,804
Sweco Central Europe	126.8	138.4	2.5	-5.3	2.0	-3.9	803	982
Group-wide, eliminations, etc. <sup>1)</sup>	-105.0	-75.5	-22.2	-20.0	-	-	18	15
Acquisition-related amortisation/depreciation and impairments	-	-	-26.0	-20.0	-	-	-	-
<b>TOTAL GROUP</b>	<b>4,659.0</b>	<b>3,919.3</b>	<b>367.2</b>	<b>324.6</b>	<b>7.9</b>	<b>8.3</b>	<b>8,521</b>	<b>7,528</b>

<sup>1)</sup> Operating profit for Group-wide is chiefly comprised of the Parent Company loss of SEK -14.6 million (-17.6) and integration costs associated with the Vectura acquisition of SEK -5.6 million (-).

## Parent Company Income Statement and Balance Sheet

Parent Company income statement, SEK M	Jan-Jun 2014	Jan-Jun 2013	Full-year 2013
Net sales	160.5	136.0	271.4
Operating expenses	-175.1	-153.6	-301.0
<b>Operating loss</b>	<b>-14.6</b>	<b>-17.6</b>	<b>-29.6</b>
Net financial items	159.9	218.1	493.8
<b>Profit after net financial items</b>	<b>145.3</b>	<b>200.5</b>	<b>464.2</b>
Appropriations	-	-	86.7
<b>Profit before tax</b>	<b>145.3</b>	<b>200.5</b>	<b>550.9</b>
Tax	-	-	-74.0
<b>PROFIT AFTER TAX</b>	<b>145.3</b>	<b>200.5</b>	<b>476.9</b>

Parent Company balance sheet, SEK M	Jan-Jun 2014	Full-year 2013
Intangible assets	3.9	5.2
Property, plant and equipment	29.0	28.9
Financial assets	2,031.7	2,031.3
Current assets	656.5	1,624.9
<b>TOTAL ASSETS</b>	<b>2,721.1</b>	<b>3,690.3</b>
Equity	1,280.4	1,445.0
Untaxed reserves	1.3	1.3
Non-current liabilities	1,368.5	1,320.9
Current liabilities	70.9	923.1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,721.1</b>	<b>3,690.3</b>