



YEAR-END REPORT 2013

SWECO AB (publ)



14 February 2013

Strong underlying profit in the fourth quarter

OCTOBER – DECEMBER 2013

- Net sales: SEK 2,447.4 million (2,093.5)
- Operating profit: SEK 128.5 million (200.6); operating margin: 5.3 per cent (9.6)
- Impairment of intangible assets in Eastern Europe: SEK 49.3 million
- EBITA: SEK 191.9 million (241.7); EBITA margin: 7.8 per cent (11.6)
- Integration costs for Vectura: SEK 38.1 million
- Profit after tax: SEK 70.4 million (127.4); earnings per share: SEK 0.76 (1.37)

JANUARY – DECEMBER 2013

- Net sales: SEK 8,198.8 million (7,503.5)
- Operating profit: SEK 560.7 million (681.6); operating margin: 6.8 per cent (9.1)
- EBITA: SEK 656.3 million; EBITA margin: 8.0 per cent (10.0)
- Integration costs for Vectura: SEK 53.0 million
- Profit after tax: SEK 379.6 million (475.9); earnings per share: SEK 4.11 (5.15)
- Net debt: SEK 1,321.9 million (409.3)
- The Board proposes a dividend of SEK 3.25 (3.25) per share

Comments from President and CEO Tomas Carlsson:

- The underlying profit in the fourth quarter is strong and especially Vectura contributes positively to the development. Underlying EBITA was SEK 230 million, compared to SEK 201 million previous year. Operating profit was charged with integration costs for Vectura and the impairment of intangible assets in Eastern Europe
- The acquisition of Vectura exceeds our initial expectations. The synergies are expected to be greater, integration costs lower and impact on profit realised sooner. Vectura is fully integrated with Sweco Sweden as of 1 January 2014. We are a Nordic market leader, with the strongest service offering for the infrastructure of the future
- The market remains essentially unchanged, with major geographic variations. The Norwegian market is strong, and the market in Sweden and the construction market in Finland are stable. The industrial market in Finland and large parts of Eastern Europe remain challenging. Sweco operations in Eastern Europe are therefore being restructured and the Group repositioned to capture the market in Central Europe

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 14 February 2014 at 07:20 CET.

Profit and Operations

October – December 2013

Net sales increased 17 per cent to SEK 2,447.4 million (2,093.5), due chiefly to the acquisition of Vectura.

Operating profit totalled SEK 128.5 million (200.6). A total of SEK 49.3 million (29.5) in impairments of intangible assets was charged to profit following the reconstruction of Eastern European operations and the formation of business area Central Europe. Amortisation of acquisition-related intangible assets totalled SEK 14.1 million (11.6).

Operating profit before amortisation of acquisition-related intangible assets (EBITA) totalled SEK 191.9 million (241.7).

Integration cost for Vectura totalled SEK 38.1 million and was charged to the Group-wide segment. Underlying EBITA was thus SEK 230.0 million (200.7), the best fourth quarter so far for Sweco.

Vectura made a positive contribution to EBITA of SEK 35.7 million during the quarter. In total, acquisitions contributed with SEK 40.4 million to EBITA. Underlying EBITA for comparable units totalled SEK 185.9 million (200.7).

Calendar-effects had a negative year-on-year impact on operating profit of approximately SEK 14 million.

Profit was charged with costs for acquisition-related activities totalling SEK 0.5 million (0.3).

January – December 2013

Net sales increased 9 per cent to SEK 8,198.8 million (7,503.5). Growth through acquisitions was 9 per cent.

Operating profit totalled SEK 560.7 million (681.6). Amortisation and impairment of acquisition-related intangible assets totalled SEK 95.6 million (75.4).

EBITA totalled SEK 656.3 million (757.0). Profit was charged with integration costs for Vectura totalling SEK 53.0 million. Underlying EBITA was therefore SEK 709.3 million (736.0).

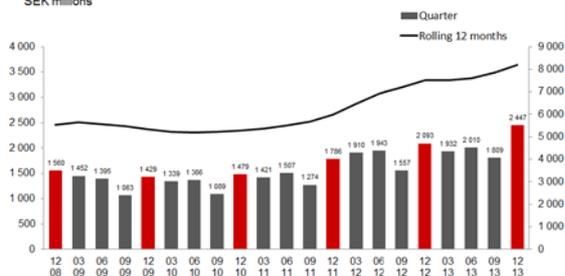
Vectura made a positive contribution to EBITA of SEK 44.4 million. In total, acquisitions contributed SEK 56.0 million to EBITA. Underlying EBITA for comparable units was thus SEK 653.3 million (736.0). The year-on-year decrease is primarily attributable to a SEK 65 million reduction in Sweco Finland's operating profit. This decline is a result of the weakening economy, which had a negative effect on the billing ratio.

Calendar-effects had a negative year-on-year impact on profit of approximately SEK 20 million.

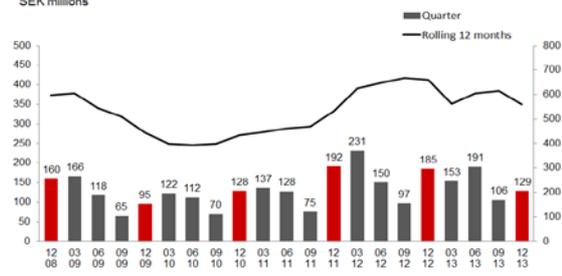
Profit was charged with costs for acquisition-related activities totalling SEK 6.2 million (12.8).

Key ratios	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Net sales, SEK M	2,447.4	2,093.5	8,198.8	7,503.5
Organic growth, %	0	2	1	8
Acquisition-driven growth, %	18	16	9	17
EBITA, SEK M	191.9	241.7	656.3	757.0
Margin, %	7.8	11.6	8.0	10.0
Operating profit (EBIT), SEK M	128.5	200.6	560.7	681.6
Margin, %	5.3	9.6	6.8	9.1
Profit before tax, SEK M	118.5	189.3	526.8	653.1
Earnings per share, SEK	0.76	1.37	4.11	5.15
Billing ratio, %	73.9	74.0	73.9	74.2
Number of normal working hours	484	487	1,963	1,968
Number of employees	8,592	7,518	7,947	7,336

Net sales by quarter and rolling 12 months
SEK millions



Operating profit by quarter and rolling 12 months
SEK millions



Market

The fourth quarter was characterised by a generally unchanged market, with significant variations between geographic regions and markets.

The Norwegian market remains strong despite a slowdown in the housing construction sector. Demand remains stable in Sweden. The market for building-related services remains satisfactory in Finland. Finnish demand for industrial consulting services remains very weak, though there are signs that the market has bottomed out.

The Eastern European and Russian markets continue to present challenges.

Outlook

Demand for Sweco's engineering consulting services is good overall, albeit with major variations. The market generally follows the overall economic trend in Sweco's submarkets, with some degree of lag.

Organisation

As of today's date Sweco Group's executive team is comprised of the CEO, CFO, business area presidents and the heads of group staffs for HR, legal and communication. Due to the formation of the new executive team, the "group executive management" term will no longer be used.

On 1 December the business areas Sweco Russia and Sweco Central & Eastern Europe were merged into the new business area Central Europe, headed by Bo Carlsson. Starting with this interim report, profit and historical numbers are reported as per the new organisation.

Sweco International becomes a group-wide function as of January 1 2014 and reports directly to the CEO. The function is headed by Kaj Möller and is responsible for co-ordinating export operations for the entire group.

As of 1 July 2013, Sweco Industry has been divided between the business areas Sweden, Finland and Norway.

Acquisitions during fourth quarter

Sweco has acquired PICAB Produktion AB consultancy in Sweden, with 64 employees. PICAB specialises in measurement and energy technology. Sweco also acquired the building systems consultancy ACNL Elteknik AB, with 25 employees.

Events after the end of the reporting period

The acquisition of Tocoman Services Oy in Finland, with 26 employees, was finalised in January.

Sweco's Russian subsidiary Lenvodokanalproekt was divested in January for a consideration of SEK 24 million.

Cash flow and financial position

Group cash flow from operating activities in 2013 totalled SEK 495.8 million (414.8).

Interest-bearing net debt totalled SEK 1,321.9 million (409.3). The net debt/equity ratio was 81.0 per cent (24.4) and the net debt/EBITDA ratio was 1.7 times (0.5).

A four-year credit facility of EUR 102.4 million (SEK 916 million) was raised during the fourth quarter for the primary purpose of refinancing existing credit facilities. A new three-year credit facility of SEK 800 million, used mainly for the acquisition of Vectura, was raised during the third quarter.

During the third quarter, the revaluation of pension commitments in Norway following recommended changes to life expectancy assumptions increased pension commitments by SEK 43.5 million and thus reduced equity by the same amount.

Acquisition of Vectura

In June Sweco signed an agreement with the Swedish government to acquire 100 per cent of the shares in Vectura, which has 1,200 employees. The competition authorities approved the acquisition in late July. The transaction was finalised on 31 July and Vectura has been consolidated into Sweco since 1 August.

Vectura operates under the Sweco brand and as an integrated part of Sweco Sweden since January 2014.

On 29 November Sweco announced that the Vectura acquisition is expected to exceed previous estimates. The current assessment is that annual synergies (EBITA) will total SEK 90 million for the full-year 2015 and that SEK 70 million will be realised on a full-year basis in 2014. Total integration costs are currently estimated at SEK 65 million.

According to the updated assessment, synergies are SEK 20 million greater, integration costs SEK 35 million lower and the impact on profit will be realised one year sooner than previously communicated at the announcement of the acquisition.

The profit improvement will be achieved primarily through cost synergies, which include reduction of external costs and the co-ordination of administration, merger of operations in Norway as well as in traffic and community planning.

Integration costs are estimated at SEK 65 million, of which SEK 53.0 million was charged 2013. Vectura contributed SEK 44.4 million to EBITA in 2013.

The merger created the largest engineering consultancy in the Nordic market, with sales of approximately SEK 8,800 million and approximately 9,000 employees. Present in approximately 40 locations, Vectura holds a strong position in transport infrastructure in Sweden.

The acquisition is fully in line with Sweco's strategy to consolidate its leading position in the Nordic region and grow in the infrastructure segment. The combination of Vectura's comprehensive expertise in transport infrastructure with Sweco's leading position in sustainable urban development creates excellent prospects for continued growth in the Nordic region, particularly in Sweden and the fast-growing Norwegian market.

The purchase price of SEK 927 million was paid in cash (equity value), corresponding to an enterprise value of SEK 913 million. In 2012 Vectura reported annual sales of SEK 1,327 million and operating profit of SEK 31 million (EBIT).

The acquisition gave rise to goodwill totalling SEK 691 million and acquisition-related intangible assets of SEK 45 million. Amortisation of acquisition-related intangible assets totals SEK 2.4 million in Q3 2013, SEK 3.7 million in Q4 2013 and SEK 12.7 for full-year 2014.

Business Area - Sweco Sweden

October-December results

Sales increased 29 per cent and operating profit by SEK 28.8 million. Vectura contributed SEK 361.3 million to sales and SEK 35.7 million to operating profit. Acquisitions contributed a total of SEK 37.7 million to profit. The -8 hour calendar-effect had a negative impact on profit of SEK 13 million.

Adjusted for the calendar effect, the organic growth is 0 per cent and the operating margin is comparable to previous year.

January-December results

Vectura, part of the business area as of 1 August, contributed SEK 564.7 million to sales and SEK 44.4 million to operating profit. Acquisitions contributed a total of SEK 47.4 million to profit. A year-on-year calendar effect of -2 hours had a negative impact on profit of SEK 4 million.

Market

Demand for Sweco's services in Sweden remains stable, but is impacted by Sweden's slow GDP growth. The market situation is essentially unchanged compared to previous quarter.

Demand is strong in the mining sector and the market for construction and real estate is positive. The market for energy and industry-related services is cautious and influenced by the weak industrial economic climate. The Transport Administration's investment plans as well as political focus on infrastructure enable good medium-term growth, while delayed projects has slowed down activity in the short term.

Events and measures

Vectura was acquired on 1 August (see separate section for details).

Sweco Sweden has a new organisational structure as of 1 January 2014, with three new Infrastructure divisions: Sweco Rail, Sweco Civil (roads and construction) and Sweco Transport Systems (traffic and community planning). All divisions are market leaders in Sweden in their respective market segments. The PICAB Produktion AB consultancy, with 64 employees, was acquired during the fourth quarter. PICAB specialises in measurement and energy technology. Sweco also acquired the building consultancy ACNL Elteknik AB, with 25 employees.

Assignments

Assignments during the quarter include the commission from Lund Municipality for the planning of a new tramway line. Sweco's architects have been commissioned to design the extension of the children's emergency room at the Örebro University Hospital. The nearly 1,000 square-meters large building will include waiting rooms, examination/treatment rooms and reception.



Net sales and profit	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Net sales, SEK M	1,537.8	1,191.9	4,893.9	4,220.1
Organic growth, %	-2	11	2	11
Acquisition-driven growth, %	31	0	14	2
Operating profit, SEK M	172.8	144.0	496.0	444.8
Operating margin, %	11.2	12.1	10.1	10.5
Number of full-time employees	4,740	3,528	3,995	3,400

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. Services are offered in the areas of architecture, structural and engineering, building service systems, infrastructure, water and environment, industrial engineering, project management, energy systems, IT for urban development and institutional services. Sweco Sweden also has project exports to countries in Eastern Europe, Africa, Asia, the Middle East and Latin America.

Business Area - Sweco Norway

October-December results

Sweco Norway delivered a strong quarter, with organic growth of 9 per cent. Year-on-year underlying profit in local currency was up 18 per cent. The billing ratio improved during the fourth quarter, contributing to the profit improvement.

Operating profit totalled SEK 60.6 million (97.5) and the operating margin was 12.4 per cent (20.9). Profit was negatively impacted by currency effects of SEK -6.0 million. Non-recurring pension effects contributed SEK 41 million to profit during the fourth quarter previous year.

January-December results

Operating profit totalled SEK 187.1 million (223.1) and the operating margin was 10.3 per cent (12.7). The year-on-year calendar effect of -16 hours had a negative impact on profit of SEK 14 million compared to last year. Non-recurring pension effects had a positive impact on profit of SEK 21 million previous year.

Market

Demand in the Norwegian market continued to be strong during the quarter, although some segments are showing signs of slow down. Large-scale investments in the country's road and railway network signify a favourable long-term market. The new government confirm previous ambitious investment plans, although a change in priorities may shift projects in the short term. Investments in water and wastewater systems remain at a high level. There is healthy demand in the energy area for transmission and distribution of electric power, while investments in electricity production capacity have slowed down. The market for public buildings remains strong whereas the residential sector is showing signs of slackening.

Assignments

Sweco Norway's new assignments during the fourth quarter include a commission to plan the renovation of DNB's offices in Bergen which, following the renovation, will have Bergen's largest solar cell facility and receive BREEAM certification.

Sweco Norway was commissioned to plan a new 25,000 square-meters large headquarters for Odfjell Drilling, a global drilling, well and construction company. Planning covers all technical disciplines, including fire-protection and acoustics.

Sweco will also develop a municipal plan and impact assessment for Sarpsborg municipality. The project includes the planning of a new connecting bridge over the Glomma River.



Net sales and profit	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Net sales, SEK M	486.6	466.0	1,814.5	1,753.2
Organic growth, %	9	5	6	12
Acquisition-driven growth, %	3	8	3	10
Operating profit, SEK M	60.6	97.5	187.1	223.1
Operating margin, %	12.4	20.9	10.3	12.7
Number of full-time employees	1,247	1,180	1,224	1,164

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

October-December results

The operating profit totalled SEK 10.0 million (25.5) and the operating margin was 2.8 per cent (7.2). The decline is primarily attributable to a sharp downturn in the market for industrial consulting services, as a result of which operations have been downsized. Redundancy costs totalled approximately SEK 6 million.

January-December results

Sweco Finland's sales totalled SEK 1,326.1 million (1,272.9). Operating profit totalled SEK 71.9 million (137.1) and the operating margin was 5.4 per cent (10.8).

The year-on-year calendar effect of -4 hours had a negative impact on profit of SEK 3 million compared to last year.

Market

Although the Finnish market remains very weak there is satisfactory demand for Sweco's building-related services, particularly structural and engineering. Demand is expected to remain healthy for public facilities such as schools and hospitals. The trend for the RMI (repair, maintenance and improvement) sector also remains positive.

Demand continues to be weak for Sweco's industry-related services with many postponed projects, particularly in the forestry industry and energy sectors. More inquiries were received towards the end of the year and there are signs that the market has bottomed out, although the market is characterised by overcapacity and fierce competition.

Events and measures

The acquisition of Tocoman Services Oy, with 26 employees, was finalised in January. Tocoman is the Finnish market leader in cost and quantity calculations.

During the year the number of Industrial consultants was reduced by 70 and an additional 35 people were temporarily laid off. As compared with the close of the 3rd quarter, 30 fewer people are on temporary layoff.

Projects

Sweco was awarded a consultancy project ahead of the construction of a 32 km motorway between Hamina and Vaalimaa.

Sweco was made responsible for project management, sustainability services and design for a new 355,000 square-meters large office property in Pasila, outside Helsinki.



Net sales and profit	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Net sales, SEK M	357.6	352.4	1,326.1	1,272.9
Organic growth, %	0	-35	0	3
Acquisition-driven growth, %	0	118	5	160
Operating profit, SEK M	10.0	25.5	71.9	137.1
Operating margin, %	2.8	7.2	5.4	10.8
Number of full-time employees	1,680	1,709	1,764	1,628

About Sweco Finland

Sweco Finland is one of the country's largest consulting engineering companies, with around 1,850 employees. The Business Area provides services focused on structural and construction engineering, building service systems, energy, environment, industrial engineering and project management.

Business Area - Sweco Central Europe

October-December results

Operating profit for Sweco Central Europe was SEK -1.9 million (-1.1). The weak performance is primarily attributable to the units in Poland and Estonia. The trend improved in Russia during the quarter.

January-December results

Operating profit for Sweco Central Europe was SEK -13.1 million (-4.7), with the weak performance primarily attributable to the units in Poland, Russia and Estonia.

Market

The low level of public investment is a reflection of the prevailing economic situation. The exception is the water and environment segment, which is relatively stable across the entire business area. The infrastructure market remains very weak in Poland. EU's structural funds for 2014-2020 to support less-developed EU regions are expected to stimulate long-term demand for Sweco's services, particularly in Eastern Europe.

Events and measures

The eastern European countries went through a prolonged recession following the 2008 financial crisis. Operations have had weak profitability and have been cut back to meet demand. Accordingly, business areas Sweco Central & Eastern Europe and Sweco Russia are merged to form business area "Sweco Central Europe", with an added objective to develop growth opportunities in Central/Western Europe. The value of existing Eastern European operations will be maximised and the objective is to develop the business in attractive markets. The new business area is headed by Bo Carlsson.

Due to cut backs in operations and the new objectives, Sweco is taking an impairment charge of a total of SEK 49 million in goodwill and acquisition-related intangible assets. The impairment is attributable to operations in Russia, Poland, Estonia and Lithuania and is charged centrally on Group level.

The Russian subsidiary Lenvodokanalproekt was divested in early January 2014. The subsidiary has around 100 employees, sales of SEK 26.4 million and contributed SEK 1.4 million to operating profit (EBITA) in 2013.



Assignments

Sweco has been engaged to provide technical advisory services on the upcoming renovation and extension of the waste water treatment plant in Prague, the largest in the Czech Republic. When completed, the plant will increase capacity and produce cleaner waste water – benefitting residents far beyond Czech borders.

Other new projects include the planning of a new natural gas power plant for Siemens in Gorzow, Poland, to be carried out in collaboration with Sweco Sweden.

Net sales and profit	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Net sales, SEK M	91.6	113.4	301.4	376.0
Organic growth, %	-18	-14	-17	-10
Acquisition-driven growth, %	0	3	0	16
Operating profit, SEK M	-1.9	-1.1	-13.1	-4.7
Operating margin, %	-2.0	-1.0	-4.3	-1.2
Number of full-time employees	910	1,086	949	1,130

About Sweco Central Europe

Sweco Central Europe has close to 900 employees and operates in Russia, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Bulgaria.

Other Information

Changes in segment reporting

Changes were made to the Sweco Group's principles for segment reporting as of the 4th quarter of 2013. Operating profit per business area is now reported before acquisition amortisation and is therefore equivalent to EBITA. As a result of this change, amortisation/depreciation and impairment of goodwill and acquisition-related intangible assets (acquisition amortisations) are gathered at the Group level.

The change was made to provide a better external picture of the operational, cash-flow-generating results per business area and to facilitate equalised result comparisons internally. For comparative purposes, each business area is also reported as per the previous principles at the end of this report.

Investments, January-December 2013

Investments in equipment totalled SEK 116.1 million (151.0) and were primarily attributable to computer and other IT investments. Depreciation of equipment totalled SEK 117.1 million (90.8) and amortisation of intangible assets totalled SEK 61.1 million (55.9).

Purchase consideration paid to acquire companies totalled SEK 1,004.6 million (785.7) and had an impact of SEK 904.7 million (-539.6) on Group cash and cash equivalents.

Dividends totalling SEK 296.2 million (274.0) were distributed to Sweco AB shareholders during the year.

Parent Company, January-December 2013

Parent Company net sales totalled SEK 271.4 million (214.4) and were attributable to intra-group services. Earnings after financial items totalled SEK 464.2 million (389.5). Investments in equipment totalled SEK 25.7 million (10.1) and cash and cash equivalents at the end of the period totalled SEK 0.1 million (0.5).

The Sweco share

Sweco is listed on NASDAQ OMX Stockholm. The share price of the Sweco B share was SEK 106.00 at the end of the period, a 45 per cent year-on-year increase. The OMX Stockholm General Index rose by 23 per cent over the same period.

In accordance with the request of the shareholders, 6,000 A shares were converted into B shares as stipulated by the conversion provision in Sweco's Articles of Association.

Sweco repurchased 120,800 shares during the year for a total of SEK 9.4 million, corresponding to SEK 77.89 per share. Sweco holds 403,965 B shares as of 31 December 2013.

The total number of shares at year-end was 91,516,847: 9,372,364 A shares and 82,144,483 B shares. After the allowance for Treasury shares, the total number of outstanding shares at year-end was 91,112,882: 9,372,364 A shares and 81,740,518 B shares.

Board proposals

The Board proposes a dividend of SEK 3.25 (3.25) per share, amounting to a maximum capital distribution of SEK 297.4 (296.2).

Share savings program, 2014 – The Board proposes that the 2014 Annual General Meeting decides to implement a long-term share savings scheme for 80 senior executives and other key-people in the Sweco Group.

Share bonus program 2014 – The Board also proposes that the 2014 Annual General Meeting decides to implement a share bonus program to employees in Sweden. The share bonus program will replace the current cash bonus program for employees in Sweden.

Accounting principles

Sweco complies with the International Financial Reporting Standards (IFRS) and interpretive statements from the International Financial Reporting Interpretations Committee (IFRIC). 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. As of 1 January 2013, Sweco applies IAS 1, Presentation of Financial Statements (with respect to the presentation 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 method" but rather recognises all current profits and losses in other comprehensive income. Anticipated return on plan assets is based on the discount rate used to calculate the pension commitment. The difference between actual and estimated return on plan assets is recognised in other comprehensive income and comparative periods have been adjusted accordingly. The Group's comprehensive income for full-year 2012 was adjusted by SEK +127.7 million: operating profit was adjusted by SEK +22.3 million, deferred tax by SEK -6.2 million, translation differences by SEK -2.0 million and revaluation of defined benefit pension plans by SEK +113.6 million (of which SEK -44.2 million is attributable to tax). The balance sheet was also adjusted as of December 2012. Financial assets were reduced by SEK 42.3 million, non-current liabilities by SEK 1.8 million and equity by SEK 40.5 million. The Group's comprehensive income for the

Other Information

period October-December 2012 was adjusted by SEK +123.8 million. Operating profit was adjusted by SEK +18.1 million, deferred tax by SEK -5.0 million and translation differences by SEK -2.9 million. The change had no effect on net cash flow.

In all other respects, the Group applied the same accounting and valuation principles as those described in Note 1 of the 2012 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 2012 annual report (page 82, Risk Management).

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-March	7 May 2014
Interim report January-June	18 July 2014
Interim report January-September	23 October 2014
Year-end report 2014	12 February 2015

Stockholm, 14 February 2013

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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 14 February 2014 at 07:20 CET.

Key Ratios

Key ratios ¹⁾	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Profitability				
EBITA margin, %	7.8	11.6	8.0	10.0
Operating margin (EBIT), %	5.3	9.6	6.8	9.1
Profit margin, %	4.8	9.0	6.4	8.7
Revenue growth				
Organic growth, %	0	2	1	8
Acquisition-driven growth, %	18	16	9	17
Currency effects, %	-1	-1	-1	0
Total growth, %	17	17	9	25
Operational key ratios				
Billing ratio, %	73.9	74.0	73.9	74.2
Normal working hours	484	487	1,963	1,968
Average number of full-time employees	8,592	7,518	7,947	7,336
Debt				
Net debt, SEK M			1,321.9	409.3
Interest-bearing debt, SEK M			1,642.3	776.1
Financial strength				
Net debt/Equity, %			81.0	24.4
Net debt/EBITDA, x			1.7	0.5
Equity/Assets ratio, %			27.1	36.0
Available cash and cash equivalents, SEK M ²⁾			1,024.3	916.5
Return				
Return on equity, %			23.2	29.9
Return on capital employed, %			19.8	34.0
Share data				
Earnings per share, SEK	0.76	1.37	4.11	5.15
Equity per share, attributable to the shareholders of the parent company, SEK M			17.75	18.10
Number of outstanding shares end of period			91,112,882	91,233,682
Number of class B treasury shares			403,965	283,165

¹⁾ Key ratio definitions can be found in Sweco's 2012 annual report and on Sweco's website.

²⁾ Including unutilised credit.

Consolidated Income Statement and Comprehensive Income Statement

Income statement SEK M	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Net sales	2,447.4	2,093.5	8,198.8	7,503.5
Other operating income	1.1	6.7	1.5	12.5
Other external expenses	-638.2	-531.4	-1,975.6	-1,817.4
Personnel costs	-1,573.4	-1,299.0	-5,433.3	-4,839.3
EBITDA	236.9	269.8	791.4	859.3
Amortisation/depreciation and impairments	-45.0	-28.1	-135.1	-102.3
EBITA	191.9	241.7	656.3	757.0
Amortisation and impairment of acquisition-related intangible assets	-63.4	-41.1	-95.6	-75.4
Operating profit (EBIT)	128.5	200.6	560.7	681.6
Net financial items	-10.0	-11.3	-33.9	-28.5
Profit before tax	118.5	189.3	526.8	653.1
Income tax	-48.1	-61.9	-147.2	-177.2
PROFIT FOR THE PERIOD	70.4	127.4	379.6	475.9
Attributable to:				
Parent company shareholders, SEK M	69.4	125.4	374.9	470.4
Non-controlling interests, SEK M	1.0	2.0	4.7	5.5
Earnings per share attributable to parent company shareholders, SEK	0.76	1.37	4.11	5.15
Average number of shares before and after dilution	91,127,882	91,301,525	91,133,507	91,354,385
Dividend per share, SEK (proposed for 2013)			3.25	3.25

Consolidated income statement and other comprehensive income, SEK M	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Profit for the period	70.4	127.4	379.6	475.9
Items that will not be reversed in the income statement				
Revaluation of defined benefit pension, net after tax ¹⁾	-9.5	113.6	-53.0	113.6
Items that may subsequently be reversed in the income statement				
Translation differences	6.7	23.0	-38.7	-12.6
COMPREHENSIVE INCOME FOR THE PERIOD	67.6	264.0	287.9	576.9
Attributable to:				
Parent company shareholders, SEK M	65.8	261.5	282.4	572.0
Non-controlling interests, SEK M	1.8	2.5	5.5	4.9
¹⁾ Tax on revaluation of defined benefit pensions, SEK M	1.9	-44.2	18.8	-44.2

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

Cash flow statement SEK M	Oct-Dec 2013	Oct-Dec 2012	Full-year 2013	Full-year 2012
Cash flow from operating activities before changes in working capital and tax paid	211.9	194.8	742.8	763.2
Tax paid	-33.9	-17.0	-226.6	-197.7
Changes in working capital	120.4	116.8	-20.4	-150.7
Cash flow from operating activities	298.4	294.6	495.8	414.8
Cash flow from investing activities	-74.3	-51.9	-997.6	-655.5
Cash flow from financing activities	-119.7	-208.4	472.0	393.2
CASH FLOW FOR THE PERIOD	104.4	34.3	-29.8	152.5

Balance sheet SEK M	2013-12-31	2012-12-31
Goodwill	2,088.4	1,418.1
Other intangible assets	150.6	144.6
Property, plant and equipment	394.9	288.5
Financial assets	51.7	28.9
Current assets excl. cash and cash equivalents	3,008.3	2,400.3
Cash and cash equivalents excl. short-term investments	320.5	366.8
TOTAL ASSETS	6,014.4	4,647.2
Equity attributable to parent company shareholders	1,617.5	1,651.7
Non-controlling interests	15.1	22.3
Total equity	1,632.6	1,674.0
Non-current liabilities	1,638.4	833.5
Current liabilities	2,743.4	2,139.7
TOTAL EQUITY AND LIABILITIES	6,014.4	4,647.2
Pledged assets	-	1.8
Contingent liabilities	188.9	194.3

Changes in equity SEK M	Jan-Dec 2013			Jan-Dec 2012		
	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	1,651.7	22.3	1,674.0	1,493.2	10.5	1,503.7
Effect of changed accounting principles	-	-	-	-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	282.4	5.5	287.9	572.0	4.9	576.9
Transfer to shareholders	-296.2	-6.0	-302.2	-274.0	-0.8	-274.8
Non-controlling interests in acquired companies	-	-	-	-	7.9	7.9
Acquisition of non-controlling interests	-13.4	-6.7	-20.1	0.1	-0.2	-0.1
Issue of treasury shares	-	-	-	46.9	-	46.9
Buy-back of treasury shares	-9.4	-	-9.4	-19.5	-	-19.5
Share savings schemes	2.4	-	2.4	1.2	-	1.2
EQUITY, CLOSING BALANCE	1,617.5	15.1	1,632.6	1,651.7	22.3	1,674.0

Acquisitions and Fair Value of Financial Instruments

Acquisition of subsidiaries and operations

During the period Sweco acquired Planstyring AS, MEK-Consult AS, Vectura Consulting AB and operations in Insinööritoimisto Sähkötele Oy, Insinööritoimisto Martti Ojala Oy, ACNL Elteknik AB and PICAB Produktion AB. Sweco acquired during the period the remaining shares in Inseneribüroo KPME OÜ and KPME A&K Disain OÜ, which have consequently become subsidiaries of the Group. Sweco also acquired minority interests in Sweco Lietuva and Narmaplan. The acquired businesses and operations have an aggregate total of 1,355 employees. The acquisitions impacted the Group balance sheet and cash and cash equivalents as detailed in the table below. During the period the acquired companies contributed SEK 627.8 million in sales and 42.7 million in operating profit (EBIT). If all of the companies had been acquired as of 1 January 2013 they would have contributed approximately SEK 1,390 million in sales and SEK 0 million in operating profit, figures that do not reflect the acquired entities' future earning capacity. Transaction costs for the acquisitions are recognised in operating profit and totalled SEK 5.6 million during the period. Aggregate transaction costs for these acquisitions during this and previous periods total SEK 5.8 million.

Acquisitions, SEK M	Vectura group	Other acquisitions
Intangible assets	743.0	53.3
Property, plant and equipment	114.0	8.2
Financial assets	8.8	0.1
Current assets	342.7	21.3
Non-current liabilities	-84.4	-
Deferred tax	-34.7	-3.9
Other current liabilities	-162.4	-21.5
Non-controlling interests	-	6.7
Equity attributable to parent company shareholders	-	13.4
Total purchase consideration	927.0	77.6
Outstanding purchase price commitments	-	-12.7
Purchase price paid for acquisitions in previous years	-	5.7
Cash and cash equivalents in acquired companies	-83.9	-9.0
EFFECT ON GROUP CASH AND CASH EQUIVALENTS	843.1	61.6

Fair value of financial instruments

The Group's financial assets measured at fair value totalled SEK 12.6 million (16.9). 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 (new principles)

Quarterly summary	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4 ¹⁾	2012 Q3 ¹⁾	2012 Q2 ¹⁾	2012 Q1 ¹⁾
Net sales, SEK M								
Sweco Sweden	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	486.6	377.6	493.3	457.0	466.0	356.2	448.7	482.3
Sweco Finland	357.6	292.7	345.4	330.4	352.4	291.3	365.3	263.9
Sweco Central Europe	91.6	71.4	68.0	70.4	113.4	68.4	95.3	98.9
Group-wide, eliminations, etc.	-26.2	-35.4	-35.3	-40.2	-30.2	-25.0	-37.8	-25.7
TOTAL GROUP	2,447.4	1,809.3	2,010.5	1,931.6	2,093.5	1,557.3	1,943.1	1,909.6
Operating profit, SEK M								
Sweco Sweden	172.8	79.1	132.0	112.1	144.0	51.7	101.5	147.6
Sweco Norway	60.6	34.9	64.0	27.6	97.5	29.8	24.1	71.7
Sweco Finland	10.0	26.1	18.2	17.6	25.5	36.2	41.8	33.6
Sweco Central Europe	-1.9	-5.9	1.5	-6.8	-1.1	-6.1	0.3	2.2
Group-wide, eliminations, etc.	-49.6	-16.0	-14.9	-5.1	-24.2	-1.1	-5.6	-12.4
EBITA	191.9	118.2	200.8	145.4	241.7	110.5	162.1	242.7
Acquisition-related amortisation/depreciation and impairments	-63.4	-12.2	-9.9	-10.1	-41.1	-11.7	-11.9	-10.7
TOTAL GROUP (EBIT)	128.5	106.0	190.9	135.3	200.6	98.8	150.2	232.0
Operating margin, %								
Sweco Sweden	11.2	7.2	11.6	10.1	12.1	6.0	9.5	13.5
Sweco Norway	12.4	9.2	13.0	6.0	20.9	8.4	5.4	14.9
Sweco Finland	2.8	8.9	5.3	5.3	7.2	12.4	11.4	12.7
Sweco Central Europe	-2.0	-8.2	2.2	-9.7	-1.0	-8.9	0.3	2.3
EBITA	7.8	6.5	10.0	7.5	11.6	7.1	8.4	12.7
Acquisition-related amortisation/depreciation and impairments	-2.6	-0.7	-0.5	-0.5	-2.0	-0.8	-0.6	-0.6
TOTAL GROUP (EBIT)	5.3	5.9	9.5	7.0	9.6	6.3	7.7	12.1

¹⁾ All quarters in 2012 have been restated due to changed accounting principles.

January-December	Net sales SEK M		Operating profit SEK M		Operating margin %		Number of full-time employees	
	2013	2012	2013	2012	2013	2012	2013	2012
Business area								
Sweco Sweden	4,893.9	4,220.1	496.0	444.8	10.1	10.5	3,995	3,400
Sweco Norway	1,814.5	1,753.2	187.1	223.1	10.3	12.7	1,224	1,164
Sweco Finland	1,326.1	1,272.9	71.9	137.1	5.4	10.8	1,764	1,628
Sweco Central Europe	301.4	376.0	-13.1	-4.7	-4.3	-1.2	949	1,130
Group-wide, eliminations, etc. ¹⁾	-137.1	-118.7	-85.6	-43.3	-	-	15	14
Acquisition-related amortisation/depreciation and impairments	-	-	-95.6	-75.4	-	-	-	-
TOTAL GROUP	8,198.8	7,503.5	560.7	681.6	6.8	9.1	7,947	7,336

¹⁾ Operating profit for Group-wide is chiefly comprised of Parent Company loss of SEK -29.6 million (-44.0) and integration costs associated with the Ventura acquisition of SEK -53.0 million

Quarterly and Full-year Review per BA (old principles)

Quarterly summary	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4 ¹⁾	2012 Q3 ¹⁾	2012 Q2 ¹⁾	2012 Q1 ¹⁾
Net sales, SEK M								
Sweco Sweden	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	486.6	377.6	493.3	457.0	466.0	356.2	448.7	482.3
Sweco Finland	357.6	292.7	345.4	330.4	352.4	291.3	365.3	263.9
Sweco Central Europe	91.6	71.4	68.0	70.4	113.4	68.4	95.3	98.9
Group-wide, eliminations, etc.	-26.2	-35.4	-35.3	-40.2	-30.2	-25.0	-37.8	-25.7
TOTAL GROUP	2,447.4	1,809.3	2,010.5	1,931.6	2,093.5	1,557.3	1,943.1	1,909.6
Operating profit (EBIT), SEK M								
Sweco Sweden	166.1	74.1	129.4	109.6	130.1	48.7	99.4	144.8
Sweco Norway	59.3	33.6	62.5	25.9	95.7	28.2	22.2	69.9
Sweco Finland	5.0	21.1	13.4	12.8	19.5	30.4	35.5	29.9
Sweco Central Europe	-52.2	-6.8	0.5	-7.9	-20.5	-7.4	-1.3	-0.2
Group-wide, eliminations, etc.	-49.7	-16.0	-14.9	-5.1	-24.2	-1.1	-5.6	-12.4
TOTAL GROUP (EBIT)	128.5	106.0	190.9	135.3	200.6	98.8	150.2	232.0
Operating margin, %								
Sweco Sweden	10.8	6.7	11.4	9.8	10.9	5.6	9.3	13.3
Sweco Norway	12.2	8.9	12.7	5.7	20.5	7.9	5.0	14.5
Sweco Finland	1.4	7.2	3.9	3.9	5.5	10.4	9.7	11.3
Sweco Central Europe	-56.9	-9.5	0.7	-11.2	-18.1	-10.8	-1.4	-0.1
TOTAL GROUP (EBIT)	5.3	5.9	9.5	7.0	9.6	6.3	7.7	12.1

¹⁾ All quarters in 2012 have been restated due to changed accounting principles.

January-December Business area	Net sales SEK M		Operating profit SEK M		Operating margin %		Number of full-time employees	
	2013	2012	2013	2012	2013	2012	2013	2012
Sweco Sweden	4,893.9	4,220.1	479.2	423.0	9.8	10.0	3,995	3,400
Sweco Norway	1,814.5	1,753.2	181.3	216.0	10.0	12.3	1,224	1,164
Sweco Finland	1,326.1	1,272.9	52.3	115.3	3.9	9.1	1,764	1,628
Sweco Central Europe	301.4	376.0	-66.4	-29.4	-22.0	-7.8	949	1,130
Group-wide, eliminations, etc. ¹⁾	-137.1	-118.7	-85.7	-43.3	-	-	15	14
TOTAL GROUP	8,198.8	7,503.5	560.7	681.6	6.8	9.1	7,947	7,336

¹⁾ Operating profit for Group-wide is chiefly comprised of Parent Company loss of SEK -29.6 million (-44.0) and integration costs associated with the Ventura acquisition of SEK -53.0 million

Parent Company Income Statement and Balance Sheet

Parent Company income statement, SEK M	Full-year 2013	Full-year 2012
Net sales	271.4	214.4
Operating expenses	-301.0	-258.4
Operating loss	-29.6	-44.0
Net financial items	493.8	433.5
Profit after net financial items	464.2	389.5
Appropriations	86.7	-86.6
Profit before tax	550.9	302.7
Tax	-74.0	-70.1
PROFIT AFTER TAX	476.9	232.6

Parent Company balance sheet, SEK M	2013-12-31	2012-12-31
Intangible assets	5.2	6.9
Property, plant and equipment	28.9	14.3
Financial assets	2,031.3	1,111.9
Current assets	1,624.9	1,662.8
TOTAL ASSETS	3,690.3	2,795.9
Equity	1,445.0	1,270.8
Untaxed reserves	1.3	88.0
Non-current liabilities	1,320.9	670.6
Current liabilities	923.1	766.5
TOTAL EQUITY AND LIABILITIES	3,690.3	2,795.9