

INTERIM REPORT

JANUARY–SEPTEMBER 2015

SWECO AB (PUBL)

23 October 2015

SOLID UNDERLYING RESULTS – TAKING A LEADERSHIP POSITION IN EUROPE

JULY – SEPTEMBER 2015

- Net sales: SEK 2,024.3 million (2,000.1)
- EBITA excl. extraordinary expenses: SEK 138.8 million (155.2); margin: 6.9 per cent (7.8)
- EBITA: SEK 108.5 million (155.2); margin 5.4 per cent (7.8)
- Operating profit: SEK 94.4 million (143.2); margin 4.7 per cent (7.2)
- Profit after tax: SEK 61.4 million (92.3); earnings per share: SEK 0.64 (1.02)

JANUARY – SEPTEMBER 2015

- Net sales: SEK 7,038.9 million (6,659.1)
- EBITA excl. extraordinary expenses: SEK 600.7 million (559.3); margin: 8.5 per cent (8.4)
- EBITA: SEK 540.7 million (548.0); margin: 7.7 per cent (8.2)
- Operating profit: SEK 501.4 million (510.4); margin: 7.1 per cent (7.7)
- Profit after tax: SEK 353.7 million (334.8); earnings per share: SEK 3.81 (3.78)
- Net debt: SEK 1,741.1 million (1,703.8); net debt/EBITDA: 1.8 times (1.9)

Comments from President and CEO Tomas Carlsson:

- Sweco has acquired the Dutch company Grontmij (with around 6,000 employees), creating Europe's leading engineering and architecture consultancy with sales of approximately SEK 15.2 billion and approximately 14,500 employees. Grontmij became part of Sweco on 1 October and integration is proceeding according to plan. Sweco held 97.36% of all Grontmij shares at the close of the reporting period and will implement a compulsory redemption of the remaining shares.
- Sweco Sweden continues to improve its results, while earnings for Sweco Finland are once again on a good level after a weak Q2. Overall results for the quarter were impacted primarily by extraordinary expenses related to the Grontmij acquisition and by lower earnings in Norway. Grontmij's accounts will be consolidated into Sweco as of the fourth quarter.
- The market is stable overall, although stability is uneven among our submarkets. The Swedish market is good, with positive development within infrastructure and the construction and real estate sector. The Norwegian market is undergoing change due to the low price of oil, but is stabilised by public investments. The Central European and Finnish markets have stabilised.

Sweco plans and designs tomorrow's communities and cities. Our work produces sustainable buildings, efficient infrastructure, and access to electricity and clean water. With 14,500 employees, we offer our customers the right expertise for every project. We carry out assignments in 70 countries annually. Sweco is Europe's leading engineering and architecture consultancy, with sales of approximately SEK 15.2 billion (pro forma 2014). The company 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 23 October 2015 at 7:20 AM CET.

SWECO 

Profit and operations

Sales and profit, July – September

Net sales totalled SEK 2,024.3 million (2,000.1). Organic growth was 3 per cent (4 per cent).

Sweco Sweden improved its operating profit by SEK 9.1 million year-on-year, due primarily to an improved billing ratio.

Sweco Finland has regained a normal profit level after a weak Q2 characterised by project write-downs. Q3 profit is essentially unchanged as compared with last year.

Overall operating profit decreased SEK 48.8 million to SEK 94.4 million (143.2), due primarily to extraordinary expenses associated with the Grontmij acquisition as well as lower earnings in Norway.

Extraordinary expenses related to the Grontmij acquisition totalled SEK 30.3 million (SEK 0 for the Vectura acquisition).

Earnings declined SEK 17.1 million in Norway due to expenses associated with office closures, project write-downs and negative currency effects.

Calendar effects had a negative impact of 1 working hour, producing a negative year-on-year effect on sales and operating profit of SEK 5 million.

Operating profit before acquisition-related items (EBITA) totalled SEK 108.5 million (155.2). Adjusted for extraordinary expenses related to the Grontmij acquisition, EBITA totalled SEK 138.8 million (155.2).

Sales and profit, January – September

Net sales totalled SEK 7,038.9 million (6,659.1). Organic growth was 6 per cent (2 per cent).

Operating profit fell SEK 9.0 million to SEK 501.4 million (510.4), due mainly to extraordinary expenses in connection with the Grontmij acquisition and lower earnings in Norway and Finland. Operating profit improved in Sweden.

Operating profit was charged with extraordinary expenses of SEK 60.0 million in connection with the Grontmij acquisition (SEK 11.3 million last year for the Vectura acquisition).

The decline in earnings in Norway is mainly due to restructuring costs, project write-downs and a lower billing ratio. Earnings in Sweden are on the rise mainly as a result of an improved billing ratio. Earnings in Finland are negatively impacted by a lower billing ratio and project write-downs.

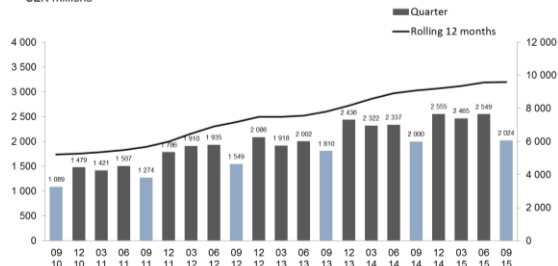
Calendar effects had a positive impact of 2 working hours, producing a positive year-on-year effect on sales and operating profit of approximately SEK 7 million.

The Group's billing ratio improved 0.8 percentage points year-on-year to 76.2 per cent.

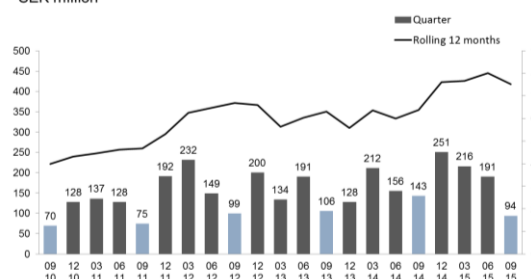
Operating profit before acquisition-related items (EBITA) totalled SEK 540.7 million (548.0). Adjusted for extraordinary expenses related to the Grontmij acquisition, EBITA totalled SEK 600.7 million (559.3).

Key ratios	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014 - Sep 2015	Full year 2014
Net sales, SEK M	2,024.3	2,000.1	7,038.9	6,659.1	9,593.5	9,213.7
Organic growth, %	3	4	6	2		3
Acquisition-related growth, %	0	5	0	14		10
EBITA, SEK M	108.5	155.2	540.7	548.0	807.2	814.5
Margin, %	5.4	7.8	7.7	8.2	8.4	8.8
Operating profit (EBIT), SEK M	94.4	143.2	501.4	510.4	752.6	761.6
Margin, %	4.7	7.2	7.1	7.7	7.8	8.3
Profit after tax, SEK M	61.4	92.3	353.7	344.8	553.5	544.6
Earnings per share, SEK	0.64	1.02	3.81	3.78	5.98	5.96
Billing ratio, %	76.1	76.0	76.2	75.4	76.2	75.6
Number of normal working hours	521	522	1,475	1,473	1,957	1,955
Number of employees	8,547	8,410	8,691	8,480	8,694	8,535

Net sales by quarter and rolling 12 months
SEK millions



Operating profit by quarter and rolling 12 months
SEK million



Market

The market is stable overall. Significant investments are being made, primarily in housing and infrastructure.

At the same time, recovery is uneven and the road to robust growth has several pitfalls. Geopolitical turbulence, uncertainty about global economic development, and household debt are some of the risk factors that may interfere with the recovery trend.

The market situation varies between Sweco's business areas. The market in Sweden is good. The Norwegian market is undergoing change due to the low price of oil. Markets in Central Europe and Finland, while still challenging, have stabilised, and positive signs can be discerned in the Czech Republic, Poland and Estonia.

Outlook

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

New primary earnings measure

Sweco's Board of Directors has decided to introduce EBITA as the primary earnings measure, to replace EBIT (operating profit). Accordingly, EBITA is the primary earnings measure that will be used for internal and external results monitoring as of Q4 2015.

The primary purpose of the change is to focus on operational business performance without interference from accounting-related amortisation/depreciation and impairments of intangible assets. EBITA provides a better assessment of cash flow-generating operational earnings.

In accordance with this, Sweco has also adjusted its long-term profitability targets. Sweco Group's new target is to achieve an EBITA margin in excess of 12 per cent. The revised target formulation does not entail any change to profitability goals.

Acquisitions and divestments during the third quarter

The subsidiary HYDROCOOP in Slovakia was divested during the quarter. The transaction has had no significant impact on Sweco's earnings or position.

Cash flow and financial position

Group cash flow from operating activities totalled SEK 243.6 million (56.1) during the period. Interest-bearing net debt totalled SEK 1,741.1 million (1,703.8).

Net debt was charged with the acquisition of Grontmij shares during the period. Apart from the public takeover bid, the acquisition was conducted over the Amsterdam exchange. The purchase price totalled SEK 273.7 million.

The net debt/EBITDA ratio was 1.8 times (1.9).

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 624.9 million (666.6) at the end of the reporting period.

Acquisition of Grontmij

Grontmij is one of Northern Europe's largest consulting engineering companies, with broad technical expertise within urban development. Grontmij was founded in 1915 in the Netherlands and has since expanded into Sweden, Denmark, Germany, Belgium and Great Britain. Grontmij had approximately 6,000 employees at the date of acquisition.

The initial acceptance period for Sweco's public offer for Grontmij ended on 22 September. The public takeover bid for Grontmij was declared unconditional by Sweco on 25 September.

On 1 October, Sweco acquired control of Grontmij and the integration process commenced, launching Europe's leading engineering and architecture consultancy.

Sales for the combined company total approximately SEK 15.2 billion. Following the acquisition, Sweco has around 14,500 employees.

Sweco now holds 97.36% of all Grontmij shares and has initiated a compulsory redemption process for the remaining shares.

Strategic logic

Sweco is the leading technical consulting company in the Nordic region, with market leading positions in Sweden, Norway and Finland. Sweco will be prioritising organic growth in these countries and is now broadening its presence in Northern Europe in order to build a new platform for continued value creation.

The acquisition of Grontmij creates value for all stakeholders – customers, employees, shareholders and society in general:

- A virtually perfect match – geographically, operationally and culturally
- Value-creation through cost savings – approximately SEK 250 million in cost synergies and operational improvements
- Strengthened customer offer – the broadest and deepest technical expertise in Northern Europe, with unique opportunities to take on the largest, most complex projects for our customers
- Increased opportunities for employees – expanded international expertise network and greater resources create more development opportunities for Sweco's current and future employees

Sweco has completed around 100 acquisitions over the past 10 years. This acquisition is fully in line with Sweco's growth strategy and vision to be Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture.

Purchase price and financing

The purchase price for 100% of Grontmij's shares is approximately SEK 3,337 million, of which SEK 1,537 million in cash and SEK 1,800 million in 14,949,247 newly issued Sweco Class B shares.

Approximately SEK 94 million of the cash component remains to be paid in conjunction with the upcoming compulsory redemption process.

The Enterprise Value is approximately SEK 3,953 million based on the above-referenced purchase price and Grontmij's net debt of approximately SEK 616 million as at 30 September 2015.

The cash component of the acquisition will be initially financed with a bridge loan. The intention is to repay the bridge financing primarily through a rights issue, expected to be conducted during the fourth quarter.

Following completion of the rights issue, Sweco expects to have a debt-equity ratio (net debt/EBITDA) that falls under Sweco's financial target of 2.0x, pro forma and adjusted for extraordinary expenses.

Value creation and impact on earnings

Grontmij reported 2014 annual sales of EUR 659 million (SEK 5,995.8 million) and EBITA (as per Sweco's definition) of EUR 20.4 million (SEK 185.5 million), excluding extraordinary expenses and the divested operations in France.

The transaction is expected to improve profit by approximately SEK 250 million through lower costs. Around half of the savings are made possible by the merger and half by acceleration of Grontmij's current savings programme. The impact on earnings is calculated on the companies' 2014 shared cost base and is chiefly generated within four areas:

- IT (30%) – more efficient purchasing of hardware and software and centralised, more efficient IT operation
- Head office (20%) – co-ordination of head office functions and lower costs for external services
- Administration BA Sweden (20%) – co-ordination and streamlining of Sweco's and Grontmij's business support in the Swedish operations
- Country-specific operational improvements (30%) – reduced administrative expenses and restructuring of unprofitable operations

Approximately 90 per cent of the savings are expected to be realised during the first four years following the merger.

The acquisition also creates opportunities for Grontmij to obtain lower financing costs and to utilise loss carry forwards in the Netherlands.

A total of approximately EUR 450 million in extraordinary non-recurring costs affecting EBITA is anticipated. These non-recurring costs concern the transaction, integration and restructuring. Most of the costs are expected to arise during the fourth quarter of 2015 and the first six months of 2016.

Acquisition-related intangible assets as regards Grontmij's brand and customer relationships amount to a preliminary SEK 287 million. Approximately SEK 52 million of this will be written off over the next three years, after which depreciation will be reduced.

The acquisition is expected to improve earnings per share within two years following finalisation.

Additional value-creating opportunities can be achieved in the longer term by increasing Grontmij's customer focus and internal operating efficiency and

through organic and acquisition-based growth in Sweco's new home markets.

Grontmij will publish its interim report for Q3 2015 on 23 October 2015.

Integration

Grontmij's operations will be integrated into Sweco and under Sweco's brand. The integration is already underway and Grontmij's Danish business has been operating under Sweco's brand since 5 October.

Organisation

As of 1 October 2015, Sweco is organised into 7 geographic-based business areas:

- Sweco Sweden – Sweco Sweden and Grontmij Sweden
- Sweco Norway – Sweco's operations in Norway
- Sweco Finland – Sweco's operations in Finland and Estonia
- Sweco Denmark – primarily Grontmij's operations in Denmark
- Sweco Netherlands – Grontmij's operations in the Netherlands
- Sweco Western Europe – primarily comprised of Grontmij's operations in Great Britain and Belgium
- Sweco Central Europe – Grontmij Germany and Poland and most of Sweco's operations in Central Europe

As from Q4 2015, consolidated reporting will be based on the business areas described above.

Sweco Sweden will be led by Åsa Bergman, Sweco Norway by Grete Aspelund (as from 1 January 2016), Sweco Finland by Markku Varis, Sweco Western Europe by Bo Carlsson, Sweco Netherlands by Ton de Jong, Sweco Denmark by John Chubb, and Sweco Central Europe by Ina Brandes. Three of the seven business area presidents are from Grontmij and four from Sweco.

Sweco's heads of group staff will continue in their roles in the merged group.

Sweco's management group is comprised of the President and CEO, the business area presidents and the heads of group staff.

Events after the end of the reporting period

No significant events took place apart from those related to the Grontmij acquisition.

Information in connection with the Grontmij acquisition

As a summary of the transaction, the foregoing is incomplete. For complete details, please see the offer documents available on Sweco's website, www.swecogroup.com.

Business area – Sweco Sweden

Sales and profit, July-September

Organic growth was 2 per cent during the quarter. Operating profit increased SEK 9.1 million due to an improved billing ratio.

There was no year-on-year change in the number of available working hours.

Sales and profit, January-September

Sales were up 6 per cent, all of which was due to organic growth.

Operating profit increased SEK 81.1 million, due primarily to an improved billing ratio. Calendar effects had a positive impact of 4 working hours, producing a positive year-on-year effect on sales and operating profit of approximately SEK 11 million.

Market

The Swedish market is stable, with good demand for Sweco's services. There is good demand in the construction and real estate market. There is a positive trend in the water and environmental sector, with significant municipal investments being made. The market for energy-related services is cautious, while there are signs of improvement in the industrial engineering sector. Significant public investments are being made in the infrastructure market, guaranteeing good medium-term growth.

Events and measures

Preparation was made during the quarter for the integration of Grontmij Sweden. The integration will strengthen Sweco Sweden's market leading position and enable the realisation of cost synergies within administration. Grontmij Sweden has been part of Sweco Sweden since 1 October.

Assignments

Sweco's planning architects and development engineers will produce ten detailed plans for Nacka Municipality. The municipality will be producing 13,500 new housing units by 2030 in conjunction with the planned extension of the Stockholm underground metro. The assignment is valued at around SEK 9 million.

For the Swedish Transport Administration, Sweco will develop a road plan for a new approach to Trosa. The assignment, valued at around SEK 4 million, involves approximately two kilometres of new road, an analysis of pedestrian and bicycle paths and a bridge over Trosa River.

Sweco was commissioned during the quarter to project manage and provide technical support for the Freeport expansion in Gothenburg. A new city district, with space for 15,000 residents and 15,000 workers, will be created. The assignment is commissioned by Älvstranden Utveckling AB.



Net sales and profit	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Net sales, SEK M	1,245.2	1,219.0	4,384.0	4,132.2
Organic growth, %	2	3	6	0
Acquisition-driven growth, %	0	8	0	23
Operating profit, SEK M	90.1	81.0	440.6	359.5
Operating margin, %	7.2	6.6	10.1	8.7
Number of full-time employees	4,603	4,456	4,691	4,568

About Sweco Sweden

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

Business area – Sweco Norway

Sales and profit, July-September

Organic growth totalled 4 per cent. Operating profit fell to SEK 24.4 million (41.5), primarily due to restructuring costs associated with office closures, project write-downs and negative currency effects.

Calendar effects had a negative impact of 1 working hour, producing a negative year-on-year effect on sales and operating profit of SEK 1 million.

Sales and profit, January-September

Sales increased to SEK 1,483.9 million (1,396.5). Organic growth was strong, totalling 9 per cent. Operating profit declined to SEK 108.8 million (121.0), due mainly to restructuring costs associated with office closures and project write-downs.

Calendar effects had a negative impact of 1 working hour, producing a negative year-on-year effect on sales and operating profit of SEK 1 million.

Market

Growth in the Norwegian market was weak during the third quarter due to the decline in oil prices, although Sweco's market stabilised due to an increase in public investments. There is continued growth in the construction sector and the government is planning major road and railway investments. Due to the strong urbanisation trend, there is continued demand for new housing. Water and sewage plant maintenance and investments in public facilities also provide opportunities for growth in coming years.

Events and measures

Grete Aspelund was appointed new president of Sweco Norway and will take up the post on 1 January 2016.

Assignments

Sweco has been commissioned to advise on the renovation of a University of Bergen museum. The assignment will be carried out on behalf of Statsbygg and is valued at around SEK 10 million.

On behalf of the Norwegian Public Roads Administration North, Sweco will produce detailed 3D designs for four bridges on the E6, part of the road system modernisation in Helgeland County. The assignment is valued at approximately SEK 7 million.

Sweco was commissioned by the Norwegian Public Roads Administration to project manage a feasibility study of ferry-less connections on the E39 over the Sula fjord (3-5 km wide and 450 m long). The feasibility study will examine ways to improve accessibility along the coast. Solutions being considered are a submerged tubular bridge, a pontoon bridge and a suspension bridge. The assignment is valued at SEK 5 million.



Net sales and profit	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Net sales, SEK M	401.4	419.1	1,483.9	1,396.5
Organic growth, %	4	8	9	8
Acquisition-driven growth, %	0	0	0	0
Operating profit, SEK M	24.4	41.5	108.8	121.0
Operating margin, %	6.1	9.9	7.3	8.7
Number of full-time employees	1,318	1,246	1,327	1,241

About Sweco Norway

Sweco is one of Norway's leading engineering consultancies, with around 1,400 employees. The Norwegian business area offers services primarily in the areas of energy, structural and construction engineering, building service systems, infrastructure, water & environment, and industrial engineering.

Business area – Sweco Finland

Sales and profit, July-September

Organic growth was 5 per cent despite a challenging market. Operating profit was virtually unchanged year-on-year.

Calendar effects had a negative impact of 3 working hours, producing a negative year-on-year effect on sales and operating profit of SEK 4 million.

Sales and profit, January-September

Sales increased to SEK 1,145.8 (1,088.5), mainly due to exchange rate effects. Operating profit fell to SEK 52.5 million (81.0) due to lower utilisation during the first half of the year and to project write-downs.

Calendar effects had a negative impact of 2 working hours, producing a negative year-on-year effect on sales and operating profit of SEK 3 million.



Market

Although the market remains challenging, there is stable demand for Sweco's services. Demand for construction- and property-related services is satisfactory, whereas the infrastructure and industrial engineering markets remain weak.

Events and measures

Sweco Structures won the 2015 European Steel Design Award for the DNB Bank headquarters in Oslo.

Puukuokka, a residential building constructed of wood, won the 2015 Finlandia Architecture Award during the quarter. Sweco Structures designed the wooden structures.

Assignments

Sweco was commissioned by the City of Kouvola to modernise the Ramato Centre, an area of approximately 40,000 square metres that includes a new hospital providing basic and specialised polyclinic medical services as well as social services. The completion date is 2019. Sweco will provide site supervision and oversight services. The assignment is valued at approximately SEK 18 million.

Sweco will design the steel structure for the soda recovery boiler in the Horizonte 2 pulp plant in Três Lagoas, Brazil. The boiler will be 83 metres high with a volume of 170,000 cubic metres. The mill, scheduled for completion in 2017, will be one of the world's largest production facilities for eucalyptus pulp. The assignment was commissioned by Andritz Oy on behalf of Fibria.

Sweco was commissioned by Fingrid Oyj to modernise the reserve power station in Huutokoski, which has six turbines and a capacity of 180 megawatts. The project will improve the Finnish grid's reliability. Sweco will provide services in project management, all technical disciplines and environmental engineering.

Net sales and profit	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Net sales, SEK M	366.8	341.9	1,145.8	1,088.5
Organic growth, %	5	5	2	6
Acquisition-driven growth, %	0	6	0	4
Operating profit, SEK M	27.1	26.5	52.5	81.0
Operating margin, %	7.4	7.7	4.6	7.4
Number of full-time employees	1,852	1,878	1,866	1,844

About Sweco Finland

Sweco Finland is one of the country's largest consulting engineering companies, with around 1,900 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, July-September

Organic growth was 12 per cent. Sales fell somewhat to SEK 66.0 million (67.7) due to divestments and negative exchange rate effects.

Operating profit fell to SEK 1.4 million (4.3), mainly due to a project write-down in Lithuania and the sale of operations in Russia.

Sales and profit, January-September

Organic growth was 17 per cent and sales increased to SEK 211.5 million (194.5).

Operating profit increased to SEK 9.5 million (6.8). The billing ratio improved during the period. The profit improvement was due mainly to improved profit in Estonia, Poland and the Czech Republic.

Market

Central European markets have stabilised after the financial crisis, although investment levels remain low in most countries in the business area.

There are signs of improved demand in the Czech Republic, Poland and Estonia. Preparations have been commenced for projects financed by the EU's structural funds for 2014-2020. The tendering processes for these projects are expected to begin during the second half of 2015.

While there are positive indications in the market, the conflict in Ukraine is creating uncertainty about the future, particularly in terms of investments in the Baltic countries.

Events and measures

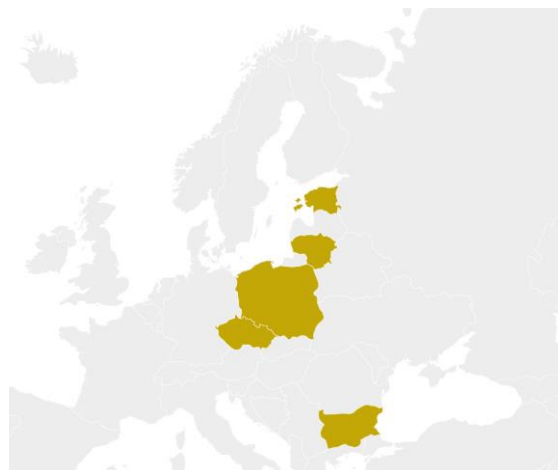
The company HYDROCOOP in Slovakia was sold during the quarter. The transaction has had no significant impact on Sweco's earnings or position.

Assignments

Sweco is responsible for designing six buildings in the development of the Klaipeda harbour area in Lithuania. The assignment, valued at approximately SEK 1 million, was commissioned by Litectus, a subsidiary of SEB.

Sweco was also commissioned by the Port of Klaipeda to produce a comprehensive plan for the harbour area. The assignment is valued at around SEK 6 million.

In Poland, Sweco has signed an agreement with Sirius Engineering to develop Ciech Soda Polska S.A. Sweco will prepare the building permit application and detailed designs to reconstruct and expand Soda's production in the city of Inowroclaw, Poland. The assignment is valued at approximately SEK 5 million.



Net sales and profit	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Net sales, SEK M	66.0	67.7	211.5	194.5
Organic growth, %	12	3	17	1
Acquisition-driven growth, %	-9	-10	-6	-9
Operating profit, SEK M	1.4	4.3	9.5	6.8
Operating margin, %	2.1	6.3	4.5	3.5
Number of full-time employees	752	820	786	809

About Sweco Central Europe

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

Other information

Investments, January-September 2015

Investments in equipment totalled SEK 126.9 million (85.0) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 113.1 million (104.3) and amortisation of intangible assets totalled SEK 42.7 million (42.5).

Purchase consideration paid to acquire companies totalled SEK 31.6 million (81.6) and had an impact of SEK -26.5 million (-69.4) on Group cash and cash equivalents. Purchase consideration on the divestment of companies totalled SEK 5.7 million (45.2) and had a positive impact of SEK 2.1 million (42.9) on Group cash and cash equivalents.

During the year, dividends totalling SEK 317.9 million (295.8) were distributed to Sweco AB shareholders.

Parent Company, January-September 2015

Parent Company net sales totalled SEK 261.0 million (239.7) and were attributable to intra-group services. Profit after net financial items totalled 48.7 million (158.4). Investments in equipment totalled SEK 29.3 million (17.2). Cash and cash equivalents at the end of the period totalled SEK 2.5 million (0.1).

Resolutions at 2015 extraordinary general meeting

New issue of Class B shares – In accordance with the Board of Directors' proposal, the extraordinary general meeting resolved to authorise the Board to resolve, on one or more occasions, to issue new Class B shares to constitute share consideration in the public takeover bid to Grontmij shareholders or merger consideration in any subsequent merger with Grontmij.

New issue of Class A and Class B shares – In accordance with the Board of Directors' proposal, the extraordinary general meeting resolved to authorise the Board to resolve, during the period preceding the next annual general meeting, to issue new Class A and Class B shares with preferential rights for existing shareholders for the purpose of enabling Sweco to utilise the issue proceeds, in whole or in part, to repay the bank financing taken up by Sweco in connection with the Grontmij merger.

Approval of merger plan – In accordance with the Board of Directors' proposal, the extraordinary general meeting resolved to approve the merger plan as approved by the Boards of Sweco and Grontmij on 30 June 2015 for the merger of Sweco and Grontmij, with Sweco as the acquiring company. Subsequent to the extraordinary general meeting Sweco's Board decided to take up the outstanding Grontmij shares through a compulsory redemption process; accordingly, the merger will not be carried out.

Transfer of HYDROCOOP – In accordance with the Board of Directors' proposal, the extraordinary general meeting resolved to assign all shares in the indirectly owned Slovakian company HYDROCOOP, spol. s r.o. (HYDROCOOP) to certain key employees. The share assignment agreement was signed 3 September 2015.

Accounting principles

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

The Group applies the same accounting and valuation principles as those described in Note 1 of the 2014 annual report. In this interim report, amounts in brackets refer to the corresponding period of the previous year.

The Sweco share

The Sweco share is listed on Nasdaq Stockholm. The share price of the Sweco B share was SEK 116 at the end of the period, representing a 9 per cent increase during the year. The Nasdaq Stockholm General Index grew by 2 per cent over the same period.

During the quarter, Sweco conducted a new share issue of 13,116,828 Class B shares. The total number of shares at the end of the period was 105,967,466: 9,368,164 Class A shares, 95,699,302 Class B shares and 900,000 Class C shares. After the allowance for treasury shares, the total number of outstanding shares at the end of the period was 104,524,697: 9,368,164 Class A shares and 95,156,533 Class B shares.

After the end of the period, Sweco issued an additional 1,832,419 Class B shares.

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 2014 annual report (page 78, Risk Management) and in the prospectus for admission to trading dated 13 July 2015 (pages 36-47, Risk Factors).

Normal working hours

The number of normal working hours in 2015 for Sweco's operations as at 30 September, based on the 12-month volume-weighted business mix as of Q3 2014, is broken down as follows:

Quarter 1:	487 (492)	-5
Quarter 2:	467 (459)	+8
Quarter 3:	521 (522)	-1
Quarter 4:	488 (482)	+6
Total 2015:	1,963 (1,955)	+8

The definition of "normal working hours" has been amended due to a change in working hour conditions for parts of the Finnish operation. Comparative figures for 2014 have been adjusted accordingly.

Forthcoming financial information

Year-end report 2015	11 February
2016	
Interim report January-March	11 May 2016
Interim report January-June	18 July 2016
Interim report January-September	28 October 2016

Stockholm, 23 October 2015

Tomas Carlsson
President and CEO
Member of the Board of Directors

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AUDITOR'S REPORT

This is the Auditor's review report on interim financial information, prepared in accordance with IAS 34 and chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed the interim report of Sweco AB (publ) for the period 1 January 2015 through 30 September 2015. The board of directors and the President and CEO are responsible for the preparation and presentation of the interim financial statements in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on the interim financial statements based on our review.

Focus and scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially smaller scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act and, for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Stockholm, 23 October 2015
PricewaterhouseCoopers AB

Michael Bengtsson
Authorised public accountant
Auditor in charge

Key ratios

Key ratios ¹⁾	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014 - Sep 2015	Full year 2014
Profitability						
EBITA margin, %	5.4	7.8	7.7	8.2	8.4	8.8
Operating margin (EBIT), %	4.7	7.2	7.1	7.7	7.8	8.3
Profit margin, %	4.5	6.7	6.9	7.1	7.6	7.8
Revenue growth						
Organic growth, %	3	4	6	2		3
Acquisition-driven growth, %	0	5	0	14		10
Currency effects, %	-2	2	0	0		0
Total growth, %	1	11	6	16		13
Operational key ratios						
Billing ratio, %	76.1	76.0	76.2	75.4	76.2	75.6
Normal working hours	521	522	1,475	1,473	1,957	1,955
Average number of full-time employees	8,547	8,410	8,691	8,480	8,694	8,535
Debt						
Net debt, SEK M			1,741.1	1,703.8		1,262.0
Interest-bearing debt, SEK M			1,833.4	1,852.3		1,435.5
Financial strength						
Net debt/Equity, %			87.9	100.7		66.9
Net debt/EBITDA, x			1.8	1.9		1.3
Equity/Assets ratio, %			29.8	26.5		31.9
Available cash and cash equivalents, SEK M ²⁾			624.9	666.6		1,142.4
Return						
Return on equity, %			30.2	25.5		31.0
Return on capital employed, %			20.7	18.7		23.0
Share data						
Earnings per share, SEK	0.64	1.02	3.81	3.78	5.98	5.96
Earnings per share after dilution, SEK	0.63	1.00	3.75	3.74	5.91	5.89
Equity per share, SEK ³⁾			18.86	18.45		20.64
Equity per share after dilution, SEK ³⁾			18.62	18.17		20.30
Number of outstanding shares at reporting date			104,524,697	90,898,373		90,763,410
Number of class B and class C treasury shares			1,442,769	1,518,474		1,653,437

¹⁾ Key ratio definitions can be found on Sweco's website.

²⁾ Including unutilised credit.

³⁾ Refers to portion attributable to parent company shareholders.

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

Income statement SEK M	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014 - Sep 2015	Full year 2014
Net sales	2,024.3	2,000.1	7,038.9	6,659.1	9,593.5	9,213.7
Other operating income	-	-	-	0.1	-0.1	-
Other external expenses	-549.0	-515.4	-1,706.9	-1,551.3	-2,389.6	-2,234.0
Personnel costs	-1,326.2	-1,290.6	-4,670.3	-4,448.7	-6,236.5	-6,014.9
EBITDA	149.1	194.1	661.7	659.2	967.3	964.8
Amortisation/depreciation and im- pairments	-40.6	-38.9	-121.0	-111.2	-160.1	-150.3
EBITA	108.5	155.2	540.7	548.0	807.2	814.5
Acquisition-related items ¹⁾	-14.1	-12.0	-39.3	-37.6	-54.6	-52.9
Operating profit (EBIT)	94.4	143.2	501.4	510.4	752.6	761.6
Net financial items	-4.2	-9.0	-17.5	-39.1	-21.7	-43.3
Profit before tax	90.2	134.2	483.9	471.3	730.9	718.3
Income tax	-28.8	-41.9	-130.2	-126.5	-177.4	-173.7
PROFIT FOR THE PERIOD	61.4	92.3	353.7	344.8	553.5	544.6
Profit for the period attributable to:						
Parent company shareholders, SEK M	61.1	92.3	352.9	343.5	551.3	541.9
Non-controlling interests, SEK M	0.3	0.0	0.8	1.3	2.2	2.7
Earnings per share attributable to parent company shareholders, SEK	0.64	1.02	3.81	3.78	5.98	5.96
Average number of shares before and after dilution	95,780,145	90,927,290	92,581,556	90,989,272	92,144,644	90,950,430
Dividend per share, SEK						3.50

¹⁾ Acquisition-related items are defined as amortisation/depreciation and impairments of goodwill and acquisition-related intangible as-
sets, additional purchase price revaluation, and profit and loss on the sale of companies and operations.

Consolidated income statement and other comprehensive in- come, SEK M	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014 - Sep 2015	Full year 2014
Profit for the period	61.4	92.3	353.7	344.8	553.5	544.6
Items that will not be reversed in the income statement						
Revaluation of defined benefit pen- sion, net after tax ^{1,3)}	-20.6	-18.1	21.3	-18.1	-16.3	-55.7
Items that may subsequently be reversed in the income state- ment						
Revaluation of holdings in Grontmij NV, net after tax ²⁾	12.0	-	12.0	-	12.0	-
Translation differences, net after tax	-1.8	7.8	-27.1	42.4	-26.5	43.0
Translation differences transferred to profit for the year	4.1	-	4.1	8.0	4.1	8.0
COMPREHENSIVE INCOME FOR THE PERIOD	55.1	82.0	364.0	377.1	526.8	539.9
Comprehensive income for the period attributable to:						
Parent company shareholders, SEK M	54.7	82.1	363.3	375.5	524.5	536.7
Non-controlling interests, SEK M	0.4	-0.1	0.7	1.6	2.3	3.2
¹⁾ Tax on revaluation of defined benefit pensions	7.6	6.7	-7.9	6.7	5.9	20.5
²⁾ Tax on revaluation of holding in Grontmij NV	-3.4	-	-3.4	-	-3.4	-

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

Koncernens kassaflöde, balansräkning och eget kapital

Cash flow statement SEK M	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014 - Sep 2015	Full year 2014
Cash flow from operating activities before changes in working capital and tax paid	193.0	172.1	688.9	616.2	1,015.0	942.3
Tax paid	-27.1	-44.8	-142.5	-187.8	-154.6	-199.9
Changes in working capital	-119.0	-257.8	-302.8	-372.3	-78.1	-147.6
Cash flow from operating activities	46.9	-130.5	243.6	56.1	782.3	594.8
Cash flow from investing activities	-335.5	-50.1	-440.1	-114.6	-502.5	-177.0
Cash flow from financing activities	297.9	148.1	123.3	-139.1	-319.4	-581.8
CASH FLOW FOR THE PERIOD	9.3	-32.5	-73.2	-197.6	-39.6	-164.0

Balance sheet SEK M	2015-09-30	2014-09-30	2014-12-31
Goodwill	2,130.6	2,153.5	2,162.5
Other intangible assets	101.1	128.9	120.9
Property, plant and equipment	411.6	398.2	399.3
Financial assets	363.9	65.6	76.1
Current assets excl. cash and cash equivalents	3,540.2	3,499.9	2,984.8
Cash and cash equivalents incl. short-term investments	92.3	148.5	173.5
TOTAL ASSETS	6,639.7	6,394.6	5,917.1
Equity attributable to parent company shareholders	1,971.2	1,677.2	1,873.7
Non-controlling interests	10.3	14.4	14.1
Total equity	1,981.5	1,691.6	1,887.8
Non-current liabilities	1,657.2	1,618.4	1,407.7
Current liabilities	3,001.0	3,084.6	2,621.6
TOTAL EQUITY AND LIABILITIES	6,639.7	6,394.6	5,917.1
Contingent liabilities	235.5	215.0	223.4

Changes in equity SEK M	Jan-Sep 2015			Jan-Sep 2014		
	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	1,873.7	14.1	1,887.8	1,617.5	15.1	1,632.6
Comprehensive income for the period	363.3	0.7	364.0	375.5	1.6	377.1
Transfer to shareholders	-317.9	-0.9	-318.8	-295.8	-3.2	-299.0
Non-controlling interests in acquired companies	-	-	-	-	0.8	0.8
Acquisition of non-controlling interests	-11.8	-3.0	-14.8	-	-	-
Divestment of non-controlling interests	-	-0.6	-0.6	-	0.1	0.1
Buy-back of treasury shares	-	-	-	-22.7	-	-22.7
Sale of treasury shares	16.6	-	16.6	-	-	-
Share-based incentive schemes	44.1	-	44.1	-	-	-
Share savings schemes	3.2	-	3.2	2.7	-	2.7
EQUITY, CLOSING BALANCE	1,971.2	10.3	1,981.5	1,677.2	14.4	1,691.6

Acquisitions, Divestments and Fair Value of Financial Instruments

Acquisition of subsidiaries and operations

During the period, Sweco acquired OTEC Elkonsult AB and operations within Rapcon Oy. Sweco also acquired minority shares in Siltanylund, Contesta Oy, Sweco Architects AS and Valcon. The acquired businesses have an aggregate total of 20 employees. Purchase consideration totalled SEK 31.6 million and had a negative impact on cash and cash equivalents of SEK 26.5 million. The acquisitions impacted the consolidated balance sheet as detailed in the table below. Of the unsettled purchase price commitment of SEK 1.8 million, SEK 0.0 million refers to conditional contingent consideration. During the period, the acquired companies contributed SEK 13.6 million in sales and SEK 2.6 million in operating profit (EBIT). If all of the companies had been owned as of 1 January 2015, they would have contributed approximately SEK 27 million in sales and about SEK 7 million in operating profit.

Acquisitions, SEK M	
Intangible assets	15.1
Current assets	10.4
Deferred tax	-1.4
Other current liabilities	-7.3
Non-controlling interests	14.8
Total purchase consideration	31.6
Unsettled purchase price commitment	-1.8
Settlement of consideration for previous years' acquisitions	0.5
Cash and cash equivalents	-3.8
DECREASE IN GROUP CASH AND CASH EQUIVALENTS	26.5

Divestment of subsidiaries and operations

During the period, Sweco divested NIPI TRTI with 73 employees, Cabix Consulting CJSC JV with 22 employees, IKTP with 0 employees and HYDROCOOP with 16 employees. The companies and businesses contributed SEK 9.2 million in sales and SEK 1.7 million in operating profit. The divestments had a negative impact on profit of SEK 6.0 million and a positive impact on the Group's cash and cash equivalents of SEK 2.1 million. The divestments impacted the consolidated balance sheet as detailed in the table below.

Divestments, SEK M	
Property, plant and equipment	1.2
Current assets	18.6
Non-current liabilities	-0.6
Other current liabilities	-6.9
Non-controlling interests	-0.6
Capital gain recorded on divestment	-6.0
Total purchase consideration	5.7
Cash and cash equivalents in divested companies	-3.6
INCREASE IN GROUP CASH AND CASH EQUIVALENTS	2.1

Fair value of financial instruments

The Group's financial assets measured at fair value totalled SEK 301.8 million (12.4). The fair value of the holding in Grontmij is SEK 290.3 million and was determined based on the closing day share price. The derivative instruments are forward currency contracts, the fair value of which are determined based on listed prices for forward currency contracts on the balance sheet date (Level 2). The fair value of unlisted financial assets is determined through market valuation techniques (observable market inputs) such as recent transactions, listed prices of similar instruments and discounted cash flows. In the event no reliable inputs are available for determining fair value, financial assets are reported at acquisition value (Level 3). There were no transfers between levels during the period.

Quarterly and Full-year Review per BA

Quarterly summary	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4 ¹⁾	2013 Q3 ¹⁾	2013 Q2 ¹⁾	2013 Q1 ¹⁾	2012 Q4 ¹⁾
Net sales, SEK M												
Sweco Sweden	1,245.2	1,595.8	1,543.0	1,571.5	1,219.0	1,447.4	1,465.8	1,537.8	1,103.0	1,139.1	1,114.0	1,191.9
Sweco Norway	401.4	551.1	531.4	521.3	419.1	490.0	487.4	486.6	377.6	493.3	457.0	466.0
Sweco Finland	366.8	396.8	382.2	408.2	341.9	391.1	355.5	346.2	293.1	336.6	316.4	344.8
Sweco Central Europe	66.0	76.5	69.0	94.7	67.7	68.9	57.9	91.6	71.4	68.0	70.4	113.4
Group-wide, eliminations, etc.	-55.1	-71.0	-60.2	-41.1	-47.6	-60.1	-44.9	-26.2	-35.4	-35.3	-40.2	-30.2
TOTAL GROUP	2,024.3	2,549.2	2,465.4	2,554.6	2,000.1	2,337.3	2,321.7	2,436.0	1,809.7	2,001.7	1,917.6	2,085.9
Operating profit, SEK M												
Sweco Sweden	90.1	177.2	173.3	210.7	81.0	125.5	153.0	172.8	79.1	132.0	112.1	144.0
Sweco Norway	24.4	44.3	40.1	57.5	41.5	24.7	54.8	59.5	34.9	64.0	27.6	97.5
Sweco Finland	27.1	9.5	15.9	4.1	26.5	27.9	26.6	9.2	26.1	17.9	16.3	25.3
Sweco Central Europe	1.4	4.6	3.5	6.0	4.3	2.3	0.2	-1.9	-5.9	1.1	-6.8	-7.8
Group-wide, eliminations, etc.	-34.5	-31.9	-4.3	-11.8	1.9	-12.6	-9.6	-49.6	-16.0	-14.9	-5.1	-24.2
EBITA	108.5	203.7	228.5	266.5	155.2	167.8	225.0	190.0	118.2	200.1	144.1	234.8
Acquisition-related items ²⁾	-14.1	-12.9	-12.3	-15.3	-12.0	-12.2	-13.4	-62.3	-12.2	-9.5	-10.1	-34.4
TOTAL GROUP (EBIT)	94.4	190.8	216.2	251.2	143.2	155.6	211.6	127.7	106.0	190.6	134.0	200.4
Operating margin, %												
Sweco Sweden	7.2	11.1	11.2	13.4	6.6	8.7	10.4	11.2	7.2	11.6	10.1	12.1
Sweco Norway	6.1	8.0	7.5	11.0	9.9	5.0	11.2	12.2	9.2	13.0	6.0	20.9
Sweco Finland	7.4	2.4	4.2	1.0	7.7	7.1	7.5	2.7	8.9	5.4	5.1	7.4
Sweco Central Europe	2.1	6.0	5.1	6.3	6.3	3.3	0.4	-2.0	-8.2	1.6	-9.7	-6.9
EBITA	5.4	8.0	9.3	10.4	7.8	7.2	9.7	7.8	6.5	10.0	7.5	11.3
Acquisition-related items ²⁾	-0.7	-0.5	-0.5	-0.6	-0.6	-0.5	-0.6	-2.6	-0.7	-0.5	-0.5	-1.7
TOTALGROUP (EBIT)	4.7	7.5	8.8	9.8	7.2	6.7	9.1	5.2	5.9	9.5	7.0	9.6
January-September												
	Net sales SEK M		Operating profit SEK M		Operating margin %		Number of full-time employees					
Business area	2015	2014	2015	2014	2015	2014	2015	2014				
Sweco Sweden	4,384.0	4,132.2	440.6	359.5	10.1	8.7	4,691	4,568				
Sweco Norway	1,483.9	1,396.5	108.8	121.0	7.3	8.7	1,327	1,241				
Sweco Finland	1,145.8	1,088.5	52.5	81.0	4.6	7.4	1,866	1,844				
Sweco Central Europe	211.5	194.5	9.5	6.8	4.5	3.5	786	809				
Group-wide, eliminations, etc. ³⁾	-186.3	-152.6	-70.7	-20.3	-	-	21	18				
Acquisition-related items ²⁾	-	-	-39.3	-37.6	-	-	-	-				
TOTAL GROUP	7,038.9	6,659.1	501.4	510.4	7.1	7.7	8,691	8,480				

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

²⁾ Acquisition-related items are defined as amortisation/depreciation and impairments of goodwill and acquisition-related intangible assets, additional purchase price revaluation, and profit and loss on the sale of companies and operations.

³⁾ Operating profit for Group-wide is chiefly comprised of the Parent Company loss of SEK -17.2 million (-12.8) and costs related to acquisition activities of SEK 56.6 million.

Parent Company Income Statement and Balance Sheet

Parent Company income statement, SEK M	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net sales	261.0	239.7	343.8
Operating expenses	-278.2	-252.5	-364.4
Operating loss	-17.2	-12.8	-20.6
Net financial items	65.9	171.2	524.8
Profit/loss after net financial items	48.7	158.4	504.2
Appropriations	-	-	-1.5
Profit/loss before tax	48.7	158.4	502.7
Tax	-	-	-67.4
PROFIT/LOSS AFTER TAX	48.7	158.4	435.3

Parent Company balance sheet, SEK M	Jan-Sep 2015	Full year 2014
Intangible assets	13.9	2.3
Property, plant and equipment	50.1	38.0
Financial assets	2,383.3	2,059.3
Current assets	273.2	1,790.3
TOTAL ASSETS	2,720.5	3,889.9
Equity	1,401.8	1,605.5
Untaxed reserves	2.8	2.8
Non-current liabilities	1,218.3	971.5
Current liabilities	97.6	1,310.1
TOTAL EQUITY AND LIABILITIES	2,720.5	3,889.9