

SWECO AB (publ) Year-end report 2006

Strong earnings and powerful growth

- **Operating profit improved by 33 per cent to SEK 361.9 (271.6) million.**
- **Operating margin was 9.3 (8.1) per cent.**
- **Net sales increased by 16 per cent to SEK 3,894.7 (3,372.2) million.**
- **Profit before tax totalled SEK 364.4 (351.2) million.**
- **Profit after tax was SEK 258.3 (274.1) million, equal to earnings per share of SEK 15.02 (15.88). Net financial items for the previous year included a one-time item of SEK 79.8 million, equal to SEK 4.72 per share.**
- **The Board proposes a dividend of SEK 7.50 per share, a redemption procedure corresponding to SEK 8.50 per share and a 5-for-1 share split in which each existing share will be split into five new shares.**

Comments from CEO Mats Wäppling:

“SWECO has continued to grow with strong profitability and in 2006 delivered the strongest performance in the company’s history. Operating profit for the full year improved by 33 per cent and operating margin reached 9.3 per cent.

“We have advanced our positions in the Nordic market, for example in the energy segment, and our acquisitions in Estonia and Lithuania have created a solid platform for ongoing growth in Eastern Europe. Today SWECO is by far the leading player in the Baltic region, where demand for our services is growing steadily. In the Baltic and St. Petersburg area, SWECO now has a total of 500 consultants active in the areas of water and environment, infrastructure, architecture, structural engineering and building service systems.

“We have a very solid financial position. After the proposed dividend our equity/assets ratio is 32 per cent, providing excellent scope for continued development of SWECO.

“SWECO is striving for sustained profitable growth through more intensive targeting of the Nordic market and expansion of operations in the growth markets of Eastern Europe. Demand for SWECO’s services is currently strong and the outlook for 2007 is bright.”

PROFIT AND FINANCIAL POSITION

Net sales and profit

The SWECO Group's net sales for 2006 are reported at SEK 3,894.7 (3,372.2) million, up 16 per cent from the year-earlier figure. Of the increase, around 60 per cent consists of organic growth and 40 per cent of acquisition-driven growth.

Profit summary, SEK M	2006	2005
SWECO Sweden	233.8	183.7
SWECO Grøner – Norway	56.7	40.2
SWECO Finland	8.8	-
SWECO Baltic & Eastern Europe	3.4	1.9
SWECO Russia	1.1	0.1
SWECO PIC – Industrial Engineering	59.9	54.1
Group-wide, etc.	-1.8	-8.4
Operating profit	361.9	271.6
Consolidated net financial items	2.5	79.6
Profit before tax	364.4	351.2

Operating profit was SEK 361.9 (271.6) million, an increase of SEK 90.3 million. The year's improvement in profit is explained mainly by a continued strong market for all business units, improved internal efficiency and the accretive effects of acquisitions. Profit for SWECO Sweden rose sharply and significant earnings growth was reported for infrastructure, building service systems and energy. Profit for the SWECO Group was negatively affected by employee bonuses of SEK 69.7 (51.9) million including social security contributions.

The Group's overall operating margin was 9.3 (8.1) per cent. The billing ratio, including all administrative personnel, rose by 1.1 percentage units to 75.3 (74.2) per cent.

Profit before tax was SEK 364.4 (351.2) million. The Group's net financial items totalled SEK 2.5 (79.6) million and included a change in value of SEK 2.1 million pertaining to the sold shares in AB Ångpanneföreningen. In the year-earlier period, the change in value including dividends received on the shares amounted to SEK 79.8 million.

Profit after tax was SEK 258.3 (274.1) million, of which SEK 253.4 (268.2) million is attributable to equity holders in the Parent Company. Profit was charged with a tax rate of 29 (22) per cent. The lower tax rate in 2005 is explained by the fact that the profit effect of the shareholding in AB Ångpanneföreningen was non-taxable.

Return on equity amounted to 29.9 (35.3) per cent and return on capital employed was 38.2 (38.1) per cent.

Earnings per share

Earnings per share were SEK 15.02 (15.88) before dilution and SEK 14.94 (15.87) after dilution. Profit after tax for the previous year included a one-time item of SEK 79.8 million, equal to SEK 4.72 per share.

Capital expenditure

Net expenditure on equipment during the period totalled SEK 62.6 (62.7) million and referred primarily to computers and other IT investments. Depreciation of equipment amounted to SEK 50.4 (50.0) million.

A sum of SEK 133.3 (19.4) million was invested in the acquisition of associated companies and subsidiaries.

Cash flow and financial position

The Group's cash flow from operating activities was SEK 242.1 (275.6) million.

Cash and cash equivalents and other current interest-bearing assets amounted to SEK 255.6 (336.3) million. Disposable cash and cash equivalents totalled SEK 414.3 (454.5) million, including unutilised bank overdraft facilities of SEK 159.9 (130.3) million. Interest-bearing debt is reported at SEK 105.8 (124.4) million. The net interest-bearing asset thus amounted to SEK 149.8 (211.9) million.

During the year, the shareholders received a total capital distribution (dividends and share redemption) of SEK 261.8 (67.6) million.

The equity/assets ratio was strong at 40.8 (43.2) per cent.

Personnel

The number of employees at the end of the period was 4,229 (3,686). The average number of employees in the Group during the year was 3,986 (3,626).

Fourth quarter

SWECO had a successful fourth quarter with vigorous activity in all business units. Net sales rose by 21.5 per cent over the same period of 2005 and reached SEK 1,161.9 (956.5) million. Operating profit improved by 35.9 per cent to SEK 125.8 (92.6) million, equal to an operating margin of 10.8 (9.7) per cent. The billing ratio was 75.8 (75.3).

Parent Company

The Parent Company reported net sales of SEK 71.1 (67.3) million, all of which referred to intra-group services. Profit after net financial items was SEK 498.4 (233.3) million and was mainly attributable to the internal transfer of subsidiaries in connection with organisational changes. Capital expenditure on equipment amounted to SEK 2.7 (0.7) million. Cash and cash equivalents at the end of the period totalled SEK 147.3 (131.9) million.

Treasury shares

In September 2006, SWECO repurchased 40,000 of its own class B shares for a total of SEK 8.1 million, equal to SEK 202.30 per share. Together with the earlier holdings,

SWECO owns 232,600 repurchased B shares. The repurchased shares have an average bid price of SEK 110.50, equal to a total of SEK 25.7 million. The market value at the end of the year was SEK 61.4 million. The repurchased shares correspond to 1.4 per cent of the total number of shares and 0.7 per cent of the votes.

Incentive scheme for senior executives

The 2005 Annual General Meeting resolved to approve the issue of subscription warrants (series 2005/2008) on market-based terms to some 50 senior executives in the SWECO Group. A total of 289,000 warrants were subscribed for. Exercise of warrants for subscription to new shares may be carried out during the period from 1 May 2008 to 31 October 2008. The subscription price is SEK 151.10 and each warrant grants the right to subscribe for 1.03 shares.

The SWECO share

The price for the SWECO B share at the end of the period was SEK 264, representing an increase of 27 per cent during the year. The OMX Stockholm General Index rose by 24 per cent over the same period.

The SWECO share is quoted on the OMX Stockholm Stock Exchange, Nordic List.

The total number of shares in 2006 was unchanged at 17,082,870, consisting of 15,205,055 B shares and 1,877,815 A shares. After deduction of treasury shares, the total number of shares at the end of the period was 16,850,270, consisting of 14,972,455 B shares and 1,877,815 A shares. On full exercise of the warrant series 2005/2008, the number of B shares would increase by 297,670, corresponding to a dilution effect of 1.7 per cent of the share capital and 0.9 per cent of the votes.

MARKET

The general economy is experiencing sustained robust development and the positive trend is expected to continue in 2007, but with a somewhat slower rate of growth. Factors that could impact future development include energy prices and interest rates.

In 2006 SWECO enjoyed powerful demand for its services both in the Nordic countries and internationally.

The assessment is that all areas of operation will enjoy continued favourable market conditions throughout the early part of 2007.

Sweden

The Swedish market for SWECO's services remains vigorous and the regional variations are minor.

Robust demand for building-related consulting services is generating substantial planning and design volumes in the construction sector.

In the infrastructure sector, planning and design volumes remain strong and are expected to continue at a high level. The energy sector is showing keen long-term

demand for qualified consulting services and 2007 is expected to be another year of excellent market conditions for SWECO's energy consultants.

SWECO's water and environmental services are increasingly sought after by clients in both the public and private sectors. Continued export demand for environmental technology is being noted, particularly from Eastern Europe.

The market for industrial consulting services has improved during the year with especially brisk growth in assignment volumes for planning and design of industrial facilities. In particular, investments in new plants and process technology in the mining and steelworking industries are stimulating demand for SWECO's services.

Norway

Norway is experiencing strong demand in all of SWECO Grøner's areas of operation and is expected to remain stable in 2007.

Overall planning and design volumes in the construction sector remain high. Capital spending on housing construction is expected to level out in 2007, but to be offset by increased demand for office and industrial construction. Development in the offshore sector is characterised by robust demand, particularly in planning and design of underwater and steel structures.

Volumes in the infrastructure sector were high during the year and continued strong demand for consulting engineering services is awaited in connection with planned investments in the road and railway network. Development in the water and environment sector is positive and rising activity is being noted in areas such as environmental management, hydrology and environmental economy. In the energy sector there is a growing demand for consulting services in development of wind power, bioenergy and small hydropower plants.

Finland

The market for consulting engineering services showed positive development in 2006 and demand is expected to remain strong in 2007.

There is a growing inflow of investment to the infrastructure sector and the building sector is noting stable strong demand for commercial space, housing and public facilities. Growth in the environmental market remains positive, but has slowed somewhat.

The market for industrial consulting services is expanding rapidly with rising investment in industrial facilities for the process industry and energy sector. In the marine sector, order books for the shipbuilding industry are growing steadily. The manufacturing and telecom industries are increasingly contracting out product development and industrial design to external consultants, which is boosting demand for SWECO PIC's services.

Investments in domestic markets 2007 are expected to remain stable at the current levels.

Eastern Europe and Russia

The Eastern European economies are undergoing powerful expansion and their ongoing adaptation to EU standards is continuing to act as a powerful driver for environmental improvements and modernisation of infrastructure.

There is a keen demand for SWECO's services, particularly for environmental services in the Baltic Sea region, but increasingly also in the industrial, infrastructure, energy and architecture areas as these countries upgrade their water and sewage systems, transport systems, energy supply, industrial facilities, housing and commercial premises.

Rest of world

Urbanisation, environmental improvements and industrial development are contributing to a sustained strong export market for SWECO's services in areas like Asia, Africa, the Middle East and Latin America, above all for services in environment, energy, industry, infrastructure and architecture.

China, in particular, is showing an escalating interest in SWECO's architectural and urban planning services. Demand for qualified consulting services in the environment and energy sectors is expected to increase at the global level.

OPERATIONS

SWECO is the Nordic region's leading consulting company with combined expertise in consulting engineering, environmental technology and architecture. Engineers, architects and environmental experts in the SWECO companies are working together to build a safer, more ecologically sustainable and growing society. SWECO has subsidiaries in eight countries and projects currently under way in more than 60 countries worldwide.

Major contracts awarded in 2006

In 2006 SWECO was awarded a number of major contracts both in Sweden and abroad.

SWECO was commissioned by the Swedish National Rail Administration to plan a whole new track connection between the Boliden mine in Aitik and the city of Gällivare, Sweden. The assignment includes the preparation of a railway plan and system documents for the new rail line and terminal.

SWECO's building service systems experts were chosen by Akademiska Hus to design ventilation systems and perform climate and energy calculations in preparation for construction of a new 15,000 sq. m. research and educational complex at Karlstad University in Sweden.

In yet another contract from the Swedish forestry industry, SWECO was been chosen by the forest owners' association Skogsägarna Mellanskog to deliver a new IT solution for operations management including advanced mapping tools.

SWECO was awarded a contract by Svenska Kraftnät, the Swedish transmission system operator, to prepare a feasibility study for the Sydlänken power transmission line between Hallsberg in Närke and Hörby in Skåne. The assignment involves a comparison of two different alternatives – a traditional overhead alternating current line and an underground direct current line.

SWECO's hydropower experts from Sweden and Norway were awarded a major contract for technical and financial analyses in connection with enlargement of the Theun-Hinboun hydropower project in central Laos. The assignment includes technical and financial analyses and the enlargement is intended to be accomplished by adding a new regulation dam upriver and possibly another power station.

In Finland, SWECO's industrial consultants were selected by Aker Yards to provide extensive consulting services for the construction of a new car-passenger ferry on behalf of Brittany Ferries of France. The assignment includes engineering design of the hull, machinery and electrical systems.

SWECO's Finnish subsidiary CM-Urakointi was chosen to supervise renovation of the Stockmann department store in Helsinki. The assignment includes procurement of subcontracting services and construction management.

In 2006 SWECO Grøner worked on a floating concrete structure for the Adriatic LNG Terminal Project on behalf of Aker Kvaerner Engineering. The structure is being designed in Norway, built in Gibraltar and in 2008 will be towed to the offshore extraction site in the Adriatic Sea off the coast of Venice, Italy.

SWECO Grøner has prepared a technical programme and regulation plan for extension of the E6 motorway between Dal and Minnesund in Norway, a 19 km section containing several traffic interchanges and widening of the Eidsvold Tunnel.

SWECO's Lithuanian subsidiary SWECO BKG was awarded three new contracts in Lithuania aimed at environmental improvements. The assignments include engineering design and technical consulting support in connection with refurbishment of water and wastewater treatment plants and piping systems in different regions of the country.

SWECO was selected by SCA, Svenska Cellulosa Aktiebolaget, to plan and design a new paper mill in Tula, some 150 km south of Moscow, Russia. The assignment covers engineering design of the pulp preparation and paper machine facility.

SWECO was awarded a major planning and design contract by the Eskisehir Water & Sewerage Administration General Directorate (ESKI) in Eskisehir, Turkey, some 200 km west of Ankara. The contract covers planning and design, procurement and construction management for upgrading and enlargement of the city's existing wastewater treatment plant.

SWECO's architects were commissioned to prepare the master plan for a new commercial district in Tianjin New Town, a mixed-use development 120 km southeast of Beijing. Tianjin is one of China's fastest-growing industrial centres and SWECO's assignment is to design the structure of the city core and a new commercial district for a population of 50,000 people.

Contracts awarded in the fourth quarter

At the end of 2006, SWECO's architects were commissioned to draft space programming and construction documents for rebuilding and enlargement of Helsingborg Hospital's casualty department. The planned measures will cover a total area of 6,000 sq. m.

In Romania, SWECO's environmental consultants were selected to provide the city of Bucharest with technical, financial and legal services for rehabilitation and upgrading of the city's wastewater treatment plant. The assignment also includes planning for expansion of the sewage system.

SWECO has been selected to plan 1,000 km of rural roads in Armenia. SWECO will perform studies, investigations, conceptual and detail design services for roads, ramps and bridge connections in the Armenian countryside.

In Tajikistan, SWECO has been contracted to develop a waste management plan for the capital city of Dushanbe. The objective of the assignment is to modernise and upgrade waste management for the city's 590,000 residents.

Acquisitions

SWECO Sweden

SWECO Energuide acquired Eitel Networks Konsult AB, with nearly 100 employees. The acquisition will give SWECO Energuide a leading position in power transmission and distribution consulting. Eitel Networks' consulting operations will strengthen SWECO Energuide's power transmission capabilities with services in design, construction and maintenance of power transmission and distribution networks.

SWECO Grøner - Norway

At the beginning of 2006, SWECO Grøner acquired the Norwegian energy and environmental consulting firm E-CO Tech with 36 employees. The company offers qualified energy and environmental services. The acquisition has made SWECO the Norwegian market-leader in consulting services for power transmission.

SWECO Grøner has also acquired the Norwegian engineering consultancy RIBA Kristiansand AS with 18 employees. The company provides consulting services with a focus on construction planning and project management.

SWECO Finland

In Finland, SWECO acquired the country's leading project management consultancy, CM-Urakointi Oy, with around 60 employees. The acquisition has strengthened SWECO's existing operations in Finland.

SWECO Baltic and Eastern Europe

SWECO acquired the Lithuanian company LSPI with 120 employees. Through its Lithuanian subsidiary SWECO BKG, with 40 employees, SWECO has purchased more than 70 per cent of LSPI. Following the acquisition, SWECO has a total of 160 employees in Lithuania and is thereby the country's largest engineering consultancy.

In Estonia, SWECO created the country's largest engineering consultancy through a merger between SWECO Eesti, ETP Gruppe and Eesti Projekt. The new company, SWECO Projekt, will have 220 employees and offer qualified services in areas like water and environment, architecture, structural engineering, building service systems and infrastructure. SWECO will be the majority shareholder in SWECO Projekt, with more than 50 per cent of the shares.

SWECO PIC

At the beginning of the year, SWECO PIC acquired the consulting unit of the Finnish telecom company Capricode. The unit has annual sales of SEK 10 million and consists of 20 software developers who offer consulting services in product development and testing of mobile devices.

SWECO focused its ownership in the Finnish marine technology company PI-Rauma to become sole owner of a new company formed from PI-Rauma's operations in consulting for the shipbuilding and offshore industries. The new company, SWECO Marine Oy, has a staff of 130 consultants.

SWECO PIC also acquired Finland-based Linja Design's industrial design unit.

At the end of the year, SWECO PIC acquired the Norwegian industrial consulting company MEC AS. The acquisition will complement SWECO's existing industrial consulting operations in Finland, Sweden and Eastern Europe. MEC AS has 22 employees and annual sales of around SEK 24 million.

Acquisitions after the end of the reporting period

SWECO Sweden

SWECO Energuide acquired the consulting firm of Autosolvvia AB in Gothenburg, with 20 employees. Autosolvvia will expand SWECO Energuide's service offering for clients in the energy sector and heavy base industries in western Sweden.

SWECO FFNS acquired the consulting firm of EuroFutures AB with 15 employees. The acquisition will strengthen SWECO FFNS's position in urban planning and strategic development and broaden the company's traditional offering with new areas of expertise.

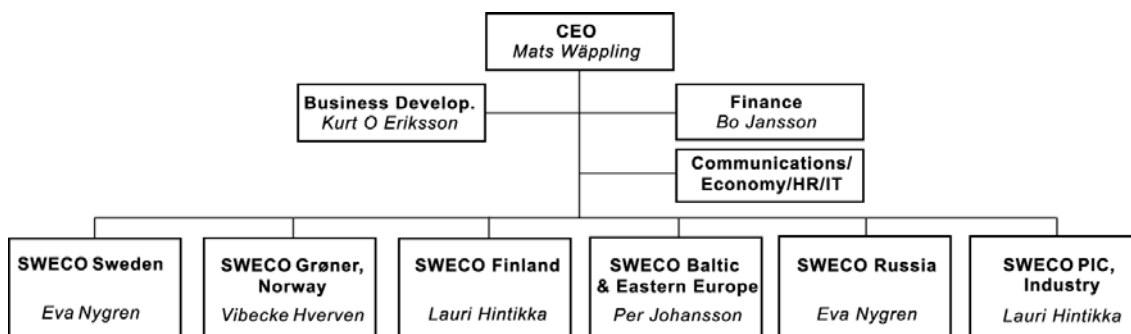
SWECO PIC

SWECO's industrial consultants acquired JAPS Elektronik AB, one of Sweden's leading engineering consultancies in the field of industrial electronics. The acquisition will advance SWECO PIC's market position in Sweden, primarily in the product development area. The company has 45 employees.

Organisation

In the second quarter SWECO created a new organisation that is designed to improve the scope for international expansion.

Mats Wäppling was appointed as the new Managing Director and CEO of SWECO with effect from 1 January 2007. Mats Wäppling will succeed Wigon Thuresson, who has left his post after seven years as CEO.



ACCOUNTING POLICIES

SWECO complies with the International Financial Accounting Standards (IFRS) and interpretations of these (IFRIC) that have been endorsed by the European Commission for application in the EU. This interim report is presented in accordance with IAS 34, Interim Financial Reporting. The accounting and valuation standards applied in this interim report are the same as those used in the annual report for 2005.

BOARD PROPOSALS

Dividend

The Board of Directors and Managing Director propose a regular dividend of SEK 7.50 (5.50), amounting to a total capital distribution of SEK 128.1 (92.9) million. No dividends will be paid on treasury shares.

Redemption of shares

Furthermore, the Board proposes share redemption procedure. The strong earnings and cash flows of recent years have given the Group a solid financial position. Through the share redemption, a maximum of SEK 145.2 million and equal to SEK 8.50 (10) per share, will be redistributed to the shareholders in SWECO AB. The terms and conditions of the redemption procedure will be made public at the latest in connection with the Notice of Annual General Meeting.

The proposed dividend and shares redemption will amount to a total of no more than SEK 273.3 (261.8) million. Based on the balance sheet at 31 December 2006, the equity/assets ratio following payment of the proposed dividend and redemption amount will be around 32 per cent.

Share split

The Board proposes a 5-for-1 share split in which each existing share, of class A or B, will be split into five new shares.

Share-based bonus scheme

The Board intends to call an Extraordinary General Meeting to resolve on the implementation of a share-based bonus scheme for the employees in Sweden. The Extraordinary General Meeting is planned to be held in March.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 4:00 p.m. on Thursday, 26 April 2007, at City Conference Center, Norra Latin, Pelarsalen, Barnhusgatan 7 A, in Stockholm.

FINANCIAL CALENDAR 2007

Interim report January-March:	26 April
Interim report January-June:	24 July
Interim report January-September:	23 October
Year-end report:	6 February 2008

OUTLOOK FOR 2007

SWECO's ambition is to achieve sustained profitable growth by strengthening its positions in the Nordic market and expanding its operations in Eastern Europe. In view of robust demand for all of SWECO's services, the outlook for 2007 is deemed favourable.

Stockholm, 7 February 2007
SWECO AB (publ)

Mats Wäppling
Managing Director & CEO

This report has not been reviewed by the company's auditors.

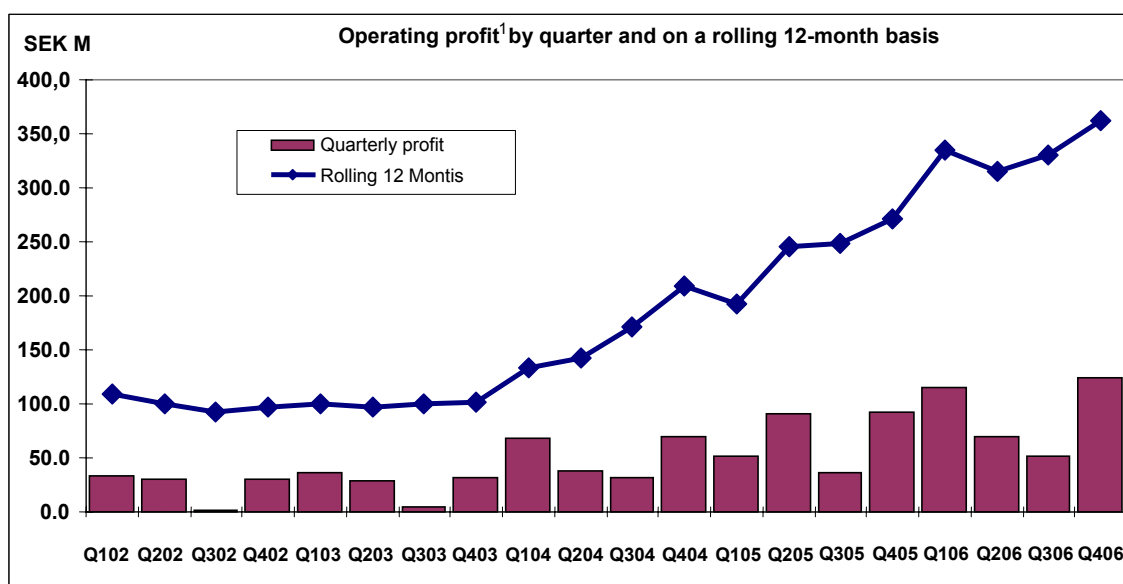
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Income statement, SEK M	Oct-Dec 2006	Oct-Dec 2005	Full year 2006	Full year 2005
Net sales	1,161.9	956.5	3,894.7	3,372.2
Other external expenses	-342.5	-235.5	-1,043.2	-869.2
Personnel costs	-679.0	-615.4	-2,431.8	-2,180.1
Amortisation and depreciation	-14.6	-13.0	-57.8	-51.3
Operating profit	125.8	92.6	361.9	271.6
Net financial items	-0.6	27.1	2.5	79.6
Profit before tax	125.2	119.7	364.4	351.2
Tax	-34.1	-21.5	-106.1	-77.1
Profit after tax	91.1	98.2	258.3	274.1
Attributable to:				
Equity holders in the Parent Company	91.0	96.2	253.4	268.2
Minority interest	0.1	2.0	4.9	5.9
Earnings per share for profit attributable to equity holders in the Parent Company, SEK				
- Before dilution	5.39	5.70	15.02	15.88
- After dilution	5.37	5.68	14.94	15.87
Dividend per share, SEK (for 2006 proposed)				
	-	-	7.50	5.50
Redemption amount per share, SEK (for 2006 proposed)				
	-	-	8.50	10.00
Average number of shares	16,850,270	16,890,270	16,876,937	16,890,270
Average number of shares after dilution	16,946,675	16,944,929	16,961,165	16,905,716



1) The period prior to 2004 to 2005 refers to operating profit according to the then applicable accounting standards excluding goodwill amortisation.

Cash flow statement, SEK M	Oct-Dec 2006	Oct-Dec 2005	Full year 2006	Full year 2005
Cash flow from operating activities before changes in working capital and paid tax	130.6	101.4	421.1	327.6
Paid tax	-29.3	4.8	-142.9	-52.6
Changes in working capital	83.9	27.1	-36.1	0.6
Cash flow from operating activities	185.2	133.3	242.1	275.6
Cash flow from investing activities	-67.2	92.8	31.9	-53.0
Cash flow from financing activities	-25.5	-96.3	-283.1	-181.5
Cash flow for the period	92.5	129.8	-9.1	41.1

Balance sheet, SEK M	31 Dec. 2006	31 Dec. 2005
Intangible assets	444.5	338.6
Tangible assets	142.4	114.8
Financial assets	44.3	219.4
Other current assets	1,195.1	1,127.1
Cash and cash equivalents	224.6	240.6
Total assets	2,050.9	2,040.5
Share capital and reserves attributable to equity holders in the Parent Company	825.6	867.6
Minority interest	10.3	13.1
Total equity	835.9	880.7
Long-term liabilities	107.6	113.8
Current liabilities	1,107.4	1,046.0
Total equity and liabilities	2,050.9	2,040.5
Pledged assets	1.8	67.2
Contingent liabilities	128.5	44.5

Changes in equity, SEK M	Full year 2006	Full year 2005
Equity, opening balance	880.7	667.6
Exchange difference on translation of foreign operations	-25.1	12.6
Cash flow hedges – transferred to the income statement	-	-1.7
Tax effect on transfer to the income statement	-	0.5
Income and expenses recognised directly in equity	-25.1	11.4
Profit for the period	258.3	274.1
Total reported income and expenses	233.2	285.5
Capital distribution to shareholders	-269.9	-67.6
Dividends to minority interests	-	-5.1
Minority interest on transition to accounting according to the proportional method	-	-7.7
Minority interests in acquired companies	3.5	5.3
Purchase of minority interests	-10.1	-0.2
Issue expenses	-1.5	-
Issue of subscription warrants	-	2.9
Equity, closing balance	835.9	880.7
Dividend of SEK 7.50 per share (proposed) and SEK 5.50 for 2005	-128.1	-92.9
Redemption amount of SEK 8,50 per share (proposed) and SEK 10.0 per share for 2005	-145.2	-168.9

Key ratios¹⁾	Full year 2006	Full year 2005
Operating margin, %	9.3	8.1
Profit margin, %	9.4	10.4
Return on equity, %	29.9	35.3
Return on capital employed, %	38.2	38.1
Equity/assets ratio, %	40.8	43.2
Equity per share for profit attributable to equity holders in the Parent Company, SEK		
- Before dilution	49.00	51.37
- After dilution	48.63	51.14
Interest-bearing debt, SEK M	105.8	124.7
Of which, liabilities to credit institutions	75.3	79.7
Average number of employees	3,986	3,626
Number of shares on closing date	16,850,270	16,890,270
Number of shares on closing date after dilution	16,977,569	16,964,762
Number of shares on closing date after full dilution	17,147,940	17,179,270
Number of treasury shares	232,600	192,600

1) The definitions of key ratios are unchanged and can be found in SWECO's annual report for 2005.

Net sales, operating profit, operating margin and average number of employees in 2006

Business segment	Net sales SEK M		Operating profit SEK M		Operating margin %		Average number of employees	
	2006	2005	2006	2005	2006	2005	2006	2005
SWECO Sweden	2,343.9	2,069.8	233.8	183.7	10.0	8.9	2,079	1,895
SWECO Grøner – Norway	629.4	494.4	56.7	40.2	9.0	8.1	502	421
SWECO Finland	58.4	-	8.8	-	15.1	-	47	-
SWECO Baltic & Eastern Europe	50.3	21.5	3.4	1.9	6.8	8.8	144	80
SWECO Russia	10.0	3.9	1.1	0.1	11.0	2.6	37	20
SWECO PIC – Industry	843.0	819.8	59.9	54.1	7.1	6.6	1,126	1,103
Group-wide, eliminations, etc.	-40.3	-37.2	-1.8	-8.4	-	-	51	107
Total Group	3,894.7	3,372.2	361.9	271.6	9.3	8.1	3,986	3,626

SWECO Sweden	Net sales SEK M		Operating profit SEK M		Operating margin %		Average number of employees	
	2006	2005	2006	2005	2006	2005	2006	2005
SWECO FFNS	394.2	340.4	39.7	30.9	10.1	9.1	342	310
SWECO BLOCO	163.6	149.4	19.1	15.1	11.7	10.1	155	144
SWECO Theorells	298.3	282.9	27.7	14.9	9.3	5.3	330	330
SWECO VBB	594.8	543.8	57.0	41.9	9.6	7.7	435	432
SWECO VIAK	494.7	480.7	38.7	38.7	7.8	8.0	371	374
SWECO Projektleddning	165.2	163.5	8.5 ¹⁾	12.7	5.1	7.6	119	117
SWECO Energuide	317.5	208.8	36.9	24.6	11.6	11.8	216	138
SWECO Position	64.2	48.2	8.7	4.9	13.6	10.2	62	50
Group-wide, eliminations, etc.	-148.6	-147.9	-2.5	0.0	-	-	49	-
Total SWECO Sweden	2,343.9	2,069.8	233.8	183.7	10.0	8.9	2,079	1,895

1) SWECO Projektleddning wound up operations in FM-konsulterna during the year, resulting in a charge against profit of approximately SEK 4.9 (-) million.

Acquisition of subsidiaries and operations

During the year SWECO acquired E-CO Tech AS, RIBA Kristiansand AS, Rye Kittelsen, CM-Urakointi Oy (CMU), LSPI, Eitel Networks Konsult AB, MEC AS and the net assets of Capricode's telecom unit, Linja Design's industrial design unit and HS-prosjekt. Based on preliminary acquisition analyses, these acquisitions had effects on the Group's balance sheet and cash and cash equivalents as shown in the table below. During the year, the acquired companies contributed sales of SEK 203.5 million and operating profit of SEK 25.4 million. If all companies had been acquired at 1 January 2006, the SWECO Group's net sales would have increased by approximately SEK 139 million and operating profit would have improved by approximately SEK 8 million.

SEK M	Acquisitions			
	Eitel	CMU	Others	Total
Assets in acquired companies	23.0	28.1	48.4	99.5
Liabilities in acquired companies	-22.9	-7.7	-25.7	-56.3
Surplus value				
Intangible assets	25.4	47.7	45.6	118.7
Tangible assets	-	-	6.8	6.8
Deferred tax	-	-1.7	-1.0	-2.7
Total purchase price	25.5	66.4	74.1	166.0
Unsettled purchase price commitment	-3.6	-	6.1	2.5
Cash and cash equivalents in acquired companies	-	18.2	22.3	40.5
Effect on the Group's cash and cash equivalents	29.1	48.2	45.7	123.0

Acquisition of minority share

During the period, SWECO acquired the remaining 70 per cent of the Finnish architecture firm of Paatela – Paatela & Co Oy, according to the previous agreement. The company was already classified as a subsidiary. The purchase price, which is partially dependent on the company's future development, has been estimated at SEK 12.3 million, of which SEK 9.7 million has been paid. According to the preliminary acquisition analysis, the acquisition will increase the Group's intangible assets by SEK 2.4 million and reduce the minority share in equity by SEK 9.9 million. SWECO has also acquired outstanding minority shares from other subsidiaries for SEK 0.6 million.

Acquisitions after the end of the reporting period

After the end of the reporting period, SWECO acquired Autosolvia AB, JAPS Elektronik AB and EuroFutures AB, with a combined total of 80 employees. The acquired companies have annual sales of around SEK 82 million with an operating profit of around SEK 9 million. At the time of acquisition the companies had assets of approximately SEK 37 million, of which around SEK 7 million consisted of cash and cash equivalents. Liabilities in the acquired companies amounted to approximately SEK 21 million. The combined purchase price was SEK 67 million. According to a preliminary acquisition analysis, the acquisitions will increase the Group's intangible assets by around SEK 51 million. The acquisition transactions generated a net cash outflow of approximately SEK –54 million.

Five-year summary¹

	2006	2005	2004	2003 ²	2002 ²
Net sales, SEK M	3,894.7	3,372.2	3,141.4	2,211.4	2,062.7
Operating profit, SEK M	361.9	271.6	208.6	96.8	95.2
Profit before tax, SEK M	364.4	351.2	222.3	119.5	103.2
Operating margin, %	9.3	8.1	6.6	4.4	5.0
Billing ratio: %	75.3	74.2	72.1	68.9	69.2
Return on equity, %	29.9	35.3	26.7	16.8	12.2
Return on capital employed, %	38.2	38.1	27.7	19.6	19.4
Equity/assets ratio, %	40.8	43.2	38.1	32.4	43.0
Earnings per share, SEK					
- Before dilution	15.02	15.88	9.42	5.66	4.31
- After dilution	14.94	15.87	9.32	5.59	4.24
Dividend per share, SEK ³	7.50	5.50	4.00	3.00	2.50
Extra dividend per share, SEK ³	8.50	10.00	-	-	4.50
Average number of employees	3,986	3,626	3,445	2,437	2,305

1) The definitions of key ratios are unchanged and can be found in SWECO's annual report for 2005.

2) 2002 and 2003 are not covered by IFRS but are reported according to the then applicable accounting standards.

3) Proposed dividend for 2006.