SWECO ANNUAL REPORT 2015

SWECO

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GREEN NEWS

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WE WORK CLOSER TO YOU – AND TO THE FUTURE

The future may seem remote to others, but it is very much alive at Sweco. Our building service systems consultants are currently working on the indoor environment for a new hospital that will be admitting patients in five years' time. Our traffic engineers are analysing a new underground metro line that will open to passengers in ten years. And our architects are designing what will be a vibrant, dynamic new city district in around 15 years. It is Sweco's job to be one step ahead. The results of our work become the future reality for others.

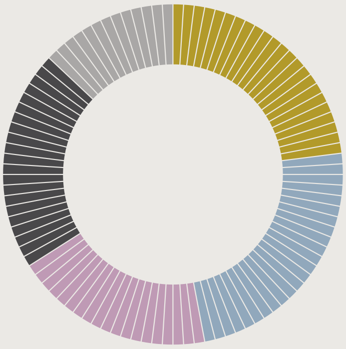
Come to Sweco with high expectations. We want to be your most approachable and committed partner, with recognised expertise. It's easy to do business with Sweco, and we do our utmost to understand your needs better than anyone else. We deliver expertise tailored to your situation. Whatever challenge you're facing, you can count on Sweco to solve it.

Sweco plans and designs the communities and cities of the future. The results of our work are sustainable buildings, efficient infrastructure and access to electricity and clean water. With 14,500 employees in Europe, we offer our customers the right expertise for every situation.

EUROPE'S LEADING CONSULTANCY FOR FUTURE COMMUNITIES AND CITIES

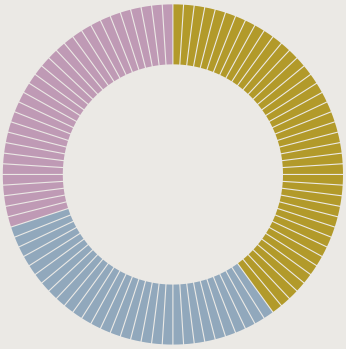
- Sweco reported its strongest underlying full-year results to date. Net sales increased 24 per cent.
- The acquisition of Grontmij, with 6,000 employees, was concluded and the integration initiated.
- Sweco is the leading engineering and architecture consultancy in Europe, with 14,500 employees and annual net sales of SEK 16 billion (pro forma 2015).
- The acquisition of Grontmij is a natural step in a strategy that has produced successful growth through the years and is now positioning Sweco to continue growing for a long time to come.
- The market for Sweco's services is good overall, and the trend is stable.
- Sweco's experts have been commissioned for some of the largest urban projects in modern times. Projects span everything from next-generation railways and designing Sweden's and Finland's largest pulp mills to water treatment for growing cities and designing several hospitals throughout Europe.

CUSTOMERS
Sales by customer category in 2015, %



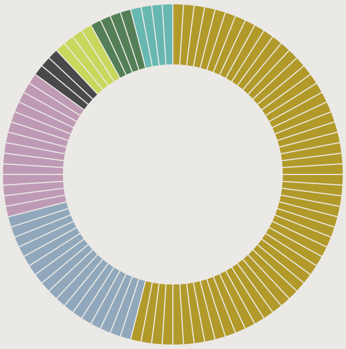
- Public administrations and agencies, 23 (24)
- Industrial companies, 24 (21)
- Municipal and county governments, 19 (21)
- Other private sector companies, 21 (19)
- Housing, real estate and construction companies, 13 (15)

SERVICES
Share of consolidated sales in 2015, %



- Buildings and urban districts, 40 (41)
- Water, energy and industry, 30 (29)
- Transport infrastructure, 30 (30)

NET SALES BY BUSINESS AREA
Share of consolidated sales in 2015, %



- Sweco Sweden, 54
- Sweco Norway, 17
- Sweco Finland, 14
- Sweco Denmark, 3
- Sweco Netherlands, 4
- Sweco Western Europe, 4
- Sweco Central Europe, 4

PROFIT AND KEY RATIOS, SWECO GROUP

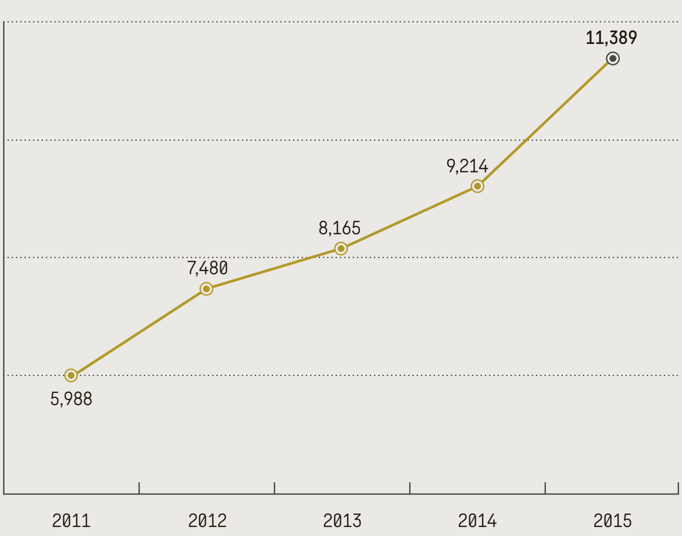
	2015	2014
Net sales, SEK M	11,389	9,214
EBITA excl. extraordinary items, SEK M	991	826
EBITA margin excl. extraordinary items, %	8.7	9.0
EBITA, SEK M	740	814
EBITA margin, %	6.5	8.8
Profit before tax, SEK M	640	718
Billing ratio, pro forma, %	74.2	73.4

	2015	2014
Net debt/Equity, %	34.4	66.9
Net debt/EBITDA	1.8	1.3
Earnings per share, SEK[2]	4.36	5.74
Equity per share, SEK[2]	40.98	19.89
Distribution to shareholders, per share, SEK[2]	3.50[1]	3.37
Number of full-time employees	10,188	8,535

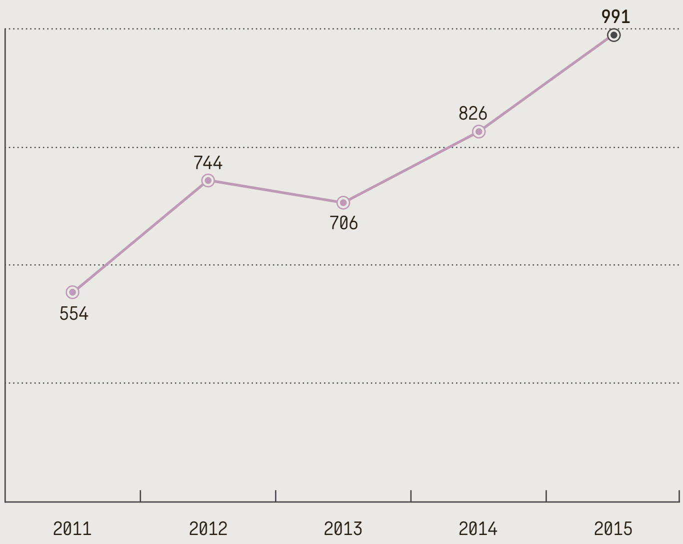
1) Proposed dividend of SEK 3.50 per share.

2) Historical share data is restated in accordance with IAS 33 in view of the preferential rights issue conducted during Q4 2015.

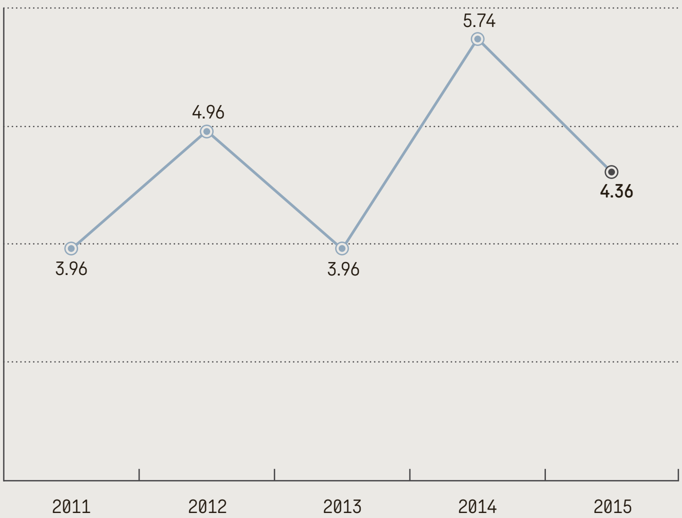
CONSOLIDATED NET SALES, SEK M



EBITA EXCL. EXTRAORDINARY ITEMS, SEK M

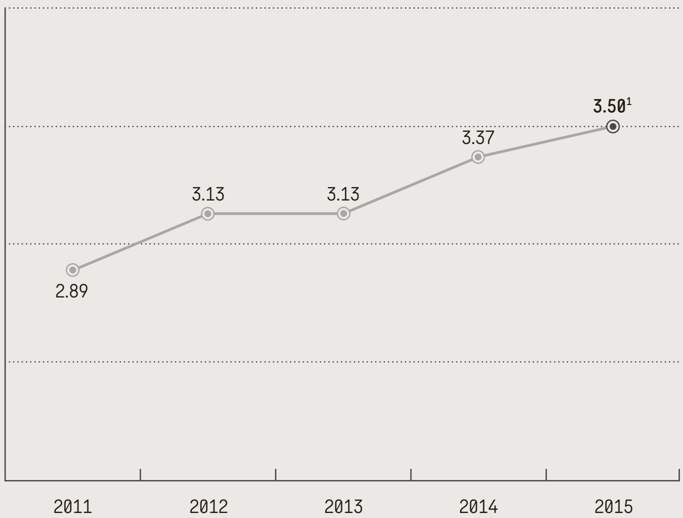


EARNINGS PER SHARE, SEK



Historical share data is restated in accordance with IAS 33 in view of the preferential rights issue conducted during Q4 2015.

DIVIDEND PER SHARE, SEK



Historical share data is restated in accordance with IAS 33 in view of the preferential rights issue conducted during Q4 2015.

1) Proposed dividend of SEK 3.50 per share.

GIANT STEP FORWARD IN EUROPE

2015 was the year that Sweco, in one huge step, became the European market leader. The acquisition of Grontmij is a milestone that positions Sweco for continued growth for a long time to come. It is logical, grounded in a well-prepared plan, and has already produced results.

Grontmij is by far Sweco's largest acquisition to date. It is also a natural step in a strategy that has produced successful growth through the years and is now positioning Sweco to continue growing for a long time to come. We believe in Europe and in the continued development needs of growing cities. We are growing in our own neighbourhood rather than in growth markets in other parts of the world. Sweco's model works best in Northern Europe. Mature, strong and stable markets that buy high knowledge-content services are well-suited to our business.

We also see clear potential in terms of continued consolidation. The capacity to grow through acquisitions has taken Sweco to leading positions, first in Sweden and then in the Nordic region. As European leader, we are now meeting several markets that are still quite fragmented. By striking a good balance between organic growth and acquisitions, Sweco will hold a leading position in all of our markets over the long term.

The process leading up to the acquisition proceeded according to plan. At the close of the public bid process, 97.4 per cent of Grontmij's shareholders had accepted the bid. We quickly received approval from all competition authorities, de-listed the Grontmij share and conducted a fully subscribed preferential rights issue. Grontmij has been part of Sweco since 1 October 2015, and the acquisition is now fully completed.

Integration planning began long before the acquisition was settled, and that produced results. We have already changed brand in several countries, consolidated head offices and checked the first common IT system off the list. We expect to achieve annual synergies of SEK 250 million within four years' time. Our first priority going forward is the continued successful integration of Grontmij.

Sweco and Grontmij complement each other – not only in terms of geographic presence, but also similar corporate cultures and recognised expertise. Work has begun to improve Grontmij's results, based essentially on simplicity, increased customer focus and internal efficiency – in other words, the same well-tested methods that have made Sweco successful. Sweco's decentralised organisation has been creating engaged employees, satisfied customers and profitable growth for many years.

RECORD PROFIT AND A RECORD ACQUISITION – IN PARALLEL

Sweco achieved record profits in 2015 – while simultaneously acquiring and initiating integration of our biggest acquisition to date.

The market for Sweco's services is good overall and the trend is stable. The Swedish market is strong. The Norwegian market is good but has weakened. Markets in our business areas Denmark, Western Europe and Central Europe are good and are developing positively. Markets in Finland and the Netherlands remain challenging.

The Swedish operations, Sweco's largest by far, performed well. When customers from the pulp and paper industry make major investments and select Sweco as partner, this is solid confirmation of approachable and committed, customer-oriented experts at their very best. Two years have gone by since Vectura became part of Sweco – an acquisition that contributed significantly to Sweco's current assignments designing Sweden's first high-speed railway and the Norwegian rail triangle for the rapidly growing City of Oslo. Sweco is now involved as expert in designing railways of the future at several locations throughout the Nordic region.

Strong leadership becomes more important during market slumps. The Norwegian market remains good, but has weakened. Just as Norwegian society is adapting to the effects of lower oil prices, Sweco is also adapting its operations in Norway. With a new president at the helm, experienced in leading companies in fluctuating market conditions, Sweco is taking the necessary steps to ensure profitability.

Finland has not seen real GDP growth for several years. The fact that the Finnish operations increased its sales despite an extremely challenging market is confirmation that the Finnish organisation is functioning well. When the most important urban projects do come along, it is Sweco who wins the contracts.

SUCCESS LIES IN OUR OWN HANDS

We cannot control market fluctuations, but we can ensure that we make the most of the circumstances. Good results come from working hard every day and knowing that every customer meeting and every delivery counts. In Central Europe, continual improvements produced strong results, although demand remains weak in several markets. We decided to withdraw from Russia and Slovakia during the year.

Since 1 October, the number of business areas has increased to seven with the addition of the Netherlands, Denmark and Western Europe. Both the Netherlands and Denmark have been impacted by a longer period of declining economic performance. In Denmark, changes have been implemented to improve internal efficiency, and profits improved during the latter part of the year.

Although the Dutch market remains weak, Sweco Netherlands has great potential due to its recognised expertise. The way forward will pass through a new decentralised, customer-focused organisation with lower administrative costs. Measures will continue in 2016, and the capacity to improve profitability will be in place during 2017.

The market for Western Europe is satisfactory on the whole, and the operations developed stably during the year.

Being European leader presents even more opportunities. Tomorrow's cities need a skilled advisor. There is widespread consensus on the societal trends that are setting the ground rules for the future – these involve climate change, urbanisation and IT development. This highlights the need for new solutions for the future. Flood protection for coastal cities, more housing and expanded public transport in growing urban areas, and the transition from analogue to connected cities – Sweco manages these types of challenges for its customers every day. With nearly 15,000 experts, Sweco is an advisor on society's development with unique expertise that shapes the communities and cities of the future.

Stockholm, February 2016

Tomas Carlsson
President and CEO

TALENTED CONSULTANTS ARE THE DRIVING FORCE BEHIND URBAN DEVELOPMENT

Societal trends that are setting the ground rules for the future include climate change, urbanisation and IT development. This highlights the need for new solutions. Sweco is well-positioned to be the first choice of customers and employees for planning and designing communities and cities of the future.

SOCIETY

Globalisation – balance between universal solutions and distinctive local features
National borders are becoming less important in terms of labour force, information and ideas. For cities, this involves some degree of standardisation, with universal solutions that are sustainable and cost efficient. At the same time, every city and district has its own unique characteristics that need to be addressed intelligently. Balance needs to be maintained between global opportunities and local characteristics.

Urbanisation – tomorrow's cities need more of everything
The pace of urbanisation is increasing throughout the world. Tomorrow's cities need more of everything. Attractive places to live and work require sustainable, integrated solutions for housing, transport systems, energy and water.

IT development – smarter cities with correct use of information
Society is increasingly connected and interconnected, presenting opportunities to use resources more efficiently and to optimise traffic and energy flows, among other things. To create value, huge amounts of data need to analysed and used tangibly in the appropriate way. This involves everything from simplifying road maintenance with real-time data to creating broader-based decision-making data through digital citizen dialogue.

Climate change – the right solutions limit emissions and adapt society
The past three decades have been the warmest since the 1850s. Changes in precipitation patterns, higher temperatures and extreme weather are increasingly common. These new conditions call for sustainable solutions that reduce climate impact and adapt society to a changing climate.

CUSTOMERS

Streamlining – consultants as advisors
An increasing number of Sweco's customers are moving away from having in-house technology departments and are focusing on their core business. This trend, which has been underway for many years, is galvanising the technical consulting sector as a whole. Consulting engineers are now playing a key role in all aspects of the development of society. Customers need consultants who create solutions based on the external environment's challenges and opportunities.

An international market – advantageous for consultants to be both large-scale and local
Customers today do not allow themselves to be limited by the selection of local consultants. It is essential to have access to the right expertise – even if it's located across the globe. Similarly, it is important to the customer that the consultant working on the project understands the unique characteristics of the particular city or district. Consultants who offer local presence combined with international strength are in high demand.

EMPLOYEES

A meaningful job – important to help shape society
Engineers and architects have the expertise it takes to plan and design tomorrow's cities and communities in a positive direction. The knowledge that their work produces meaningful results is an important driving force for consultancy firm employees.

Personal development – through customers, colleagues and challenging projects
An environment in which customers have high expectations and colleagues collaborate and share knowledge creates an attractive and dynamic work environment. Working as a consultant means working on projects, which is itself synonymous with personal development. Participating in the most challenging projects involves maximum personal development.

THE INDUSTRY

Competitive situation – market leader is the first choice for customers and employees
The consulting engineering sector has long been characterised by consolidation. Acquisitions create large international players that can offer a wide range of specialised expertise. Holding a leading position in each local market is a key factor in becoming the first choice for customers and employees.

Specialisation – advisors with a unrivalled knowledge bank
The consultant's role is evolving as customers focus increasingly on their core business. This produces added value that did not exist when each customer did the job in-house. Consultants who design everything from schools and hospitals to roads and power plants – not just occasionally, but on a daily basis – build a knowledge bank that is unparalleled in society. The consulting firms that offer recognised expertise within a wide range of areas will be key advisors for tomorrow's communities and cities.

BEST RESULT AND LARGEST ACQUISITION – DURING THE SAME PERIOD

Sweco's 2015 results were the strongest to date. In parallel with this, Sweco conducted the major acquisition of Grontmij, with 6,000 employees. Sweco is now the European market leader, with 14,500 employees and operations in seven geographically based business areas.

SWEDEN **INTEGRATION AND RECORD RESULTS, IN PARALLEL**
– What a record year it's been! We welcomed 600 new colleagues while also delivering our best results to date. Our ability to maintain our strong customer focus and perform at a high level while simultaneously implementing a major integration signifies a great deal. The market is strong, and we were commissioned for several major projects during the year. In Stockholm, we will be planning the city's future wastewater treatment to ensure a clean water supply even as the population grows and the climate changes.

Åsa Bergman, President Sweco Sweden

NORWAY **FOCUS ON INFRASTRUCTURE AS THE MARKET TRANSITIONS**

– The Norwegian market is good, but has weakened. Just as Norwegian society is adapting to the effects of lower oil prices, Sweco is also adapting its operations in Norway. Efforts to improve profitability are proceeding. It became evident during the year that Sweco is attaining an increasingly strong position in Norway within infrastructure. Oslo is Europe's fastest-growing capital city, and we are seeing sharp demand related to this. We are currently modernising several railways that will strengthen communications in the capital.

Grete Aspelund, President Sweco Norway

FINLAND **CUSTOMER FOCUS PRODUCES RESULTS IN CHALLENGING MARKET**

– The Finnish market remains challenging. Even so, we succeeded in increasing sales and generating good organic growth. We achieved this through our recognised expertise and by striving to always be the best at understanding and meeting the needs of every customer. This produces results. We were engaged during the year for several important projects that strengthen and develop society, such as managing the construction of Helsinki's new metro and the planning and design of a major new hospital. We also have a lead role in the design and planning of a next generation bioproduct mill.

Markku Varis, President Sweco Finland

The acquisition of Grontmij is a milestone that positions Sweco for continued growth for a long time to come. Under Sweco's growth strategy, operations are conducted in mature markets in Northern Europe with the objective of holding a leading position in each local market. With its decentralised, customer-focused operations, Sweco aims to be the first choice for customers and employees.

DENMARK INCREASED INTERNAL EFFICIENCY AND IMPROVED PROFITABILITY

– We saw a gradual strengthening of the market during the year. This resulted in our being commissioned for several important construction and real estate as well as infrastructure projects. We are now involved in expanding the Frederikshavn port facility, one of Jutland's busiest ports. The year was also distinguished by the changes we implemented to improve internal efficiency. Profit was strong during the latter part of the year.

John Chubb, President Sweco Denmark

NETHERLANDS NEW CUSTOMER-FOCUSED ORGANISATION CREATES POSITIVE CONDITIONS

– The market in the Netherlands remains challenging. As of 1 October we have been implementing measures to adapt the organisation to market conditions. A new decentralised, customer-focused organisation with lower administrative costs has been introduced. Thanks to our recognised expertise within infrastructure and energy, we have been commissioned for projects including the renovation of Holland's gas distribution infrastructure. We are also working on improving navigability for freight transport on two Dutch rivers.

Ton de Jong, President Sweco Netherlands

WESTERN EUROPE CUSTOMER-FOCUSED SWECO MODEL IS THE WAY FORWARD

– Earnings improved during the year, mainly due to good growth in the UK. London's construction and real estate sector is strong, and we are now involved in developing and modernising several tall buildings and skyscrapers. The Belgian market is also strong. Sweco's model – with its strong customer focus, internal efficiency and decentralised organisation – is the way forward.

Bo Carlsson, President Sweco Western Europe

CENTRAL EUROPE RECOGNISED EXPERTISE FOR TOMORROW'S INFRASTRUCTURE

– Initiatives to improve internal efficiency and customer focus have produced strong results in Central Europe, despite continued weak demand in several markets due to delayed EU investments. During the year we decided to withdraw from Russia and Slovakia. The German market is good and is developing positively. We play a prominent role in designing tomorrow's infrastructure and are working on several projects to improve rail, air and road traffic.

Ina Brandes, President Sweco Central Europe

THE MOST APPROACHABLE EXPERTS ARE ENTRUSTED TO SHAPE THE FUTURE

Sweco aims to take a leading position in the markets where we choose to operate. We do this so that our customers have access to the most approachable and committed experts. Sweco's growth platform is Northern Europe, where our skilled consultants are entrusted to plan and design tomorrow's communities and cities.

CUSTOMER FOCUS

Whatever the challenge, count on Sweco to solve it
Sweco's customers should have high expectations. We promise to be their most approachable, committed partner, with recognised expertise. By this we mean that we are easy to work with, truly committed to our customers' needs, and that we offer the right expertise for every situation. Challenges change, but our customers can always count on Sweco to solve the particular one they're facing.

Sweco is distinguished by simplicity. With its decentralised organisation, each consultant is fully focused on his or her own customers. We measure customer satisfaction levels on a regular basis. This allows us to strengthen our relationship with each customer and, over time, to ensure even better results.

Sweco's goal is to hold a leading position in all the markets where we operate. We take an active role in the consolidation of the industry with the aim of being the first choice for customers and employees. With the acquisition of Grontmij we gained additional home markets in Northern Europe, creating a platform for continued growth for many years to come.

Sweco's leading position gives our customers access to the broadest-based specialist expertise. With 14,500 experts, Sweco is an advisor on society's development with unique expertise that shapes the communities and cities of the future.

INTERNAL EFFICIENCY

Profitable growth always begins with satisfied customers
Sweco is made up of the expertise, commitment and customer relationships of its employees. Good results are produced by working hard every day and knowing that each customer meeting and each delivery counts. By using time and resources prudently, Sweco is able to increase both value for customers and the company's profitability.

Profitable growth remains one of Sweco's distinguishing characteristics. This always starts with satisfied customers. When our customers are satisfied, we can continue to grow and invest in developing our employees and the company – which in turn results in satisfied customers.

Billing ratio is a key parameter for continuously evaluating demand for our services in the market. It also shows how effectively Sweco is using its resources. Highly sought-after consultants produce high billing ratios.

EMPLOYEES

The most approachable and committed employees
Every Sweco employee strives to understand and meet the needs of his or her customers better than anyone else. Sweco stands out from the crowd by having the most approachable and committed experts. Sweco offers a unique breadth of specialist expertise. Our ambition to always offer the right expertise is also a pillar of Sweco's acquisition strategy.

Not just anyone can be entrusted to plan and design tomorrow's communities and cities. It needs to be someone who truly understands the challenges and opportunities faced by society – and someone who produces solutions. With 14,500 experts throughout Europe, we are well-equipped to solve all of our customers' challenges.

It's easy to do business with Sweco. We are where our customers are, with the local knowledge needed to identify the right solutions. We are told that what distinguishes Sweco is that our consultants are given full responsibility for their assignments early on. We do not find this strange. If you recruit committed, skilled people, they should be given the authority to do a good job. Our decentralised model remains the foundation of how we do business at Sweco.

VISION

To be Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture.

CUSTOMER PROMISE

To be the most approachable and committed partner with recognised expertise.

PROFITABILITY TARGET

Sweco's target is an EBITA margin of at least 12 per cent.

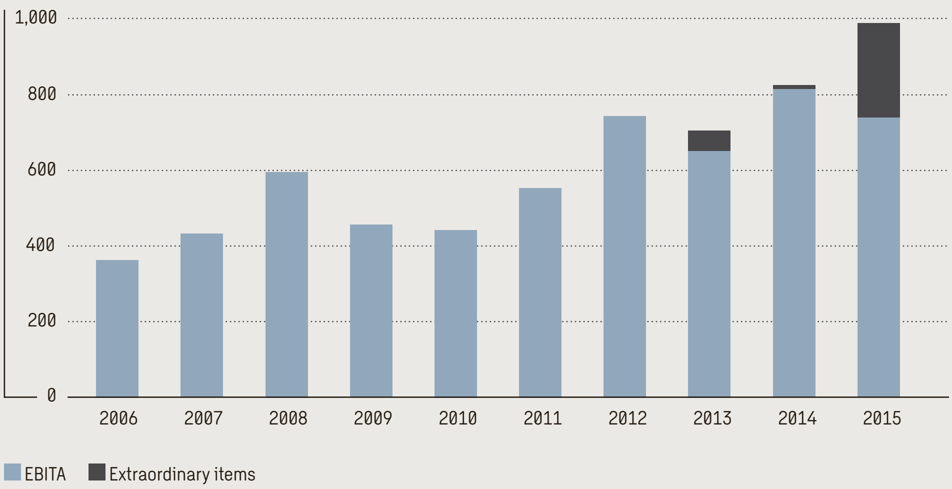
FINANCIAL STRENGTH

Sweco aims to maintain a net debt position over time. Sweco's net debt should not exceed 2.0 times EBITDA.

DIVIDEND POLICY

At least half of profit after tax shall be distributed to the shareholders. The company must maintain a capital structure that permits development of and investments in the company's core business.

EBITA, SEK M



SWECO AND GRONTMIJ – STRATEGY BECOMES REALITY

With one move, Sweco has become the European leader. Grontmij is by far Sweco's largest acquisition to date. It is also a natural step in a strategy that has produced successful growth over the years, and that now positions Sweco to continue growing for many years to come.

On 1 June 2015 Sweco announced its intention to acquire Grontmij, a consulting engineering company with 6,000 employees and headquarters in the Netherlands. Following a public bid process, the company became part of Sweco on 1 October 2015. Sweco is now the leader in the European market, with 14,500 employees and annual sales of SEK 16 billion (pro forma 2015).

The acquisition of Grontmij is a milestone that positions Sweco for continued growth for a long time to come. Under Sweco's growth strategy, operations are conducted in mature markets in Northern Europe with the objective of holding a leading position in each local market. With its decentralised, customer-focused operations, Sweco aims to be the first choice for customers and employees.

COMPLEMENT EACH OTHER PERFECTLY

Sweco and Grontmij are a virtually perfect match – operationally, geographically and culturally.

Sweco's 100-plus acquisitions over the past decade have been driven by the goal of always offering our customers the right expertise for every situation. With Grontmij, Sweco has expanded dramatically in Europe and offers the industry's broadest specialist expertise. Together, we are taking an even more prominent role in planning and designing tomorrow's communities and cities.

Through the acquisition, Sweco acquired three additional business areas covering countries such as the Netherlands, Denmark, the UK and Germany. With the new organisation, Sweco holds leading positions in six European countries. At the same time, several of the Northern European markets are highly fragmented. Sweco has taken an active role in consolidating Nordic consulting engineering companies, and a similar development is possible in the new markets. Sweco therefore sees good long-term opportunities for complementary acquisitions to strengthen our positions.

Sweco and Grontmij have similar corporate cultures. Both companies are known for their expertise and for being easy to work with. These qualities will continue to be strengthened. Local presence and an in-depth understanding of each customer's specific needs are the only keys to real success – even when you are largest in Europe.

LOGIC BASED ON SYNERGIES AND PERFORMANCE

Synergies and operational improvements are the key elements of the logic behind the acquisition. These involve IT, head offices and administration – areas presenting clear benefits for large companies. In operational terms, underperforming parts of the operations will be adapted to Sweco's business model. Sweco is dedicated to being the most approachable and committed partner, with recognised expertise. The acquisition is expected to generate annual synergies of SEK 250 million within four years.

In order to grow through acquisition, a company needs to be serious about integration. Planning for the Grontmij integration began long before the acquisition was settled. This produced results. Sweco has already changed brand in several countries, consolidated head offices and checked the first common IT system off the list. The careful yet effective merging of two companies, where the sum is greater than its parts, is something Sweco has developed into a core competence.

COMMITTED EMPLOYEES WITH THE RIGHT EXPERTISE IN ALL SITUATIONS

Sweco stands out from the crowd by having the most approachable and committed experts. This is why our customers entrust us to plan and design the best solutions for communities and cities of the future. With the acquisition of Grontmij, Sweco offers the broadest specialist expertise in Europe.

Sweco welcomed 6,000 smart new colleagues during the year. As a result of the Grontmij acquisition, our employees are able to take on even more complex and challenging projects.

Sweco and Grontmij complement each other perfectly. Both companies are known for their expertise and for being easy to work with. Together, we sell knowledge. We don't build houses and we don't lay cable. What we offer our customers is the expertise, experience and commitment of our employees. Nearly all of Sweco's employees hold university degrees in architecture or engineering.

Not just anyone can be entrusted to plan and design tomorrow's communities and cities. It needs to be someone who truly understands the challenges and opportunities faced by society – and someone who produces solutions.

EMPLOYEES WITH THE AUTHORITY TO MAKE THE CUSTOMER HAPPY

Sweco's employees are united by a driving motivation to make a real difference to those we work for. Regardless of whether we're working on a bicycle path, a district heating plant or a new residential district, our customers must always feel confident that Sweco has understood and can meet their needs to achieve the best possible end result.

We make it easy to work with Sweco. We are told that what distinguishes Sweco is that our consultants are given full responsibility for their projects early on. This is entirely natural for us. If you recruit approachable and committed, responsible, highly skilled people, they should be given the authority to make the decisions that produce the right end result for the customer.

DEVELOPMENT AT SWECO IS NOT JUST A POSSIBILITY – IT'S A REQUIREMENT

Sweco needs to always offer its customers the right expertise. Development at Sweco isn't just a possibility – it's a requirement. Constantly evolving and being the best at meeting our customers' needs is a prerequisite for Sweco's continued existence and success. Only then do our customers entrust us with the most challenging assignments. Profitable growth, satisfied customers and motivated employees are all connected. Sweco's employees are passionate about being part of the most exciting projects. By working with attractive projects, Sweco becomes an attractive employer and has access to more skilled employees. This allows us to continue offering our customers the right expertise, resulting in more satisfied customers and opportunities to continue growing and developing.

Sweco is a company that shapes the leaders of tomorrow. Identifying talented people and giving them the opportunity to succeed has always been a crucial component of Sweco's corporate culture. As a result, most of the company's managers are recruited internally. Annual employee surveys give high marks to Sweco's managers and highlight the ability to develop the business as well as employees.

LIFE AS A SWECO EMPLOYEE

Career paths. The primary career paths at Sweco are line manager, specialist and project manager.

Sweco Academy. Comprehensive term for our joint training programmes. Includes everything from introductory training for new employees to management training.

Sweco Talk. Our process for guaranteeing that each employee's work efforts and personal development are monitored carefully and thoroughly every year.

Sweco Employee Survey. Annual employee survey, used to further develop the business.

Talent Review. Our process for identifying Sweco employees who have the potential to take on greater responsibility.

RESPONSIBILITY IS A PREREQUISITE FOR LONG-TERM SUCCESS

Sweco's decentralised organisation results in maximum customer understanding and also sets high standards for individual business ethics awareness. Every Sweco employee is required to comply with applicable laws, regulations and our own business ethics guidelines. We also set high standards for our business partners.

Being an ethical and responsible company is an explicit prerequisite for long-term success. As experts in planning and designing tomorrow's communities and cities, we need to set high standards – for ourselves, naturally, but also for the people we work with. This involves taking responsibility for the projects we carry out and the business methods we use. We also set high standards for our business partners. For instance, we work only with business partners who have business ethics standards on par with our own, just as we work only with projects that we consider to have been procured correctly with regard to business ethics. Sweco's customers, employees and shareholders can rely on our ability to run the business in a transparent, responsible way.

Sweco is a decentralised company. In our daily work with customers, each of our employees assumes major responsibility for their specific projects. This generates good customer understanding, and also places high demands on individual awareness and our procedures. This is why Sweco has a framework of business ethics guidelines. It helps Sweco's employees become familiar with the rules, and enables them to act appropriately. All Sweco employees sign Sweco's CSR Policy and Code of Conduct and undergo training in business ethics. Sweco's business areas may also have supplementary guidelines based on local regulations. Business ethics awareness underpins the entire operations. It is a standing item on management group meeting agendas, and CSR risks are reported to Sweco's Board of Directors on a quarterly basis.

Sweco's engineers and architects work on projects that impact society and people's everyday lives – things like efficient public transport, access to electricity and clean water, and sustainable buildings. End results are important, as are the methods we use to achieve them. Transparency and accountability are prerequisites for continued success.

SWECO'S BUSINESS ETHICS FRAMEWORK

Sweco's **CSR Policy** forms the basis of Sweco's business ethics framework. Among other things, it clarifies that Sweco has zero tolerance for bribes, corruption, fraud and unpermitted competition-restricting practices.

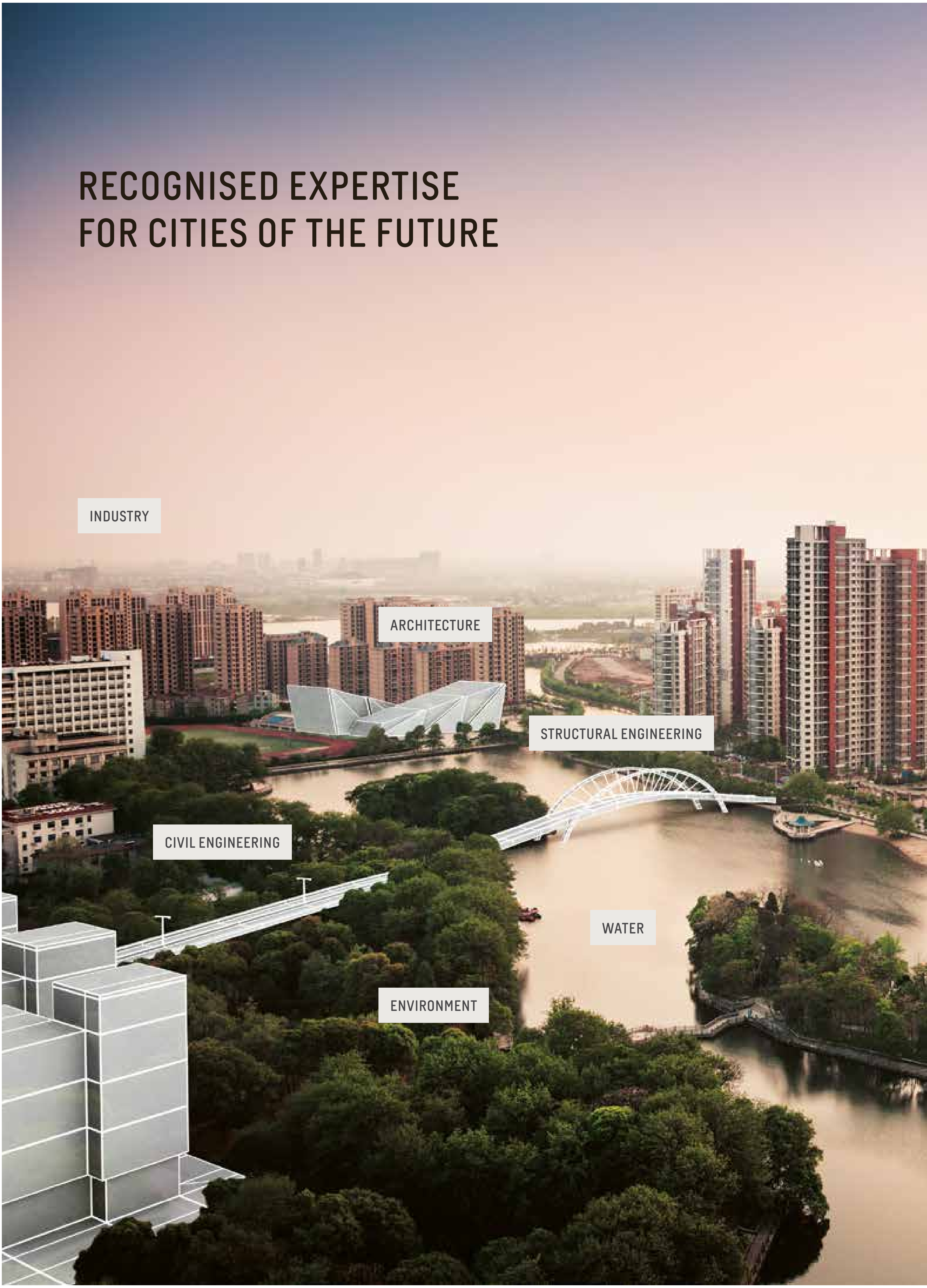
Sweco's **Code of Conduct** is the collective ethical guidelines to ensure responsible conduct on the part of Sweco's employees and business partners.

Sweco has guidelines for **anti-corruption and bribes, gifts and business entertainment, and sponsorship**. All employees are responsible for familiarising themselves and complying with these guidelines.

Sweco Ethics Line is a phone- and web-based service that provides the option of anonymously reporting suspected non-compliance with business ethics standards.

Sweco's procedures for risk management with regard to tenders regulates whether or not Sweco will submit a tender for an assignment and ensures responsible conduct throughout the course of the assignment.

RECOGNISED EXPERTISE FOR CITIES OF THE FUTURE



Tomorrow's communities and cities are facing changes related to climate adaptation, urbanisation and digitalisation – changes that can only be managed by an experienced advisor with recognised expertise. The results of Sweco's work are sustainable buildings, efficient infrastructure and access to electricity and clean water. With 14,500 engineering, environment and architecture experts, we offer our customers the right expertise for every situation.

BUILDINGS AND URBAN AREAS

Never before have the cities of the world been growing as quickly as today. Regardless of whether it's a brand new city district or a building in need of modernisation, having a holistic perspective is imperative. Sweco plan and designs buildings and city districts with the aim of being aesthetically pleasing, energy efficient and safe, as well as having a comfortable atmosphere. Working closely alongside our customers is key to a successful outcome. We always want to be the best at understanding our customers' needs and will not rest until the very last detail is in place.

ARCHITECTURE

Sweco's architects design buildings and environments for people to live, work and thrive in.

Examples of services:
- General architecture
- Landscape architecture
- Interior architecture

BUILDING SERVICE SYSTEMS

Sweco's building service systems consultants create comfortable indoor climates in cities' buildings and facilities.

Examples of services:
- Energy analysis and environmental certification
- Design of electrical, telecom and security systems
- Fire safety engineering and risk analysis
- HVAC and sanitation

STRUCTURAL ENGINEERING

Sweco's structural engineers create buildings with a focus on safety and functionality, with load-bearing structures that harmonise with the design, the indoor environment and the customer's business.

Examples of services:
- Steel, timber and glass structures design
- Building construction design
- Industrial structures design
- Construction economics

URBAN PLANNING

Sweco's urban planning experts harness the possibilities of tomorrow, providing everything from analyses and forecasts, to completed master plans for new city districts.

Examples of services:
- Statistics and forecasts
- Analysis and strategy
- Studies
- Planning and design

PROJECT MANAGEMENT

Sweco's project managers are the link between the customer's vision and the tangible implementation of complex urban development projects.

Examples of services:
- Project and design management
- Property development and management
- Site supervision

IT

Sweco's IT experts manage and process data produced by the city, to streamline everything from transportation to water flows.

Examples of services:
- Systems development and big data,
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support

NEW TERMINAL FOR MORE
AIRLINE PASSENGERS

Frankfurt is one of Europe's most heavily trafficked airports and is in need of a larger central terminal to manage the rising number of passengers. Sweco is in charge of designing a new terminal, and is also a member of a partnership that is tasked with planning and designing a new road that will connect with the new terminal.

TOWERS GIVE HELSINKI NEW SKYLINE

A transformation is under way in the Fiskehamnen district of Helsinki. The idle port area will be completely transformed by 2023, when 20,000 people will live there. Part of the transformation involves creating the new REDI lifestyle centre, which features soaring towers that create a new skyline. Sweco is the principal structural engineer for the innovative urban development project, and is designing buildings of up to 35 stories.

HOUSING NEXT TO NATURE IN NEW TERRAIN

In a Stockholm plagued by a housing shortage, 17 wooden link-detached houses will be completed by autumn 2016 on a previously undeveloped site. Sweco's architects have developed the innovative housing area in southern Stockholm in collaboration with a modular housing supplier. Sweco's landscape architects have used the surrounding greenery to create a proximity to nature throughout the area. The houses will be open plan and have access to light through a narrow opening that runs throughout the house.

KIRUNA RELOCATED USING VIRTUAL MODEL

When relocating the entire northern Swedish city of Kiruna to provide more space for mining, the city commissioned Sweco. The massive undertaking for Sweco includes designing the infrastructure, energy supply and water access for the entire city. To gain a broader perspective and support the local development, Sweco has created a virtual city model to represent an ideal city for the arctic climate. The model envisions tomorrow's Kiruna as a sustainable and interwoven city, where nature is never more than three blocks away.

NEW OFFICE BUILDING WITH ENVIRONMENTAL FOCUS

The new Gullfaks office building in the Norwegian city of Stavanger will soon be completed. Using its HVAC and sanitation and electrical engineering expertise, Sweco can meet the customer's ambitious environmental goal: an "excellent" rating under BREEAM NOR's sustainable buildings classification. Despite featuring 18,000 square metres of floor space, low energy consumption and a pleasant indoor climate have been achieved by using an airtight outer shell, district cooling from the nearby fjord, central heating and two indoor atruims. In keeping with a sustainable future environment, space for electric cars and bicycles has been included.

STOCKHOLM GROWING VERTICALLY

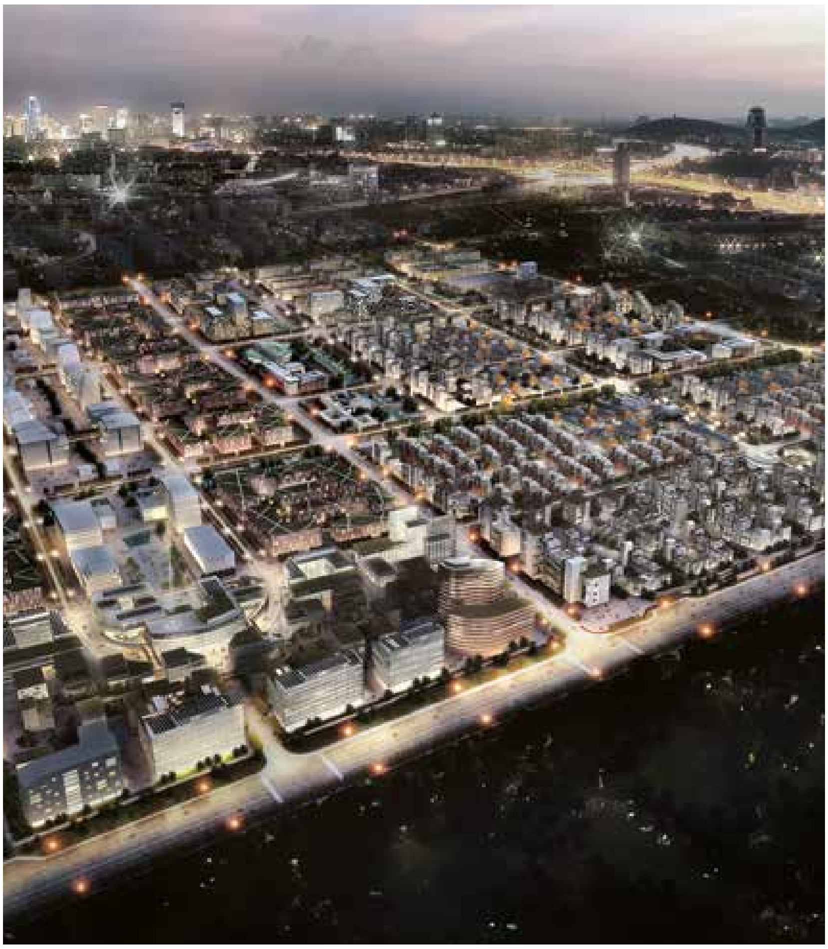
Big cities continue to grow vertically and in the new Hagastaden district of Stockholm, the Norra Tornen towers measuring more than 100 metres high are being planned. Sweco has been put in charge of the complex structural engineering of the first tower and has an option for the second one. The towers' height and columned facades are challenges that require an advanced pile foundation. When the first tower is completed in 2018, it will house both public spaces and residences, and give Stockholm a new Skyline.

INNOVATIVE HOSPITAL HALVES ENERGY COSTS

Half the energy consumption of a standard hospital. The new psychiatric building that Sweco is creating for Linköping University Hospital in Sweden will feature record-setting energy performance. The 30,000-square metre building will be one of very few passive buildings of that size. A substantial share of the energy will come from solar panels on the roof, and particularly robust insulation enables a comfortable temperature to be achieved from just the heat generated by the people, lights and other equipment in the building.

MORE EFFICIENT CARE IN SMART HOSPITAL

The city of Kajaani in central Finland is getting a new 47,000-square metre central hospital. Formerly scattered healthcare services and laboratories will be housed under the same roof and streamline the healthcare process. There is a substantial focus on smart logistics and new digital solutions, with systems communicating with each other. Sweco is providing experts in everything from architecture and structural engineering, to building services systems and logistics. Virtual models including BIM and Cave are being used to create an environment that is as realistic as possible during the development process.



URBAN PLANNING FOR TOMORROW'S SHANGHAI
Shanghai is one of the world's fastest growing cities. The five-year plan for the city's continued development includes building seven brand new city districts. Sweco has been commissioned by the state-run company Shanghai Jinxun to plan one of these in the vast Baoshan suburb, where Sweco previously designed the Luodian city district. The commission also encompasses the conceptual design of offices, residences, hotels and commercial space.

RISING TOWER IN CENTRAL LONDON
What was formerly only a partially utilised 31-story building by the River Thames in central London has now risen by 11 stories and will house luxury apartments, and attractive retail and office space. Its new name is South Bank Tower and Sweco has been in charge of all services related to building systems and thus created a comfortable indoor climate and maximised the building's energy efficiency. Sweco's strategy to use prefabricated construction components has yielded savings in energy, construction time and costs.

KUWAITI TOWERS COULD BECOME WORLD HERITAGE SITES
Roughly 50 years ago, Sweco's architects designed the water towers in Kuwait – marking the start of a reliable and comprehensive water supply for the country. Today, the towers serve as a key national symbol that Kuwait want's to preserve and highlight the significance of, which is why the Kuwaiti government has once again commissioned Sweco as its architect. The goals are to enable classification as a world heritage site, to highlight the towers' symbolic significance as the centre of Kuwait's water supply, and to give the entire region the capacity to remain a key tourist attraction and national symbol.

WATER, ENERGY AND INDUSTRY

The driving forces behind the creation of sustainable urban development cause a demand for modern technical solutions. Access to clean water, a reliable energy supply and resource-efficient industrial facilities are examples of what Sweco's efforts yield. Sweco's experts have what it takes to handle challenges under evolving circumstances – even as standards rise due to climate change and growing cities. Transforming complexity into simplicity for our customers is among Sweco's foremost specialties.

WATER

Sweco's experts manage water for a variety of situations, ranging from providing access to clean water to protecting societies from flooding.

Examples of services:
- Water and wastewater engineering services
- Water resource planning
- Urban water management
- Design of flood protection structures

ENERGY

Sweco's energy experts know how energy is produced, distributed where it's needed and consumed as efficiently as possible.

Examples of services:
- Energy production studies
- Transmission and distribution planning
- Energy market analysis
- Energy optimisation advice

ENVIRONMENT

Sweco's environmental specialists create inhabitable environments that are not harmful to man or nature through measures including reducing the presence of toxins and effective waste management.

Examples of services:
- Waste management planning and advice on remediation of contaminated areas
- Environmental studies and impact assessments
- Services related to chemical substances and associated legislation

INDUSTRY

Sweco's industrial consultants improve effective and resource-efficient production in all industrial operations.

Examples of services:
- Process engineering services
- Plant design (electricity, automation, mechanics, piping)
- Logistics planning and project management

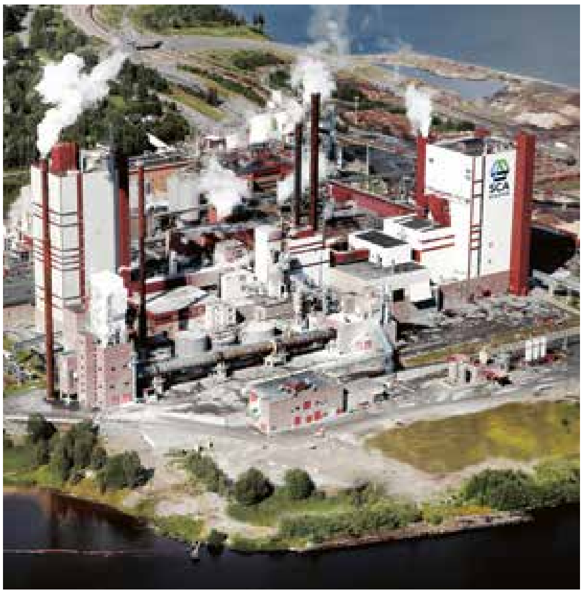
IT

Sweco's IT experts manage and process data produced by the city to streamline everything from transportation to water flows.

Examples of services:
- Systems development and big data,
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support

AN ISLAND PROTECTED FROM FLOODING
In the 1200s, the town of Marken outside Amsterdam, was separated from the mainland by a severe storm. Today, the peninsula is connected to the mainland by a dam, and a levee protects the island against flooding. Now, the levee requires reinforcement to ensure the safety of life on the island, and to preserve the island's important cultural and natural heritage. Sweco will draft three alternatives to serve as the basis for deciding how to proceed. The environmental impact and costs are being considered in the alternatives, and the interests of its residents and tourists are being studied and taken into account.

NEW NETWORK PROVIDES ACCESS TO WATER FOR MILLIONS
In Chittagong, the second-largest city in Bangladesh, less than half of the nearly three million residents are connected to the water network. Sweco is part of a project to increase access to clean water by expanding the development of the water management systems. Sweco's leakage-control experience was of particular interest to our customer, CWASA, which is the city's water authority. Once the expansion is completed in 2017, the water supply will have increased by two-thirds, creating a positive impact on both public health and the local environment.



MAJOR INITIATIVE CREATING SWEDEN'S LARGEST PULP MILL
Sweco is involved in multiple major paper and pulp initiatives throughout the Nordic region. One of the latest ventures involves overseeing land use and construction planning as SCA expands its Östrand pulp mill in Timrå. The investment is meant to double production of bleached needle-sulphate pulp and will create Sweden's largest pulp mill. Sweco has worked on assignments in Östrand since the 1920s.

MUNICIPAL WASTE TO GENERATE ENERGY IN POLAND
Sweco has been commissioned by Poland's largest power company, the state-run Polska Energy Group, to manage the construction of a waste-fired CHP plant. Every year, 100,000 tonnes of municipal waste will generate electricity and district heating for the entire region surrounding the city of Rzeszów in southern Poland, and will significantly contribute to reducing fossil fuel consumption. Sweco's extensive energy and network infrastructure experience enables the company to offer expertise tailored to the project, which will be completed by 2018.

HYDROPOWER PLANT CATALYSES GROWTH IN TAJIKISTAN
Sweco's hydropower and geoengineering experts have conducted a feasibility study for a hydropower plant near the city of Khorugh in southern Tajikistan. Khorugh is a university town with around 30,000 residents. The initiative aims to give residents and the business community a reliable electricity supply and promote increased growth in the region. The solution involves directing water from the Shokh Dara River via a 3-kilometre canal to a power station. The facility is subsequently connected by a 20-kilometre powerline to the region's transmission network.

RECORD INVESTMENT CREATES NEXT-GENERATION BIOPRODUCT MILL
Metsä Group is investing 1.2 billion EUR in the construction of a new bio-product facility – the largest forest industry investment ever in Finland. Sweco's industrial experts and structural engineers have a prominent role in the work of creating the next generation of bio-products and bioenergy. Synergies and resource efficiency are in focus, and the final product will be the most efficient and modern bioproduct plant in the world.

GUIDING NORDIC REGION TO CLIMATE GOAL
In just five years, the Nordic countries want half of all energy to be renewable. Sweco has thus been enlisted by the Nordic Council of Ministers to offer guidance in the pursuit of greater sustainability in the Nordic region. The assignment includes giving recommendations on how to achieve the climate goal, and to design public support mechanisms. Sweco has compared actions taken by other countries and analysed sustainable energy resources for transportation, industry and electricity production.

NEW ELECTRICITY CORRIDOR ENSURES ENERGY FOR SOUTHERN SWEDEN
In southern Sweden, electricity consumption occasionally exceeds production. To ensure operational reliability and the efficient transmission of electricity from central to southern Sweden, the South West Link is currently being built – which is Svenska Kraftnät's largest investment ever. Sweco has been involved in the project since 2009 and worked on everything from permit matters and land access, to extensive structural design work. The final product will be a powerful link that increases the electricity transmission capacity between central and southern Sweden by 25 per cent.

FACILITY FOR TRANSPORTING EXTREMELY HEAVY LOADS
In the Belgian port city of Antwerp, a project is underway that will result in new facilities for Europe's second-largest refinery. Sweco has been commissioned to design the construction site and a road (including two bridges) for transporting extremely heavy loads. The project requires precision time-planning and is rife with challenges due to ground instability. Sweco will provide expertise in project and construction management, electricity and automation. Using 3D models, Sweco will simulate transport and create solutions.

CLEAN WATER FOR THE HOME OF PILSNER
The city of Plzeň in the western Czech Republic is most famous for inventing "pilsner" beer. Also located there is one of the country's largest water treatment plants, whose outdated technology could no longer rid the water of pesticides. The task of solving this problem was given to Sweco, which was responsible for design of the pumping station for untreated water, redesigned the filtration process and upgraded the control system for the entire facility. Today, it meets all quality standards and provides more than 200,000 residents in the region with clean water.

OFFSHORE WIND ENERGY FOR OVER A MILLION HOUSEHOLDS
One of the world's largest offshore wind farms is being planned in the Netherlands. It will be 12 times larger than what is now the country's largest wind farm. This is one step toward the goal of 14 per cent of the country's energy being renewable by 2020. Sweco has been commissioned for the feasibility study and the environmental impact assessments, which will form the basis for its continued development. Sweco is enlisted as an expert in offshore wind power in several fronts in Europe.

WASTE BECOMES ELECTRICITY AND HEATING
The city of Konin in Poland is building a new Waste to Energy plant that converts household waste into energy. The facility will provide the city's 80,000 residents with electricity and district heating. Sweco is providing a broad range of expertise including everything from tender evalution, to design and structural engineering.

TRANSPORTATION INFRASTRUCTURE

In an accessible society, people and goods can move about safely and efficiently. Modern technology and IT development lay the foundation for an accessible future. Sweco's experts are planning and designing transportation systems that will help tomorrow's cities cope with a wide range of issues, including growing populations and climate change. Achieving this requires a profound understanding of not only the customer's needs, but also those of society and the end users – and requires us to approach every project with the same steadfast commitment from the very beginning to the very end. We won't rest until the very last detail is in place, whether it involves new routes for a high-speed train, or tunnels for frogs.

CIVIL ENGINEERING

Sweco's civil engineering specialists plan and design everything from roads and tunnels to bridges and ports for an even more accessible society.

Examples of services:
- Road and land use planning
- Rock excavation design and geotechnical engineering
- Bridge design
- Port master planning
- Surveying

RAILWAY

Sweco's experts have technical expertise in areas ranging from studies and plans for new tracks and railways to operation and maintenance of those already in place.

Examples of services:
Planning for
- Tracks
- Electricity
- Operation and maintenance
- Signalling
- Telecoms

TRAFFIC PLANNING

Sweco's traffic planners are involved in planning and strategies at an early stage for everything from public transportation to freight traffic, to ensure smooth and safe travel for all road and rail users.

Examples of services:
- Capacity planning
- Accessibility planning
- Strategic choice of measures
- Intelligent transportation systems (ITS)

PROJECT MANAGEMENT

Sweco's project managers are the link between the customer's vision and the actual implementation of complex construction projects.

Examples of services:
- Project and design management
- Property and development management
- Site supervision

IT

Sweco's IT experts manage and process data produced by the city to streamline everything from transportation to water flows.

Examples of services:
- Systems development and big data,
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support

UNDERGROUND METRO FOR
A GROWING CITY

In ten years, Nacka and Stockholm's Central Station will be connected by a new, 11-kilometre metro line – the largest initiative in Stockholm's metro in modern times. Sweco's extensive assignment involves designing the entire new line, and seven new stations. From a technical perspective, this assignment is in a league of its own. The new line will pass through the bedrock under Saltsjön Bay and one of the stations will be located as deep as 100 metres underground. The initiative is a key component in a rapidly expanding Stockholm and will lead to a substantial improvement in public transportation.

EFFICIENT PUBLIC TRANSPORTATION IN HELSINKI

The world's most northerly underground metro in Helsinki is expanding with a new line that will transport 100,000 passengers daily. Sweco is in charge of managing the construction of seven kilometres of underground railway, five connecting stations and a train depo. Sweco has previously managed the development of the 14-kilometre underground route that will open for traffic in autumn 2016. The current assignment sees the line continue even further west, and will be open for efficient travel to the suburb of Esbo – Finland's second largest municipality – in 2020.

GREEN BRIDGE OVER HEAVILY TRAFFICKED HIGHWAY

The ring road around the Dutch city of Utrecht connects three heavily congested highways. Sweco, which has extensive infrastructure experience from projects throughout Europe, has been commissioned to increase access and improve quality of life for the city's residents. The commission involves outlining organic and socially sustainable solutions to reduce congestion and noise. The plans include a green bridge, featuring grass and trees, over the A27, as a link between the vibrancy of the city and the surrounding parklands.

IMMERSED TUNNEL FOR A MODERN TRAFFIC NETWORK

The busy ring road circling the Belgian city of Antwerp may be placed underground in future, thus reducing air pollution and freeing up lucrative city space. Sweco has been commissioned to design immersed tunnels where the ring road crosses the Scheldt River, and so-called cut-and-cover tunnels that will be connected to the existing ring road. The project is a key component of a new infrastructure plan for the entire Antwerp region and also improves European connections with the Netherlands and France.

RAILWAY TUNNEL YIELDS FASTER TRAFFIC AND A BETTER ENVIRONMENT
The main rail line between the Dutch cities Rotterdam and Amsterdam passes through Delft. To increase capacity on this heavily trafficked rail line, Sweco has been commissioned to design a 2.3-kilometre tunnel under Delft's historic city centre. The tunnel and the station have been adapted to allow for the addition of two more tracks at a later stage.

PUBLIC TRANSPORTATION THAT TRANSFORMS A CITY
A cross connection through a mountain all the way to Fyllingsdalen, the burgeoning suburb of Bergen, Norway, is the goal of the city's new sustainable public transportation. Sweco has been commissioned to make the Bybanan railway a reality – a venture that will significantly increase access for the city's residents. It is Sweco's largest public transportation assignment to date in Norway, and, backed by its rock excavation, railway engineering and landscape design expertise, Sweco can fulfil the city's lofty ambitions.

REINFORCED RAILWAY BETWEEN GOTHENBURG AND OSLO
There is potential for improvement in freight and passenger traffic on the railway between Gothenburg and Oslo, in terms of enhanced operational reliability and shorter travel time. Sweco has been enlisted by the Norwegian National Rail Administration and the Swedish Transport Administration to analyse how the railway could take on a more important role on this route. Based on market-related traffic conditions, Sweco will draft conceivable timetables and proposals for both administrative and engineering measures for the coming 35 years.

SAFETY IN FOCUS AS PROMINENT MOTORWAY IS UPGRADED
The A1 motorway connecting London and Edinburgh is one of the most important in the UK and can be traced back to the Roman Empire. Sweco has been commissioned to upgrade a 24 km stretch in Yorkshire from the existing two lanes to a dual three lane motorway. This has benefits on safety, capacity and rejuvenation of the area. The use of BIM is crucial in the design and construction, as the virtual creation helps Sweco provide a more integrated solution ahead of construction.

SKAGEN PORT TO WELCOME TRULY MASSIVE VESSELS
In Skagen in northern Denmark, the port was in need of expansion to accommodate the docking of significantly larger vessels, including cruise ships more than 300 metres long and freight vessels. This required 600 metres of new quay, greater port depth, breakwaters and supporting infrastructure. Sweco was in charge of the detailed design of the new port area, as well as oversight of the structural engineering work. The new port became operational in 2015.

BOARD OF DIRECTORS' REPORT

The Board of Directors and the President & CEO of Sweco AB hereby submit the Annual Report and consolidated financial statements for financial year 2015.

SWECO AB (publ), corporate identity number 556542-9841, is headquartered in Stockholm, Sweden and is the Sweco Group's parent company. The company's engineers, architects and environmental experts work together to plan and design tomorrow's communities and cities. Sweco delivers qualified consulting services with high knowledge content throughout the customer's entire project chain: from feasibility studies, analyses and strategic planning through construction, design and project management. With approximately 14,500 employees, Sweco is the largest player in the European market. Sweco operates its business in seven business areas and conducts project exports to some 70 countries worldwide.

SWECO GROUP

Sweco has an efficient, customer-focused organisation. With Sweco Group's decentralised, achievement-driven business model, all energy is focused on the business and the client's project. The parent company is responsible for group-wide functions. The business is run in seven business areas:

Sweco Sweden
Sweco Norway
Sweco Finland: Finland and Estonia
Sweco Denmark
Sweco Netherlands
Sweco Western Europe: UK, Belgium, Bulgaria and Turkey
Sweco Central Europe: Germany, Poland, Lithuania and Czech Republic

Sweco is well-positioned for profitable growth. The Group holds market-leading positions in Sweden, Norway, Finland, Denmark, the Netherlands and Belgium and strong niche positions in several European countries. Sweco's home markets generally have greater GNP growth and stronger public finances than the European average. With top-class profitability in the industry, Sweco is able to grow faster than the market average – both organically and through acquisitions.

Overall, the market for Sweco's services is good and development is stable. The Swedish market is strong. The market in Norway is good but has weakened. Markets in Denmark, Western Europe and Central Europe are good and are developing positively. Markets in Finland and the Netherlands remain challenging.

Powerful drivers are increasing the long-term need for consulting engineering services. Trends like urbanisation and rising living standards are fuelling a need for infrastructure, industrial production, energy production, construction, etc. At the same time, there is greater demand for sustainable urban development and adaptations in response to climate change, which increases demand for services in areas such as energy efficiency, environmental impact assessments, renewable energy solutions, effective traffic planning, water supply, wastewater treatment and soil/site remediation.

PROFIT AND OPERATIONS

Net sales increased 24 per cent to SEK 11,389 million (9,214). Organic growth totalled 6 per cent.

Adjusted for extraordinary expenses related to the Grontmij acquisition, EBITA totalled SEK 991 million (826), Sweco's best full-year result to date.

Sweco's original operations contributed approximately SEK 894 million to EBITA, adjusted for extraordinary expenses (826). Irrespective of Grontmij, this is Sweco's best full-year result to date. Grontmij was consolidated into the Group's financial statements on 1 October and contributed approximately SEK 97 million to EBITA before extraordinary expenses.

Extraordinary expenses related to the Grontmij acquisition totalled SEK 250 million. EBITA thus totalled SEK 740 million (814).

Key ratios	2015	2014
Net sales, SEK M	11,389	9,214
Organic growth, %	*6*	*3*
Acquisition-related growth, %	*18*	*10*
Currency, %	*0*	*0*
EBITA, SEK M	740	814
Margin, %	*6.5*	*8.8*
EBITA excl. extraordinary items, SEK M	991	826
Margin excl. extraordinary items, %	*8.7*	*9.0*
Profit after tax, SEK M	439	545
Earnings per share, SEK	4.36	5.74
Number of full-time employees	10,188	8,535
Net debt/EBITDA	1.8	1.3

OUTLOOK

The European economy has strengthened, and GNP growth improved in all of Sweco's home markets with the exception of Norway. Geopolitical turbulence, the global economic situation and financial market developments are risks that may interfere with the improvement trend.

Demand for Sweco's services largely follows the general economic trend in Sweco's submarkets, with some degree of lag. Sweco does not produce forecasts.

NEW PRIMARY EARNINGS MEASURE

Sweco's Board of Directors decided to introduce EBITA as the primary earnings measure, to replace EBIT (operating profit). Accordingly, EBITA is the primary earnings measure 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/

NET SALES, EBITA, EBITA MARGIN AND NUMBER OF FULL-TIME EMPLOYEES, JANUARY–DECEMBER

	Pro forma Net sales, SEK M		Pro forma EBITA, SEK M		Pro forma EBITA margin, %		Pro forma Number of full-time employees	
Business area	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Sweco Sweden	6,838	6,453	672	604	9.8	9.4	5,375	5,289
Sweco Norway	1,991	1,918	161	179	8.1	9.3	1,326	1,250
Sweco Finland	1,663	1,525	89	83	5.4	5.5	1,913	1,890
Sweco Denmark	1,350	1,264	39	15	2.9	1.2	1,109	1,057
Sweco Netherlands	1,831	1,905	24	76	1.3	4.0	1,666	1,794
Sweco Western Europe	1,594	1,420	83	71	5.2	5.0	1,618	1,585
Sweco Central Europe	951	902	49	51	5.1	5.7	1,402	1,394
Group-wide, eliminations, etc.	-221	-178	-336	-205	–	–	142	113
TOTAL SWECO GROUP	**15,998**	**15,209**	**781**	**874**	**4.9**	**5.7**	**14,552**	**14,371**

depreciation and impairments of intangible assets. EBITA provides a better assessment of cash flow-generating operational earnings.

In accordance with this, Sweco 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.

ACQUISITION OF GRONTMIJ

Grontmij – with some 6,000 employees in 9 countries – was acquired on 1 October. Sweco is now Europe's leading engineering and architecture consultancy. In 2014 Grontmij had annual sales of approximately SEK 6.0 billion and EBITA (as per Sweco's definition) of approximately SEK 203 million, excluding extraordinary expenses and the divested business in France. Sales for the combined company total approximately SEK 16 billion. Following the acquisition, Sweco has around 14,500 employees (pro forma 2015).

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 – Sweco now has the broadest and deepest technical expertise in Northern Europe, with unique capacity to take on the industry's largest, most complex projects.
- Increased opportunities for employees – expanded international expertise network and greater resources improve development opportunities for Sweco's current and future employees.

Sweco has completed around 100 acquisitions over the past 10 years. The acquisition of Grontmij is fully in line with Sweco's growth strategy and vision to be Europe's most respected architecture, engineering and environmental consultancy.

Integration

Integration is underway and proceeding according to plan, in some areas more rapidly than originally planned. Focus is on implementing profitability improvements and facilitating joint business opportunities.

- Grontmij's Swedish operations have been fully integrated into Sweco Sweden's operations since the turn of the year.
- Grontmij's Swedish and Danish operations now operate under the Sweco brand. The remaining countries will switch to the Sweco brand during the first six months of 2016.
- Grontmij's data network and basic IT infrastructure have been integrated into Sweco's IT environment since 1 October.

Profitability improvements

When the transaction was announced, the acquisition was expected to improve annual profitability by approximately SEK 250 million through cost savings in the joint operations. Ninety per cent of the savings are expected to be realised within four years, and most within two years.

Measures were taken during the fourth quarter to realise this potential. The current assessment is that savings can be achieved as planned. As at the close of Q4 these measures have produced annual total cost savings of approximately SEK 100 million compared to 2014 cost levels. During Q4 2015 the measures had an impact on earnings of approximately SEK 17 million.

The improvement potential is chiefly found in four areas:

- IT (approximately 30 per cent of cost-saving potential): All major hardware and software contracts have been renegotiated to a lower rate. The new central IT organisation has been implemented. Grontmij's IT environment and local IT organisations will be integrated within the next 18 months, after which the remaining savings can be realised.
- Head office (approximately 20 per cent of cost-saving potential): The new head office organisation has been implemented and the Group staffs have been integrated. Reductions in staff and management functions will be completed before mid-year 2016.
- Overhead costs within business area Sweden (approximately 20 per cent of cost-saving potential): The new organisation for administrative support has been implemented and reductions will be made during the first quarter. Co-location of the consultant operations is underway. Grontmij's Stockholm operations, with approximately 275 employees, will move into Sweco's offices during the first quarter and be integrated into all of Sweco's divisions.
- Country-specific operational improvements (approximately 30 per cent of cost-saving potential): The new business support organisation in the Netherlands and Denmark is established and being implemented during Q1. A new decentralised, customer-focused organisational model has been introduced in the Netherlands. The divestment of ancillary operations and restructuring of unprofitable units are underway. Reductions to the Dutch consultant organisation were commenced during Q4 2015 and will continue in 2016. Measures taken in the Netherlands are expected to involve a downsizing of operations as compared to 2015, although profitability may improve during 2017.

A reduction of approximately 200 positions is anticipated within the Group due to integration and restructuring. Notice has been given in most cases, and approximately 120 employees have left the Group as at the end of the period.

Extraordinary transactional, integration and restructuring expenses were initially estimated at approximately SEK 450 million and expected to arise mostly during late 2015 and early 2016. Extraordinary expenses developed according to plan, and integration is expected to be completed within the previously announced margin of expenditure. Accumulated extraordinary expenses totalled SEK 250 million at the close of the period. All extraordinary expenses are reported in the Group-wide segment.

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 acquisition purchase sum and financing

The purchase sum for 100 per cent of Grontmij's shares is approximately SEK 3,337 million, of which approximately 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 residual purchase sum is reported as a liability and is included in net debt.

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

The cash component of the acquisition was initially financed with a bridge loan, most of which has been repaid through the preferential rights issue conducted during Q4. The remainder of the bridge loan has been rolled over to Sweco's long-term loan financing.

Under the rights has been rolled over to Sweco's 13,294,945 new shares were issued at SEK 81 per share, raising approximately SEK 1,062 million of equity for Sweco net of issue expenses of SEK 15 million. The preferential rights issue was oversubscribed by 57.6 per cent. Of the issued shares, 99.4 per cent were allocated through exercise of subscription rights and 0.6 per cent through exercise of subsidiary subscription rights.

Grontmij's long-term loans were refinanced during Q4 with a new 5-year EUR 110 million revolving credit facility. The terms of the new credit facility are in line with Sweco's existing loan financing. The refinancing will save up to SEK 19 million annually in net financial income, as compared with Grontmij's original financing costs.

Other information on the Grontmij acquisition

Sweco holds 97.36 per cent of all Grontmij shares as at the balance sheet date and has initiated a compulsory redemption process for the remaining shares. The acquisition is expected to improve earnings per share within two years following finalisation.

Acquisition-related intangible assets amount to a preliminary SEK 267 million. Approximately SEK 46 million of this amount will be written off annually over the coming three years, after which amortisation will decrease.

DIVESTMENTS

The subsidiary NIPI TRTI in St. Petersburg, Russia was divested during Q2, and subsidiary HYDROCOOP in Slovakia during Q3. These transactions had no significant impact on business area or Group profit and position.

OTHER SIGNIFICANT SUBSEQUENT EVENTS

On 17 December it was announced that Sweco would be moved to Nasdaq Stockholm's Large Cap segment. This took place on 4 January 2016.

On 1 January Grontmij Sweden was integrated into Sweco Sweden's organisation and is now operating under the Sweco brand. Grontmij's operations in Turkey switched to the Sweco brand on 16 January.

On 1 January Grete Aspelund took over as the new President of Sweco Norway.

CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 1,140 million (595) during the period. Interest-bearing net debt totalled SEK 1,688 million (1,262).

The net debt/EBITDA ratio was 1.8 times (1.3). Pro forma and adjusted for extraordinary expenses, the net debt/EBITDA ratio was 1.2 times.

Available cash and cash equivalents, including unutilised credit lines, totalled SEK 2,229 million (1,142) at the end of the reporting period.

EMPLOYEES

The number of employees at the end of the period was 15,151 (8,943), an increase of 6,208. During the year 2,095 employees (1,286) were hired, 1,929 (1,356) ended their employment, 111 (147) ended their employment in conjunction with the divestment of companies and 6,153 (129) were added via acquired companies. Personnel turnover was 16 per cent (15). The Group had a total of 10,188 full-time employees (8,535).

SELECTED ASSIGNMENTS

Sweco Norway won its largest-ever infrastructure project during the year. The Bergen Light Rail will add a tunnelled track connection to the suburb of Fyllningsdalen, with Sweco responsible for detailed planning and design. The extension, scheduled to open in 2021, will promote socially sustainable travel. The assignment was commissioned by Bergen Municipality and Bergen Light Rail Development and is valued at approximately SEK 190 million.

Sweco was commissioned by Metsä Fibre Oy to design the world's most modern and efficient bioproduct plant in Äänekoski, Finland, scheduled to begin operation in 2017. The value of the assignment corresponds to approximately 200 annual full-time equivalents.The assignments at the plant were expanded during the year with the signing of a contract with Andritz for design of the plant's fibre line.

Sweco was commissioned by Helse Fonna for detail design of the new Haugesund Hospital in Norway. The total value of the assignment is approximately SEK 55 million.

Sweco will participate in the construction of Kainuu, a new hospital in Kajaani. Sweco is responsible for project management and design. The assignment, carried out in Finland on behalf of the Kainuu Social and Health Care Joint Authority, is valued at approximately SEK 47 million for the initial development phase.

Sweco was commissioned by the Norwegian National Rail Administration to produce a detailed construction plan for the Sørlandet Line, a 549-km track running between Oslo and Stavanger. Sweco is responsible for a new overhead line and augmented electrical systems. The assignment is valued at approximately SEK 29 million.

In Sweden, Sweco will modernise the Hammarby Plant by planning a new control system. The plant is the world's largest heat pump plant for producing district heating and cooling from purified waste water. The end result of the assignment will supply reliable district heating for southern Stockholm. The assignment, commissioned by Fortum Värme, is valued at approximately SEK 26 million.

Sweco will expand and convert the port facilities in Fredrikshavn, Denmark, one of Jutland's busiest ports. The assignment, carried out in collaboration with Per Aarsleff A/S, is valued at approximately SEK 19 million for Sweco.

Sweco was commissioned during the year to develop methods to improve energy efficiency at the ESS research facility in Lund, Sweden. The end result will be the capacity to re-use an amount of energy corresponding to the annual energy consumption of around 10,000 households. The assignment, one of several Sweco is carrying out for ESS, is valued at approximately SEK 15 million.

In Bulgaria, Sweco will modernise the railway line between Sofia and Plovdiv, Bulgaria's most important industrial area. Sweco is responsible for analysis and design of the railway crossings and a 6-km tunnel as well as for renovation of buildings. The customer is Bulgaria's state-owned railway company. The assignment is valued at approximately SEK 10 million.

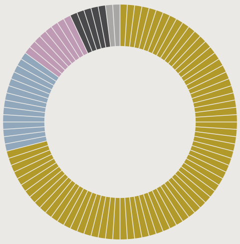
Sweco will improve the navigability of the Nether Rhine and Lek rivers, used for freight transport, on behalf of BSB Staalbouw. Sweco is responsible for hydraulic engineering and for renovating dams using steel and concrete structures. The assignment is being carried out in the Netherlands and is valued at approximately SEK 8 million.

BUSINESS AREA CLASSIFICATION AND PRO FORMA REPORTING

As of 1 October Sweco is organised into 7 geographic business areas as follows (relative to the previous organisation):

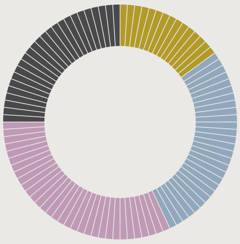
- Sweco Sweden: Sweco's and Grontmij's operations in Sweden.
- Sweco Norway: Sweco's operations in Norway.
- Sweco Finland: Sweco's operations in Finland and Estonia.
- Sweco Denmark: Grontmij's operations in Denmark.
- Sweco Netherlands: Grontmij's operations in the Netherlands.
- Sweco Western Europe: Comprised mainly of Grontmij's operations in the UK and Belgium and, to a lesser extent, Bulgaria and Turkey.
- Sweco Central Europe: Grontmij's operations in Germany and Poland and Sweco's operations in Lithuania, Czech Republic and Poland.

COST STRUCTURE (EBITA), %



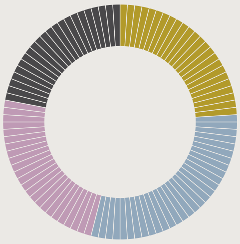
- Personnel costs, 71 (72)
- Subconsultants and expenses, 14 (13)
- Overhead expenses, 8 (8)
- Cost for premises, 5 (5)
- Amortisation/depreciation, 2 (2)

TERM OF EMPLOYMENT, %



- <1 year, 15 (12)
- 1–3 years, 28 (30)
- 4–9 years, 32 (29)
- >10 years, 25 (29)

AGE STRUCTURE, %



- <31 years, 24 (21)
- 31–40 years, 30 (31)
- 41–50 years, 24 (23)
- >50 years, 22 (25)

Segments are reported on a pro forma basis following the new organisation. To facilitate the analysis of developments in operational activities, Grontmij has been included pro forma as if the acquisition had taken place on 31 December 2013.

BUSINESS AREA – SWECO SWEDEN

Sales increased 6 per cent to SEK 6,838 million (6,453). EBITA increased SEK 68 million. Organic growth was 6 per cent.

The Swedish market improved gradually during the year and is strong at year-end, with stable demand for Sweco's services. There is strong demand in the construction and real estate sector. The infrastructure market is also strong, supported by major public investments. The industrial market is developing positively. The market for power transmission-related services is strong, while the energy sector is cautious.

Pro forma net sales and profit	2015	2014
Net sales, SEK M	6,838	6,453
Organic growth, %	*6*	
Acquisition-related growth, %	*0*	
Currency, %	*0*	
EBITA, SEK M	672	604
EBITA, %	*9.8*	*9.4*
Number of full-time employees	5,375	5,289

BUSINESS AREA – SWECO NORWAY

Sales increased to SEK 1,991 million (1,918). EBITA decreased SEK 18 million. Organic growth was 8 per cent.

The Norwegian market is good, although it weakened during the year. This trend is in line with the softening of the Norwegian economy in the wake of falling oil prices.

The Norwegian economy is undergoing change, and demand is distributed unevenly. The construction and real estate market in particular has weakened in the western and northern regions of Norway. Markets in the Oslo region and within infrastructure remain strong. The market for energy-related services is weak.

Net sales and profit	2015	2014
Net sales, SEK M	1,991	1,918
Organic growth, %	*8*	*8*
Acquisition-related growth, %	*0*	*0*
Currency, %	*-4*	*-2*
EBITA, SEK M	161	179
EBITA, %	*8.1*	*9.3*
Number of full-time employees	1,326	1,250

BUSINESS AREA – SWECO FINLAND

Sales for Sweco Finland increased to SEK 1,663 million (1,525). Organic growth was 6 per cent. EBITA increased to SEK 89 million (83).

The Finnish market remains challenging. The Finnish economy has basically had zero growth since 2011. Despite this, demand for construction and real estate-related services is satisfactory, while the infrastructure and industry markets remain challenging.

Net sales and profit	2015	2014
Net sales, SEK M	1,663	1,525
Organic growth, %	*6*	*7*
Acquisition-related growth, %	*0*	*4*
Currency, %	*2*	*5*
EBITA, SEK M	89	83
EBITA, %	*5.4*	*5.5*
Number of full-time employees	1,913	1,890

BUSINESS AREA – SWECO DENMARK

Sales increased to SEK 1,350 million (1,264) and organic growth was 5 per cent. EBITA increased SEK 24 million to SEK 39 million. The improvement is mainly due to a reduction in project write-downs.

The market in Denmark is generally good and is developing positively. The construction and real estate sector is evolving well and is particularly strong on Zealand. The infrastructure market is solid and has positive prospects in railways. Demand in the water and energy sector is stable.

Pro forma net sales and profit	2015	2014
Net sales, SEK M	1,350	1,264
Organic growth, %	*5*	
Acquisition-related growth, %	*-1*	
Currency, %	*3*	
EBITA, SEK M	39	15
EBITA, %	*2.9*	*1.2*
Number of full-time employees	1,109	1,057

BUSINESS AREA – SWECO NETHERLANDS

Sales fell to SEK 1,831 million (1,905). EBITA fell to SEK 24 million (76). The decrease is mainly due to the weak market and the ongoing restructuring of operations.

The market in the Netherlands has been challenging for several years due to the country's real estate and financial crises. 2015 was also a year of negative market growth, although some market segments (particularly within private building construction) show signs of stabilisation.

Sweco Netherlands delivers services primarily in the areas of infrastructure, water and public sector building construction. The market remains challenging.

Pro forma net sales and profit	2015	2014
Net sales, SEK M	1,831	1,905
Organic growth, %	*-7*	
Acquisition-related growth, %	*0*	
Currency, %	*3*	
EBITA, SEK M	24	76
EBITA, %	*1.3*	*4.0*
Number of full-time employees	1,666	1,794

BUSINESS AREA – SWECO WESTERN EUROPE

Sales improved to SEK 1,594 million (1,420). EBITA increased to SEK 83 million (71). Organic growth was 5 per cent. The improvement in sales and EBITA is mainly due to strong performance in the UK.

The market in the UK is good and the general market climate improved during the year. The construction and real estate market in London is particularly strong. The infrastructure market is good, while demand varies in the energy and water market. The market in Belgium is generally stable within all market segments.

Pro forma net sales and profit	2015	2014
Net sales, SEK M	1,594	1,420
Organic growth, %	*5*	
Acquisition-related growth, %	*0*	
Currency, %	*7*	
EBITA, SEK M	83	71
EBITA, %	*5.2*	*5.0*
Number of full-time employees	1,618	1,585

BUSINESS AREA – SWECO CENTRAL EUROPE

Sales increased to SEK 951 million (902) and organic growth was 7 per cent. EBIT totalled SEK 49 million (51).

The German market is good overall and is developing positively. The construction and real estate market is good and evolving well. Demand is solid in the transport and environmental sector due to public investments, while the energy market is challenging. The Polish and Lithuanian markets are seeing weak development due to delayed EU investments in public infrastructure, water and environment. The Czech market remains challenging, although there is good demand for Sweco's services.

Pro forma net sales and profit	2015	2014
Net sales, SEK M	951	902
Organic growth, %	*7*	
Acquisition-related growth, %	*-3*	
Currency, %	*1*	
EBITA, SEK M	49	51
EBITA, %	*5.1*	*5.7*
Number of full-time employees	1,402	1,394

OTHER INFORMATION

Investments, January–December 2015

Investments in equipment totalled SEK 179 million (137) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 168 million (139) and amortisation of intangible assets totalled SEK 75 million (57).

Purchase consideration paid to acquire companies totalled SEK 3,368 million (91) and had a negative impact of SEK 1,246 million (-79) on Group cash and cash equivalents. Purchase consideration received for the divestment of companies totalled SEK 6 million (44) and had a positive impact of SEK 2 million (41) on Group cash and cash equivalents.

Dividends totalling SEK 318 million (296) were distributed to Sweco AB shareholders during the year.

Parent company, January–December 2015

Parent company net sales totalled SEK 355 million (344) and were attributable to intra-group services. Earnings after financial items totalled SEK 464 million (504). Investments in equipment totalled SEK 36 million (25) and cash and cash equivalents at the end of the period totalled SEK 13 million (2).

The Sweco share

Sweco is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 124.25 at the end of the period, representing a 21 per cent year-on-year increase. Nasdaq Stockholm rose by 7 per cent over the same period.

During the fourth quarter Sweco conducted a preferential rights issue of 1,171,020 Class A shares and 12,123,925 Class B shares.

The total number of shares at year-end was 121,094,830, of which 10,539,184 were Class A shares, 109,655,646 Class B shares and 900,000 Class C shares. After the allowance for treasury shares, the total number of outstanding shares at year-end was 119,537,510, of which 10,539,184 were Class A shares and 108,998,326 Class B shares.

Share Savings Schemes

The 2015 Annual General Meeting (AGM) resolved to implement a long-term share savings scheme for Sweco Group senior executives. Through the scheme, 59 senior executives have acquired some 37,000 shares. Pursuant to IFRS 2 provisions, the cost of the 2015 Share Savings Scheme is estimated at approximately SEK 9.1 million (including social fees) and will be expensed on a straight-line basis over the retention period. Sweco transferred 54,673 Class B treasury shares to participants in the 2011 Share Savings Scheme during the period.

Resolutions were made by the 2012, 2013 and 2014 AGMs on corresponding schemes, under which slightly more than 30,000, 27,000 and 33,000 shares were acquired, respectively. Under the four Share Savings Schemes, a total of approximately 430,000 shares may be issued if established targets are met.

Share Bonus Scheme

The 2015 AGM resolved to implement the 2015 Share-based Incentive Scheme for all employees in Sweden, under which payment will once again be made in shares (as opposed to the previous cash payment). The AGM resolved to issue 900,000 Class C shares to carry out the 2015 Share Bonus Scheme.

THE BOARD'S PROPOSED GUIDELINES FOR SENIOR EXECUTIVE COMPENSATION, FOR RESOLUTION BY THE 2016 AGM

Sweco Group's objective is to offer a competitive and market-based level of remuneration that facilitates the recruitment and retention of senior executives. Compensation for senior executives is comprised of basic salary, variable compensation, pension, other remuneration and share-based incentive schemes.

Basic salary and variable compensation

Compensation levels are based on factors such as work duties, qualifications, experience, position and performance. In addition, the breakdown between basic salary and variable compensation is proportionate to the employee's position and work duties. Variable compensation is linked to predetermined, measurable criteria that are devised to comply with the company's long-term value creation. Variable compensation for the President & CEO and the CFO may not exceed 75 per cent of basic salary. For other senior executives, variable compensation may not exceed 50 per cent of basic salary. Variable compensation is determined based on results in relation to predetermined profitability targets. Targets for the President & CEO and other senior executives are set by the Board of Directors.

Pensions

The terms and conditions for pensions for Sweco's President & CEO and senior executives are market-based relative to what generally applies to comparable senior executives in the market, and are normally based on defined contribution pension solutions.

Other compensation

Other compensation may be awarded, primarily in the form of company car and mobile phone benefits.

Share-based incentive schemes

Sweco Group senior executives may be offered various forms of incentive schemes on market-based terms. The rationale for share-based incentive schemes is to increase/diversify senior executives' share ownership/exposure and to more closely align the interests of the company's decision-makers and shareholders. A long-term, personal shareholder commitment among key personnel is expected to stimulate greater interest in the company's operations and earnings trend and to increase motivation and solidarity with the company.

Decisions on share-based incentive schemes are always resolved by the Annual General Meeting or Extraordinary General Meeting.

Terms of notice

In the event of dismissal by the company, the President & CEO has a maximum notice period of 18 months. In the event of the President & CEO's resignation, the notice period is six months.

For other senior executives, the term of notice is normally 12 months in the event of dismissal by the company and six months in the event of the executive's resignation.

Other

These principles shall apply to agreements entered into subsequent to AGM resolutions and to any changes or alterations made to existing agreements after this date, to the extent permitted under the terms of the existing agreements. The Board of Directors is authorised to deviate from the principles if warranted by special circumstances in individual cases.

BOARD PROPOSALS

Proposed appropriation of profits

The Board of Directors and the President & CEO propose that profit carried forward and non-restricted reserves	3,927 SEK M
along with net profit for the year	383 SEK M
or, in aggregate,	4,311 SEK M
be appropriated for the distribution of a dividend	
to the shareholders of SEK 3.50 per share	421 SEK M[1]
and that the remaining amount be carried forward.	3,890 SEK M

1) The dividend amount will be a maximum of SEK 421 million, calculated by the number of shares outstanding at 4 March 2016, including shares held in treasury. The dividend amount will change in the event the Board exercises the authority granted it by the 2015 AGM to buy back additional shares or to transfer treasury shares.

The estimated record date for dividend distribution is 18 April 2016.

The income statements and balance sheets of the Group and the Parent Company will be submitted to the Annual General Meeting for adoption on 14 April 2016.

Sweco's dividend policy specifies that at least half of profit after tax shall be distributed to the shareholders, while also requiring that the company maintain a capital structure that provides scope to develop and make investments in the company's core business. Pursuant to Sweco's financial targets, net debt shall not exceed 2.0 times EBITDA. In view of the Board's proposed dividend (above), the Board hereby issues the following statement pursuant to Chapter 18, Paragraph 4 and Chapter 19, Paragraph 22 of the Swedish Companies Act.

The Board of Directors is of the opinion that the proposed distribution to shareholders does not constitute an impediment to the company's capacity to meet its obligations in the short or long term, and that the company's financial position allows for continued investments and expansion.

In light of the above, the Board deems that the proposed dividend to shareholders is warranted considering the amount of shareholder equity required due to the nature, scope and risks associated with the company's operations, and by the company's consolidation requirements, liquidity and overall financial position.

2016 Share Savings Scheme

The Board of Directors has proposed that the 2016 AGM resolve to implement a long-term share savings scheme for up to 100 senior executives and other key people within the Sweco Group. The proposal is mainly on the same terms as previous programs to previous years.

2016 Share Bonus Scheme

The Board of Directors has proposed that the 2016 AGM resolve to implement a share bonus scheme for employees in Sweden. The proposal is virtually identical to previous years.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 3:00 PM on Thursday, 14 April 2016 at Näringslivets Hus, Storgatan 19, Stockholm.

CORPORATE GOVERNANCE REPORT

IN GENERAL ABOUT SWECO

Sweco AB is a public limited liability company headquartered in Stockholm, Sweden. Sweco's corporate governance is based on the Swedish Companies Act, Sweco's Articles of Association, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Code of Corporate Governance, other applicable Swedish and international laws and regulations, and Sweco's own policies, procedures and guidelines. Sweco's Board of Directors and management strive to live up to the requirements of the shareholders, other stakeholders and Nasdaq Stockholm regarding sound and effective corporate governance. In accordance with the Swedish Companies Act and Sweco's Articles of Association, Sweco's governance, management and control are divided between the shareholders at the Shareholders' Meeting, the Board of Directors and the President & CEO. Sweco's Corporate Governance Report has been prepared in compliance with the Swedish Code of Corporate Governance and the Swedish Annual Accounts Act, and has been examined by the company's auditors.

BUSINESS MODEL AND PROJECT MANAGEMENT

Sweco's business model is to create value through the delivery of professional consulting services. In Sweco's decentralised organisation, individual consultants form the hub of operations. Since every individual is responsible for generating business, the company's operations must be permeated by a strong entrepreneurial attitude and approach. Sweco's core values of curiosity, commitment and responsibility reflect the corporate culture and serve to promote good conduct and uniform decision-making.

Sweco's activities are largely carried out as assignments. The project teams vary depending on project size, location and complexity. Each project is headed by a responsible assignment manager whose day-to-day work is facilitated by Sweco's group-wide business system. All operating countries are certified in accordance with ISO 9001, and most are also certified in accordance with ISO 14001 and OHSAS 18001. These management standards promote effective project management and a consistent approach to the project process. They also help Sweco comply with legislation, improve projects' environmental aspects, identify potential risks, and measure and improve customer satisfaction. The system and its usage are audited every year by the independent quality assurance organisation. The system is also monitored internally on a continuous basis.

The consultants' task is to deliver sustainable and customer-adapted solutions that have high knowledge content, are of the appropriate quality and that benefit the customer's business. The Group's business system includes guidelines, policies and procedures focused on project results, and is accessible to the consultants at all times. Sweco works continuously with improvement measures to develop the company's working methods, promote sustainability and support employees. Strategic skills development programmes are used to meet the consultants' need for ongoing education and training. Knowledge and experience gained by the consultants in their assignments is preserved and developed for future use.

CSR AND COMPLIANCE

Sweco's work with CSR (Corporate Social Responsibility), defined as the company's responsibility to society, and the company's contribution to society is based on the results it achieves in its assignments. The end results of Sweco's work are often highly appreciated. Results are important, but so are the methods used to achieve them. Sweco is continuously involved with and actively influences CSR performance, both indirectly through customer projects and directly through its own initiatives. Sweco's vision is to become Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture. Sweco's long-term profitability and growth are driven by solutions that promote the sustainable development of society from an ecological, social and economic perspective. As consultants, Sweco's employees are often deeply involved in customer projects, frequently in an early stage, which gives them an opportunity to exert an influence but also carries an obligation to take responsibility for aspects within their control. Sweco's employees are obligated to comply with the company's CSR policy and compliance programme. See page 17 for additional information on Sweco's compliance programme.

Sweco complies with the laws, regulations and other requirements applicable to operations in countries where the company is active. Sweco also follows the Code of Ethics prepared by the International Federation of Consulting Engineers (FIDIC), and works according to the principles of the UN's Global Compact and the UN Declaration of Human Rights.

Sweco has high standards for conduct and business ethics, with objective and independent employees who act professionally in the best interest of the customer. Sweco has zero tolerance for fraud and collusion, corruption, bribes or unpermitted competition-restricting practises. No one at Sweco may, directly or indirectly, request, accept, or accept a promise of improper payment or other types of improper gifts, nor may anyone at Sweco, directly or indirectly, offer, provide or promise payment or other types of compensation that may be regarded as improper to individuals, organisations, companies or persons closely associated thereto. No one at Sweco may provide cash or other assets to anyone representing Sweco in a particular matter who consequently promotes handling with influence or the giving or taking of bribes. Employees may not engage in activities in which there is a risk of conflict with Sweco's interests. No employee may exploit his or her position for personal gain at the expense of the company, its customers or its business partners. A Sweco employee who suspects business ethics improprieties is obligated to report this, in the first instance, to his or her manager, manager's manager, HR or group Legal Affairs staff and, in cases where anonymity is called for, via Sweco's whistle-blower function (Sweco Ethics Line).

Sweco views diversity as essential in creating an innovative and inspiring working environment and actively promotes equal rights and opportunities in the workplace regardless of gender, ethnic origin, nationality, religious belief, disability, sexual orientation, age, etc.

In its CSR policy, Sweco has established the company's and employees' basic outlook on the company's responsibilities in society. The CSR policy covers the areas of business ethics, quality and assurance, employee development, human rights, equality and diversity, and occupational health and safety. Group-wide and local guidelines specify responsibility in each area in greater detail. Examples of this include ethics guidelines concerning anti-corruption, gifts and business entertainment.

All managers are responsible for ensuring that they and their employees comply with the CSR policy and guidelines. All employees are obligated to familiarise themselves and comply with the provisions of the policy and guidelines and to encourage external partners to apply these principles. The President & CEO holds ultimate responsibility for ensuring that the policy is monitored; this is monitored through internal and external audits, etc.

ORGANISATION

SHAREHOLDER GOVERNANCE THROUGH SHAREHOLDERS' MEETINGS

The Shareholders' Meeting is jointly Sweco's highest decision-making body, where all shareholders are entitled to make decisions on Sweco AB's affairs. Shareholders who are recorded in the share register on the record day and who provided notification of their participation by the specified date are entitled to participate in the AGM and vote for all of their shares. Annual General Meeting (AGM) or Extraordinary General Meeting (EGM) resolutions are normally made by simple majority. In certain issues, however, the provisions of the Swedish Companies Act stipulate a certain level of attendance to achieve a quorum or a specific majority of votes.

The AGM must be held in Stockholm within six months following the close of the financial year. Resolutions made by the AGM include adoption of Parent Company and Group income statements and balance sheets; approval of dividends; discharge from liability for the Board of Directors and President; determination of fees for the Board of Directors and auditors; election of Board members, Board Chairman and auditor; decisions regarding the Nominating Committee; and other matters as required by the Swedish Companies Act. At Sweco's AGM, each shareholder has the opportunity to ask questions about the company and its performance during the past year. The Board of Directors, Executive Team and auditors are present to answer these questions.

2015 Annual General Meeting

The 2015 Annual General Meeting was held on 16 April in Stockholm and was attended by 120 shareholders, representing 71.5 per cent of the votes and 80.5 per cent of the share capital. Johan Nordström was elected chairman of the AGM. In his address to the AGM, President & CEO Tomas Carlsson commented on Sweco's performance in 2014, Sweco's development in recent years and the outlook for 2015. The auditor in charge reported on audit-related work conducted during 2014. The submitted income statements and balance sheets were adopted, and the Board of Directors and President & CEO were discharged from liability for financial year 2014. The AGM approved an ordinary dividend of SEK 3.50 per share which was recalculated to SEK 3.37 per share pursuant to IAS 33 due to the rights issue. The AGM also approved the election of the Board members, Chairman of the Board and auditors, and fees for the Board of Directors, Audit Committee, Remuneration Committee and auditors in accordance with the Nominating Committee's proposal. The AGM also adopted the Board's proposed guidelines for remuneration to senior executives and instructions to the Nominating Committee.

Based on the Board's proposal, the AGM resolved to implement the 2015 Share Bonus Scheme. The scheme, which covers employees in Sweden and does not entail any change to the 2014 scheme, stipulates that bonuses are paid in shares rather than cash. The resolution included decisions to implement the 2015 Share Bonus Scheme per se, as well as decisions related thereto – i.e., to conduct a directed share issue of Class C shares; to authorise the Board of Directors to repurchase newly issued Class C shares and Class B treasury shares; and to authorise the Board to transfer Class B treasury shares to security obligations under the 2015 Share Bonus Scheme and cover social security contributions.

The Share Bonus Scheme comprises a maximum of 1,200,000 Sweco Class B shares (no more than 910,000 for delivery to participants and no more than 290,000 to cover social security contributions). Of the 1,200,000 Class B shares, a maximum of 900,000 will be newly issued. The remaining shares will be acquired on the stock exchange or, alternatively, the company will use the treasury shares it currently holds. The share issue consists of 900,000 Class C shares at an issue price of SEK 1 per share, corresponding to the shares' quota value. Deviating from shareholders' preferential rights, a bank or financial institution (that has made previous arrangements to do so) is entitled to subscribe for the directed share issue. The issue price is based on the share's quota value. The AGM resolved to authorise the Board of Directors, during the period preceding the 2016 AGM, to repurchase the newly issued Class C shares at SEK 1 per share for a total of SEK 900,000; to acquire no more than 1,200,000 Class B treasury shares to security obligations under the 2015 Share Bonus Scheme; to transfer no more than 910,000 Class B treasury shares to employees under the 2015 Share Bonus Scheme; and to transfer no more than 290,000 Class B shares to cover social security contributions. The number of shares to be received by each employee corresponds to the employee's earned bonus for financial year 2015 divided by a base share price (corresponding to the average volume-weighted price paid for the Sweco Class B share during the period 23–30 March 2015) less the amount of the AGM-approved dividend per share for 2014. The base share price is restated in accordance with usual terms and conditions if events occur that affect the value of the share, including but not limited to any decision on share splits, bonus issues, redemptions and the like during the scheme's duration. Bonus per employee is based on the participating business units' operating profit per employee. The maximum bonus per employee is three months' salary. Shares will be allocated to employees free-of-charge during the first six months of 2016, premised upon continued employment.

The AGM resolved to renew the Board's authority to decide on the transfer of Class B shares on Nasdaq Stockholm to ensure payment of social security contributions under the 2014 Share Bonus Scheme. Transfers may also take place outside of Nasdaq Stockholm to a bank or financial institution, deviating from existing shareholders' preferential rights. Such transfers may be made at a price corresponding to market value, with market-based deviations as deemed appropriate by the Board. The Board's authority may be exercised on one or more occasions during the period preceding the 2016 AGM.

The AGM approved a long-term share savings scheme (the 2015 Share Savings Scheme) for Sweco Group senior executives. The scheme comprises a maximum of 159,000 Sweco Class B shares (no more than 126,000 for delivery to participants and no more than 33,000 to cover social security contributions). The AGM authorised the Board of Directors, during the period preceding the 2016 AGM, to decide on the purchase of a maximum of 126,000 Class B treasury shares on the stock exchange to ensure delivery of Matching and Performance Shares to scheme participants, and on the purchase and transfer of no more than 33,000 Class B treasury shares on the stock exchange to cover the cost of social security contributions. The AGM also approved the free-of-charge transfer of no more than 126,000 Class B treasury shares to participants in the 2015 Share Savings Scheme during the period they are entitled to receive Matching and Performance Shares.

Finally, the AGM authorised the Board of Directors to decide on the transfer of Class B treasury shares on the stock exchange under the 2012 Share Savings Scheme. This authority, which may be exercised on one or more occasions during the period preceding the 2016 AGM, applies to the number of Class B shares required to cover social fees under the 2012 Share Savings Scheme, not to exceed 16,603 shares.

The Board decided at the statutory Board meeting to exercise its authority as granted by the AGM.

Sale of shares in subsidiary Cabix

The AGM approved the sale of all shares held by Sweco in the indirectly owned Russian subsidiary Cabix Consulting CJSC JV ("Cabix"), corresponding to 55 per cent of Cabix's issued shares. It was proposed that the Cabix shares be transferred to Cabix's board chairman, President & CEO and certain key employees (minority shareholders in Cabix). It was proposed that Sweco's shares in Cabix be sold for a total sales price of 41,250 RUB and in accordance with market conditions.

EXTRAORDINARY GENERAL MEETING, 24 AUGUST 2015

The EGM held on 24 August 2015 was attended by 50 shareholders, representing 77.4 per cent of the votes and 66.4 per cent of the share capital. Johan Nordström was elected chairman of the EGM. The EGM resolved to approve all proposals presented by the Board.

Resolutions on the proposed merger with Grontmij N.V. (Grontmij)

The EGM authorised the Board to decide, 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 a subsequent merger with Grontmij. Share issues under this authorisation were not expected to exceed 17 million new Class B shares.

The EGM resolved to approve the merger terms and conditions as adopted by Sweco's and Grontmij's Boards of Directors on 30 June 2015 for the merger of Sweco and Grontmij, with Sweco as the acquiring company. The merger, an alternative to a compulsory redemption, was contingent upon the fulfilment of certain conditions, including Sweco achieving an acceptance level in the public bid process of at least 80 but not more than 95 per cent of all issued Grontmij shares. Sweco's bid achieved an acceptance level exceeding 95 per cent; accordingly, the merger terms and conditions were not meterialized.

The EGM also resolved to authorise the Board to decide, during the period preceding the next AGM, to issue new Class A and Class B shares with preferential rights for existing shareholders and to utilise the issue proceeds, in whole or in part, to repay the bank financing taken up by Sweco in connection with the acquisitions of Grontmij. This authorisation gave the Board the right to decide to issue shares for a total maximum value, as at the date such authority is exercised, of EUR 140 million.

Sale of shares in HYDROCOOP, spol. s r.o.

The EGM resolved to approve the sale of all shares held by Sweco in the indirectly owned Slovakian subsidiary HYDROCOOP, spol. s r.o. (HYDROCOOP), corresponding to 80 per cent of HYDROCOOP's issued shares. The resolution entails the transfer of shares to certain key HYDROCOOP employees (minority shareholders in the company) for a total sales price of EUR 5.

NOMINATING COMMITTEE

The Nominating Committee is the AGM's body for preparing resolutions related to appointments, and is tasked with preparing material to assist the AGM with these matters. Apart from proposing the composition of the Board, the Nominating Committee submits recommendations on AGM chairman, Board members, Chairman of the Board, Board fees (broken down per Chairman, other Board members and committee membership) and election and remuneration of auditors.

During 2015 the Nominating Committee focused primarily on:

- monitoring and evaluation of the Board and its performance,
- discussion and analysis of the Board's competency requirements based on Sweco's operations, and
- proposals for Board composition and compensation issues ahead of the upcoming AGM.

The 2015 AGM resolved on instructions for the Nominating Committee ahead of the 2016 Annual General Meeting. Among other things, these instructions specify that the Board Chairman shall convene a Nominating Committee comprised of one representative from each of company's largest shareholders (at least three and at most four) and of the Chairman if he/she is not a member in the capacity of shareholder representative. The names of the committee members, together with the names of the shareholders they represent, were published on the company's website on 1 October 2015.

The Nominating Committee held five meetings in 2015. For the period preceding the 16 April 2015 AGM, the Nominating Committee was comprised of Gustaf Douglas (subsequently replaced by Eric Douglas), representing Investment AB Latour; Birgitta Resvik, representing the J. Gust. Richert Memorial Foundation; and Board Chairman Johan Nordström, representing the Nordström family. The Nominating Committee is chaired by Johan Nordström.

BOARD OF DIRECTORS

The Board of Directors is responsible for the company's organisation and management of the company's business. The Board continuously monitors the financial situation of the company and the Group, and ensures that the company is organised in such a way that its accounting, cash management and other financial circumstances can be adequately controlled. The Board also ensures that its performance is evaluated on an annual basis through a systematic and structured process.

The Board's rules of procedures, including instructions for the division of duties between the Board and the President, are updated and adopted annually. The rules of procedure regulate the Board's obligations, the division of duties within the Board, the number of Board meetings, the annual agenda and main topic of each meeting, instructions for preparing the agenda and background documentation for decisions, etc.

The Chairman supervises the work of the Board and is responsible for ensuring that the Board carries out its duties in an organised and efficient manner. The Chairman continuously monitors the Group's development through ongoing contact with the President & CEO. The Chairman represents the company in matters related to ownership structure. In accordance with Sweco's Articles of Association, the Board of Directors is comprised of at least three and not more than nine members. These members are elected by the Annual General Meeting to serve for the period through the conclusion of the next AGM.

Composition of the Board

Sweco's Board of Directors is comprised of eight ordinary members elected by the AGM to serve for a period of one year through the conclusion of next year's AGM. The Board has also included three employee representatives and three employee-appointed deputies. With the exception of the President & CEO (Tomas Carlsson), none of the AGM-elected Board members have an operational role in the company. All Board members but one are from Sweden. Four of the eight directors are men. All AGM-elected directors, aside from the President & CEO (Tomas Carlsson) are independent in relation to Sweco. All directors aside from Johan Nordström, Tomas Carlsson, Johan Hjertonsson and Anders G. Carlberg are independent in relation to the major shareholders.

The 2015 Annual General Meeting re-elected Johan Nordström as Board Chairman. The other ordinary Board members re-elected by the 2015 AGM are Anders G. Carlberg, Tomas Carlsson, Gunnel Duveblad, Eva Lindqvist, Pernilla Ström and Carola Teir-Lehtinen. Johan Hjertonsson was elected as new Board member. The employee representatives are Thomas Holm, Göran Karloja and Anna Leonsson as ordinary members, with Görgen Edenhagen, Sverker Hanson and Maria Ekh (who replaced Christer Åberg in May 2015) as deputies.

See pages 92–93 for further information on members of the Board of Directors.

Work of the Board

Apart from the statutory Board meeting held immediately following the AGM, the Board meets at least six times per year. In 2015 the Board held seventeen meetings, four of which were held in conjunction with publication of interim reports. The meeting held in conjunction with publication of the Q2 report was held via telephone, with all documentation distributed in advance. The Board made a railway station study visit in connection with the September meeting in Amsterdam. Two Dutch assignments were presented to the Board during this visit.

In addition to reporting on the development of Sweco's operations and finances, the Board meetings in 2015 devoted considerable attention to organic and acquisition-driven growth, the company's strategic focus, management and HR issues, CSR, risk management, internal control issues and other matters for which decision responsibility is assigned to the Board by the rules of procedure. Executive Team members other than the President & CEO participate in Board meetings to present reports when necessary. The Board Secretary is the company's General Counsel. The company's auditor takes part in at least one Board meeting per year. Attendance at Board, Audit Committee and Remuneration Committee meetings in 2015 is presented in the following table.

	Board meetings	Audit Committee	Remuneration Committee
Number of meetings	17	6	7
Johan Nordström	17	–	7
Anders G. Carlberg	16	6	–
Tomas Carlsson	17	–	–
Gunnel Duveblad	16	6	–
Johan Hjertonsson[1]	10	–	–
Eva Lindqvist	14	6	–
Pernilla Ström	17	–	7
Carola Teir-Lehtinen	16	–	7
Thomas Holm	15	–	–
Göran Karloja	17	–	–
Anna Leonsson	16	–	–
Görgen Edenhagen	12	–	–
Sverker Hanson	1	–	–
Christer Åberg[2]	0	–	–
Maria Ekh[3]	1	–	–

1) Joined the Board of Directors after 2015 AGM.
2) Resigned as deputy employee representative in May 2015.
3) Joined as deputy employee representative in May 2015.

Board composition and fees[1]

	Position	Year of birth	Nationality	Elected in	Independent	Board and committee fees, SEK[2]
Johan Nordström	Chairman of the Board, chairman of the Remuneration Committee	1966	Swedish	2012	no	570,000
Anders G. Carlberg	Board member, member of the Audit Committee	1943	Swedish	2009	no	320,000
Tomas Carlsson	Board member, President & CEO	1965	Swedish	2013	no	–
Gunnel Duveblad	Board member, chairman of the Audit Committee	1955	Swedish	2008	yes	380,000
Eva Lindqvist	Board member, member of the Audit Committee	1958	Swedish	2013	yes	320,000
Pernilla Ström	Board member, member of the Remuneration Committee	1962	Swedish	2009	yes	290,000
Carola Teir-Lehtinen	Board member, member of the Remuneration Committee	1952	Finnish	2011	yes	290,000
Johan Hjertonsson	Board member	1968	Swedish	2015	no	250,000
Thomas Holm	Employee representative, appointed by employees	1953	Swedish	2007	–	–
Göran Karloja	Employee representative, appointed by employees	1953	Swedish	2008	–	–
Anna Leonsson	Employee representative, appointed by employees	1971	Swedish	2005	–	–
Görgen Edenhagen	Deputy, appointed by employees	1964	Swedish	2011	–	–
Sverker Hanson	Deputy, appointed by employees	1963	Swedish	2011	–	–
Maria Ekh[3]	Deputy, appointed by employees	1974	Swedish	2015	–	–

1) For the period from the 2015 AGM through the 2016 AGM.
2) Fees for work on the Board and the Audit and Remuneration Committees pursuant to the resolution of the 2015 AGM. Fees refer to remuneration paid during the period from the 2015 AGM through the 2016 AGM.
For fees expensed during 2015, see Note 6 on page 60.
3) Maria Ekh replaced Christer Åberg as deputy employee representative in May 2015.

Evaluation of Board performance and its members
An annual evaluation is conducted of the Board and its members to ensure that the Board meets the requisite performance criteria. Such an evaluation was also conducted in 2015. The results of the evaluation are discussed by the Board and reported to the Nominating Committee. The performance of the President & CEO and Excecutive Team is also regularly evaluated and is discussed during at least one Board meeting at which the Excecutive Team is not present.

BOARD COMMITTEES

Remuneration Committee
The statutory meeting of the Board appoints the Remuneration Committee. The members of the Committee are Johan Nordström (chairman), Pernilla Ström and Carola Teir-Lehtinen. The tasks of the Remuneration Committee include drafting proposals for principles for remuneration, terms of employment, pension benefits and bonus systems for the President & CEO and other senior executives, and presentation of these proposals to the Board for decision. The Remuneration Committee meets at least twice per year, and held seven meetings in 2015.

Audit Committee
The statutory meeting of the Board also appoints the Audit Committee. Audit Committee members are Gunnel Duveblad (chairman), Eva Lindqvist and Anders G. Carlberg. The company's independent auditor attended all committee meetings but one. The tasks of the Audit Committee include supporting the work of the Board to ensure the quality of the company's financial reporting, meeting regularly with the company's auditors, assisting the Board in preparing a report on internal control and risk management, monitoring significant disputes and damage claims, establishing guidelines on which non-auditing services the company may procure from its auditor, and evaluating the auditor's performance. The Audit Committee meets at least three times per year. In 2015 the Audit Committee held six meetings.

EXTERNAL AUDIT

The auditor is appointed on an annual basis by the AGM. The task of the auditor is to examine, on behalf of the shareholders, the company's accounting records and annual report and the administration of the company by the Board of Directors and the President & CEO.

The auditing firm PricewaterhouseCoopers AB (PwC) was re-elected by the 2015 AGM to serve as Sweco's auditor through the conclusion of the 2016 AGM. Authorised Public Accountant Michael Bengtsson was elected chief auditor for financial year 2015. For financial year 2015, fees for audit services totalled SEK 5 million (5) and fees for non-audit services totalled SEK 13 million (2). Apart from audit services, Sweco consulted PwC on various matters related to financial accounting and mergers. PwC also assisted in due diligence processes in connection with acquisitions. The amount of fees paid to all accounting firms is shown in Note 4 on page 59.

PRESIDENT & CEO AND EXCECUTIVE TEAM IN 2015

The Board of Directors has delegated to the President & CEO responsibility for day-to-day operations of the company and the Group. The President & CEO supervises operations within the framework determined by the Board of Directors. The Board has also established instructions governing the division of duties between the Board of Directors and the President & CEO, which are updated and adopted annually. Sweco's Excecutive Team was formed in 2014 and added three business area managers in 2015 after the acquisition of Grontmij. The Excecutive Team is comprised of the President & CEO, the CFO, the seven business area managers, the General Counsel, the HR Director and the Communications Director.

For more information on the Excecutive Team, see pages 94–95.

BUSINESS AREAS

Three new business areas were established following the acquisition of Grontmij. Sweco Group's business activities are now organised in seven business areas, each of which is headed by a group manager and a financial manager: Sweco Sweden, Sweco Norway, Sweco Finland, Sweco Denmark, Sweco Netherlands, Sweco Western Europe and Sweco Central Europe.

Each business area is led by business area managers that meets at least four times a year. Apart from ongoing contacts, Sweco's President & CEO and CFO monitor the business areas by holding management meetings with business area managers and by serving as members of the business areas' boards of directors. Sweco's President & CEO is chairman of the board of each business area. All business areas are subject to the same rules for division of responsibilities between the board of directors and the president as those applicable at the Group level. Each business area is made up of underlying companies or business divisions that are organised by area of expertise. Business areas Sweco Western Europe and Sweco Central Europe are organised into one company per country. Each division/company may then be organised by region, department or group, depending on the number of employees.

CONSULTANTS AND LEADERSHIP

Sweco has a customer-driven organisation distinguished by far-reaching decentralisation, with a high degree of autonomy for each unit. Under the Group's business model, business momentum is generated by the entire organisation and all employees take part in working with customers. With Sweco's policies and guidelines as a framework, managers at every level in the Group have explicit responsibility and authority to make autonomous decisions and develop their respective operations in line with customer needs.

Sweco's size and international breadth place rigorous demands on leadership. Employee dedication and development are critical for Sweco's growth. All employee development is focused on performance, customer understanding and knowledge sharing. This work is supported by the annual Sweco Talk performance review. Sweco's continued success relies on strong leaders at all levels and in all of the Group's operating and administrative areas. To ensure strong leadership Sweco uses the Sweco Leadership Compass, which defines the company's leadership culture and links leadership with Sweco's business culture. Effective management succession is ensured through Talent Review, a process and programme for continuous identification and development of good leaders.

INTERNAL CONTROL, RISK MANAGEMENT AND MONITORING

Control environment

Internal control (over financial reporting and in general) is based on the overall control environment established by the Board and the Excecutive Team. This includes the culture and values communicated and practiced by the Board and Excecutive Team. Key components of the control environment are the organisational structure, management philosophy and style, and responsibilities and powers that are clearly defined and communicated for all levels in the organisation.

Sweco's Board of Directors has formulated explicit decision-making procedures, rules of procedure and instructions for its own work and that of the Remuneration Committee, Audit Committee and President & CEO in order to facilitate effective management of operational risks. Every year, the Board updates and adopts the rules of procedure, instructions to the President & CEO, authorisation and signatory rules and a finance policy, and reviews the Group's other policy documents. Rules of procedure for the board and instructions to the president are found in every company in the Group, and are based on the same principles as those that apply for Sweco AB's Board of Directors. Sweco also has a number of policies for financial information, corporate communication, IT security, CSR, crisis management, HR, and quality and environment. These policies are the foundation for good internal control.

Sweco has signatory and authorisation rules that clearly regulate the allocation of powers at every level, from the individual consultant to the Sweco AB Board of Directors. The areas covered include tenders, investments, rental and lease agreements, expenditures and guarantees, etc.

Through the Audit Committee, the Board adopts and monitors policies and procedures on financial reporting and reporting to the Board to ensure that internal control activities focused on these issues are functioning properly.

Risk management

The goal of Sweco's risk management is to secure the Group's long-term earnings growth and guarantee that Sweco's operations in the various business units are able to achieve their objectives. The company's Board of Directors and top management are responsible for risk management.

Sweco's risk management is an ongoing process. Large parts of Sweco's operations consist of work in progress. In view of this, there is a special emphasis on continuously monitoring risks and risk management for work in progress in order to further improve risk management and internal control activities.

Based on the mapping of the Group's risks and risk management, during 2015 Sweco further developed and reinforced its routines for day-to-day risk monitoring. As in 2014, these activities during 2015 were reported regularly to the Audit Committee and the Board. Within each business area, a risk map is continuously monitored at business area board meetings, where the agenda also includes a standing item on risk management. A report on risk management and internal control within the Group – covering the areas of market and business risks, CSR, QA (Quality Assurance), HR, Accounting, IT and Corporate Communications – was discussed by the Board of Directors, the Audit Committee and the Excecutive Team.

The business ethics compliance programme based on Sweco's CSR policy was further developed during the year. This included the revision of the CSR policy, new procedures and training.

All employees will receive individual e-learning training during 2016, including a "team learning" section where groups can gather to discuss business ethical dilemmas. Training for new employees includes participation in these sessions. Dilemma discussions were also held in Sweco's Excecutive Team and top management groups in each country. The training programme and dilemma discussions will continue through 2016. A group-wide evaluation will also be conducted of business partners in countries that have a higher risk of non-compliance. A whistleblower function (Sweco Ethics Line) enables the anonymous reporting of suspected improprieties. The purpose of the compliance programme is to increase awareness, ensure that adequate risk management procedures are in place, and monitor compliance within the Group.

Sweco's risk process: risks are identified, necessary guidelines and policies are created, these are implemented in the organisation and monitored at several different levels, and a report is submitted annually to Sweco's Excecutive Team, the Audit Committee and the Board of Directors.

Information on Sweco's governing documents (including group policies, manuals, guidelines and routines) is available on the Sweco Group intranet. Important guidelines, manuals, etc., are continuously updated and communicated to the relevant employees. The goal is for all employees to complete an e-learning course on the Sweco Group – which includes details on the Group's overall objectives, values and policies (including its CSR policy) – as new employees and on an on-going basis every second year.

Guidelines and policies have been implemented at different levels in the organisation and are regularly monitored through internal follow-up, external audits and other measures.

Monitoring

Each business area has a financial manager responsible for ensuring compliance with policies, guidelines and routines for financial reporting. Financial managers are also responsible for ensuring the accuracy and completeness of the reported financial information. To further enhance internal control of financial reporting, a self-assessment questionnaire on financial reporting is produced each year and circulated to all financial managers in the Group. The purpose of the questionnaire is to ensure the effectiveness of all significant internal controls related to the company's financial reporting. The submitted answers are analysed and any shortcomings are identified and corrected.

The Group's business system includes a number of functions for financial management, control and monitoring. There is a web-based project reporting system where project managers can continuously monitor their projects and track monthly earnings and key ratios at the group, region, company/division and business area levels. Operationally relevant key ratios can also be followed up weekly on all of these levels. A group-wide consolidation is carried out every month to measure actual results against budgets and internal forecasts.

Communication about financial reporting also takes place in connection with controller meetings that are held regularly within the Group. For external communication, a corporate communication policy defines the responsibilities and rules for communication with external parties.

Internal audit

Sweco has a simple and uniform operational structure throughout the Group. Financial managers at the Group and business area levels regularly monitor compliance with Sweco's established operating and internal control systems. Financial managers also conduct ongoing analyses of the companies' reporting and financial results in order to ensure development.

Grontmij had a centralised internal audit unit on the group level, responsible for regular ad hoc monitoring as well as auditing compliance with Grontmij's policies, procedures and standards. An audit and analysis of the operational excellence programme and the business ethics and financial framework was conducted in 2015. The internal audit unit also conducted ad hoc audits at the request of management. The results of these audits were discussed by Grontmij's executive management team and audit committee and by Sweco's Audit Committee. Risks and control procedures were discussed with the external auditor as part of the audit of the Annual Report.

Given the company's size following the merger, Grontmij's internal audit unit will remain in place within Sweco. The unit's scope and responsibilities will be evaluated in early 2016. Planning for audit activities will be based on potential risks with a focus on significant risks within the new organisation.

Read more about Sweco's risks and risk management on pages 90–91.

INFORMATION TO THE CAPITAL MARKET

Sweco strives to provide shareholders, financial analysts, investors, the media and other interested parties with simultaneous, timely, clear and consistent information about the Group's operations, financial position and development. Sweco has a corporate communication policy that is part of the internal control environment and ensures that Sweco meets the requirements imposed on listed companies.

Sweco regularly provides the market with financial information in the form of:

- Interim and annual reports, published in Swedish and English
- Press releases in Swedish and English on news and events
- Conference calls and presentations for shareholders, financial analysts, investors and the media in connection with the publication of interim and annual reports
- Capital Market Days
- Regular meetings with the media, investors and analysts in Sweden and around the world throughout the year

When interim reports, annual reports and press releases are published in printed form, the material is simultaneously published on the corporate website (www.swecogroup.com), which also contains a large volume of other information that is updated on a regular basis.

REMUNERATION FOR THE BOARD AND SENIOR EXECUTIVES

Remuneration for the Board

Board remuneration is determined by the Annual General Meeting. Board fees for 2015/16 were set at SEK 2,000,000, of which SEK 500,000 is payable to the Chairman and SEK 250,000 to each of the five AGM-elected Board members not employed in the company. No Board fees are paid to the President & CEO or the employee representatives. Board fees are paid on two occasions during each period.

The chairman of the Remuneration Committee is paid an additional fee of SEK 70,000 and the other members of the Remuneration Committee each receive an additional fee of SEK 40,000. The chairman of the Audit Committee is paid an additional fee of SEK 130,000 and the other members of the Audit Committee each receive an additional fee of SEK 70,000.

Principles for salary and other remuneration to senior executives pursuant to the 2015 AGM resolution are shown in Note 6 on pages 59–61.

THE SWECO SHARE

Sweco AB's shares have been traded on Nasdaq Stockholm since 21 September 1998. Sweco AB's total market capitalisation at 31 December 2015 was SEK 14.9 billion. Share capital totalled SEK 121.1 million, divided between 10,539,184 Class A shares, 109,655,646 Class B shares and 900,000 Class C shares, representing 21,594,748.6 votes in the company. The Class A and Class B shares are listed; the Class C shares are not. The Class C shares were issued as per resolution of the 2015 AGM and in order to enable the company to deliver shares (i.e., following conversion of the Class C shares to Class B shares) to employees under the 2015 Share Bonus Scheme. In May 2015, 433,791 of the 900,000 Class C shares issued in 2014 in connection with the 2014 Share Bonus Scheme were converted to Class B shares; the remaining 466,209 Class C shares were redeemed. In September and October 2015, a total of 14,949,247 Class B shares were issued in accordance with the 2015 EGM resolution for utilisation as share consideration to Grontmij shareholders in Sweco's public offer. In December 2015, Sweco issued a total of 1,171,020 Class A shares and 12,123,925 Class B shares to repay the bank loan taken out to finance the acquisition of Grontmij. Class A shares carry one vote and Class B and C shares each carry 1/10 of one vote. Class A and Class B shares carry entitlement to dividends; Class C shares do not. Sweco's Articles of Association grant shareholders the right to convert Class A shares to Class B shares. No Class A shares were converted to Class B shares during financial year 2015 pursuant to the conversion clause in the Articles of Association. As of 31 December 2015, Sweco held a total of 1,557,320 treasury shares: 657,320 Class B shares and 900,000 Class C shares. Sweco's treasury shares do not carry voting rights.

Sweco AB had 11,519 shareholders at year-end 2015. The largest shareholders are the Nordström family (with 13.4 per cent of the share capital and 32.3 per cent of the votes), Investment AB Latour (with 26.9 per cent of the share capital and 20.6 per cent of the votes) and the J. Gust. Richert Memorial Foundation (with 1.7 per cent of the share capital and 9.3 per cent of the votes). Foreign investors held 28.0 per cent of the share capital and 15.8 per cent of the votes. Together, the ten largest shareholders control the equivalent of 64.9 per cent of the share capital and 75.23 per cent of the votes. The company is not aware of any agreements between shareholders that could lead to limitations in the right to transfer shares in the company.

Sweco's dividend policy specifies that at least half of profit after tax shall be distributed to the shareholders, while also requiring that the company maintain a capital structure that provides scope to develop and make investments in the company's core business.

DEVIATIONS FROM THE CODE

The Chairman of the Board of Directors also chairs the Nominating Committee. The principal shareholders represented on the Nominating Committee in accordance with the committee's instructions deem it desirable that the committee be chaired by the representative for the largest shareholder in terms of voting power.

CONSOLIDATED INCOME STATEMENT

SEK M	Note	2015	2014
Net sales	2, 3, 33	11,389	9,214
Other operating income		0	0
Other external expenses	4, 5, 33	-2,877	-2,234
Personnel costs	6, 27	-7,581	-6,015
EBITDA		**931**	**965**
Amortisation/depreciation and impairment losses	3, 7	-190	-150
EBITA	3	**740**	**814**
Acquisition-related items[1]	7	-60	-53
Operating profit (EBIT)	3	**681**	**762**
Financial income	8, 33	7	5
Financial expenses	8, 33	-48	-48
Profit from participations in associated companies and joint ventures	8	1	1
Net financial items	8	**-41**	**-43**
Profit before tax		**640**	**718**
Income tax expense	10	-200	-174
PROFIT FOR THE YEAR		**439**	**545**
Profit for the year attributable to:			
Owners of the Parent Company		438	542
Non-controlling interests		1	3
Earnings per share attributable to owners of the Parent Company[2]	11		
Basic earnings per share, SEK		4.36	5.74
Diluted earnings per share, SEK		4.30	5.67

1) Acquisition-related items are defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of additional purchase prices, and gains/losses on the sale of companies and businesses.
2) Due to the preferential rights issue conducted during Q4 2015, all historical share data has been restated in accordance with IAS 33.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	2015	2014
Profit for the year	**439**	**545**
Items that will not be reclassified to profit or loss		
Revaluation of defined benefit pensions, net after tax	45	-56
Total items that will not be reclassified to profit or loss	**45**	**-56**
Items that may be subsequently reclassified to profit or loss		
Revaluation of holding in Grontmij NV, net after tax	12	–
Exchange difference on translation of foreign operations	-140	79
Hedge of net investment in subsidiary, net after tax	48	-36
Exchange difference transferred to profit for the year	5	8
Total items that may be subsequently reclassified to profit or loss	**-75**	**51**
COMPREHENSIVE INCOME FOR THE YEAR	**410**	**540**
Comprehensive income attributable to:		
Owners of the Parent Company	409	537
Non-controlling interests	1	3

CONSOLIDATED BALANCE SHEET

SEK M	Note	31 Dec 2015	31 Dec 2014
ASSETS	3, 32		
Non-current assets			
Goodwill	13	5,752	2,162
Other intangible assets	13	416	121
Property, plant and equipment	14	639	399
Investments in associates	16	6	5
Investments in joint ventures	17	2	4
Financial investments	18	14	13
Deferred tax assets	10	35	47
Other non-current receivables	21, 27	100	7
Total non-current assets		**6,964**	**2,759**
Current assets			
Trade receivables	33	2,441	1,515
Work in progress less progress billings	22	2,021	998
Inventories		43	6
Current tax assets		17	2
Other current receivables		248	208
Prepaid expenses and accrued income	23	298	257
Cash and cash equivalents	24	544	174
Total current assets		**5,612**	**3,158**
TOTAL ASSETS		**12,575**	**5,917**
EQUITY AND LIABILITIES			
Equity	25		
Share capital		121	92
Other contributed capital		3,088	239
Reserves		-105	-30
Retained earnings, including profit for the year		1,795	1,573
Equity attributable to owners of the Parent Company		**4,899**	**1,874**
Non-controlling interests		9	14
Total equity		**4,907**	**1,888**
Liabilities	3, 32		
Non-current liabilities			
Non-current interest-bearing liabilities	26, 29	1,985	1,086
Provisions for pensions	27	113	134
Other non-current provisions	28	194	–
Deferred tax liabilities	10	382	161
Other non-current liabilities		26	27
Total non-current liabilities		**2,700**	**1,408**
Current liabilities			
Current interest-bearing liabilities	26, 29	246	350
Provisions for pensions	27	17	–
Other current provisions	28	85	–
Progress billings in excess of work in progress	22	1,436	481
Trade receivables	33	655	338
Current tax liabilities		133	42
Other current liabilities	30	750	449
Accrued expenses and prepaid income	30	1,644	963
Total current liabilities		**4,968**	**2,622**
Total liabilities		**7,668**	**4,029**
TOTAL EQUITY AND LIABILITIES		**12,575**	**5,917**

For information about the Group's pledged assets and contingent liabilities, see Note 31.

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Note	2015	2014
Operating activities			
Profit before tax	8	640	718
Adjustments for non-cash items			
Capital gains/losses		4	7
Amortisation/depreciation and impairment losses	3, 7	251	208
Difference between pension premiums expensed and paid		-17	-16
Other items		74	25
Total non-cash items		**312**	**224**
Income taxes paid		-157	-200
Cash flow from operating activities before changes in working capital		**795**	**742**
Changes in working capital			
Change in current receivables		-14	-27
Change in current liabilities		359	-121
Cash flow from operating activities		**1,140**	**595**
Investing activities			
Purchase of intangible assets		-27	-6
Disposal of intangible assets		1	0
Purchase of property, plant and equipment		-179	-137
Disposal of property, plant and equipment		6	1
Acquisition of subsidiaries and operations, net cash effect	12	-1,246	-79
Disposal of subsidiaries and operations, net cash effect	12	2	41
Disposal of associated companies		9	–
Acquisition of financial investments		-1	–
Disposal of financial investments		0	0
Change in non-current receivables		-4	2
Cash flow from investing activities		**-1,440**	**-177**
Financing activities			
Preferential rights issue	25	1,077	–
Issue expenses	25	-15	–
Repurchase of treasury shares	25	-14	-37
Sale of treasury shares	25	17	–
Capital distribution to owners of the Parent Company	25	-318	-296
Capital distribution to non-controlling interests		-1	-4
Borrowings		2,361	1,158
Repayment of borrowings		-2,400	-1,403
Cash flow from financing activities		**707**	**-582**
CASH FLOW FOR THE YEAR		**407**	**-164**
Cash and cash equivalents at beginning of year	24	**174**	**319**
Foreign exchange differences in cash and cash equivalents		**-37**	**19**
Cash and cash equivalents at end of year	24	**544**	**174**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	Note	Share capital	Other contributed equity	Reserves	Retained earnings	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
Equity at 1 January 2014		**91**	**239**	**-81**	**1,368**	**1,618**	**15**	**1,633**
Profit for the year		–	–	–	542	542	3	545
Other comprehensive income for the year		–	–	51	-56	-5	0	-5
Comprehensive income for the year				51	486	537	3	540
Capital distribution to the shareholders – dividend	25	–	–	–	-296	-296	-4	-299
Non-controlling interests in acquired companies	12	–	–	–	–	–	1	1
Acquisition of non-controlling interests	12	–	–	–	-5	-5	-2	-7
Disposal of non-controlling interests	12	–	–	–	–	–	0	0
Share bonus scheme – new share issue		1	–	–	–	1	–	1
Share bonus scheme – value of employee service		–	–	–	54	54	–	54
Share savings scheme – value of employee service		–	–	–	3	3	–	3
Repurchase of treasury shares		–	–	–	-37	-37	–	-37
EQUITY AT 31 DECEMBER 2014		**92**	**239**	**-30**	**1,573**	**1,874**	**14**	**1,888**
Profit for the year		–	–	–	438	438	1	439
Other comprehensive income for the year		–	–	-75	45	-30	0	-30
Comprehensive income for the year				-75	483	409	1	410
Capital distribution to the shareholders – dividend	25	–	–	–	-318	-318	-1	-319
Issue in kind	25	15	1,785	–	–	1,800	–	1,800
Preferential rights issue	25	13	1,064	–	-15	1,062	–	1,062
Non-controlling interests in acquired companies	12	–	–	–	–	–	-1	-1
Acquisition of non-controlling interests	12	–	–	–	-12	-12	-4	-16
Share bonus scheme – new share issue		1	–	–	-1	–	–	–
Share bonus scheme – value of employee service		0	–	–	76	76	–	76
Share savings scheme – value of employee service		–	–	–	5	5	–	5
Sale of treasury shares		–	–	–	17	17	–	17
Repurchase of treasury shares		–	–	–	-14	-14	–	-14
EQUITY AT 31 DECEMBER 2015		**121**	**3,088**	**-105**	**1,795**	**4,899**	**9**	**4,907**
Proposed capital distribution to the shareholders					-421	-421	–	-421
Dividend					-421	-421	–	-421

PARENT COMPANY INCOME STATEMENT

SEK M	Note	2015	2014
Net sales	3, 33	355	344
Total operating income		**355**	**344**
Other external expenses	3, 4 ,5, 33	-312	-291
Personnel costs	6	-58	-54
Amortisation/depreciation and impairment losses	3, 7	-29	-20
Total operating expenses		**-399**	**-364**
Operating profit/loss	3	**-44**	**-21**
Profit from investments in group companies	8	548	553
Financial income	8, 33	3	3
Financial expenses	8, 33	-43	-31
Net financial items	8	**508**	**525**
Profit after net financial items		**464**	**504**
Appropriations	9	-20	-2
Profit before tax		**444**	**503**
Income tax expense	10	-61	-67
PROFIT FOR THE YEAR		**383**	**435**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK M	2015	2014
Profit for the year	**383**	**435**
COMPREHENSIVE INCOME FOR THE YEAR	**383**	**435**

PARENT COMPANY BALANCE SHEET

SEK M	Note	31 Dec 2015	31 Dec 2014
ASSETS	3, 32		
Intangible assets	13	**81**	**2**
Property, plant and equipment	14	**50**	**38**
Financial assets			
Investments in group companies	15	4,508	1,098
Receivables from group companies	20	1,837	961
Other non-current securities	19	1	1
Other non-current receivables		2	–
Total financial assets		**6,348**	**2,059**
Total non-current assets		**6,479**	**2,100**
Current assets			
Receivables from group companies	20	1,841	1,696
Current tax assets		12	5
Other receivables		5	11
Prepaid expenses and accrued income	23	89	76
Cash and bank	24	13	2
Total current assets		**1,960**	**1,790**
TOTAL ASSETS		**8,440**	**3,890**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	25		
Share capital		121	92
Statutory reserve		188	188
Total restricted equity		**309**	**280**
Non-restricted equity	25		
Share premium reserve		2,900	52
Retained earnings		1,027	839
Profit for the year		383	435
Total non-restricted equity		**4,311**	**1,326**
Total equity		**4,619**	**1,606**
Untaxed reserves	9	**23**	**3**
LIABILITIES	3, 32		
Non-current liabilities			
Liabilities to group companies		193	10
Liabilities to credit institutions	26	1,890	962
Total non-current liabilities		**2,083**	**972**
Current liabilities			
Current interest-bearing liabilities	26	201	276
Trade payables		62	50
Liabilities to group companies		1,413	959
Other current liabilities	30	6	3
Accrued expenses and prepaid income	30	32	22
Total current liabilities		**1,715**	**1,310**
Total liabilities		**3,820**	**2,284**
TOTAL EQUITY AND LIABILITIES		**8,440**	**3,890**
Contingent liabilities	31	221	201

PARENT COMPANY CASH FLOW STATEMENT

SEK M	Note	2015	2014
Operating activities			
Profit after net financial items		464	504
Adjustments for non-cash items			
Capital gains/losses			
Amortisation/depreciation and impairment losses	7	29	20
Dividends and group contributions	8	-380	-357
Difference between interest recognised and received/paid	8	1	-4
Other items		11	56
Total non-cash items		**-339**	**-285**
Income taxes paid		-68	-58
Cash flow from operating activities before changes in working capital		**57**	**161**
Changes in working capital			
Change in current receivables		-45	-116
Change in current liabilities		479	290
Cash flow from operating activities		**491**	**335**
Investing activities			
Shareholder contributions		-38	-23
Purchase of intangible assets	13	-84	-0
Purchase of property, plant and equipment	14	-36	-25
Acquisition of subsidiaries, net cash effect		-1,478	-1
Cash flow from investing activities		**-1,636**	**-50**
Financing activities			
Group contributions		357	299
Change in non-current receivables		-694	-1
Preferential rights issue		1,077	–
Issue expenses		-15	–
Capital distribution to owners of the Parent Company	25	-318	-296
Sale of treasury shares		17	–
Repurchase of treasury shares		-14	-37
Borrowings		2,325	1,153
Repayment of borrowings		-1,579	-1,400
Cash flow from financing activities		**1,156**	**-283**
CASH FLOW FOR THE YEAR		11	2
Cash and cash equivalents at beginning of year	24	**2**	**0**
Cash and cash equivalents at end of year	24	**13**	**2**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK M	Note	Share capital	Statutory reserve	Total restricted	Share premium reserve	Retained earnings	Total non-restricted	Total equity
Equity at 1 January 2014	25	**91**	**188**	**279**	**52**	**1,114**	**1,166**	**1,445**
Profit for the year		–	–	–	–	435	435	435
Comprehensive income for the year		–	–	–	–	435	435	435
Capital distribution to the shareholders – dividend		–	–	–	–	-296	-296	-296
Share bonus scheme – new share issue		1	–	1	–	–	–	1
Share bonus scheme – value of employee service		–	–	–	–	54	54	54
Share savings scheme		–	–	–	–	4	4	4
Repurchase of treasury shares		–	–	–	–	-37	-37	-37
Equity at 31 December 2014/1 January 2015	25	**92**	**188**	**280**	**52**	**1,274**	**1,326**	**1,606**
Profit for the year		–	–	–	–	383	383	383
Comprehensive income for the year		–	–	–	–	383	383	383
Capital distribution to the shareholders – dividend		–	–	–	–	-318	-318	-318
Issue in kind		15	–	15	1,785	–	1,785	1,800
Preferential rights issue		13	–	13	1,064	-15	1,049	1,062
Share bonus scheme – new share issue		1	–	1	–	-1	-1	–
Share bonus scheme – value of employee service		0	–	0	–	76	76	76
Share savings scheme		–	–	–	–	8	8	8
Sale of treasury shares		–	–	–	–	17	17	17
Repurchase of treasury shares		–	–	–	–	-14	-14	-14
EQUITY AT 31 DECEMBER 2015	25	**121**	**188**	**309**	**2,900**	**1,410**	**4,311**	**4,619**
Proposed capital distribution to the shareholders								
Dividend	25, 35					-421	-421	-421

1 SIGNIFICANT ACCOUNTING POLICIES

Compliance with norms and laws
The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. The Annual Accounts Act and RFR 1, Supplementary Accounting Rules for Groups, have also been applied.

The Parent Company applies the same accounting policies as the Group, except in those cases described under "Parent Company accounting policies".

The annual report and consolidated financial statements were approved for publication by the Board of Directors on 4 March 2016. The income statements and balance sheets of the Parent Company and the Group will be presented to the Annual General Meeting for adoption on 14 April 2016.

Amounts in brackets refer to the corresponding period of the previous year. Because table items are individually rounded off, table figures do not always tally.

Basis of preparation of the consolidated and Parent Company financial statements
Assets and liabilities are recognised at historical cost, with the exception of certain financial assets and liabilities that are reported at fair value. Financial assets and liabilities reported at fair value consist of derivatives, financial assets classified as financial assets at fair value through profit or loss, and available-for-sale (AFS) financial assets.

Functional currency and presentation currency
The functional currency of the Parent Company is Swedish kronor (SEK), which is also the presentation currency of the Group. The financial statements are therefore presented in SEK.

Critical accounting estimates and assumptions
The preparation of financial statements in conformity with IFRS requires Sweco's senior management to make judgements, estimates and assumptions that affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assumptions.

Estimates and assumptions are evaluated on a regular basis. Changes in estimates are recognised during the period the change occurs (if the change affects only that period) or during the period the change occurs and subsequent periods (if the change affects both).

Note 36 provides details on the inputs and assessments used by Sweco's senior management that have a significant impact on the financial reports, as well as estimates that may result in significant adjustments to subsequent financial statements.

Significant accounting policies applied
The following accounting policies for the Group have been consistently applied in the periods presented in the consolidated financial statements, unless otherwise stated below. The Group's accounting policies have been consistently applied by all companies in the Group; when necessary, following alignment with Group policies on the part of associated companies.

Changed accounting policies
Changes in accounting policies resulting from new, revised or amended IFRSs
No revisions of or amendments to IFRS taking effect as of 2015 have had any significant impact on the consolidated financial statements.

New IFRSs that are not yet applied:
A number of new, revised or amended IFRSs take effect in future financial years and have not been adopted in advance in preparing this year's financial statements. Sweco does not plan to adopt new features or changes for future application in advance of the effective date.

IFRS 9, Financial Instruments, is intended to supersede IAS 39, Financial Instruments: Recognition and Measurement. The IASB has now completed an entire "package" of changes concerning the reporting of financial instruments. The package includes a model for classification and measurement of financial instruments, a forward-looking ("expected loss") impairment model and a significantly revised approach to hedge accounting. IFRS 9 takes effect on 1 January 2018; earlier application is permitted provided that the EU adopts the standard. No official schedule is yet available in terms of when adoption may occur.

The categories of financial assets in IAS 39 will be replaced by two categories: those reported at fair value and those recognised at amortised cost. Amortised cost is used for instruments held in a business model that focuses on collecting contractual cash flows, to be comprised of payments of principal and interest on the principal outstanding on specified dates. Other financial assets are reported at fair value, and the option of applying the "Fair Value Option" as in IAS 39 remains in place. Changes in fair value are recognised in profit or loss, with the exception of changes in the value of equity instruments held for trading and for which an initial choice is made to recognise value changes in other comprehensive income.

As for the language on financial liabilities, the greater portion corresponds to the previous IAS 39 rules with the exception of provisions concerning financial liabilities that are voluntarily reported at fair value under the "Fair Value Option". For these liabilities, the change in value is divided between changes attributable to the entity's own creditworthiness and changes in the reference rate.

The new impairment model will require more consistent impairment of "expected credit losses", which are to be recognised as of the initial recognition of the asset.

The new rules for hedge accounting include a simplification of efficiency tests and an expanded definition of permissible hedging instruments and hedged items. The Group has not yet evaluated the effects of the introduction of the standard.

IFRS 15, Revenue from Contracts with Customers, regulates the recognition of revenue. IFRS 15's core provisions will provide users of financial statements with more useful information concerning the company's revenues. Under the expanded disclosure requirements, information on revenue type, settlement date, uncertainties associated with revenue recognition, and cash flow attributable to the company's customer contracts must be provided. Revenue is recognised under IFRS 15 when control of a good or service transfers to the customer. IFRS 15 supersedes IAS 18, Revenue, and IAS 11, Accounting for Construction Contracts, and the SICs and IFRICs related thereto. IFRS 15 takes effect on 1 January 2017. Early adoption is permitted. The Group has not yet evaluated the effects of the introduction of the standard.

IFRS 16, Leases, is a new leasing standard meant to replace IAS 17, Lease contracts, and associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that all assets and liabilities attributable to lease contracts (with a few exceptions) be recognised in the balance sheet. Reporting requirements are based on the viewpoint that the lessee has the right to use the asset during a specified period of time and is also obligated to pay for this right of use. Reporting requirements for lessors remain essentially unchanged. The standard takes effect for financial years beginning 1 January 2019 or later. Early adoption is permitted. The EU has not yet adopted the standard. The Group has not yet evaluated the effects of IFRS 16.

No other IFRSs or IFRIC interpretations that are not yet effective are expected to have any significant impact on the Group.

Extraordinary items
Sweco has decided to specify income/expense related to items of an extraordinary nature in order to facilitate the analysis of the business and underlying earnings, as it is important to highlight the impact of these items on earnings when comparing net profit to previous periods. Extraordinary items refer to transaction expenses and primary expenses associated with restructuring and/or integrating acquired businesses into the Group. In addition to acquisition-related items, extraordinary items may include significant write-downs, bad debt losses, disputes and insurance matters. Classification as an "extraordinary item" requires fulfilment of several criteria, including whether the item would have arisen if the acquisition had not taken place and whether the item should be attributed to a project/event identified by senior management.

Classifications
Non-current assets and non-current liabilities are essentially comprised of amounts expected to be recovered or settled later than 12 months after the balance sheet date. Current assets and current liabilities are essentially comprised of amounts that are expected to be recovered or settled within 12 months of the balance sheet date.

Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segment results are reviewed regularly by the Excecutive Team, which makes decisions on resources to be allocated to the segment and assesses its performance. For additional information about the division into and presentation of operating segments, see Note 3.

Basis of consolidation
Subsidiaries
Subsidiaries are all entities over which Sweco AB has a controlling interest, meaning that Sweco AB has influence over the investment object, is exposed to or has the right to variable return by virtue of its involvement, and can exert its control over the investment to influence returns. Potential share voting rights and the existence or nonexistence of de facto control are factors in determining whether controlling interest exists.

All subsidiaries are consolidated pursuant to the acquisition method of accounting, whereby the acquisition of a subsidiary is regarded as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. An acquisition analysis establishes the fair value of the identifiable assets acquired date and liabilities assumed as at acquisition, as well as any non-controlling interest in the acquiree. Acquisition-related costs, with the exception of those associated with the issue of equity or debt instruments, are recognised as Other External Expenses.

In business combinations where the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree (for step acquisitions) exceeds the Group's share in the fair value of net identifiable assets acquired and liabilities assumed, the difference is recorded as goodwill. When the difference is negative, the resulting gain is recognised as a bargain purchase directly in profit or loss.

Consideration transferred for the acquisition of a subsidiary does not include amounts related to the settlement of pre-existing business relationships. Such amounts are recognised in profit or loss.

Any payable contingent purchase consideration is reported at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, it is not remeasured and settlement is recognised in equity. Otherwise, the fair value of contingent purchase consideration is remeasured at each reporting date and the change is recognised in profit or loss.

Non-controlling interest refers to acquisitions in which less than 100 per cent of the subsidiary is acquired. There are two alternative methods for reporting non-controlling interests: 1) as proportional share of net assets, or 2) at fair value (signifying that the non-controlling interests have a share in goodwill). The choice between these two methods can be made on an acquisition-by-acquisition basis.

For step acquisitions, the amount of goodwill is determined on the date when control is obtained. Any previously held equity interests are reported at fair value and changes in value are recognised in profit or loss.

Partial divestments of investments in subsidiaries that result in loss of control are reported at fair value and changes in value are recognised in profit or loss.

For acquisitions conducted between 1 January 2004 and 31 December 2009 in which the acquisition cost exceeded the fair value of identifiable assets acquired and liabilities and contingent liabilities assumed, the difference was recognised as goodwill. When the difference was negative, it was recognised directly in profit or loss. Acquisition-related costs (other than those associated with the issue of equity or debt instruments) incurred by the Group in connection with business combinations were capitalised as part of the acquisition cost.

For acquisitions conducted prior to 1 January 2004, impairment-tested goodwill was recognised as acquisition cost corresponding to the carrying amount pursuant to previously applied accounting policies. As at 1 January 2004, in preparing the Group's opening balance in accordance with IFRS the classification and accounting treatment of business combinations prior to 1 January 2004 were not restated in accordance with IFRS 3.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Subsidiaries' accounting policies have been changed when necessary to align them with the policies adopted by the Group.

Losses attributable to non-controlling interests are allocated even in the event that doing so results in a deficit equity balance.

Acquisitions from non-controlling interests are recognised as equity transactions; i.e., transactions between owners of the Parent Company (retained earnings) and non-controlling interests. As a result, no goodwill arises in these transactions. Changes in non-controlling interests are based on their proportionate share in net assets.

A change in the ownership interest of a subsidiary, without loss of control, is reported as an equity transaction; i.e., a transaction between owners of the Parent Company and non-controlling interests. The difference between the consideration received and the non-controlling interests' proportionate share in acquired net assets is recognised in retained earnings.

Associated companies

Associated companies are entities over which the Group has significant, but not controlling, influence over operating and financial policies, normally through ownership of 20 to 50 per cent of the voting power. From the date on which the significant influence passes to the Group, investments in associates are reported according to the equity method of accounting, whereby the Group's carrying amount for the investment in an associate corresponds to the Group's share in the fair value of net assets of the associated company as well as goodwill and the effects of any fair value adjustments. In the consolidated income statement, shares in profit or loss attributable to Parent Company shareholders (adjusted for amortisation, impairment losses or reversals on goodwill or negative goodwill) are reported in "Share in profit of associates". These shares in profit, less dividends received from associated companies, constitute the main change in the carrying amount of investments in associates. The Group's share in other comprehensive income of associates is reported on a separate line in the Group's comprehensive income.

Upon acquisition of the investment in an associate, any difference (whether positive or negative) between the acquisition cost and the investor's share of the fair value of the net identifiable assets including contingent liabilities of the associated company is reported in accordance with same principles applied for the acquisition of subsidiaries.

Transaction costs, other than those attributable to the issue of equity or debt instruments, are reported as other external costs. When the Group's share in reported losses of an associated company exceeds the carrying amount of the Group's investment in the associated company, the value of the investment is reduced to zero. Losses are also deducted from long-term interests that, in substance, form part of the investor's net investment in the associated company. Additional losses are recognised to the extent the Group has furnished guarantees to cover associated company losses. The equity method is applied until the date on which the significant influence ceases.

Joint arrangements

Joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations of each investor. Sweco AB has evaluated its joint arrangements and determined that Sweco ÅF Healthcare Systems AB is a joint operation and that the Group has only insignificant joint ventures. Joint ventures are reported under the equity method, while joint operations are reported using the Group's share of the operation's income, expenses, assets and liabilities. Under the equity method, joint ventures are initially reported at cost in the consolidated statement of financial position. The carrying amount is then increased or decreased to reflect the Group's share in the profit and other comprehensive income of its joint ventures after the acquisition date. The Group's share of profit is included in consolidated income and its share of other comprehensive income in other comprehensive income. The equity method is applied from the date on which joint control ceases.

Transactions eliminated on consolidation

All intra-group receivables and liabilities, income or expenses, and unrealised gains or losses arising on intra-group transactions are eliminated in full in presentation of the consolidated financial statements. Unrealised gains arising on transactions with associated companies and joint ventures are eliminated to the extent corresponding to the Group's interest in the company. Unrealised losses are similarly eliminated unless they provide evidence of impairment.

Foreign currency

Transactions in foreign currency

Transactions in foreign currencies are translated to the functional currency at the rate of exchange on the transaction date. The functional currency is the currency of the primary economic environment in which the company operates. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing day rate. Translation differences arising on translation are recognised in profit or loss.

Financial statements of foreign operations

Assets and liabilities in foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from the foreign operation's functional currency to the Group's presentation currency (SEK) at the closing day rate of exchange. Income and expenses in foreign operations are translated to SEK at an average rate that is a reasonable approximation of actual rates on the respective transaction dates. Translation differences arising on translation of foreign operations are recognised in the statement of comprehensive income and accumulated as a separate component of equity (reserves). When a foreign operation is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the separate component of equity relating to that foreign operation is recognised in profit or loss when the gain or loss on disposal is recognised. Sweco has no group companies in countries with hyperinflationary economies.

The following exchange rates were used for translation of the most significant currencies:

	2015		2014	
	Closing	Average	Closing	Average
EUR	9.17	9.36	9.52	9.10
NOK	0.96	1.05	1.05	1.09

On consolidation, translation differences arising from the translation of net investments in foreign operations and other currency instruments designated as hedges of such investments are recognised in the statement of comprehensive income and accumulated in other reserves in equity, to the extent that the hedge is effective. The ineffective portion is recognised in the consolidated income statement. When a foreign operation is disposed of, the cumulative amount of the exchange differences relating to that foreign operation, after deduction of any currency hedges, is reclassified from equity to profit or loss.

Cumulative translation differences arising before 1 January 2004 (transition to IFRS) have been recognised as a translation reserve in equity.

Net investments in foreign operations

Monetary non-current receivables from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, part of Sweco's net investment in the foreign operation. Exchange differences arising on monetary non-current items are recognised in other comprehensive income and accumulated in a separate component of equity (translation reserve). When a foreign operation is disposed of, the cumulative amount of the exchange differences attributable to monetary non-current items is included in the cumulative exchange differences that are reclassified from the translation reserve in equity to profit or loss.

Revenue

Revenue is recognised at the fair value of the consideration received for services rendered in the Group's operating activities. The Group recognises revenue when the amount can be measured reliably and it is probable that the economic benefits will flow to the company.

The Group reports service contracts (work in progress) in accordance with the percentage of completion method, under which contract revenue is recognised in pace with completion of the contract. In the consolidated income statements, the year's generated contract revenue for service contracts carried out on both a cost plus and fixed price basis is recognised in operating income. For cost plus contracts, contract revenue refers to work completed that is invoiced to the customer. For fixed price contracts, contract revenue is determined by reference to the stage of completion. The stage of completion of a contract is determined by comparing the proportion of contract costs incurred on the balance sheet date with the estimated total contract costs. In the balance sheet, service contracts are recognised at the value of the contract revenue less confirmed losses and anticipated loss risks. Service contracts where the value of work in progress exceeds progress billings are reported among receivables as work in progress less progress billings. Service contracts in which the value of progress billings exceeds the value of work in progress are reported among liabilities as progress billings in excess of work in progress.

If the outcome of a service contract cannot be estimated reliably, contract revenue is recognised only to the extent that contract costs incurred are expected to be recoverable.

An anticipated loss on a contract is recognised immediately as an expense.

Financial income and expenses

Financial income consists of interest income on invested funds, dividend income, revaluation gains on financial assets at fair value through profit or loss and gains on derivatives that are recognised through profit or loss.

Interest income on financial instruments is calculated using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received between the parties to the contract, transaction costs and any other discounts and premiums. Dividend income is recognised when the right to payment has been established. Gains on the sale of financial instruments are recognised when the risks and rewards of ownership of the instrument have been transferred to the buyer and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, effects arising from write-backs of present value calculations for provisions, revaluation losses on financial assets at fair value through profit or loss, and impairment losses on financial assets. All borrowing costs are recognised in the income statement through application of the effective interest method, regardless of how the borrowed funds were utilised. Exchange gains and losses are reported net. Exchange gains and losses arising on operating receivables and liabilities are recognised in operating profit, while those arising on financial assets and liabilities are recognised in net financial items.

Financial instruments

Financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, loans and receivables, financial investments and derivatives. On the liability side, these include trade payables, borrowings and derivatives.

Recognition and derecognition of assets and liabilities

A financial asset or liability is recognised in the balance sheet when the company initially becomes party to the contractual provisions of the instrument. Trade receivables are recorded in the balance sheet when an invoice has been issued. Financial liabilities are recognised when the counterparty has performed and there is contractual obligation to pay, even if no invoice has been received. Trade payables are recorded when an invoice has been received.

A financial asset is derecognised from the balance sheet when the company's rights under the agreement are realised, expire or the company has relinquished control of the asset. The same applies to a part of a financial asset. A financial liability is derecognised from the balance sheet when the obligation specified in the agreement is discharged or otherwise extinguished. The same applies to a part of a financial liability.

A financial asset and a financial liability are set off and netted in the balance sheet only when a legal right of setoff exists and there is an intent and ability to set off and net these items or to simultaneously realise the asset and settle the liability.

The purchase or sale of a financial asset is recognised on the trade date, which is the date on which the transaction takes place, except when the company acquires or sells listed securities, in which case settlement date accounting is applied.

The fair value of a listed financial asset corresponds to the asset's quoted market price on the balance sheet date. The fair value of unlisted financial assets is established by using different valuation techniques such as recent transactions, prices for similar instruments and discounted cash flows.

Classification and measurement

Non-derivative financial instruments are initially reported at cost, corresponding to fair value including transaction costs for all financial assets and liabilities not reported at fair value through profit or loss, which are reported at fair value less transaction costs. On initial recognition, a financial instrument is classified based on the intent for acquisition of the financial instrument. Subsequent to initial recognition, the accounting treatment of financial liabilities depends on how they are classified, as described below.

Cash and cash equivalents comprise cash in hand and at bank and other highly liquid short-term investments with original maturities of less than three months which are exposed to insignificant risk for value fluctuations. Highly liquid short-term investments are investments that are readily convertible to known amounts of cash and for which a buyer is not required for sale to be effectuated.

Financial investments comprise either financial assets or short-term investments, depending on the period or intent of the holding. If the maturity or expected holding period is longer than one year the investments are recognised as financial assets; if shorter, they are recognised as short-term investments.

Financial assets at fair value through profit or loss

This category consists of financial assets held for trading. Financial instruments in this category are valued at fair value, with changes in value recognised in profit or loss. This category consists mainly of derivatives with a positive fair value, but may also include financial investments.

Loan receivables and trade receivables

Loan receivables and trade receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted on an active market. Such receivables arise when Sweco provides goods or services directly to a debtor with no intent of trading the resulting receivables. Assets in this category are subsequently recognised at amortised cost. Amortised cost is calculated using the effective interest rate on the acquisition date. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of those receivables. Significant financial difficulties of the debtor and default or delinquency of payments are considered objective evidence of impairment. Non-current receivables are those with an anticipated holding period of more than one year. Other receivables have anticipated holding periods of less than one year.

Held-to-maturity investments

Investments that the Group intends and is able to hold over their entire maturity are classified as held-to-maturity. Held-to-maturity investments are initially reported at fair value including directly attributable costs, and are subsequently recognised at amortised cost using the effective interest method less impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are assets that cannot be allocated to any other category or that are classified in this category. Shareholdings and participations that are not recognised as subsidiaries, associated companies or joint ventures are recognised here. Available-for-sale assets are reported at fair value. The period's gains/losses arising from changes in fair value are recognised in other comprehensive income and cumulative gains/losses as a separate component of equity. Fair value changes due to impairment are recognised in profit or loss. On disposal of such assets, the cumulative gains/losses that were previously recognised in other comprehensive income are recycled into profit or loss. An impairment loss is recognised when there is evidence of a lasting decrease in value.

Financial liabilities at fair value through profit or loss

This category consists of financial liabilities held for trading. Financial instruments in this category are subsequently reported at fair value with changes in value recognised in operating profit or loss. This category includes the Group's derivatives with negative fair values.

Other financial liabilities

This category includes borrowings and other financial liabilities, such as trade payables. These liabilities are reported at amortised cost, which is calculated using the effective interest rate on the transaction date. Non-current liabilities have an expected maturity of more than one year, while current liabilities have a maturity of less than one year.

The categories in which the Group's financial assets and liabilities are grouped are presented in Note 32, Financial instruments by category.

Derivative and hedge accounting

Sweco Group derivative instruments are comprised of currency forward contracts that reduce the risk of exchange rate fluctuations. All derivatives are initially reported at fair value, signifying that transaction costs are charged to profit or loss for the current period. Derivatives are subsequently reported at fair value, and changes in fair value are recognised directly in the income statement within operating profit or loss when the criteria for hedge accounting have not been met.

Hedge accounting for net investments in foreign companies

Hedge accounting is applied to investments made by the FMC Group and the Grontmij Group, and associated loan financing. Net investments in foreign operations are hedged by raising foreign currency loans that are reported at the closing day rate on the reporting date. Translation differences in the foreign currency loan are recognised as hedges of the net investment in a subsidiary and are included in other comprehensive income. Through hedge accounting, the asset (net investment in a foreign operation) and liability (foreign currency loan) are linked to each other; accordingly, only net changes in value are recognised in other comprehensive income.

Receivables and liabilities in foreign currency

Currency forward contracts are used to hedge assets and liabilities against currency risk. Hedge accounting is not used. The underlying asset or liability and the hedge instrument are both translated at the rate of exchange on the balance sheet date, and exchange gains and losses are recognised through profit or loss. Changes in the fair value of operating receivables and liabilities are recognised in operating profit, while changes in the fair value of financial assets and liabilities are recognised in net financial items.

Property, plant and equipment

Owned assets

An item of property, plant and equipment is recognised as an asset in the balance sheet when it is probable that the economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

Historical cost includes the costs of purchase and all directly attributable costs necessary to bring the asset to its required working condition. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial amount of time to prepare for its intended use or sale is included as part of the cost of that asset.

Items of property, plant and equipment consisting of identifiable parts with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised in the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on sale arising from disposal of an asset is the difference between any disposal proceeds and the carrying amount of the asset less direct sales costs, and is recognised in other operating income/expenses.

Leased assets

In the consolidated financial statements, leases are classified as either finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recorded as assets in the consolidated balance sheet. The obligation to pay future lease payments is reported in the balance sheet under current and non-current liabilities. The leased assets are depreciated on a straight-line basis, while the lease payments are recognised in interest expenses and repayment of borrowings. Interest expense is allocated throughout the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable charges are expensed as incurred.

For operating leases, leasing fees are recognised in profit or loss over the lease term according to the pattern of benefit, which may differ from the de facto amount of lease payments during the year. Incentives for the agreement of a new or renewed operating lease are recognised in the income statement as a reduction of the lease fees on a straight-line basis over the lease term. Variable charges are expensed as incurred.

Subsequent expenditure
Subsequent expenditure is added to the recorded value of the asset or recognised as a separate asset when it is probable that the future economic benefits associated with the asset will flow to Group and the cost of the asset can be measured reliably.

The decisive factor in determining whether subsequent expenditure should be added to historical cost is whether the expenditure refers to replacement of an identified component or part(s) thereof, in which case it is capitalised. In cases where a new component is created, the resulting expenditure is added to historical cost. Any residual carrying value of a replaced component or part(s) is retired and expensed in connection with replacement. Repairs and maintenance are expensed as incurred.

Depreciation method
Assets are depreciated to residual value on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. The Group applies component depreciation, whereby depreciation is based on the estimated useful life of the components.

The estimated useful lives are:

– buildings, operating properties	50 years
– IT and computer equipment	3 years
– other equipment	5 years

The residual value and useful life of an asset are evaluated yearly.

Intangible assets
Goodwill
Goodwill represents the difference between the historical cost of the acquisition and the fair value of the Group's share of the acquired assets, assumed liabilities and contingent liabilities.

For goodwill arising from acquisitions conducted prior to 1 January 2004, the carrying amount is the Group's historical cost. Goodwill is recognised at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units and is no longer amortised; rather, it is tested for impairment annually (see section on impairment). Goodwill arising on acquisition of associated companies is included in the carrying amount of the shares in the associated company.

Capitalised development expenditures
Costs for research aimed at obtaining new scientific or technical knowledge are expensed as incurred.

Costs for development (where knowledge is used to achieve new or improved products or processes) are recognised as an asset in the balance sheet only when the technical and commercial feasibility of the product or process has been established, the Group has adequate resources to complete development, and the Group intends and is able to complete development of the intangible asset and either use it or sell it. It must also be possible to demonstrate how the asset will generate probable future economic benefits and to reliably measure expenditure attributable to the asset during its development. The carrying amount includes the costs of materials, direct employment costs and indirect costs that can be attributed to the asset in a reasonable and consistent manner. Other development expenditures are recognised as costs in the balance sheet as incurred. Capitalised development expenditures are carried at cost less any accumulated amortisation and impairment losses.

Capitalisation of intangible assets in acquisitions
The value of the order backlog, customer relationships and brands/trademarks is recognised in conjunction with an acquisition. The capitalised order backlog refers to operating profit on fixed orders. Customer relationships and brands/trademarks are reported at fair value at acquisition date less accumulated depreciation.

Subsequent expenditure
Subsequent expenditure on a capitalised intangible asset is recognised as an asset in the balance sheet only when the expenditure increases future economic benefits of the specific asset and the expense can be measured reliably.

Borrowing costs
Borrowing costs attributable to the acquisition, construction or production of "qualifying assets" are capitalised as part of the cost of the asset. A qualifying asset is an asset that takes a substantial period of time to prepare for its intended use or sale. The Group capitalises borrowing costs primarily on borrowings that are specific to the qualifying asset and, alternatively, on borrowing costs arising from general borrowings that are not specific to any other qualifying asset. The Group's centrally set internal interest rate is used to determine the interest rate for capitalised borrowing costs.

Amortisation
Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the intangible asset, unless the useful life is indefinite. Goodwill and intangible assets not yet ready for use are impairment tested annually or when circumstances indicate that the asset has decreased in value. Amortisable intangible assets are amortised from the date on which they become available for use. The estimated useful lives are:

– capitalised development expenditures	5 years
– licences	3 years
– customer relationships	5–8 years
– trademarks	1–3 years
– order backlog	as order is realised

Impairment
The carrying amounts of the Group's assets are reviewed at each balance sheet date for any indication of a write-down requirement. The asset's recoverable value is calculated if such a requirement is indicated. The carrying amounts of deferred tax assets are reviewed according to the applicable standards (see section on taxes).

For goodwill and intangible assets not yet ready for use, the recoverable value is calculated annually.

If it is not possible to establish material independent cash flows for an individual asset, these assets are grouped at the lowest level at which it is possible to identify material independent cash flows (a "cash generating unit"). When the carrying amount of an asset or cash-generating unit exceeds its recoverable value, an impairment loss is recognised in the income statement.

The impairment of assets attributable to a cash-generating unit (group of units) is allocated first to goodwill. A proportional impairment of other assets in the unit (group of units) is conducted thereafter.

Calculation of recoverable amount
The recoverable amount is the fair value less selling expenses or value in use, whichever is higher. In measuring value in use, future cash flows are discounted with a discounting factor that reflects risk-free rates and the risks specific to the asset. For assets that do not generate cash flows that are essentially independent in relation to other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

Reversal of impairment
Impairment losses are reversed when there is an indication that a write-down requirement no longer exists and there has been a change in the assumptions on which the calculation of recoverable amount is based. Reversal of impairment losses on goodwill is prohibited. An impairment loss is reversed only when the asset's carrying amount after reversal does not exceed the carrying amount that would have been reported, less amortisation, if the impairment had not been recognised.

Impairment losses on trade receivables recognised at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event occurring after the date of the impairment loss.

Inventories
Inventories are comprised primarily of projects (building constructions) and are valued at historical cost or net realisable value, whichever is lower. Net realisable value is the estimated sales price in the ordinary course of business, less estimated costs of completion and selling expenses.

Land development projects and projects in which buyers have only a limited impact on the main elements of the assets' design are reported under inventories. The transfer of risks and benefits vary depending on the contractual provisions. If management and the key risks associated with ownership are transferred to the buyer gradually during the course of the project, revenues and earnings are reported in line with the project's development and valuation then follows the accounting method applied to services.

Equity
Treasury shares
Upon the repurchase of shares (treasury shares), the purchase sum is recognised as a reduction in equity. Proceeds from the sale of treasury shares are recognised as an increase in equity. Transaction costs are recognised directly in equity.

Dividends
Dividends are recognised as a liability when they have been approved by the Annual General Meeting.

Earnings per share
Earnings per share are calculated by dividing profit or loss attributable to owners of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by adjusting profit or loss and the average number of shares for the effects of dilutive potential ordinary shares.

Employee benefits
Pension plans
The pension plans are financed through payment of premiums to insurance companies or pension funds, according to periodic actuarial computations. A defined benefit plan is based on a formula indicating the exact amount of benefit to be received by the employee after retiring, normally based on one or more factors such as age, duration of employment or salary. In a defined contribution plan, the employer pays a fixed contribution to a separate legal entity (insurance company). Sweco has both defined contribution and defined benefit plans.

Defined contribution plans
A defined contribution plan is classified as a plan in which the company's obligation is limited to the amount that it agrees to contribute. The amount of the post-employment benefits received by the employee is thus determined by the amount of contributions paid by the company to the pension plan or to an insurance company, together with investment returns on the accumulated contributions. Consequently, it is the employee who bears both the actuarial risk (that the amount of benefits will be lower than anticipated) and the investment risk (that the invested assets will not be adequate to provide the anticipated benefits). For defined benefit plans, the expense to be recognised in the income statement for the period is the contribution payable in exchange for services rendered by employees during the period.

Defined benefit plans
Defined benefit plans are plans for post-employment benefits other than defined contribution plans. The Group's net obligation under defined benefit plans is determined separately for each plan by estimating expected future payments required to settle the obligation resulting from employee service in the current and prior periods. This obligation is discounted to a present value. The discount rate is the interest rate at the balance sheet date for high-quality corporate bonds, including mortgage bonds, with a maturity term corresponding to the Group's pension obligations. Calculations are done by a qualified actuary using the Projected Unit Credit Method. The fair value of plan assets is also calculated on the reporting date. The Group's net obligation consists of the present value of the obligation, reduced by the fair value of plan assets and adjusted for any asset ceiling.

All of the components included in a period's cost for a defined benefit plan are recognised in operating profit or loss.

Revaluation effects are comprised of actuarial gains and losses, the difference between actual return on plan assets and the amount included in net interest income/expense and any changes in the effects of the asset ceiling (excluding interest included in net interest income/expense). Revaluation effects are recognised in other comprehensive income.

When the calculation results in an asset for the Group, the recognised value of the asset is limited to the plan surplus or the asset ceiling (calculated by applying the discount rate), whichever is lower. The asset ceiling is the present value of future economic benefits in the form of lower future employer contributions or cash refunds. Minimum funding requirements are taken into account in calculating the present value of future refunds or contributions.

Changes or curtailments in a defined benefit plan are recognised at the earliest of the following dates: a) when a change in the plan or a curtailment occurs, or b) when the company recognises related restructuring costs and termination benefits. Changes/curtailments are recognised directly in profit or loss.

Termination benefits
An expense is recognised on the termination of employees only if the company is demonstrably obliged to terminate an employee or group of employees prior to the normal retirement date.

Short-term employee benefits
For short-term employee benefits, the undiscounted amount of benefits expected to be paid for services rendered by employees during a period is recognised in that period.

Other long-term employee benefits
Other long-term employee benefits such as jubilee benefits are valued at the current actuarial value. The discount rate used is the yield on high quality corporate bonds with maturity terms corresponding to the Group's obligations. Actuarial gains and losses are recognised in the income statement during the period incurred.

Share savings schemes
The 2012, 2013, 2014 and 2015 Annual General Meetings resolved to implement long-term share savings schemes for Sweco Group senior executives. Under the share savings schemes, participants may use their own funds to acquire Class B shares in Sweco ("Savings Shares"). If the Savings Shares are held until the announcement of the year-end report for the 2015 financial year for the 2012 share savings scheme, the 2016 financial year for the 2013 share savings scheme, the 2017 financial year for the 2014 share savings scheme, and the 2018 financial year for the 2015 share savings scheme (the "Retention Period") and the participant remains employed in his/her position or an equivalent position in the Sweco Group throughout the Retention Period, each Savings Share shall thereafter grant entitlement to one Class B share in Sweco without consideration ("Matching Share") and – provided that the performance criteria have been met – to an additional number of not more than one to four Class B shares in Sweco ("Performance Shares"). The granting of Performance Shares is conditional on a positive total yield for the Sweco share, and is also dependent on the Sweco share's total yield in relation to a group of benchmark companies. The cost is expensed on a straight-line basis over the Retention Period as a personnel cost, with a corresponding increase in equity. The cost of the Matching Share is based on the fair value of the share on the acquisition date; the cost of the Performance Share is based on the fair value of the share as calculated by an external party through a "Monte Carlo simulation".

In connection with the grant, social fees are paid for the value of the employee benefit. Provisions for these estimated social fees are therefore made during the Retention Period.

Share bonus scheme
Sweco Group currently offers a share bonus scheme (the 2015 Share Bonus Scheme) under which bonuses are paid to employees in Sweden in the form of Sweco shares. Under this equity-managed scheme, the number of shares to be received by each employee is calculated based on a fixed base share price (corresponding to the average volume-weighted price paid for the Sweco Class B share during a specified period). The base share price is restated in accordance with standard terms in the event the Sweco AGM resolves to conduct a share split, preferential rights issue or similar during the duration of the scheme. Estimated bonuses are expensed on a straight-line basis during the vesting period as a personnel cost, with a corresponding increase in equity. The expense recognised corresponds to the fair value of the estimated number of shares expected to vest. This expense is adjusted in subsequent periods to reflect the actual number of vested shares.

Social fees relating to share-based compensation to employees as payment for services rendered are expensed during the periods in which such services are rendered. Provisions for social fees are based on the fair value of the share at the reporting date.

Provisions
A provision is recognised in the balance sheet when the Group has a present obligation (legal or constructive) that has arisen as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably. When the timing effect of payment is significant, provisions are reported at discounted present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The Group's provisions consist of pension provisions, provisions for soil/site remediation, restructuring provisions and other provisions.

After-care liabilities
The Group is responsible for the after-care of waste sites in the Netherlands and ensuring that waste products are processed for storage, and for securing long-term waste product maintenance. The provisions for landfill sites are calculated pursuant to IPO's RIINAS model (umbrella organisation for the twelve provinces in the Netherlands). These provisions are increased in proportion to waste disposal per sector.

The provision is valued at present value of estimated future costs based on past experience. Key assumptions in this valuation are the discount rate, inflation, cost price of materials and wastewater fees. The current market and the risks associated with the obligation were taken into account when determining future cash flows.

Restructuring
A restructuring provision is recognised when a formal detailed restructuring plan is in place and restructuring has begun or been publicly announced. No provision is made for future operating costs.

Other provisions
Other provisions are primarily related to provisions for restoration of office space.

Taxes
Income taxes are comprised of current tax and deferred tax. Income taxes are recognised in profit or loss.

Current tax refers to tax payable or receivable with respect to the year's profit or loss, with the application of the tax rates that have been enacted or substantively enacted as at the balance sheet date. This also includes adjustments in current tax from earlier periods.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between the carrying amount of an asset or liability and its tax base. The following temporary differences are not recognised: temporary differences arising on initial recognition of goodwill; the initial recognition of assets and liabilities that are not business combinations and at the time of the transaction affect neither reported nor taxable profit; and temporary differences attributable to investments in subsidiaries and associated companies not likely to be recovered in the foreseeable future and for which the Group can control the date for recovery. The measurement of deferred tax reflects the manner in which the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is computed with the application of the rates/laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets for deductible temporary differences and tax loss carry-forwards are recognised to the extent it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Any additional income tax arising from dividends from subsidiaries is recorded on the date the dividend is recognised as a liability.

Contingent liabilities
A contingent liability is recognised when an obligation may arise due to the occurrence of an uncertain future event, or which will arise only through the occurrence or non-occurrence of one or more uncertain future events, or when an obligation is not recognised as a liability or provision due to the remote nature of the possibility of an outflow of economic resources.

Parent Company accounting policies
The Parent Company's annual financial statements were prepared in accordance with the Swedish Annual Accounts Act (1995:1554); RFR 2, Accounting for Legal Entities; and rules for listed companies issued by the Swedish Accounting Standards Board's Urgent Issues Task Force. RFR 2 specifies that in the report for the legal entity, the Parent Company shall apply all EU-endorsed IFRSs and interpretations as far as possible within the framework of

the Annual Accounts Act and the Pension Obligations Vesting Act, with respect to the connection between accounting and taxation. This recommendation defines exceptions to and additional disclosures to be made under IFRS provisions.

Differences between the accounting policies of the Group and the Parent Company
The differences between the accounting policies applied by the Group and the Parent Company are described below. The following accounting policies for the Parent Company have been applied consistently for all periods presented in the Parent Company financial statements.

Changed accounting policies
Unless otherwise specified, the accounting policies applied by the Parent Company in 2015 were adjusted in accordance with changes made by the Group, as described above.

Subsidiaries, associated companies and joint ventures
In the Parent Company, investments in subsidiaries, associated companies and joint ventures are reported in accordance with the cost method of accounting. Accordingly, acquisition-related costs are included in the carrying amount of the investment in a subsidiary, associated company or joint venture. In the consolidated financial statements, acquisition-related costs are expensed as incurred.

The value of contingent purchase consideration is measured based on the probability that the consideration will be paid. Any changes in the provision/receivable are added to/reduce the historical cost. In the consolidated financial statements, contingent purchase consideration is reported at fair value with value changes through profit or loss.

A bargain purchase (negative goodwill) corresponding to anticipated future losses and expenses is recognised during the periods when the expected losses and expenses occur. Negative goodwill arising for other reasons is recognised as a provision to the extent it does not exceed the aggregate fair value of acquired identifiable non-monetary assets. The portion exceeding this value is recognised directly in profit or loss. The portion that does not exceed the aggregate fair value of acquired identifiable non-monetary assets is recognised as income on a systematic basis over the remaining weighted average useful life of the acquired identifiable depreciable/amortisable assets. In the consolidated financial statements, bargain purchases are recognised directly in profit or loss.

Sale of goods and performance of services
In accordance with Chapter 2, Paragraph 4 of the Annual Accounts Act, the Parent Company recognises revenue from the sale of services when the performance of the service is completed. Work in progress is recognised at cost or at net realisable value, whichever is lower.

The Parent Company's invoicing of group-wide administration and other operations is recognised in net sales in the income statement.

Dividends
Dividends are recognised when the right to receive payment is deemed certain. This requirement also applies to subsidiaries. Any profits distributed by subsidiaries must be earned after Sweco's acquisition date. Dividends can also be anticipated if the decision to distribute the dividend has been taken or if Sweco can ensure distribution via its holding in the company.

Work in progress
In the balance sheet, work at a fixed price is reported at cost or fair value, whichever is lower.

Finance leases
The Parent Company recognised all lease agreements (both financial and operational) as operational.

Defined benefit pension plans
The Parent Company applies different bases for calculating defined benefit pension plans than those specified in IAS 19. The Parent Company complies with the provisions in the Pension Obligations Vesting Act and the regulations of the Swedish Financial Supervisory Authority, as doing so is a requirement for tax deductibility. The most significant differences compared to IAS 19 are the manner in which the discount rate is determined, the calculation of the defined benefit obligation based on current salary level with no assumption about future salary increases, and the recognition of actuarial gains and losses in the income statement for the period during which they arise.

Taxes
In the Parent Company, untaxed reserves are reported including deferred tax liabilities. In the consolidated financial statements, however, untaxed reserves are divided between a deferred tax liability and equity.

Hedge accounting
RFR 2, IAS 21, item 4, specifies that liabilities in foreign currency may be recognised at historical cost rather than being translated according to the exchange rate on the balance sheet date when the hedge is deemed effective. Historical cost may be used for liabilities that constitute hedging instruments to hedge net investments in subsidiaries. Accordingly, both the hedging instrument (the liability) and the hedged item (the investment) are translated at historical exchange rates.

In the Parent Company, loans raised to finance a net investment in a foreign operation are recognised at historical cost. In the Group, hedge accounting is applied and the foreign currency loan is translated at the closing day rate with translation effects in the statement of comprehensive income.

Financial guarantees
The Parent Company's financial guarantee contracts consist of guarantees issued on behalf of subsidiaries. A financial guarantee contract is a contract that requires the company to reimburse the holder for a loss it incurs due to a specified debtor's failure to make payment when due or as agreed. The Parent Company reports financial guarantee contracts in accordance with an optional exception to IAS 39 permitted by the Swedish Financial Accounting Standards Council. This relief provision applies to financial guarantee contracts on behalf of subsidiaries, associated companies and joint ventures. The Parent Company reports financial guarantees as a provision in the balance sheet when there is an obligation for which it is probable that settlement will require an outflow of resources.

Group and shareholder contributions for legal entities
Shareholder contributions are recognised directly in equity by the recipient and are capitalised in shares and participating interests by the giver, to the extent that no impairment charge is required. Group contributions received by the Parent Company from a subsidiary are recognised in the Parent Company in accordance with customary principles for dividend distributions from subsidiaries. Group contributions paid by the Parent Company to a subsidiary are recognised through profit or loss.

2 NET SALES

The Group's net sales are essentially attributable to service contracts.

3 SEGMENT REPORTING

OPERATING SEGMENTS – BUSINESS AREAS

The Group's operations are divided into operating segments on the basis of the components of the Group that are reviewed by the President & CEO and the CFO. In the Group, the operating segments are defined as business areas. Each business area has a president who is responsible for day-to-day operations and reports regularly to the Excecutive Team on the business area's performance.

To establish an operational performance metric for the business areas, acquisition-related items are concentrated in the Group-wide segment. The business areas' performance metric therefore corresponds with operating profit before acquisition-related items (EBITA). Operating profit as reported below is the same performance metric as that monitored internally.

As of 1 October Sweco is organised into 7 geographically based business areas:

Sweco Sweden	Sweco and Grontmij's operations in Sweden.
Sweco Norway	Sweco's operations in Norway.
Sweco Finland	Sweco's operations in Finland and Estonia.
Sweco Denmark	Grontmij's operations in Denmark.
Sweco Netherlands	Grontmij's operations in the Netherlands.
Sweco Western Europe	Comprised mainly of Grontmij's operations in the UK and Belgium and, to a lesser extent, Bulgaria and Turkey.
Sweco Central Europe	Grontmij's operations in Germany and Poland and Sweco's operations in Lithuania, Czech Republic and Poland.
Group-wide	Group-wide staff functions and IT

Pro forma information

Sales, operating profit (EBITA) and amortisation/depreciation and impairments per business area are reported pro forma as if Grontmij had been acquired on 1 January 2014, and show the consolidated Group as per Sweco's new organisational structure. Financial pro forma information has been prepared and presented in accordance with Sweco's accounting policies; accordingly, figures for Grontmij have been adjusted to reflect Sweco's income statement presentation format. The material pro forma adjustments to Grontmij's financial statements are:

- Other income is included in Net sales
- Exchange gains and losses on operating items are included in EBITA
- Amortisation of software is included in Amortisation/depreciation and impairments and is therefore charged to EBITA
- Profit related to the sale of subsidiaries is included in Acquisition-related items and is therefore not included in EBITA

Pro forma information only includes operations acquired by Sweco and therefore does not include Grontmij's operations in France which were divested in 2015 prior to Sweco's acquisition. These operations were previously reported by Grontmij as Assets attributable to divested operations.

SALES PER OPERATING SEGMENT

	External sales			Internal sales			Total sales		
	Actual 2015	**Pro forma 2015**	Pro forma 2014	**Actual 2015**	**Pro forma 2015**	Pro forma 2014	**Actual 2015**	**Pro forma 2015**	Pro forma 2014
Sweco Sweden	6,118	6,621	6,313	189	217	140	6,307	6,838	6,453
Sweco Norway	1,958	1,958	1,891	33	33	27	1,991	1,991	1,918
Sweco Finland	1,621	1,621	1,488	42	42	37	1,663	1,663	1,525
Sweco Denmark	362	1,343	1,258	3	7	6	365	1,350	1,264
Sweco Netherlands	442	1,818	1,873	8	13	32	450	1,831	1,905
Sweco Western Europe	433	1,558	1,377	10	36	43	443	1,594	1,420
Sweco Central Europe	404	920	870	30	31	32	434	951	902
Group-wide and eliminations	51	159	-139	-315	-380	-317	-264	-221	-178
Total Group	**11,389**	**15,998**	**15,209**	**–**	**–**	**–**	**11,389**	**15,998**	**15,209**

EBITA AND AMORTISATION PER OPERATING SEGMENT

	EBITA			Amortisation/depreciation and impairments		
	Actual 2015	**Pro forma 2015**	Pro forma 2014	**Actual 2015**	**Pro forma 2015**	Pro forma 2014
Sweco Sweden	652	672	604	-75	-80	-74
Sweco Norway	161	161	179	-19	-19	-18
Sweco Finland	89	89	83	-13	-13	-12
Sweco Denmark	28	39	15	-7	-30	-24
Sweco Netherlands	-1	24	76	-6	-27	-28
Sweco Western Europe	27	83	71	-6	-19	-20
Sweco Central Europe	25	49	51	-7	-13	-12
Group-wide and eliminations[1]	-241	-336	-205	-58	-70	-65
Total Group	**740**	**781**	**874**	**-190**	**-271**	**-253**

1) Extraordinary items are fully reported in Group-wide.

RECONCILIATION OF PROFIT BEFORE TAX AND EBITA

	Actual 2015	Actual 2014
Pro forma EBITA	781	874
EBITA Grontmij NV group	-41	-60
EBITA result	**740**	**814**
Acquisition-related items[1]	-60	-53
EBIT	**681**	**762**
Financial income	7	5
Financial expenses	-48	-48
Profit from participations in associated companies and joint ventures	1	1
Profit before tax	**640**	**718**

1) Acquisition-related items are defined as depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of additional purchase prices, and gains and losses on the sale of companies and businesses. The Group's impairments totalled SEK 0 million (5), of which SEK 0 million (5) was attributable to Sweco Central Europe.

Net financial items are not monitored at the business area level since they are affected by measures taken by Group Treasury, which handles the Group's cash liquidity.

Parent Company net sales totalled SEK 355 million (344). One hundred per cent (100) of Parent Company net sales were comprised of sales to group companies. Thirty-four per cent (34) of the Parent Company's other external expenses was comprised of purchases from group companies.

Note 3

BALANCE SHEET AND INVESTMENT INFORMATION PER OPERATING SEGMENT[1]

	Assets		Investments Property, plant and equipment		Investments Intangible assets		Liabilities	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
Sweco Sweden	4,733	3,012	155	102	1,224	20	3,891	2,636
Sweco Norway	950	947	18	33	–	3	501	568
Sweco Finland	1,523	1,545	7	13	4	59	467	422
Sweco Denmark	1,772	–	48	–	1,006	–	1,147	–
Sweco Netherlands	1,369	–	54	–	278	–	689	–
Sweco Western Europe	2,112	34	32	1	1,057	0	460	16
Sweco Central Europe	1,230	275	17	2	411	1	572	379
Group-wide	9,819	3,897	123	25	87	0	6,039	2,596
Eliminations	-10,968	-3,841					-6,480	-2,749
Unallocated	35	47					382	161
Total Group	**12,575**	**5,917**	**455**	**176**	**4,067**	**83**	**7,668**	**4,029**

1) Historical values have been adjusted to reflect the new organisation; however, values from the Grontmij Group were not included. Acquisition balance sheets for the 2015 Grontmij acquisition are preliminary.

Assets are comprised of receivables, IT equipment and office equipment. The breakdown of intangible assets is shown in Note 13. Group-wide items include cash and cash equivalents of SEK 13 million (2).

The business areas' profits, assets and liabilities include directly attributable items and items that can be allocated to the business areas in a reasonable and reliable manner. The reported items in the operating segments' profits, assets and liabilities are in accordance with the profits, assets and liabilities regularly reviewed by the Excecutive Team.

Transfer prices between the Group's various operating segments are set according to the "arm's length" principle (i.e., market-based prices).

Group-wide items are comprised of gains and losses on the sale of financial investments, tax expenses, and general administrative expenses. Unallocated group-wide assets and liabilities are comprised of deferred tax assets and deferred tax liabilities.

INCOME FROM EXTERNAL CUSTOMERS BY SERVICE SEGMENT

	Group	
	2015	2014
Buildings and urban districts	4,530	3,818
Water, energy and industry	3,450	2,641
Transport infrastructure	3,410	2,755
TOTAL	**11,389**	**9,214**

OPERATING SEGMENTS – GEOGRAPHIC AREAS

	External sales		Non-current assets[1]	
	2015	2014	**2015**	2014
Sweden	5,801	5,483	2,510	1,206
Norway	1,960	1,918	397	443
Finland	1,605	1,335	906	960
Denmark	372	41	1,034	9
Netherlands	595	–	319	–
UK	191	–	700	–
Estonia	41	26	17	20
Lithuania	64	56	13	13
Germany	163	–	411	–
Belgium	214	–	460	–
Czech Republic	89	82	36	34
Slovakia	13	9	–	–
Bulgaria	19	17	6	7
Poland	91	76	25	29
Rest of EU	30	8	0	0
Turkey	22	–	2	–
Russia	6	75	0	0
Rest of Europe	46	15	–	–
Africa	1	3	–	–
Asia	58	38	1	0
Oceania	0	9	–	–
North America	6	15	–	–
South and Central America	2	8	–	–
Eliminations	–	–	-29	-30
TOTAL	**11,389**	**9,214**	**6,807**	**2,690**

1) Refers to non-current assets that are not financial instruments, held-to-maturity investments, deferred tax assets, assets pertaining to post-retirement benefits and rights arising under insurance agreements.

INFORMATION ABOUT MAJOR CUSTOMERS

The Group's 2015 earned income from the Swedish Transport Administration totalled SEK 1,290 million, which was reported in business area Sweco Sweden. See also the section on credit risk in Note 33.

4 FEES TO AUDITORS

	Group		Parent Company	
	2015	2014	**2015**	2014
PricewaterhouseCoopers AB				
– audit services	5	5	1	0
– audit services other than statutory audit	1	1	0	0
– tax consulting	0	0	0	0
– non-audit services[1]	12	2	12	2
Total	**18**	**8**	**13**	**2**
Other auditing firms				
– audit services	1	1	–	–
Total	**1**	**1**	–	–
TOTAL	**20**	**9**	**13**	**2**

1) Of which, issue expenses of SEK 2 million were reported against equity as issue expenses.

Audit services refer to examination of the consolidated financial statements, the accounts and the administration of the Board of Directors and the President & CEO of the company; other tasks incumbent on the company's auditor; and advice or other assistance prompted by observations from such audits or the performance of other such tasks. Non-audit services refer to advice on accounting and merger issues and due diligence processes for mergers and acquisitions.

5 OPERATING LEASES AND RENTAL CONTRACTS

Charges under signed leases and rental contracts	Group		Parent Company	
	2015	2014	**2015**	2014
TOTAL CHANGES PAID DURING THE YEAR	**376**	**320**	**7**	**4**
Future minimum lease payments and rents to be paid				
– within one year	545	304	6	3
– between one and five years	1,710	1,035	14	14
– in more than five years	300	807	14	17
TOTAL FUTURE LEASE PAYMENTS	**2,554**	**2,146**	**34**	**34**

Future minimum lease payments refer to the nominal amount stipulated in non-cancellable leases and rental contracts. Most future minimum payments are comprised of rents for premises. Other minimum lease charges refer primarily to office equipment and IT equipment. Future finance lease payments of SEK 0.4 million (0.3) are included for the Parent Company.

6 EMPLOYEES AND PERSONNEL COSTS

	Group		Parent Company	
Personnel costs	**2015**	2014	**2015**	2014
Salaries and remuneration, other employees	5,299	4,164	12	11
Salaries and remuneration, senior executives	84	76	21	19
Total salaries and remuneration[1]	**5,383**	**4,241**	**33**	**30**
Social fees, excl. pension costs	1,144	965	12	11
Pension costs, senior executives[2, 3]	11	11	4	0
Pension costs, others[2]	579	460	3	4
Agency staff	60	–	–	–
Other personnel costs	404	337	6	9
TOTAL PERSONNEL COSTS	**7,581**	**6,015**	**58**	**54**

1) Senior executives refer to the Excecutive Team, board members and presidents of the Parent Company and all subsidiaries – a total of 72 individuals (65) in the Group and 13 individuals (12) in the Parent Company.
2) See also Note 27, Provisions for Pensions.
3) A total of 65 (56) senior executives in the Group and 6 (5) in the Parent Company received pension contributions.

	2015		2014	
Number of full-time employees	Total	Of which, % men	Total	Of which, % men
Sweden				
Parent Company	21	29	18	44
Subsidiaries	4,825	69	4,526	70
Total Sweden	**4,846**	**69**	**4,544**	**70**
Outside Sweden				
Norway	1,327	72	1,251	72
Finland	1,873	76	1,789	76
Denmark	289	96	29	48
Netherlands	431	83	–	–
UK	190	75	–	–
Germany	160	59	–	–
Belgium	187	67	–	–
Estonia	78	68	71	69
Lithuania	234	60	232	54
Russia	36	61	141	60
Czech Republic	225	61	219	59
Slovakia	12	67	18	67
Bulgaria	62	50	60	50
Poland	174	57	128	67
Turkey	25	61	–	–
Rest of Europe	–	–	17	71
Africa	1	100	9	100
Asia	38	81	25	92
North America	–	–	2	100
Total, outside Sweden	**5,342**	**73**	**3,991**	**71**
TOTAL GROUP	**10,188**	**71**	**8,535**	**70**

Percentage of women	**2015**	2014
Parent Company		
Board members	50	57
Other senior executives, 6 (6) individuals	50	50
Group		
Board members in all companies	17	19
Other senior executives, 65 (55) individuals	16	18

	Group		Parent Company	
Sickness absence, %	**2015**	2014	**2015**	2014
Total sickness absence	2.7	2.8	1.6	0.6
– long-term sickness absence	0.8	1.1		
– sickness absence for men	2.1	2.3		
– sickness absence for women	4.1	4.0		
– employees – 29 years	2.2	2.2		
– employees 30 – 49 years	2.6	2.8		
– employees 50 – years	3.0	3.1		

REMUNERATION TO SENIOR EXECUTIVES

Principles

The Board of Directors appoints a Remuneration Committee which is tasked with addressing matters related to employment terms, pension benefits and bonus systems for senior executives. The Remuneration Committee also deals with general employment terms and remunerative matters affecting all employees in the company. Senior executives include the President & CEO, members of the Excecutive Team and all managers who report directly to the President & CEO.

Sweco Group's objective is to offer a competitive and market-based level of remuneration that enables the recruitment and retention of qualified senior executives. Remuneration to senior executives is comprised of basic salary, variable salary, pension, other remuneration and share-based incentive schemes.

Basic and variable salary

Remuneration is based on factors such as work duties, expertise, experience, position and performance. In addition, the breakdown between basic and variable salary is proportionate to the employee's position and work duties. The variable salary component is based on predetermined and measurable criteria that are designed to promote the company's long-term value creation. Variable compensation for the President & CEO and the CFO may not exceed 75 per cent of basic salary. For other senior executives, variable compensation may not exceed 50 per cent of basic salary. Variable compensation is determined based on results in relation to predetermined profitability targets. Targets for the President & CEO and other senior executives are set by the Board of Directors.

Pensions
The terms and conditions for pensions for Sweco's President & CEO and senior executives are market-based relative to what generally applies to comparable senior executives in the market, and are normally based on defined contribution pension solutions.

Other compensation
Other compensation may be awarded, primarily in the form of company car and mobile phone benefits.

Share-based incentive schemes
Sweco Group senior executives may be offered various forms of incentive schemes on market-based terms. The rationale for share-based incentive schemes is to increase/diversify senior executives' share ownership/exposure and to more closely align the interests of the company's decision-makers and shareholders. A long-term, personal shareholder commitment among key personnel is expected to stimulate greater interest in the company's operations and earnings trend and to increase motivation and solidarity with the company.

Decisions on share-based incentive schemes are always resolved by the Annual General Meeting or Extraordinary General Meeting.

Terms of notice
In the event of dismissal by the company, the President & CEO shall have a maximum notice period of 18 months. In the event of the President & CEO's resignation, the notice period is six months.

For other senior executives, the term of notice is normally 12 months in the event of dismissal by the company and six months in the event of the executive's resignation.

Other
These principles apply to agreements entered into subsequent to AGM resolutions and to any changes or alterations made to existing agreements after this date, to the extent permitted under the terms of the existing agreements. The Board of Directors is authorised to deviate from the principles if warranted by special circumstances in individual cases.

Remuneration and other benefits expensed in 2015 (SEK 000s)

Result	Basic salary/ board fee	Variable salary[2]	Other benefits	Pension cost	TOTAL
Board Chairman Johan Nordström	563	–	–	–	563
Board member Anders G. Carlberg	313	–	–	–	313
Board member Gunnel Duveblad	370	–	–	–	370
Board member Eva Lindqvist	313	–	–	–	313
Board member Pernilla Ström	285	–	–	–	285
Board member Carola Teir-Lehtinen	285	–	–	–	285
Board member Johan Hjertonsson[1]	167	–	–	–	167
President & CEO	5,695	2,746	58	1,923	10,422
Total Board members and President & CEO	**7,991**	**2,746**	**58**	**1,923**	**12,718**
Other senior executives (11 individuals)	15,931	2,378	1,193	3,591	23,093
TOTAL	**23,922**	**5,124**	**1,251**	**5,514**	**35,811**

1) As of 2015 AGM.
2) Variable salary includes provisions for share-based payments of SEK 1,069,000 to the President & CEO and SEK 936,000 to other senior executives. The cost of share-related payments corresponds to the cost reported in the Group pursuant to IFRS 2.

Remuneration and other benefits expensed in 2015 (SEK 000s) pro forma[1]

	Basic salary/ board fee	Variable salary	Other benefits	Pension cost	TOTAL
Total Board members and President & CEO	**7,991**	**2,746**	**58**	**1,923**	**12,718**
Other senior executives (11 individuals)	21,189	3,548	2,957	4,170	31,864
TOTAL PRO FORMA	**29,180**	**6,294**	**3,015**	**6,093**	**44,582**

1) Pro forma has been produced to reflect what remuneration to other senior executives would have been if the new organisation (with the new business area presidents) had applied as of 1 January 2015. The pro forma information includes the new business presidents' remuneration and other benefits as of 1 January 2015, rather than as from 1 October 2015.

Remuneration and other benefits expensed in 2014 (SEK 000s)

	Basic salary/ board fee	Variable salary[3]	Other benefits	Pension cost	TOTAL
Board Chairman Johan Nordström[1]	450	–	–	–	450
Board Chairman Olle Nordström[2]	150	–	–	–	150
Board member Anders G. Carlberg	283	–	–	–	283
Board member Gunnel Duveblad	334	–	–	–	334
Board member Eva Lindqvist	267	–	–	–	267
Board member Pernilla Ström	258	–	–	–	258
Board member Carola Teir-Lehtinen	258	–	–	–	258
President & CEO	5,085	2,083	65	1,887	9,120
Other senior executives (8 individuals)	13,443	3,294	510	3,176	20,423
TOTAL	**20,528**	**5,377**	**575**	**5,063**	**31,543**

1) As of 2014 AGM.
2) Until 2014 AGM.
3) Variable salary includes provisions for share-based payments of SEK 657,000 to the President & CEO and SEK 846,000 to other senior executives.

The Chairman and other Board members receive board fees and compensation for committee work in accordance with AGM resolution. Employee representatives receive no board fees.

In the above table, other senior executives are members of the Excecutive Team excluding the President of Sweco AB.

Variable salary refers to bonuses and share-based payments that were expensed in 2015 and 2014.

Share savings schemes
The 2012, 2013, 2014 and 2015 Annual General Meetings resolved to implement long-term share savings schemes directed at senior executives in the Sweco Group.

Under the share savings schemes, participants may use their own funds to acquire Class B shares in Sweco ("Savings Shares") over NASDAQ Stockholm for an amount equivalent to a maximum of 5-10 per cent of the participant's annual basic salary for that year. If the Saving Shares are held until the announcement of the year-end report for the 2015 financial year for the 2012 share savings scheme, the 2016 financial year for the 2013 share savings scheme, the 2017 financial year for the 2014 share savings scheme, and the 2018 financial year for the 2015 share savings scheme (the "Retention Period") and the participant remains employed in his/her position or an equivalent position in the Sweco Group throughout the Retention Period, each Savings Share shall thereafter grant entitlement to one Class B share in Sweco without consideration ("Matching Share") and – provided that the performance criteria have been met – to an additional number of not more than one to four Class B shares in Sweco ("Performance Shares"). The granting of Performance Shares is conditional on a positive total yield for the Sweco share, and is also dependent on the Sweco share's total yield in relation to a group of benchmark companies. The cost is expensed on a straight-line basis over the Retention Period.

	Group				Parent Company			
Share savings scheme[3]	2015	2014	2013	2012	2015	2014	2013	2012
No. of participants still employed	59	49	32	25	10	11	7	6
No. of shares acquired	36,393	33,126	27,214	29,931	9,996	11,790	10,524	13,498
No. of Matching Shares granted per Savings Share	1	1	1	1	1	1	1	1
Maximum no. of Matching Shares	36,393	33,126	27,214	29,931	9,996	11,790	10,524	13,498
No. of Performance Shares granted per Savings Share[1]	1–4	1–4	1–4	1–4	1–4	1–4	1–4	1–4
Maximum no. of Performance Shares	82,527	74,607	67,817	79,082	30,024	34,256	36,251	47,434
Provision for the year, SEK M[2, 4]	0.5	2.3	1.7	1.6	0.2	1.0	0.8	0.7
Accumulated provision, SEK M[2, 4]	0.5	2.7	3.6	5.0	0.2	1.2	1.6	2.2
Estimated total cost, SEK M[2, 4]	9.1	7.6	5.7	5.3	3.1	3.2	2.5	2.3
Retention period	Nov 2015–Feb 2019	Nov 2014–Feb 2018	Nov 2013–Feb 2017	Nov 2012–Feb 2016	Nov 2015–Feb 2019	Nov 2014–Feb 2018	Nov 2013–Feb 2017	Nov 2012–Feb 2016

1) The President & CEO and the CFO may receive no more than four performance shares, business area presidents no more than three shares, subsidiary presidents and divisional managers no more than two shares, and key employees in staff functions no more than one share.
2) Including social fees.
3) Due to the preferential rights issue conducted during Q4, the number of shares for the 2012, 2013 and 2014 share savings schemes were adjusted in accordance with the schemes' terms and conditions.
4) Provision is updated annually and is affected mainly by changes in employee turnover.

7 AMORTISATION/DEPRECIATION, IMPAIRMENT AND ACQUISITION-RELATED ITEMS

	Group		Parent Company	
	2015	2014	**2015**	2014
Other intangible assets, depreciation and impairments	-19	-7	-4	-3
Buildings, depreciation and impairments	-3	-4	–	–
Equipment, depreciation and impairments	-168	-139	-24	-16
Total amortisation/depreciation and impairments	**-190**	**-150**	**-28**	**-20**
Impairment of goodwill[1]	–	-5	–	–
Intangible assets capitalised on acquisition, impairment	-57	-49	-2	–
Revaluation of purchase price	3	1	–	–
Profit/loss on sale	-5	-0	–	–
Total acquisition-related items	**-60**	**-53**	**-2**	–
TOTAL	**-250**	**-203**	**-30**	**-20**

1) Group impairment losses totalled SEK 0 million (5), of which SEK 0 million (5) is attributable to Sweco Central Europe.

8 NET FINANCIAL ITEMS

GROUP

	2015	2014
Financial income		
Interest income – trade receivables	2	1
Interest income – bank	3	3
Other financial income	2	1
Total financial income	**7**	**5**
Financial expenses		
Interest expenses – trade payables	-1	-1
Interest expenses – bank	-26	-35
Other financial expenses	-12	-4
Net exchange rate fluctuations	-10	-9
Other financial expenses	**-48**	**-48**
Profit from participations in associated companies and joint ventures	**1**	**1**
TOTAL NET FINANCIAL ITEMS	**-41**	**-43**
Interest income received during the year	11	4
Interest expenses paid during the year	-39	-39

PARENT COMPANY

	2015	2014
Profit from participations in group companies		
Dividends	168	196
Group contributions	380	357
Total profit from participations in group companies	**548**	**553**
Financial income		
Interest income from group companies	3	2
Other interest income	0	1
Total financial income	**3**	**3**
Financial expenses		
Interest expenses to group companies	0	-1
Other interest expenses	-23	-27
Exchange losses	-14	–
Other financial expenses	-7	-3
Total financial expenses	**-43**	**-31**
TOTAL NET FINANCIAL ITEMS	**508**	**525**
Interest income received during the year	3	2
Interest expenses paid during the year	-27	-32

9 APPROPRIATIONS AND UNTAXED RESERVES

PARENT COMPANY

Appropriations	**2015**	2014
Accelerated depreciation	-20	-2
TOTAL	**-20**	**-2**

Untaxed reserves	**2015**	2014
Accelerated depreciation	23	3
TOTAL	**23**	**3**

10 TAXES

	Group		Parent Company	
Current tax expense	**2015**	2014	**2015**	2014
Tax expense for the period	-195	-152	-60	-67
Adjustment of tax attributable to prior years	-6	-3	-1	–
Total current tax expense	**-201**	**-155**	**-61**	**-67**
Deferred tax income/expense				
Deferred tax – temporary disparities	39	0	–	–
Deferred tax income – capitalised rateable value of loss carry-forwards during the year	-3	0	–	–
Deferred tax expense – utilisation of previously capitalised rateable value of loss carry-forwards	-5	-7	–	–
Deferred tax income/expense – change in untaxed reserves	-30	-12	–	–
Total deferred tax income/ expense	**1**	**-19**	**–**	**–**
TOTAL REPORTED TAX EXPENSE	**-200**	**-174**	**-61**	**-67**

No tax is recognised for translation differences arising from translation of foreign operations, which total SEK -140 million (79).

	Group				Parent Company			
Reconciliation of effective tax rate	**2015, %**	**2015**	2014, %	2014	**2015, %**	**2015**	2014, %	2014
Profit before tax		640		718		444		503
Income tax calculated pursuant to national profit tax rates in each country	23	146	23	168	22	98	22	111
Tax effects of:								
– Non-taxable dividends	0	0	–	–	-8	-37	-9	-43
– Other non-taxable income	-1	-5	-1	-7	–	–	–	–
– Non-deductible expenses	4	27	1	10	0	-1	0	0
Utilisation of previously uncapitalised loss carry-forwards	0	-1	0	0	–	–	–	–
Tax effect of uncapitalised loss carry-forwards	7	44	–	–	–	–	–	–
Effect on deferred tax – reduced tax rate	-2	-12	0	0	–	–	–	–
Adjustment of previous years' tax expense	0	1	0	3	0	1	0	0
TAX EXPENSE FOR THE YEAR	**31**	**200**	**24**	**174**	**14**	**61**	**13**	**67**

GROUP

	2015			2014		
Tax attributable to other comprehensive income	Pre-tax	Tax	After tax	Pre-tax	Tax	After tax
Translation differences – translation of foreign operations	-140		-140	79		79
Hedges of net investments in subsidiaries	61	-13	48	-46	10	-36
Revaluation of defined-benefit pensions	61	-16	45	-76	21	-56
Revaluation of holding in Grontmij NV	16	-3	12	–	–	–
TOTAL	**-2**	**-32**	**-35**	**-43**	**31**	**-13**

Deferred tax assets and liabilities

	Group	
Change in carrying amount for the year	**2015**	2014
Opening carrying amount – deferred tax assets	47	26
Change due to acquisitions	26	0
Reclassification to deferred tax liability	-3	1
Other deferred tax expense in the income statement	-13	-10
Deferred tax expense in other comprehensive income	-21	31
Foreign currency translation differences	-1	0
Closing carrying amount – deferred tax assets	**35**	**47**
Opening carrying amount – deferred tax liabilities	-161	-147
Increase due to acquisitions	-229	-3
Reclassification from deferred tax asset	3	-1
Change in component of untaxed reserves in the income statement	-30	-12
Other deferred tax expenses in the income statement	45	4
Deferred tax expenses in other comprehensive income	-11	0
Foreign currency translation differences	2	-2
Closing carrying amount – deferred tax liabilities	**-382**	**-161**
Deferred tax at year end		
Deferred tax asset – loss carry-forwards	2	1
Deferred tax asset – consolidated pension deficits	4	35
Deferred tax asset – temporary disparities	28	11
Total deferred tax assets	**35**	**47**
Deferred tax component of companies' reported untaxed reserves	-140	-98
Deferred tax liability – temporary disparities	-242	-63
Total deferred tax liabilities	**-382**	**-161**
TOTAL DEFERRED TAX, NET	**-347**	**-114**

Of total deferred tax assets, SEK 1 million is expected to be utilised within 12 months. Of total deferred tax liabilities, SEK 14 million is expected to be paid within 12 months. Uncapitalised loss carry-forwards in the Group total SEK 1,187 million (8); these are not expected to be utilised against future profits, and the majority do not carry a time limit for utilisation.

	Deferred tax assets		Deferred tax liabilities		Net	
	2015	2014	**2015**	2014	**2015**	2014
Property, plant and equipment	12	3	1	-4	13	-2
Intangible assets	0	1	-120	-87	-120	-86
Financial assets	5	10	-11	1	-6	11
Current assets	1	31	-121	-6	-120	25
Current liabilities	11	–	-1	–	9	–
Untaxed reserves	–	–	-140	-98	-140	-98
Pensions	4	35	7	–	11	35
Other provisions	0	–	0	–	0	–
Loss carry-forwards	2	1	2	–	4	1
Netting of deferred tax assets and liabilities	0	-33	0	33	0	0
TOTAL	**35**	**47**	**-382**	**-161**	**-347**	**-114**

2015	Opening balance 2015	Recognised through profit or loss	Recognised in other comprehensive income	Acquisitions	Reclassifications	Foreign currency translation differences	Closing balance 2015
Property, plant and equipment	-2	2	0	10	3	0	13
Intangible assets	-86	-10	0	-54	32	-1	-119
Financial assets	11	0	-17	1	-1	0	-6
Current assets	25	46	0	-169	-24	2	-120
Current liabilities	0	1	0	4	4	0	9
Untaxed reserves	-98	-32	0	-9	0	0	-139
Pensions	35	2	-16	5	-14	0	12
Other provisions	–	0	0	0	-1	1	0
Loss carry-forwards	1	-7	0	10	1	0	5
TOTAL	**-114**	**1**	**-33**	**-202**	**–**	**1**	**-347**

2014	Opening balance 2014	Recognised through profit or loss	Recognised in other comprehensive income	Acquisitions	Reclassifications	Foreign currency translation differences	Closing balance 2014
Property, plant and equipment	-3	2	–	–	0	0	-2
Intangible assets	-58	1	–	-3	-25	-1	-86
Financial assets	0	1	10	–	–	0	11
Current assets	-1	0	–	–	26	0	25
Untaxed reserves	-86	-12	–	–	–	0	-98
Pensions	19	-4	21	–	–	-1	35
Loss carry-forwards	8	-7	–	–	0	0	1
TOTAL	**-121**	**-19**	**31**	**-3**	**–**	**-1**	**-114**

11 EARNINGS PER SHARE

GROUP

	2015	2014
Average number of shares before dilution	100,445,122	94,415,642
Effect of anticipated utilisation of share bonus scheme and share savings scheme	1,451,144	1,093,392
Average number of shares after dilution	**101,896,266**	**95,509,034**
Earnings per share on profit attributable to owners of the Parent Company		
Basic earnings per share, SEK	4.36	5.74
Diluted earnings per share, SEK	4.30	5.67

Earnings per share were calculated on profit for the year attributable to Parent Company shareholders, divided by the average number of shares as specified in the table. For calculation of diluted earnings per share, the weighted average number of common shares outstanding is adjusted for the dilutive effect of all potential common shares. For additional information about the repurchase of treasury shares, see Note 25. Historical values and current period values were restated in accordance with IAS 33 due to the preferential rights issue conducted by Sweco during the year at a subscription price that was below the current share price. The adjustment does not have a dilutive effect and thus does not affect earnings per share before and after dilution.

12 ACQUISITION AND DIVESTITURE OF SUBSIDIARIES AND OPERATIONS

GROUP

	Date	Holding, %[1]	Holding, post-transaction, %[1]	Purchase price
Acquisitions, 2015				
Rapcon Oy, acquisition of assets	28 February 2015	100	100	2
Siltanylund Oy, acquisition of minority share	28 February 2015	40	100	11
Contesta Oy, acquisition of minority share	28 February 2015	28	100	3
OTEC Elkonsult AB	2 March 2015	100	100	15
Sweco Architects A/S, acquisition of minority share	7 April 2015	0	96	0
Valcon Oy, acquisition of minority share	28 September 2015	20	100	0
Grontmij N.V.	1 October 2015	100	100	3,337
TOTAL ACQUISITIONS, 2015				**3,368**
Acquisitions, 2014				
Tocoman Services Oy, Finland	10 January 2014	100	100	32
Alfakonsult AB	1 March 2014	100	100	12
Sweco Germany GmbH, Germany	28 March 2014	100	100	0
Metro Arkitekter AB, acquisition of assets	1 April 2014	100	100	4
Metro Arkitekter AB	1 April 2014	100	100	4
Helsingborg Energikonsult AB, acquisition of assets	1 April 2014	100	100	1
Insinööritoimisto Savon Controlteam Oy, Finland	4 April 2014	86	86	11
Profil-Bau Consulting Oy, Finland, acquisition of assets	30 May 2014	100	100	18
Sweco Lietuva, Lithuania, acquisition of minority share	4 June 2014	0.1	99.9	0
Sweco Hidroprojektas, Lithuania, acquisition of minority share	16 June 2014	0.1	99.5	0
B&B VVS Konsult AB, correction of additional purchase price	3 July 2014		100	0
RS Nylund, Finland, acquisition of minority share	13 October 2014	30	100	7
BIM Consult AS, Norway, acquisition of assets	1 November 2014	100	100	2
TOTAL ACQUISITIONS, 2014				**91**

1) Ownership share corresponds to equity interest.

During 2015 Sweco acquired the Dutch company Grontmij, one of Northern Europe's largest technical consulting companies with broad-based engineering and design expertise. Grontmij was founded in the Netherlands in 1915 and has expanded since then, mainly to Sweden, Denmark, Germany, Belgium and the UK. Grontmij had 6,133 employees at the acquisition date.

At the balance sheet date Sweco owned 97.36 per cent of all Grontmij shares and had initiated a compulsory redemption process for the remaining shares.

Strategic logic

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 – Sweco now has the broadest and deepest technical expertise in Northern Europe, with unique opportunities to take on the industry's largest, most complex projects.
- Increased opportunities for employees – expanded international expertise network and greater resources improve development opportunities for Sweco's current and future employees.

Grontmij reported 2014 annual net sales of SEK 6.0 billion and EBITA (as per Sweco's definition) of approximately SEK 203 million, excluding extraordinary costs and the divested business in France.

The purchase price for 100 per cent of Grontmij's shares is SEK 3,337 million, of which approximately 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 residual purchase price is reported as a liability and is included in net debt; accordingly, Sweco will consolidate 100 per cent of Grontmij.

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.

During the year Sweco Sweden acquired OTEC Elkonsult AB with 15 employees and a minority share in Sweco Architects A/S.

During the year Sweco Finland acquired minority shares in Siltanylund Oy, Contesta Oy and Insinööritoimisto Valcon Oy and operations in Rapcon Oy with 5 employees.

Acquisition-related costs for the above acquisitions during this period and previous periods total SEK 59 million (2) and are chiefly comprised of financial advisor and consultant fees associated with due diligence and transaction tax of SEK 0 million (1). These expenses, totalling SEK 57 million (2) this period, were reported in other external expenses in the income statement.

Divestitures

Central Europe divested NIPI TRTI with 73 employees, HYDROCOOP with 16 employees and IKTP and Sweco Germany GmbH with 0 employees. Finland divested Cabix Consulting CJSC JV with 22 employees. The year's divestitures had an impact on profit of SEK -6 million.

Net assets of acquired and divested companies at acquisition date

	2015				2014	
	Grontmij Group	Other acquisitions	Acquired value	Divested value	Acquired value	Divested value
Intangible assets	334	6	340	–	17	36
Property, plant and equipment	238	–	238	1	2	1
Financial assets	118	–	118	–	0	0
Current assets[1]	2,123	6	2,129	15	18	17
Cash and cash equivalents	206	4	210	4	12	3
Non-current liabilities	-388	–	-388	-1	0	0
Deferred tax	-227	-2	-229	-	-3	–
Other current liabilities	-2,760	-7	-2,767	-7	-22	-12
Non-controlling interests recognised on acquisition	1	4	5	–	-1	–
Consolidated goodwill recognised on acquisition[2]	3,692	8	3,700	–	60	–
Acquisition of non-controlling interests	–	–	–	–	2	–
Equity attributable to Parent Company shareholders	–	12	12	–	5	–
Non-controlling interests recognised on divestiture	–	–	–	0	–	0
Capital gain/loss recognised on divestiture	–	–	–	-6	–	-0
Total purchase price	**3,337**	**31**	**3,368**	**6**	**91**	**44**
Purchase price outstanding	-94	-2	-96	–	-3	–
Payment of deferred purchase price	–	1	1	–	3	–
Issue in kind	-1,800	–	-1,800	–	–	–
Revaluation of previous holdings[3]	-17	–	-17	–	–	–
Cash and cash equivalents in acquired companies	-206	-4	-210	-4	-12	-3
DECREASE/INCREASE IN GROUP CASH AND CASH EQUIVALENTS	**1,220**	**26**	**1,246**	**2**	**79**	**41**

1) Of which, receivables total SEK 2,233 million (17).
2) Of which, SEK 2 million (21) is attributable to acquisition of assets and tax deductions for future write-downs.
3) Revaluation of shares in Grontmij acquired in July 2015.

With the exception of the acquisition of Grontmij Group, acquisitions completed in 2015 and 2014 are reported in aggregate form in the table above. Separate reporting of each acquisition is not warranted due to the size of the companies acquired. For 2015 acquisitions, the acquisition analysis for Grontmij is preliminary.

The acquired companies had a negative impact of SEK 1,246 million (79) on Group cash and cash equivalents. Divested operations improved the Group's cash and cash equivalents by SEK 2 million (41). The net impact on Group cash and cash equivalents is SEK -1,224 million (-38).

Acquired values correspond to fair value in accordance with IFRS 3 (i.e., following completion of an acquisition analysis). Acquired goodwill is attributable to synergy effects and geographic expansion.

The unsettled purchase price commitment of SEK 96 million refers to conditional purchase consideration of SEK 0 million,

Contribution of acquired and divested companies to consolidated sales and operating profit

	2015		2014	
	Acquisition	Divestiture	Acquisition	Divestiture
Contribution to net sales in the year's accounts	1,659	9	110	11
Contribution to net sales if acquired company had been owned for the full year	6,277		149	
Contribution to operating profit in the year's accounts	95	2	7	-2
Contribution to operating profit if acquired company had been owned for the full year	191		15	

Sweco acquired non-controlling interests during the year. The effects of these acquisitions are shown below in aggregate form.

Effects of changes in ownership in the company's holdings:	Total
Company's holdings at beginning of the year	4
Dividend	0
Effect of increased holdings	-4
Share of profit for the year	0
Foreign currency translation differences	0
Company's holdings at year end	**0**

13 INTANGIBLE ASSETS

GROUP

	2015			2014		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Opening acquisition costs	2,258	406	2,664	2,183	377	2,560
Purchases	–	27	27	–	6	6
Developed internally	–	4	4	–	–	–
Increase through acquisitions	3,700	340	4,040	60	17	77
Increase through recalculated acquisition analysis	–	–	–	-35	0	-36
Decrease through divestiture of companies	0	0	0	–	0	0
Reclassification	–	3	3	–	0	0
Sales/disposals	-23	–	-23	–	-2	-2
Foreign currency translation differences	-112	-17	-129	50	8	59
Closing accumulated acquisition costs	**5,823**	**763**	**6,586**	**2,258**	**406**	**2,664**
Opening accumulated amortisation/depreciation and impairments	-96	-285	-381	-95	-226	-321
Reclassification	–	–	–	–	0	0
Sales/disposals	23	–	23	–	2	2
Foreign currency translation differences	2	12	14	3	-4	-1
Impairments for the year	–	0	0	-5	–	-5
Amortisation/depreciation for the year	–	-75	-75	–	-57	-57
Closing accumulated amortisation/depreciation and impairments	**-71**	**-348**	**-419**	**-96**	**-285**	**-381**
CLOSING CARRYING AMOUNT	**5,752**	**416**	**6,168**	**2,163**	**121**	**2,283**
By business area						
Sweco Sweden	2,033			870		
Sweco Norway	352			388		
Sweco Finland	830			845		
Sweco Denmark	933			–		
Sweco Netherlands	250			–		
Sweco Western Europe	956			6		
Sweco Central Europe	399			54		
Capitalised development costs for software		89			10	
Assets capitalised on acquisition		327			110	
CLOSING CARRYING AMOUNT	**5,752**	**416**		**2,163**	**121**	

Self-developed software of SEK 4 million was capitalised in the Netherlands during the year, while other intangible assets were acquired through acquisition or purchase. See also Note 7 regarding impairment of goodwill. In the above table, borrowing costs are not included in asset acquisition costs.

PARENT COMPANY

Other intangible assets	**2015**	2014
Opening acquisition costs	16	15
Purchases from Group companies	64	–
Purchases	20	1
Closing accumulated acquisition costs	**100**	**16**
Opening accumulated amortisation	-14	-10
Amortisation for the year	-6	-3
Closing accumulated amortisation	**-20**	**-14**
CLOSING CARRYING AMOUNT	**81**	**2**

Impairment testing for cash-generating units with goodwill
Sweco's goodwill is allocated among the seven business areas in accordance with the table above and values are tested on an annual basis. Recoverable amounts for the cash-generating units are established based on value in use calculations. These calculations are based on five-year cash flow forecasts that reflect past experience and on external information sources. After the first five years, cash flow forecasts are based on an annual growth rate of 1 per cent, which is deemed equivalent to the long-term growth rate of the business areas' market.

The key variables that have a major impact on value in use calculations are sales growth, EBITA margin and the discount rate.

Sales growth
Demand for consulting services follows the general economic trend, particularly growth in GDP and fixed investments. Projected market growth is based on a transition from the prevailing market situation to the anticipated long-term growth rate. Sales growth is based on assumptions about market growth and assumptions about Sweco's market shares.

EBITA margin
The EBITA margin is forecast based on an assessment of future profitability with reference to historical outcomes, concrete action plans and an assessment of future potential.

Discount rate
The discount rate was calculated as the weighted average cost of debt and equity, taking into consideration each country's specific market conditions relating to risk-free rates of interest and risk premiums.

Based on the results of this test, no write-down is needed.

Sensitivity analysis
The table "Impairment tests for cash-generating units with goodwill" shows the (assumed) values used to determine value in use and the (adjusted) values that result in a recoverable amount that is equal to the carrying amount, assuming that all other variables are held constant.

Impairment tests for cash-generating units with goodwill, years 1-5

2015	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Central Europe	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	4.0	-22.2	2.0	-34.2	2.1	-14.6	1.7	-10.1
Average EBITA margin, %	8.7	3.0	8.5	1.7	7.9	3.8	7.2	5.3
Pre-tax discount rate, %	8.0	24.6	8.5	58.4	7.7	14.9	8.0	11.4

2015	Sweco Denmark		Sweco Netherlands		Sweco Western Europe	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	3.2	-8.2	1.1	-25.4	3.0	-2.6
Average EBITA margin, %	5.5	3.9	2.2	0.0	7.3	6.4
Pre-tax discount rate, %	6.7	10.6	7.2	109.8	9.1	10.9

2014	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Central Europe	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	4.0	-36.9	4.2	-34.6	3.6	-18.2	1.3	-7.8
Average EBITA margin, %	9.5	2.0	9.6	1.6	8.5	3.1	6.8	5.5
Pre-tax discount rate, %	7.7	43.5	8.3	62.6	7.4	18.3	10.8	13.4

14 PROPERTY, PLANT AND EQUIPMENT

GROUP

	2015			2014		
	Buildings and land	Equipment	Total	Buildings and land	Equipment	Total
Opening acquisition costs	55	958	1,014	53	862	915
Purchases	0	217	217	0	174	174
Increase through acquisitions	96	142	238	–	2	2
Decrease through divestiture of companies	–	-1	-1	–	-1	-1
Reclassification	–	-31	-31	–	0	0
Sales/disposals	-1	-202	-203	–	-81	-81
Foreign currency translation differences	-3	-8	-11	2	2	4
Closing accumulated acquisition costs	**147**	**1,075**	**1,222**	**55**	**958**	**1,014**
Opening accumulated amortisation/depreciation and impairments	-14	-601	-614	-9	-511	-520
Reclassification	–	27	27	0	0	0
Sales/disposals	0	179	179	–	54	54
Foreign currency translation differences	0	1	1	-1	0	-1
Impairments	-4	-1	-5	–	-4	-4
Impairments for the year	-3	-168	-171	-4	-139	-143
Closing accumulated depreciation	**-20**	**-563**	**-583**	**-14**	**-601**	**-614**
CLOSING CARRYING AMOUNT	**127**	**512**	**639**	**42**	**358**	**399**
Of which, land:						
Opening acquisition costs	0	–	0	0	–	0
Foreign currency translation differences	0	–	0	0	–	0
Increase through acquisitions	13	–	13	–	–	–
Closing carrying amount, land	**13**	**–**	**13**	**0**	**–**	**0**
Of which, equipment financed through finance leases:						
Closing accumulated acquisition costs	32	148	180	–	144	144
Closing accumulated depreciation	0	-61	-61	–	-52	-52
Closing carrying amount of finance leases	**32**	**87**	**119**	**–**	**92**	**92**
Of which, closing carrying amount of property, plant and equipment under construction	**–**	**7**	**7**	**–**	**–**	**–**
Finance lease purchases for the year	–	37	37	–	37	37
Other purchases of property, plant and equipment for the year	–	179	179	–	137	137
Total property, plant and equipment purchases for the year	**–**	**217**	**217**	**–**	**174**	**174**

PARENT COMPANY

Equipment	**2015**	2014
Opening acquisition costs	78	52
Purchases	36	25
Purchases from other group companies	–	0
Closing accumulated acquisition costs	**113**	**78**
Opening accumulated depreciation	-40	-24
Depreciation for the year	-24	-16
Closing accumulated depreciation	**-64**	**-40**
CLOSING CARRYING AMOUNT	**50**	**38**

15 SHAREHOLDINGS AND PARTICIPATIONS IN GROUP COMPANIES

PARENT COMPANY

Change in carrying amount for the year	2015	2014
Opening carrying amount	1,098	1,073
Shareholders' contribution	38	23
Acquisition of subsidiaries	3,372	–
Acquisition from other group companies	–	1
CLOSING CARRYING AMOUNT	**4,508**	**1,098**

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
Directly owned companies					
Sweco Central Europe AB[1]	556633-5831	Stockholm	100	1,000	0
Sweco Elektronik AB	556301-1765	Västerås	100	2,000	42
Sweco Norge AS	967032271	Norway	100	152,349	112
Sweco Finland Oy[1]	0871165-9	Finland	100	21,000	905
Sweco Western Europe AB[1]	556221-1689	Stockholm	100	4,005	64
Sweco Sverige AB[1]	556032-2496	Stockholm	100	100,000	10
Vattenbyggnadsbyrån AB[2]	556077-9471	Stockholm	100	1,000	1
Vattenbyggnadsbyrån Export AB[2]	556079-1336	Stockholm	100	4,500	1
Sweco International AB	556862-9918	Stockholm	100	500	1
Grontmij N.V.[1]	30029428	Netherlands	100	74,143,622	3,372
Total shareholdings and participations in group companies					**4,508**
Indirectly owned companies					
Through Sweco Central Europe AB					
Sweco Hydroprojekt a.s.	26475081	Czech Republic	100	10	
UAB Sweco Lietuva	301135783	Lithuania	99	6,104,021	
UAB Energy Consulting	135906643	Lithuania	100	400	
UAB Sweco Hidroprojektas	132118698	Lithuania	99	1,000,702	
Sweco Polska sp.z o.o.	56155	Poland	100	266,384	
Sweco Energoproekt JSC	1305488081	Bulgaria	73	400	
Sweco Projekt AS	11304200	Estonia	100	355,463	
Sweco EST OÜ	10633373	Estonia	100	1	
SIA Büvuzraudziba Latvija[2]	40103203346	Latvia	100	1	
Through Sweco Finland Oy					
Sweco Asiantuntijapalvelut Oy	2635440-5	Finland	100	10,000	
Contesta Oy	1712699-6	Finland	100	10,000	
FMC Laskentapalvelut Oy	1013429-9	Finland	100	16,667	
Insinööritoimisto Savon Controlteam Oy	1054205-7	Finland	100	100	
Sweco Industry Oy	0350941-9	Finland	100	1,920,000	
Kiinteistö Oy Sammonpiha[3]	0770284-4	Finland	75	166	
Sweco Mecaplan Oy	1648295-6	Finland	57	54	
Sweco PIC Engenharia LTDA[2]	07.984.459/001-16	Brazil	100	34,999	
Insinööritoimisto Valcon Oy	0772679-5	Finland	100	1,200	
Sweco International Oy	2635445-6	Finland	100	10,000	
Sweco India Pvt. Ltd.	AABCF0979RST001	India	100	10,000	
OOO Sweco Stroiproject	7806311117	Russia	100		
Sweco PM Oy	2635438-4	Finland	100	10,000	
Fennopro-Consulting Oy	0928019-2	Finland	100	60	
Rakennuttajatoimisto Demaco Oy	0989011-8	Finland	100	80	
Sweco Rakenntekniikka Oy	2635439-2	Finland	100	10,000	
Sweco Projekt Oy[1]	2627577-4	Finland	100	100	
Sweco Talotekniikka Oy	0957613-7	Finland	100	1,000	
Sweco Ympäristö Oy	0564810-5	Finland	100	1,000	

1) Holding company
2) Dormant company
3) Real estate company

Note 15

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares
Through Sweco Sverige AB				
Sweco Architects AB	556173-0606	Stockholm	100	20,000
Aros Arkitekter AB[2]	556665-0700	Stockholm	100	10,000
Metro Arkitekter AB[2]	556756-2516	Gothenburg	100	7,000
Sweco Architects A/S	13 64 20 01	Denmark	96	11,814
Sweco Architects Oy	0635637-4	Finland	100	100
Arkkitehtitoimisto Brunow & Maunula Oy	0399591-2	Finland	100	100
Sweco China Holding AB[2]	556730-8167	Stockholm	100	102
Sweco Connect AB[2]	556083-8624	Stockholm	100	15,000
Sweco Energuide AB	556007-5573	Stockholm	100	60,000
Sweco Environment AB	556346-0327	Stockholm	100	20,000
Sweco-COWI Joint Venture AB[2]	556085-5867	Stockholm	100	1,000
Sweco Strategy AB	556342-6559	Stockholm	100	3,000
Stockholms stads Utrednings- och Statistikkontor AB	556740-1640	Stockholm	100	1,000
Sweco Industry AB	556341-2476	Stockholm	100	20,000
Alfakonsult AB[2]	556189-0418	Gothenburg	100	5,000
Alfakonsult AS[2]	991 393 714	Norway	100	100
Prows Industry & Management AB[2]	556415-9688	Örebro	100	2,000
Sweco Civil AB	556507-0868	Stockholm	100	120,000
Sweco Management AB	556140-0283	Stockholm	100	5,000
Sweco Position AB	556337-7364	Stockholm	100	1,250
Sweco Structures AB	556140-9557	Stockholm	100	20,000
Sweco Systems AB	556030-9733	Stockholm	100	1,500,000
Wona AB[1]	556587-1497	Gothenburg	100	1,114
Axro Holding AB[1]	556049-7330	Gothenburg	100	5,300
Axro Consult AB	556250-8480	Gothenburg	100	1,000
Sweco TransportSystem AB	556949-1698	Stockholm	100	500
Inmind Scandinavia AB[2]	556701-0987	Gothenburg	100	2,500
Sweco Rail AB	556767-9849	Solna	100	1,000
OTEC Elkonsult AB	556581-1816	Sollentuna	100	1,000
Grontmij Sverige AB	556013-2341	Stockholm	100	53,000
Grontmij AB	556563-7237	Stockholm	100	18,000
Teldako i Sundsvall AB	556609-4990	Stockholm	100	1,000

Through Grontmij N.V.				
Grontmij Nederland Holding B.V.[1]	30161447	Netherlands	100	5,000
Grontmij Capital Consultants B.V.	27091285	Netherlands	100	32,305
Stoel Partners Holding B.V.[1]	05031421	Netherlands	100	240
Stoel Partners Bouwtechniek B.V.	05070722	Netherlands	100	180
Verhoeven Raadgevende Ingenieurs B.V.	31016314	Netherlands	100	250
Grontmij Nederland B.V.	30129769	Netherlands	100	1,816
Grontmij Inc.		USA	100	3,000
Grontmij Maunsell Holding B.V.	30164459	Netherlands	100	102
Grontmij Maunsell Infrastr. Consultancy Srv BV	30164468	Netherlands	100	102
Grontmij Vastgoedmanagement B.V.	23064728	Netherlands	100	1,816
Grontmij Assetmanagement Holding B.V.[1]	30136340	Netherlands	100	182
Grontmij Beheer Reststoffenprojecten B.V.[1]	30078590	Netherlands	100	100
Afvalverwerking IJssel-Vecht B.V.[5]	30103098	Netherlands	100	100
Afvalverwerking Regio Oost-Groningen B.V.[5]	04079356	Netherlands	100	180
Afvalverwerking Stainkoeln B.V.[5]	30097382	Netherlands	100	100
Grontmij BRP International B.V.[5]	30156457	Netherlands	100	454
Schenkenschans I B.V.[5]	30087893	Netherlands	100	100
Secundaire Bouwstoffen Unie B.V.[5]	30093454	Netherlands	100	250
Specie Bewerking Delfzijl B.V.[5]	30157433	Netherlands	100	182
Top Gaarkeuken B.V.[5]	30139289	Netherlands	100	182
Vagroen B.V.[5]	30132624	Netherlands	100	250
Waterzuivering Milieuboulevard Groningen B.V.[5]	30158802	Netherlands	100	40
Grontmij Nederland Projecten B.V.[3]	30163316	Netherlands	100	200
Golfexploitatiemaatschappij Naarderbos B.V.[3]	53984595	Netherlands	100	18,000
Grontmij Nederland Ontwikkeling B.V.[3]	30217429	Netherlands	100	1,800
Grontmij Real Estate Nederland B.V.[3]	30149254	Netherlands	100	454
MaasBilt B.V.[3]	30039313	Netherlands	100	45,379
Naarderbos Ontwikkeling B.V.[3]	37105570	Netherlands	100	18,000
Park Frederiksoord B.V.[3]	04062318	Netherlands	65	460
Grontmij Vastgoed Holding B.V.[1]	30146673	Netherlands	100	5,000
Coman Holding B.V.[2]	14627570	Netherlands	100	320
Grontmij Vastgoed Contracting B.V.[1]	14626661	Netherlands	100	100
Grontmij Business Services B.V.[1]	30116897	Netherlands	100	4,550
Assutex C.V.[4]	30122026	Netherlands	100	
Grontmij International B.V.[1]	30223584	Netherlands	100	180

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares
Through Grontmij N.V., cont'd.				
Sweco Denmark Holding ApS[1]	31862671	Denmark	100	600,000
Sweco Denmark A/S	48233511	Denmark	100	62,800,896
A/S af 20/11 1980[2]	83049316	Denmark	100	1
GSA Gesellschaft für Strassenanalyse GmbH	HRB 2231	Germany	100	1
Sweco Pavement Consultants AS	961 168 848	Norway	100	1,500
Sweco Pavement Consultants AB	556228-0361	Sweden	100	10,006
Grontmij Belgium Holding NV[1]	BE0423285828	Belgium	100	3,944,591
BnS Contracting nv	BE0456066086	Belgium	100	250
Grontmij Belgium NV	BE0405647664	Belgium	100	218,248
Grontmij Contracting NV	BE0419330703	Belgium	100	18,252
Grontmij Group Ltd.[1]	2237772	UK	100	31,243,690
Grontmij Ireland Ltd.	120358	Ireland	100	175,100
Grontmij Ltd.	2888385	Ireland	100	8,214,013
RP+K International Ltd[2]	2749020	UK	100	2
Roger Preston & Partners Ltd[2]	2748664	UK	100	56
Roger Preston Ltd[2]	1207754	UK	100	24
Grontmij Services Ltd.[1]	2707426	UK	100	200
Roger Preston Group Ltd[1]	6546246	UK	100	1
Whitelaw Turkington Landscape Architects Ltd[2]	4369622	UK	100	11,500
Grontmij Holding France SNC[1]	523637593	France	100	2,080,360
Grontmij Mühendislik Müsavirlik ve T. LTD Sir	662694	Turkey	100	100
Grontmij China B.V.[1]	4084398	Netherlands	100	200
Grontmij Hubei Engineering Consulting Co. Ltd	91420100568398	China	100	8,081,686
Grontmij GmbH	HRB21768HB	Germany	100	200
Grontmij Polska Sp. z o.o.	0000140225	Poland	100	30,469
Grontmij Participations B.V.[1]	31034252	Netherlands	100	11,350

1) Holding company
2) Dormant company
3) Real estate company
4) Insurance company
5) Waste treatment company

Most of the Group's subsidiaries are consulting firms. Group subsidiaries also include holding companies, dormant companies, real estate companies, insurance companies and waste management companies, as shown in the table above. All material subsidiaries are owned by a majority of the votes. No non-controlling interests are material to the Group.

16 SHAREHOLDINGS AND PARTICIPATIONS IN ASSOCIATED COMPANIES

Financial information for non-material shareholdings in associated companies, based on amounts included in the consolidated financial statements, is detailed below.

GROUP

Group's share of:	2015	2014
Profit for the year	4	0
Capital gain on sale of associated company	-2	–
Other comprehensive income	0	0
TOTAL COMPREHENSIVE INCOME	**2**	**0**

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
2015					
Through Sweco Finland Oy					
Geotek Oy	0923058-2	Finland	45	45	5
Betonialan Ohuthiekeskus FMC OY	1713909-2	Finland	33	33	0
Through Sweco Danmark A/S					
Odeon A/S	26391253	Denmark	22	600,000	1
PavEx Consulting s.r.o.	cz63487624	Czech Republic	50		0
Through Grontmij Belgium NV					
Arteum Architects BVBA	BE0896004242	Belgium	40	100	0
Through Grontmij GmbH					
Concept Ingenerie S.A.	B155341997	Tunisia	34		0
Through Grontmij NV					
Aerosat Surveys Ltd.		Ghana	33		0
Total shares and participations					**6**
2014					
Through Sweco Finland Oy					
Rapcon Oy	0944024-8	Finland	40	40	0
Geotek Oy	0923058-2	Finland	45	45	4
Betonialan Ohuthiekeskus FMC OY	1713909-2	Finland	33	33	0
Total shares and participations					**5**

17 HOLDINGS IN JOINT VENTURES AND JOINT OPERATIONS

In 2015 the joint venture company 12E Energisystemintegration AB was liquidated and the holding in SWECO Sojyz Engineering was reclassified to Other holdings with 10 per cent ownership share. Remaining joint ventures are holdings gained through acquisitions. Holdings mainly operate within real estate development and none are of a significant size.

GROUP

Holdings in joint ventures at year end	Corp. ID number	Domicile	Share of equity, %	Carrying amount
2015				
Other holdings in joint ventures				2
Total				**2**
2014				
SWECO Sojyz Engineering (owned through Sweco Industry Oy)	5077746846920	Russia	45	3
I2E Energisystemintegration AB (owned through Sweco Energuide AB)	556211-9684	Stockholm	50	1
Total				**4**

Group's share of:	2015	2014
Profit for the year	-1	0
Other comprehensive income	0	-0
TOTAL COMPREHENSIVE INCOME	**-1**	**-0**

Holdings in joint operations at year end	Corp. ID number	Domicile	Share of equity, %
2015			
Sweco ÅF Healthcare Systems AB (owned through Sweco Systems AB)	556881-5764	Sweden	50
2014			
Sweco ÅF Healthcare Systems AB (owned through Sweco Systems AB)	556881-5764	Sweden	50

Group's shareholdings in joint operations	2015	2014
Operating income	27	29
Operating costs	-27	-29
PROFIT FOR THE YEAR	**0**	**0**
Current assets	231	216
Total assets	**231**	**216**
Current liabilities	-231	-216
Total liabilities	**-231**	**-216**
NET ASSETS	**0**	**0**

There are no pledged assets or contingent liabilities.

18 FINANCIAL INVESTMENTS

GROUP

Change in carrying amount for the year	2015	2014
Opening carrying amount	13	12
Acquisition of other shares	274	0
Reclassification	-290	–
Gained through acquisition	1	0
Revaluation of holding in Grontmij NV	16	–
Foreign currency translation difference	0	1
CLOSING CARRYING AMOUNT	14	13

Financial investments are classified as available-for-sale financial assets. Assets in this category are regularly measured at fair value with changes in value reported in other comprehensive income. An impairment loss is recognised in the income statement when necessary. See also Note 8.

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
2015					
BRF Störtloppet	716414-8764	Åre			1
Hirsala Golf Oy	1709135-9	Finland		3	1
Kiinteistöosakeyhtiö Kuopion Puijonkatu 26-28	0235274-7	Finland	15	397	3
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	5
SWECO Sojyz Engineering	5077746846920	Russia	10		0
Other shares and participations					4
Total shares and participations					**14**
2014					
BRF Störtloppet	716414-8764	Åre			1
Hirsala Golf Oy	1709135-9	Finland		3	1
Kiinteistöosakeyhtiö Kuopion Puijonkatu 26-28	0235274-7	Finland	15	397	3
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	5
Other shares and participations					3
Total shares and participations					**13**

19 OTHER NON-CURRENT SECURITIES

PARENT COMPANY

Change in carrying amount for the year	2015	2014
Opening carrying amount	1	1
CLOSING CARRYING AMOUNT	1	1

Shareholdings at year end	Corp. ID number	Domicile	Carrying amount
2015			
BRF Störtloppet	716414-8764	Åre	1
Total shares and participations			**1**
2014			
BRF Störtloppet	716414-8764	Åre	1
Total shares and participations			**1**

20 RECEIVABLES FROM GROUP COMPANIES

PARENT COMPANY

Change in carrying amount for the year	2015	2014
Non-current assets		
Opening carrying amount	961	957
Lending to group companies	878	2
Capitalised interest	–	2
Recovered receivables	–	-0
Foreign currency translation difference	-1	1
Closing carrying amount	**1,837**	**961**
Current assets		
Opening carrying amount	1,696	1,560
Change for the year	145	136
Closing carrying amount	**1,841**	**1,696**
TOTAL RECEIVABLES FROM GROUP COMPANIES	3,678	2,657

21 OTHER NON-CURRENT RECEIVABLES

GROUP

	2015			2014	
Change in carrying amount for the year	Held-to-maturity investments	Other non-current receivables	Total	Other non-current receivables	Total
Opening non-current receivables	–	7	7	8	8
Increase in receivables	1	9	10	–	–
Increase through acquisitions	82	6	88	–	–
Decrease in receivables	–	-3	-3	-1	-1
Foreign currency translation difference	-1	0	-1	0	0
CLOSING NON-CURRENT RECEIVABLES	82	19	100	7	7
Non-current receivables at year end					
Pension receivables as per Note 28	–	1	1	–	–
Other receivables	82	18	99	7	7
TOTAL NON-CURRENT RECEIVABLES	82	19	100	7	7

Held-to-maturity investments refer to a bank deposit to cover future cash outflows in connection with costs associated with one of the Group's landfills. The balance serves as collateral for the landfill licensee.

22 WORK IN PROGRESS

GROUP

	2015	2014
Work in progress less progress billings		
Value of work completed	6,835	3,141
Progress billings	-4,814	-2,143
NET WORK IN PROGRESS LESS PROGRESS BILLINGS	**2,021**	**998**
Progress billings in excess of work in progress		
Value of work completed	3,495	1,050
Progress billings	-4,931	-1,531
NET WORK IN PROGRESS IN EXCESS OF PROGRESS BILLINGS	**-1,436**	**-481**

23 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	2015	2014	2015	2014
Prepaid rents	75	56	–	–
Prepaid insurance premiums	21	6	–	–
Prepaid IT expenses	16	–	–	–
Accrued interest income	6	–	0	–
Other accrued income	2	3	–	0
Prepaid licence expenses	43	21	43	21
Other prepaid expenses	135	172	47	55
TOTAL	**298**	**257**	**89**	**76**

24 CASH AND CASH EQUIVALENTS

Surplus cash is invested in fixed-income securities such as commercial paper or certificates of deposit, where the funds are held for a predetermined period of time. Commercial paper is recognised in the balance sheet and the cash flow statement as short-term investments, which are included in current receivables. Commercial paper is classified as financial assets at fair value through profit or loss. Deposits are recognised as short-term liquid investments, which are included in cash and cash equivalents. Sweco always has the option of immediately withdrawing the deposited funds prior to the maturity date, but could then lose part of the higher interest payable on the funds.

Short-term investments have been classified as cash and cash equivalents on the basis that:
• they are exposed to an insignificant risk for value fluctuations
• they are readily convertible to cash.
• they have original maturities of less than three months.

Cash and cash equivalents in the balance sheet	Group 2015	Group 2014	Parent Company 2015	Parent Company 2014
Cash/bank	544	173	13	2
Short-term liquid investments	–	1	–	–
TOTAL CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	**544**	**174**	**13**	**2**

There was no commercial paper in Sweco Group at 31 December 2015 or 2014.

25 EQUITY

Change in number of shares[1]	A shares	B shares	C shares	Total
Number of shares at 1 January 2014	9,372,364	81,740,518		91,112,882
Issuance of treasury shares	–	–	900,000	900,000
Repurchase of treasury shares	–	-349,472	-900,000	-1,249,472
Conversion of A shares to B shares	-4,200	4,200	–	–
NUMBER OF SHARES AT 31 DECEMBER 2014	**9,368,164**	**81,395,246**	**–**	**90,763,410**
Preferential rights issue	1,171,020	12,123,925	–	13,294,945
Issue in kind	–	14,949,247	–	14,949,247
Issuance of treasury shares – share savings scheme	–	57,122	–	57,122
Issuance of treasury shares – share bonus scheme	–	449,961	–	449,961
Sale of treasury shares	–	139,825	–	139,825
Issuance of treasury shares	–	–	900,000	900,000
Repurchase of treasury shares	–	-117,000	-900,000	-1,017,000
NUMBER OF SHARES AT 31 DECEMBER 2015	**10,539,184**	**108,998,326**	**–**	**119,537,510**

1) After deduction for treasury shares.

A statement of changes in equity is found on page 46 for the Group and on page 50 for the Parent Company. Additional information about the Sweco share is provided on pages 85–87.

The purchase price for 100 per cent of Grontmij's shares was SEK 3,337 million, of which approximately SEK 1,537 million in cash and SEK 1,800 million in newly issued Sweco Class B shares. An issue in kind of 14,949,247 Sweco Class B shares was therefore conducted.

The cash component of the acquisition was initially financed with a bridge loan, most of which has been repaid through the preferential rights issue conducted during the fourth quarter. Under the rights issue, 13,294,945 new shares were issued at SEK 81 per share. Issue proceeds totalled SEK 1,077 million, raising SEK 1,062 million of equity for Sweco net of issue expenses of SEK 15 million.

The total number of votes is 21,594,748.6: 10,539,184 represented by Class A shares, 10,965,564.6 by Class B shares and 90,000 by Class C shares. Sweco repurchased 117,000 Class B shares during the year for SEK 14 million, corresponding to SEK 120.46 per share. During the year 900,000 Class C shares were issued for settlement of the 2015 Share Bonus Scheme. Sweco sold 139,825 Class B shares for SEK 17 million during the year, corresponding to SEK 118.87 per share.

Share capital
The quota value per share is 1. All shares carry entitlement to dividends, which are determined yearly at the Annual General Meeting. Class A shares carry one vote and Class B shares carry 1/10 of one vote. All shares grant equal entitlement to the company's remaining net assets. With regard to treasury shares, all rights are suspended until these shares are reissued.

Other contributed capital
Other contributed capital is comprised of equity contributed by the shareholders in the form of shares and other equity instruments issued at a premium, meaning that the amount paid exceeds the quota value of the shares.

Reserves
Reserves are comprised of a translation reserve containing all exchange differences arising on the translation of foreign operations to another currency.

Retained earnings including profit for the year
Retained earnings including profit for the year are comprised of profits earned in the Parent Company and its subsidiaries, associated companies and joint ventures. Retained earnings have been charged with the historical cost of treasury shares held by the Parent Company, its subsidiaries and associated companies. Upon utilisation of treasury shares, an amount equal to the market value of the shares is transferred to retained earnings. At 31 December 2015 the Group's holding of treasury shares amounted to 657,320 (753,437) Class B shares. The treasury shares were purchased at an average price of SEK 84.16 each, for a total of SEK 55 million. The market value at 31 December 2015 was SEK 82 million. Sweco holds 900,000 Class C shares to enable delivery of shares to employees participating in the 2015 Share Bonus Scheme. These shares will be converted to Class B shares prior to delivery. The repurchased shares correspond to 1.3 per cent of the total number of shares and 0.7 per cent of the votes.

Capital distribution to shareholders
After the balance sheet date, the Board of Directors proposed the following capital distribution to shareholders for resolution by the Annual General Meeting on 14 April 2016.

	2015	2014
Dividend of SEK 3.50 per common share (3.37 SEK[1])	421	318

1) Due to the preferential rights issue conducted during Q4 2015, all historical share-related key ratios – including dividend per share – were restated in accordance with IAS 33.

Amounts for 2015 were calculated including treasury shares. Accordingly, the change in value may be lower if the shares remain in treasury. Should the Board exercise the authority granted it by the April 2015 AGM to acquire additional treasury shares, the amount distributed to the shareholders may be further reduced.

PARENT COMPANY
Restricted reserves
Restricted reserves may not be reduced through distribution to shareholders.

Statutory reserve
The purpose of the statutory reserve is to set aside a portion of net profit that is not used to cover an accumulated deficit. This includes the part of the share premium reserve that was transferred on 31 December 2005. The share premium reserve arose through the issue of equity instruments (shares and subscription warrants) at a premium, meaning that the amount paid exceeded the quota value of the shares.

Share premium reserve
The share premium reserve arose through the issue of shares and subscription warrants at a premium, meaning that the amount paid exceeded the quota value of the shares.

Retained earnings
Retained earnings are comprised of the previous year's non-restricted equity after deduction of dividends. Retained earnings together with profit for the year, the share premium reserve and any fair value reserves comprise total non-restricted equity; ie, the amount available for distribution to shareholders.

26 CURRENT AND NON-CURRENT INTEREST-BEARING LIABILITIES

Change in carrying amount for the year	Group		Parent Company	
	2015	2014	**2015**	2014
Non-current interest-bearing liabilities				
Liabilities to credit institutions	1,879	1,009	1,890	962
Liabilities under finance leases as per Note 29	107	77	–	–
Total	**1,985**	**1,086**	**1,890**	**962**
Current interest-bearing liabilities				
Bank overdraft facilities	94	325	201	276
Other liabilities to credit institutions	130	–	–	–
Liabilities under finance leases as per Note 29	23	25	–	–
Total	**246**	**350**	201	**276**
TOTAL INTEREST-BEARING LIABILITIES	**2,232**	**1,436**	**2,092**	**1,238**

All financial liabilities are recognised at amortised cost. Other liabilities to credit institutions essentially refer to financing of acquisitions. The most important covenant in the loan agreements refers to net debt/EBITDA. All covenants were met by a wide margin at the end of the reporting period. The bank overdraft facilities are renewed yearly and are not associated with any special conditions or obligations.

	Group		Parent Company	
Loan maturity structure	**2015**	2014	**2015**	2014
0–1 year	248	350	201	276
1–5 years	1,943	1,080	1,891	962
5 years and later	41	5	–	–
	2,232	**1,436**	**2,092**	**1,238**

The fixed interest period for all loans is less than one year.

The cash component of the Grontmij acquisition was initially financed with a bridge loan, most of which has been repaid through the preferential rights issue conducted during the fourth quarter. The remainder of the bridge loan was transferred to Sweco's long-term financing. Grontmij's long-term loans were refinanced with a new 5-year EUR 110 million revolving credit facility. The terms of the new credit facility are in line with Sweco's existing loan financing. The refinancing will save up to SEK 19 million annually in net financial income, as compared with Grontmij's original financing costs.

Granted overdraft and credit terms

	Group		Parent Company	
	2015	2014	**2015**	2014
Credits granted	**3,823**	2,404	3,593	2,224
Credits unutilised on balance sheet date	**-2,232**	-1,436	-2,092	-1,238
UNUTILISED CREDITS	**1,591**	**969**	**1,501**	**986**
Average interest rate, %	**1.14**	1.76	1.09	1.71

27 PROVISIONS FOR PENSIONS

DEFINED BENEFIT PENSION PLANS
Sweden
The Group's retirement pension obligations for salaried employees in Sweden are secured through insurance in Alecta and AI Pension (AIP). According to statement UFR 3 from the Swedish Accounting Standards Board's Urgent Issues Task Force, Alecta is a "multi-employer" plan. The AIP pension plan is similarly structured and is therefore reported in the same manner. The Group has not had access to sufficient information to report these as defined benefit pension plans. Consequently, the ITP-based pension plans which are secured through insurance in Alecta and AIP are reported as defined contribution plans.

Surpluses in Alecta and AIP can be refunded to the policyholders and/or the insureds. At the end of 2015 Alecta's surplus measured as a collective consolidation ratio was 171 per cent (143) and AIP's was 144 per cent (131). The collective consolidation ratio is the market value of Alecta's and AIP's plan assets as a percentage of insurance obligations computed according to their own actuarial assumptions, which are not consistent with IAS 19.

Norway
Sweco Norge AS has several defined benefit pension plans with similar demographic and financial assumptions. Assets and liabilities in these plans are therefore computed according to the same actuarial assumptions. In 2014 the Norwegian Accounting Standards Board (NASB) changed its recommendation for future life expectancy, resulting in a SEK 76 million increase in the pension obligation.

Netherlands
Most of the Dutch pension plan is comprised of a collective defined contribution plan. Contribution is based on a fixed premium. The plan has no provisions covering additional funding by the Netherlands in the event of a deficit. According to pension fund estimates, the fund has reserves totalling 104.7 per cent as at 31 December 2015.

The Dutch defined benefit pension plan relates to a conditional early retirement plan for approximately 650 participants. The plan is only applicable to active employees who were younger than 56 years at 1 January 2006 and 31 December 2005. The plan is effective through 31 December 2020. The employer contribution through 31 December 2020 is a fixed annual amount of EUR 1.8 million.

Both plans are administered by Stichting Pensioenfonds Grontmij, a fund that is legally separated from the Group.

A curtailment gain of SEK 11 million is recognised in the income statement. This is attributable to the joint restructuring plans announced and partially implemented during 2015 in the Netherlands, which resulted in a significant reduction in staff.

The Netherlands previously contributed pension premiums for its employees to "Stichting Uittreding Werknemers Agrarische Sectoren (SUWAS)". SUWAS is under liquidation, and the remaining balance has been transferred in part to the pension funds belonging to companies that previously participated. The final amount of the reimbursement is set at EUR 2.3 million. This amount was received by the Dutch defined benefit pension plan in December 2015 and was recognised as pension cost earnings in the income statement in December 2015. The refund is used as additional funding for the defined benefit pension plan, in line with SUWAS liquidation documents provisions. The additional financing is reported as part of the employer's contribution in the change to the present value of plan assets.

Other countries (Finland, Germany, UK, Denmark, Belgium and Poland)
Employees in Finland are covered by defined contribution pension plans. There is a defined benefit pension plan for supplementary pensions for employees added through the acquisition of Kemira Engineering Oy in 2004.

Germany and the UK participate in defined contribution pension plans with local pension funds or insurance companies. Both countries have limited defined benefit pension plans. The German plan is unfunded.

The Group participates in defined benefit pensions plans with local pension funds or insurance companies in Belgium, Poland and Denmark.

Breakdown of net asset/ liability for defined benefit plans by country	2015 Norway	Netherlands	Germany	Other	Total
Present value of defined benefit pension obligations	-482	-68	-34	-40	-625
Fair value of plan assets	427	51	–	36	514
Liability for jubilee benefits	–	-14	–	-4	-18
NET ASSET/LIABILITY FOR DEFINED BENEFIT PLANS	**-55**	**-31**	**-34**	**-8**	**-128**

The scope of the defined benefit pension plans, more limited in previous periods, is expanding due to the acquisition of Grontmij. Gross amounts for the present value of defined benefit obligations and the fair value of defined benefit pension assets for the previous year relate primarily to Norway and total SEK -597 million and 463 million, respectively.

Defined benefit pension plans in the balance sheet	2015	2014
Present value of defined benefit pension obligations	-625	-597
Fair value of plan assets	514	463
Liability for jubilee benefits	-18	–
NET ASSET/LIABILITY FOR DEFINED BENEFIT PLANS	**-128**	**-134**
Other non-current receivables	**1**	–
Non-current pension provisions	**-113**	**-134**
Current pension provisions	**-17**	–
NET BALANCE SHEET AMOUNT	**-128**	**-134**

Change in defined benefit pension obligations for the year	2015	2014
Defined benefit pension obligation at beginning of year	-597	-487
Current service costs	-25	-13
Curtailment gain	11	–
Interest expense	-15	-20
Revaluations:		
– Actuarial gains and losses on changed demographic assumptions	2	–
– Actuarial gains and losses on changed financial assumptions	58	-93
– Experienced-based adjustments	-6	0
Adjustments and changes in the pension plan	0	0
Reclassification	0	-8
Benefits paid	33	18
Increase through acquisitions	-137	–
Foreign currency translation difference	51	5
Defined benefit pension obligation at year end	**-625**	**-597**

Change in fair value of plan assets for the year	2015	2014
Fair value of plan assets at beginning of year	463	418
Employer contributions	27	31
Contributions from plan participants	-16	-16
Interest income	11	16
Return on plan assets, excluding interest income	-1	1
Actuarial gains and losses	8	17
Additional contributions	26	-2
Benefits paid	-9	–
Increase through acquisitions	50	–
Foreign currency translation difference	-45	-3
Fair value of plan assets at year end	**514**	**463**

The Group's defined benefit obligation is distributed relatively equally between active members and retired employees. In Norway (which has the largest plan from a gross claim/liability perspective), the distribution is 50/50 between active and retired plan members.

Plan assets are comprised of	2015	2014
Cash and cash equivalents and short-term investments	5	8
Shares	24	43
Private equity	12	12
Alternative investments (hedge funds)	9	12
Credits	106	97
Government bonds	234	233
Fixed-income securities	19	18
Real estate	52	41
Other	53	–
TOTAL PLAN ASSETS	**514**	**463**

Defined benefit pension plans	2015	2014
Net expense in the income statement		
Current service costs	-25	-13
Curtailment gain	11	–
Net interest income/interest expense	-4	-3
TOTAL NET EXPENSE	**-17**	**-16**
Net expense is recognised in the income statement as		
Personnel costs	-17	-16
Net expense in profit for the year	**-17**	**-16**
Expense recognised in other comprehensive income		
Revaluations:		
Actuarial gains (-) and losses (+)	61	-76
Net expense recognised in other comprehensive income	**61**	**-76**
NET EXPENSE RECOGNISED IN COMPREHENSIVE INCOME	**40**	**-92**

The defined benefit plans are exposed to actuarial risks such as life expectancy, currency, interest rate and investment risks.

	Norway		Netherlands	Germany
Actuarial assumptions, %	**2015**	2014	**2015**	**2015**
Discount rate	2.7	2.3	2.4	2.2
Anticipated return on plan assets	2.7	2.3	2.4	
Annual rate of salary increase	2.5	2.8	0-1.5	2.0
Annual rate of pension increase	0.0	0.0	1.7	1.5-4.0
Inflation	2.3	2.8		
Life expectancy assumption				
– pensioned at end of period:				
Men	21.0	20.7	21.0	15.0
Women	24.1	23.9	24.0	18.0
Life expectancy assumption				
– pensioned 20 years after end of period:				
Men	23.2	23.0	23.0	21.0
Women	26.5	26.3	25.0	25.0

The assumptions regarding future life expectancy are based on official statistics and historical experience in each country. At 31 December 2015 the weighted average maturity of the defined benefit plans was 15 years.

Primary actuarial estimates for jubilee benefits
The provision for obligations arising due to jubilee benefits is calculated with a 1.6 per cent discount rate.

Sensitivity analysis
The table below presents possible changes in actuarial assumption on the balance sheet date (all other assumptions remaining constant) and how these would affect the defined benefit obligation.

Defined benefit obligation, SEK M	Increase	Decrease
Discount rate (1% change)	72	92
Annual rate of salary increase (1% change)	30	27
Annual rate of pension increase (1% change)	23	18

For financial year 2016, contributions to plans for post-retirement benefits are estimated at around SEK 20 million. The Group estimates that approximately SEK 21 million will be paid to defined benefit pension plans during 2016.

DEFINED CONTRIBUTION PLANS

Defined contribution pension plans	2015	2014
Allocation of expenses by pension plan		
Sweden, Alecta	-258	-224
Sweden, AIP	-20	-22
Finland	-165	-148
Norway	-65	-60
Other countries	-35	-2
TOTAL	**-543**	**-456**

28 OTHER PROVISIONS

GROUP

	2015			
Change in fair value for the year	After-care liabilities	Restructuring	Other provisions	Total
Other provisions				
Opening balance, other provisions	–	–	–	–
Increase through acquisition	176	21	33	230
Provision for the year	0	68	6	74
Utilised provision	0	-19	-2	-22
Reversal of unutilised provision	2	0	–	2
Interest	0	0	–	0
Foreign currency translation difference	-3	-1	-1	-6
TOTAL OTHER PROVISIONS	**174**	**69**	**35**	**279**
OF WHICH, CURRENT OTHER PROVISIONS	**1**	**68**	**16**	**85**

After-care liabilities

The Group is responsible for the after-care of waste sites in the Netherlands and ensuring that waste products are processed for storage, and for securing long-term waste product maintenance. The provisions for landfill sites are calculated pursuant to IPO's RIINAS model (umbrella organisation for twelve provinces in the Netherlands) at a 4.00 to 5.00 per cent (4.00–5.00) discount rate.

SEK 5 million of the provision is attributable to the period 2017–20 and SEK 168 million to periods after 2020.

Restructuring

Provisions include the anticipated costs incurred as a result of the Group's decision to conduct restructuring activities, primarily related to operations in the Netherlands. Provisions for restructuring are only recognised when Sweco has a formal detailed restructuring plan in place and has notified those impacted by the plan as at 31 December 2015. Amounts are based on management's best estimates and are adjusted if there are changes to these estimates. Most of the provision as at 31 December 2015 will be used during the period 2016–17.

Other provisions

Other provisions refer primarily to the restoration of office space and future costs associated with disputes that have not been established.

29 LIABILITIES UNDER FINANCE LEASES

GROUP

	2015		2014	
	Present value	**Nominal amount**	Present value	Nominal amount
In current interest-bearing liabilities				
Due within one year	23	27	25	32
Total current liabilities	**23**	**27**	**25**	**32**
In liabilities to credit institutions				
Due within more than one but less than five years	73	74	73	85
Due within more than five years	34	34	4	5
Total non-current liabilities	**107**	**108**	**77**	**90**
TOTAL LIABILITIES UNDER FINANCE LEASES	**130**	**135**	**101**	**122**

Liabilities under finance leases are recognised in the balance sheet at present value. The above table also shows nominal liabilities, comprising the sum of future lease payments and residual value at the end of the lease period. Liabilities under finance leases arose during the year regarding the Naarderbos golf course in the Netherlands, a result of the acquisition of the Grontmij Group.

30 ACCRUED EXPENSES, PREPAID INCOME AND OTHER CURRENT LIABILITIES

	Group		Parent Company	
Accrued expenses and prepaid income	**2015**	2014	**2015**	2014
Accrued payroll costs	148	69	3	4
Accrued holiday and overtime pay	698	450	2	2
Accrued social fees	387	297	6	6
Other personnel-related costs[1]	141	–	12	–
Accrued IT expenses	4	–	–	–
Accrued audit and consulting costs	14	–	–	–
Accrued rents	17	–	–	–
Accrued waste management costs	45	–	–	–
Accrued interest	8	2	3	2
Prepaid income	6	–	–	–
Other	176	146	8	10
TOTAL ACCRUED EXPENSES AND PREPAID INCOME	**1,644**	**963**	**32**	**22**
Other current liabilities				
VAT	442	240	–	–
Employee withholding tax	133	127	1	1
Derivatives	–	4	–	–
Other	175	78	5	2
TOTAL OTHER CURRENT LIABILITIES	**750**	**449**	**6**	**3**

1) Other personnel-related costs include costs for personnel downsizing, particularly in the Netherlands.

31 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
	2015	2014	**2015**	2014
Contingent liabilities				
Guarantees for subsidiary liability	–	–	38	30
Performance bonds	704	223	183	171
TOTAL	**704**	**223**	**221**	**201**

Sweco AB has issued a guarantee pursuant to Article 2:403 of the Dutch Civil Law (Burgerlijk Wetboek) under which the Parent Company is the guarantor for liabilities and obligations of Dutch subsidiaries.

Note 32

32 FINANCIAL INSTRUMENTS BY CATEGORY

GROUP

The fair value and carrying amount are recognised in the balance sheet as shown below. Carrying amount is considered a good approximation of fair value.

	Carrying amount					Fair value			
2015	Assets held for trading	Loans and receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Shares	–	–	14	–	14	–	–	14	**14**
TOTAL	**–**	**–**	**14**	**–**	**14**	**–**	**–**	**14**	**14**
Financial assets not carried at fair value									
Non-current receivables	–	99	–	–	99	–	–	–	–
Trade receivables	–	2,441	–	–	2,441	–	–	–	–
Cash and cash equivalents	–	544	–	–	544	–	–	–	–
TOTAL	**–**	**3,084**	**–**	**–**	**3,084**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value									
Currency forwards for hedging	2	–	–	–	2	–	2	–	2
TOTAL	**2**	**–**	**–**	**–**	**2**	**–**	**2**	**–**	**2**
Financial liabilities not carried at fair value									
Liabilities to credit institutions	–	–	–	2,102	2,102	–	–	–	–
Liabilities under finance leases	–	–	–	130	130	–	–	–	–
Other non-current liabilities	–	–	–	26	26	–	–	–	–
Trade payables	–	–	–	655	655	–	–	–	–
TOTAL	**–**	**–**	**–**	**2,913**	**2,913**	**–**	**–**	**–**	**–**

	Carrying amount					Fair value			
2014	Assets held for trading	Loans and receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value									
Shares	–	–	13	–	13	–	–	13	13
TOTAL	**–**	**–**	**13**	**–**	**13**	**–**	**–**	**13**	**13**
Financial assets not carried at fair value									
Non-current receivables	–	7	–	–	7	–	–	–	–
Trade receivables	–	1,515	–	–	1,515	–	–	–	–
Cash and cash equivalents	–	173	–	–	173	–	–	–	–
TOTAL	**–**	**1,695**	**–**	**–**	**1,695**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value									
Currency forwards for hedging	4	–	–	–	4	–	4	–	4
TOTAL	**4**	**–**	**–**	**–**	**4**	**–**	**4**	**–**	**4**
Financial liabilities not carried at fair value									
Liabilities to credit institutions	–	–	–	1,334	1,334	–	–	–	–
Finance lease liability	–	–	–	101	101	–	–	–	–
Other non-current liabilities	–	–	–	27	27	–	–	–	–
Trade payables	–	–	–	338	338	–	–	–	–
TOTAL	**–**	**–**	**–**	**1,800**	**1,800**	**–**	**–**	**–**	**–**

In the above table, non-current receivables are comprised of held-to-maturity investments and “Other non-current receivables” with the exception of pension assets. See also Note 21.

PARENT COMPANY
Fair value and carrying amount are recognised in the balance sheet as shown below:

	Carrying amount				Fair value	
2015	Loan and trade receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Level 3	**Total**
Other non-current securities	–	1	–	1	1	1
Other non-current receivables	2	–	–	2	–	–
Cash and cash equivalents	13	–	–	13	–	–
TOTAL	**15**	**1**	**–**	**16**	**1**	**1**
Non-current interest-bearing liabilities	–	–	1,890	1,890	–	–
Current interest-bearing liabilities	–	–	201	201	–	–
Trade payables	–	–	62	62	–	–
TOTAL	**–**	**–**	**2,154**	**2,154**	**–**	**–**

	Carrying amount				Fair value	
2014	Loan and trade receivables	Available-for-sale financial assets	Other liabilities	Total carrying amount	Level 3	**Total**
Other non-current securities	–	1	–	1	1	1
Cash and cash equivalents	2	–	–	2	–	–
TOTAL	**2**	**1**	**–**	**3**	**1**	**1**
Non-current interest-bearing liabilities	–	–	962	962	–	–
Current interest-bearing liabilities	–	–	276	276	–	–
Trade payables	–	–	50	50	–	–
TOTAL	**–**	**–**	**1,288**	**1,288**	**–**	**–**

The table above provides information about the method for determining the fair value of financial instruments measured at fair value in the balance sheet. The hierarchy for determining fair value is based on the following three levels.

Level 1: according to quoted market prices in active markets for identical instruments
Level 2: according to directly or indirectly observable market inputs that are not included in level 1
Level 3: according to inputs that are not based on observable market data

No transfers between any of the levels took place during the year.

Measurement of fair value
Below is a summary of the primary methods and assumptions used to determine the fair values of the financial instruments reported in the above tables.

The fair value of a listed financial asset is equal to the asset's quoted market price on the balance sheet date. The fair value of unlisted financial assets is determined through market valuation, such as recently completed transactions, the price of similar instruments and discounted cash flows. When there is no reliable basis for determining fair value, financial assets are measured at amortised cost.

For forward exchange contracts, fair value is determined on the basis of quoted market prices for forward exchange contracts on the balance sheet date.

The value of long-term loans is recognised as accrued amortised cost, which is considered a good approximation of fair value.

The fair value of finance lease liabilities is based on the present value of future cash flows discounted at the market rate of interest for similar lease contracts (Level 2).

For trade receivables and payables with a remaining life of less than one year, the carrying amount is assessed to reflect fair value.

The table below presents a reconciliation between the opening and closing balances for financial instruments that are measured at fair value in the report in the balance sheet based on a valuation technique that uses unobservable market data (Level 3).

GROUP

	Financial investments
Opening balance at 1 January 2014	12
Total reported gains and losses	
– recognised in profit for the year	–
– recognised in other comprehensive income	1
Cost of acquisitions	0
Proceeds from divestitures	0
CLOSING BALANCE AT 31 DECEMBER 2014	**13**
Gains and losses recognised in profit for the year for assets included in the closing balance at 31 December 2014	–
Opening balance at 1 January 2015	13
Total reported gains and losses	
– recognised in profit for the year	–
– recognised in other comprehensive income	16
Cost of acquisitions	274
Reclassification	-290
Gained through acquisition	1
CLOSING BALANCE AT 31 DECEMBER 2015	**14**
Gains and losses recognised in profit for the year for assets included in the closing balance at 31 December 2015	–

33 FINANCIAL RISKS AND FINANCE POLICY

Through its operations, the Group is exposed to various types of financial risk arising from fluctuations in earnings and cash flow due to changes in exchange rates, interest rates, refinancing and credit risks.

FINANCE POLICY

To control and minimise the financial risks to which the Group is exposed, the Board of Directors has drawn up a finance policy that is revised and adopted at least once a year. The policy regulates the division of responsibilities between the local companies and the corporate finance department, which financial risks the Group is permitted to take, and how these risks are to be managed. Surplus cash is invested primarily in fixed-income instruments in the money market, where low credit risk and high liquidity are required criteria. Transaction exposure is hedged mainly through forward exchange contracts.

MARKET RISK

Market risk is the risk for fluctuations in the value of financial instruments due to changes in market prices. Sweco's policy minimises this risk by limiting the average duration of financial instruments to 120 days.

CURRENCY RISKS

Transaction exposure

The Group's exposure to currency risk is primarily related to potential exchange rate fluctuations in contracted and anticipated payment flows in foreign currency. The objective in management of currency risk is to minimise the effects of exchange rate movements on the Group's profit and financial position. The Group normally has natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into in a non-local currency, the contracted and anticipated payment flows are hedged through forward exchange contracts after matching incoming and outgoing payments in the same currency.

The Group's transaction exposure from exports in 2015 can be broken down into the following significant currencies:

	2015			2014		
SEK M	EUR	USD	NOK	EUR	USD	NOK
Income	151	62	32	104	20	10
Expenses	-242	-94	-51	-95	-10	-53
NET	**-91**	**-32**	**-19**	**9**	**10**	**-43**

On the balance sheet date, the Group had the following open forward exchange contracts with a remaining time to maturity of between 0 and 78 months (previous year: 0 and 90 months).

	Contract amount		Unrealised gain + / losses -		Average rate	
Currency	**2015**	2014	**2015**	2014	**2015**	2014
EUR	-37	79	0	-2	9.24	9.35
USD	10	1	0	0	8.35	7.41
Other	-12	8	-1	-1		

Hedge accounting was not applied for the forward exchange contracts outstanding on the balance sheet date. Valuation gains/losses on forward exchange contracts are recognised in other external expenses in the income statement and fair value is recognised in other current receivables/liabilities in the balance sheet.

Translation exposure

When the balance sheets of foreign subsidiaries are translated to SEK, a foreign currency translation difference arises due to the fact that the current year is translated at a different rate than the preceding year, and that the income statement is translated at the average exchange rate during the year while the balance sheet is translated at the closing day rate.

Translation exposure is comprised of the risk for changes in equity resulting from translation differences. For the significant currencies, translation exposure at 31 December 2015 was NOK 473 million (387) and EUR 315 million (123.6). Substantial exposure to the British pound and the Danish krone also arose with the acquisition of the Grontmij Group and totalled GBP 132 million and DKK 764 million on the balance sheet date. The Group's policy is to not hedge translation exposure in foreign currencies except in connection with major acquisitions. Sweco previously decided to hedge the net investment in FMC Group with a foreign currency loan denominated in EUR, which totalled EUR 74 million (74) as at the balance sheet date. During the year the Group also took out a foreign currency loan to hedge the investment in Grontmij; this loan totalled EUR 112 million at the balance sheet date.

Balance sheet exposure

On the translation of assets and liabilities in intra-group transactions, balance sheet exposure arises in the difference between exchange rates on the transaction date and the closing day rate. The resulting exchange difference is recognised over the income statement. The Group's policy is to eliminate balance sheet exposure by taking up loans in the exposed currency to the extent that this exposure is not seen as part of the net investment and does not refer to normal trade receivables or payables.

	Group		Parent Company	
Foreign exchange differences recognised in profit	**2015**	2014	**2015**	2014
Net sales	–	3	–	0
Other operating expenses	-9	-9	–	–
Total foreign exchange differences in operating profit	**-9**	**-6**	**–**	**0**
Financial income	–	–	–	0
Financial expenses	-10	-9	-14	–
Total foreign exchange differences in net financial items	**-10**	**-9**	**-14**	**0**
TOTAL FOREIGN EXCHANGE DIFFERENCES IN PROFIT	**-19**	**-15**	**-14**	**0**

INTEREST RATE RISK

Interest rate risk refers to the effects of interest rate movements on the Group's net financial items and fluctuations in the value of financial instruments due to changes in market interest rates. All loans carry interest with short fixed-interest periods. The company's assessment is that loans with variable interest result in the lowest risk and financing cost over time.

LIQUIDITY RISK

Liquidity risk (the risk that the Group will incur higher costs due to insufficient liquidity), cash flow risk (the risk for variations in the size of future cash flows generated by financial instruments) and refinancing risk (the risk for costly refinancing of matured loans) are deemed minor in view of the Group's financial position with unutilised bank overdraft facilities which, including cash and cash equivalents, total SEK 2,229 million (1,142). There are cash pools in place to minimise the borrowing requirement through the use of surplus liquidity in the Group. The bank overdraft facilities are renewed every year and are not associated with any special conditions or obligations; see also Note 26.

An age analysis of financial liabilities is shown in the table below:

2015	Nominal amount in original currency	Total	0–1 years	1–5 years	>5 years
Interest-bearing liabilities		2,009	130	1,879	–
Forward exchange contracts, EUR	0	-37	-33	-20	16
Forward exchange contracts, USD	2	11	8	3	–
Forward exchange contracts, other		-12	-12	–	–
Finance lease liabilities, SEK	124	124	24	67	33
Trade payables		655	650	5	–
Other liabilities		776	750	26	–
TOTAL		**3,526**	**1,517**	**1,960**	**49**

2014	Nominal amount in original currency	Total	0–1 years	1–5 years	>5 years
Interest-bearing liabilities		1,009	0	1,008	1
Forward exchange contracts, EUR	8	79	8	51	20
Forward exchange contracts, USD	0	1	1	–	–
Forward exchange contracts, other		8	8	–	–
Finance lease liabilities, SEK	122	122	32	85	5
Trade payables		338	337	1	–
Other liabilities		472	445	27	–
TOTAL		**2,030**	**832**	**1,172**	**26**

CREDIT RISK

The risk that the Group's customers will not meet their obligations (ie, that payment will not be received from the customers), constitutes a customer credit risk. The Group carries out regular credit assessment of new customers.

Sweco currently has around 23,000 customers in both the private and public sectors. The public sector accounts for 42 per cent, property and construction companies for 13 per cent, industrial companies for 24 per cent and other private sector companies for 21 per cent.

The ten largest customers account for 22 per cent of total sales. Since Sweco is not dependent on any individual customers, there is little risk that trade receivable losses will have a significant impact on the company. Historically, such losses have been minor.

Age analysis, trade receivables	2015			2014		
	Gross	Reserve	Net	Gross	Reserve	Gross
Trade receivables not yet due	1,895	–	1,895	1,225	–	1,225
Overdue trade receivables 0–30 days	271	-3	268	152	-1	151
Overdue trade receivables > 31–90 days	101	-2	99	56	-7	49
Overdue trade receivables > 91–180 days	67	-4	63	33	-7	26
Overdue trade receivables > 180 days	180	-65	115	76	-13	64
TOTAL	**2,513**	**-74**	**2,441**	**1,542**	**-27**	**1,515**

At 31 December 2015, trade receivables amounting to SEK 545 million (290) were overdue without any assessed need to recognise an impairment loss. These apply to a number of independent customers that have not previously had any solvency problems.

Trade receivables by currency	2015	2014
SEK	841	859
EUR	937	329
USD	31	5
NOK	242	256
GBP	99	–
DKK	197	–
CZK	26	15
RUB	–	13
Other currencies	67	37
TOTAL	**2,441**	**1,515**

Changes in reserve for doubtful trade receivables	2015	2014
Opening reserve for doubtful trade receivables	-27	-37
Increase through acquisitions	-51	–
Provisions to reserve for doubtful trade receivables	-15	-11
Write-offs of non-collectible receivables for the year	7	7
Reversal of unutilised amount	14	12
Translation difference	-2	2
CLOSING RESERVE FOR DOUBTFUL TRADE RECEIVABLES	**-74**	**-27**

Sweco PM Oy filed a claim against a customer for non-payment of overdue trade receivables. A countersuit was also filed against the company in Finnish court in which the counterparty is seeking damages of EUR 16.7 million on the grounds that Sweco PM showed gross negligence in an assignment. In order for the plaintiff to be considered entitled to such damages, in which case the contractual limitations of liability would not apply, the alleged gross negligence must be proven. Until further notice, the dispute is covered by consulting liability insurance. In the event that gross negligence is finally determined by the court, however, the insurance will not be valid. Sweco PM contends that it acted with neither negligence nor gross negligence. The district court in Helsinki announced its ruling on the case on 2 July 2013, whereby the court found that the claim of gross negligence lacked grounds. Sweco PM was found to have been negligent in certain aspects and was therefore liable for damage claims amounting to EUR 393,310 (excluding interest) to the counterparty. The case was appealed to the Helsinki Court of Appeal which announced its decision on 30 January 2015, finding that Sweco PM was not negligent or grossly negligent in performing its duties under the contract. The counterparty's claim was dismissed in its entirety. The court ordered (i) the customer to pay the unpaid fee of approximately EUR 685,000, plus interest, to Sweco PM and (ii) the counterparty to pay Sweco PM's legal expenses. SATO appealed the decision to the Supreme Court, which denied the appeal on 4 March 2016. The Court of Appeal's decison therefore remains in effect. The provison made for the dispute was not adjusted in the 2015 results; this will be done in March 2016.

SENSITIVITY ANALYSIS

To manage currency risks, the Group strives to minimise the impact of short-term fluctuations in profit and cash flows. In a longer perspective, however, profit, cash flows and equity will be affected by more lasting changes in exchange rates and interest rates.

Factor	Change +/-	2015 Impact on earnings +/-	2014 Impact on earnings +/-
Currency		SEK M	SEK M
EUR	10%	1	6
USD	10%	2	0
NOK	10%	10	10
Interest rate on lending/borrowing	1%-point	8	6

The sensitivity analysis is based on the assumption that currency translation and transaction exposure, and all other factors, are constant. The effect is calculated based on a standard tax rate of 26 per cent.

CAPITAL MANAGEMENT

Sweco Group's financial objective is to uphold a good capital structure and financial stability in order to maintain the confidence of investors, creditors and the market. A good capital structure also creates a foundation for ongoing development of the Group's business operations. Capital is defined as total equity and non-controlling interests.

Capital	2015	2014
Equity	4,899	1,874
Non-controlling interests	9	14
TOTAL	**4,907**	**1,888**

Sweco Group's capital is used to finance acquisitions, to maintain a high level of financial flexibility and to provide competitive dividends to Sweco's shareholders.

The Group's dividend policy is to distribute at least half of profit after tax to the shareholders while also maintaining a capital structure that provides scope for development of and investment in the company's core operations. The Board of Directors has proposed that the 2016 Annual General Meeting approve a dividend of SEK 3.50 per share, equal to a dividend share of approximately 96 per cent of profit after tax. Through the dividend, a maximum of SEK 421 million will be distributed to the shareholders.

Sweco's financial target is to maintain a level of net debt over time that does not exceed 2.0 times EBITDA. During the past five years, ordinary dividends totalled an average of around 73 per cent of profit after tax. The Group's policy is to pay an extra dividend or conduct a share redemption when this is permitted by the capital structure and financing requirements.

Sweco acquired Grontmij N.V. in 2015. The purchase price for 100 per cent of Grontmij's shares totals SEK 3,337 million, of which approximately 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 cash component of the Grontmij acquisition was initially financed with a bridge loan, most of which has been repaid through the preferential rights issue conducted during the fourth quarter.

Sweco's 2015 Annual General Meeting granted authorisation for the Board to repurchase treasury shares. The aim of the proposed repurchase is to create scope to optimise the company's capital structure and provide opportunities to use Sweco shares as consideration in connection with future acquisitions. The AGM also authorised the Board to decide on the transfer of treasury shares. Such transfers may take place in connection with acquisitions. The AGM also authorised the Board to repurchase treasury shares to enable delivery of shares under the 2015 Share Savings Scheme and the 2015 Share Bonus Scheme (under which bonuses are paid in shares rather in cash for operations in Sweden).

The Board proposes that the 2016 AGM authorise the Board to decide on the repurchase and transfer of treasury shares and to enable delivery of shares for the 2016 Share Savings Scheme and the 2016 Share Bonus Scheme.

34 RELATED PARTY TRANSACTIONS

The Group's related parties are major shareholders, joint ventures, associated companies, the Board of Directors and other senior executives.

Sales to related parties are carried out on market-based terms.

Goods and services totalling SEK 1 million (1) were sold to companies owned by the Nordström family (a shareholder controlling approximately 32.3 per cent of the votes in Sweco). Consulting service totalling SEK 2 million (2) were sold to companies owned by the Douglas family (which has a controlling interest in Investment AB Latour, a shareholder controlling approximately 20.8 per cent of the votes in Sweco). The related trade receivable at 31 December 2015 amounted to SEK 1 million (0). Consulting services totalling SEK 0 million (0) were sold to companies owned jointly by the Nordström and Douglas families.

The Group had insignificant sales to associated companies and joint ventures. Dividends from associated companies totalled SEK 1 million (1).

For information on remuneration to the Board of Directors and senior executives, see Note 6.

35 EVENTS AFTER THE BALANCE SHEET DATE

On 10 February 2016 the Board of Directors proposed that the Annual General Meeting resolve on a distribution to the shareholders in the form of a dividend totalling a maximum of SEK 421 million (see Note 25).

Sweco acquired operations in Petro Team Engineering AB with 5 employees after the close of the year, thereby strengthening its position within rock engineering and mechanics.

36 CRITICAL ESTIMATES AND ASSESSMENTS

KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements in accordance with EU IFRS requires the company to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Estimates and underlying assumptions are based on historical experience and on several other factors that may be considered probable based on the specific conditions. The result of this process forms the basis for evaluating reported assets and obligations that may be difficult to identify from other sources. Actual results may deviate from these estimates.

Significant estimates and underlying assumptions are reviewed periodically. Revised estimates are reported during the period in which the estimate was revised if the revision affects only that year. Otherwise, they are reported during the year under review and future periods if the revision affects both the year under review and future periods.

Pension assumptions

Provisions for pensions are based on Sweco's best actuarial assumptions about the future (see Note 27). Deviations in the actual outcome of these parameters are recognised in other comprehensive income.

Impairment testing of goodwill

In determining the recoverable amount of cash-generating units for impairment testing of goodwill, the company made assumptions about future conditions and estimated key variables (see Note 13). As illustrated in Note 13, significant changes in these estimates and assumptions may affect the value of goodwill.

Valuation of work in progress

Approximately 23 per cent of Sweco's sales are generated in fixed price service contracts. Assets and liabilities in these contracts represent significant amounts. Work in progress is recognised at the value of contract revenue less confirmed losses and anticipated loss risks. Revenue is recognised based on the estimated stage of completion. If the stage of completion cannot be estimated reliably, the contract is valued on the basis of contract costs incurred. Determination of the risks in the assignments and the percentage of completion is based on prior experience of similar projects and the specific conditions of each assignment. The balance sheet item is comprised of multiple contracts, none of which makes up a substantial share of the total. While miscalculation of an individual contract would not have a significant impact on the value of work in progress, a general miscalculation could have a significant impact, although this is not probable.

The effect of ongoing litigation and the valuation of contingent liabilities on the consolidated financial position

The Group has made a number of acquisitions in different countries over the years and has taken over certain contingent liabilities attributable to the acquired companies. Companies within the Group are also involved in various other legal proceedings arising in the ordinary course of business. For further information, see Note 31 and Note 33.

Reporting of income tax, VAT and other taxes

Reporting of income tax, VAT and other taxes is based on applicable regulations in the countries where the Group operates. Due to the overall complexity of tax and tax accounting regulations, application and reporting are based on interpretations and on estimates and assessments of possible outcomes. Deferred tax is calculated on temporary differences between the reported and taxable values of assets and liabilities. There are two main types of assumptions and assessments that affect reported deferred tax: assumptions and assessments (i) to determine the carrying amount of various assets and liabilities and (ii) regarding future taxable profit, in cases where future utilisation of reported and non-reported deferred tax assets is dependent on this in addition to existing deferred tax liabilities. Significant assessments and assumptions are also made when reporting provisions and contingent liabilities with respect to tax risks. For additional information on taxes, please see Note 10.

37 PARENT COMPANY INFORMATION

SWECO AB (publ), corporate identification number 556542-9841, is a Swedish-registerred public limited company domiciled in Stockholm. The Parent Company's shares are listed on Nasdaq Stockholm. The headquarter address is: Sweco AB, Gjörwellsgatan 22, Box 34044, SE-100 26 Stockholm.

SIGNATURES OF THE BOARD OF DIRECTORS

The Board of Directors and the President & CEO give their assurance that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The annual accounts have been prepared in accordance with generally accepted accounting standards and give a true and fair view of the financial position and results of operations of the Parent Company.

The Board of Directors' report for the Group and the Parent Company gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 4 March 2016

Johan Nordström
Board chairman

Anders G. Carlberg
Board member

Gunnel Duveblad
Board member

Eva Lindqvist
Board member

Pernilla Ström
Board member

Carola Teir-Lehtinen
Board member

Johan Hjertonsson
Board member

Thomas Holm
Employee representative

Göran Karloja
Employee representative

Anna Leonsson
Employee representative

Tomas Carlsson
President & CEO

Our audit report was submitted on 4 March 2016
PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

AUDITOR'S REPORT

To the annual meeting of the shareholders of SWECO AB (publ), corporate identity number 556542-9841

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of SWECO AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 31–83.

Responsibilities of the Board of Directors and the President & CEO for the annual accounts and consolidated accounts

The Board of Directors and the President & CEO are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President & CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President & CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance report has been prepared. The statutory administration report and the corporate governance report are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President & CEO of SWECO AB (publ) for the year 2015.

Responsibilities of the Board of Directors and the President & CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President & CEO are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President & CEO is liable to the company. We also examined whether any member of the Board of Directors or the President & CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President & CEO be discharged from liability for the financial year.

Stockholm, 4 March 2016
PricewaterhouseCoopers AB

Michael Bengtsson
Authorised Public Accountant

THE SWECO SHARE

Sweco AB's shares have been listed on NASDAQ Stockholm since 21 September 1998. Sweco's share capital is divided into Class A, Class B and Class C shares. Class A and B shares grant equal entitlement to dividends; Class C shares do not. Class A shares grant entitlement to one vote and Class B and C shares to one-tenth of one vote. Class A and B shares are listed. Class C shares were issued as per resolution of the 2015 AGM. The Class C shares were issued to enable the company to deliver shares (following conversion of the Class C shares to Class B shares) to employees under the 2015 Share Bonus Scheme. Sweco's Articles of Association grant shareholders the right to convert Class A shares to Class B shares. The combined market capitalisation of Sweco shares at year-end was SEK 14,926 million.

SHARE PRICE PERFORMANCE AND TRADING

The closing price for the Sweco B share was SEK 124.25 at year-end 2015, representing an increase of 21 per cent during the year. Over the same period, Nasdaq Stockholm rose by 7 per cent. The highest closing price for the Class B share in 2015 was SEK 133.50 and the lowest was SEK 99.41. The highest closing price for the Class A share was SEK 139.00 and the lowest was SEK 96.40.

A total of 17,684,063 Sweco shares were traded on Nasdaq Stockholm during the year. The average trading volume per business day was 69,859 Class B shares and 596 Class A shares.

The annual total yield of the Sweco B share, defined as the sum of share price performance and reinvested dividends, has averaged at 22 per cent over the past five years. The corresponding figure for Nasdaq Stockholm was a total of 11 per cent.

SWECO AB'S SHARE[1, 2]

	Number		Holding, %	
	Shares	Votes	Shares	Votes
A	10,539,184	10,539,184.0	8.7	48.8
B	109,655,646	10,965,564.6	90.6	50.8
C	900,000	90,000.0	0.7	0.4
TOTAL	**121,094,830**	**21,594,748.6**	**100.0**	**100.0**

1) As at 30 December 2105, including a total of 1,557,320 treasury shares (657,320 Class B shares and 900,000 Class C shares) and a total of 155,732.0 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.

LARGEST SHAREHOLDERS AT 30 DECEMBER 2015[1, 2]

Shareholder	Number of A shares	Number of B shares	Number of C shares	Total	Votes, %[3]	Holding, %[3]
Nordström family	5,948,808	10,255,240	0	16,204,048	32.3	13.4
Investmentaktiebolaget Latour	1,375,605	31,246,875	0	32,622,480	20.8	26.9
J. Gust. Richerts Memorial Foundation	1,991,260	118,982	0	2,110,242	9.3	1.7
NN Group	0	6,227,071	0	6,227,071	5.1	2.9
Lannebo fonder	0	4,337,700	0	4,337,700	2.0	3.6
JPM Chase NA	0	4,244,780	0	4,244,780	2.0	3.5
Swedbank Robur Fonder	0	3,842,301	0	3,842,301	1.8	3.2
KAS Bank Client Acc	0	3,354,582	0	3,354,582	1.6	2.8
Nordea Investment Funds	0	3,279,390	0	3,279,390	1.5	2.7
SEB Investment Management	0	2,725,714	0	2,725,714	1.3	2.2
Total, ten largest shareholders	**9,315,673**	**69,632,635**	**0**	**78,948,308**	**77.7**	**62.9**
Other	1,223,511	40,023,011	900,000	42,146,522	22.3	37.1
TOTAL	**10,539,184**	**109,655,646**	**900,000**	**121,094,830**	**100.0**	**100.0**

1) Including a total of 1,557,320 treasury shares (657,320 Class B shares and 900,000 Class C shares) and a total of 155,732.0 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.
3) Unlike the percentages indicated for each individual shareholder, figures for "Total, ten largest shareholders" are not based on rounded-off shares.

TREASURY SHARES

At 31 December 2015 Sweco held a total of 1,557,320 treasury shares (including 657,320 Class B shares with an average purchase price of SEK 84.16, corresponding to SEK 55 million). The market value of the Class B treasury shares at the end of the year was SEK 82 million. The treasury shares correspond to 1.3 per cent of the total number of shares and 0.7 per cent of the votes.

During the year Sweco conducted an issue in kind of 14,949,247 Class B shares (share consideration in the Grontmij acquisition) and a preferential rights issue of 1,171,020 Class A shares and 12,123,925 Class B shares. This brought the total number of votes to 21,594,748.6: 10,539,184 corresponding to Class A shares, 10,965,564.6 to Class B shares and 90,000 to Class C shares.

DISTRIBUTION OF SHAREHOLDINGS AT 30 DECEMBER 2015[1, 2]

Number of shares	Number of shareholders	Number of A shares	Number of B shares	Number of C shares	Holding, %	Votes, %
1–500	7,513	80,983	1,082,946	0	1.0	0.8
501–1,000	1,341	36,256	946,927	0	0.8	0.6
1,001–10,000	2,226	373,438	5,754,533	0	4.9	3.8
10,001–50,000	274	357,899	5,223,845	0	4.4	3.5
50,001–100,000	52	174,935	3,087,577	0	2.9	2.7
100,001–	70	9,515,673	93,559,818	900 000	86.0	88.6
TOTAL	**11,476**	**10,539,184**	**109,655,646**	**900,000**	**100.0**	**100.0**

1) Including a total of 1,557,320 treasury shares (657,320 Class B shares and 900,000 Class C shares) and a total of 155,732.0 votes pertaining to treasury shares.
2) Based on data from Euroclear Sweden AB.

INCENTIVE SCHEMES FOR SENIOR EXECUTIVES

The 2015 Annual General Meeting (like the AGMs in 2011–14) resolved to implement a long-term share savings scheme for senior executives in the Sweco Group: the 2015 Share Savings Scheme. Under the scheme, participants use their own funds to acquire Class B shares in Sweco ("Saving Shares") on Nasdaq Stockholm for an amount equivalent to 5 to 10 per cent of the respective participant's basic annual salary for 2015. If the Saving Shares are held until the announcement of the year-end report for the 2018 financial year ("the Retention Period") and the participant remains employed in his/her position or an equivalent position in the Sweco Group throughout the Retention Period, each Savings Share shall thereafter grant entitlement to one Class B share in Sweco without consideration ("Matching Share") and – provided that the performance criteria have been met – to an additional number of not more than one to four Class B shares in Sweco ("Performance Shares"). The granting of Performance Shares is conditional on a positive total yield for the Sweco share, and is also dependent on the Sweco share's total yield in relation to a group of benchmark companies.

The Board has decided to propose that the 2016 AGM approve the implementation of a long-term share savings scheme for up to 100 senior executives and key staff in the Sweco Group.

The participants and number of shares covered by each of the earlier share savings schemes are shown below.

	Share savings scheme				
	2012[2]	2013	2014	2015	Total
Number of participating executives/key staff	25	32	49	59	–
Number of Savings Shares acquired by participants with own funds at market price	29,931	27,214	33,126	36,393	126,664
Maximum number of Matching and Performance Shares that can be delivered to participants[1]	109,013	95,031	107,733	118,920	430,697
Retention Period runs until publication of year-end report for financial year	2015	2016	2017	2018	–

1) If Savings Shares are held until the end of the respective Retention Period and the participant remains employed in his/her position, each Savings Share grants entitlement to one Matching Share and – provided that performance criteria for total yield for the Sweco share are met – to an additional number of not more than one to four Performance Shares.
2) The scheme expired in conjunction with the publication of the 2015 year-end report. The Board subsequently decided to allocate a total of 85,446 Class B shares to the remaining participants.

SHARE BONUS SCHEME

In accordance with the Board's proposal, Sweco's 2015 Annual General Meeting (held on 16 April 2015) resolved to introduce a Share Bonus Scheme for the greater part of Group employees in Sweden. The resolution included decisions to implement a 2015 Share Bonus Scheme; to conduct a directed share issue of Class C shares; to authorise the Board of Directors to repurchase newly-issued Class C shares; and to transfer treasury shares in order to secure obligations under the 2015 Share Bonus Scheme. The estimated maximum number of shares to be issued in May 2016 under the 2015 Share Bonus Scheme is 1,200,000.

DIVIDEND POLICY

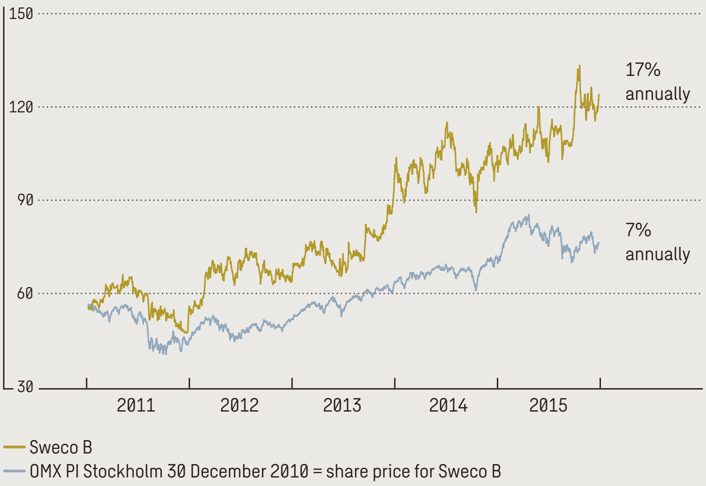
Sweco's dividend policy is to distribute at least half of profit after tax to the shareholders while maintaining a capital structure that permits development of and investments in the company's core business.

PROPOSED DIVIDEND

The Board of Directors proposes a dividend for the 2015 financial year of SEK 3.50 per share (3.37), amounting to a maximum capital distribution of SEK 421 million (318).

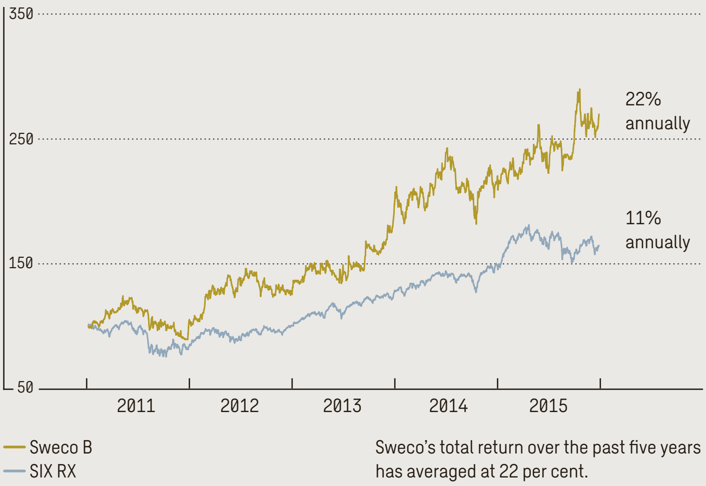
SHARE PRICE PERFORMANCE 5-YEAR

SEK



TOTAL RETURN 5 YEAR

Index 100 = 30 December 2010



Sweco's total return over the past five years has averaged at 22 per cent.

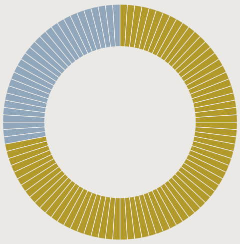
SHARE CAPITAL DEVELOPMENT[1]

	Change in number of shares			Total number of shares				
Date	A shares	B shares	C shares	A shares	B shares	C shares	Quota value, SEK	Share capital, SEK M
2011, Aug: Conversion	-3,399	3,399	–	9,385,676	82,131,171	–	1	91.5
2012, May: Conversion	-4,012	4,012	–	9,381,664	82,135,183	–	1	91.5
2013, Mar: Conversion	-3,300	3,300	–	9,378,364	82,138,483	–	1	91.5
2013, Dec: Conversion	-6,000	6,000	–	9,372,364	82,144,483	–	1	91.5
2014, Feb: Conversion	-4,200	4,200	–	9,368,164	82 148,683	–	1	91.5
2014, May: New share issue	–	–	900,000	9,368,164	82 148,683	900,000	1	92.4
2015, May: New share issue	–	–	900,000	9,368,164	82 148,683	1,800,000	1	93.3
2015, May: Conversion and redemption	–	433,741	-900,000	9,368,164	82,582,474	900,000	1	92.9
2015, Sep: Issue in kind	–	13,116,828	–	9,368,164	95,699,302	900,000	1	106.0
2015, Oct: Issue in kind	–	1,832,419	–	9,368,164	97,531,721	900,000	1	107.8
2015, Dec: New share issue	1,171,020	12,123,925	–	10,539,184	109,655,646	900,000	1	121.2

1) As at 30 December 2015, including a total of 1,557,320treasury shares (657,320 Class B shares and 900,000 Class C shares) and a total of 155,732.0 votes pertaining to treasury shares.

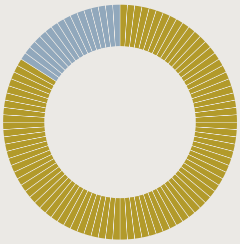
SHAREHOLDERS PER CATEGORY, 30 DECEMBER 2015

Holding as % of shares



Swedish shareholders, 72.0%
Foreign shareholders, 28.0%

Holding as % of votes



Swedish shareholders, 84.2%
Foreign shareholders, 15.8%

FIVE-YEAR OVERVIEW

	2015	2014	2013[1]	2012[1]	2011
Income statement, SEK M					
Net sales	11,389	9,214	8,165	7,480	5,988
EBITA excl. extraordinary items	991	826	706	744	554
EBITA	740	814	652	744	554
Operating profit (EBIT)	681	762	558	681	531
Net financial items	-41	-43	-32	-27	-5
Profit before tax	640	718	526	654	527
Profit for the year	439	545	380	476	375
Balance sheet, SEK M					
Balance sheet total	12,575	5,917	6,003	4,647	3,257
Equity	4,907	1,888	1,633	1,674	1,504
Cash and cash equivalents and current interest-bearing receivables	544	174	319	367	220
Interest-bearing liabilities	2,232	1,436	1,642	776	79
Net interest-bearing receivable/liability	-1,688	-1,262	-1,324	-409	141
Cash flow, SEK M					
Cash flow from operating activities	1,140	595	496	415	513
Cash flow from investing activities	-1,440	-177	-998	-656	-313
Cash flow from financing activities	707	-582	472	393	-356
Cash flow for the year	**407**	**-164**	**-30**	**153**	**-156**
Key ratios					
Operating profit per employee, SEK 000s	67	89	71	93	92
Value added per employee, SEK 000s	835	794	757	753	758
Billing ratio, %[2]	74.2	75.6	74.2	74.2	73.9
EBITA margin excl. extraordinary items, %	8.7	9.0	8.6	9.9	9.3
EBITA margin, %	6.5	8.8	8.0	9.9	9.3
Operating margin, %	6.0	8.3	6.8	9.1	8.9
Profit margin, %	5.6	7.8	6.4	8.7	8.8
Equity/assets ratio, %	39.0	31.9	27.2	36.0	46.2
Net debt/EBITDA, times	1.8	1.3	1.7	0.5	-0.2
Net debt/equity, %	34.4	66.9	81.1	24.4	-9.4
Debt/equity ratio, times	0.5	0.8	1.0	0.5	0.1
Interest coverage ratio, times	15	19	15	21	48
Return on equity, %	12.9	31.0	22.9	29.9	25.6
Return on capital employed, %	13.2	23.2	19.7	34.0	34.2
Return on total assets, %	7.4	14.5	10.6	17.4	17.2
Number of full-time employees	10,188	8,535	7,917	7,336	5,772
Share data					
Earnings per share, SEK[3]	4.36	5.74	3.96	4.96	3.96
Diluted earnings per share, SEK[3]	4.30	5.67	3.95	4.96	3.96
Dividend return, %[3]	2.8	3.3	3.1	4.5	5.2
Equity per share, SEK[3]	40.98	19.89	17.10	17.44	15.86
Diluted equity per share, SEK[3]	40.49	19.55	17.05	17.44	15.86
Cash flow per share, SEK[3]	4.05	-1.73	-0.32	1.61	-1.65
Diluted cash flow per share, SEK[3]	3.99	-1.71	-0.32	1.61	-1.65
Closing price SWECO B at 31 December, SEK[3]	124.25	101.81	101.81	70.11	55.23
Market capitalisation, SEK M	15,038	9,768	9,663	6,653	5,258
Ordinary dividend per share, SEK (2015 – proposed)[3]	3.50	3.37	3.13	3.13	2.89
Number of shares at 31 December	119,537,510	90,763,410	91,112,882	91,233,682	90,719,827
Number of shares after dilution at 31 December	120,972,890	92,299,382	91,399,382	91,233,682	90,719,827
Number of shares after full dilution at 31 December	120,972,890	92,299,382	91,399,382	91,233,682	90,719,827
Number of Class B and C treasury shares	1,557,320	1,653,437	403,965	283,165	797,020

1) Figures for 2012 and 2013 have been restated due to changed accounting policies.
2) Billing ratio for 2015 is pro forma and includes the Grontmij Group as of 1 January 2015.
3) Historical share data has been restated in accordance with IAS 33 due to the preferential rights issue conducted during Q4 2015.

COMMENTS ON THE FIVE-YEAR OVERVIEW

2011
2011 started with healthy demand in all of Sweco's markets. In particular, the Swedish market and the construction and infrastructure sectors showed solid growth during the year. Another stand-out was the Finnish market, which stabilised and noted rising demand for Sweco's industry-related consulting services. The generally high level of demand also continued through the second half of the year, in spite of the European debt crisis and economic contraction. Sweco Group's net sales were up 14 per cent to SEK 5,988 million. Operating profit rose 23 per cent to SEK 531 million and the operating margin was 8.9 per cent. The financial position remained strong. The ratio of net debt to equity was -9 per cent and the equity/assets ratio was 46 per cent. The number of employees rose by around 900, of which more than 300 were added through organic growth. During the year Sweco made 16 acquisitions with a total of around 600 employees. An agreement was signed in late 2011 to acquire Finland's FMC Group, with annual sales of approximately EUR 80 million and around 1,100 employees. The acquisition of FMC, completed in February 2012, gave Sweco annual sales of approximately SEK 6.7 billion and 7,400 employees. The bid price for the Sweco B share at 31 December 2011 was SEK 57.50, a decrease of 1 per cent.

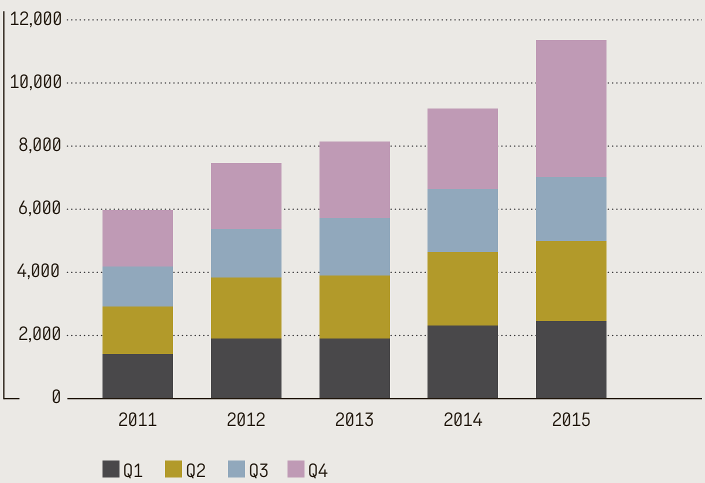
2012
The strong market conditions that prevailed in 2011 continued throughout most of 2012, notwithstanding the European debt crisis and general contraction of the economic climate. Development was particularly strong in the Nordic countries. A downturn was noted at the end of the year, primarily for building-related services with a focus on housing and for services in certain industrial segments. Sweco Group's net sales were up 25 per cent to SEK 7,480 million. Organic growth was 8 per cent and acquisition-driven growth was 17 per cent. Operating profit improved 24 per cent to SEK 681 million and the operating margin was 9.1 per cent. The increase in profit of SEK 150 million was mainly attributable to the acquisition of FMC Group, which was consolidated on 1 February 2012, and improved earnings in Sweco Norway. Profit for the year included a positive non-recurring effect of SEK 21 million arising from changes in Norwegian pension plans. Profit was charged with costs of SEK 15 million for restructuring in the Russian operations and a goodwill impairment loss of SEK 12 million in Sweco Industry. The financial position was good. The ratio of net debt to equity was 24 per cent and the equity/assets ratio was 36 per cent. The number of employees rose by 1,200 through acquisitions and 300 through organic growth. The bid price for the Sweco B share at 31 December 2012 was SEK 73.00, an increase of 27 per cent.

2013
Sweco signed an agreement in June to acquire Vectura Consulting AB from the Swedish Government. Through the acquisition, Sweco became the largest engineering consultancy in the Nordic market with an unrivalled offering in the infrastructure segment. On 1 July the Sweco Industry business area was divided between the Finland, Sweden and Norway business areas. On 1 December the Russia and Central & Eastern Europe business areas were merged to create the new Central Europe business area. The downturn in the Nordic market that started at the end of 2012 continued into the first quarter of 2013. Development was weakest in the Finnish industrial sector and remained so throughout the year. The other markets in Norway, Sweden and Finland strengthened gradually during the year. Net sales were up 9 per cent, substantially through acquisitions, and totalled SEK 8,165 million. Operating profit was SEK 558 million. Total amortisation and impairment of acquisition-related intangible assets totalled SEK 94 million, of which SEK 49 million was attributable to impairment of acquisition-related intangible assets in Russia and Eastern Europe. Integration costs for Vectura were charged to profit in an amount of SEK 53 million. Net debt in relation to equity was 81 per cent. Net debt in relation to EBITDA was 1.7. The number of employees rose during the year by 1,263, of which 1,355 through acquisitions. The bid price for the Sweco B share at year end was SEK 106.00, an increase of 45 per cent.

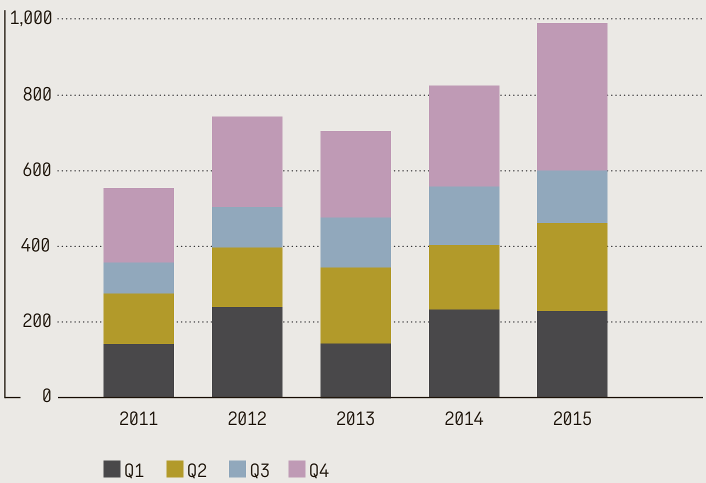
2014
The market improved overall during 2014. The market improved slowly but steadily in Sweden. There was some weakening of the Norwegian economy, but the market was aided by government investments. The market in Finland remained challenging, while Central Europe showed some improvement late in the year. Sweco strengthened its market-leading position within infrastructure during the second half of the year. Sweco was entrusted with contributing its expertise to some of the Nordic region's largest infrastructure initiatives in modern times. Among other things, Sweco will design two of the first three stretches of Sweden's first high-speed railway, modernise the Östfoldbanan in Norway, serve as site supervisor for the extension of Helsinki's underground metro, and design Stockholm's new underground metro line to Nacka. Vectura was fully integrated in Sweco Sweden as of 1 January. Net sales increased 13 per cent, substantially through acquisitions, to SEK 9,214 million. Organic growth was 3 per cent and operating profit totalled SEK 762 million. The profit improvement was mainly attributable to Vectura's contribution in Sweden, reduced integration costs, and improved profit in Finland and Central Europe. Profit was charged with integration costs for Vectura totalling SEK 11 million. The Board adopted a new financial target of net debt not to exceed 2.0 times EBITDA. Net debt in relation to EBITDA was 1.3. The number of employees at year end was 8,943. The bid price for the Sweco B share was SEK 106.00 at year end, the same price as at year-end 2013.

2015
Overall, the market for Sweco's services is good and development is stable. The Swedish market was strong. The Norwegian market was good, but had weakened. Markets in Denmark, Western Europe and Central Europe were good and developed positively. The markets in Finland and the Netherlands remained challenging. Grontmij, with approximately 6,000 employees in 9 countries, was acquired on 1 October. Sweco is now Europe's leading engineering and architecture consultancy. In 2014 Grontmij had annual sales of approximately SEK 6.0 billion and EBITA (as per Sweco's definition) of approximately SEK 203 million, excluding extraordinary expenses and the divested business in France. Sales for the combined company total approximately SEK 16 billion. Following the acquisition, Sweco has around 14,500 employees (pro forma 2015). Integration is underway and proceeding according to plan. As of 1 October Sweco is organised into 7 geographic business areas. Sweco's Board of Directors decided to introduce EBITA as the primary earnings measure, to replace EBIT (operating profit). Accordingly, EBITA has been the primary earnings measure used for internal and external results monitoring since Q4 2015. Net sales increased 24 per cent to SEK 11,389 million. Adjusted for extraordinary expenses of SEK 250 million related to the Grontmij acquisition, EBITA totalled SEK 991 million. EBITA totalled SEK 740 million. Net debt in relation to EBITDA was 1.8 times. The number of employees at year end was 15,151. The closing price for the Sweco B share was SEK 124.25, an increase of 21 per cent.

OPERATING PROFIT, SEK M



EBITA EXCL. EXTRAORDINARY ITEMS, SEK M



RISKS AND RISK MANAGEMENT

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 in Europe, we offer our customers the right expertise for every project. We deliver qualified consulting services in the fields of engineering and architecture to thousands of customer in tens of thousands of projects every year. Approximately 40 per cent of our turnover is from the public sector and 60 per cent from the private sector. Our ten largest customers account for around 20 per cent of net sales. These factors give Sweco a good risk diversification. In spite of this, the Group is exposed to a number of risks through its business activities. Consequently, one important aspect of management and control of the Group's operations is to maintain effective risk management in which risks are identified, evaluated and handled. The aim of Sweco's risk management is to secure the Group's long-term earnings growth and ensure that the various business units achieve their objectives.

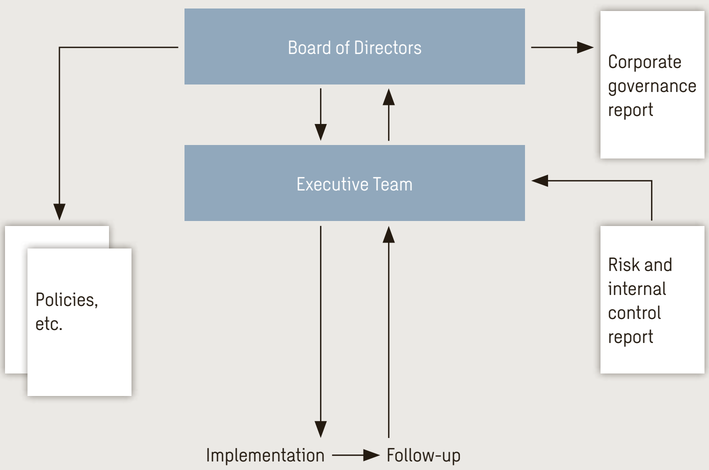
RISK PROCESS

Sweco's goals, which are expressed in the company's business plan and strategy, provide a foundation for the company's risk management. The Group's risk management is based on a company-wide risk analysis. This inventory of risks is aimed at identifying the most significant risks that the company is exposed to, the probability that they will occur and their potential impact on the company's goals. Concurrently, the effectiveness of the existing controls and risk mitigation measures is assessed. The results of the overall risk analysis have been gathered in a risk map that reflects the company's risk exposure in each business area and in total for the Group. The risk maps are updated regularly and are used in quarterly risk monitoring work. At the board meetings of each business area, risk management is a standing item on the agenda.

Sweco's risk management covers all business areas, companies/divisions and processes in the Group. Each manager is responsible for risk management activities in his/her respective area. The Group's Board of Directors and top management have ultimate responsibility for risk management.

The Executive Team develops and follows up on risk management at Group level. The General Counsel initiates reporting of risks on the corporate level, which is done regularly to the Audit Committee. An annual comprehensive report on Group risk and internal control is addressed by the Board, the Audit Committee and the Executive Team. A report on the Group's material disputes is presented at each meeting of the Board and the Audit Committee. Below is a schematic illustration of the company's risk management process.

In light of the takeover of Grontmij N.V. the risk management processes of Sweco will be rolled out to the new entities.



Sweco's operations are exposed to a number of strategic, operational and financial risks. The risks that Sweco has identified as the most significant in its business operations, and the ways in which these are managed, are described here.

BUSINESS ETHICS COMPLIANCE PROGRAMME

During the year the company maintained its focus on business ethics and a business ethics compliance programme, based on Sweco's CSR policy, was implemented throughout the Group. Work included a revision of the CSR policy, new routines and training measures. There are a number of procedures including those that apply to business partners incorporated into the management system sweco@work. For managers there is a full-day training course and for all employees, an e-learning course that also includes a "team-learning" section where groups meet and discuss business ethical dilemmas. Dilemma discussions have also been held by Sweco's Executive Team. The training programme and dilemma discussions will continue through 2016. A whistle-blower function (Sweco Ethics Line) has been in place since 2013 and enables the anonymous reporting of suspected improprieties. The purpose of the compliance programme is to increase awareness, ensure that adequate risk management procedures are in place, and monitor compliance within the Group. The full-day training for managers and key employees will continue in 2016 and will also include regional managers. The newly acquired entities will also be enrolled in the business ethics compliance programme. The full-day training will be provided to all management and key employees, with local roll-out in all countries.

STRATEGIC AND OPERATIONAL RISKS

Market and projects

Changed market conditions caused by factors such as economic decline, lower propensity among the customers to invest, changes in political priorities, changes in purchasing behaviour, new legislation and customer consolidation may result in lower income and margins for Sweco. Sweco's decentralised organisation and closeness to the customers enable early observation of changes in the market. The effects of these risks are reduced through a wide geographic presence in areas with often differing market cycles, a comprehensive range of services and a large customer base that is spread across different industries and sectors.

Project risks consist of the risks connected to an individual assignment, such as miscalculation of the amount of time needed or costs involved. Assignments may also lead to disputes regarding Sweco's right to payment and the customer's claim to compensation for any damages caused by Sweco. In the assignments, contracts are entered into on suitable terms to minimise risks and avoid disputes with customers. Among other things, the agreements ensure that the scope of the assignment is defined, that Sweco has the right to payment on performance according to the terms of the contract and that the terms of liability correspond to the insurer's requirements. Sweco has an insurance programme that includes professional indemnity insurance to protect against liability for damages related to performance of the assignments. Quality assurance of the assignments is supported by management systems (including sweco@work, which is certified according to ISO 9001, ISO 14001 and OHSAS 18001 standards).

Employees and expertise

Sweco's success is dependent on its ability to attract, develop and retain the top talent. Sweco has a strong brand and is repeatedly given high rankings as an attractive workplace among students and young engineers. Sweco uses a number of processes and tools to develop employees and strengthen its leadership, such as the Sweco Talk performance review, the Sweco Employee Survey, skills training through Sweco Academy and the leadership aspects defined in the Sweco Leadership

Compass, as well as management training and succession planning through the Next Generation Programme.

Skills development and knowledge sharing are also vital for Sweco's success. The employees' expertise and ability to translate their knowledge into optimal solutions for the customers is the core of the Group's business and distinguishes Sweco from its competitors. Shortcomings in knowledge sharing may result in risks such as low quality in customer deliveries. Knowledge and processes for knowledge sharing and co-operation are therefore a strategic priority for Sweco. The exchange of experiences and learning takes place primarily through work in the assignments. All employee development is focused on performance, knowledge and knowledge sharing. Sweco has a large number of processes and tools for knowledge sharing.

Acquisitions
Sweco's growth is partly due to acquisitions, which may involve risks. Examples include a transaction being based on incomplete or incorrect data, key persons leaving the company, the integration being unsuccessful or anticipated results failing to materialise. Acquisitions in new markets involve risks associated with factors such as an understanding of the local market conditions, price scenario and competitive situation. These risks are minimised through a well-developed acquisition and integration process where decisions about new acquisitions are made by the Board or the Executive Team according to a process with fixed decision-making points. Sweco's Board of Directors conducts an ongoing evaluation of previous acquisitions. The continued integration of Grontmij and the realisation of synergies are priorities in 2016.

IT
Sweco's consultants are dependent on access to advanced IT tools and a secure IT environment. The availability and reliability of the company's IT environment is therefore critical for uninterrupted business operations. Effective firewalls and virus protection, regular software upgrades and redundant data centres minimise disruptions arising from technical problems. The company has information security guidelines focused on how the employees and subconsultants should act in order to always uphold the highest possible level of security toward all stakeholders.

Communication
Sweco's success is associated with the ability to communicate effectively with both internal and external stakeholders. Through clear communication and a strong brand we inspire confidence and build relationships. A deeply rooted culture in which employees are well aware of the company's values and policies strengthens the Group's identity and creates security for customers. Sweco's communication guidelines include instructions for price-sensitive information, mass media contacts and use of the social media. There are also guidelines for crisis management that include procedures for dealing with communication in a crisis situation.

COMPLIANCE RISKS
Business ethics and CSR
Sweco's growth involves an expanding international presence. This may give rise to risks tied to business and political climates and increased exposure to CSR-related risks. With more than 100 years of experience in project exports, Sweco has developed and established routines and tools for initiating and implementing assignments around the world. Sweco's policies, guidelines and processes are subject to continuous review; during the year the company further developed these with a special focus on business ethics violations such as fraud, bribery, competition-restraining practices and conflicts of interest.

Sweco has a zero tolerance policy with regard to non-compliance with business ethics. All Sweco employees are required to undergo business ethics training. A full-time, dedicated Compliance Officer was appointed in 2015. An Ethics Line allows internal and external stakeholders to report potential ethics issues. All notifications of potential misconduct are investigated in a standard manner.

FINANCIAL RISKS
Through its operations, Sweco is exposed to different types of financial risks. Sweco's finance policy states how these risks are to be managed in the Group. The Board of Directors is responsible for the finance policy, which contains guidelines, targets and a division of responsibilities for the Treasury Department together with rules for financial risk management. For more information, see Note 33 on pages 80–81.

Interest rate, currency and liquidity risks
Changes in interest rates, exchange rates and the market prices of financial instruments may affect Sweco's cash flow, profit and balance sheet. Sweco has a strong balance sheet, which means that direct interest rate risk is limited. With regard to currency risk, the Group normally has natural risk coverage since both sales and expenses are denominated in local currency. In cases where contracts are entered into in a non-local currency, the contracted and anticipated payment flows are hedged through forward contracts. Liquidity risk is the risk of being unable to meet financial obligations when they fall due. Thanks to its strong financial position and available overdraft facilities, Sweco's liquidity risk is low.

Credit risk
Credit risk is defined as the risk related to customers' ability to pay. Sweco has a balanced base of around 23,000 customers. Sweco is not dependent on any individual customer, since the largest customers account for only a small share of total sales. The assignment volume is evenly distributed between the public and private sectors. Historically, credit losses have been minor.

Tax Risks
Non-compliance with tax regulations may result in fines or other expenses for the company. There is also a risk that anticipated benefits resulting from the existence of compensable tax losses may not be realised.

Risks in financial reporting
In the Group's financial reporting, there is a risk that errors may arise and that the financial reporting is not prepared in accordance with legal requirements, rules for listed companies or applicable accounting standards. Through an effective control environment, clear instructions and internal normative documents for financial reporting, Sweco works continuously with control of its accounting and reporting. In addition, extensive monitoring and analysis take place through the use of reporting systems, budgets, forecasts, etc. The Executive Team carries out monthly reviews with the management of each business area. For more information about internal control, see pages 41–42.

BOARD OF DIRECTORS AND AUDITORS

JOHAN NORDSTRÖM
Born in 1966. Board Chairman. Member of the Board since 2012. Directorships include: Skirner AB, Hemfrid i Sverige AB and Sparbössan Fastigheter AB. Education: Architect, Royal Institute of Technology in Stockholm (KTH). Experience: CEO of Skirner AB. Holdings in Sweco: 281,250 directly held shares and 14,380,168 shares held through Skirner Förvaltning AB, which is owned by the Nordström family.

ANDERS G. CARLBERG
Born in 1943. Member of the Board since 2009. Chairman of: Gränges AB and Herenco AB. Directorships include: AxFast AB, Investment AB Latour, Recipharm AB and Beijer-Alma AB. Education: M.Sc.Econ., Lund University. Experience: former President and CEO of Axel Johnson International, former Vice President of SSAB and former President and CEO of Nobel Industrier AB. Holdings in Sweco: 13,500 shares (with related parties).

GUNNEL DUVEBLAD
Born in 1955. Member of the Board since 2008. Chairman of: Team Olivia AB, Global Scanning A/S and the Ruter Dam Foundation. Directorships include: HiQ International AB, PostNord AB and Dustin Group AB. Education: Systems Scientist, Umeå University. Experience: former President of EDS Norra Europa. Holdings in Sweco: 1,125 shares.

TOMAS CARLSSON
Born in 1965. President and CEO since 2012. Year of employment: 2012. Education: M.Sc.Eng., Chalmers University of Technology; Executive MBA, London Business School and Columbia Business School (New York). Experience: former President of NCC Construction Sweden. Holdings in Sweco: 84,791 shares (with related parties).

PERNILLA STRÖM
Born in 1962. Member of the Board since 2009. Education: studies at the Stockholm School of Economics and Stockholm University. Experience: economist, journalist, financial analyst, active in own business Ity AB. Holdings in Sweco: 3,384 shares.

CAROLA TEIR-LEHTINEN
Born in 1952. Finnish citizen. Member of the Board since 2011. Directorships include: Stockmann Oyj, Universitetsapoteket, the Arcada Foundation and the Nottbeck Foundation. Education: Ph.D., Åbo Akademi University. Experience: former Corporate Communications Director and Corporate Vice President responsible for Sustainability at Fortum Abp. Holdings in Sweco: 5,000 shares.

EVA LINDQVIST
Born in 1958. Member of the Board since 2013. Directorships include: ASSA ABLOY AB, Tieto Oy, Bodycote plc and Micronic AB. Education: M.Sc.Eng., Linköping University and MBA, University of Melbourne, Australia. Experience: former President of TeliaSonera International Carrier. Holdings in Sweco: 1,125 shares.

JOHAN HJERTONSSON
Born in 1968. Member of the Board since 2015. Directorships include: AB Fagerhult and Nord-Lock International AB. Education: MBA, Lund Univeresity. Experience: CEO of Fagerhult, former CEO of Lammhults Design Group, senior executive positions with Electrolux Group within product development and marketing. Holdings in Sweco: 30,000 shares.

ANNA LEONSSON
Born in 1971. Employee representative since 2005. Education/experience: Architect SAR/MSA, Faculty of Engineering, Lund University. Employed by Sweco since: 1997. Holdings in Sweco: 471 shares.

THOMAS HOLM
Born in 1953. Employee representative since 2007. Education/experience: M.Sc.Eng., Licentiate in Engineering. Employed by Sweco since: 1988. Holdings in Sweco: 1,233 shares.

GÖRAN KARLOJA
Born in 1953. Employee representative since 2008. Education/experience: Engineer. Employed by Sweco since: 2001. Holdings in Sweco: 1,181 shares.

AUDITORS
PricewaterhouseCoopers AB
Auditor in charge:
Michael Bengtsson, Authorised Public Accountant.
Other assignments: Indutrade, Bure, Nobina and Carnegie.

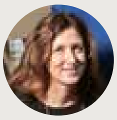
DEPUTIES
Görgen Edenhagen
Born in 1964. Employed by Sweco. Employee representative since 2011. Holdings in Sweco: none.

Sverker Hanson
Born in 1963. Employed by Sweco. Employee representative since 2011. Holdings in Sweco: 2 shares.

Maria Ekh
Born in 1974. Employed by Sweco. Employee representative since 2015. Holdings in Sweco: 1,116 shares.

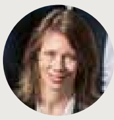
TOMAS CARLSSON
Born in 1965.
President & CEO since 2012.
Year of employment: 2012.
Holdings in Sweco: 84,791 shares (with related parties).

BO CARLSSON
Born in 1956.
President of Sweco Western Europe since 2015.
Year of employment: 1990.
Holdings in Sweco: 16,279 shares.



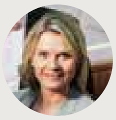
ÅSA BARSNESS
Born in 1973.
Communications Director at Sweco AB since 2013.
Year of employment: 2014.
Holdings in Sweco: 1,902 shares.

MARKKU VARIS
Born in 1958.
President of Sweco Finland since 2013.
Year of employment: 1993.
Holdings in Sweco: 4,116 shares.

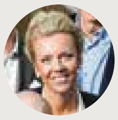


LISA LAGERWALL
Born in 1972.
General Counsel at Sweco AB since 2011.
Year of employment: 2006.
Holdings in Sweco: 5,866 shares.

GRETE ASPELUND
Born in 1971.
President of Sweco Norway since 2016.
Year of employment: 2016.
Holdings in Sweco: 1,275 shares.



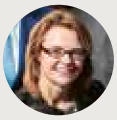
ÅSA BERGMAN
Born in 1967.
President of Sweco Sweden since 2012.
Year of employment: 1991.
Holdings in Sweco: 18,874 shares.



INA BRANDES
Born in 1977.
President of Sweco Central Europe since 2015.
Year of employment: 2015 (previously employed by Grontmij). Holdings in Sweco: 5,629 shares.

JONAS DAHLBERG
Born in 1973.
Chief Financial Officer since 2012.
Year of employment: 2008.
Holdings in Sweco: 29,115 shares.

JOHN CHUBB
Born in 1965.
President of Sweco Denmark since 2015.
Year of employment: 2015 (previously employed by Grontmij).
Holdings in Sweco: 1,711 shares.



JESSICA PETRINI
Born in 1971.
HR Director at Sweco AB since 2006.
Year of employment: 1998.
Holdings in Sweco: 2,490 shares.

TON DE JONG
Born in 1966.
President of Sweco Netherlands since 2015.
Year of employment: 2015 (previously employed by Grontmij).
Holdings in Sweco: 1,526 shares.

ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING

The Annual General Meeting of SWECO AB (publ) will be held at 3:00 p.m. on Thursday, 14 April 2016 at Näringslivets Hus, Storgatan 19, Stockholm, Sweden. Registration for the AGM will begin at 2:00 p.m. Light refreshments will be served after the meeting.

NOTIFICATION

Shareholders who wish to participate in the AGM must be entered in their own name in the register of shareholders maintained by Euroclear Sweden AB, and must have notified the company of their intention to participate no later than Friday, 8 April 2016 via Sweco's website, by letter or by calling the number provided below. The notification should include name, address, telephone number, personal identity number, registered holding and special mention if the shareholder wishes to be accompanied by an assistant. Registered participants will be mailed an admission card which is to be presented at the entrance to the AGM premises.

NOTIFICATION CAN BE MADE:

– online via Sweco's website: www.swecogroup.com.
– by letter to Sweco AB, "Sweco Årsstämma", Box 7835, SE-103 98 Stockholm, Sweden.
– by calling +46 (0)8-402 90 73, weekdays between 9:00 a.m. and 5:00 p.m.

NOMINEE SHARES

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names in order to exercise their voting rights at the AGM. Such re-registration should be requested in good time prior to Friday, 8 April 2016 from the bank or securities broker that manages the shares.

FORM OF PROXY

Shareholders who are represented by a proxy must submit an original form of proxy and a certificate of registration, where appropriate, to be sent to the company no later than Friday, 8 April 2016. Proxies representing a legal entity must attach a verified certificate of registration or corresponding proof of authorisation to sign for the shareholder.

PROPOSED AGENDA

The items of business required by law and the Articles of Association will be dealt with at the Annual General Meeting.

DIVIDEND

The Board of Directors proposes that the shareholders receive a dividend of SEK 3.50 per share. The proposed record date is Monday, 18 April 2016. If the AGM decides in favour of the proposal, dividends are expected to be disbursed by Euroclear Sweden AB on Thursday, 21 April 2016.

DEFINITIONS

Acquisition-driven growth
Annual growth in net sales in local currencies, based on acquired businesses.

Acquisition-related items
Amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, and profit and loss on the divestment of companies and operations.

Billing ratio
Billable hours in relation to total hours of attendance.

Capital employed
Total assets less interest-free current and non-current liabilities and deferred tax liabilities.

Cash flow per share
The year's cash flow divided by the average number of shares outstanding (excluding treasury shares).

Debt/equity ratio
Interest-bearing liabilities in relation to shareholders' equity.

Direct return
The year's transfer to shareholders (proposed for 2015) in relation to the closing price for the Sweco Class B share.

Earnings per share
Profit for the year attributable to owners of the Parent Company divided by the average number of shares outstanding (excluding treasury shares).

EBITA
Operating profit before acquisition-related items.

EBITA margin
EBITA in relation to net sales.

EBITDA
Operating profit before amortisation/depreciation and impairments of intangible assets; property, plant and equipment; and acquisition-related items.

EBITDA margin
EBITDA in relation to net sales.

Employee turnover rate
The number of employees who left the Group during the year in relation to the average number of employees.

Equity/assets ratio
Shareholders' equity in relation to total assets.

Equity per share
Equity attributable to owners of the Parent Company divided by the number of shares outstanding (excluding treasury shares) at the end of the period.

Extraordinary items
Refers primarily to transaction expenses and costs for restructuring and/or integrating acquired companies.

Growth, currency effects
Effect of exchange rate fluctuations on net sales growth.

IAS
International Accounting Standards.

IFRS
International Financial Reporting Standards.

Interest coverage ratio
Profit after net financial items plus financial expenses in relation to financial expenses.

Market capitalisation
The year's closing price for the Sweco Class A, Class B and Class C share multiplied by the number of shares outstanding in each class.

Net debt/equity ratio
Interest-bearing liabilities less cash and cash equivalents divided by shareholders' equity.

Net debt
Interest-bearing liabilities less cash and cash equivalents.

Normal working hours
The potential number of hours, according to the calendar, that an employee could work if he/she is not absent and does not work overtime.

Number of employees
Number of individuals employed at the end of the period.

Number of full-time employees
Hours of attendance plus hours of absence (excluding long-term absence) divided by normal working hours.

Operating margin
Operating profit as a percentage of net sales.

Operating profit (EBIT)
Profit before net financial items and tax.

Operating profit per employee
Operating profit divided by full-time equivalents.

Organic growth
Annual growth in net sales in local currencies, excluding acquisitions.

Profit margin
Profit before tax in relation to net sales.

Return on capital employed
Profit after net financial items plus financial expenses in relation to average capital employed.

Return on equity
Profit for the year attributable to owners of the Parent Company in relation to average equity attributable to owners of the Parent Company.

Return on total assets
Profit after net financial items plus financial expenses in relation to average total assets.

Total return
Share price performance including reinvested dividends.

Value added per employee
Operating profit plus personnel costs divided by full-time equivalents.

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