



INTERIM REPORT JANUARY–JUNE 2013

SWECO AB (publ)

18 July 2013

APRIL – JUNE 2013

- Net sales of SEK 2,010.5 million (1,943.1).
- Operating profit of SEK 190.9 million (150.2).
- Operating margin of 9.5 per cent (7.7).
- Profit after tax of SEK 136.2 million (122.0) and earnings per share of SEK 1.48 (1.32).
- Sweco signs an agreement to acquire Vectura and creates the Nordic region's leading consulting engineering company.

JANUARY – JUNE 2013

- Net sales of SEK 3,942.1 million (3,852.7).
- Operating profit of SEK 326.2 million (382.2).
- Operating margin of 8.3 per cent (9.9).
- Profit after tax of SEK 238.4 million (287.0) and earnings per share of SEK 2.59 (3.12).
- Net debt of SEK 646.1 million (509.0).

Comments from CEO Tomas Carlsson:

- Sweco has signed an agreement to acquire Vectura with 1,200 employees. This will make us the Nordic region's leading consulting engineering company, with annual sales of approximately SEK 8,800 million and around 9,000 employees. By combining Vectura's far-reaching expertise in transport infrastructure with Sweco's forefront position in sustainable engineering and design, we will create excellent potential for continued growth in the Nordic region.
- Operating profit for the second quarter rose to SEK 191 million and the best performing business area was Sweco Norway, with an operating margin of 12.7 per cent. Earnings were positively affected by calendar effects of approximately SEK 60 million. At the same time, earnings were undermined by weak market development in Finland, which had an impact of around SEK 32 million.
- Demand for the majority of our services is relatively stable, but the market is being impacted by generally weak growth in the Nordic region and Europe. Improved demand was noted in Sweden towards the end of the period and the market in Norway remained strong. The market for industrial services in Finland worsened further and measures are being taken to adapt operations to the current conditions.
- Our strategy stands firm. As the Nordic region's leading consulting engineering company, with the industry's strongest offering of services for sustainable engineering and design, we will continue to grow with profitability, both organically and through further acquisitions.

PROFIT AND FINANCIAL POSITION

Net sales and profit, January – June 2013

The Sweco Group's net sales rose by 2 per cent to SEK 3,942.1 million (3,852.7). Organic growth was 2 per cent and acquisition-driven growth was 2 per cent, while foreign exchange effects resulting from a stronger Swedish krona had a negative impact on growth of 2 per cent.

Profit summary, SEK M	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Sweco Sweden	121.9	94.7	226.4	233.2
Sweco Norway	61.1	20.8	86.6	89.9
Sweco Finland	17.3	29.5	31.7	45.3
Sweco Central & Eastern Europe	1.0	1.7	-0.3	4.3
Sweco Russia	-0.5	-3.0	-7.1	-5.8
Sweco Industry	5.0	12.1	8.9	33.3
Group-wide, etc.	-14.9	-5.6	-20.0	-18.0
Operating profit	190.9	150.2	326.2	382.2
Consolidated net financial items	-9.4	2.7	-10.4	-3.5
Profit before tax	181.5	152.9	315.8	378.7

Operating profit was SEK 326.2 million (382.2). The decrease is mainly explained by lower earnings in Sweco Finland and the Finnish part of Sweco Industry, which had a negative impact on operating profit of around SEK 40 million, and by negative calendar effects of approximately SEK 30 million. Operating margin for the Group was 8.3 (9.9).

Sweco Sweden reported net sales of SEK 2,141.4 million (2,044.7). Operating profit was SEK 226.4 million (233.2) and operating margin was 10.6 per cent (11.4).

Net sales for Sweco Norway totalled SEK 931.8 million (910.7) and operating profit reached SEK 86.6 million (89.9). Operating margin was 9.3 per cent (9.9).

Sweco Finland achieved an operating profit of SEK 31.7 million (45.3) and an operating margin of 6.9 per cent (10.9). The decrease in earnings is due to slowing in the Finnish construction market.

The negative earnings in Russia are explained by a persistently very weak market in the infrastructure segment and restructuring charges to adapt the organisation to structurally lower demand.

The drop in earnings for Sweco Industry is attributable to a clear downturn in the industrial market in Finland.

Measures are being carried out to adapt the organisation to current demand levels.

Consolidated profit was burdened with acquisition-related costs of SEK 5.5 million (12.5) and amortisation of acquisition-related intangible assets of SEK 20.4 million (23.0).

Operating profit before amortisation of acquisition-related intangible assets (EBITA) was SEK 346.6 million (405.2) and the margin was 8.8 per cent (10.5).

The billing ratio, including all administrative personnel, was 73.8 per cent (74.5).

The number of normal working hours during the period was 957 (966).

Profit before tax was SEK 315.8 million (378.7). The Group's net financial items amounted to SEK -10.4 million (-3.5), and included foreign exchange effects of SEK -1.0 million (10.9).

Profit after tax was SEK 238.4 million (287.0).

Return on equity was 28.9 per cent (34.1) and return on capital employed was 26.8 per cent (34.9).

No significant transactions with related parties have taken place.

Earnings per share

Earnings per share amounted to SEK 2.59 (3.12) before dilution and SEK 2.59 (3.12) after dilution.

Investments

Investments in equipment totalled SEK 45.6 million (58.6) and referred mainly to computers and other IT investments. Depreciation of equipment amounted to SEK 49.7 million (43.1) and amortisation of intangible assets to SEK 24.2 million (27.5).

Purchase consideration paid for the acquisition of companies amounted to SEK 19.7 million (781.3) and had an effect of SEK -11.9 million (-528.3) on the Group's cash and cash equivalents.

Cash flow and financial position

The Group's cash flow from operating activities was SEK 143.8 million (228.3).

Cash and cash equivalents amounted to SEK 184.6 million (335.9). Disposable cash and cash equivalents including unutilised bank overdraft facilities at the end of the reporting period totalled SEK 677.3 million (813.8). Interest-bearing debt is reported at SEK 830.7 million (844.9). The net interest-bearing liability was SEK 646.1 million (509.0). The net debt/equity ratio was 40.9 per cent (37.1). The equity/assets ratio was 32.4 per cent (27.9).

During the year, dividends have been paid to Sweco AB's shareholders in a total amount of SEK 296.2 million (274.0).

Employees

The number of employees at 30 June 2013 was 7,845 (7,694). The average number of employees in the Group was 7,559 (7,200). The Sweco Group gained 34 employees through acquisitions during the period.

Sales and profit, April – June 2013

Net sales increased by 4 per cent to SEK 2,010.5 million (1,943.1). Organic growth was 5 per cent and acquisition-driven growth was 1 per cent, while foreign exchange effects resulting from a stronger Swedish krona had a negative impact on growth of 2 per cent.

Operating profit was 190.9 million (150.2) and operating margin was 9.5 per cent (7.7). Operating profit was positively affected by calendar effects of around SEK 60 million.

Consolidated profit was burdened with acquisition-related costs of SEK 5.4 million (0.3) and amortisation of acquisition-related intangible assets of SEK 10.3 million (12.7).

Operating profit before amortisation of acquisition-related intangible assets (EBITA) was SEK 201.2 million (162.9) and the margin was 10.0 per cent (8.4).

The billing ratio was 75.0 per cent (75.1).

The number of normal working hours during the period was 476 (461).

Profit before tax was SEK 181.5 million (152.9). Profit after tax amounted to SEK 136.2 million (122.0).

Cash flow from operating activities was SEK 80.3 million (148.7).

Organisation

On 1 July 2013 Sweco carried out an organisational change in which the Sweco Industry business area was split up and transferred to the Sweco Finland, Sweco Sweden and Sweco Norway business areas. The main motive is to clarify the organisation and strengthen the total offering to industrial clients in the Nordic market. The business areas' net sales, operating profit and operating margin according to the new organisation are presented in a table at the end of the report.

Parent Company

The Parent Company recorded net sales of SEK 136.0 million (113.8), all of which refers to intra-group services. Profit after net financial items was SEK 200.5 million (8.9). Investments in equipment amounted to SEK 11.4 million (3.2) and cash and cash equivalents at the end of the period totalled SEK 3.3 million (0.2).

THE SWECO SHARE

Sweco is listed on NASDAQ OMX Stockholm. The closing bid price for the Sweco B share at 30 June 2013 was SEK 76.25, an increase of 4 per cent during the year. The OMX Stockholm General Index rose by 5 per cent over the same period.

The total number of shares at the end of the period was 91,516,847, of which 9,378,364 were of class A and 82,138,483 were of class B. After deduction of treasury shares, the number of shares outstanding at 30 June 2013 was 91,135,382, of which 9,378,364 were of class A and 81,757,018 were of class B.

Treasury shares

Sweco held 381,465 class B shares in treasury at 30 June 2013. The treasury shares correspond to 0.4 per cent of the total number of shares and 0.2 per cent of the votes.

ACQUISITION OF VECTURA

Sweco has signed an agreement with the Swedish Government to acquire 100 per cent of the shares in Vectura, with 1,200 employees. The acquisition will create the largest engineering consultancy in the Nordic market, with annual sales of approximately SEK 8,800 million and around 9,000 employees. The transaction is conditional on approval from the competition authorities in Sweden and Norway, and the goal is for the change of ownership to take place in August 2013.

Vectura is the Nordic region's leading provider of consulting services for transport infrastructure and has an especially strong position in the Swedish railway sector. The company has a presence in some 40 locations in Sweden, Norway and Denmark.

The acquisition is in line with Sweco's strategy to consolidate its leading positions in the Nordic region and expand in the infrastructure segment. Combining Vectura's comprehensive expertise in transport infrastructure with Sweco's forefront position in sustainable engineering and design will boost Sweco's growth in the Nordic region, above all in Sweden and in the fast-growing Norwegian market.

Motives for the merger

Value-creating growth:

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

The transaction

The total purchase consideration of SEK 927 million will be paid in cash (equity value). The enterprise value is expected to amount to approximately SEK 900 million on the transaction date. Vectura will be integrated into the Sweco Sweden business area under the Sweco brand. The integration is scheduled for completion around year-end 2013.

Impact on Sweco's income and financial position

In 2012 Vectura reported annual sales of SEK 1,327 million and an operating profit of SEK 31 million (EBIT). The acquisition is expected to increase Sweco's operating profit (EBITA) by SEK 100 million starting in 2015. Based on the estimated synergies, a standardised assessment of acquisition-related intangible assets and the current financing cost, Sweco's earnings per share will increase by SEK 0.47, or by 9 per cent from the 2012 level. The combined figures are hypothetical and should not be seen as a pro forma accounts, since only rough adjustments have been made for the acquisition. The long-term business is expected to perform with the same level of profitability as Sweco's current infrastructure activities.

The improvement in earnings will be achieved primarily through the realisation of cost synergies, e.g., reduction of external corporate costs, coordination of administrative functions and co-location of operations. The combination of Vectura's operations in Norway and the Traffic & Urban planning businesses with Sweco's operations will enhance their profitability. The identified synergies exceed SEK 70 million.

The integration costs are estimated at SEK 100 million and will be recognised mainly in the second half of 2013 and first half of 2014. Transaction costs amount to approximately SEK 5 million, affecting the second quarter of 2013.

The acquisition will be financed through a combination of existing loans and a new three-year credit facility. The financing cost is around 3 per cent.

OPERATIONS AND MARKET

The engineers, architects and environmental experts at Sweco are working together to contribute to the development of a sustainable society. With more than 7,800 employees in 12 countries, the Sweco Group is one of the largest players in Europe. Every year, Sweco carries out projects in some 80 countries worldwide.

Operations are conducted in six business areas: Sweco Sweden, Sweco Norway, Sweco Finland, Sweco Central & Eastern Europe, Sweco Russia and Sweco Industry. After 1 July 2013, operations are conducted in five geographically organised business areas (see previous page).

Sweco is well positioned for profitable growth. The Group has market-leading positions in Sweden, Nor-

way and Finland and solid niche positions in several countries in Central and Eastern Europe. Sweco's home markets have generally higher GDP growth and healthier public finances than the European average. With a level of profitability at the top of the industry, Sweco has capacity to grow faster than the market average, both organically and through acquisitions.

The first half of the year was characterised by relatively stable demand in most service segments. However, Sweco's markets as a whole have been impacted by generally slow growth in the Nordic region and Europe, with major variations. In Norway, demand for Sweco's services remains very strong, while Sweden has been affected by generally weak growth. An improved market situation was noted in the latter half of the second quarter. The market for industrial services in Finland has continued to worsen and measures have been taken to adapt these operations to the current market conditions. 35 employees in the Finnish industrial operations have been placed on temporary layoff. The markets in Russia and Poland also remain persistently weak.

The need for investment in urban and regional development is stimulating long-term demand for Sweco's services. These include a growing need for transport infrastructure, industrial production, energy production and construction. Among other things, the Swedish Government is expected to increase its total investments in the road and railway network from SEK 27 billion to SEK 39 billion over the next five years. In Norway, the corresponding investments are expected to increase by 75 per cent, from NOK 17 billion to NOK 29 billion.

At the same time, there are increasingly stringent requirements for sustainable development of society and adaptation to climate change. This is creating demand for services in areas like energy efficiency improvements, environmental impact assessments, renewable energy solutions, effective traffic planning, water supply systems, wastewater treatment and soil/site remediation.

Sweco Sweden

Net sales and profit	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Net sales, SEK M	1,081.1	1,013.8	2,141.4	2,044.7
Operating profit, SEK M	121.9	94.7	226.4	233.2
Operating margin, %	11.3	9.3	10.6	11.4
No. of employees at end of period			3,491	3,329

Sweco Sweden is the country's leading provider of consulting engineering services and the Group's largest business area, with around 3,500 employees in some 50 locations. Services are offered in the areas of

Architecture, Structural Engineering, Building Service Systems, Infrastructure, Water & Environment, Project Management, Energy Systems, Geographical IT and Institutional Services.

Sweco Sweden also has project exports to countries in Eastern Europe, Africa, Asia, the Middle East and Latin America.

Demand for Sweco's services in Sweden was relatively stable, although the market has been impacted by generally weak growth in the Nordic region. Signs of an improved market situation were noted towards the end of the period. Interest in Sweco's comprehensive offering of services in sustainable engineering and design has continued to grow and strong long-term demand is anticipated, above all in the transport infrastructure segment.

In the second quarter, Sweco's architects were selected to design the renovation and expansion of Kungälv Hospital, with 220 beds. Sweco has also been commissioned by Svenska Kraftnät (the Swedish national grid operator) to plan a 150 km power line that will reinforce transmission of electricity from the Os-karshamn nuclear power plant. During the quarter, Sweco's Swedish consultants were chosen to study and plan a new peat-fired power plant in Rwanda with a capacity of 90 megawatts.

Sweco Norway

Net sales and profit	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Net sales, SEK M	482.9	438.2	931.8	910.7
Operating profit, SEK M	61.1	20.8	86.6	89.9
Operating margin, %	12.7	4.8	9.3	9.9
No. of employees at end of period			1,169	1,100

Sweco is one of Norway's leading engineering consultancies, with around 1,170 employees. The Norwegian business area is organised in five divisions: Energy, Building & Construction, Building Service Systems, Vest and Water, Planning & Transportation.

Demand in the Norwegian market remains strong. Extensive investments in the road and railway network are creating a favourable long-term market for Sweco. The energy area is also showing healthy demand for Sweco's services, above all with regard to electric power production. Investments in commercial properties are rising and demand in the housing sector remains robust. However, a slowing trend has been noted in the industrial and mining sectors.

In the second quarter Sweco was chosen to plan a new section of the E 134 motorway between Gvammen and Århus in the Telemark region. Sweco was

also awarded additional road contracts in connection with upgrading of county road 78 in northern Norway. The assignment includes road planning, geotechnical engineering and structural design of bridges. In addition, Sweco's Norwegian consultants have been appointed by the World Bank to carry out a comprehensive sustainability study in Tanzania regarding the country's existing and planned hydropower plants.

Sweco Finland

Net sales and profit	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Net sales, SEK M	241.0	259.3	460.7	415.3
Operating profit, SEK M	17.3	29.5	31.7	45.3
Operating margin, %	7.2	11.4	6.9	10.9
No. of employees at end of period			1,325	1,336

Sweco Finland includes FMC Group, with around 1,200 employees, which provides services with a focus on structural engineering, building service systems, energy and environment. The business area also includes Sweco PM, which primarily offers project management services to clients in the infrastructure, construction and industrial sectors.

Demand for Sweco's building-related services in Finland weakened during the period. However, a good demand is awaited for public facilities such as schools and hospitals. Development is also positive in the renovation, rebuilding and expansion sector.

New assignments in the second quarter include two large-scale contracts in the healthcare sector. The first involves structural engineering of a new hospital in Espoo with 255 beds and a total area of approximately 70,000 square meters. The second is a new children's hospital in Helsinki where Sweco has been given responsibility for construction and project management. Another notable contract was awarded for structural engineering of Finland's largest residential building made of wood. The structure will have five floors and will be built in central Helsinki.

Sweco Central & Eastern Europe

Net sales and profit	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Net sales, SEK M	56.3	68.1	112.5	134.5
Operating profit, SEK M	1.0	1.7	-0.3	4.3
Operating margin, %	1.6	2.4	-0.3	3.2
No. of employees at end of period			809	884

Sweco Central & Eastern Europe has more than 800 employees and is active in Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Bulgaria.

Demand in the water and environmental segments is relatively stable throughout the business area. The Polish market remains very weak with regard to infrastructure and architecture. The Czech Republic is noting continued healthy demand in the water supply segment and Bulgaria is showing stable demand for Sweco's services.

Ongoing use of the EU structural funds 2014-2020 to support less developed regions in the European Union is expected to stimulate long-term demand for Sweco's services.

New assignments include project management for a new hotel in Tallinn, Estonia, and the design of a new CHP plant in Latvia. In Lithuania, Sweco is responsible for project and construction management for expansion of the Port of Sventoji. In Poland, Sweco was awarded a contract for planning of a flood protection system along the Watoł River, and in Bulgaria Sweco will plan phase two of Struma Highway, a new motorway between Sofia and the border to Greece.

Sweco Russia

Net sales and profit	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Net sales, SEK M	11.8	27.2	26.0	59.7
Operating profit, SEK M	-0.5	-3.0	-7.1	-5.8
Operating margin, %	-3.8	-11.1	-27.3	-9.7
No. of employees at end of period			199	323

Sweco Russia has around 200 employees and offers services in Infrastructure and Water & Environment. Sweco Russia also coordinates project exports from the other business areas to Russia.

The Russian economy is being affected by the general global business climate. Investment spending among both public and private sector clients has decreased, most visibly in the infrastructure and industrial segments, where many projects have been postponed. Measures have been taken successively to adapt these operations to the current market conditions.

In spite of the market situation, the order intake has improved. Among other things, Sweco's Russian consultants were commissioned to plan a wastewater treatment plant for the chemical producer Metahim, to study optimisation of a route network for passenger transport in Yaroslavl and to investigate the market conditions for an express train between Moscow and Ekaterinburg.

Sweco Industry

Net sales and profit	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Net sales, SEK M	192.0	191.9	382.1	384.7
Operating profit, SEK M	5.0	12.1	8.9	33.3
Operating margin, %	2.6	6.3	2.3	8.7
No. of employees at end of period			837	707

Sweco Industry is the Group's resource for qualified industrial consulting services. The business area's capabilities include studies, planning, engineering and project management services for expansion and development of industrial facilities. With some 590 employees in Finland, 220 in Sweden and 30 in Norway, Sweco Industry is one of the Nordic region's largest industrial engineering consultancies. Sweco Industry also has operations in Russia, Eastern Europe and South America. The business area works with a focus on the energy, chemical and petro-chemical, pulp and paper, mining and mineral industries, as well as off-shore projects.

As of 1 July 2013, the Sweco Industry business area has been split up and transferred to the Sweco Finland, Sweco Sweden and Sweco Norway business areas. The motive is to strengthen the total offering to industrial clients in the Nordic region.

The market situation for industrial consultants in Finland worsened further during the latter half of the period with a growing number of postponed projects, primarily in the energy production area. 35 people have been placed on temporary layoff and another total of around 100 employees have been given notice of temporary layoff in order to adapt these operations to the current market conditions. In Sweden, the market for industry-related services remains stable with healthy demand primarily in the mining industry and upgrading of pulp and paper mills.

Notable contracts during the period include planning and design in connection with the installation of a new biomass boiler for Alvesta Energi, a framework agreement with Talvivaara Mining and several new assignments for clients such as Metso, Neste Jacobs, Outotec, Kemira and Andritz.

ACCOUNTING POLICIES

Sweco complies with the International Financial Accounting Standards (IFRS) and interpretations of these (IFRIC) that have been endorsed by the European Commission for application in the EU. This interim report is presented in accordance with IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. With effect from 1 January 2013, Sweco ap-

plies IAS 1, Presentation of Financial Statements (Presentation of Items of Other Comprehensive Income), the amended IAS 19, Employee Benefits, and IFRS 13, Fair Value Measurement.

One change is that the Group no longer applies the "corridor approach" and instead recognises all actuarial gains and losses in other comprehensive income. The expected return on plan assets is based on the discount rate that is used for calculating the pension liability. The difference between the actual and expected return on plan assets is recognised in other comprehensive income. The comparison periods have therefore been adjusted accordingly. The Group's comprehensive income for the full year 2012 has been adjusted by SEK +127.7 million. Operating profit has been adjusted by SEK +22.3 million, deferred tax by SEK -6.2 million, currency translation differences by SEK -2.0 million and remeasurement of defined benefit pension plans by SEK +113.6 million, of which SEK -44.2 million refers to tax. The balance sheet at 31 December 2012 has also been adjusted. Financial assets have been reduced by SEK 42.3 million, non-current liabilities have been reduced by SEK 1.8 million and equity has been reduced by SEK 40.5 million. The Group's comprehensive income for the period January-June 2012 has been adjusted by SEK -0.8 million. Operating profit has been adjusted by SEK +1.3 million, deferred tax by SEK -0.3 million and currency translation differences by SEK -1.8 million. The balance sheet at 30 June 2012 has also been adjusted. Financial assets have been increased by SEK 53.4 million, non-current liabilities have been increased by SEK 222.4 million and equity has been reduced by SEK 169.0 million. The Group's comprehensive income for the period April-June 2012 has therefore been adjusted by SEK +0.1 million. Operating profit has been adjusted by SEK +0.6 million, deferred tax by SEK -0.1 and currency translation differences by SEK -0.4 million. However, the change has had no effect on net cash flow.

In other respects, the accounting and valuation standards applied by the Group are the same as those described in Note 1 of the annual report for 2012. In this report, the amounts in brackets refer to the same period of the previous year.

RISKS AND UNCERTAINTIES

The significant risks and uncertainties affecting the Sweco Group and the Parent Company include business risks tied to the general economic trend and investment spending 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 risk, interest rate risk and credit risk. No significant risks are assessed to have arisen aside from

those presented on page 82, "Risks and risk management", of Sweco's annual report for 2012.

NORMAL WORKING HOURS IN 2013

The number of normal working hours in 2013, based on the year's volume-weighted operating mix, is broken down as follows:

Quarter 1: 481 (505), -24
Quarter 2: 476 (461), +15
Quarter 3: 522 (515), +7
Quarter 4: 484 (487), -3
Total 2013: 1,963 (1,968), -5

FINANCIAL CALENDAR 2013

Interim report January-September: 5 November 2013
Year-end report 2013: 14 February 2014

OUTLOOK

The market for consulting engineering services is relatively stable, but is being impacted by generally slow growth in the Nordic region and Europe. Demand for Sweco's services is following the general economic trend at a certain delay. Sweco's ambition is to achieve sustained profitable growth by strengthening its market positions in the Nordic region and in Central and Eastern Europe. Sweco's leading market positions and the industry's strongest offering of services in sustainable engineering and design provide a solid platform for stable long-term development.

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Sweco discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 18 July 2013, 11:10 CET.

The Board of Directors and the President give their assurance that the 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 the Group companies are exposed.

Stockholm, 18 July 2013

Olle Nordström
Board Chairman

Anders G. Carlberg
Board member

Gunnel Duveblad
Board member

Johan Nordström
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 examined by the company's independent auditors.

Income statement, SEK M	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jul 2012 - Jun 2013	Full year 2012
Net sales	2,010.5	1,943.1	3,942.1	3,852.7	7,592.9	7,503.5
Other operating income	0.4	-	0.4	-	12.9	12.5
Other external expenses	-449.9	-459.2	-880.3	-876.8	-1,820.9	-1,817.4
Personnel costs	-1,333.0	-1,296.6	-2,661.4	-2,522.3	-4,978.4	-4,839.3
Amortisation/depreciation and impairment	-37.1	-37.1	-74.6	-71.4	-180.9	-177.7
Operating profit	190.9	150.2	326.2	382.2	625.6	681.6
Net financial items	-9.4	2.7	-10.4	-3.5	-35.4	-28.5
Profit before tax	181.5	152.9	315.8	378.7	590.2	653.1
Income tax expense	-45.3	-30.9	-77.4	-91.7	-162.9	-177.2
Profit for the period	136.2	122.0	238.4	287.0	427.3	475.9
Profit for the period attributable to:						
Owners of the parent	135.2	120.8	236.2	285.0	421.6	470.4
Non-controlling interests	1.0	1.2	2.2	2.0	5.7	5.5
Earnings per share attributable to owners of the parent, SEK						
- Basic	1.48	1.32	2.59	3.12	4.62	5.15
- Diluted	1.48	1.32	2.59	3.12	4.62	5.15
Average number of shares	91,135,382	91,342,847	91,135,382	91,386,584	91,228,784	91,354,385
Average number of shares after dilution	91,135,382	91,342,847	91,135,382	91,386,584	91,228,784	91,354,385
Dividend per share, SEK	-	-	-	-	-	3.25

Statement of comprehensive income, SEK M	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jul 2012 - Jun 2013	Full year 2012
Profit for the period	136.2	122.0	238.4	287.0	427.3	475.9
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit pensions, net after tax ¹⁾	-	-	-	-	113.6	113.6
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	27.4	-20.4	-23.4	-18.7	-17.3	-12.6
Comprehensive income for the period	163.6	101.6	215.0	268.3	523.6	576.9
Profit for the period attributable to:						
Owners of the parent	161.7	100.6	212.6	266.6	518.0	572.0
Non-controlling interests	1.9	1.0	2.4	1.7	5.6	4.9
¹⁾ Tax on remeasurement of defined benefit pensions	-	-	-	-	-44.2	-44.2

Cash flow statement, SEK M	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Jul 2012 - Jun 2013	Full year 2012
Cash flow from operating activities before changes in working capital and paid tax	231.5	176.5	389.0	428.4	723.8	763.2
Paid tax	-68.9	-50.1	-141.0	-142.9	-195.8	-197.7
Changes in working capital	-82.3	22.3	-104.2	-57.2	-197.7	-150.7
Cash flow from operating activities	80.3	148.7	143.8	228.3	330.3	414.8
Cash flow from investing activities	-25.9	-69.1	-56.2	-571.8	-139.9	-655.5
Cash flow from financing activities	-208.8	-171.2	-259.9	464.6	-331.3	393.2
Cash flow for the period	-154.4	-91.6	-172.3	121.1	-140.9	152.5

Balance sheet, SEK M	30 Jun 2013	30 Jun 2012	31 Dec 2012
Goodwill	1,422.3	1,453.4	1,418.1
Other intangible assets	124.7	168.3	144.6
Property, plant and equipment	286.0	257.8	288.5
Financial assets	28.8	96.4	28.9
Current assets excl. cash and cash equivalents	2,839.5	2,594.9	2,400.3
Cash and cash equivalents incl. short-term investments	184.6	335.9	366.8
Total assets	4,885.9	4,906.7	4,647.2
Equity attributable to owners of the parent	1,562.2	1,353.2	1,651.7
Non-controlling interests	19.0	18.1	22.3
Total equity	1,581.2	1,371.3	1,674.0
Non-current liabilities	839.1	1,074.1	833.5
Current liabilities	2,465.6	2,461.3	2,139.7
Total equity and liabilities	4,885.9	4,906.7	4,647.2
Pledged assets	1.8	28.4	1.8
Contingent liabilities	222.0	225.8	194.3

Changes in equity, SEK M	Jan-Jun 2013			Jan-Jun 2012		
	Equity attributable to owners of the parent	Non-controlling interests	Total equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity, opening balance	1,651.7	22.3	1,674.0	1,493.2	10.5	1,503.7
Effect of changed accounting standard	-	-	-	-168.2	-	-168.2
Adjusted equity, opening balance	1,651.7	22.3	1,674.0	1,325.0	10.5	1,335.5
Comprehensive income for the period	212.6	2.4	215.0	266.6	1.7	268.3
Distribution to the shareholders	-296.2	-5.7	-301.9	-274.0	-0.8	-274.8
Holdings of non-controlling interests in acquired companies	-	-	-	-	6.9	6.9
Acquisition of non-controlling interests	-	-	-	0.1	-0.2	-0.1
Issue of treasury shares	-	-	-	46.9	-	46.9
Purchase of treasury shares	-7.1	-	-7.1	-12.0	-	-12
Share savings schemes	1.2	-	1.2	0.6	-	0.6
Equity, closing balance	1,562.2	19.0	1,581.2	1,353.2	18.1	1,372.3

Key ratios¹⁾	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Operating margin, %	8.3	9.9	9.1
Profit margin, %	8.0	9.8	8.7
Billing ratio, %	73.8	74.5	74.2
Return on equity, %	28.9	34.1	29.9
Return on capital employed, %	26.8	34.9	34.0
Net debt/equity ratio, %	40.9	37.1	24.4
Net debt/EBITDA	0.8	0.7	0.5
Equity/assets ratio, %	32.4	27.9	36.0
Earnings per share, SEK			
- Basic	2.59	3.12	5.15
- Diluted	2.59	3.12	5.15
Equity per share for profit attributable to owners of the parent, SEK			
- Basic	17.14	14.81	18.10
- Diluted	17.14	14.81	18.10
Interest-bearing liabilities, SEK M	830.7	844.9	776.1
Of which, liabilities to credit institutions	830.7	844.2	776.1
Average number of employees	7,559	7,200	7,336
Number of shares on closing date	91,135,382	91,342,847	91,233,682
Number of shares after dilution on closing date	91,135,382	91,342,847	91,233,682
Number of shares after full dilution on closing date	91,135,382	91,342,847	91,233,682
Number of class B treasury shares	381,465	174,000	283,165

¹⁾ The definitions of key ratios are unchanged and can be found in Sweco's annual report for 2012.

Net sales, operating profit, operating margin and average no. of employees for the period January-June

Business area	Net sales SEK M		Operating profit SEK M		Operating margin %		Average no. of employees	
	2013	2012	2013	2012	2013	2012	2013	2012
Sweco Sweden	2,141.4	2,044.7	226.4	233.2	10.6	11.4	3,310	3,159
Sweco Norway	931.8	910.7	86.6	89.9	9.3	9.9	1,196	1,141
Sweco Finland	460.7	415.3	31.7	45.3	6.9	10.9	1,188	974
Sweco Central & Eastern Europe	112.5	134.5	-0.3	4.3	-0.3	3.2	746	828
Sweco Russia	26.0	59.7	-7.1	-5.8	-27.3	-9.7	235	338
Sweco Industry	382.1	384.7	8.9	33.3	2.3	8.7	869	745
Group-wide, eliminations, etc. ¹⁾	-112.4	-96.9	-20.0	-18.0	-	-	15	15
Total Group	3,942.1	3,852.7	326.2	382.2	8.3	9.9	7,559	7,200

¹⁾ Operating profit for group-wide consists mainly of the Parent Company's loss of SEK -17.6 (-23.9).

Acquisition of subsidiaries and operations

In the period under review Sweco acquired Planstyring AS and MEK-Consult AS with a total of 34 employees. Based on the preliminary purchase price allocations, these acquisitions have affected the Group's balance sheet and cash and cash equivalents as shown in the table below. During the period the acquired companies have contributed net sales of SEK 21.8 million and operating profit of SEK 1.2 million. If all of the companies had been acquired at 1 January 2013, the contribution would have been around SEK 23 to net sales and around SEK 1 million to operating profit. The period's transaction costs for the acquisitions are recognised in operating profit and amounted to SEK 0.1 million. Total transaction costs for these acquisitions in this period and earlier periods amount to SEK 0.3 million.

Acquisitions, SEK M	Acquisitions
Intangible assets	16.8
Property, plant and equipment	0.3
Current assets	21.0
Deferred tax	-1.0
Other current liabilities	-17.4
Total consideration	19.7
Unsettled purchase price commitments	-3.5
Settled purchase price commitments for acquisitions in earlier years	4.6
Cash and cash equivalents in acquired companies	-8.9
EFFECT ON THE GROUP'S CASH AND CASH EQUIVALENTS	11.9

Fair value of financial instruments

The Group's financial assets measured at fair value amounted to SEK 13.4 million (14.2). The derivative instruments are forward exchange contracts and the fair value of these is estimated based on quoted prices for forward exchange contracts on the balance sheet date (Level 2). The fair value of unquoted financial assets is determined through the use of valuation techniques (observable market inputs), such as recent transactions, quoted prices of similar instruments and discounted cash flows. When there are no reliable inputs available for determining fair value, financial assets are measured at historical cost (Level 3). There were no transfers between any of the levels during the period.

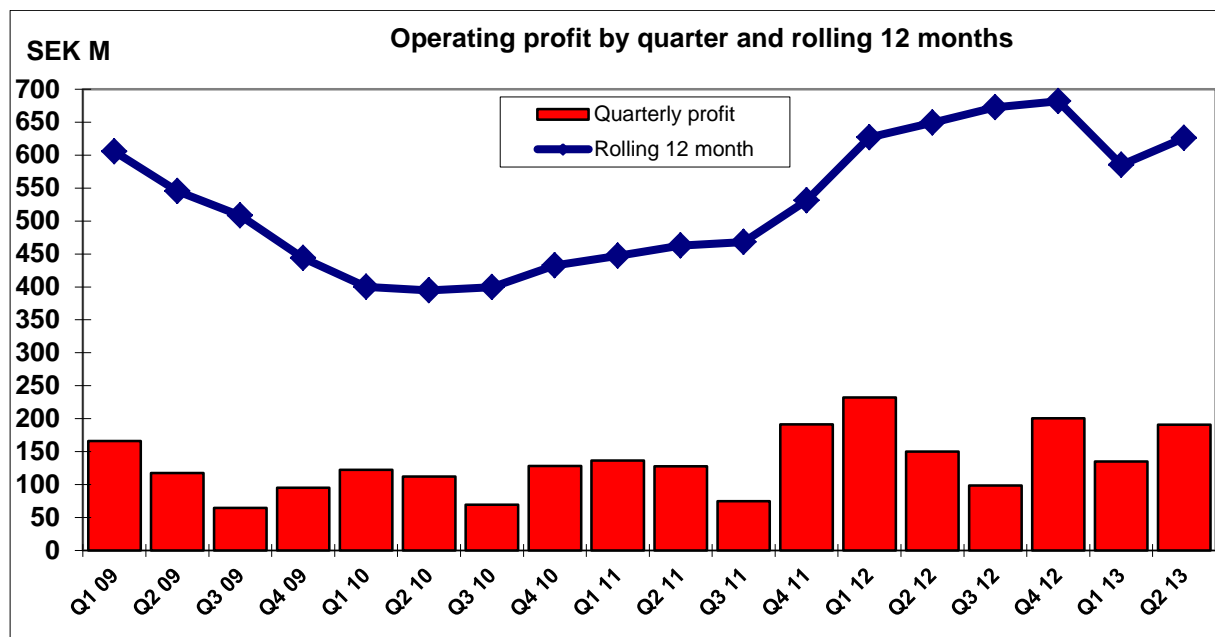
Parent Company income statement, SEK M	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Net sales	136.0	113.8	214.4
Other external expenses	-117.8	-110.5	-202.1
Personnel costs	-29.6	-22.1	-45.6
Amortisation/depreciation and impairment	-6.2	-5.1	-10.7
Operating loss	-17.6	-23.9	-44.0
Net financial items	218.1	32.8	433.5
Profit after net financial items	200.5	8.9	389.5
Appropriations	-	-	-86.8
Profit before tax	200.5	8.9	302.7
Income tax expense	-	-0.2	-70.1
Profit after tax	200.5	8.7	232.6

Parent Company balance sheet, SEK M	30 Jun 2013	31 Dec 2012
Intangible assets	5.4	6.9
Property, plant and equipment	20.9	14.3
Financial assets	1,103.3	1,111.9
Current assets	844.1	1,662.8
Total assets	1,973.7	2,795.9
Equity	1,167.5	1,270.8
Untaxed reserves	88.0	88.0
Non-current liabilities	670.7	670.6
Current liabilities	47.5	766.5
Total equity and liabilities	1,973.7	2,795.9

Five-year overview ¹⁾	Jul 2012- Jun 2013	2012 ²⁾	2011	2010	2009
Net sales, SEK M	7,592.9	7,503.5	5,987.6	5,272.4	5,338.7
Operating profit, SEK M	625.6	681.6	531.3	432.7	443.6
Profit before tax, SEK M	590.2	653.1	526.8	423.7	443.6
Operating margin, %	8.2	9.1	8.9	8.2	8.3
Billing ratio, %	73.8	74.2	73.9	73.4	73.6
Return on equity, %	28.9	29.9	25.6	19.9	19.6
Return on capital employed, %	26.8	34.0	34.2	26.5	27.5
Net debt/equity ratio, %	40.9	24.4	-9.4	-16.8	-26.2
Equity/assets ratio, %	32.4	36.0	46.2	47.8	50.6
Earnings per share, SEK					
- Basic	4.62	5.15	4.11	3.31	3.31
- Diluted	4.62	5.15	4.11	3.28	3.28
Dividend per share, SEK	-	3.25	3.00	3.00	2.00
Redemption amount per share, SEK	-	-	-	-	2.00
Average number of employees	7,510	7,336	5,772	4,986	5,082

¹⁾ The definitions of key ratios are unchanged and can be found in Sweco's annual report for 2012.

²⁾ Due to changed accounting standards, the figures for 2012 have been restated.



Business area	2013 Q2	2013 Q1	2012 Q4 ¹⁾	2012 Q3 ¹⁾	2012 Q2 ¹⁾	2012 Q1 ¹⁾	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Net sales, SEK M										
Sweco Sweden	1,081.1	1,060.3	1,130.3	820.9	1,013.8	1,030.9	1,053.2	750.5	923.3	869.7
Sweco Norway	482.9	448.9	456.3	349.3	438.2	472.5	405.7	307.2	339.5	349.4
Sweco Finland	241.0	219.7	263.8	214.4	259.3	156.0	27.0	21.4	23.9	20.1
Sweco Central & Eastern Europe	56.3	56.2	85.4	61.7	68.1	66.4	86.5	54.3	60.8	54.9
Sweco Russia	11.8	14.2	28.0	6.7	27.2	32.5	44.4	33.1	27.1	5.1
Sweco Industry	192.0	190.1	179.9	142.9	191.9	192.8	210.0	137.6	157.3	144.5
Group-wide, eliminations, etc.	-54.6	-57.8	-50.2	-38.6	-55.4	-41.5	-40.7	-30.0	-25.2	-23.0
Total Group	2,010.5	1,931.6	2,093.5	1,557.3	1,943.1	1,909.6	1,786.1	1,274.1	1,506.7	1,420.7
Operating profit, SEK M										
Sweco Sweden	121.9	104.5	134.4	45.6	94.7	138.5	139.2	53.4	113.6	106.1
Sweco Norway	61.1	25.5	94.8	27.6	20.8	69.1	45.2	26.7	16.4	37.6
Sweco Finland	17.3	14.4	26.7	32.8	29.5	15.8	0.3	2.2	2.9	1.9
Sweco Central & Eastern Europe	1.0	-1.3	0.7	1.6	1.7	2.6	5.3	-1.1	0.6	-3.2
Sweco Russia	-0.5	-6.6	-21.2	-9.0	-3.0	-2.8	5.9	3.0	1.7	-0.3
Sweco Industry	5.0	3.9	-10.6	1.3	12.1	21.2	14.0	4.1	3.8	3.0
Group-wide, eliminations, etc.	-14.9	-5.1	-24.2	-1.1	-5.6	-12.4	-18.3	-13.2	-11.0	-8.5
Total Group	190.9	135.3	200.6	98.8	150.2	232.0	191.6	75.1	128.0	136.6
Operating margin, %										
Sweco Sweden	11.3	9.9	11.9	5.6	9.3	13.4	13.2	7.1	12.3	12.2
Sweco Norway	12.7	5.7	20.8	7.9	4.8	14.6	11.1	8.7	4.8	10.8
Sweco Finland	7.2	6.5	10.2	15.3	11.4	10.1	1.0	10.5	12.0	9.5
Sweco Central & Eastern Europe	1.6	-2.3	0.8	2.7	2.4	3.9	6.1	-2.1	1.1	-5.9
Sweco Russia	-3.8	-46.8	-75.8	-135.5	-11.1	-8.5	13.5	8.9	6.2	-5.1
Sweco Industry	2.6	2.0	-5.9	0.9	6.3	11.0	6.7	3.0	2.4	2.1
Total Group	9.5	7.0	9.6	6.3	7.7	12.1	10.7	5.9	8.5	9.6

¹⁾ Due to changed accounting standards, all quarters in 2012 have been restated.

Pro forma new organization (excluding Vectura)

On 1 July 2013 Sweco carried out an organisational change in which the Sweco Industry business area was split up and transferred to the Sweco Finland, Sweco Sweden and Sweco Norway business areas. After the change, Sweco has five business areas.

Net sales, operating profit and operating margin according to the new organisation as of July 1, 2013.

Business area	2013 Jan-Jun	2013 Jan-Mar	2012 Jan-Dec ¹⁾	2012 Jan-Sep ¹⁾	2012 Jan-Jun ¹⁾	2012 Jan-Mar ¹⁾	2013 Q2	2012 Q4 ¹⁾	2012 Q3 ¹⁾	2012 Q2 ¹⁾
Net sales, SEK M										
Sweco Sweden	2,253.1	1,114.0	4,220.1	3,028.2	2,161.8	1,090.2	1,139.1	1,191.9	866.4	1,071.6
Sweco Norway	950.3	457.0	1,753.2	1,287.2	931.0	482.3	493.3	466.0	356.2	448.7
Sweco Finland	675.8	330.4	1,272.9	920.5	629.2	263.9	345.4	352.4	291.3	365.3
Sweco Central & Eastern Europe	112.5	56.2	281.6	196.2	134.5	66.4	56.3	85.4	61.7	68.1
Sweco Russia	26.0	14.2	94.4	66.4	59.7	32.5	11.8	28.0	6.7	27.2
Group-wide, eliminations, etc.	-75.6	-40.2	-118.7	-88.5	-63.5	-25.7	-35.4	-30.2	-25.0	-37.8
Total Group	3,942.1	1,931.6	7,503.5	5,410.0	3,852.7	1,909.6	2,010.5	2,093.5	1,557.3	1,943.1
Operating profit, SEK M										
Sweco Sweden	239.0	109.6	423.0	292.9	244.2	144.8	129.4	130.1	48.7	99.4
Sweco Norway	88.4	25.9	216.0	120.3	92.1	69.9	62.5	95.7	28.2	22.2
Sweco Finland	26.2	12.8	115.3	95.8	65.4	29.9	13.4	19.5	30.4	35.5
Sweco Central & Eastern Europe	-0.3	-1.3	6.6	5.9	4.3	2.6	1.0	0.7	1.6	1.7
Sweco Russia	-7.1	-6.6	-36.0	-14.8	-5.8	-2.8	-0.5	-21.2	-9.0	-3.0
Group-wide, eliminations, etc.	-20.0	-5.1	-43.3	-19.1	-18.0	-12.4	-14.9	-24.2	-1.1	-5.6
Total Group	326.2	135.3	681.6	481.0	382.2	232.0	190.9	200.6	98.8	150.2
Operating margin, %										
Sweco Sweden	10.6	9.8	10.0	9.7	11.3	13.3	11.4	10.9	5.6	9.3
Sweco Norway	9.3	5.7	12.3	9.3	9.9	14.5	12.7	20.5	7.9	5.0
Sweco Finland	3.9	3.9	9.1	10.4	10.4	11.3	3.9	5.5	10.4	9.7
Sweco Central & Eastern Europe	-0.3	-2.3	2.4	3.0	3.2	3.9	1.6	0.8	2.7	2.4
Sweco Russia	-27.3	-46.8	-38.2	-22.3	-9.7	-8.5	-3.8	-75.8	-135.5	-11.1
Total Group	8.3	7.0	9.1	8.9	9.9	12.1	9.5	9.6	6.3	7.7

¹⁾ Due to changed accounting standards, all quarters in 2012 have been restated.