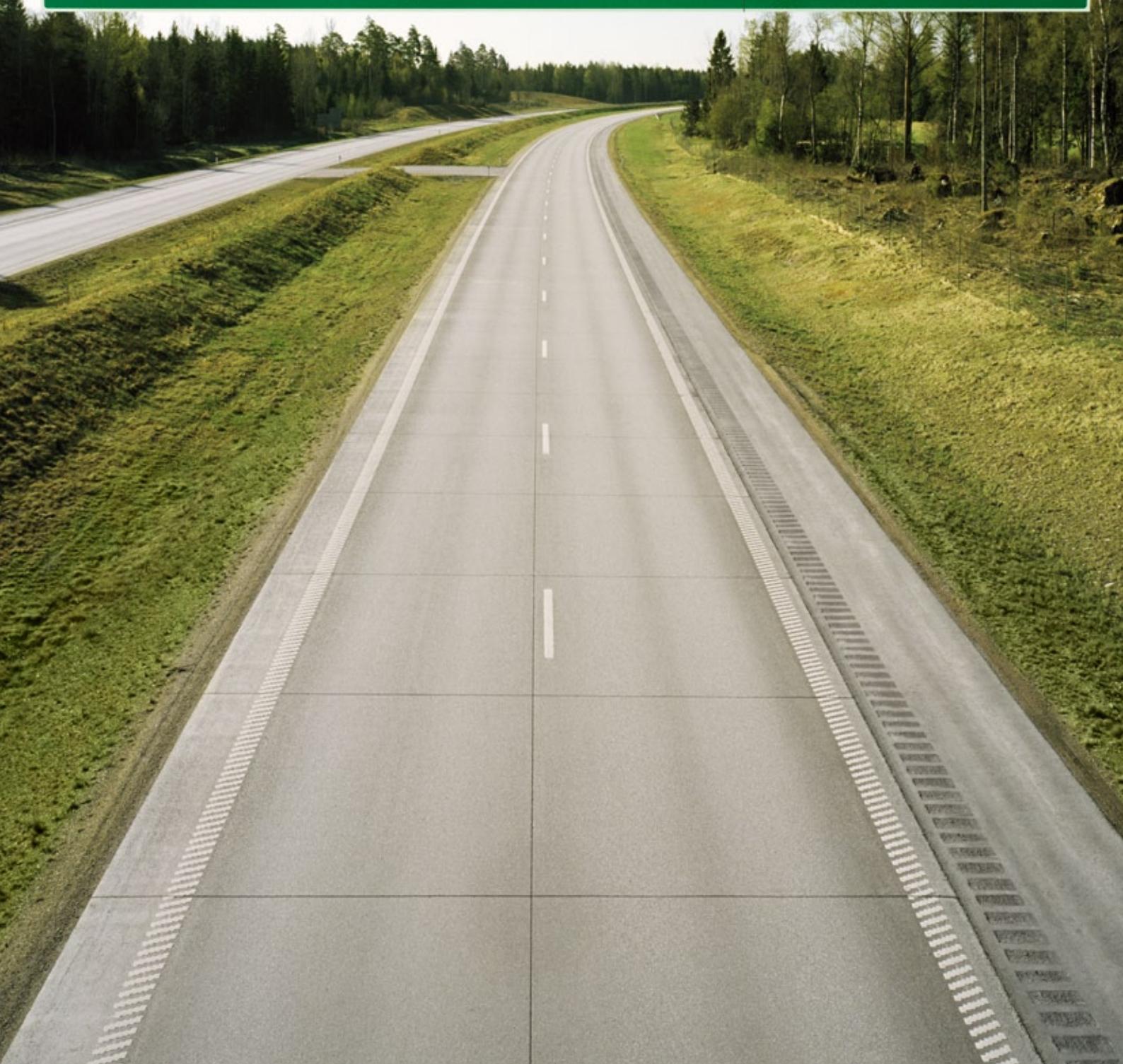


SVEVIA

2009
FACTS ON
SVEVIA

TURNOVER
MSEK 7,500

STAFF
2,500





Cover picture: It was possible for the 24 km long concrete stretch of motorway outside Uppsala to be opened 10 months earlier than planned.
This picture: Part of our lighting contract in Gothenburg.

Svevia in words.

There are construction companies that do a bit of everything. We don't. We have decided to focus on building and maintaining Sweden's roads and infrastructure.

We take care of 60% of the state road network.

With the help of thousands of weather information stations posted alongside Sweden's roads we can see, for example, if there is a cold front advancing.

This means that we are ready to turn out before the roads become slippery – the length and breadth of the country.



and rebuilding streets and roundabouts.

Maintaining all the roads in Sweden is an expensive business. As specialists, we can do it better and more economically. This is one of the reasons why we have been given overall responsibility for streets and roads in Härnösand, for maintaining

An interesting fact is that 20% of municipalities' operating costs for streets and roads is spent on energy. In Gothenburg, we have helped the municipality save 70% of their energy costs through the installation of an intelligent lighting system that adapts to traffic intensity. We have a similar commission in Malmö where our task is to ensure that 50,000 lights are used in the most efficient way possible so that they provide sufficient light while using just enough energy for the purpose.

Savings can also be made by not building new constructions. The Källösund Bridge, for example, needed to be strengthened in order to cope with the weight of modern haulage vehicles. By gluing carbon fibre bands under the bridge, the axle pressure could be increased – without the need to build a new bridge.



Still on the subject of making savings, delays are another cause of major public expenditure. Which is why we are proud to have been involved in the **construction of 80 kilometres of motorway outside Uppsala**, bringing Stockholm 30 minutes closer to northern Sweden. Improving safety also has the effect of lowering costs but, above all, it reduces the appalling consequences for people. This is why

we are always happy to receive commissions like the rebuilding of the **E18 between Kronoparken and Skattkärr**, a stretch that was previously one of the worst roads for accidents in Sweden.



All our experience of working on roads and infrastructure has given us expert knowledge of **traffic management and traffic information**. This is required for road works and rebuilding but also means that a motorcade with distinguished persons on a state visit can drive from Arlanda to Stockholm without experiencing any traffic hold-ups.

We create **road markings that you can see, hear and feel**. We have expertise in this field as well as our own factory for the manufacture of road paint.





We are also experts in taking care of things that should not be there in the first place: **old, contaminated industrial sites**. We are working in Teckomatorp in Skåne and Bengtsfors in Dalsland on cleaning up contaminated ground.

There are 12,000 kilometres of rails in Sweden.

The railways are currently moving towards an exciting future when an investigation will be conducted into whether we should have express trains linking all the major towns in Sweden. But the rails are



already making their way eastwards. We have been commissioned by the Swedish National Rail Administration to build new railway bridges and to terrace land so that new railway lines can be laid to **link up the Swedish railway network with those of Finland and Russia**. We have also been involved in building **terracing and bridges for the Botniabanan line**, a massive project including 190 kilometres of railway, 143 bridges and 25 kilometres of tunnels.



Energy is an important part of Sweden's infrastructure, which is why it is also important for us. We have long been involved in ground work and construction projects at **Ringhals nuclear power plant**.

Anticipated changes in climate mean that we have several projects concerned with strengthening Sweden's **power station dams**. Our task is to ensure the dams are capable of dealing with increasingly powerful flows that, statistically speaking, occur every ten thousand years. Examples of this are the power stations at Stornorrfors, Porsi, Boden, Gallijaur and Abelvattnet.



We are also, of course, dedicated to developing new methods of building and maintaining roads and infrastructure and thereby having a positive knock-on effect on the economy, road-users and the environment. But that's another story – on precisely the same issue – of our focusing on an area in order to play a leading role.

Svevia in points.

1

We are completely focused on building and maintaining roads and infrastructure in Sweden. We have more than 2,500 staff from Pajala in the north to Simrishamn in the south and turnover amounts to SEK 7.5 billion. We were previously called Vägverket Produktion.

2

Our vision is to be number one in the Nordic region in the building and maintenance of roads and infrastructure.

3

Our business concept is to be a contractor that, through excellent service and active co-operation with our customers, delivers the highest quality in the building and maintenance of roads and infrastructure in Sweden.

5

Svevia is the largest company in Sweden in road management and maintenance: we take care of 60 % of Sweden's state road network. According to several of our customers, we are also the company that is best at developing and renewing our management and maintenance operations.

4

Reliability is our core value. But we have a number of other important values.

Trustworthiness: we are, and shall continue to be, the most trustworthy construction company in our customers' eyes.

Consideration: for people, customers, suppliers, nature and the environment is natural and self-evident for us.

Innovative thinking: to dare to think along new lines is essential in order for us to be the best.

Businesslike approach: for us a businesslike approach is about much more than just money. It is about acting professionally in every situation.

6

We know that collaboration is the way forward – for our clients as well as for us. Our goal is to be the best company with which to collaborate, both for our customers and our suppliers.

7

Operating in a sustainable manner is important for us. Our aim is for sustainability issues to be an integrated part of our operations. This means that we are engaged in structured work in which business issues, social issues and the environment work together.

8

Svevia has the healthiest employees in the business. In December 2008, absence due to illness fell to 2.14 %. Our goal for 2008 was for absence due to illness to be less than 3.5 %. Also, according to the latest employee surveys, our staff enjoy their work.

9
Svevia is organised into four regions to give our customers the best possible access to our expertise in the building and maintenance of roads and infrastructure.

10
Svevia also has paving operations throughout Sweden through our Paving Operations business division. Through our subsidiary Svevia Fastighet och Maskin we hire out plant and vehicles for building and maintaining roads and infrastructure, as well as commercial premises in 230 locations throughout Sweden.

11
Svevia can take responsibility for the entire chain in a construction project – from delivering the building materials required to construction, management and maintenance.



Svevia in figures.

Svevia AB – Consolidated Balance Sheet as at 1 January 2009

MSEK	NOTE	2009
Assets		
Goodwill	3	217
Buildings and real property		390
Plant and real property		352
Total fixed assets		959
Stock		137
Accounts receivable		1,521
Income recognised but not yet invoiced	4	149
Other current receivables		73
Pre-paid expenses and accrued income	5	42
Total current receivables		1,922
Cash and cash equivalents		1,014
Total current assets		2,936
Total assets		3,895
Equity and liabilities		
Share capital		1
New share issue in progress		398
Restricted equity		399
New share issue in progress		798
Non-restricted equity		798
Total capital and reserves	6	1,197
Appropriations	7	101
Total appropriations		101
Financial liabilities	8	310
Advances from customers		106
Accounts payable		707
Invoiced income not yet recognised	9	1,082
Other current liabilities		82
Accrued expenses and pre-paid income	10	309
Total current liabilities		2,596
Total equity and liabilities		3,895

Supplementary information

Background to the financial report

On 18 September 2008 the Swedish Government proposed in proposition 2008/09:23 Amended form of business for parts of the Swedish Road Administration and the Swedish National Rail Administration, that operations in the Swedish Road Administration's business unit Vägverket Produktion should be transferred to a wholly state-owned limited liability company, the operation of which should be to pursue contracting, service and hiring activities – directly or through subsidiaries – in the traffic, ground work, building and construction area and thus ensure consistent operation. The Swedish Parliament decided on 27 November 2008 to approve the proposition.

Subsequently, on 4 December 2008, the Swedish state (reg. no. 202100-3831) acquired all 500,000 shares in Svevia AB (reg. no. 556768-9848) which in turn, on 10 December 2008, acquired all 100,000 shares in Svevia Fastighet och Maskin AB (reg.no. 556767-9856). On 1 January 2009, the Swedish state transferred the Swedish Road Administration's business unit Vägverket Produktion, partly through the transfer of the business divisions included in the business unit Vägverket Produktion (I) Road Management and Maintenance, (II) Construction, (III) Paving Operations and (IV) North as well as certain properties and site leaseholds to Svevia AB belonging to the business unit Vägverket Produktion's operations, and partly the Fastighet och Maskin business division included in the business unit Vägverket Produktion as well as certain properties and site leaseholds to Svevia Fastighet och Maskin AB belonging to the business unit Vägverket Produktion's operations.

The purpose of this financial report is to present the financial position of the Svevia AB group (Svevia group) as at 1 January 2009 following the incorporation of operations for the Swedish Road Administration's business unit Vägverket Produktion.

Basis for the preparation of the financial report

The financial report is based on the year-end statement as at 31 December 2008 for Svevia AB and its subsidiary Svevia Fastighet och Maskin AB and the transfer of the Swedish Road Administration's business unit Vägverket Produktion as described above. Transferred assets and liabilities have been valued at market value. The difference between the purchase price and the market value of transferred assets and liabilities has been recorded as goodwill.

Important transactions connected with incorporation

The purchase price for the transfer of the Swedish Road Administration's business unit Vägverket Produktion amounted to MSEK 1,506 and has been paid to the Swedish state through new shares issued in Svevia AB, MSEK 1,196, and through the issue of promissory notes to the Swedish state, MSEK 310.

Note 1 Accounting principles

General

The accounting principles applied in this financial report comply with the Swedish Annual Accounts Act, the Swedish Financial Accounting Standards Council's recommendations RR 1:00, RR 10, RR 11, RR 12, RR 15, RR 16 and RR 17 as well as the Swedish Accounting Standards Board's general advice 2004:4.

Consolidated financial statements

The consolidated financial statements include Svevia AB and its wholly-owned subsidiary Svevia Fastighet och Maskin AB and have been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 1:00 Consolidated financial statements. Intra-group receivables and liabilities are eliminated in full in the process of preparing the consolidated financial statements. Gains that arise with intra-group transactions and, from a group perspective, are unrealised on the balance sheet date are eliminated in full. Unrealised losses on intra-group transactions are also eliminated in the same way as unrealised gains, unless the loss is matched by a write-down requirement.

Revenue recognition

Project income is recorded in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 10 Contracts and similar commissions. This means that the results of a contract project are recorded as the project is developed. The degree of development is mainly determined on the basis of accrued project expenses in relation to estimated accrued project expenses on completion. If the outcome cannot be estimated in a satisfactory way, income that corresponds to accrued expenses on the balance sheet date (zero recognition) is recorded. Bad debts are written off promptly. The original agreed sum of the contract, supplementary work, special payments required and incentive compensation are included as project income but normally only to the extent that these are approved by the customer.

The difference between recognised project income and not yet invoiced amounts is recorded under assets (recognised but not yet invoiced income) in accordance with the successive profit recognition method. Correspondingly, the difference between invoiced amounts and not yet recognised project income is recorded as a liability (invoiced income not yet recognised).

Tender costs are not activated but charged continuously against profit. Tender costs that occurred during the same quarter in which the order was received, and that are attributable to the project, are treated as project expenses. Other income and project income is recorded in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 11 Income. In the case of rental income, the income is spread evenly throughout the rental period. The total costs for benefits paid are recorded as a straight-line reduction in rental income throughout the rental period. Payments for services executed, such as repair and maintenance services, are recognised as income after the service has been executed and delivered to the purchaser. Supplies of goods are recognised as income when significant risks and benefits associated with ownership of the goods have been transferred to the purchaser. Income is only recorded if it is likely that the economic advantages will fall to the group. If there is subsequent uncertainty over the likelihood of receiving payment for an amount that has already been recorded as income, the amount for which payment is no longer likely is recorded as a cost instead of as an adjustment of the income amount that was originally recorded.

Intangible fixed assets

Intangible fixed assets including goodwill are reported at the acquisition value minus accumulated amortisation and write-downs. Write-downs are made in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 17 Write-downs. Research costs are recorded in the profit and loss statement when they arise. Development costs, which are costs for the construction of new or improved material, designs, products, processes, systems and services through the application of research results or other knowledge, are reported as assets if it is likely that the assets will generate future income. Other development costs are written off directly. Costs for the continuous maintenance and modification of existing products, processes and systems are not recorded as development costs. Similarly, work performed at the request of the purchaser is recorded as development costs. This is recorded in accordance with RR 10 Contracts and similar commissions.

Tangible fixed assets

Tangible fixed assets are reported at the acquisition value after deductions for accumulated depreciation and any write-downs. The acquisition value includes the purchase price and costs directly attributable to the assets to place them on site and in a condition to be utilised in accordance with the purpose of the acquisition. Examples of directly attributable costs that are included in the acquisition value are costs for delivery and handling, installation, title deeds, consulting services and legal services. Write-downs are made in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 17 Write-downs. Repairs are carried as an expense continuously and inventories of less value are written off directly.

Straight-line depreciation is expensed over the estimated useful life with consideration for any residual value at the end of the period.

Depreciation periods:	
Plant/Equipment	3–9 years
Buildings	20–25 years
Ground facilities	20 years

Quarries are written off as the substance is extracted. There is no depreciation for land.

Leasing agreements

Leasing is recorded in accordance with the Swedish Accounting Standards Board's general advice 2004:4 Recording of leasing agreements, in which all leasing agreements are recorded as usufruct agreements (rental) and the leasing charge is expensed on a straight-line basis over the term of the lease.

Stock

Stock is valued item by item in accordance with the lowest value principle, which means that a stock item is entered at the lower of acquisition value or net realisable value. The net realisable value is the estimated sales price in operating activities, after deductions for estimated selling expenses.

The acquisition value for stock is calculated through the application of the first in, first out method (FIFO) and includes expenses that arose with the acquisition of stock items and their transportation to their present site and condition. For manufactured goods, the acquisition value includes a reasonable share of indirect costs based on normal capacity utilisation.

Receivables and liabilities

Receivables have been entered at the amount expected to be received. Provisions have been made for bad debts following individual investigation. Liabilities have been entered at nominal amounts. Receivables and liabilities in a foreign currency are valued at the rates in force on the balance sheet date.

Appropriations

Appropriations are recorded in the balance sheet when the group has a legal or informal obligation as a result of an event occurring, and it is likely that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Appropriations are made for future costs due to guarantee obligations in accordance with the construction contract which imposes an obligation on the contractor to correct faults and deficiencies that are discovered within a certain period of time after the contract has been submitted to the purchaser. Provisions are made for disputes in respect of completed projects if it is considered likely that the dispute will entail an outflow of resources from the group. Disputes concerning projects in progress are taken into consideration in the valuation of the project and consequently are not included in recorded appropriations. Appropriations for restoration costs for quarries are normally first made at the time of the substance extraction. Appropriations for restructuring costs are recorded when a detailed restructuring plan has been established and either the restructuring work has been started or publicly announced.

Pension commitments

No occupational pension liability is included in the transfer of the Swedish Road Administration's business unit Vägverket Produktion.

Note 2 Critical estimates and assessments

The group's financial report is partly based on estimates and assessments at the time of the preparation of the group's accounts. Estimates and assessments are based on historic experience and a number of other assumptions which result in a decision on the value of the asset or liability that cannot be established in any other way. The actual outcome may deviate from these estimates and assessments.

The following are the most significant estimates and assessments used in the preparation of the group's financial report.

Successive profit recognition

The Svevia group applies successive profit recognition, i.e. based on a final status forecast for the project's profit outcome, profit is recorded successively for the duration of the project based on the project's degree of completion. This requires the size of project income and project costs to be estimated in a reliable way. This is dependent upon an efficient and co-ordinated system being in place in the group for calculating, forecasting and reporting income/costs. The system also requires a consistent assessment (forecast) of the project's final outcome, including analysis of deviations in relation to earlier assessments. This critical assessment is made at least once a quarter by senior management, who go through the project conducting a number of reviews at an increasingly higher organisational level.

Disputes

Management's best assessment has been taken into consideration when reporting disputed amounts but the actual future outcome may deviate from the assessment.

Note 3 Goodwill

Reported goodwill is the difference between the purchase price for operations taken over from Vägverket Produktion and the market value of identifiable assets and liabilities that were taken over with the acquisition.

Note 4 Recognised but not yet invoiced income

MSEK	1 January 2009
Recognised income	2,090
Invoicing	-1,941
Total Recognised but not yet invoiced income	149

Note 5 Pre-paid expenses and accrued income

MSEK	1 January 2009
Pre-paid insurance premiums	17
Accrued interest income	9
Pre-paid rent	5
Pre-paid motor vehicle road tax	2
Other	9
Total Pre-paid expenses and accrued income	42

Note 6 Equity

The share capital amounts to 500,000 shares with a quota value of SEK 1. New share issue in progress refers to 398,666,667 shares at an issue price of SEK 3. The Swedish state has subscribed for all shares in the new share issue which were registered with the Swedish Companies Registration Office on 23 February 2009. After registration the share capital amounts to MSEK 399 and the share premium reserve in non-restricted equity to MSEK 798.

Note 7 Appropriations

MSEK	1 January 2009
Restoration costs, quarries	44
Warranty risk	29
Redundant personnel	10
Other appropriations	18
Total appropriations	101

Note 8 Financial liabilities

Financial liabilities refer to the promissory notes that were issued to the Swedish state for payment of assets and liabilities that have been taken over. Interest amounted to STIBOR 2 months from 1 January 2009 up to a nominal amount and interest was paid in full on 26 February 2009. The promissory notes have been paid by taking out a short-term loan with Nordea. The interest terms for the loan are 1.7% and the loan falls due on 31 May 2009 with the option of a 3 month extension. Financing of operations is expected to continue through the utilisation of bank overdraft facilities.

Note 9 Invoiced income not yet recognised

Depreciation periods:	
Invoicing	12,471
Recognised income	-11,389
Total Invoiced income not yet recognised	1,082

Note 10 Accrued expenses and pre-paid income

MSEK	1 January 2009
Holiday pay liability	110
Social insurance contribution	98
Overtime/overtime for part-time staff	46
Provisions for landowners, extraction of materials	19
Accrued rental charges	6
Other	30
Total Accrued expenses and pre-paid income	309

Stockholm 20 March 2009

Christina Rogestam
Chairman

Christer Bådholm <i>Member</i>	Pia Gideon <i>Member</i>
Moody Israelsson <i>Employee representative</i>	Patrik Jönsson <i>Member</i>
Sverker Lerheden <i>Member</i>	Monica Lundberg <i>Member</i>
Ola Salmén <i>Member</i>	Stefan Wadbro ¹ <i>Employee representative</i>

Per-Olof Wedin
Chief Executive Officer

Our report was submitted on 20 March 2009
Deloitte AB

Tommy Mårtensson
Authorised Public Accountant

Auditors' report to the Board of Svevia AB

We have audited Svevia AB's (reg.no. 556768-9848) consolidated balance sheet as at 1 January 2009. The consolidated balance sheet is the responsibility of senior management. It is our responsibility to express our opinion on the consolidated balance sheet on the basis of our audit. Our audit was performed in accordance with Revisionsstandard RS (audit standard) and generally accepted auditing standards in Sweden. This means that we have planned and performed our audit in order to ensure, with a high but not absolute degree of assurance, that the consolidated balance sheet does not contain any material errors. An audit implies that a selected number of documents forming the basis of amounts and other information in the accounts are examined. An audit also includes assessing the accounting principles used when the consolidated balance sheet was prepared, evaluating the important assessments made by senior management when preparing the consolidated balance sheet, and appraising the overall presentation of the consolidated balance sheet. We consider that our audit gives us reasonable grounds for our opinions expressed below. We believe that the consolidated balance sheet gives a true and fair view of the group's financial position as at 1 January 2009 in accordance with generally accepted accounting principles in Sweden.

Stockholm 20 March 2009
Deloitte AB

Tommy Mårtensson
Authorised Public Accountant

Always on the road