845,000,000* LIKES

BRAVIDA ANNUAL REPORT 2011

bravida
BRINGING BUILDINGS TO LIFE

HIGHLIGHTS OF 2011

KEY PERFORMANCE INDICATORS, SEKm

	2011	2010
Net sales	10,768	10,345
EBITA	664	621
Operating profit/loss	663	621
Earnings before tax	616	573
Cash flow from operating activities	559	398
Operating margin, %	6.2	6.0
Return on capital employed, %	32.5	29.0
Interest coverage ratio, times	20.2	22.8
Equity/assets ratio, %	35.8	26.7
Order intake	11,315	10,601
Order backlog	4,590	3,840

SCANDINAVIAN COVERAGE

Bravida has offices in some 150 locations across Sweden, Norway and Denmark. The Group has about 8,000 employees and the head office is located in Stockholm.

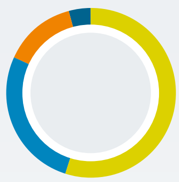
SERVICE / INSTALLATION

Share of Bravida's sales, %

51/49

FIELDS OF TECHNOLOGY

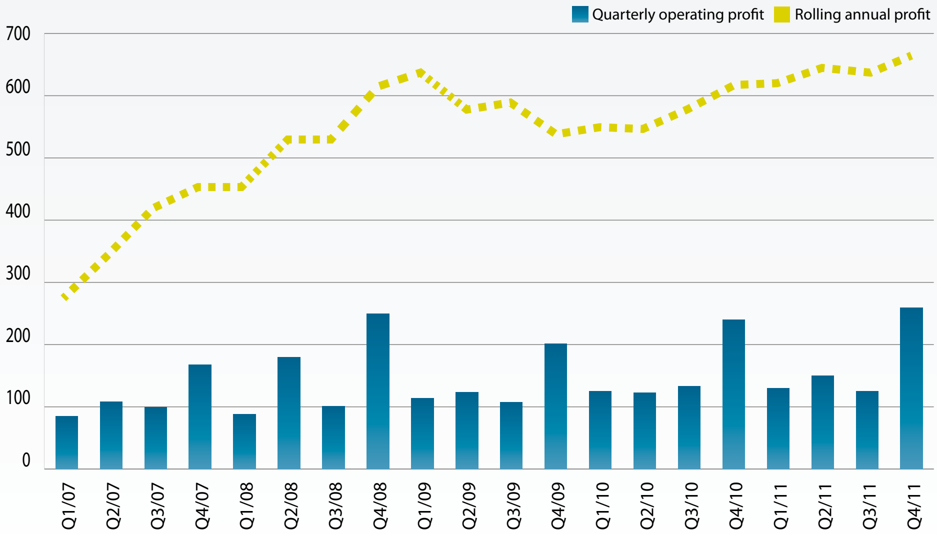
Share of Bravida's sales



* The category includes technology consultancy, security and technical service management.

EARNINGS 2007–2011

Quarterly operating profit and rolling annual profit, SEKm



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COVER

845,000,000, that's how many active users Facebook had at the end of 2011. Bravida is taking overall responsibility for all installations at Facebook's new data centre in Luleå, giving life to one of the world's most high-tech and energy-efficient data centres.

Read more on the spread on pages 10–11.

ABOUT BRAVIDA

INSTALLATION AND SERVICE IN THREE FIELDS OF TECHNOLOGY:

ELECTRICAL
With expertise in both heavy-current and light-current installations, Bravida offers integrated, energy-saving solutions for everything from industries and sports arenas to offices and housing.

HEATING & PLUMBING
Bravida carries out energy-efficient installations for process manufacturers as well as regular repair and preventive maintenance for customers such as tenant-owner's associations.

HVAC
Bravida offers customised ventilation solutions as well as all the technology required for air handling, air conditioning and climate control, ensuring a good and energy-efficient indoor climate.

CONTENT

The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

COMMITMENT EXPERTISE DRIVE

Commitment, expertise and drive have positioned Bravida as a leader in the Scandinavian building services market. With a stable business, we have created a platform for continued growth and increased profitability.

It is very satisfying that Bravida is once again able to present the results of a successful year. With a turnover of SEK 10,768 million (10,345) and an operating profit of SEK 663 million (621), we succeeded in increasing both our sales and profitability. A continued strong profitability focus and ever stronger service business contributed to our strong result, which is equivalent to an operating margin of 6.2 per cent (6.0).

All our geographic territories contributed to our sales growth. Our service business has continued to perform strongly, and in the second half of 2011 Bravida won contracts for several major projects, strengthening our installation business. A strong cash flow shows the high level of activity that we saw in large parts of our business towards the end of the year. After a couple of difficult years it is also particularly satisfying that our Danish business has started to recover. Concrete measures and strong cost control have yielded results, and in 2011 our Danish business succeeded in increasing both sales and profitability, albeit from low levels.

Stable trend for building services

Although the general level of economic activity has slowed and despite big question marks about the outlook for the global economy, the Scandinavian building services market as a whole improved in 2011, with stronger demand and a stabilisation in prices. Public-sector investments in hospitals, schools and infrastructure projects coupled with a growing need for energy efficiencies and lower running costs are factors which we believe will have a positive impact on the building services market also in coming years. As building services is a late-cyclical industry, we are also able to adapt our business to new conditions, something we have been doing successfully during the turbulent economic conditions of the last few years.

Bravida strengthens its positions in several areas

2011 was the year in which sales in our service business exceeded sales from installation contracts for the first time. For us this was an important milestone as well as the result of a long-term initiative with a clear goal – that at least half of our sales should come from our service business. Our service business, which is less cyclical, creates stability while giving us a chance to operate throughout the lifecycle of a property.

In 2011 we also won our single largest contract to date – overall responsibility for all installations in Facebook's new data centre, which is being built outside Luleå. The facility will be Facebook's first outside the United States and the largest of its kind in Europe. Successfully completing a project of this kind requires a strong organisation and close collaboration, both internally and with external suppliers. It also requires a high level of expertise and careful planning. At most, we will have 200 employees working on site in Luleå.

"2011 was the year in which sales in our service business exceeded sales from installation contracts for the first time."

It is precisely the ability to operate across the full breadth and manage everything from local service assignments to complex integrated solutions that is one of our key strengths. With offices in 150 locations across the whole of Scandinavia and 8,000 employees, we are always close to our customers, and with expertise in all types of installation and service assignments, our offering is genuinely comprehensive.

Potential for increased productivity

Over the last few years Bravida has invested heavily in building a strong common platform with efficient procedures, a fit-for-purpose organisation and uniform work methods. We have consistently lowered our costs by maximising economies of scale, and we have strengthened our offering by ensuring that our collective expertise in electrical, heating & plumbing, and HVAC installations really benefit our customers. We have achieved much, but a lot still remains to be done, especially in terms of increasing our productivity.

For us increased productivity is largely about finding repetition in a changing environment. Each customer project is different even if the tasks involved are the same. Each workplace is unique, and our challenge is to find a systematic approach and procedures that enable us to perform our work as efficiently as possible. To succeed in this, we also need to get better at planning. We need to know exactly what to do, when to do it and how to do it. An installer's work today is more efficient than 20 years ago, but there is still significant potential for improvement. A study conducted by the Chalmers University of Technology shows that a third of a plumber's working hours are wasted in some way, about half is spent on preparation and only 13 per cent is spent on actual installation work. I see a big potential in reducing this loss of time through better planning and implementation and enabling our installers to perform their work safely and efficiently, thus creating more value for our customers.

> "It is precisely the ability to operate across the full breadth and manage everything from local service assignments to complex integrated solutions that is one of our key strengths."

Employees who make a difference

Bravida's motto is *Bringing buildings to life*. To me it means that we work in an industry which influences the development of society as a whole as well as the everyday lives of the people who live in it. It is our task to create environments in which people are happy and infrastructure that works well. Our knowledge should also help our customers to create energy-efficient solutions which ensure that resources are used economically. This is an inspiring challenge for all Bravida employees!

As a service company, we will never be better than our employees. To be able to attract, retain and develop our most important resource and our key competitive asset, we work continuously to create an interesting and challenging workplace. Through decentralised leadership, short decision-making paths and stimulating tasks, we aim to provide a work environment in which our employees feel motivated, safe and committed. Bravida is a company with a strong entrepreneurial spirit where employees are given a large measure of individual responsibility. Many day-to-day tasks are performed in project form, enabling our employees to develop by working on assignments of varying size.

Local commitment is the key to continued growth

I am happy that Bravida is growing, in installation as well as service. Our ambition is to continue to grow. We will do this in several ways. The key to continued growth lies in a more proactive approach in our customer contacts and in active add-on sales. We have fantastic relations with our customers, thanks to 7,000 installers, service technicians and project managers who meet them every day. This is an asset that we need to preserve. Because it is our local presence and our proximity to the customers which constitute the basis for sales, and it is also here that our potential to grow is greatest – in our many small assignments in our local markets. At the same time we need to strengthen our offering in local markets and establish a presence in locations where we currently have no operations. We will do this primarily through additional acquisitions.

An instructive year

I took up the post of CEO of Bravida nearly a year ago, and since then I have learnt an incredible amount. I have met enthusiastic managers, innovative project managers and enterprising installers. It is thanks to the efforts of our employees that we can look back on a year which was in many ways very successful. And it is thanks to them that we look forward to new challenges with confidence.

Mats O Paulsson
CEO and Group President

PROFIT CASH FLOW ORDER BACKLOG

Bravida is a successful company. During the last five-year period the Group has consistently strengthened its position as a sustainably profitable and stable building services group.

Margins before volume – that is our general strategy. To avoid unprofitable projects, we have taken a selective approach in our sales activities. This has enabled us to increase our profitability and weather the financial crisis of 2008–2009 in a good way while strengthening our position in the market. In 2011 the situation in the market improved and we returned to growth, with continued good profitability. Our stability has also improved on the back of a growing service business that is less sensitive to changes in the business cycle. In 2011 our service business accounted for more than half of consolidated net sales for the first time.

On the cost side we have worked consistently on establishing an efficient and flexible organisation, which is crucial to ensuring long-term profitability in our industry. Key elements of this are our:

- Common enterprise systems (ERP systems, work processes, operating systems for financial and project management), which support the whole Group.
- Central Group functions (purchasing, HR, business development, IT, communications, legal affairs, and accounting and finance), which support our local offices.
- A focus on the profitability of and cash flow from each assignment at all levels of the organisation.
- Efficiencies to reduce administrative expenses.

"Margins before volume – that is our overall strategy."

PER LEOPOLDSON CHIEF FINANCIAL OFFICER

Return to growth

Sales grew by an average of 1.7 per cent over the five-year period. In local currency terms, sales growth was 1.8 per cent. The financial crisisof 2008 reduced our sales by nearly 20 per cent, which to some extent was offset by the acquisition of Siemens Installation AS of Norway. In 2011 consolidated net sales increased by about 4 per cent, or 5.5 per cent in local currency.

Adapting our overheads

Bravida works actively to adapt its cost base. Over the five-year period we reduced our administrative and selling expenses as a proportion of net sales by 3.4 percentage points. These expenses are also lower than five years ago in absolute terms.

Improved margins

Over the last five years, our EBITA margin has improved by 1.6 percentage points, which represents an improvement of SEK 204 million in absolute terms. The trend continued into 2011, when our EBITA margin increased from 6.0 to 6.2 per cent. Reducing the Group's administrative expenses helped to improve the result and more than offset a lower coverage margin. Demand in the Danish market has been weak for several years. It is therefore encouraging that our Danish division improved its results in 2011, partly through a larger share of service assignments and lower overheads.

Growing order backlog

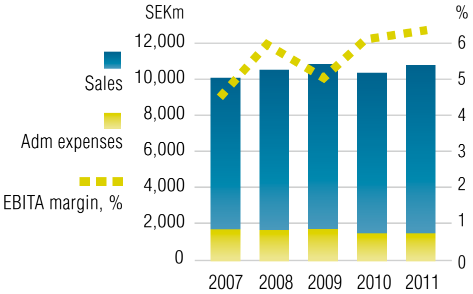
The order backlog increased by 16 per cent over the five-year period. In 2011 Bravida won a number of major contracts in different fields of technology, which has had a positive impact on the order backlog.

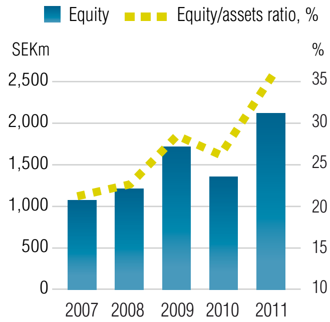
Strong cash flows

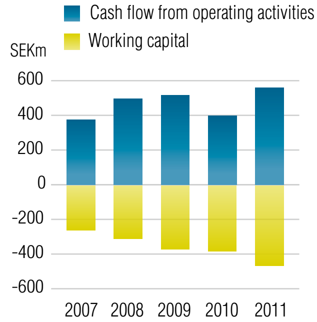
Bravida has consistently strengthened its cash flow from operating activities. This has been achieved by increasing earnings and through consistent capital efficiencies such as front-loaded payment plans in the projects. Very strong invoicing contributed to record cash flows in 2011. After reversal of taxes paid and net financial expense, the cash flow for the year exceeds the operating profit.

Stronger balance sheet

The consolidated balance sheet was strengthened during the period. Equity increased by SEK 1 048 million to 2 121 while the equity/assets ratio increased from 20.9 per cent to 35.8 per cent. During the period the Group also distributed SEK 1,276 million in Group contributions and dividends. The introduction of IFRS and the acquisition of Siemens explain the increase in goodwill while current liabilities and current assets have increased in line with net sales.







Income and expense items, SEKm	2011	2010	2009	2008	2007 *
Net sales	10,768	10,345	10,831	10,511	10,062
Costs of production	-8,573	-8,205	-8,507	-8,136	-7,833
Administrative and selling expenses	-1,531	-1,519	-1,779	-1,756	-1,769
Operating profit/loss before goodwill amortisation (EBITA)	**664**	**621**	**545**	**619**	**460**
Amortisation and impairment of intangible assets	0	0	-9	-2	-102
Operating profit/loss (EBIT)	**663**	**621**	**536**	**617**	**357**
Net financial income/expense	-48	-48	-25	-43	-54
Profit/loss after financial items (EBT)	**616**	**573**	**511**	**574**	**304**
Tax	-106	-161	35	-148	-110
Profit/loss for the year	**510**	**412**	**545**	**426**	**193**
Balance sheet items, SEKm					
Goodwill	2,203	2,134	2,149	1,866	1,857
Other non-current assets	409	444	477	313	443
Current assets	3,306	2,501	3,465	3,240	2,846
Total assets	**5,919**	**5,079**	**6,091**	**5,419**	**5,146**
Equity	2,121	1,355	1,720	1,209	1,073
Non-current liabilities	221	210	963	921	987
Current liabilities	3,576	3,515	3,408	3,289	3,086
Total equity and liabilities	**5,919**	**5,079**	**6,091**	**5,419**	**5,146**
Cash flow, SEKm					
Cash flow from operating activities	559	398	516	495	375
Cash flow from investing activities	-66	19	-183	-24	-4
Cash flow from financing activities	-453	-1,244	-87	-290	-411
Cash flow for the year	**41**	**-827**	**246**	**181**	**-40**
Key performance indicators, SEKm					
EBITA margin, %	6.2	6.0	5.0	5.9	4.6
Profit margin, %	5.7	5.5	4.7	5.5	3.0
Return on capital employed, %	32.5	29.0	24.8	32.4	25.2
Interest coverage ratio, times	20.2	22.8	13.0	10.1	4.8
Equity/assets ratio, %	35.8	26.7	28.2	22.3	20.9
Order intake	11,315	10,601	10,215	10,267	10,664
Order backlog	4,590	3,840	3,648	3,647	3,953
Average number of employees	7,955	7,834	8,078	8,050	8,066
Sales per employee	1,354	1,321	1,341	1,306	1,247
Administrative expenses as a % of sales	14.2	14.7	16.4	16.7	17.6
Working capital as a % of sales	-4.3	-3.7	-3.4	-2.9	-2.5

* Figures for 2007 have not been restated in accordance with IFRS

A LEADING BUILDING SERVICES PROVIDER

Bravida's strategic focus areas are customers, profitability, growth and expertise. Bravida aims to grow profitably by taking a systematic approach to these areas. To achieve our vision, we have defined a set of clear goals.

VISION

We aim to become the leading Nordic business partner for efficient technical solutions in building services. With expertise covering all aspects of installation and service, we work to improve our customers' competitiveness.

BUSINESS CONCEPT

We offer electrical, heating & plumbing and HVAC installation and service.

Using our expertise, we work efficiently to create benefits and add value for our customers.

We combine a local presence with the resources of a major company.

STRATEGIES

Customer strategy

Bravida works proactively to identify and meet its customers' needs. With clear, attractive offers and high quality in our deliveries, we work systematically to improve customer satisfaction. With a local presence in 150 locations across Scandinavia, we are always close to our customers.

Profitability strategy

Bravida puts priority on profitability over rapid growth. By only taking on assignments with calculable risks and by continuously adapting our production capacity and administrative expenses to our sales volumes, we reduce the risks while creating a potential for increased profitability through improved operational efficiency and coordinated purchasing.

Growth strategy

Bravida aims to create a strong and complete offering in electrical, heating & plumbing and HVAC installation by strengthening its operations in selected Nordic markets, organically and through acquisitions. A continued emphasis on our service business and continuous development of our customer offers create further growth opportunities.

Skills strategy

To attract, retain and develop our employees, we provide professional leadership development and continuous internal training activities. Opportunities to work in varied areas and in different types of projects coupled with a decentralised decision-making structure create a basis for our employees' development. Recruiting young engineers is a key priority for Bravida.

GOALS

FINANCIAL GOALS	DESCRIPTION	OUTCOME
» OPERATING MARGIN > 7 PER CENT	Bravida's goal is to ensure that all local offices, regions and divisions achieve an operating profit in excess of 7 per cent of sales after fully allocated costs.	Bravida's operating margin in 2011 was 6.2 per cent. 39 per cent of our local offices and regions achieved the target of an operating margin over 7 per cent. One of our five divisions achieved the target.
» PROFITABLE GROWTH – ABOVE MARKET GROWTH	Margins take priority over volumes. Our goal is to grow organically at a faster rate than the market as a whole. Another goal is to grow through acquisitions at the same pace as we grow organically.	After adjusting for currency effects, consolidated net sales increased by 5.5 per cent in 2011. Organic growth was 4.1 per cent. Acquisitions/sales contributed 1.4 per cent. We estimate that the market grew by 3 per cent in 2011.

POSITION GOAL	DESCRIPTION	OUTCOME
» LARGEST OR SECOND LARGEST IN AT LEAST ONE FIELD OF TECHNOLOGY IN THOSE AREAS WHERE WE OPERATE	Bravida aims to be the largest and best known operator in installation and service in our geographic markets.	In 2011 we strengthened our presence and expanded our offering in strategically important locations through a number of major and minor acquisitions.
» SERVICE > 50 PER CENT OF SALES	To reduce our sensitivity to fluctuations in the business cycle, our aim is to ensure that our service business accounts for more than half of net sales.	In 2011 net sales in our service business exceeded net sales from installation contracts for the first time, accounting for 51 per cent of total net sales.

CUSTOMER GOAL	DESCRIPTION	OUTCOME
» STRONGEST BRAND IN THE INDUSTRY	Bravida's goal is to have the strongest brand in the Nordic installation and service market.	Bravida's brand survey, which is aimed at customers in the industry, shows that 96 per cent are familiar with the Bravida brand. 59 per cent are very familiar with the brand.
» BRAVIDA'S GOAL IS TO BE THE FIRST CHOICE SUPPLIER FOR CUSTOMERS	The target is a customer satisfaction index (CSI) score over 4 on a scale of 1 to 5.	This year's CSI surveys show that four out of five customers are satisfied with Bravida as a whole. Our CSI score was 4.0 for installation contracts and 3.8 for service assignments.

EMPLOYEE GOALS	DESCRIPTION	OUTCOME
» BRAVIDA'S GOAL IS TO BE THE FIRST CHOICE EMPLOYER FOR STAFF	The target is an employee satisfaction index (ESI) score over 4 on a scale of 1 to 5.	In 2010 our ESI score was 3.6. The next employee survey will be conducted in 2012.
» ZERO TARGET FOR WORKPLACE ACCIDENTS	No Bravida employee should suffer an accident at work. The target is an occupational injury rate of zero.	In 2011 the occupational injury rate for the Group was 11.9, which was 11 per cent lower than in 2010.

CUSTOMER VALUE CREATES PROFITABILITY

Our business model is based on a number of fundamental factors which are jointly aimed at creating customer value and thus profitable business for our customers and Bravida.

Depth, breadth and coordination

Thanks to its breadth and depth, we gives our customers access to all types of installation and service solutions in electrical installation, heating & plumbing and HVAC, and takes responsibility for ensuring that all elements of the solution work together. Coordination of electrical, heating & plumbing and HVAC installations creates customer benefits in the form of more efficient deliveries and the energy savings that can be realised over time. With additional specialist areas such as security, cooling and sprinkler systems, Bravida is able to offer the full gamut of building services.

Combining installation and service

Bravida's installation business comprises installation of or major adaptations to technical systems in buildings, plants and infrastructure. Our service business comprises operation, maintenance and minor adaptations.

By combining installation with service, Bravida is able to operate throughout the lifecycle of a property. This ensures a long-term solution, in terms of the initial installation as well as future operation and maintenance through regular service. The combination of installation projects and service assignments also ensures a more stable flow of business over time.

Other value-creating factors

Size and proximity

With a local presence in about 150 locations across Scandinavia, Bravida is always close to the customer. Thanks to its size, Bravida also has the capacity required to undertake major and complex projects without geographic limitation.

A high and uniform quality

Bravida ensures a high and even quality in all deliveries with the help of uniform work processes and project methods that are used throughout the Group.

Proactivity

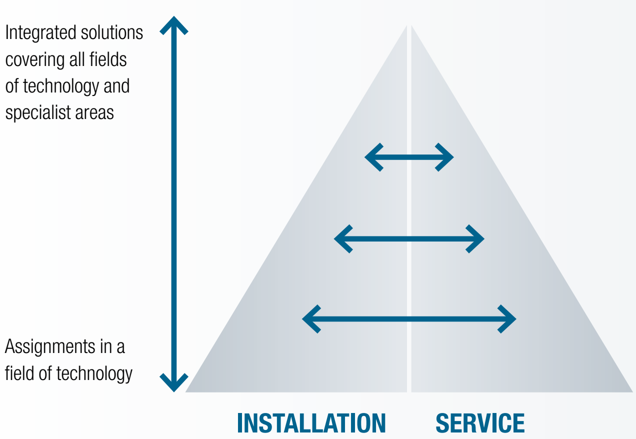
Bravida works proactively to create successful, long-term solutions which benefit the customer as well as the environment. Thanks to our strong pool of skilled and professional staff, we work preventively by providing regular service and taking action at an early stage.

Cost effectiveness

Bravida works continuously to ensure a high level of cost effectiveness as well as cost benefits by coordinating purchases of materials. We strive to instil a high level of cost awareness throughout the delivery process.

Coordinated purchasing

Bravida has a strong purchasing organisation which provides a competitive range of production material through common systems.



"BRAVIDA IS A FULL-SCALE INSTALLATION AND SERVICE PARTNER. WE COORDINATE AND DELIVER INDIVIDUAL SOLUTIONS IN ELECTRICAL, HEATING & PLUMBING AND HVAC INSTALLATIONS AND ARE ABLE TO ASSUME RESPONSIBILITY FOR ALL ASPECTS OF A PROJECT COVERING SEVERAL FIELDS OF TECHNOLOGY."

BRAVIDA INSTALLS FACEBOOK'S DATA CENTRE

IN OCTOBER 2011 BRAVIDA ANNOUNCED THAT WE HAD BEEN AWARDED THE CONTRACT TO CARRY OUT ALL INSTALLATION WORK IN FACEBOOK'S NEW DATA CENTRE IN LULEÅ. THE CONTRACT IS BRAVIDA'S SINGLE LARGEST DEAL TO DATE AND WILL, AT MOST, EMPLOY ABOUT 200 INSTALLERS AND PROJECT MANAGERS.

BRAVIDA'S SOLUTION AND CUSTOMER VALUE ❯

THE CUSTOMER'S NEEDS

845 million users uploading around 250 million images and installing 20 million applications every day. Together, they create an enormous data storage need for Facebook. A need that is growing for each day that passes. To be able to manage this enormous volume of data, Facebook is now building a new data centre in Luleå. Two key factors behind the decision to locate the data centre here is that it will enable the company to benefit from the cold climate in northern Sweden as well as the strong infrastructure. Having developed its own installation solution, Facebook was looking for a company that would be capable of taking on the complex task of adapting the solution, and planning and delivering all installations for the server room, which is scheduled to become operational in just one year's time. The contract was awarded to Bravida along with NCC and two US construction firms, with Bravida assuming full responsibility for all installations, including project design, planning and installation of all electrical, heating & plumbing and HVAC installation as well as sprinkler and fire alarm systems. The facility will be Facebook's first data centre outside the US and the largest of its kind in Europe.

BRAVIDA'S SOLUTION

The assignment is complex from many dimensions. In addition to the technical challenges posed, the scope and tight schedule for the project will set a high standard in terms of organisation and implementation. In less than one year Bravida will need to deliver a complete solution which meets tough standards on quality, sustainability and energy efficiency. Bravida's broad expertise and close collaboration with business partners in project design and suppliers of materials will ensure that the assignment can be completed. The project is an exciting challenge and will engage all parts of Bravida's organisation. At most, about 200 employees will be working on site in Luleå, and there has been strong interest from employees to take part in this unique project.

"In the planning of our first data center outside the US, access to skillfull suppliers and a talented workforce were crucial, and key criteria in our choice of location."

TOM FURLONG, VICE PRESIDENT OF SITE OPERATIONS FACEBOOK

CUSTOMER VALUE AND ADVANTAGES

Successfully completing a project of this size requires a strong organisation and close collaboration, both internally and with external suppliers. Thanks to its long tradition of coordination and ability to work closely with buyers as well as suppliers, Bravida has devised solutions for everything from logistic challenges to full-scale tests at an early stage. Upon completion, the new facilities will be among the most high-tech and energy-efficient data centres in the world, certified under the LEED environmental rating system and capable of handling a significant portion of the data traffic generated by Facebook users worldwide.

AIMING FOR PROFITABLE GROWTH

Bravida aims to continue to grow profitably. Our goal is to grow organically at a faster pace than the market. Another goal is to grow through acquisitions at the same pace as we grow organically. To reduce our sensitivity to fluctuations in the business cycle, we seek to ensure that our service business accounts for more than half of net sales.

Establishing a presence in key geographic markets

Our growth is based on a strategy in which Bravida targets a number of priority geographic areas where we aim to provide services in all our fields of technology – electrical installation, heating & plumbing and HVAC as well as a number of other locations where we aim to be established in one or two fields of technology. In locations where we do not have in-house expertise in all fields of technology additional expertise can be provided by other Bravida offices.

›› KEY MARKETS

Examples of key markets include Copenhagen, Stockholm and Oslo as well as medium-sized towns such as Århus, Luleå and Bergen. In smaller towns such as Gävle and Tromsø Bravida is currently represented in only one field of technology.

Organic growth

Growth is mainly driven locally by our local offices, which seek to achieve growth by:

- Continuously improving productivity and efficiency in order to increase the delivered customer value.
- Taking a more proactive approach to sales to new and existing customers.
- Closer collaboration with other offices by increasing the share of projects that cover several fields of technology.

Centrally, Bravida implements general growth-promoting measures such as:

- Development of packaged services that cover more than one field of technology, such as *Bravida Plus* and *Bravida Energy Agreement*.
- Common marketing and sales support.
- Initiatives and training activities aimed at increasing productivity and efficiency.

Acquisitions a key growth driver

In a time of consolidation in the Nordic building services market there are good opportunities to grow through acquisitions. Bravida continually looks for and acquires attractive businesses both inside and outside Scandinavia.

Our acquisition-related activities follow a defined process in which acquisitions are primarily made in priority growth locations. Potential takeover candidates must have a long and stable history as well as a strong management team which can be given incentives to stay on after the acquisition. The key to success is a rapid integration with Bravida's organisation, enterprise systems and our common brand. The process of integration is normally completed over a two-year period. In the last five years Bravida has made 20 acquisitions.

›› ACQUISITIONS AND TAKEOVER CANDIDATES FALL INTO THREE CATEGORIES

MAJOR ACQUISITIONS > SEK 500 MILLION

Create a presence in a geographic market in one or several fields of technology, e.g. the acquisition of Siemens Installation AS in 2009 (1,300 employees). Siemens was one of Norway's largest providers of electrical installation services with offices in 20 locations across Norway.

MEDIUM-SIZED ACQUISITIONS

Expand local offices by adding one or more fields of technology. Medium-sized acquisitions in 2011:

- C2M Sprinkler AB, establishment of sprinkler operations in several locations across southern Sweden.
- A Halvorsen & Sönn AS (50 employees) and Aug Larsen AS (35 employees), establishment of heating & plumbing operations in the Oslo region.

SUPPLEMENTARY ACQUISITIONS

Supplement and strengthen existing operations at a local office. Examples of supplementary acquisitions in 2011:

- Ferax Projektstyrning AB (10 employees), strengthens our business in project management and property development services.
- J Jonssons Rörinstallationer AB (17 employees), supplements our heating & plumbing business in north-eastern Scandinavia.

TECHNOLOGICAL SOLUTIONS FOR A LIVING SOCIETY

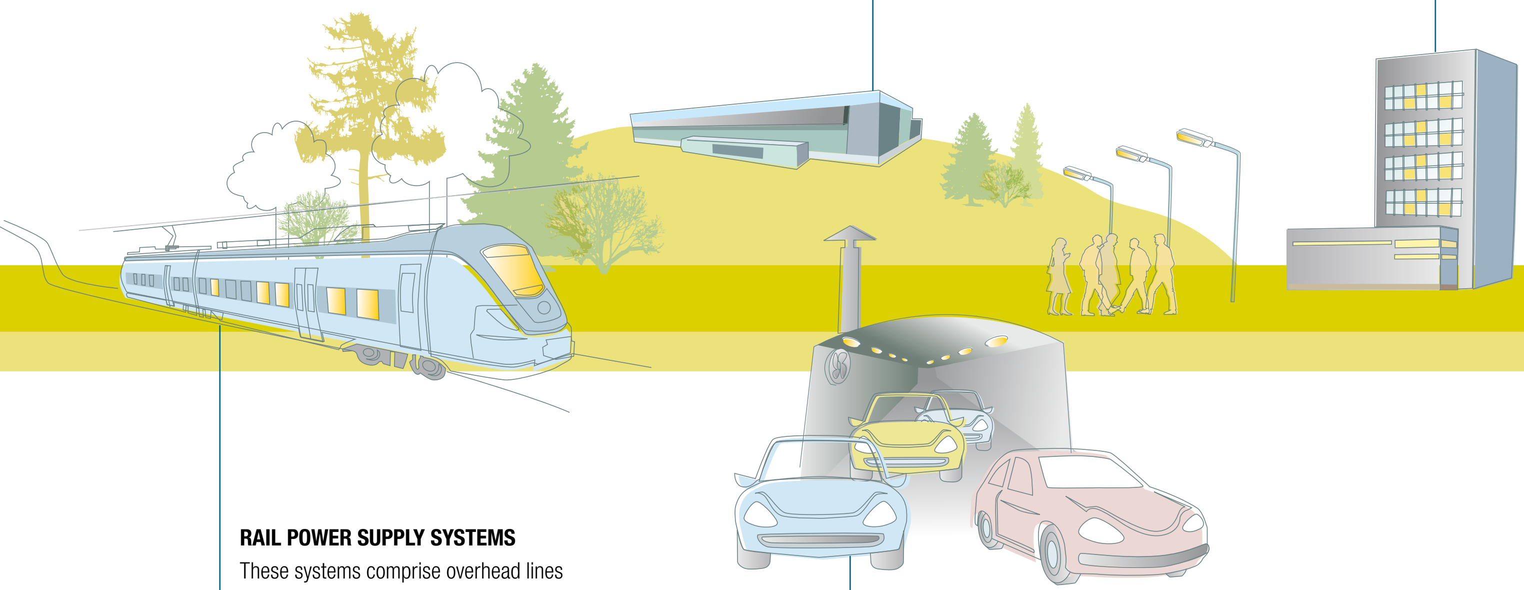
Bravida's electrical, heating & plumbing and HVAC solutions provide buildings, infrastructure and society as a whole with energy, heating, water, air and security – in short, the foundation for a secure life, development and growth.

INTEGRATED SOLUTIONS FOR OFFICES

Electrical, heating & plumbing and HVAC represent our core technology offering for offices. In addition to the basic installations, other solutions such as comfort cooling, air cleaning, communication networks and fire safety and intrusion protection systems may also be included.

DATA CENTRES

Even though modern data centres and server rooms are energy-efficient, they still consume a large amount of energy and the equipment used in the facilities generate a lot of heat. Creating a stable indoor climate requires continuous cooling, and because of the high energy consumption efficient installation solutions play a key role.



RAIL POWER SUPPLY SYSTEMS

These systems comprise overhead lines as well as power substations where AC voltage is converted to 15,000 volt DC for rail traffic.

HVAC SYSTEMS

A key requirement in road tunnels is to maintain good air quality in normal traffic conditions. Another is to ensure that flue gases can be extracted quickly in the event of a fire.

LIGHTING

We install lighting solutions especially in sports stadiums, car parks and road tunnels. The projects comprise everything from power supply to installation of light fixtures.

AUTOMATION

Comprises both industrial and building automation, i.e. automated control of industrial processes and control and regulation of properties' technical systems. Optimal reliability and energy efficiency are the goals.

PROCESS COOLING

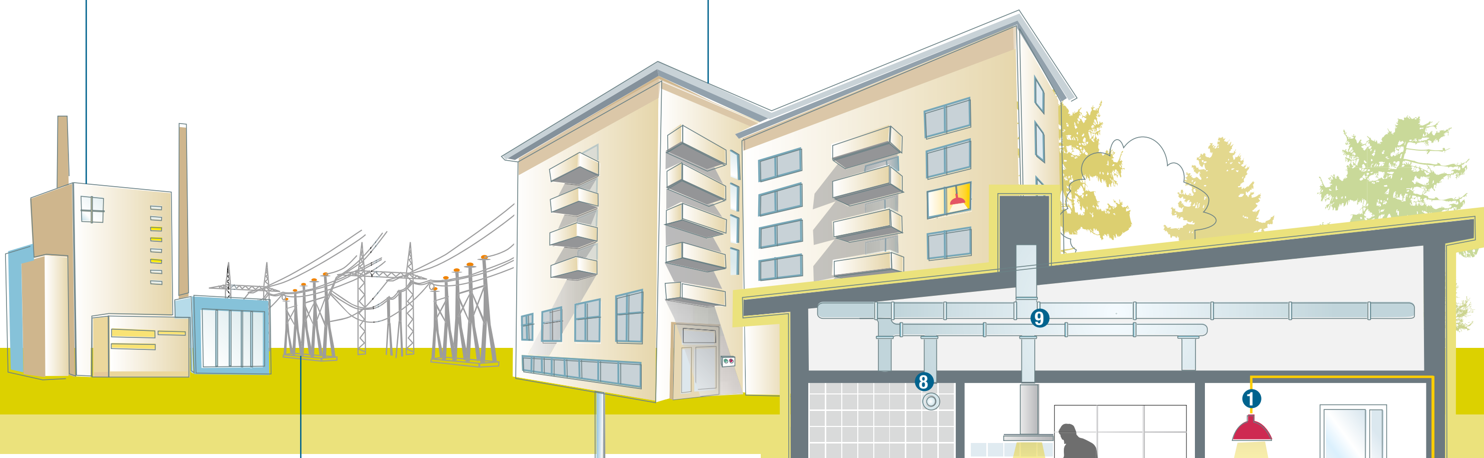
Our cooling solutions can be used in industrial processes, and for food storage, temperature control in data centres and artificially frozen ice rinks.

INTEGRATED RESIDENTIAL SOLUTIONS

Our installation solutions for residential buildings include not only basic electrical, heating & plumbing and HVAC functions but also energy recovery, lifts, fire alarm and access control systems, and telephone and data networks.

SECURITY SYSTEMS

We provide most security functions, including access control, CCTV surveillance, and burglar and fire alarm systems, also in the form of integrated solutions.

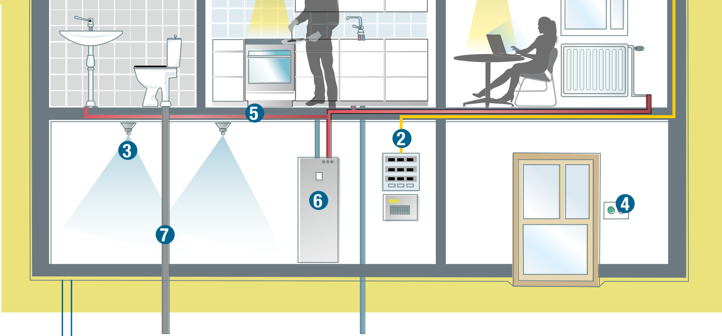


SWITCHGEAR

Directs electrical power safely to different regions and consumers across the country. Where necessary, the voltage is transformed from high to low.

BOREHOLE HEAT EXCHANGERS

Exploit the relatively stable temperature of groundwater, 6-8 °C, to generate heat for rooms and hot tap water using a heat pump. The depth of the borehole is 50-200 metres.



ELECTRICAL

With expertise in heavy-current and light-current installations, Bravida offers integrated, energy-saving solutions for electrical installations, including **1.** lighting and general electrical and telecom installations, and **2.** power and automation systems. We also carry out installations for telecom, radio and data communication and provide solutions for **3.** fire safety and **4.** access control.

HEATING & PLUMBING

Bravida carries out installations and provides repair and preventive maintenance services for customers in heating & plumbing. **5.** Water-based heating can be channelled through radiators or as underfloor heating. We install the **6.** pumps, heat exchangers and boilers that are required to heat rooms and tap water. We carry out **7.** sewage installations both in and above ground.

HVAC

Bravida offers customised HVAC solutions as well as all the technology that is required to create a pleasant and energy-efficient indoor climate. Effective ventilation creates a pleasant indoor climate without consuming too much energy. A modern HVAC system can also include functions such as **8.** comfort cooling and **9.** air cleaning/heat recovery.

INSTALLATION AND SERVICE IN THREE FIELDS OF TECHNOLOGY

Bravida works with the functions that give life to a property – energy, heat, cooling, water and air. Effective installations and regular service create environments that are pleasant to work or live in and enable activity and development. In brief – we bring buildings to life.

Bravida's expertise and experience ensure that we offer long-term solutions for our customers, in terms of the initial investment as well as future operation and maintenance through regular service. Our business is based on our three fields of technology – electrical, heating & plumbing and HVAC – where Bravida operates throughout the installation process – from advice and project design to installation and service. Through analysis and regular supervision, preventive maintenance and early action, we create sustainable solutions that benefit the customer as well as the environment.

	INSTALLATION	SERVICE
SERVICES	Installation comprises the installation of or adaptations to technical systems in buildings, plant and infrastructure. We coordinate technicians, fitters and installers from different fields of technology, giving the customer access to a partner that is able to effectively coordinate and assume responsibility for all aspects of the project.	Service refers to operations and maintenance as well as minor adjustments to installations in buildings and infrastructure. Regular service and a proactive approach ensure that the various components maintain the right functionality and that the operation of the system is optimised.

	ELECTRICAL	HEATING & PLUMBING	HVAC
FIELDS OF TECHNOLOGY	With expertise in heavy-current and light-current installations, Bravida offers integrated, energy-saving solutions for everything from industries and sports arenas to offices and housing.	Bravida carries out energy-efficient installations for process manufacturers as well as regular repair and preventive maintenance for customers such as tenant-owner's associations.	Bravida offers customised ventilation solutions as well as all the technology required for air handling, air conditioning and climate control, ensuring a good and energy-efficient indoor climate.
	SPECIALIST AREAS		
	In order to provide our customers with a complete service offering, Bravida also offers products and services in a number of specialist areas, such as consulting services, technical service management and security systems for alarms and access control. Bravida's specialist areas draw on professionals and resources from different fields of technology.		

A complete and flexible offering

In Bravida our customers find a partner that is able to take an integrated approach and assume responsibility for all aspects of the installation and service process. We offer breadth as well as depth, and deliver all types of installation and service solutions in electrical installation, heating & plumbing and HVAC, and we take responsibility for ensuring that all elements of the solution interact effectively. With supplementary specialist services in security, cooling and sprinkler systems, Bravida is able to provide a full gamut of services ranging from complex integrated solutions to minor renovation jobs.

AN INTEGRATED SOLUTION FOR HAGEBY CENTRUM

BRAVIDA'S WIDE-RANGING EXPERTISE, EXTENSIVE RESOURCES AND LONG EXPERIENCE WERE CRUCIAL IN WINNING THE CONTRACT TO CARRY OUT ALL INSTALLATIONS IN THE REDEVELOPMENT OF THE HAGEBY CENTRUM SHOPPING CENTRE. A PROJECT WHICH HAS SINCE EXPANDED TO COMPRISE SERVICE AGREEMENTS AS WELL AS SHOP INSTALLATIONS.

BRAVIDA'S SOLUTION AND CUSTOMER VALUE

THE CUSTOMER'S NEEDS

Built as part of the "Million Homes Programme", Hageby Centrum was opened by Prince Bertil of Sweden in 1966. At the time of the inauguration the local press called the building a "giant pudding of concrete, steel and glass", but it was also something new, large and grand which made an impression on the residents of Norrköping. Over the years Hageby Centrum has undergone a number of renovations and modernisations, and in May 2007 the first sod was turned in one further big redevelopment project. Together with lead contractor NCC, Bravida was given the contract to carry out all electrical, telecom, power and security installations for the redevelopment. A project which has since expanded to include service agreements as well as shop installations.

BRAVIDA'S SOLUTION

For the property owner, Steen & Ström, Bravida's size and broad range of expertise were a crucial factor. After the redevelopment Hageby Centrum has a floor space of 45,000 square metres, of which 38,000 constitute commercial space. At most, 38 electricians and 3 administrative staff worked on the project. Succeeding required not only significant staff resources but people with skills that cover several different fields. Bravida's experience in electrical power was another key factor behind the success of the project, and with its in-house Integra safety solution Bravida was able to provide a complete solution for all electrical installations.

"Bravida has taken care of everything from high-voltage cables to security and handled the project planning and installation phases very well. Despite the extreme complexity of the project, our collaboration on the project has been perfect."

KLAS LENNARTSSON, PROJECT MANAGER APPOINTED BY STEEN & STRÖM

CUSTOMER VALUE AND ADVANTAGES

As Bravida is assuming responsibility for all aspects of the project, Steen & Ström will have a single counterpart, which means less administration and short decision-making paths. The fact that we are on site regularly and enjoy good relations with the landlord as well as the tenants is also reassuring for all parties. About half of all retail outlets in Hageby Centrum have also engaged Bravida for installation work in their shops. Steen & Ström have concluded a service agreement that covers maintenance, supervision and repairs to the installations in the property after the redevelopment.

ADD-ON SERVICES FOR AN INTEGRATED APPROACH

Bravida's focus is on delivering basic services in electrical, heating & plumbing and HVAC installation with specialist areas and concepts as add-on services. These services include energy optimisation, service and coordinated installations.

Service agreements increase the value of properties

At a time when environmental and other regulatory standards are placing an ever greater burden on property owners and prices of electricity, oil, gas and district heating are increasing, efficient operation is becoming increasingly important. Service is no longer viewed as a cost, but as an essential condition for good economic management and development. Through *Bravida Service Agreements* we offer regular service and maintenance which increase the property's net operating income while raising its environmental profile and value.

» BRAVIDA SERVICE AGREEMENT

Through a service agreement we take an integrated approach to our customer's building. We identify and analyse the building's needs. We produce proposals for what could be changed and improved, which investments would pay off immediately and what could be done to cut costs over time. We perform continuous service, supervision and upkeep, which we follow up in service reports. A service agreement provides assurance and makes life easier for both property owners and property managers – one agreement, one supplier, one responsibility and one invoice.

Coordinated installations improve project efficiency

As installations become increasingly complex and the solutions integrate multiple fields of technology there are benefits in letting a single party take overall responsibility for coordination. One form of coordinated installation is *Bravida Plus*.

» BRAVIDA PLUS

In a Bravida Plus project we offer complete installations under a single full-responsibility contract. By assuming full responsibility we can exploit opportunities to optimise all installations in a project while carrying out each task in a structured and efficient manner.

BRAVIDA PLUS GIVES THE CUSTOMER:

- Better functionality, as all aspects of the project are optimised to work together
- A lower final cost thanks to coordination benefits which improve efficiency
- A more secure and smooth production process

Energy savings for the customer and the environment

Through careful analyses, regular supervision and preventive maintenance, Bravida helps its customers to improve the efficiency of their energy use and realise savings which benefit the customer's bottom line as well as the environment. In an energy assessment Bravida surveys the property, analyses the indoor climate and produces a breakdown of energy costs by activity, premises and energy type. We then determine which efficiency improvements can be made. For customers who are looking to cut their energy costs in a simple and risk-free way while acquiring a greener profile, we offer our integrated *Bravida Energy Agreement* concept.

» BRAVIDA ENERGY AGREEMENT

Through Bravida Energy Agreement we take an integrated approach to a property's energy consumption and our compensation is based on the energy savings that are actually made. We offer an integrated solution that is cost-effective and easy to administer. With a low risk, and in some cases no initial investment, our customers can acquire a greener profile with a lower running cost.

EXAMPLES OF ENERGY-SAVING MEASURES:

- Adjustment of heating systems
- Heat recovery from extract air
- Optimisation of operating times for HVAC systems
- Installation of occupancy sensors for lighting systems
- Switch to energy-efficient lighting
- Installation of thermostats

"A SERVICE AGREEMENT PROVIDES STABILITY AND MAKES LIFE EASIER FOR BOTH PROPERTY OWNERS AND PROPERTY MANAGERS"

GROWING DEMAND FOR INSTALLATION SERVICES

Installation services and related service work account for a growing share of investments in new construction and redevelopment of buildings and infrastructure. Bravida has established itself as the leading provider of building services in the Scandinavian market and continues to strengthen its position.

Stable trend despite weak economy

The Scandinavian building services market has grown by an average of 3 per cent annually since 2006 and was estimated to be worth SEK 233 billion in 2011. The relatively stable trend, compared to the weak construction market, is largely due to an increased density of installations in new builds as well as growing demand for energy-saving and green solutions. In the last few years the market has been stronger in Sweden and Norway than in Denmark, which was hit harder by the financial crisis in 2008 and where economic activity has since been more subdued. In Sweden and Norway the economy improved in 2011. The Danish market has stabilised and the trend is now up, albeit from a very low level. However, there are significant local and regional variations within the countries.

The search for energy savings is a key driver

In the last five years the share of installations in the total building cost has increased from 32 to 38 per cent. Key reasons behind the increase include a stronger focus on energy-efficient solutions and energy-saving measures, an increased need for advanced IT and security solutions as well as a greater willingness and desire to invest in costlier design solutions. Today's customers are not simply buying a product or service but are more interested in its actual results. Function, feel and environment have, in other words, become more important than the product as such.

The energy issue always on the agenda

Energy is the biggest expense item in the running of a building, accounting for about two thirds of the total running cost. Property owners are increasingly choosing to invest in advanced installations in order to strengthen their environmental profile and cut their running costs. Government regulations coupled with stricter directives on energy use are continuing to drive this trend.

Technological advances create new needs

Today's information society demands an entirely different IT environment and level of security than previously, at home and in the office. Server room cooling, cable laying for broadband and automatic control of technical systems coupled with advanced sprinkler, alarm and access control systems are just a few examples of installation solutions that are becoming increasingly common.

Modern design creates new requirements

Strong demand for energy-efficient buildings and a striving for ever higher levels of comfort, lighting and space require increasingly advanced installations, which in turn has a positive impact on demand for installation services.

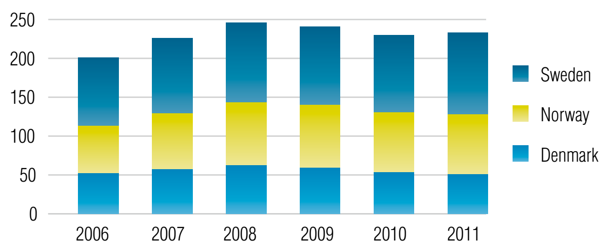
A growing service market

The complexity of today's modern installation solutions is creating a greater need for service and maintenance. Previously characterised by poor forward planning and a reactive approach, the service market for installations has become more proactive. A growing number of property owners are realising that a clear plan for maintenance and service reduces costs over time while preventing disruptions, accidents and costly production outages.

Energy inspections and assessments, CE certification of installations in buildings and statutory inspections of HVAC systems are other factors leading to a continuous increase in demand for service solutions.

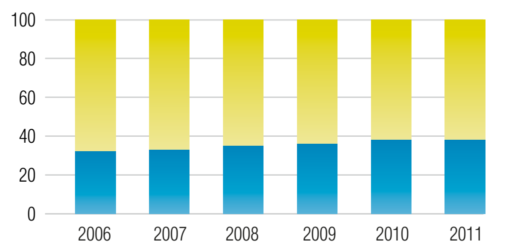
GROWTH IN THE BUILDING SERVICES MARKET*

BY COUNTRY IN SCANDINAVIA 2006–2011, SEKbn



SHARE OF INSTALLATION WORK IN TOTAL BUILDING COST*

IN SCANDINAVIA 2006–2011, %



Consolidation of a fragmented market

The Scandinavian building services market is served by 35,000 companies, of which about 30,000 have less than 10 employees and a majority focus on a single field of technology. The growing number of large and installation-intensive projects require an installation firm with extensive resources and broad expertise. Competition for major projects is also less intense, as only a small number of installation firms are able to deliver the services demanded by the customer.

The growing demand for larger and more complex integrated solutions and a broader range of services are also driving a clear trend towards consolidation. Smaller local businesses are being acquired by large groups while global players are expanding their operations. Bravida's acquisition of Siemens Installation in 2009 and the Dutch building services provider Imtech's acquisition of NVS (in 2008) and NEA (in 2010) of Sweden are three examples of this.

Market-leading position

Along with YIT of Finland, Bravida is the largest supplier and the market leader in Scandinavia. Both companies provide integrated solutions that cover several fields of technology in several geographic markets. However, in individual markets Bravida faces strong competition from rival suppliers in various fields of technology, such as NVS and NEA in Sweden, Oras in Norway and Kemp & Lauritzen in Denmark.

Bravida is one of the two largest suppliers in all of the Scandinavian markets:

- In Sweden Bravida is the largest player, with a market share of about 7 per cent.
- In Norway Bravida is number two in the market, with a market share of about 4 per cent. In electrical installations Bravida is the market leader.
- In Denmark Bravida is one of the three largest companies in the market along with two competitors of similar size. Bravida has a market share of about 3 per cent.

A LIVING EXAMPLE

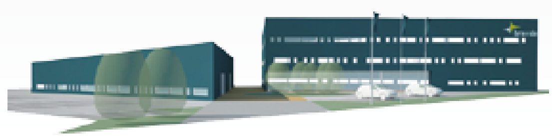
ENVIRONMENTAL CLASSIFICATION DRIVES THE MARKET

The operation of buildings accounts for one third of all energy use in Scandinavia. The growing emphasis on environmental issues has stimulated strong interest in the environmental impact of the construction and property industries, which is something that Bravida has also noticed in the course of its activities. The growing demand for energy-efficient and environmentally friendly buildings is also spurring interest in various forms of environmental labelling.

One example of this is Bravida's new regional office in Gothenburg, which is being built to meet the criteria for classification as a "Green Building", which, for instance, means that it will need to meet a certain standard of energy efficiency. Green Building is a certification system based on Swedish building rules and regulatory requirements as well as Swedish building practice.

Other classification systems that are relevant to the Nordic market include:

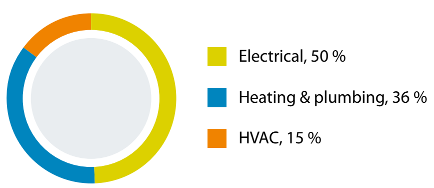
- LEED – one of Europe's most widely used environmental certification schemes, which also has the widest global spread.
- BREEAM – the world's first and largest environmental classification system for buildings.
- Green Building – an EU programme launched by the European Commission that focuses exclusively on energy use.



Bravida's new regional office in Gothenburg is expected to be completed in 2012. The installations will of course be carried out by Bravida.

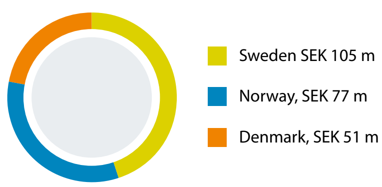
MARKET SIZE BY FIELD OF TECHNOLOGY*

IN SCANDINAVIA 2011



MARKET SIZE BY COUNTRY*

IN SCANDINAVIA 2011



*Figures on market size and market trends are drawn from each country's national statistical office with adaptations by Bravida for 2011.

AN ACTIVE PARTNER FOR OUR CUSTOMERS

We want to be the obvious first choice provider and an active partner for our customers, both old and new. With a strong local presence and long relationships, we offer security as well as new opportunities.

Bravida's customers can be divided into two main groups: end customers and building contractors. Our customer base comprises thousands of small and large customers in different industries across Scandinavia. With a strong local presence and an attractive offering, Bravida has achieved a strong position in the Scandinavian building services market. Through proactive sales and closer contacts with customers, we want to further strengthen our profile as our customers' supplier of choice.

Bravida is commissioned for installation and service projects in all types of infrastructure and buildings, ranging from industrial buildings, infrastructure projects, arenas and hospitals, shopping centres, schools and residential buildings.

Increased public-sector investments

Bravida has a broad and diversified customer portfolio in which the largest customer group is building contractors, who purchase installation services as part of a construction project. Customers in the public sector as well as private and public-sector property owners are other large customer groups. Revenues from customers in the public sector have grown and become increasingly important in the last few years as demand from the private sector has slowed because of the weak economy.

The largest portion of Bravida's sales comes from a large number of small and medium-sized projects, such as minor adaptations to office premises as well as redevelopment and extension projects and related service. In 2011 Bravida was also awarded the contract to carry out installations in a number of major projects and new builds, including Facebook's new data centres in Luleå as well as the contract to replace all software and radio equipment in Telia's 2,500 base stations for mobile telephony in Denmark.

A typical installation project has an implementation time to final delivery of six months but projects can also stretch over several years. Service assignments comprise everything from 1–2-hour emergency call-outs to multi-year maintenance agreements. In 2011 Bravida had about 20,000 active projects, which generated approximately 350,000 work orders with an average value of SEK 31,000. Out of Bravida's 50,000 customers, no individual customer accounts for more than 5 per cent of net sales.

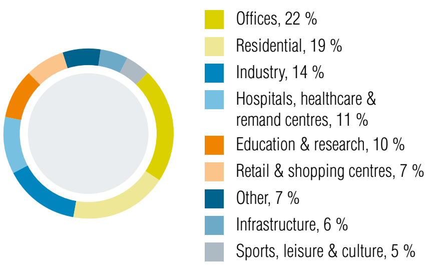
Property owners are changing their behaviour

Building services is a sector facing strong price pressures and many contracts go to the supplier offering the lowest price. In most cases customers put out separate tenders for electrical installations, heating & plumbing and HVAC, and building services providers are often engaged at a later stage after a construction project has already begun and the lead contractor has been appointed.

However, as investments in installations become increasingly important, a growing number of property developers are choosing to procure building services directly from the installation firm or as part of a partnering arrangement in which the developer, consultants and contractors take on the project together. By handing overall responsibility for the integration of all electrical, heating & plumbing and HVAC installations to an experienced building services provider with expertise in all the relevant fields of technology, the developer can achieve significant synergies, performance-wise and financially. Examples of projects where Bravida implemented integrated solutions covering several fields of technology in 2011 include the redevelopment of the new shopping centre in Hornstull in Stockholm and the technical service management contract for Nordea's properties in Norway and Denmark.

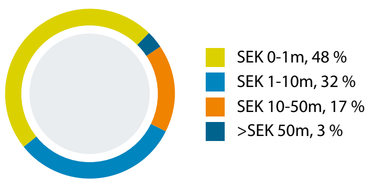
BREAKDOWN BY TYPE OF INSTALLATION

SHARE OF TOTAL SALES IN 2011



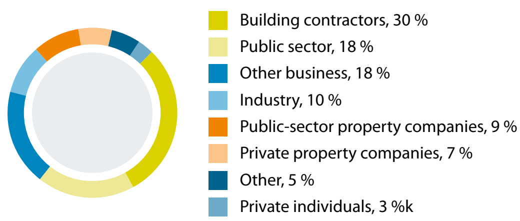
BREAKDOWN OF SALES

BY PROJECT SIZE 2011



BREAKDOWN OF SALES

BY CUSTOMER GROUP 2011



THE IMPORTANCE OF PLANNING, COLLABO-RATION AND DIALOGUE

A LONG CUSTOMER RELATIONSHIP IS BASED ON PROFESSIONAL, OPEN AND HONEST RELATIONS. IN KRISTIANSAND, NORWAY BRAVIDA IS WORKING WITH SKANSKA NORWAY. HERE A GOOD PARTNERSHIP IN THE CHALLENGING GYLDENGÅRDEN PROJECT HAS LAID THE BASIS FOR A STRONG BUSINESS RELATIONSHIP.

BRAVIDA'S SOLUTION AND CUSTOMER VALUE

THE CUSTOMER'S NEEDS

In Kristiansand in southern Norway Skanska began working on NAV and the local authority's new office in the centre of town in 2010. The developer was Kristiansand Næringsselskap AS (KNAS). Skanska had won the prestigious contract in a tough procurement, and Bravida was given full responsibility for all electrical and technical installations.

Skanska understood that this would be a complex project that would present significant challenges in the technical aspects. The contract was awarded to Bravida because we made a careful, credible and honest assessment of the risks involved and were able to propose alternative solutions for implementing a successful project.

BRAVIDA'S SOLUTION

When work began several of the risks identified by Bravida were confirmed. It turned out that the project planning documentation was inadequate, and this phase had to be redone. The timetable and budget would have to be adjusted. In such a situation trust and an ability to work together are critical. Through open communication, Skanska and Bravida initiated a dialogue with the developer to address the issues and save the project. Thanks to careful preparation, the developer was made aware of the situation and accepted the necessary changes proposed.

A tough journey was initiated to meet the deadline and delivery. The key to success lay in a flexible but structured work model, with a large degree of commitment from all parties to handling the changes. Occasionally, project planning and intallation work were taking place at the same time. But thanks to a good working relationship, we made up for the delays and were able to deliver the project on time.

"Now we have found a favourite among all our available partners, and it's not just about the price, although we always need to ensure that we are competitive."

ØYVIND LÅGEIDE, PROJECT MANAGER SKANSKA

CUSTOMER VALUE AND ADVANTAGES

In April 2011 Norway's Minister of Trade and Industry opened the elegant new premises of NAV and the local authority. The people working in the offices and visitors now use a modern property with low running costs. All heating, lighting and HVAC systems are demand-controlled through a central operating system delivered by Bravida. The complexity of the project and tight schedule made it imperative to find a supplier with strong expertise in the relevant fields and the ability to deliver. In the best of all worlds all documentation and specifications are correct from the outset, as this makes life easier. In reality unexpected events will present themselves in the form of incorrect assessments and changing requirements. That's when a good partnership and a solution-oriented supplier are invaluable.

Close and active customer relations

Bravida's local presence and good customer relations are key assets in a market which to a large extent operates on the basis of personal relationships and mutual trust. Bravida's customer relations are generally long-term in nature, and most customers come back to buy additional services.

Bravida seeks to take a more active approach to customer relations with the aim of getting closer to the customers in order to proactively identify and offer its services. Through more frequent dialogue, we aim to improve our understanding of our customers' needs and raise their awareness of what Bravida has to offer. A more proactive approach to all customer contacts and active add-on sales are also key elements of our goal of increasing growth. Business acumen and professionalism should always lie at the heart of our customer relations.

A LIVING EXAMPLE

SERVICE CAMPAIGN DEMONSTRATES VALUE

Bravida has established a platform for close and good customer relations. With 7,000 installers, service technicians and project managers working at 150 locations across Scandinavia, we meet our customers every day. With common concepts and central marketing support, our local offices are stimulated to proactively contact existing and potential customers to inform them about what Bravida can offer and demonstrate the value of our services.

In 2011 Bravida ran an extensive campaign to highlight the benefits of our service agreements. A campaign magazine was produced to show how regular and preventive service leads to lower unplanned costs, improved operational reliability and a longer economic life. Simply put, a service agreement guarantees that a property is well managed while also increasing its value.

11 000*

WASHBASINS

6 000 000*

SERVICE HOURS

20 000*

KM OF ELECTRICAL CABLE

* Examples of services and products that we delivered in 2011.

CUSTOMER SATISFACTION INDEX (CSI)	CSI score installation	CSI score service
2011	4.0	3.8
2010	4.0	3.8
2009	4.0	3.9
2008	3.8	3.9
2007	3.9	4.0

CSI 2011 = 4.0 (INSTALLATION), 3.8 (SERVICE) TARGET 4.0

Bravida continually assesses the quality of the company's work through customer satisfaction surveys. Since 2007 over 1,000 projects and service assignments in our Swedish business have been evaluated. In 2011 customer surveys were also launched in Norway and Denmark. Bravida's overall quality goals are to achieve an average CSI score of at least 4 (scale 0–5) and to exceed the previous year's value each year. The 2011 surveys show that Bravida consolidated its customer relations in its installation business. In our service business we are still somewhat below our target.

WE ARE THE ONES WHO BRING BUILDINGS TO LIFE

We are nearly 8,000 employees at Bravida – installers, service technicians, project managers, support staff and executives – who develop and manage installations in buildings and plants across Scandinavia. The solutions we deliver influence how people feel in their homes and at their workplaces and how our society develops.

OUR HEART – 6,000 INSTALLERS AND SERVICE TECHNICIANS

In 2011 we completed more than 20,000 small and large projects in our installation business. Our service offices delivered about 6,000,000 service hours. Our installers work daily on finding the best solutions and on further improving profitability, for our customers and for Bravida. Regardless of whether the task is to fix a single pipe or introduce a new technological energy solution, our installers are the heart of our core competence.

1,000 PROJECT MANAGERS AND EXECUTIVES

Bravida's project managers and executives work as leaders in our installation projects and service assignments. Our team includes installers and engineers who put their extensive experience and skills to use in leading our activities.

Bravida's installation projects and service assignments are becoming increasingly challenging, requiring a higher level of expertise in technology and logistics. Meeting these higher demands will require more engineers. Until 2014 we aim to recruit 80 new engineers.

NUMBER OF EMPLOYEES*	2011	2010
Total in Group	7,955	7,834
Of which, women	485	453
Sweden	4,825	4,658
Norway	1,910	1,878
Denmark	1,213	1,292
Slovakia	7	6

* Average number of employees during the year.

AGE STRUCTURE, %	2011	2010
Over 60 years	7.6	7.6
51-60 years	19.4	19.2
41-50 years	25.3	25.6
31-40 years	21.6	22.4
21-30 years	22.0	20.9
Under 21	4.1	4.3

WE HELP OUR EMPLOYEES GROW AND DEVELOP

Bravida is a service company. Our employees' expertise, professional experience and commitment are important and a key assets in the competition for the best contracts. That's why we are dedicated to developing our leadership and the skills of our employees and to recruiting the right people.

In projects close to our customers

At Bravida we work in projects. We work close to our customers in their own properties or at their building sites. Our local managers and project managers take many independent decisions and have wide operational responsibility. Our installers also operate independently to a large extent and need to make their own decisions and organise their work. That's why leadership, skills development and recruitment are key issues for Bravida.

Focusing on leadership

Bravida wants to have managers who are able to drive and develop local businesses and get them to grow profitably. This requires entrepreneurship and leadership skills as well as good organisation. We run central leadership development programmes in order to identify and train the company's current and future managers. Since 2007 just over half of Bravida's managers have initiated or completed the programme, which runs over 18 months and ends with the award of an internal diploma. Our leadership programme emphasises the importance of building a strong company culture, shows how to use our common processes and methods successfully and provides a forum for exchange of experience and networking among our managers.

Our expertise a competitive advantage

New technology and new work methods create opportunities for improved service and installation solutions. Sustainable long-term installation solutions require experience and continuous skills development. To achieve this, Bravida seeks to ensure that it has the most competent employees. That is the aim of Bravida's training programme.

The *Bravida School* is an umbrella for training programmes for project managers and senior installers in the group. The courses offered cover leadership and sales skills and include courses designed to improve production and health and safety. Bravida's installers have access to a wide range of courses for certification and specialist expertise. Here, too, health and safety are key concerns.

THE BRAVIDA SCHOOL 2011

In 2011 the Bravida School offered about forty different courses. New courses for the year were "Proactive Sales" and "More Efficient Production". "Senior Installer Course" and "Better Occupational Health and Safety" are two important courses for installers. In 2011, 122 course days were organised and over 1,100 employees took part in the courses.

Recruitment

The building services industry is set to grow, and technological advances will require yet more skilled employees. In particular, project managers will need stronger technical and commercial expertise. The age structure of Bravida's staff also points to a need to attract younger people with a high level of education. Since a few years Bravida has therefore stepped up its recruitment of engineers. With a greater presence and visibility at institutes of technology and in new channels, we also work to increase interest in the industry as a whole and in Bravida in particular. A special programme called BraIngenjörer has been developed to give young engineers a good start in a career with Bravida.

BRAINGENJÖRER

Rasha, 23, is a property engineer trained at the Nackademin vocational training school who has worked at Bravida for one and a half years. Together with about 50 other engineers, she is taking the BraIngenjörer course, which is a part of Bravida's recruitment drive.

You can read more about the initiative at www.bravida.se/braingenjor

"The training programme shows that Bravida is investing in us young people. I have been given an individual training plan as well as a clear insight into everything from cost benefit analyses and purchasing to legal issues and project management. The programme encourages me to take initiatives and helps me to grow and develop, both as a person and in my professional role."

THE ART OF WORKING SUSTAINABLY

Bravida is a reliable and responsible installation and service provider. We have a sustainable approach to everything we do and in how we perform our work. This is fundamental to our customer relations and in our recruitment and staff development activities.

Sustainable solutions

Bravida's employees take part in and influence the development of installation and service solutions, and help to ensure that we continually improve at finding ways of reducing energy use, which benefits the environment as well as our customers. Our employees help to develop and turn new energy-saving technologies into concrete customer projects. By bringing together employees with expertise in electrical, heating & plumbing and HVAC installations, we can increase the impact of our customers' investments.

Simplify and streamline

A key principle for achieving a simple and uniform solution in all Bravida's deliveries is "same problem – same solution". By planning our jobs and finding simpler solutions in executing our work, we can maintain a high and even quality in our deliveries and increase the value we add for our customers. At the same time we contribute to sustainable development by using resources sparingly. Bravida works to raise awareness of these possibilities among our employees. In 2011 several initiatives were launched in the organisation to improve planning and resource use. One initiative, for instance, is aimed at ensuring that we get better still at ordering materials, in order to optimise the use of time and reduce transports.

›› SUSTAINABLE GROWTH

For Bravida sustainable growth is about:

- ›› Being able to offer solutions that save energy.
- ›› Guaranteeing a high and even quality in all deliveries.
- ›› Offering our customers efficient production that makes use of our common resources.
- ›› Providing a stable and safe workplace.
- ›› Offering our employees work that allows them to grow and develop.
- ›› Adhering to a high standard of business ethics.
- ›› Respecting human rights, with an emphasis on equality and diversity.

Common values for local success

An important motto for Bravida is "one company – one culture". Bravida consists of a large number of local offices, which work close to our customers at locations across Scandinavia. Our offices operate independently, and our company culture serves as a common denominator which holds the organisation together and unites our employees in a team.

Our goal is to ensure that our employees feel proud to represent our company and that our customers recognise and appreciate a Bravida employee. Our company culture is based on four core values.

FOUR CORE VALUES

PROFESSIONALISM A CLEAR ECONOMIC RESPONSIBILITY

SIMPLICITY A UNIFORM AND UNCOMPLICATED APPROACH

COMPETENCE KNOWLEDGE, WILL AND ABILITY

GOOD CONDUCT RELIABILITY AND CORRECT BEHAVIOUR

SERVICE AND DEVELOPMENT OF NORDEA'S PROPERTIES

UNDER A FACILITY MANAGEMENT AGREEMENT, BRAVIDA IS ENSURING THAT NORDEA'S PROPERTIES IN DENMARK WORK AS THEY SHOULD AND EVOLVE IN THE RIGHT WAY. THE SUCCESSFUL SOLUTION IS NOW ALSO BEING APPLIED IN NORWAY UNDER A CROSS-BORDER PARTNERSHIP WHICH BENEFITS BOTH NORDEA AS A CUSTOMER AND BRAVIDA AS A SUPPLIER.

BRAVIDA'S SOLUTION AND CUSTOMER VALUE

THE CUSTOMER'S NEEDS

For a bank like Nordea ensuring that there are no interruptions in the operations is vitally important. Large amounts of money are put at risk by any unforeseen interruptions in critical technical functions such as cooling and power supply, and a lot of money can be saved by replacing legacy technical solutions with more energy-efficient alternatives. To ensure that the company is able to operate seamlessly, Nordea in Denmark has commissioned Bravida to ensure that the buildings and technical functions in the properties operate as they should. Bravida has also been asked to present proposals for energy-saving measures and investments.

BRAVIDA'S SOLUTION

A Facility Management agreement for Nordea's Danish head office as well as their largest branch office gives Bravida responsibility for ensuring that the buildings operate as they should and evolve in the right way. This covers everything from changing a broken window and connecting a new network lead to repairing a foundation stone or maintaining the façade and walls. The agreement also covers on-call services, service, project management and inspection and maintenance of generators, lighting and cooling systems. Central management of orders, documents and invoices further improves the reliability of the systems while simplifying the administration and creating a good overview.

"We chose Bravida as supplier for our facility management because they have the technical expertise, understanding and insight required to handle and drive our critical technical infrastructure."

JENS WAGNER THOMSEN, HEAD OF PREMISES NORDEA DENMARK

CUSTOMER VALUE AND ADVANTAGES

With overall responsibility for service, Bravida is ensuring that Nordea's properties operate correctly and is also actively presenting proposals for energy-saving measures. A partner which changes light bulbs as well as develops the properties. As a leading building services provider, Bravida is able to combine economies of scale with the flexibility and presence of a local tradesman. And thanks to a joint cross-border initiative, Bravida has concluded a similar agreement for Nordea in Norway. The exchange of experience between the countries leads to to increased knowledge and improved efficiency, which benefits both Nordea as a customer and Bravida as a supplier.

A STABLE AND SAFE WORKPLACE

Is is our clear ambition that it should feel safe to work for Bravida. To underline the importance of a good and safe work environment, we have had a zero target for workplace accidents since 2011.

A good work environment is a key competitive advantage

Working in our customers' buildings and facilities involves a high degree of responsibility – in relation to our employees as well as to our customers. Establishing a good work environment in those places where the company's employees perform their duties is important both for the safety and well-being of everyone and for maintaining customer and employee satisfaction.

Bravida's occupational health and safety (OHS) activities form part of the company's central enterprise systems. We work hard to identify, follow up and analyse risks in our work environment in order to ensure that we are able to implement improvements. But responsibility for health and safety also rests with each individual employee. Bravida therefore invests resources in training and informing its staff so that each employee is able to prevent those risks to which he or she is exposed at work.

Occupational health and safety activities include:

- **Safety** – our quality assurance activities address important issues concerning the use of hazardous materials, working at heights, lifts, etc. Bravida has introduced a user-friendly web tool for improving the reporting of accidents and systematically following up activities with the aim of identifying potential improvements and reducing the number of occupational accidents.
- **Work equipment** – equipment such as clothing, cars and tools maintain a high quality. This is important to ensure that the company's employees are able to perform their duties efficiently and safely. Having the right equipment also helps promote job satisfaction, good conduct and professionalism.
- **Reducing sick leave, including long-term sick leave** – we prevent occupational injuries, for instance by training our employees in load ergonomics.
- **Rehabilitation** – rehabilitation programmes for employees on long-term sick leave as well as action plans and measures to ensure that as many as possible are able to return to work.
- **Follow-up** – to ensure that the measures taken are followed up, a number of health and safety issues are included in internal audits.

A LIVING EXAMPLE

SAFETY CAMPAIGN ENGAGES DANISH EMPLOYEES

In 2010 the company initiated an internal safety campaign in its Danish division. The campaign, called "10 Good Safety Habits", highlighted the importance of individual responsibility. The starting point was a contract sent to all employees, who, by signing the it, affirmed that they were prepared to take responsibility for preventing accidents at the workplace. Over the course of the year information and training material were distributed, each month with a focus on a new good habit. At the same time, interactivity and engagement was encouraged through individual training sessions and quizzes.

Claus Dilling, Health and Safety Officer in Division Denmark, summarises the response: "The campaign has been widely welcomed. My impression is that we have taken an important step towards an improved safety culture and that we have a stronger focus on these issues today. But sadly the statistics show that we still have too many accidents. Working on health and safety requires a long-term approach. That's why we are maintaining our focus and continuing the initiative."

ILLNESS AND ACCIDENTS

SICK LEAVE, %	2011	2010
Sweden	4.3	4.1
Norway	6.9	6.9
Denmark	3.0	3.7
Group	**4.6**	**4.6**

OCCUPATIONAL INJURY FREQUENCY*	2011	2010
Sweden	9.3	8.6
Norway	3.6	14.5
Denmark	37.5	36.1
Group	**11.9**	**13.4**

* Occupational injuries resulting in at least one day of sick leave per million work hours

WE WORK CLOSE TO OUR CUSTOMERS

Bravida operates as a local business with the expertise and resources of a major group. Clear and decentralised leadership with strong support from central functions give our employees the opportunity to operate close to our customers.

Five divisions in three countries

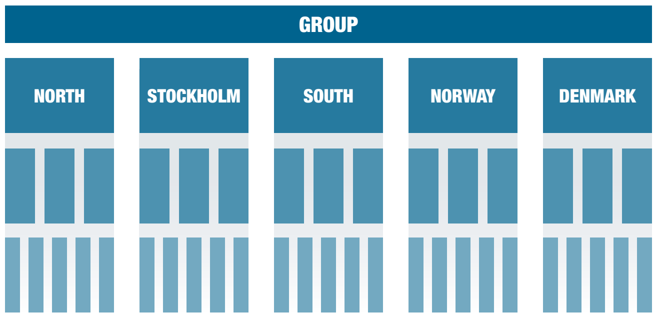
Bravida's organisation has four main levels: Group, division, region and local office. All operational activities are conducted by the local offices, which specialise in one field of technology. A local office can also have a branch office specialising in a particular field, such as service. Central functions for accounting and finance, legal affairs, purchasing, business development, communication, HR and IT support the local offices.

The reason why Bravida has chosen this type of decentralised organisation with strong local ties is that our customers mainly operate in a particular geographic area with its own, local market conditions. Having a local presence and getting to know one's market are therefore crucial to building trust among customers and business partners. For larger, more extensive projects, however, Bravida may choose to coordinate the operational activities at a regional, divisional or group level.

Central support for greater freedom

Central enterprise systems for project management, accounting and finance, quality assurance and purchasing coupled with a strong purchasing organisation and highly developed administrative processes create a stable and efficient foundation that allows our local offices to focus on their operational activities.

Although a majority of the work performed by Bravida is conducted and managed locally, Bravida's size gives it the capacity to take on larger and more complex projects without being limited by geography.



Bravida has five divisions: Sweden North, Sweden Stockholm, Sweden South, Norway and Denmark. Each division is in turn divided into a number of regions, based on the geographic market or business focus. The final level in the organisation is the local offices, where all operational activities are conducted.

GROUP

At group level Bravida form central strategies and goals, which are communicated and followed up. Central support functions and enterprise systems are developed and maintained to support the company's operational activities.

1

DIVISIONS

The divisions are responsible for communicating and following up central group strategies and goals and for providing operational support to the activities conducted at regional and local office level.

5

REGIONS

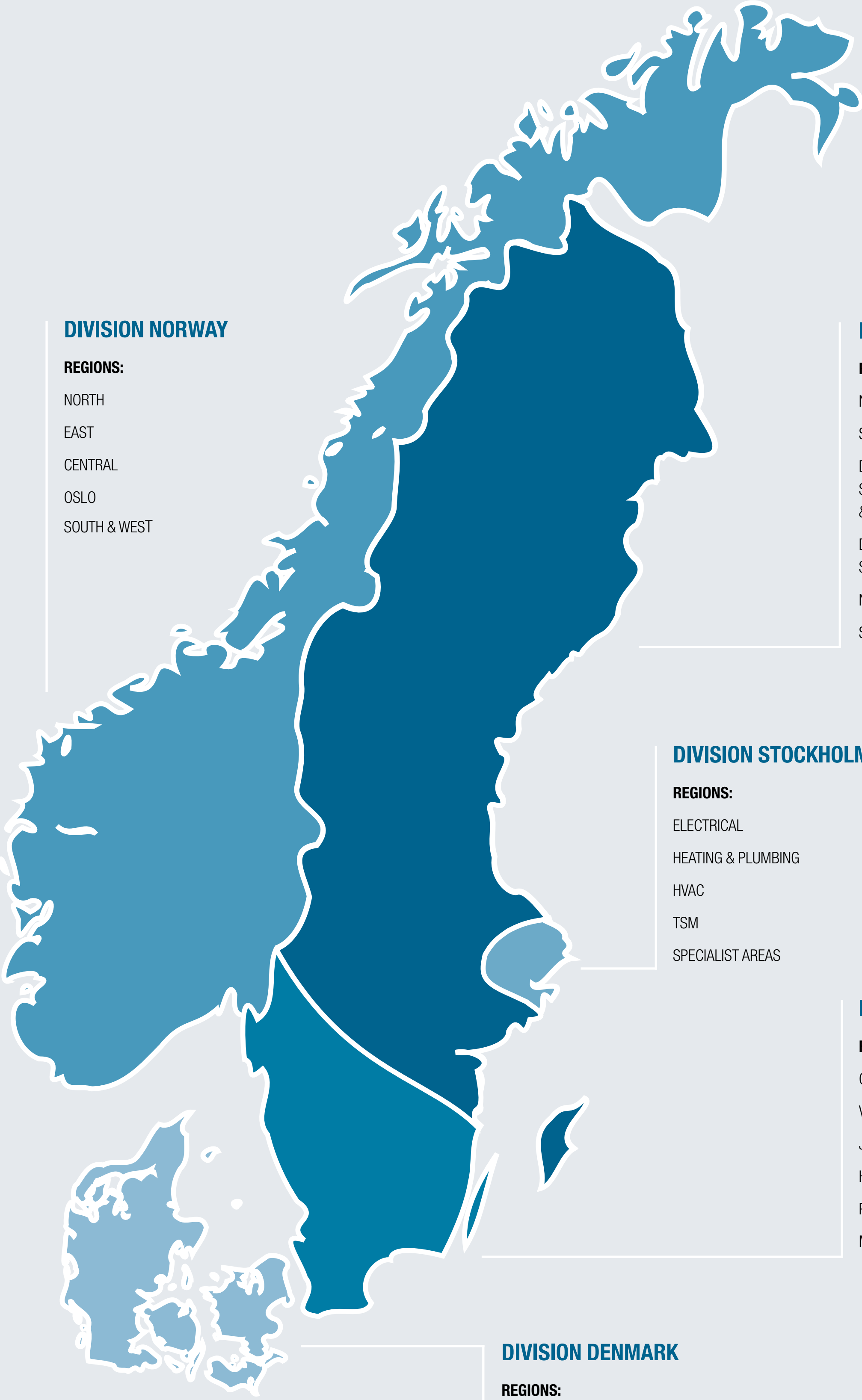
The regions are responsible for communicating and following up central group and division-specific strategies and goals and for providing operational support to the activities conducted by the local offices.

26

LOCAL OFFICES

The local offices conduct all operational activities. The head of office is responsible for sales, staffing, production support (cost benefit analyses, planning, etc) and day-to-day operations. Each local office is specialised in one field of technology.

200



DIVISION NORWAY

REGIONS:

NORTH

EAST

CENTRAL

OSLO

SOUTH & WEST

DIVISION NORTH

REGIONS:

NORTH NORRLAND

SOUTH NORRLAND

DALARNA, VÄSTMANLAND, SÖDERMANLAND – PLUMBING & HVAC

DALARNA, VÄSTMANLAND, SÖDERMANLAND – ELECTRICAL

NÄRKE, ÖSTERGÖTLAND, GOTLAND

SPECIAL COMPANIES

DIVISION STOCKHOLM

REGIONS:

ELECTRICAL

HEATING & PLUMBING

HVAC

TSM

SPECIALIST AREAS

DIVISION SOUTH

REGIONS:

GOTHENBURG

VÄNERN

JÖNKÖPING

HELSINGBORG

PRENAD

MALMÖ

DIVISION DENMARK

REGIONS:

FYN

JUTLAND

ZEALAND

INFRASTRUCTURE

5 DIVISIONS AN OVERVIEW

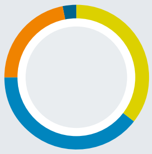
DIVISION NORTH

NET SALES	OPERATING MARGIN
1,970	7.1 %
ORDER INTAKE	**ORDER BACKLOG**
2,301	889

BREAKDOWN BY SERVICE/INSTALLATION

56/44

BREAKDOWN BY FIELD OF TECHNOLOGY



- Electrical, 36 %
- Heating & plumbing, 40 %
- HVAC, 22 %
- Other*, 3 %

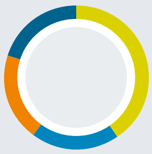
DIVISION STOCKHOLM

NET SALES	OPERATING MARGIN
1,880	5.8 %
ORDER INTAKE	**ORDER BACKLOG**
2,133	1,135

BREAKDOWN BY SERVICE/INSTALLATION

38/62

BREAKDOWN BY FIELD OF TECHNOLOGY



- Electrical, 41 %
- Heating & plumbing, 20 %
- HVAC, 20 %
- Other*, 20 %

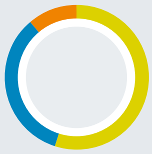
DIVISION SOUTH

NET SALES	OPERATING MARGIN
3,138	6.7 %
ORDER INTAKE	**ORDER BACKLOG**
3,023	1 299

BREAKDOWN BY SERVICE/INSTALLATION

41/59

BREAKDOWN BY FIELD OF TECHNOLOGY



- Electrical, 55 %
- Heating & plumbing, 34 %
- HVAC, 11 %

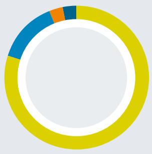
DIVISION NORWAY

NET SALES	OPERATING MARGIN
2,328	4.3 %
ORDER INTAKE	**ORDER BACKLOG**
2,497	804

BREAKDOWN BY SERVICE/INSTALLATION

66/34

BREAKDOWN BY FIELD OF TECHNOLOGY



- Electrical, 80 %
- Heating & plumbing, 14 %
- HVAC, 3 %
- Other*, 3 %

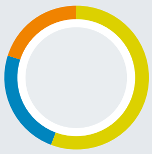
DIVISION DENMARK

NET SALES	OPERATING MARGIN
1,522	3.7 %
ORDER INTAKE	**ORDER BACKLOG**
1,433	463

BREAKDOWN BY SERVICE/INSTALLATION

56/44

BREAKDOWN BY FIELD OF TECHNOLOGY



- Electrical, 56 %
- Heating & plumbing, 24 %
- HVAC, 20 %

* The category includes technology consultancy, security and technical service management.

"Our product mix, local presence and expertise in carrying out value-creating functional installations has strengthened our market position and created profitable growth for the division."

GÖRAN LINDFORS HEAD OF DIVISION NORTH

STRONG GROWTH IN AN EXPANDING REGION

Division North continues to grow with good profitability. Thanks to a strong regional trend in industrial and public-sector investments, it is hoped that demand will continue to grow, resulting in a strong performance for the division.

Financial performance

Earnings and sales in the division grew strongly compared with the year before. The operating profit increased by 5 per cent to SEK 140 million (133), which represents an operating margin of 7.1 per cent (7.3). Thanks to a strong conclusion to the year, sales increased to SEK 1,970 million (1,830).

The order intake grew by 27 per cent to SEK 2,301 million (1,809) and the order backlog at the end of the period was SEK 889 million (557), an increase of 60 per cent on the previous year. A large part of the growth in the order book was due to the award of the contract for the installations at Facebook's new data centre in Luleå to Region North Norrland together with Division Stockholm.

Market trends

In Division North there is considerable variation in demand between different locations and regions. The industrial segment in North Norrland showed signs of improvement already in 2010 and performed strongly in 2011. Public-sector investments in the form of the renovation and modernisation of schools and healthcare facilities coupled with housing projects in the southern part of the division are other areas that performed strongly during the year. The service and maintenance market remained stable, with solid demand in the energy area.

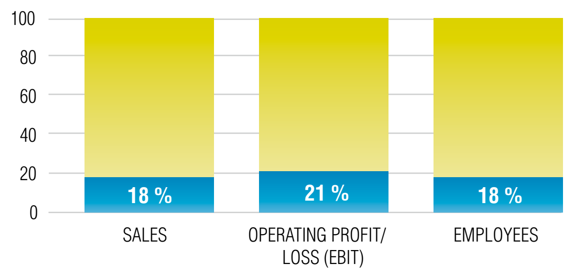
It is hoped that demand will continue to increase. This is based on a pick-up in demand from the industrial segment and expectations that public-sector initiatives will have a positive impact on the market for service assignments as well as new installations. Despite stabilising in recent months, prices are expected to remain relatively low also in 2012.

Projects and focus areas

During the year Division North and Division Stockholm were awarded the contract for project design, planning and installation of all electrical, heating and plumbing and HVAC fixtures and equipment at Facebook's new data centre, which is being built outside Luleå. The project will take the form of a joint venture between NCC and two US construction firms, DPR Construction and Fortis Construction. The contract is Bravida's largest to date.

In the division a drive is now being initiated to strengthen Bravida's operations in locations which currently lack one or more fields of technology, in line with Bravida's strategy to grow in priority markets. The division's drive to increase the share of service assignments has proved successful and will continue alongside continued efforts to develop and increase sales of energy-efficient solutions.

SHARE OF GROUP



BIG POTENTIAL IN A BROADER OFFERING

"After a tentative start to 2011 the division picked up speed in the autumn, and thanks to good production and a strong order backlog, we are now in a good position for 2012."

FILIP BJURSTRÖM HEAD OF DIVISION STOCKHOLM

Division Stockholm continues to broaden its offering and raise its level of ambition in several areas. A stronger service business and future infrastructure investments create opportunities for a stronger performance for the division.

Financial performance

Sales for the twelve-month period in Division Stockholm were SEK 1,880 million (1,840), an increase by 2 per cent. The operating profit was SEK 110 million (115), which represents an operating margin of 5.8 per cent (6.3). The slightly weaker result was partly due to varying demand in the division.

The order intake for the period increased by 9 per cent to SEK 2,133 million (1,953). At year-end the division had an order backlog worth SEK 1,135 million (855), which was an increase of 33 per cent compared with year-end 2010. This means that Division Stockholm has the largest order backlog relative to sales in Bravida.

Market trends

In Stockholm the shortage of housing has resulted in strong residential construction while public-sector residential investments have grown sharply. Towards the end of the year, the number of housing starts and commercial property projects declined, however. The major infrastructure investments in Stockholm are expected to constitute a key sub-market going ahead.

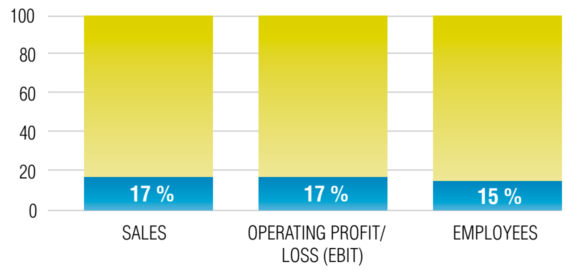
The division competes with several companies from other parts of the country as well with international providers that are looking for new business in the Swedish capital. This trend is expected to strengthen in coming years, which could keep a lid on prices. The market for service contracts in the Stockholm region remains good.

Projects and focus areas

In addition to the contract to carry out the installations at Facebook's new data centre, which the division won together with Division North, Division Stockholm has expanded its installation contract for the Norra länken motorway in Stockholm to comprise fire extinguishing systems. The division has also received a contract to install the HVAC solution for the new Stockholm Arena that is being built next to the Stockholm Globe Arena and has been given full responsibility for the new shopping centre in the Hornstull district of Södermalm in Stockholm.

During the year the division continued its extensive initiative covering the areas of human resources, customers, processes and accounting and finance. The aim is to improve collaboration internally and strengthen customer relationships. The division is also continuing to work on an initiative in heating & plumbing and HVAC service, where there is potential for good growth.

SHARE OF GROUP



CONTINUED STRONG PERFORMANCE IN DIVISION SOUTH

"We had high expectations for 2011. Expectations that were met by a comfortable margin. I am immensely proud to be leading an organisation which has so clearly defended its market share as well as its results."

Division South continues to grow and increased its sales and margin in 2011. As demand picks up in the metropolitan regions, the division has significant potential to continue to grow profitably.

STAFFAN PÅHLSSON HEAD OF DIVISION SOUTH

Financial performance

Division South performed strongly in 2011 amid high capacity utilisation and a strong order intake. Net sales grew by 7 percent to SEK 3,138 million (2,931). The operating profit increased by 14 per cent year on year, to SEK 210 million (184). and the margin improved to 6.7 per cent (6.3).

The order intake for the year was SEK 3,023 million (3,057). Following the high level of production in 2011, the division's order backlog fell by 8 per cent, to SEK 1,299 million (1,415) at year-end.

Market trends

The positive trend in construction starts in the division has plateaued at a high level. The number of construction and project design starts is still positive compared with the same period in 2010, although the pace of growth has diminished. The breakdown between public-sector investments, housing and commercial projects is relatively even.

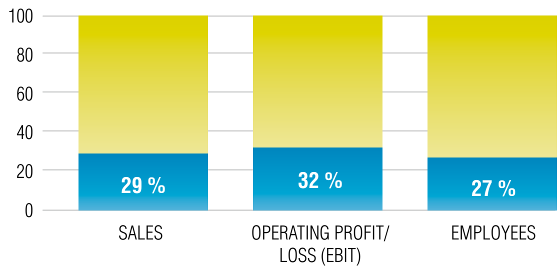
The previously weak demand trend in the division's metropolitan regions has turned, and these regions are now showing the strongest demand. The market is driven mainly by infrastructure and housing, but activity has also picked up in the office and retail segments. Volumes in Region Jönköping shrank in 2011 while other parts of the division saw good demand. The economic recovery and strong demand are expected to have a positive impact on prices in the coming year.

Projects and focus areas

In 2011 Division South was contracted under a partnering arrangement with NCC to carry out the electrical installations in the Nya Triangeln project in central Malmö. The division also received the contract for the electrical, heating and plumbing installations in the environmentally certified premises of the Kristianstad Local Authority and Region Skåne in Rådshuskvarteret in Kristianstad. Over a two-year period Bravida will be optimising energy use in 28 properties for Eidar, a municipal property company in Trollhättan.

The division works continuously to broaden its expertise and further strengthen its position as an integrated supplier. Acquisitions of plumbing and HVAC companies have improved the division's competitiveness and form part of the drive to continuously strengthen Bravida's local presence in the locality and in regions with interesting development opportunities.

SHARE OF GROUP



ACQUISITIONS STRENGTHEN OUR POSITION

Through a number of strategically important acquisitions in heating and plumbing, Division Norway has strengthened its operations in the key Oslo region. Despite a tough market, we also see growth in minor installation projects in the division.

Financial performance

After the weak market performance in the last few years, Division Norway increased its sales to SEK 2,328 million (2,291) in 2011, an increase of 4 per cent in local currency. The operating profit was SEK 101 million (135), which represents a margin of 4.3 per cent (5.9). The lower margin was related to more subdued activity in the installation market as well as adjustments to forecasts for ongoing projects at the beginning of the year.

The order intake was 2,497 million (2,246), which is an increase of 14 per cent in local currency terms. The order backlog increased sharply during the year, reaching SEK 804 million (460) at year-end, an increase of 75 per cent. The strong growth in the order backlog comes from the companies that were acquired during the year as well as a large number of small and medium-sized orders.

Projects and focus areas

In 2011 Division Norway received the contract to carry out the electrical installations in the world's northernmost coal mine, Lunckefjell on Svalbard, the largest island in the Spitsbergen archipelago. The division also won a central procurement contract for technical service management in Nordea's properties in Norway. The agreement covers all of Bravida's fields of technology.

The acquisition of Siemens Installation AS, whose operations were fully integrated in 2010, has further consolidated Bravida's position in the Norwegian market. In 2011 additional acquisitions in heating & plumbing in the Oslo region further strengthened Bravida's position as a leading integrated installation and service provider in Norway.

"2011 was our toughest year since the financial crisis of 2008. The fact that we still succeeded in maintaining our profitability and sales is encouraging."

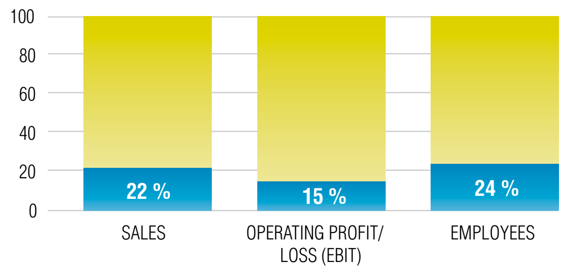
EIRIK FRANTZEN HEAD OF DIVISION NORWAY

Market trends

Demand for new builds has been weak in Norway for a number of years but is now picking up again in all sub-segments. The industrial and residential segments, in particular, have seen a sharp increase from very low levels, although a large influx of new building services providers has led to tough competition and price pressures. The market for service assignments and tax-subsidised renovation projects was relatively stable in 2011.

The market is generally seeing a higher level of activity and optimism, and the division is therefore confident about the outlook for coming years, when new infrastructure and public-sector projects could create opportunities to boost growth.

SHARE OF GROUP



SERVICE CREATES GROWTH AND PROFITABILITY

Despite the weak economic backdrop, Division Denmark has succeeded in reversing its negative trend, posting increases in both sales and earnings. A developed service business is one explanation behind the turnaround.

Financial performance

In 2011 Division Denmark recovered some of the volume that has been lost in recent years, posting sales of SEK 1,522 million (1,519). As the Danish krone weakened during the year, this represented a 6 per cent increase in local currency terms, which is higher than the growth rate for the construction and building services market as a whole. The operating profit increased markedly to SEK 57 million (17), which represents a margin of 3.8 per cent (1.1). The stronger result was achieved in spite of a highly pressured market and is due to significant cost adaptations and efficiencies. All regions improved their earnings during the year from weak levels.

The order intake was SEK 1,433 million (1,604). The order backlog declined by 16 per cent in local currency terms to SEK 463 million (553). The decline in the order backlog was due to the shift towards service assignments in the division.

BENT ANDERSEN HEAD OF DIVISION DENMARK

Market trends

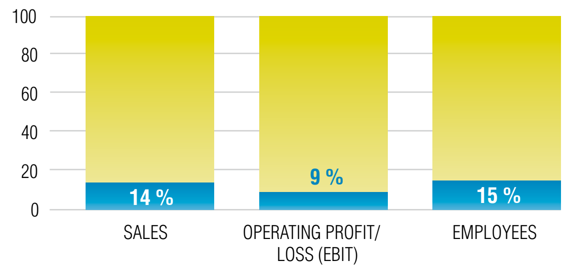
Demand for building services in the Danish market remains weak, resulting in strong competition and price pressures. The fact that Denmark is in recession affects the construction market and therefore also the market for building services. As a result, the division continued to take a selective approach, especially with respect to major installation contracts. The market for service assignments and tax-subsidised renovation projects experienced moderate growth, however, following the sharp declines seen in recent years. It is expected that activity in the Danish building services market will pick up but remain at a lower level than in Sweden and Norway.

Projects and focus areas

In 2011 Division Denmark received the contracts to renovate, replace and carry out new plumbing and HVAC installations at the Hadersleve Katedralskole and to carry out all plumbing and heating work as well as energy-efficiency measures in the renovation of 328 apartments in Svedenborgs andelslägenhetsförening, a housing cooperative. As in Norway, Division Denmark has concluded a service contract with Nordea for technical service management in two of the bank's properties, including its head office.

During the year the division adapted to existing demand and successfully implemented measures aimed at improving profitability. Through intensified sales activities in service and energy optimisation the division is seeking to compensate for the weak market activity pending a resurgence of investment in new construction.

SHARE OF GROUP



"The pressured Danish market led to an increased focus on service and energy services in 2011."

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Bravida AB, reg. no. 556713-6535, hereby present the annual report and consolidated financial statements for the financial year 2011.

The business

Bravida is Scandinavia's leading provider of installation and service solutions, with approximately 8,000 employees at 150 locations in Sweden, Norway and Denmark. Bravida provides specialist services and integrated solutions in three main fields of technology: electrical, heating & plumbing and HVAC.

In its electrical installation business the Group offers integrated solutions for lighting, heating and energy supply. Alarm, surveillance and security systems are rapidly changing segments and constitute an important additional area of business on top of traditional heavy-current installations.

The company's heating & plumbing segment provides integrated solutions for water, waste water, energy, heating and cooling. The segment also has specialist expertise in sprinkler systems, an area in which Bravida has special certification.

The HVAC segment (heating, ventilating and air conditioning) offers customised ventilation solutions and all the technology required for air handling, air conditioning and climate control. Demand for energy-efficient ventilation systems is growing fast and Bravida also performs energy assessments and projects relating to energy audits and energy efficiency.

Bravida also has qualified staff in certain specialist areas. Bravida Fire & Security specialises in fire and safety technology. Bravida Technical Service Management (TSM) offers technical property services comprising supervision, maintenance and on-call services. Erfator Projektledning offers project management services in the construction and real estate sectors.

The operations are organised in five divisions: Divisions North, Stockholm and South in Sweden, Division Norway and Division Denmark. Operational management and administration are performed at the local level.

The Group's head office is located in Stockholm and provides support functions including purchasing, business development, IT, communications, HR, legal affairs, and accounting and finance.

Activities in 2011

For 2011 Bravida posts its strongest operating profit in the history of the Group. Net sales grew by 5.5 per cent in local currency and the operating profit improved by 7 per cent, despite continued price pressures in the market. The Group's ambition of achieving a balance between its installation and service businesses was realised in 2011. Demand was good in Sweden and increased from low levels in Norway and Denmark. Cash flow from operating activities improved by 41 per cent on the back of strong invoicing.

Bravida prioritises margins over volumes by steering away from installation contracts with a high risk and poor profitability, and has continued to prioritise its service business.

Net sales

Consolidated net sales were SEK 10,768 (10,345) million, an increase of 5.5 per cent after adjusting for currency effects. Organically, growth was 4.1 per cent. Currency effects reduced net sales by 1.4 per cent while acquisitions and disposals added 1.4 per cent. The service business accounted for 51 per cent and the installation business for the remaining portion. Net sales in our service business increased by 10 per cent compared with 2010, while net sales from installation contracts were largely unchanged. Net sales increased by 6 per cent in Sweden, to SEK 6,955 million (6,532), and were SEK 1,522 million (1,519) in Denmark, which was an increase of 6 per cent in local currency. Net sales in Norway increased to SEK 2,328 million (2,291), which, after adjusting for currency effects, was an increase of 4 per cent on the year before.

Operating profit/loss

The operating profit improved by 7 per cent to SEK 663 million (621), which represents an operating margin of 6.2 per cent (6.0). The margin was 7.0 per cent (7.0) in the Swedish business, 3.8 per cent (1.1) in Denmark and 4.3 per cent (5.9) in Norway. EBITA was SEK 664 million (621), resulting in an EBITA margin of 6.2 per cent (6.0).

Earnings before tax

The net financial expense was unchanged at SEK -48 million (-48) and the profit before tax was SEK 616 million (573).

Earnings after tax

The tax expense for the year was SEK -106 million (-161). Of the total tax expense, SEK -37 million (-69) referred to deferred tax expenses while the remaining portion was payable. Activation of tax losses affects the tax expense for the year. Earnings after tax for the period were SEK 510 million (412).

Comprehensive income for the period

Translation differences for the period from the translation of foreign operations were SEK -5 million (-54) due to the strengthening of the Swedish krona. Comprehensive income for the period was SEK 505 million (358). Out of total comprehensive income, SEK 1 million (-) is attributable to non-controlling interests.

Order intake and order backlog

The pick-up in demand that we have seen has started to level off, though demand varies considerably from one location to another. In some locations the market was weak, resulting in continued price pressures, while other locations saw clear signs of a pick-up in demand. Prices are still low. Generally speaking, demand is strongest in Sweden. Demand from the industrial sector and new commercial construction rose modestly. Demand in the construction market has been held up by public-sector investment and especially by a rise in residential construction from low levels. On the whole, the service market remained robust.

Bravida's order intake was SEK 11,315 million (10,601), which, after adjusting for currency effects, was an increase of 8 per cent on the year before. The order intake increased by 10 per cent in Sweden and decreased by 6 per cent in

AMOUNTS IN SEK MILLIONS UNLESS OTHERWISE STATED

Denmark but grew 14 per cent in Norway, all in local currency terms.

The order backlog increased to SEK 4,590 million (3,840). In currency-adjusted terms, this was an increase of 20 per cent compared with the same date in the previous year. The increase was primarily attributable to a number of very large contracts that were awarded to Bravida in 2011. The order backlog increased by 18 per cent in Sweden. The order backlog grew by 75 per cent in Norway but declined by 16 per cent in Denmark in local currency terms. The order backlog figures only include Bravida's installation business and fixed contractual service business.

Acquisitions and disposals

Bravida made the following acquisitions in 2011:

Acquired unit	Division	Type	Acquisition date	No. of employees
Project management business, Stockholm	Stockholm	Company	1 Jan	19
Heating & plumbing business, Oslo	Norway	Company	7 Jan	50
Sprinkler business, Kinna	Stockholm	Company 70 %	1 Jul	50
Heating & plumbing business, Hässleholm	South	Operation	15 Aug	17
Heating & plumbing business, Norrköping	North	Operation	31 Aug	10
Heating & plumbing business, Oslo	Norway	Company	26 Sep	35
Heating & plumbing business, Höganäs	South	Operation	1 Nov	6
Dormant company, Stockholm	Central function	Company	1 Apr	–

All acquisitions are in line with Bravida's strategy to expand in its priority markets. No disposals were made during the period. Acquisitions and disposals increased net sales in 2011 by 1.4 per cent.

If the acquisitions had taken place at 1 January consolidated net sales and the consolidated operating profit would have increased by more than 2 per cent. No disposals were made during the year. For more information about the acquisitions, see Note 4.

Regional markets

Operations in Sweden

In Sweden Bravida operates through three divisions: North, Stockholm and South. Net sales were SEK 6,955 million (6,532), which was an increase of 6 per cent on the year before. The operating profit was SEK 490 million (458), which represents an operating margin of 7.0 per cent (7.0). The number of employees was 4,817 (4,640), an increase of 4 per cent. Activity was high, especially at the end of the year.

Division North had a strong end to the year. Net sales were SEK 1,970 million (1,830), an increase of 8 per cent. Out of total net sales, SEK 1,954 million refers to external sales and SEK 16 million to sales towards other segments. The operating profit improved by 5 per cent to SEK 140 million (133), which means that the operating margin was 7.1 per cent (7.3). Demand varies significantly from one location to another. The industrial segment in the North Norrland region, in particular, and public-sector investments and housing projects in the southern part of the division's territory were the strongest performing segments. The service and maintenance market remained stable, with solid demand in the energy area. In the division a drive is now being initiated to strengthen the locations which are currently not multidisciplinary, in line with Bravida's growth strategy for its priority markets. The order intake grew by 27 per cent to SEK 2,301 million (1,809) and the order backlog at the end of the period was SEK 889 million (557), an increase of 60 per cent compared with the year before. A large part of the growth in the order book was due to a major order, Bravida's largest to date, won by Region North Norrland together with Division Stockholm following Facebook's decision to build Europe's largest data centre outside Luleå.

The average number of employees increased to 1,410 (1,402).

Division Stockholm's net sales increased by 2 per cent in 2011, to SEK 1,880 million (1,840). Out of total net sales, SEK 1,827 million refers to external sales and SEK 53 million to sales from other segments. The operating profit was SEK 110 million (115), which represents an operating margin of 5.8 per cent (6.3). The trend in earnings in the last quarter was positive, with a high rate of production. Housing production and investments in the public sector were strong. Towards the end of the year, the number of new housing starts and commercial property projects declined, however. The major infrastructure investments in Stockholm are expected to constitute a key sub-market going ahead. The division competes with companies from other parts of the country as well as with international providers that are looking for new business in the Swedish capital in a trend that is expected to strengthen in coming years. The market for service contracts in Stockholm remains good. The order intake for the year increased by 9 per cent to SEK 2,133 million (1,953). Division Stockholm now has the largest order backlog relative to sales. At year-end the division had an order backlog worth SEK 1,135 million (855), an increase of 33 per cent on year-end 2010.

The average number of employees was 1,223 (1,145), an increase of 7 per cent.

Division South performed strongly in 2011, achieving a rate of growth which brought net sales and the operating profit back to the robust levels seen in 2008. Net sales grew by 7 percent to SEK 3,138 million (2,931). Out of total net sales, SEK 3,130 million refers to external sales and SEK 8 million to sales from other segments. The strongest increases in demand were seen in the metropolitan regions. With the exception of Region Jönköping, where volumes declined, the division saw good demand. The operating profit increased by 14 per cent year on year, to SEK 210 million (184) and the margin improved to 6.7 per cent (6.3). The positive trend in construction starts in the division has plateaued at a high level. The construction starts index remained positive

over a rolling 12-month period, although the pace of growth has diminished. The breakdown between public-sector investments, housing and commercial projects is relatively even.
The order intake for the year was SEK 3,023 million (3,057). Following the high level of production in 2011, the order backlog fell by 8 per cent, to SEK 1,299 million (1,415) at year-end.

The average number of employees increased by 4 per cent to 2,131 (2,053).

Operations in Norway

Division Norway saw growing sales in 2011 following a series of years of weak market activity. Net sales for the year increased to SEK 2,328 million (2,291), an increase of 4 percent in local currency terms. Net sales were wholly attributable to external sales. The operating profit was SEK 101 million (135), which represents a margin of 4.3 per cent (5.9). The lower margin was related to more subdued activity in the installation market as well as adjustments made at the beginning of the year to forecasts for ongoing projects. Demand for new builds is now growing again in all sub-segments. The industrial and residential segments, in particular, are seeing a significant pick-up in activity from very low levels. A large influx of new building services providers has led to tough competition and price pressures. The market for service and tax-subsidised renovation projects was relatively stable. A greater degree of optimism is evident in the market, and we are confident about the outlook for coming years. The order intake was 2,497 million (2,246), which is an increase of 14 per cent in local currency. The order backlog grew sharply, to SEK 804 million (460) at the end of the period, which was an increase of 75 per cent in local currency. The growth in the order backlog was partly due to acquisitions during the year and partly to a large number of small to medium-sized orders.

The average number of employees increased by 2 per cent to 1,901 (1,871).

Operations in Denmark

In the past year **Division Denmark** recovered some of the volumes that were lost in recent years. Net sales were SEK 1,522 million (1,519). As the Danish krone weakened in 2011, this represented a 6 per cent increase in local currency terms, which is higher than the growth rate for the construction and building services market as a whole. Net sales were wholly attributable to external sales. The operating profit increased by 234 per cent to SEK 57 million (17), which represents a margin of 3.8 per cent (1.1). The stronger result was achieved in spite of a highly pressured market and is due to significant cost adaptations and efficiencies. All regions improved their earnings in 2011, albeit from weak levels. The current recession in Denmark has affected the construction market and therefore also the market for building services. To manage the situation, the division has continued to take a selective approach, especially with regard to major installation contracts. The market for service assignments and tax-subsidised renovation projects saw moderate growth following the sharp declines seen in recent years. The order intake was SEK 1,433 million (1,604). In local currency terms this was a decline of 6 per cent. The order backlog declined by 16 per cent in local currency terms to SEK 463 million (553). The decline in the order backlog was due to the shift towards service assignments in the division.

The average number of employees in 2011 was 1,203 (1,285), a decrease of 6 per cent.

Cash flow and investments

Cash flow from operating activities improved by 41 per cent to SEK 559 million (398). Strong billing and a decrease in working capital contributed to the improvement. Cash flow includes SEK -77 million (-8) in taxes paid. Cash flow from investing activities was SEK -66 million (19), partly due to the acquisition and sale of operations. Cash flow before financing activities increased to SEK 493 million (417). Previously recognised Group contributions of SEK 35 million (213) were paid out during the year. A dividend of SEK 150 million (700) was also paid. Cash flow from financing activities was SEK -453 million (-1,244) and the cash flow for the year was thus SEK 41 million (-827).

Financial position

Consolidated cash and cash equivalents at 31 December were SEK 76 million (35). Bravida also had access to SEK 501 million (881) in undrawn credit facilities. At 31 December the company had interest-bearing liabilities of SEK 202 million (469). Equity at year-end was SEK 2,121 million (1,355), representing an equity/assets ratio of 35.8 per cent (26.7).

Employees

The average number of employees was 7,955 (7,834), an increase of 2 per cent. The number of employees increased by 4 per cent in Sweden and by 2 per cent in Norway. In Denmark the number of employees fell by 6 per cent. Bravida has a high level of preparedness to adapt its resources to changing conditions in its local markets. In several locations the company is now recruiting and a shortage of resources is evident in some areas, an issue that is partly being addressed through the use of subcontractors.

Skills development

Bravida's success is based on the expertise and reliability of its employees and their ability to deliver the solutions demanded by the customers. Continuous training is the key to improving the efficiency and quality of all processes and deliveries. The Bravida School offers a wide range of courses for the company's employees.

Since 2007 more than half of Bravida's managers have initiated or concluded Bravida's leadership training programme, which runs over 18 months and concludes with the award of an internal diploma.

Recruitment

The building services industry is set to grow, and technological advances will require more skilled employees. The age structure of Bravida's staff also points to a need to attract younger people with a high level of education. About one year ago the Group therefore stepped up its recruitment efforts, with a particular emphasis on recruiting engineers. For each vacant position Bravida seeks to identify the individual who has the best skills profile and development potential among the applicants. To be able to offer good career prospects in the company, Bravida promotes internal recruitment and personal development. A number of engineering graduates were also recruited in 2011. The recruitment efforts will continue in 2012.

Occupational health & safety

Bravida's ambition is to ensure that it is safe to work in the Group. In 2011 the company introduced a zero target for workplace accidents. The work environment at Bravida's workplaces is a key competitive asset, both from an employee and a sales perspective. Occupational health and safety (OHS) activities are an integral part of the Group's central enterprise systems.

A good work environment promotes better health, a higher level of commitment and increased job satisfaction. To reduce the percentage of sick leave and prevent occupational injuries, Bravida focuses on increasing employees' knowledge of work load ergonomics. All installers and fitters receive instruction in heavy lifting, risky work positions, good aids and alternative work methods. Each year 150-200 employees complete Bravida's "A Better Work Environment" training programme. Since 2011 Bravida has been using a web-based tool to improve reporting and follow-up of incidents and accidents. The aim is to identify potential improvements and reduce the number of occupational accidents.

Equal opportunities

Bravida works actively on issues such as harassment and equal opportunities. The Group has an equal opportunities plan which promotes equal opportunities and rights for all employees and prospective employees. Bravida also works actively to prevent all forms of discrimination. As in the rest of the building services industry, the share of female employees in Bravida is currently small. As part of a long-term plan to change this, the Group is working with other employer groups and apprenticeship councils to increase the share of skilled women in the industry.

Employee targets and follow-up in 2011

Bravida's goal is to be the first-choice employer for staff. The general goal is to achieve an employee satisfaction index (ESI) score of at least 4.0 (formerly 3.5) among the Group's employees. The most recent employee survey resulted in an ESI score of 3.6. Bravida has also adopted a zero target for workplace accidents. In 2011 the occupational injury rate was 11.9.

Quality and environment

The company's quality and environmental management system supports processes at various stages of our production. As part of its commitment to constant improvement, this means that the company works actively to achieve general and detailed quality and environmental goals, operational plans and reviews to measure improvements. Bravida's quality and environmental activities are ultimately governed by the policies adopted by the company's management.

Bravida has introduced procedures for identifying, examining and evaluating the environmental impact of our operations. The most significant environmental impact is in areas like travel, transports, energy consumption in infrastructure and waste.

Bravida's operations are currently not of such scale or nature as to be subject to the permit requirements for environmentally hazardous activities under Chapter 9, Section 6 of the Swedish Environmental Code. The operations are conducted in such a way that there is no risk of significant contamination or of other significant damage to human health or the environment. A notification requirement for environmentally hazardous activities exists for interim storage of hazardous waste in certain locations in the Bravida Sverige AB subsidiary. The operation concerned accounted for less than one per cent of consolidated net sales in 2011.

Quality targets and follow-up in 2011

The overall goal is to achieve an average annualised CSI score (customer satisfaction index) of at least 4.0 at local office level.

In order to continually assess and measure the quality of our services and products, Bravida conducts customer satisfaction surveys on a regular basis. Bravida's definition of a satisfied customer is a customer who generates a CSI score over 4.0 on a scale of 1 to 5. In the latest survey Bravida received CSI scores of 4.0 for installation contracts and 3.8 for service assignments in Sweden.

Environmental targets and follow-up in 2011

The overall goal is to work actively to reduce energy use and other environmental impacts from the company's projects. Bravida continually evaluates the environmental impact of its transports with a view to reducing that impact.

The company is seeking to reduce the use of fossil fuels in the company's roughly 3,000 vehicles, and recent figures point to a continued downward trend, with a lower total consumption per distance travelled.

Significant risks and uncertainties for the Group and parent company

In its operations Bravida is exposed to various types of risk, both operational and financial. Operational risks are associated with day-to-day operations relating to economic activity, tendering, capacity utilisation, price risks and revenue recognition. Financial risks arise from the amount of capital tied up and the company's capital requirements. Bravida is exposed to greater operational risks than financial risks.

Risk management

In Bravida's installation business the risk is asymmetric. In any given project the chances of exceeding the expected outcome during the term of the project are limited while there is a risk of incurring significant losses in relation to the size of the project. Good management of operational risks in each individual project is therefore key. The management of operational risks is a continuous process covering a large number of ongoing projects and service assignments. It is therefore particularly important that Bravida's employees consistently comply with standardised methods and work methods to ensure that operational risks remain under control. Risk management is clearly defined in Bravida's management system, which is designed to prevent risks and reduce the company's risk exposure. The company's systematic work on quality and environmental issues as well as occupational health and safety issues are key building blocks which make up the backbone of the management system. The Group's financial risks are managed centrally for the purpose of minimising and controlling the risk exposure while credit risks in the business operations are managed locally.

Operational risks

Economic activity
Fluctuations in the economy affect the building services sector, which is sensitive to market fluctuations and political decisions that can have an impact on demand for residential and commercial new builds and investments in industry and the public sector. Demand for service and maintenance work is not as sensitive to fluctuations in the economic cycle. Service assignments account for 51 per cent of Bravida's sales, with installation contracts accounting for the rest.

Tendering
A building services company is exposed to commercial and production-related risks, which need to be identified and managed during the tendering process. To ensure that this is done, Bravida has drawn up process descriptions and checklists that are aimed at identifying and pricing the risks in the company's cost estimates and tenders.

Capacity utilisation
Capacity utilisation is heavily dependent on demand in Bravida's local markets. An unforeseen decline in capacity utilisation generally results in a loss of revenue which in the short term cannot be offset by a corresponding cost reduction. Bravida seeks to mitigate these risks through continuous resource planning and by employing subcontractors during periods of peak production.

Price risks
Unforeseen variations in input prices and prices charged by subcontractors constitute a risk. Bravida seeks to offset the risk of rising prices through the use of contract forms that are appropriate for the project, indexation for fixed-price agreements and efficient purchasing procedures.

Revenue recognition
Bravida recognises revenue from its projects in accordance with the percentage of completion method. The recognition of revenue is based on the degree of completion of the project and the final forecast. Bravida continually monitors the economic status of its projects to limit the risk of incorrect forecasts and consequently of incorrect revenue recognition. Bravida's quality assurance system specifies the processes to be used from the beginning to the end of the project, in order to ensure efficient production. In large projects the company also performs project assurance activities to ensure a high quality in the implementation of its projects.

Insurances
Bravida has adequate insurance cover for its operations, comprising liability, contract and property insurance.

Financial risks
Bravida is exposed to financial risks, which arise partly as a result of changes in debt levels and interest rates. For information about financial risks, including interest, currency, financing and credit risks, see Note 28.

Sensitivity analysis

	Change, %	**Effect on earnings before tax +– SEKm**
Sales	1 %	7
Operating margin	1 % point	108
Payroll costs	1 %	47
Materials and subcontractors	1 %	43
Share productive installer time	1 % point	57
Interest rate on loans	1 % point	2
Exchange rate	10 %	16

Material disputes
There are a small number of disputes in progress in the Group. The scope and nature of the disputes are not out of proportion to the scope and nature of the company's operations. The disputes are thus related to the company's operational activities, and mostly relate to claims for work carried out. In Denmark a settlement was reached in 2011 in a major dispute that has existed for a number of years. The dispute referred to a claim that a company acquired by Bravida in 2003 had engaged in coordinated bidding. After the settlement there are no remaining major disputes.

Outlook
Bravida is established in about 150 locations across Scandinavia, each with its own particular local market conditions. The Scandinavian building services market as a whole has improved after a period of weakness in the last few years, which led to falling market prices. The lacklustre demand was related to weak economic activity.

Although the general economic environment has deteriorated, Bravida, which is a late-cyclical company, is still expected to achieve sales in excess of last year's figures in 2012. Looking at the global economy as a whole, there are several sources of concern which could affect us, including the fiscal crises affecting several European countries. The fact that the order intake exceeded sales in both 2010 and 2011 for the first time since 2007 is a positive development for Bravida. It is expected that the Group's Danish business will face improved though still tougher market conditions than our Swedish and Norwegian businesses, and that the market situation in Norway will improve.

New commercial construction is expected to remain weak due to high levels of vacancies in existing properties. In residential construction we expect growth rates to level off in response to stricter funding criteria. Public-sector investment in hospitals, schools, care facilities and infrastructure is expected to remain relatively high over the next few years. The need for energy efficiencies and reduced running costs for installation is expected to lead to an increase in the share of installation investments in existing buildings. With supplementary specialist services in security, cooling and sprinkler systems, Bravida offers a full gamut of services, providing a foundation for solid growth. The recent sales

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growth in our service business is expected to continue into 2012, while our large backlog of orders is expected to lead to increased sales also in installation business.

In recent years Bravida has restructured and streamlined its activities in sales, purchasing, production and administration. Extensive measures have been taken to adapt production capacity to demand in the market and to streamline operations in order to reduce administrative expenses. This will continue in 2012 along with an ongoing effort to expand the service business with a strong focus on growth. In the last few years a number of minor additional acquisitions have been made in Sweden, Norway and Denmark. The 2009 acquisition of Siemens' building services business in Norway represents a strategic move that has made Bravida the leading player also in the Norwegian electrical installations market. The merger has significantly strengthened Bravida's Norwegian business. Thanks to the measures described above, Bravida is in a strong position as we go into 2012.

Ownership

Since December 2006 Bravida AB has been a wholly-owned subsidiary of Scandinavian Installation Acquisition AB, reg. no. 556713-6519.

The work of the Board of Directors

In 2011 the Board convened on eleven occasions, holding five regular and six extraordinary meetings. One of the extraordinary meetings took the form of a conference call. The extraordinary meeting addressed issues relating to refinancing and a change to the membership of the Board. Regular Board meetings are normally held at Bravida's head office in Stockholm but in 2011 one meeting was held in Umeå. Members of senior management and the central Group functions presented reports at the Board meetings. The Umeå meeting was also attended by representatives of Division North.

Bravida's chief auditor was present at one of the Board meetings.

The Board's work has followed the formal rules of procedure for the Board of Directors, as adopted at the Board meeting in May 2011. The Board addressed strategic issues, business plans, financial statements, acquisitions and disposals, and other significant events. Reporting on the activities and financial positions of the company and Group has been a standing agenda item. In 2011 two separate committees consisting of different Board members were appointed: a remuneration committee tasked with reviewing and adopting resolutions on issues relating to remuneration of senior executives and general incentive schemes, and an audit committee tasked with ensuring that the Group's operations are correctly audited and with evaluating the audit.

The Board's work has continued to be focused on further improving the profitability of the Group's operations. As many of the measures taken to adapt the business to the slower pace of economic activity have now been implemented and the economy is expected to improve, the focus has shifted to increasing sales volumes. The Board has proposed measures to boost growth and has continuously followed up management's efforts to implement these measures and achieve the defined targets.

Parent company

During the year the parent company completed the merger of the subsidiary company Investeringssällskapet 1999 AB with the aim of creating a more focused organisational structure, see also Note 37. Bravida AB's net sales during the period were SEK 86 million (1). Out of total net sales, 95 per cent refers to inter-company sales.

The operating profit was SEK 16 million (0) while earnings before tax were SEK 384 million (1,056). Profit/loss from interests in Group companies includes a net Group contribution of SEK 242 million (213) as a result of the decision of the Swedish Financial Reporting Board to withdraw Recommendation UFR 2, Group Contributions and Shareholder Contributions. Cash and cash equivalents were SEK 58 million (2). Equity was SEK 2,074 million (1,505) after the adopted dividend payment of SEK 150 million and received shareholders' contribution of SEK 412, and the equity/assets ratio was 53.0 per cent (43.6). The average number of employees in the parent company was 15 (0). The number of shares at the beginning and end of the year was 51,313,833.

Events during the reporting period

Torbjörn Torell stepped down as CEO, handing over the reins to Mats O Paulsson. Mats has been a Director of Bravida since 2009. The change of CEO took place in connection with the Annual General Meeting on 5 May. Torbjörn Torell will remain on Bravida's Board of Directors. In 2011 Staffan Påhlsson was appointed Deputy Group President, in addition to his role as Head of Division South.

Events after the balance sheet date

After the end of the reporting period Division South has acquired the operations of EU Installation AB, an HVAC firm in Uddevalla with 11 employees.

On 16 February Finn Johnsson took up the role of Chairman of Bravida AB. Finn has many years' experience as a chairman, notably at Volvo and KappAhl, and as a Board member at Industrivärden and Skanska. The previous Chairman, Jan Åkesson, will remain a member of the Board.

Proposed allocation of profit

The Board proposes that the parent company's non-restricted equity of SEK 2,063,927,813 be allocated as follows:

Dividend	SEK 624,000,000
Carried forward	SEK 1,439,927,813
Total	SEK 2,063,927,813

For more information about the company's results and financial position, see the following income statements and balance sheets and the notes to the accounts.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK millions	Note	2011-01-01 -2011-12-31	2010-01-01 -2010-12-31
Net sales	2	10,768	10,345
Costs of production		-8,573	-8,205
Gross profit/loss		**2,195**	**2,139**
Other operating income	5	–	0
Administrative and selling expenses		-1,531	-1,519
Operating profit/loss	3, 6, 7, 8, 31	**663**	**621**
PROFIT/LOSS FROM FINANCIAL ITEMS			
Financial income		10	12
Financial expenses		-57	-60
Net financial income/expense	9	**-48**	**-48**
Profit/loss before tax		**616**	**573**
Tax on profit for the year	10	-106	-161
Profit/loss for the year		**510**	**412**
OTHER COMPREHENSIVE INCOME			
Translation differences for the year from the translation of foreign operations		-5	-54
Comprehensive income for the year		**505**	**358**
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the parent		504	358
Non-controlling interests		1	-
Comprehensive income for the year		**505**	**358**

CONSOLIDATED BALANCE SHEET

SEK millions	Note	2011-12-31	2010-12-31
ASSETS			
Intangible assets	11	2,203	2,134
Property, plant and equipment	12	34	34
Interests in associates	13	1	0
Pension assets	14	156	168
Other securities held as non-current assets	15	51	47
Long-term receivables	16	16	23
Deferred tax asset	10	151	171
Total non-current assets		**2,613**	**2,578**
Inventories		70	65
Tax assets		8	3
Trade receivables	17	1,845	1,652
Receivables from the parent company		418	–
Accrued but not invoiced income	18	685	544
Prepayments and accrued income	19	161	154
Other receivables	16	41	41
Short-term investments and restricted funds	20	2	8
Cash and cash equivalents		76	35
Total current assets		**3,306**	**2,501**
TOTAL ASSETS	27	**5,919**	**5,079**
EQUITY	21		
Share capital		10	10
Reserves		-10	-5
Retained earnings including profit/loss for the year		2,120	1,350
Equity attributable to equity holders of the parent		**2,120**	**1,355**
NON-CONTROLLING INTERESTS		1	-
LIABILITIES			
Pension provisions	14	91	97
Other provisions	23	36	36
Deferred tax liabilities	10	94	77
Total non-current liabilities		**221**	**210**
Current interest-bearing liabilities	22	200	200
Overdraft facilities	22	2	269
Trade payables		1,111	852
Tax liabilities		18	51
Invoiced but not accrued income	24	982	797
Liabilities to parent company		–	29
Other liabilities	25	287	276
Accrued expenses and deferred income	26	883	870
Provisions	23	93	171
Total current liabilities		**3,576**	**3,515**
Total liabilities		**3,797**	**3,725**
TOTAL EQUITY AND LIABILITIES	**27**	**5,919**	**5,079**

PLEDGED ASSETS AND CONTINGENT LIABILITIES FOR THE GROUP

SEK millions	Note	2011-12-31	2010-12-31
Pledged assets	22, 30	5,216	6,544
Contingent liabilities	22, 30	20	20

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK millions	Share capital	Translation reserve	Retained earnings incl. profit/loss for the year	Total equity
Opening balance acc to balance sheet equity at 1 January 2010	10	49	1,661	1,720
Profit/loss for the year			412	412
Other comprehensive income for the year		-54		-54
Dividend			-700	-700
Group contributions			-32	-32
Tax effect of Group contributions			8	8
Equity 31 December 2010	**10**	**-5**	**1,350**	**1,355**
Opening balance acc to balance sheet				
Equity 1 January 2011	**10**	**-5**	**1,350**	**1,355**
Profit/loss for the year			510	510
Other comprehensive income for the year		-5		-5
Dividend			-150	-150
Received shareholders' contribution			412	412
Group contributions			0	0
Tax effect of Group contributions			0	0
Equity, including shareholders without controlling influence, 31 Dec 2011	**10**	**-10**	**2,121**	**2,121**
Of which, shareholders without controlling influence, 31 Dec 2011			1	1
Equity attributable to equity of the parent company, 31 Dec 2011	**10**	**-10**	**2,120**	**2,120**

More information on equity is provided in Note 21 on page 63.

CONSOLIDATED CASH FLOW STATEMENT

SEK millions	NOTE	2011-01-01 -2011-12-31	2010-01-01 -2010-12-31
OPERATING ACTIVITIES			
Earnings before tax		616	573
Adjustments for non-cash items	33	-75	-106
Income taxes paid		-77	-8
Cash flow from operating activities before changes in working capital		**463**	**459**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-) / Decrease (+) in inventories		-3	-3
Increase (-) / Decrease (+) in operating assets		-286	-17
Increase (+) / Decrease (-) in operating liabilities		384	-42
Cash flow from operating activities		**559**	**398**
INVESTING ACTIVITIES			
Acquisition of subsidiaries	4, 32	-52	-2
Sale of subsidiaries		–	10
Acquisition of assets and liabilities	4	-7	-3
Sale of assets and liabilities		–	6
Acquisition of property, plant & equipment	12	-7	-4
Sale/reduction of financial assets		1	12
Cash flow from investing activities		**-66**	**19**
FINANCING ACTIVITIES			
Repayment of loans		–	-600
Change in utilisation of overdraft and credit facilities		-267	269
Dividend paid		-150	-700
Loan granted to parent company		-4	-3
Group contributions paid		-32	-210
Cash flow from financing activities		**-453**	**-1,244**
Cash flow for the year		41	-827
Cash and cash equivalents at beginning of year		35	905
Foreign exchange difference in cash and cash equivalents		0	-42
Cash and cash equivalents at end of year		**76**	**35**

PARENT COMPANY INCOME STATEMENT

SEK millions	Note	2011-01-01 -2011-12-31	2010-01-01 -2010-12-31
Other operating income	5	86	1
Administrative and selling expenses	6, 7, 8	-70	-1
Operating profit/loss		**16**	**0**
PROFIT/LOSS FROM FINANCIAL ITEMS			
Profit/loss from interests in Group companies		435	1,075
Interest and similar income		10	38
Interest and similar expenses		-77	-56
Net financial income/expense	**9**	**368**	**1,056**
Earnings after financial items		**384**	**1,056**
APPROPRIATIONS			
Transferred to tax allocation reserve		-37	-36
Earnings before tax		**347**	**1,020**
Tax on profit for the year	10	-40	-42
Profit/loss for the year[1)]		**307**	**979**

1) Profit/loss for the year agrees with comprehensive income for the year.

PARENT COMPANY BALANCE SHEET

SEK millions	Note	2011-12-31	2010-12-31	2010-01-01
ASSETS				
Non-current assets				
Financial assets				
Interests in Group companies	32	3,383	1,958	1,958
Other securities held as non-current assets	21, 22	50	–	–
Deferred tax asset	10	–	–	5
Total non-current assets		**3,433**	**1,958**	**1,963**
Current assets				
Current receivables				
Trade receivables		0	–	–
Receivables from the parent company		418	–	–
Receivables from Group companies		107	1,552	–
Other receivables		0	–	0
Prepayments and accrued income	19	0	0	–
		525	**1,553**	**0**
Cash and bank balances		58	2	7
Total current assets		**584**	**1,555**	**7**
TOTAL ASSETS	27	**4,017**	**3,513**	**1,971**
EQUITY AND LIABILITIES				
Equity	21			
Restricted equity				
Share capital (51,313,833 shares)		10	10	10
		10	**10**	**10**
Non-restricted equity				
Retained earnings		1,757	516	1,277
Profit/loss for the year		307	979	-37
		2,064	1,495	1,240
		2,074	**1,505**	**1,250**
Untaxed reserves				
Tax allocation reserves		73	36	–
		73	**36**	**–**
Provisions				
Provisions for pensions and similar obligations	21	54	–	–
Other provisions	29	14	–	–
		68	**–**	**–**
Non-current liabilities				
Liabilities to Group companies	22	–	–	508
		–	**–**	**508**
Current liabilities				
Liabilities to credit institutions	22, 25	200	200	–
Overdraft facilities	22, 25	–	269	–
Trade payables		2	1	0
Liabilities to Group companies		1,540	1,427	–
Liabilities to parent company	25	–	29	210
Tax liabilities		25	28	–
Other liabilities	25	20	16	0
Accrued expenses and deferred income	26	15	2	1
		1,802	**1,972**	**212**
TOTAL EQUITY AND LIABILITIES	27	**4,017**	**3,513**	**1,971**

PLEDGED ASSETS AND CONTINGENT LIABILITIES FOR THE PARENT COMPANY

SEK millions	Note	2011-12-31	2010-12-31
Pledged assets	30	3,704	1,958
Contingent liabilities	30	17	16

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

		Non-restricted equity		
SEK millions	**Share capital**	**Retained earnings**	**Profit/loss for the year**	**Total**
Opening balance acc to balance sheet				
Equity 1 January 2010	10	1,254	-14	1,250
Adjustment for change of accounting policies		24	-24	–
Adjusted equity 1 January 2010	**10**	**1,277**	**-37**	**1,250**
Profit/loss for the year			979	979
Appropriation of retained earnings		-37	37	–
Group contribution paid to parent company		-32		-32
Tax effect of Group contributions		8		8
Dividend		-700		-700
Equity 31 December 2010	**10**	**516**	**979**	**1,505**
Opening balance acc to balance sheet				
Equity 1 January 2011	10	516	979	1,505
Profit/loss for the year			307	307
Appropriation of retained earnings		979	-979	–
Received shareholders' contribution		412		412
Group contribution paid to parent company		0		0
Tax effect of Group contributions		0		0
Dividend		-150		-150
Equity 12/31/2011	**10**	**1,757**	**307**	**2,074**

More information on equity is provided in Note 21 on page 63.
Profit/loss for the year agrees with comprehensive income for the year.

PARENT COMPANY CASH FLOW STATEMENT

SEK millions	Note	2011-01-01 -2011-12-31	2010-01-01 -2010-12-31
OPERATING ACTIVITIES			
Earnings before tax[1)]		-51	-19
Adjustments for non-cash items	33	-26	–
Income taxes paid		-28	–
Cash flow from operating activities before changes in working capital		**-105**	**-19**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-) / Decrease (+) in operating assets		9	-65
Increase (+) / Decrease (-) in operating liabilities		241	177
Cash flow from operating activities		**144**	**93**
INVESTING ACTIVITIES			
Acquisition of financial assets		-7	–
Cash flow from investing activities		**-7**	**–**
FINANCING ACTIVITIES			
Loans received	22	–	200
Repayment of loans		–	-599
Change in utilisation of overdraft and credit facilities		-269	269
Dividend received		193	862
Dividend paid		-150	-700
Loans granted to parent company		-4	-3
Group contributions paid		-32	-210
Group contributions received		181	83
Cash flow from financing activities		**-81**	**-99**
Cash flow for the year		57	-5
Cash and cash equivalents at beginning of year		2	7
Cash and cash equivalents at end of year		**58**	**2**

[1)] Excluding dividends and Group contributions accounted for under financing activities if a dividend has been paid.

NOTES

ACCOUNTING POLICIES AND COMMENTS ON THE FINANCIAL STATEMENTS

NOTES CONTENT

Note 1 Significant accounting policies

General accounting policies
As of 1 January 2009 the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups of the Swedish Financial Reporting Board has also been applied.

The parent company applies the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities, of the Swedish Financial Accounting Standards Council. In cases where the parent company applies other accounting policies than the Group this is stated at the end of this Note.

Registered office
The company is a limited liability company with registered office in Stockholm, Sweden. The address of the head office is Mikrofonvägen 28, SE-126 81 Stockholm.

Bases of valuation applied in preparing the financial statements
Assets and liabilities have been recognised at historical cost, with the exception of financial assets and liabilities, which are carried at fair value. Financial assets and liabilities carried at fair value comprise financial assets carried at fair value through the income statement or financial assets available for sale.

Assessments and estimates in the financial statements
Preparing financial statements in accordance with IFRS requires that management make assessments and estimates as well as assumptions which affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assessments.

Estimates and assessments are reviewed on a regular basis. Changes to estimates are reported in the period when the change is made if the change only affects this period, or in the period when the change is made and future periods if the change affects both the current period and future periods.
Assessments made by management in applying IFRS which have a significant impact on the financial statements and estimates that can lead significant adjustments to the financial statements for the following year are described in greater detail in Note 35.

New or amended relevant IFRS and interpretations that have not yet been applied
The Group has chosen not to apply any new standards or interpretations in advance in preparing these financial statements and is currently not planning to apply standards or interpretations in advance in coming years.

Future changes to accounting policies
In June 2011 IASB published an amended version of IAS 19 Employee Benefits. The new version is applicable as of the financial year 2013. The principal changes to this accounting policy are presented in Note 38, which also describes what effects the changes would have had if it had been applied for 2011.

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Operating segment reporting
An operating segment is a component of the Group which engages in business from which it may earn revenues and incur expenses, for which separate financial information is available and whose results are regularly reviewed by the company's chief operating decision maker for the purpose of evaluating the results and allocating resources to the operating segment. See Note 3 for additional information on the breakdown into and presentation of operating segments.

Consolidation
Subsidiaries
The consolidated financial statements include subsidiaries in which the parent company directly or indirectly holds more than 50 per cent of the votes.

Subsidiaries are those companies in which the parent company directly or indirectly holds more than 50 per cent of the votes or otherwise exercises a controlling influence over the company's operational and financial control. Subsidiaries are included in the consolidated financial statements as of the date at which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements as of the date at which the controlling influence ceases.
The purchase method is used in accounting for the Group's acquisition of subsidiar-

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

ies. The cost of an acquisition is the fair value of all assets provided as compensation, issued equity instruments and liabilities incurred or assumed at the transfer date. Transaction costs are charged to expense immediately. Identifiable acquired assets and assumed liabilities and contingent liabilities in the acquisition of an operation are initially stated at fair value at the acquisition date regardless of the size of any non-controlling interests. In an acquisition where the transferred compensation, any non-controlling interests and the fair value of the previously owned interest (in incremental acquisitions) exceed the fair value of the acquired assets and assumed liabilities which are accounted for separately the difference is recognised as goodwill. When the difference is negative, in a so-called bargain purchase, the difference is recognised in profit/loss for the year.

Intercompany transactions and balance sheet items and unrealised gains on transactions among Group companies are eliminated. Unrealised losses are also eliminated but any losses are viewed as an indication of possible impairment. Where applicable, the accounting policies for subsidiaries have been amended to guarantee a consistent application of the Group's policies.

Associates
Associated companies are those companies in which the Group exercises a significant, but not a controlling, influence, which normally applies for shareholdings representing between 20 and 50 per cent of the votes. Interests in associates are accounted for by applying the equity method and are initially stated at cost.

Translation of foreign currencies
Functional currency and reporting currency
Items included in the financial statements for the various units of the Group are valued in the currency used in the economic environment in which each company primarily operates (functional currency). Swedish kronor (SEK), the functional and reporting currency of the parent company, is used in the consolidated financial statements.

Transactions and balance sheet items
Transactions in foreign currencies are translated to the functional currency at the exchange rates applying at the transaction date. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currencies at closing rates are recognised in the income statement. Foreign exchange differences on borrowing are recognised under financial items while other foreign exchange differences are included in operating profit/loss.

Financial statements of foreign operations
Results and financial position for all foreign operations included in the consolidated financial statements that have a different functional currency than the reporting currency are translated to the Group's reporting currency as follows:

- assets and liabilities for each of the balance sheets are translated at the closing rate
- income and expenses for each of the income statements are translated at the average rate
- all resulting foreign exchange differences are recognised through other comprehensive income as a separate part of equity (translation reserve)

Upon consolidation, foreign exchange differences arising from the translation of net investments in foreign operations are transferred to equity through other comprehensive income. Upon divestment, wholly or partially, of a foreign operation the foreign exchange differences recognised in equity through other comprehensive income are transferred to profit/loss for the year. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the closing rate.

Cash flow statement
The cash flow statement is prepared in accordance with the indirect method, which means that adjustments are made for transactions that do not result in incoming or outgoing payments.

Revenue
Revenue is recognised in the income statement when it is possible to reliably measure the revenue and it is probable that the economic benefits will accrue to the Group. The company's revenue primarily consists of revenues from installation contracts. Revenue is recognised in accordance with the percentage of completion method. This method is described below in the section "Installation contracts". Interest income is recognised over the term of the loan by applying the effective interest method. Dividend income is recognised when the right to receive payment has been established.

Installation contracts
Bravida applies the percentage of completion method. Under this method, earnings are recognised in accordance with the degree of completion of the project. Determining the earnings accrued at any given time requires information about the following components:

- Project revenue – the value of all revenues attributable to the contract.
- Project cost – all costs corresponding to the project revenues that are attributable to the project.
- Degree of completion – recognised costs in relation to estimated total project costs.

Expenditure that has been incurred during the year but that relates to future work is not included in project costs paid at the time of determining the degree of completion. These are reported as materials and inventories, advances or other assets depending on their character. Changes to the scope of the project, claims and incentive pay are included in project revenue to the extent that they have been agreed with the customer and can be reliably measured. A fundamental condition for application of the percentage of completion method is that project revenues and project costs can be reliably measured and that the degree of completion is determined in a way that is relevant with respect to the reliability requirement.

For projects where revenues and costs cannot be reliably measured at the closing date the zero profit method is applied. This means that revenue equal to the incurred costs is recognised for the project, i.e. the profit is zero until such time as it is possible to determine the earnings. As soon as this is possible the percentage of completion method is applied. Provisions are made for expected losses, i.e. when the project costs are expected to exceed the total project revenues, and these amounts are charged to earnings for the year.

The Bravida Group recognises as assets receivables (balance sheet item "Accrued but not invoiced income") from buyers of installation projects for which the project costs and recognised profits (after deducting recognised losses) exceed the invoiced amount. Partially invoiced amounts that have not yet been paid by the customer and amounts withheld by the buyer are included in the item Trade receivables. Bravida recognises as liabilities (balance sheet item "Invoiced but not accrued income") any liabilities to buyers of installation contracts for projects in progress for which the invoiced amount exceeds the project costs and recognised profits (after deducting recognised losses).

Intangible assets
Goodwill
Goodwill represents the difference between the cost and fair value of an acquired operation and the fair value of the Group's share of the acquired operation's identifiable net assets at the time of acquisition. Goodwill from the acquisition of operations is recognised as an intangible asset. Goodwill is tested annually for impairment and stated at cost less accumulated impairment losses. Goodwill impairment losses are

never reversed. Any gain or loss from the sale of a unit includes the divested portion of the recognised value of goodwill. In testing for impairment, goodwill is allocated to cash-generating units.

Goodwill is thereby allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition giving rise to the goodwill item.

Subsequent expenditure
Subsequent expenditure on an intangible asset is added to the asset's carrying amount only if it is probable that the future economic benefits and the expenditure can be reliably measured. All other expenditure is recognised as incurred.

Amortisation
Amortisation is based on the asset's original cost less any residual value. Amortisation is recognised in the income statement on a straight-line basis over the useful life of the intangible asset, unless the asset has an indefinite useful life. Assets are amortised from the date at which they became available for use. Other intangible assets are amortised over 5 years. Useful lives are reassessed annually or more frequently.

Property, plant and equipment
Land and buildings mainly comprise warehouses and offices. All property, plant and equipment is stated at cost less depreciation. Cost does not include expenditure that is directly attributable to the acquisition of the asset. Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably measured. The carrying amount of the replaced portion is removed from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the income statement in the periods in which they are incurred.

Land is not depreciated. Other assets are depreciated to allocate the cost down to the estimated residual value over the assets' estimated useful lives. The assets are depreciated on a straight-line basis as follows:

Depreciation of property, plant and equipment

	Useful life
Buildings	20 years
Expenditure on property not owned by the company	Over remaining lease term
Machinery and other technical plant	3-5 years
Equipment, tools and installations	3-10 years

Residual values and useful lives of assets are tested at each closing date and adjusted where required. Any gain or loss from the sale of an asset is determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in other operating income or other operating expenses in the income statement

Impairment of non-financial assets
Goodwill and other intangible assets with indefinite useful lives are tested annually to determine whether the recoverable amount, i.e. the higher of fair value less selling expenses and value in use, exceeds the carrying amount. For other non-financial assets a similar test is made as soon as there is an indication that the carrying amount is too high. The value of an asset is written down to the recoverable amount as soon as this is shown to be lower than the carrying amount.

Leasing
Non-current assets held under a lease agreement are classified based on the economic substance of the lease. Leases of non-current assets where the economic risks and benefits associated with ownership have essentially been transferred to the Group are classified as finance leases. Finance leases are accounted for as non-current assets at the beginning of the lease term and recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding payment obligations are recognised as a liability in the balance sheet. Each lease payment is divided into repayment of the loan and financial expenses to obtain a fixed rate of interest for the recognised liability.

The recognised liability is included in the balance sheet item "Liabilities relating to finance leases". The interest portion of the financial expense is recognised in the income statement distributed over the term of the lease so that an amount corresponding to a fixed interest rate for the liability recognised in each accounting period is charged to the income statement in each period. Non-current assets that are held under finance leases are depreciated over their estimated useful lives. The Bravida Group has not classified any leases as finance leases. Other leases are classified as operating leases. Payments made during the lease term are charged to the income statement on a straight-line basis over the term of the lease.

Financial assets
Bravida classifies its financial assets into the following categories: financial assets carried at fair value through the income statement, available-for-sale financial assets, and loans and trade receivables. The classification depends on the purpose for which the financial asset was acquired. The classification of financial assets is determined by management upon initial recognition.

General principles
Purchases and sales of financial assets are recognised at the transaction date, which is the date when the Group undertakes to buy or sell the asset. Financial instruments are initially recognised at cost plus transaction costs, which applies to all financial assets that are not carried at fair value through the income statement. Financial assets carried at fair value through the income statement are initially recognised at fair value while the related transaction costs are recognised in the income statement. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and benefits associated with ownership to another party. After the acquisition date available-for-sale assets and financial assets carried at fair value through the income statement are stated at fair value. Loans and trade receivables are stated at amortised cost by applying the effective interest method.

At each balance sheet date the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets, for instance that it is not probable that the debtor will be able to fulfil its obligations. Impairment tests of trade receivables are described below. Examples of objective evidence include significant financial difficulties for a debtor, a breach of contract such as non-payment or delayed payment of interest or principal, or that it is probable that the borrower will become bankrupt or enter into another form of financial reorganisation.

Financial assets/liabilities carried at fair value through the income statement
Financial assets carried at fair value through the income statement are financial assets that are held for trading. A financial asset is classified in this category if it was acquired primarily for the purpose of being sold in the short term. Any derivatives are classified as held for trading if they have not been identified as hedges. An interest rate swap is stated at fair value based on future discounted cash flows, which means that the value will vary with changes in interest rates. Bravida does not meet the criteria for application of hedge accounting in accordance with IAS 39, and changes in value are therefore recognised through the income statement.

Financial assets available for sale
This class of financial assets in the Group comprises assets which are not derivatives but can be sold. Assets in this category are classified as non-current assets if management does not intend to sell the asset within 12 month of the balance sheet date.

Loans and trade receivables
Loans and trade receivables are financial assets that are not derivatives. They have specified or specifiable payments and are not listed on an active market. They are included in current assets, with the exception of items maturing later

than 12 months from the balance sheet date, which are classified as non-current assets. Loans and trade receivables are initially stated at cost and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment. A provision for impairment of trade receivables is posted when there is objective evidence that the Group will not be able to recover all overdue amounts in accordance with the original terms and conditions for the receivables. The size of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows. An impairment loss on trade receivables is recognised in the income statement in the function "other operating expenses" while an impairment loss on loans is recognised in financial items.

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

Inventories
Inventories are measured at the lower of cost and net realisable value. This also takes into account the risk of obsolescence. Cost is determined using the first-in/first-out method (FIFO). Net realisable value is the estimated selling price in the company's operating activities less any applicable variable selling expenses. The cost of company-produced semi-finished and finished goods consists of direct costs of production plus a reasonable portion of indirect costs of production. Normal capacity utilisation is also taken into account in the valuation.

Cash and cash equivalents
Cash and cash equivalents comprise cash and bank balances, and other short-term investments maturing within three months of the acquisition date.

Financial liabilities
The Bravida Group's financial liabilities are divided into the following categories:

Financial liabilities carried at fair value through the income statement
Derivatives with negative fair value that do not meet the criteria for hedge accounting are carried at fair value through the income statement. For information about which derivatives are reported by the Bravida Group, see the section "Financial assets carried at fair value through the income statement".

Financial liabilities carried at amortised cost
Loans and other financial liabilities, e.g. trade payables, are included in this category. Financial liabilities are initially stated at fair value, net of transaction costs. Subsequently financial liabilities are carried at amortised cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognised in the income statement over the term of the loan by applying the effective interest method. Compensation for any difference in interest upon early redemption of a loan is recognised in the income statement at the date of redemption. Dividends paid are recognised as a liability upon approval of the dividend by the Annual General Meeting.
Borrowing and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

Financial income and expenses
Financial income and expenses comprise interest income on bank deposits, receivables and interest-bearing securities, interest expenses on loans, dividend income, unrealised and realised gains and losses on financial assets and liabilities. Interest expenses are charged to earnings in the period to which they refer insofar as they have not been included in the cost of an asset. An asset for which interest can be included in the cost is an asset which necessarily takes a substantial time to get ready for its intended use. Interest expenses are recognised in accordance with IAS 23 Borrowing Costs. Until today no interest expenses have been recognised in the balance sheet.

Income tax
Reported income taxes include tax that is payable or due in respect of the current year, adjustments relating to current tax for previous years and changes in deferred tax. All tax liabilities and assets are valued at their nominal amounts and based on the tax rules and tax rates that have been adopted or that have been announced and are highly likely to be confirmed. For items included in the income statement the associated tax effects are also recognised in the income statement. The tax effect of items recognised directly in equity are also recognised in equity. Deferred tax is calculated in accordance with the balance sheet method for all temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets relating to unused tax loss carry-forwards or other future tax deductions are recognised to the extent that it is probable that such deductions can be used to offset future taxable profits.

Employee benefits
Employee benefits are recognised in the consolidated financial statements in accordance with IAS 19 Employee Benefits.

Post-employment benefits
In Denmark all employees are covered by defined contribution plans. In Sweden most employees are covered by a defined contribution plan, but a significant number are covered by a defined benefit plan. In Norway virtually all employees are covered by a defined contribution pension plan.

In a defined contribution plan the company makes fixed contributions to a separate legal entity and has no obligation to make any further contributions. Costs are charged to the consolidated income statement when the benefits are earned.

In a defined benefit plan benefits accrue to employees and former employees based on their salaries on retirement and the number of years of service. The Group bears the risk for ensuring that the plan provides the promised compensation.

The defined benefit pension plans are both funded and unfunded. In a funded plan the assets have been segregated, mainly in pension funds. These plan assets can only be used to make payments in accordance with the terms of the pension agreements.

The estimated present value of the obligations less fair value of the plan assets is recognised in the balance sheet as a provision or a non-current financial asset, as appropriate.

The pension cost and the retirement benefit obligation for defined benefit pension plans is calculated annually by independent actuaries. The obligation is defined as the present value of expected future payments to beneficiaries. The discount rate used is the yield on high-quality mortgage bonds (l.y. government bonds) with maturities equivalent to the average maturity of the obligations and the currency.

Actuarial gains and losses may arise when defining the present value of the retirement benefit obligation and the fair value of the plan assets. These arise either because fair value differs from the previous assumption or because the assumptions are changed. That part of the accumulated actuarial gains and losses at the end of the previous year that exceeds 10 per cent of the higher of the present value of the obligations and fair value of the plan assets is recognised in the income statement over the estimated remaining period of service for employees covered by the plan.

The accounting policy described above is applied for the consolidated financial statements. The parent company and subsidiaries report defined benefit pension plans in accordance with local rules and regulations in the country concerned.

A provision (receivable) is recognised for special payroll tax when the pension cost defined in accordance with IAS 19 is higher (lower) than the pension cost defined in the legal entity. The provision (receivable) is based on the difference between these amounts. The provision (receivable) is not discounted to present value.

Termination benefits
A provision is recognised in connection with the termination of staff only if the company is demonstrably obliged to terminate the employment before the normal date or when compensation is paid as the result of an offer made to encourage voluntary redundancy. In the event of involuntary retirement the company will draw up a detailed plan specifying, as a minimum, the workplace, positions and approximate number of individuals affected as well as the benefits for each category of employee or position and the date on which the plan will be implemented.

Provisions

A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Warranty provision

A provision is recognised when the underlying product or service has been sold. Upon completion of the installation work a warranty period of 24 months normally applies. The warranty provision is calculated on the basis of previous years' warranty expenditure and an assessment of future warranty risks.

Restructuring reserve

A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Contingent liabilities

A contingent liability is recognised when there is a possible obligation arising from past events and whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

Parent company accounting principles

The parent company prepares its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. RFR 2 states that the parent company's annual accounts for the legal entity should be prepared by applying all EU-adopted IFRS statements insofar as this is possible under the Swedish Annual Accounts Act and with regard to the relationship between accounting and taxation. The parent company prepares a statement of comprehensive income.

Differences between the Group and parent company accounting policies

Differences between the Group and parent company accounting policies are described in the following. The stated accounting policies have been applied consistently for all periods presented in the parent company's financial statements.

Changed accounting principles

In September 2011 the Swedish Financial Reporting Board announced that it had decided to withdraw Recommendation UFR 2 Group Contributions and Shareholder Contributions. This will have an impact on the accounts of the parent company, Bravida AB, where Group contributions received and paid are accounted for as a financial item.

Subsidiaries

Interests in subsidiaries are accounted for in the parent company using the cost method. This means that transaction costs are included in the reported value of interests in subsidiaries. In the consolidated financial statements transaction costs attributable to subsidiaries are recognised directly in the consolidated income statement when they are incurred.

Contingent considerations are valued based on the probability that the consideration will be paid. Any changes to the provision or receivable are added to or reduce the cost. In the consolidated financial statements contingent considerations are stated at fair value while changes in value are passed through the income statement.

Bargain purchases which relate to future expected losses and expenses are eliminated in the periods when the expected losses and expenses are incurred. Bargain purchases which arise for other reasons are accounted for as a provision to the extent that they do not exceed the fair value of the acquired identifiable non-monetary assets. Any portion exceeding this value is recognised as income immediately. The portion which does not exceed the fair value of the acquired identifiable non-monetary assets is recognised as income systematically over a period which is calculated based on the remaining weighted average useful life of those acquired identifiable assets that are depreciable. In the consolidated financial statements bargain purchases are recognised directly in the income statement.

Group contributions and shareholder contributions

In the parent company shareholder contributions are recognised in shares and interests, insofar as no write-down is required, and directly in equity in the receiving entity.

Group contributions received are accounted for as financial income in the income statement, applying the same principles as for dividends received. Group contributions paid are accounted for as financial income.

Leased assets

In the parent company all leases are accounted for in accordance with the rules for operating leases.

Presentation of the income statement and balance sheet

The parent company applies the form of presentation for income statements and balance sheets prescribed in the Swedish Annual Accounts Act, which means that equity is presented differently and that provisions are reported under a separate main heading in the balance sheet.

Information about the Group

The company is a wholly owned subsidiary of Scandinavian Installation Acquisition AB (reg.no. 556713-6519) with registered office in Stockholm. The highest company in the Group that prepares consolidates financial statements is Bravida HoldCo S.à r.l. (reg.no. B-122.235) with registered office in Luxembourg. The consolidated financial statements are available from Bravida AB.

Out of the parent company's total purchases and sales in Swedish kronor, 27 per cent (0 %) of purchases and 95 per cent (100 %) of sales refer to other companies in the corporate group to which the company belongs.

NOTE 2 DISTRIBUTION OF REVENUES

Group	2011-01-01 –2011-12-31	2010-01-01 –2010-12-31
Invoicing	10,822,605	10,352,649
Change in work in progress on behalf of third parties	-55,011	-7,794
Net sales	**10,767,594**	**10,344,855**

Revenue by significant revenue type

Group	2011-01-01 –2011-12-31	2010-01-01 –2010-12-31
Installation contracts	5,278,409	5,393,111
Service	5,489,185	4,951,744
Net sales	**10,767,594**	**10,344,855**

NOTE 3 SEGMENT REPORTING

The Group's operations are controlled and reviewed on per geographic market basis by the chief operating decision maker. Operationally, Bravida is organised into divisions which correspond to these geographic markets. Internal prices charged between the various segments of the Group are set based on the arm's length principle, i.e. between parties that are independent of each other, are well informed and have an interest in ensuring that the transactions are completed. None of the companies' customers generate more than 5 per cent of total consolidated income. For information on non-current assets by segment, see Note 11 concerning goodwill.

Geographic markets

Geographic markets constitute the company's operating segments. The Group's geographic markets comprise the divisions North, Stockholm and South in Sweden, and Norway and Denmark. In each geographic market activities are conducted in the areas of electrical, heating & plumbing, HVAC and other.

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

2011	North	Stockholm	South	Norway	Denmark	Central	Elimination and other	Total
REVENUE								
External net sales	1,953,832	1,827,346	3,129,670	2,328,069	1,522,394	6,283	–	10,767,594
Internal net sales	15,816	52,984	8,602	2	–	203,629	-281,033	–
Net sales[1)]	**1,969,648**	**1,880,330**	**3,138,272**	**2,328,071**	**1,522,394**	**209,912**	**-281,033**	**10,767,594**
Operating expenses	-1,829,653	-1,770,204	-2,928,268	-2,227,342	-1,465,278	-164,044	281,033	-10,103,756
Amortisation of intangible assets	–	-400	–	–	–	–	–	-400
Operating profit/loss	**139,995**	**109,726**	**210,004**	**100,729**	**57,116**	**45,868**	**–**	**663,438**

1) External net sales in Sweden were SEK 6,917,131.

2010	North	Stockholm	South	Norway	Denmark	Central	Elimination and other	Total
REVENUE								
External net sales	1,819,990	1,787,516	2,923,797	2,289,008	1,519,248	5,296	–	10,344,855
Internal net sales	10,234	52,338	7,403	2,403	73	191,891	-264,342	–
Net sales[1)]	**1,830,224**	**1,839,854**	**2,931,200**	**2,291,411**	**1,519,321**	**197,187**	**-264,342**	**10,344,855**
Operating expenses	-1,696,947	-1,724,189	-2,747,360	-2,156,325	-1,502,238	-155,015	258,129	-9,723,945
Amortisation of intangible assets	–	-400	–	–	–	–	–	-400
Operating profit/loss	**133,277**	**115,265**	**183,840**	**135,086**	**17,083**	**42,172**	**-6,213**	**620,510**

1) External net sales in Sweden were SEK 6,536,600,000.

Fields of technology

The Group consists of the fields of technology electrical installations, heating & plumbing, HVAC and other.

2011	Electrical	Heating & plumbing	HVAC	Other	Total
External sales	5,880,512	2,922,422	1,502,494	462,166	10,767,594

2010	Electrical	Heating & plumbing	HVAC	Other	Total
External sales	5,872,169	2,586,962	1,517,447	368,277	10,344,855

NOTE 4 ACQUISITION OF OPERATIONS

Bravida made the following acquisitions in 2011:

Acquired unit	Division	Type	Acquisition date	No. of employees	Estimated annual sales
Project management business, Stockholm	Stockholm	Company	1 Jan	19	25
Heating & plumbing business, Oslo	Norway	Company	7 Jan	50	80
Sprinkler business, Kinna	Stockholm	Company 70 %	1 Jul	50	60
Heating & plumbing business, Hässleholm	South	Operation	15 Aug	17	20
Heating & plumbing business, Norrköping	North	Operation	31 Aug	10	12
Heating & plumbing business, Oslo	Norway	Company	26 Sep	35	55
Heating & plumbing business, Höganäs	South	Operation	1 Nov	6	7
Dormant company, Stockholm	Central function	Company	1 Apr	–	–

If the acquisitions had taken place at 1 January consolidated net sales and the consolidated operating profit would have increased by about 2 per cent. No disposals were made during the year.

Effects of acquisitions in 2011

The acquisition has the following effects on consolidated assets and liabilities.

	Carrying amount in companies prior to acquisition	Fair value adjustment	Fair value recognised in Group
Intangible assets	1,388	-8	1,380
Other non-current assets	4,687	21,786	26,473
Other current assets	58,955	-7,989	50,966
Cash and cash equivalents	6,955	–	6,955
Non-current liabilities	–	–	–
Current liabilities	-63,943	-17,194	-81,137
Net identifiable assets and liabilities	**8,042**	**-3,405**	**4,637**
Consolidated goodwill			**70,950**
Cost			75,587
Consideration recognised as a liability			14,484
Cash and cash equivalents (acquired)			1,542
Net effect on cash and cash equivalents			**-59,561**
Calculation of cost			
Cash consideration paid			61,103
Consideration recognised as a liability			14,484
Cost			**75,587**

Bravida made the following acquisitions in 2010:

Acquired unit	Division	Type	Acquisition date	No. of employees	Estimated annual sales
Electrical installation business, Fyn	Denmark	Operation	1 Sep	10	11
Electrical installation business, Narvik	Norway	Operation	1 Oct	20	25
Electrical instal. and data com., Malmö	South	Operation	1 Dec	25	30

If the acquisitions had taken place at 1 January consolidated net sales and the consolidated operating profit would have increased by less than 1 per cent.

During the year a small operation with 24 employees in Helgeland in Norway was sold, resulting in a capital gain of SEK 0.4 million. The business posted a small operating loss on annualised sales of SEK 30 million.

Effects of acquisitions in 2010

The acquisition has the following effects on consolidated assets and liabilities.

	Carrying amount in companies prior to acquisition	Fair value adjustment	Fair value recognised in Group
Intangible assets	–	–	–
Other non-current assets	1,079	–	1,079
Other current assets	592	–	592
Cash and cash equivalents	–	–	–
Non-current liabilities	–	–	–
Current liabilities	–	–	–
Net identifiable assets and liabilities	**1,671**	**0**	**1,671**
Consolidated goodwill			**1,533**
Cost			3,204
Consideration recognised as a liability			200
Cash and cash equivalents (acquired)			0
Net effect on cash and cash equivalents			**-3,004**
Calculation of cost			
Cash consideration paid			3,004
Consideration recognised as a liability			200
Cost			**3 204**

NOTE 5 OTHER OPERATING INCOME

	Group		Parent company	
	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31
Gain from sale of shares in subsidiaries	–	325	–	–
Management fee	–	–	80,591	–
Income form endowment policies	–	–	3,840	–
Other	–	–	2,000	1,204
	–	**325**	**86,431**	**1,204**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Note 6 EMPLOYEES, STAFF COSTS AND COMPENSATION TO SENIOR EXECUTIVES

Average number of employees	2011-01-01 - 2011-12-31	of which women	2010-01-01 - 2010-12-31	of which women
PARENT COMPANY				
Sweden	15	20.5 %	–	0.0 %
Total in parent company	**15**	**20.5 %**	**–**	**0.0 %**
SUBSIDIARIES				
Sweden	4,810	5.9 %	4,658	5.6 %
Denmark	1,910	6.8 %	1,292	7.0 %
Norway	1,213	5.7 %	1,878	5.7 %
Slovakia	7	0.0 %	6	0.0 %
Total in subsidiaries	**7,940**	**6.1 %**	**7,834**	**5.9 %**
Total, Group	**7,955**	**6.1 %**	**7,834**	**5.9 %**

Breakdown between men and women in management	2011-12-31	2010-12-31
	Female representation	
PARENT COMPANY		
The Board of Directors	0.0 %	0.0 %
Other senior executives	0.0 %	0.0 %
TOTAL, GROUP		
The Board of Directors	0.0 %	0.0 %
Other senior executives	0,0 %	0,0 %

Salaries, other compensation and social-security contributions	2011-01-01 - 2011-12-31		2010-01-01 - 2010-12-31	
	Salaries and compensation	Social-security contributions	Salaries and compensation	Social-security contributions
PARENT COMPANY	35,297	8,660	300	31
(of which pension costs)	(8,509)	(–)	(–)	(–)
SUBSIDIARIES	3,844,300	753,484	3,842,247	744,532
(of which pension costs)	(221,437)	(30,395)	(239,241)	(35,898)
Total, Group	3,879,597	**762,144**	**3,842,547**	**744,563**
(of which pension costs)	(229,946)	(30,395)	(239,241)	(35,898)

Salaries and other compensation by country and broken down between Directors etc. and other employees	2011-01-01 - 2011-12-31		2010-01-01 - 2010-12-31	
	Board and CEO	Other employees	Board and CEO	Other employees
PARENT COMPANY				
Sweden	12,205	23,092	300	–
(of which bonuses etc.)	(3,800)	(3,798)	(–)	(–)
SUBSIDIARIES				
Sweden	–	2,173,687	12,149	1,878,644
(of which bonuses etc.)	(–)	(55,801)	(3,440)	(49,417)
Denmark	3,016	639,837	2,846	661,740
(of which bonuses etc.)	(606)	(6,386)	(–)	(2,173)
Norway	7,416	1,018,051	3,097	958,153
(of which bonuses etc.)	(2,264)	(11,514)	(1,041)	(15,955)
Slovakia	–	2,293	–	2,381
(of which bonuses etc.)	(–)	(–)	(–)	(–)
Subsidiaries, total	**10,432**	**3,833,868**	**18,092**	**3,500,918**
(of which bonuses etc.)	(2,870)	(73,701)	(4,481)	(67,545)
Total, Group	**22,637**	**3,856,960**	**18 392**	**3 500 918**
(of which bonuses etc.)	(6,670)	(77,499)	(4 481)	(67 545)

Senior executives' benefits

In 2011 a remuneration committee was appointed consisting of various Board members. The committee is tasked with reviewing and adopting resolutions on issues relating to remuneration of senior executives and on general bonus schemes.

The fee paid to the Board of Directors of the parent company was SEK 100,000 on an annualised basis to the Chairman to each of the other Directors.

The members of the audit committee received a fee of SEK 30,000 and the Chairman received a fee of SEK 75,000. The members of the remuneration committee received a fee of SEK 15,000 and the Chairman received a fee of SEK 40,000.

The compensation paid to senior executives refers mostly to fixed salaries and variable compensation. The CEO's contract is subject to six months' notice, or 12 months' notice in case of termination by the company. In case of termination the CEO has a right to severance pay in the amount of 6 months' salary. The contracts of other senior executives are subject to six months' notice. The CEO has an individual occupational pension plan with a pension premium of 40 per cent of the basic salary. Other senior executives have a contractual right to an occupational pension.

Compensation and other benefits in 2011	Basic salary/ Directors' fees	Variable compensation	Other benefits	Pension cost	Total
Jan Åkesson, Chairman of the Board	140	–	–	–	140
Lars-Ove Håkansson, Director	100	–	–	–	100
Thomas Erséus, Director	130	–	–	–	130
Thomas Tarnowski, Director	130	–	–	–	130
Magnus Lindquist, Director	–	–	–	–	–
Kjell Åkesson, Director	115	–	–	–	115
Fredrik Brynildsen, Deputy Director	–	–	–	–	–
Mats O Paulsson, CEO[1)]	2,103	1,200	83	1,034	4,420
Torbjörn Torell, former CEO	4,647	2,600	108	670	8,025
Other senior executives[2)]	16,363	9,333	352	3,594	29,642
	23,727	**13,133**	**543**	**5,298**	**42,702**

1) Mats O Paulsson took up the post of CEO on 5 May 2011.

2) During the year the group other senior executives consisted of 7 persons.

Compensation and other benefits in 2010	Basic salary/ Directors' fees	Variable compensation	Other benefits	Pension cost	Total
Jan Åkesson, Chairman of the Board	–	–	–	–	–
Lars-Ove Håkansson, Director	100	–	–	–	100
Thomas Erséus, Director	100	–	–	–	100
Thomas Tarnowski, Director	–	–	–	–	–
Magnus Lindquist, Director	–	–	–	–	–
Mats O Paulsson, Director	100	–	–	–	100
Kjell Åkesson, Director	–	–	–	–	–
Torbjörn Torell, CEO	3,287	1,642	184	1,294	6,407
Other senior executives[1)]	13,488	5,256	332	3,265	22,341
	17,075	**6,898**	**516**	**4,559**	**29,048**

1) During the year the group other senior executives consisted of 7 persons.

NOTE 7 AUDITORS' FEES AND EXPENSES

	Group		Parent company	
	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31
KPMG				
Audit engagement	3 559	3 352	532	290
Audit assignments in addition to audit engagement	59	31	–	–
Tax advice	381	294	–	–
Other assignments	350	367	89	40
OTHER				
Other assignments	325	–	–	–
	4,674	**4,044**	**621**	**330**

NOTE 8 OPERATING EXPENSES BY FUNCTION OF EXPENSE

	Group		Parent company	
	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31
Costs for materials	3 200 850	3 101 406	-4 006	–
Subcontractors and purchased services in production	1,108,156	926,001	–	–
Staff costs	4,744,093	4,579,727	49,283	–
Depreciation	13,126	14,715	–	–
Vehicle expenses	318,095	290,694	715	–
Premises expenses	192,605	185,543	126	–
Consulting fees	71,176	74,971	5,402	331
IT expenses and telephony	105,739	116,921	-2,426	–
Travel expenses	44,791	46,491	1,755	–
Other operating expenses	305,546	388,202	19,492	635
	10,104,177	**9,724,671**	**70,341**	**966**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 9 NET FINANCIAL INCOME/EXPENSE

	Group		Parent company	
	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31
PROFIT/LOSS FROM INTERESTS IN GROUP COMPANIES				
Dividend			189,495	861,789
Group contributions received from subsidiaries			242,293	213,195
Capital gain/loss on sale of subsidiaries			3,342	–
			435,130	**1,074,984**
FINANCIAL INCOME				
Interest income, Group companies	–	–	7,238	36,853
Interest income, other	3,022	8,600	2,042	723
Foreign exchange gains	929	–	963	35
Interest on arrears	3,395	2,525	21	–
Other	2,239	1,145	–	–
	9,585	**12,270**	**10,264**	**37,611**
FINANCIAL EXPENSES				
Interest expense, Group companies	–	–	-28,065	-12,856
Interest expense, other	-32,056	-26,273	-30,494	-14,141
Foreign exchange losses	–	-464	–	–
Interest on arrears	-737	-1,573	–	–
Other	-24,526	-31,497	-18,511	-29,481
	-57,319	**-59,807**	**-77,070**	**-56,478**
Net financial income/expense	**-47,734**	**-47,537**	**368,324**	**1,056,117**

NOTE 10 TAX

	Group		Parent company	
	2011-01-01 - 2011-12-31	**2010-01-01 - 2010-12-31**	**2011-01-01 - 2011-12-31**	**2010-01-01 - 2010-12-31**
CURRENT TAX EXPENSE (-)/TAX INCOME (+)				
Tax expense for the period	-45,560	-91,371	-29,517	-36,723
Adjustment of tax in respect of prior years	-86	-145	–	–
	-45,646	**-91,516**	**-29,517**	**-36,723**
DEFERRED TAX EXPENSE (-) / TAX INCOME (+)				
Deferred tax arising from temporary differences	-20,066	23,926	-10,257	–
Deferred tax income in tax loss carry-forwards recognised during the year	5,520	–	–	–
Deferred tax liability resulting from utilisation of previously recognised taxable value in tax loss carry-forwards	-13,342	-67,034	–	-5,009
Acquired deferred tax asset	-22,199	–	–	–
Deferred tax relating to untaxed reserves	-10,394	-26,251	–	–
	-60,481	**-69,359**	**-10,257**	**-5,009**
Total recognised tax expense/tax income	**-106,127**	**-160,875**	**-39,774**	**-41,732**
RECONCILIATION OF EFFECTIVE TAX				
Earnings before tax	615,683	572,972	347,005	1,020,457
Tax at tax rate applying to parent company	-161,925	-150,692	-91,262	-268,380
Effect of different tax rates for foreign subsidiaries	-796	-1,688	–	–
Group adjustment of foreign exchange differences internal loans	-115	-1,986	–	–
Other non-deductible expenses	-13,113	-9,686	-144	-3
Deductible items not affecting earnings	2,170	1,413	–	–
Non-taxable income	2,430	1,943	1,987	–
Recognition of tax loss carry-forwards in respect of prior years	3,146	–	–	–
Recognition of temporary differences without corresponding recognition of deferred tax in respect of prior years	3,592	–	–	–
Use of tax loss carry-forwards	59,104	-34	–	–
Tax in respect of prior years	-87	-145	–	–
Standard interest on tax allocation reserve	-533	–	-193	–
Non-taxable income, dividend	–	–	49,838	226,651
Recognised effective tax	**-106,127**	**-160,875**	**-39,774**	**-41,732**

Tax attributable to other comprehensive income

No tax expense is attributable to other comprehensive income.

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Reported deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

	2011-12-31		2010-12-31	
Group	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Intangible assets	–	-157		
Property, plant and equipment	6,240	–	8,421	–
Financial assets	–	–	8	–
Inventories	612	–	546	–
Trade receivables	3,211	–	1,622	–
Pension provisions	–	-42,442	–	-38,496
Provisions for projects	–	-56,901	–	-57,829
Warranty provisions	14,039	–	13,939	–
Other provisions	4,351	–	21,006	–
Tax allocation reserves	–	-36,143	–	-26,251
Other	52,953	–	54,955	–
Tax loss carry-forwards	111,151	–	115,946	–
Total	**192,557**	**-135,643**	**216,443**	**-122,576**
Net asset	**56,914**		**93,867**	

	Group		Parent company	
	2011-12-31	**2010-12-31**	**2011-12-31**	**2010-12-31**
SPECIFICATION BY COUNTRY				
Sweden	-64,876	-48,640	–	–
Norway	151,284	171,145	–	–
Denmark	-29,494	-28,638	–	–
	56,914	**93,867**	**–**	**–**

In Sweden the corporate tax rate is 26.3 per cent. In Norway the corporate tax rate is 28 per cent. Denmark's corporate tax rate is 25 per cent.

Change in deferred tax in temporary differences and tax loss carry-forwards

Group 2011	**Amount at 1 Jan 2011**	**Recognised through income statement**	**Recognised in equity**	**Acquisition/sale of company**	**Amount at 31 Dec 2011**
Tax loss carry-forwards	115,946	-89,213		84,418	111,151
Untaxed reserves	-26,251	-10,394		-68	-36,713
Property, plant and equipment	8,421	-1,764		-4	6,653
Trade receivables	1,622	1,429		160	3,211
Provisions for projects	-57,829	928			-56,901
Warranty provisions	13,939	100			14,039
Pensions	-38,496	-3,617		-329	-42,442
Other	76,515	-18,603		4	57,916
Total	**93,867**	**-121,134**	**0**	**84,181**	**56,914**

Group 2010	**Amount at 1 Jan 2010**	**Recognised through income statement**	**Recognised in equity**	**Acquisition/sale of company**	**Amount at 31 Dec 2010**
Tax loss carry-forwards	194,381	-78,435			115,946
Untaxed reserves	-555	-25,696			-26,251
Property, plant and equipment	20,169	-11,748			8,421
Trade receivables	10,964	-9,342			1,622
Provisions for projects	-118,776	60,947			-57,829
Warranty provisions	11,835	2,104			13,939
Pensions	-27,467	-11,029			-38,496
Other	86,374	-9,859			76,515
Total	**176,925**	**-83,058**	**0**	**0**	**93,867**

Parent company 2011	Amount at 1 Jan 2011	Recognised through income statement	Recognised in equity	Acquisition/sale of company	Amount at 31 Dec 2011
Tax loss carry-forwards	0	0			0
Total	**0**	**0**	**0**	**0**	**0**

Parent company 2010	Amount at 1 Jan 2010	Recognised through income statement	Recognised in equity	Acquisition/sale of company	Amount at 31 Dec 2010
Tax loss carry-forwards	5,009	-5,009			0
Total	**5,009**	**-5,009**	**0**	**0**	**0**

NOTE 11 INTANGIBLE ASSETS

Group 31 Dec 2011	Goodwill	Other intangible	Total
ACCUMULATED COST			
At beginning of year	2,141,352	2,000	2,143,352
Purchases	70,950	–	70,950
Foreign exchange differences for the year	-1,336	–	-1,336
At end of year	**2,210,966**	**2,000**	**2,212,966**
ACCUMULATED SCHEDULED DEPRECIATION			
At beginning of year	–	-1,600	-1,600
Scheduled amortisation for the year	–	-400	-400
At end of year	**–**	**-2,000**	**-2,000**
ACCUMULATED IMPAIRMENT			
At beginning of year	-7,644	–	-7,644
At end of year	**-7,644**	**–**	**-7,644**
Carrying amount at beginning of period	**2,133,708**	**400**	**2,134,108**
Carrying amount at end of period	**2,203,322**	**–**	**2,203,322**

Group 31 Dec 2010	Goodwill	Other intangible	Total
ACCUMULATED COST			
At beginning of year	2,156,783	6,947	2,163,730
Purchases	1,838	–	1,838
Reclassifications	1,165	-4,947	-3,782
Foreign exchange differences for the year	-18,434	–	-18,434
At end of year	**2,141,352**	**2,000**	**2,143,352**
ACCUMULATED SCHEDULED DEPRECIATION			
At beginning of year	–	-4,982	-4,982
Reclassifications	–	3,782	3,782
Scheduled amortisation for the year	–	-400	-400
At end of year	**–**	**-1,600**	**-1,600**
ACCUMULATED IMPAIRMENT			
At beginning of year	-7,644	–	-7,644
At end of year	**-7,644**	**–**	**-7,644**
Carrying amount at beginning of period	**2,149,139**	**1,965**	**2,151,104**
Carrying amount at end of period	**2,133,708**	**400**	**2,134,108**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Impairment tests for cash-generating units containing goodwill
The following cash-generating units have significant recognised goodwill values in relation to total goodwill values recognised in the consolidated financial statements:

Group	2011-12-31	2010-12-31
Bravida Sweden	1,584,339	1,559,167
Division Denmark	313,286	313,884
Division Norway	305,697	260,657
	2,203,322	**2,133,708**
Units with no significant goodwill values	0	0
	2,203,322	**2,133,708**

Impairment of goodwill
For those cash-generating units where the recoverable amount has been calculated and no impairment has been identified management deems that no reasonably possible changes in key assumptions would cause the recoverable amount to fall below the carrying amount.

Method for calculating the recoverable amount
For all goodwill values the recoverable amount has been determined by calculating value in use for the cash-generating unit. The model of calculation is based on the discounting of future expected cash flows in relation to carrying amounts for the unit. Future cash flows are based on five-year forecasts produced by the management for each cash-generating unit. Impairment tests of goodwill are based on the assumption of a perpetual horizon and the extrapolation of cash flows for the years after the forecasting period has been based on a growth rate of 2-5 per cent from year 6.

Key variables for calculating value in use:
The following variables are material and common for all cash-generating units in calculating value in use.

Sales: The competitiveness of the business, expected trends in the construction sector, general socio-economic trends, central and local government investment plans, interest rates, and local market conditions.

Operating margin: Historical profitability levels and efficiency in the business, access to key individuals and qualified labour, skills in dealing with customers/customer relationships, access to internal resources, trends in expenses for salaries, materials and subcontractors.

Working capital requirement: An assessment in each individual case of whether the working capital reflects the operational requirements or needs to be adjusted for the forecasting periods. For the trend going forward a reasonable or cautious assumption is that working capital will track sales growth.

Investment needs: Investment needs in the businesses are assessed based on the investments required to achieve the forecast cash flows from the baseline, i.e. without investments for expansion. Normally, the level of investment has corresponded to the rate of depreciation of property, plant and equipment.

Tax burden: The tax rate in the forecasts is based on Bravida's expected tax situation in each country in respect of tax rates, tax loss carry-forwards, etc.

Discount rate: Forecast cash flows and residual values are discounted to present value using the weighted average cost of capital (WACC). The interest rate paid on borrowed capital is defined as the average interest rate on consolidated net debt. The required rate of return on equity is defined using the capital asset pricing model (CAPM). Calculations of value in use are based on a weighed discount rate before tax of about 8 per cent.

NOTE 12 PROPERTY, PLANT & EQUIPMENT

Group 31 Dec 2011	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At beginning of year	2,052	143,516	145,568
Purchases	900	8,327	9,227
Acquisition of subsidiaries	–	14,699	14,699
Sales and disposals	-6	-10,841	-10,847
Reclassifications	–	-304	-304
Foreign exchange differences for the year	–	-5,192	-5,192
	2,946	**150,205**	**153,151**
ACCUMULATED SCHEDULED DEPRECIATION			
At beginning of year	-638	-110,355	-110,993
Acquisition of subsidiaries	–	-9,892	-9,892
Sales and disposals	–	9,850	9,850
Reclassifications	–	304	304
Scheduled depreciation of cost for the year	-88	-12,640	-12,728
Foreign exchange differences for the year	–	4,021	4,021
	-726	**-118,712**	**-119,438**
ACCUMULATED IMPAIRMENT			
At beginning of year	–	-316	-316
Sales and disposals	–	316	316
	–	**–**	**–**
Carrying amount at end of period	**2,220**	**31,493**	**33,713**

Group 31 Dec 2010	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At beginning of year	2,052	246,039	248,091
Purchases	–	7,259	7,259
Sales and disposals	–	-91,695	-91,695
Foreign exchange differences for the year	–	-18,087	-18,087
	2,052	**143,516**	**145,568**
ACCUMULATED SCHEDULED DEPRECIATION			
At beginning of year	-584	-193,865	-194,449
Sales and disposals	–	83,919	83,919
Scheduled depreciation of cost for the year	-54	-13,791	-13,845
Foreign exchange differences for the year	–	13,382	13,382
	-638	**-110,355**	**-110,993**
ACCUMULATED IMPAIRMENT			
At beginning of year	–	-5,779	-5,779
Sales and disposals	–	5,040	5,040
Foreign exchange differences for the year	–	423	423
	–	**-316**	**-316**
Carrying amount at end of period	**1,414**	**32,845**	**34,259**

NOTE 13 INTERESTS IN ASSOCIATES

Group	2011-12-31	2010-12-31
ACCUMULATED COST		
At beginning of year	-77	-147
Sales	-52	–
Share in profit of associates	999	70
Carrying amount at end of period	**870**	**-77**

Specification of interests in associates

	2011-12-31			
Associate, reg.no., regd office	Profit/loss for the year	Owned share, %	Consolidated value of capital share	Carrying amount
Kraftkompaniet Sverige HB, 969740-4755, Stockholm	1,220	50 %	1,286	1,286
Tunnelentreprenad Bravida-EIAB HB, 969669-7862, Stockholm	–	50 %	-195	-195
Svensk Berg Energi HB, 969753-2852, Stockholm	-221	50 %	-221	-221
			870	**870**

	2010-12-31			
Associate, reg.no., regd office	Profit/loss for the year	Owned share, %	Consolidated value of capital share	Carrying amount
Mätarspecialisterna i Göteborg AB, 556733-7786, Gothenburg	4	50 %	52	50
Kraftkompaniet Sverige HB, 969740-4755, Stockholm	66	50 %	66	66
Tunnelentreprenad Bravida-EIAB HB, 969669-7862, Stockholm	–	50 %	-195	-195
Svensk Berg Energi HB, 969753-2852, Stockholm	–	50 %	–	–
			-77	**-79**

NOTE 14 PENSION ASSETS AND PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

In Sweden there are pension plans covering all employees. Most of these are defined contribution plans. White-collar employees are covered by a defined benefit pension plan, which is accounted for in the Group in accordance with IAS 19.

The pension plan in Norway has been amended. Previously, employees of Siemens Installation AS, which the company acquired in 2009, had a defined benefit pension plan. In 2010 the employees were transferred to the same pension plan as other Bravida employees in Norway, which is a defined contribution pension plan. The old plan still applies for a small number of employees, however. Denmark has a defined contribution pension plan.

Number of people covered by the IAS 19 calculation

2011-12-31	Parent company	Other Sweden	Norway	Denmark	Total
Active	–	913	70	–	983
Former employees, not retired	–	2,829	–	–	2,829
Retired	–	2,548	44	–	2,592
Total	**–**	**6,290**	**114**	**–**	**6,404**

2010-12-31	Parent company	Other Sweden	Norway	Denmark	Total
Active	–	863	77	–	940
Former employees, not retired	–	2,987	–	–	2,987
Retired	–	2,382	43	–	2,425
Total	**–**	**6,232**	**120**	**–**	**6,352**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Defined benefit obligations and the value of plan assets

Group	2011-12-31	2010-12-31
Present value of fully or partly funded obligations	-1,283,207	-1,282,500
Fair value of plan assets	1,198,994	1,214,180
Total fully or partly funded obligations	**-84,213**	**-68,320**
Present value of unfunded defined benefit obligations	-18,518	-19,643
Net obligations before adjustments	**-102,731**	**-87,963**
Adjustments:		
Accumulated unrecognised actuarial gains (-) and losses (+)	197,218	189,744
Payroll tax	13,683	15,298
Net amount in balance sheet	**108,170**	**117,079**
The net amount is recognised in the following items in the balance sheet:		
Pension assets	155,923	168,331
Other securities held as non-current assets	43,251	45,568
Provisions for pensions and similar obligations	-91,004	-96,820
Net amount in balance sheet	**108,170**	**117,079**
The net amount is distributed among plans in the following countries:		
Sweden	123,516	134,409
Norway	-15,346	-17,330
Net amount in balance sheet	**108,170**	**117,079**

Changes in the present value of the obligation for defined benefit plans

Group	2011-12-31	2010-12-31
Obligation for defined benefit plans at 1 Jan	1,302,144	1,264,425
Cost of vested benefits during period	22,592	26,982
Interest expense	42,524	42,315
Pension payments	-54,817	-53,754
Actuarial (gain) / loss	-2,212	83,262
Reduction / adjustment (-)	-8,385	-45,103
Corrections from prior years	–	-18,822
Foreign exchange differences	-121	2,839
Obligation for defined benefit plans at 31 Jan	**1,301,725**	**1,302,144**

Changes in fair value of plan assets

Group	2011-12-31	2010-12-31
Fair value of plan assets at 1 Jan	1,214,358	1,197,402
Expected return	59,965	53,299
Withdrawn	-52,387	-62,911
Insurance premium (-) paid from plan assets	-2,526	1,087
Paid in	3,251	20,063
Actuarial gain / (loss)	-23,391	9,790
Foreign exchange differences	-276	-4,372
Fair value of plan assets at 31 Dec	**1,198,994**	**1,214,358**

Cost recognised in the income statement

Group	2011-12-31	2010-12-31
Costs relating to service during current period	-22,592	-26,621
Insurance premium (-) paid from plan assets	-2,526	-3,495
Interest expense on obligation	-42,524	-42,752
Expected return on plan assets	59,965	62,800
Amortisation of actuarial gains/losses	-5,145	-827
Payroll tax	-3,045	-2,097
Net expense in profit/loss for the year	**-15,867**	**-12,992**

The cost for pensions is recognised as an administrative expense in the income statement.

Group	2011-12-31 Pension assets	2011-12-31 Pension obligations	2010-12-31 Pension assets	2010-12-31 Pension obligations
Defined benefit pension plans	155,923	-15,346	168,331	-17,330
PRI	–	-21,711	–	-22,382
Endowment policies	43,251	-53,744	45,568	-56,622
Other	–	-203	–	-486
	199,174	**-91,004**	**213,899**	**-96,820**

Actuarial assumptions
The following significant actuarial assumptions have been applied in calculating the obligations: (weighted average values)

	Sweden		Norway	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
Discount rate	3.40 %	3.60 %	4.00 %	4.50 %
Expected return on plan assets	5.20 %	5.60 %	5.40 %	5.70 %
Assumed long-term salary increases	3.00 %	3.00 %	4.00 %	4.00 %
Long-term increase in income base amount	3.00 %	3.00 %	0.00 %	0.00 %
Assumed long-term inflation	2.00 %	2.00 %	0.00 %	0.00 %
Expected increase in base amount	–	–	3.75 %	3.75 %
Future increase in pensions	–	–	1.75 %	1.75 %

The actuarial assumptions are based on commonly used assumptions relating to demographic factors and termination of employment. As of the actuarial calculations for 2007 new mortality assumptions (longer life expectancy) have been taken into account.

Historical information

Group	2011-12-31	2010-12-31	2009-12-31	2008-12-31
Present value of defined benefit obligation	-1,301,725	-1,302,143	-1,264,425	-1,122,294
Fair value of plan assets	1,198,994	1,214,358	1,197,402	1,041,762
Surplus/deficit in plan	**-102,731**	**-87,785**	**-67,023**	**-80,532**

Group	2011-12-31	2010-12-31
Of which credit-insured via FPG/PRI	19,848	19,696

Pledged assets for pension obligations

Group	2011-12-31	2010-12-31
Capitalised endowment policy	43,251	45,568
	43,251	**45,568**

NOTE 15 OTHER SECURITIES HELD AS NON-CURRENT ASSETS

Group	2011-12-31	2010-12-31
ACCUMULATED COST		
At beginning of year	47,187	61,504
Purchases	6,600	–
Sales and disposals	-74	-252
Change in endowment policies	-2,558	-13,818
Changes in value	-10	-136
Foreign exchange differences for the year	-3	-111
Carrying amount at end of period	**51,142**	**47,187**
SPECIFICATION OF SECURITIES		
Funds, endowment policies	43,251	45,809
Tenant-owner apartment	6,600	–
Other	1,291	1,378
	51,142	**47,187**

The above securities are not stated at market value with changes in earnings recognised through the income statement.

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 16 LONG-TERM RECEIVABLES AND OTHER RECEIVABLES

Group	2011-12-31	2010-12-31
LONG-TERM RECEIVABLES THAT ARE NON-CURRENT ASSETS		
Deposit rent for premises	13,875	13,763
Loans to employees	-	4,845
Other	2,528	4,348
	16,403	**22,956**
OTHER RECEIVABLES THAT ARE CURRENT ASSETS		
Receivable, pension funds	19,127	10,327
Loans to employees	-	7,791
Value-added tax receivable	1,913	1,181
Other	20,453	21,462
	41,493	**40,761**

NOTE 17 TRADE RECEIVABLES

Trade receivables are accounted for after taking account of bad debts, which were SEK 533,000 (3,157,000) in the Group. Bad debts in the parent company were 0 (0). Bad debts consist of actual and expected bad debts. See also Note 28 for information on credit risks and maturity structure.

NOTE 18 ACCRUED BUT NOT INVOICED INCOME

Group	2011-12-31	2010-12-31
Accrued income from work not yet completed	4,562,420	3,517,482
Invoicing of work not yet completed	-3,877,374	-2,973,774
	685,046	**543,708**

Accrued income from installation projects in progress are recognised in accordance with the percentage of completion method. The degree of completion is defined as project expenditure incurred at the end of the period compared with the total project cost corresponding to the project income.

In the balance sheet installation projects are recognised gross on a project by project basis, either as accrued but not invoiced income in current assets or as invoiced but not accrued income in current liabilities. Projects for which the accrued income exceeds the amount invoiced are recognised as an asset while projects for which the amount invoiced exceeds the accrued income are recognised as a liability.

NOTE 19 PREPAYMENTS AND ACCRUED INCOME

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
Prepaid rents	39,031	27,236	–	–
Prepaid insurance premiums	11,812	12,671	–	362
Accrued income	100,994	88,718	–	–
Other items	9,555	25,139	1	–
	161,392	**153,764**	**1**	**362**

NOTE 20 SHORT-TERM INVESTMENTS AND RESTRICTED FUNDS

Group	2011-12-31	2010-12-31
Current investments	0	541
Restricted funds	1,520	7,129
Cash and cash equivalents in external consortiums	407	405
	1,927	**8,075**

NOTE 21 EQUITY

Parent company	2011-12-31	2010-12-31
NUMBER OF SHARES		
Opening number of shares	51,313,833	51,313,833
Closing number of shares	**51,313,833**	**51,313,833**

The share relates to a class and each share entitles the holder to one vote.

Specification of equity item reserves:

Group	2011-12-31	2010-12-31
TRANSLATION RESERVE		
Opening translation difference	-5,168	48,976
Translation differences for the year, foreign subsidiaries	-4,513	-54,144
Closing translation difference	**-9,681**	**-5,168**

Translation reserve

The translation reserve includes all foreign exchange differences arising from the translation of financial statements of foreign operations for which the financial statements have been prepared in a different currency than the currency in which the consolidated financial statements are presented. The parent company and Group present their financial statements in Swedish kronor. The translation reserve also includes foreign exchange differences arising from expanded investments in foreign operations as well as loans received from foreign operations.

Retained earnings including profit/loss for the year

Retained earnings including profit/loss for the year includes profits earned in the parent company and its subsidiaries and associates. Previous transfers to the statutory reserve, excluding transfers from share premium accounts, and previous equity method reserves are included in this equity item.

Dividend

After the balance sheet date the Board of Directors and Chief Executive Officer have proposed the following dividend payment. The dividend is subject to approval at the Annual General Meeting on 7 May 2012. A cash dividend of SEK 12.16 per share (2.93) for a total payment of SEK 624,000,000 (150,000,000) based on the number of registered shares. The total dividend payment will be calculated based on the number of outstanding shares at the dividend date.

Capital management

Bravida aims to maintain a good capital structure and financial stability. This creates a stable foundation for the company's continued business activities, which creates opportunities to retain existing owners and attract new owners. A good capital structure should also help to ensure that relationships with the Group's creditors evolve in a way that is beneficial for all parties. Capital is defined as equity and refers to equity attributable to holders of interests in the parent company.

One of Bravida's financial targets is an equity/assets ratio (equity divided by total assets) in excess of 25 per cent. The Board deems that this level is appropriate for

Bravida's operations in the service and installation markets in Sweden, Norway and Denmark. The target is a part of the Group's strategic planning. If the equity/assets ratio is expected to permanently exceed this level capital should be transferred to the shareholders in an appropriate form. At year-end 2011 the equity/assets ratio was 35.8 per cent (26.7). The Board's ambition is to maintain a balance between a high return on equity, which can be achieved through increased leverage, and the benefits and security afforded by a higher share of equity.

In addition to regular dividend payments additional cash dividends may be proposed if the Board deems that funds are available that are not required for the development of the Group.

Bravida's loan agreements specify key financial performance indicators (covenants) that the Group is required to meet, which is customary for this type of loan. At year-end Bravida was meeting these covenants by a wide margin.

Parent company

Restricted funds

Restricted funds may not be reduced through the payment of dividends.

Non-restricted equity

Retained earnings and the profit or loss for the year make up non-restricted equity, i.e. the amount that is available for dividend payments to the shareholders.

Retained earnings

Retained earnings consist of retained earnings from the year plus the profit or loss less dividends paid during the year.

Earnings per share

Group	2011-01-01 - 2011-12-31	2010-01-01 - 2010-12-31
Profit/loss for the year	509,556	412,097
Average number of shares before and after dilution, thousands	51,314	51,314
Earnings before and after dilution, SEK	9.93	8.03
Proposed dividend	624,000	150,000

NOTE 22 INTEREST-BEARING LIABILITIES

The following is a presentation of the contractual terms applying to the company's interest-bearing liabilities. For more information about the company's exposure to interest risk and the risk of changes in exchange rates, see Note 28.

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
CURRENT LIABILITIES				
Overdraft facilities	2,038	269,108	–	269,108
Current portion of bank loans	200,000	200,000	200,000	200,000
	202,038	**469,108**	**200,000**	**469,108**
Amount out of liability item that is expected to be paid within 12 months of balance sheet date.	202,038	469,108	200,000	469,108
Amount out of liability item that is expected to be paid later than 5 years from balance sheet date	–	–	–	–

The liabilities are subject to certain covenants relating to the company's earnings and financial position.

			2011		2010	
	Maturity	Nom. interest	Nom.value	Carr.amount	Nom.value	Carr.amount
Bank loans, SEK-denominated	2012-01-13	5,2 %	200,000	200,000	**200,000**	200,000
Total interest-bearing liabilities			**200,000**	**200,000**	**200,000**	**200,000**

Credit limits

		Group		Parent company	
		2011-12-31	2010-12-31	2011-12-31	2010-12-31
Credit limit granted		702,876	1,350,000	700,000	1,350,000
Undrawn portion		-500,838	-880,892	-500,000	-880,892
Credit drawn		**202,038**	**469,108**	**200,000**	**469,108**
CREDIT LIMIT GRANTED, BY COUNTRY					
Sweden	SEK '000	700,000	1,350,000	700,000	1,350,000
Norway	NOK '000	2,500	–	–	–
Total credit limit granted	**SEK '000**	**702,876**	**1,350,000**	**700,000**	**1,350,000**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Assets pledged as collateral for liabilities to credit institutions

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
Property mortgages	1,800	1,800	–	–
Floating charges	1,004,100	1,165,800	278,000	–
Shares in subsidiaries	3,754,982	4,956,930	3,383,164	1,958,272
Trade receivables	411,975	374,007	–	–
	5,172,857	**6,498,537**	**3,661,164**	**1,958,272**

NOTE 23 PROVISIONS

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
PROVISIONS THAT ARE NON-CURRENT LIABILITIES				
Warranties	35,989	35,849	–	–
	35,989	**35,849**	**–**	**–**
PROVISIONS THAT ARE CURRENT LIABILITIES				
Warranties	35,989	35,848	–	–
Disputes	13,170	62,735	–	–
Provision for vacant premises	2,791	23,627	–	–
Costs of restructuring	12,212	7,998	5,256	–
Provision for project losses	3,939	7,120	–	–
Other	25,195	33,319	8,500	–
	93,296	**170,647**	**13,756**	**–**

Change in provisions 2011	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at beginning of year	71,697	62,735	23,627	7,998	40,440	206,497
Provisions made during the period	70,479	–	11,685	12,275	7,725	102,164
Amount used during the period	-71,422	-47,782	-31,176	-7,691	-37,949	-196,020
Provisions in acquired companies	1,318	–	–	–	15,517	16,835
Foreign exchange differences	-94	-1,783	-1,345	-370	3,401	-191
Carrying amount at end of year	**71,978**	**13,170**	**2,791**	**12,212**	**29,134**	**129,285**

Change in provisions 2010	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at beginning of year	107,276	63,060	13,410	21,994	69,739	275,479
Provisions made during the period	34,609	50,976	23,228	7,809	92,326	208,948
Amount used during the period	-70,188	-51,301	-13,011	-21,805	-121,625	-277,930
Carrying amount at end of year	**71,697**	**62,735**	**23,627**	**7,998**	**40,440**	**206,497**

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
Amount out of provision that is expected to be paid within 12 months.	93,296	170,647	13,756	–

Warranties
Refers to the expected cost of correcting errors and defects in respect of completed projects that occur during the warranty periods for the projects. The outflow of resources takes place during the warranty periods for the projects, which normally range from two to five years. As the effect of when payment is made is not material expected future outgoing payments are not discounted to present value.

Disputes
The provision is based on an individual risk assessment for unresolved disputes at the balance sheet date.

Empty premises
Linked to the restructuring and coordination of the operations, a provision has been made for empty premises. Account has been taken of the possibility of sub-letting the premises or terminating the contracts in advance.

Restructuring measures
Restructuring measures include items such as costs for staff reductions. A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has been initiated or publicly announced. No provision is made for future operating expenses.

Loss provision, contracts
Installation projects are accounted for in accordance with the percentage of completion method. Individual provisions are made for expected losses, i.e. when the project costs are expected to exceed the total project income.

NOTE 24 INVOICED BUT NOT ACCRUED INCOME

Group	2011-12-31	2010-12-31
Invoicing of work not yet completed	6,515,650	5,851,773
Accrued income from work not yet completed	-5,533,666	-5,054,723
	981,984	**797,050**

Accrued income from installation projects in progress are recognised in accordance with the percentage of completion method. The degree of completion is defined as project expenditure incurred at the end of the period compared with the total project cost corresponding to the project income.

In the balance sheet installation projects are recognised gross on a project by project basis, either as accrued but not invoiced income in current assets or as invoiced but not accrued income in current liabilities. Projects for which the accrued income exceeds the amount invoiced are recognised as an asset while projects for which the amount invoiced exceeds the accrued income are recognised as a liability.

NOTE 25 OTHER LIABILITIES

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
OTHER CURRENT LIABILITIES				
Liabilities to parent company	–	29,138	–	29,138
Value-added tax liability	134,815	134,094	6,052	6,684
Employee withholding taxes	96,874	90,918	711	–
Other	55,631	51,016	12,801	8,876
	287,320	**305,166**	**19,564**	**44,698**

NOTE 26 ACCRUALS AND DEFERRED INCOME

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
Accrued holiday pay and salaries	620,513	609,761	8,328	325
Accrued social-security contributions	224,023	211,458	1,538	71
Accrued interest expense	–	285	–	285
Other items	37,980	48,111	5,200	902
	882,516	**869,615**	**15,066**	**1,583**

NOTE 27 VALUATION OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The following table shows carrying amounts and fair values for financial instruments. For interest-bearing assets and liabilities fair value has been determined by discounting future payment flows at the market interest rate applying at the balance sheet date. The carrying amounts of trade receivables and trade payables are deemed to be the same as the fair values. The discount rate is the market interest rate for similar instruments at the balance sheet date.

Group 31 Dec 2011	Loans and trade receivables	Other financial assets and liabilities	Total carrying amount	Fair value
Trade receivables	1,844,843	–	1,844,843	1,844,843
Current receivables from parent company	–	418,496	418,496	418,496
Other receivables	19,127	–	19,127	19,127
Short-term investments and restricted funds	1,927	–	1,927	1,927
Total assets	**1,865,897**	**418,496**	**2,284,393**	**2,284,393**
Current liabilities to credit institutions	–	200,000	200,000	200,000
Overdraft facilities	–	2,038	2,038	2,038
Trade payables	–	1,111,036	1,111,036	1,111,036
Total liabilities	**–**	**1,313,074**	**1,313,074**	**1,313,074**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Group 31 Dec 2010	Loans and trade receivables	Other financial assets and liabilities	Total carrying amount	Fair value
Trade receivables	1,651,658	–	1,651,658	1,651,658
Other receivables	10,327	–	10,327	10327
Short-term investments and restricted funds	8,075	–	8,075	8,075
Total assets	**1,670,060**	**–**	**1,670,060**	**1,670,060**
Current liabilities to credit institutions	–	200,000	200,000	200,000
Overdraft facilities	–	269,108	269,108	269,108
Trade payables	–	852,436	852,436	852,436
Other liabilities	–	29,138	29,138	29,138
Total liabilities	**–**	**1,350,682**	**1,350,682**	**1,350,682**

Parent company 31 Dec 201	Loans and trade receivables	Other financial assets and liabilities	Total carrying amount	Fair value
Current receivables from parent company	–	418,496	418,496	418,496
Current receivables from Group companies	–	106,662	106,662	106,662
Total assets	**–**	**525,158**	**525,158**	**525,158**
Current liabilities to credit institutions	–	200,000	200,000	200,000
Current liabilities to Group companies	–	1,539,535	1,539,535	1,539,535
Trade payables	–	2,359	2,359	2,359
Total liabilities	**–**	**1,741,894**	**1,741,894**	**1,741,894**

Parent company 31 Dec 2010	Loans and trade receivables	Other financial assets and liabilities	Total carrying amount	Fair value
Current receivables from Group companies	–	1,552,446	1,552,446	1,552,446
Total assets	**–**	**1,552,446**	**1,552,446**	**1,552,446**
Current liabilities to credit institutions	–	200,000	200,000	200,000
Overdraft facilities	–	269,108	269,108	269,108
Current liabilities to Group companies	–	1,427,458	1,427,458	1,427,458
Current liabilities to parent company	–	29,138	29,138	29,138
Trade payables	–	726	726	726
Total liabilities	**–**	**1,926,430**	**1,926,430**	**1,926,430**

NOTE 28 FINANCIAL RISKS AND FINANCIAL POLICIES

Financial risks and financial policies

Financial management

Through its operations the Group is exposed to various types of financial risk. Financial risks refer to fluctuations in the company's earnings and cash flow due to changes in exchange rates, interest rates, and refinancing and credit risks. The Group's financial management is governed by the applicable financial policy, which is adopted by Bravida's Board of Directors and constitutes a framework of guidelines and rules in the form of risk mandates and limits for the company's financial activities. The central Accounting & Finance support function is responsible for coordinating the Group's financial activities. The general goal for the Accounting & Finance function is to provide cost-effective financing and to minimise negative effects on the Group's earnings that derive from financial risks.

Liquidity risk

Liquidity risk is the risk that the Group will face problems meeting obligations associated with financial liabilities. The Group has a rolling one-month liquidity planning system that covers all units in the Group. The plans are updated continually. The Group's forecasts also comprise medium-term liquidity planning. Liquidity planning is used to manage liquidity risk and the costs of funding the Group. The goal is to ensure that the Group is able to meet its financial obligations regardless of economic climate without incurring significant unforeseen expenses. Liquidity risk throughout the Group is managed by the central Finance & Accounting department. At year-end the maturity of used credits was 1 month (1), while the maturity of unused credits was 36 months (36) and of total granted credits 36 months (36).

Bravida's basic funding arrangement was renegotiated in 2011. The loan agreements specify key performance indicators (covenants) that the Group is required to meet, which is customary for this type of loan. At year-end Bravida was meeting these covenants by a wide margin. Total granted committed lines of credit at 31 December 2011 were SEK 703 million (1,350). Out of the total available committed lines of credit, SEK 202 million (469) had been drawn.

Maturity structure of financial liabilities

Group 31 Dec 2011	2012	2013	2014	2015
Loans	200,000	–	–	–
Overdraft facilities	2,038	–	–	–
Trade payables	1,111,036	–	–	–
Other liabilities	–	–	–	–
Total	**1,313,074**	**–**	**–**	**–**

Group 31 Dec 2010	2012	2013	2014	2015
Loans	200,000	–	–	–
Overdraft facilities	269,108	–	–	–
Trade payables	852,436	–	–	–
Other liabilities	29,138	–	–	–
Total	**1,350,682**	**–**	**–**	**–**

Parent company 31 Dec 201	2012	2013	2014	2015
Loans	200,000	–	–	–
Overdraft facilities	–	–	–	–
Trade payables	2,359	–	–	–
Other liabilities	1,816,273	–	–	–
Total	**2,018,632**	**–**	**–**	**–**

Parent company 31 Dec 2010	2012	2013	2014	2015
Loans	200,000	–	–	–
Overdraft facilities	269,108	–	–	–
Trade payables	726	–	–	–
Other liabilities	1,456,596	–	–	–
Total	**1,926,430**	**–**	**–**	**–**

Credit facilities

Group 31 Dec 2011	Nominal	Drawn	Available
Bank loans	400,000	200,000	200,000
Overdraft facilities	302,876	2,038	300,838
Cash and cash equivalents	75,852	–	75,852
Liquidity reserve	**778,728**	**202,038**	**576,690**

Group 31 Dec 2010	Nominal	Drawn	Available
Bank loans	750,000	200,000	550,000
Overdraft facilities	600,000	269,108	330,892
Cash and cash equivalents	34,937	–	34,937
Liquidity reserve	**1,384,937**	**469,108**	**915,829**

Interest risk

Interest risk is the risk that Bravida's cash flow or the value of financial instruments will vary due to changes in market interest rates. Interest risk can lead to changes in fair values and cash flows. A significant factor affecting interest risk is the fixed-rate period. Net interest-bearing liabilities at 31 December 2011 were SEK 126 million (434). Total interest-bearing liabilities were SEK 202 million (469), of which SEK 200 million (200) refers to short-term loans and SEK 2 million (269) to utilisation of overdraft facilities. Decisions to fix interest rates on interest-bearing liabilities are made on the basis of liquidity planning, views on interest rates and applicable financing agreements. Bravida's current outstanding credits have a short fixed-rate period. As shown in the following table, the average fixed-rate period for the Group's interest-bearing liabilities is less than 1 year. Interest-bearing assets consist of cash and cash equivalents bearing variable interest, which means that the Group's net liability of SEK 126 million is quickly affected by changes in market interest rates. As most of the Group's financial liabilities have short fixed-rate periods, most of the interest risk can be regarded as cash flow risk. See also Sensitivity analysis below for information on Bravida's sensitivity to interest risk.

Fixed-rate period for used credits 31 Dec 2011

	Amount	Average effect interest rate, %	Share, %
2012	200,000	5,30	100
Total	**200,000**	**5,30**	**100**

Fixed-rate period for used credits 31 Dec 2010

	Amount	Average effect interest rate, %	Share, %
2011	200,000	3.70	100
Total	**200,000**	**3.70**	**100**

Currency risk
Currency risk is the risk that changes in exchange rates will have a negative impact on the consolidated income statement, balance sheet or cash flow. There are two main types of currency risk: transaction exposure and translation exposure. Transaction exposure arises when purchases and sales are made in different currencies. Bravida's transaction exposure is low, as both sales and purchases are largely made in local currency. Translation exposure arises when assets and liabilities are denominated in different currencies and when foreign subsidiaries' earnings and net assets are translated into Swedish kronor. The Group is exposed to translation risk in its subsidiaries in Norway and Denmark. In view of Bravida's low currency risk exposure, the Group does not normally use currency hedges. Net financial income/expense for the year includes foreign exchange differences from financial exposures of SEK 1 million (1).

Financial exposure
Assets and liabilities in foreign currencies are translated at closing rates.

Exposure of net assets in foreign currency
The translation exposure that arises through investments in foreign net assets is not hedged.

Foreign net assets

	Group	
Local currency	**2011-12-31**	**2010-12-31**
NOK	261,367	336,584
DKK	176,181	120,148

A 10 per cent strengthening of the Norwegian krone at 31 December 2011 would have a positive translation effect on equity of SEK 30 million. The same increase in the value of the Danish krone would have a positive translation effect on equity of SEK 21 million. The effects of the corresponding exchange rate changes on profit for the year are limited. The foreign exchange difference for the year in total earnings was SEK -5 million (-54).

Commercial exposure
International purchases and sales of goods and services in foreign currencies is limited in scope but can be expected to increase as the Group expands and in response to mounting competition in respect of purchasing and sales of goods and services.

Credit risk
Credit risk refers to the risk of losing money due to the inability of a counterparty to meet its obligations.

Credit risks in financing activities
The credit risk in the Group's financing activities is very small, as Bravida only concludes agreements with counterparties with the highest creditworthiness. Credit risks refer mainly to counterparty risks in connection with receivables from banks and other counterparties. The Group's financial policy contains a set of counterparty regulations specifying maximum credit exposures for different counterparties. The estimated gross exposure to counterparty risk in respect of cash and cash equivalents and short-term investments was SEK 78 million (42).

Credit risks in trade receivables
The risk that the company's customers will fail to fulfil their obligations, i.e. that the company will not receive payment from its customers, constitutes a customer credit risk. Credit losses are normally small thanks to the very large number of projects and customers, which are invoiced regularly during the period of production. Before a project is initiated the credit risk of the customer is assessed, whereby information about the customer's financial position is obtained from credit information companies. The Group has adopted a credit policy for the management of customer credits. The policy states where decisions should be made on credit limits of various sizes and how doubtful receivables should be handled. A bank guarantee or other security is required for customers with low creditworthiness or an insufficient credit history. The maximum credit exposure is stated in the consolidated balance sheet. Total credit losses were SEK 1 million (3). There was no significant concentration of credit risks at the balance sheet date.

Based on historical data, the Group makes the assessment that no impairment of trade receivables that are not yet due had occurred at the balance sheet date.

Trade receivables past due but not impaired

	Group	
Carrying amount, not impaired receivables	**2011-12-31**	**2010-12-31**
Trade receivables not yet due	1,559,082	1,438,734
Trade receivables past due 1-15 days	217,431	165,408
Trade receivables past due 16-30 days	21,973	14,074
Trade receivables past due 31-60 days	34,327	24,915
Receivables past due > 60 days	59,544	74,044
Total	**1,892,357**	**1,717,175**

	Group	
Impaired trade receivables	**2011-12-31**	**2010-12-31**
Opening balance	65,517	73,266
Change for the year	-18,004	-7,749
Closing balance	**47,513**	**65,517**

In other financial receivables there are no past due receivables

	Group	
Sensitivity analysis	**Change +– %**	**Effect on earnings before tax +– SEKm**
Sales	1 %	7
Operating margin	1 % point	108
Payroll costs	1 %	47
Materials and subcontractors	1 %	43
Share productive installer time	1 % point	57
Interest rate on loans	1 % point	1
Exchange rate DKK	10 %	6
Exchange rate NOK	10 %	10

NOTE 29 OPERATING LEASE PAYMENTS

	Group		Parent company	
	2011-01-01 - 2011-12-31	**2010-01-01 - 2010-12-31**	**2011-01-01 - 2011-12-31**	**2010-01-01 - 2010-12-31**
ASSETS HELD UNDER OPERATING LEASES				
Minimum lease payments	189,335	175,167	492	–
Variable payments	–	–	–	–
Total lease costs	**189,335**	**175,167**	**492**	**–**
BREAKDOWN OF LEASE PAYMENTS BY AGREEMENT				
Lease payments, vehicles	182,324	167,586	492	–
Lease payments, IT	3,779	4,669	–	–
Lease payments, other	3,232	2,912	–	–
Total lease costs	**189,335**	**175,167**	**492**	**–**
FUTURE LEASE COMMITMENTS				
Nominal value of future minimum lease payments relating to non-cancellable contracts fall due for payment:				
- Within 1 year	144,147	120,813	382	–
- Between 1 and 5 years	207,757	160,616	333	–
- After 5 years	1,817	493	–	–
	353,721	**281,922**	**715**	**–**
FUTURE COMMITMENTS, RENT FOR PREMISES				
Nominal value of future commitments in respect of rent for premises fall due for payment:				
- Within 1 year	141,628	142,048	53	–
- Between 1 and 5 years	211,363	171,796	106	–
- After 5 years	37,546	42,423	–	–
	390,537	**356,267**	**159**	**–**

Cars, office equipment and IT equipment are classified as operating leases. In Sweden, Norway and Denmark Bravida has framework agreements covering operating leases for cars and related administrative services. The terms of leases normally range from three to five years. The purchase of leased objects and the extension of leases require a separate agreement.

NOTE 30 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent company	
	2011-12-31	**2010-12-31**	**2011-12-31**	**2010-12-31**
PLEDGED ASSETS				
For own liabilities and provisions				
Property mortgages	1,800	1,800	–	–
Floating charges	1,004,100	1,165,800	278,000	–
Shares in subsidiaries	3,754,982	4,956,930	3,383,164	1,958,272
Trade receivables	411,975	374,007	–	–
Funds, endowment policies	43,251	45,568	43,251	–
	5,216,108	**6,544,105**	**3,704,415**	**1,958,272**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
CONTINGENT LIABILITIES				
For own liabilities and provisions				
Guarantee commitments, FPG/PRI	19,848	19,696	16,609	16,181
Guarantee commitments, SPP	–	–	108	186
	19,848	**19,696**	**16,717**	**16,367**

NOTE 31 RELATED PARTIES

The Group is under a controlling influence from Scandinavian Installation Acquisition AB, the parent company of Bravida AB.

The Group is under a controlling influence from Triton Fund II. This fund is managed by Triton Managers II Limited. Collectively, their total indirect shareholding represents 87.2 per cent (87.8) of the votes in the Bravida AB Group. In view of their influence, transactions with the following companies are regarded as related-party transactions.

In 2011 the wholly owned subsidiary company Investeringssällskapet 1999 AB was merged with Bravida AB. Bravida AB is now the company that collects management fees to cover expenses for central Group functions. These are charged to all operating companies in the Bravida AB Group. This revenue has not been included below, nor have the balances arising from these interactions.

Bravida AB is the holder of the main account in the Group's account structure. This means that all companies which form part of the Group account structure have balances with Bravida AB. These balances have not been included below, nor has interest which is attributable to the fact that Bravida AB is the holder of the main account in the Group account structure.

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
TRANSACTIONS WITH SCANDINAVIAN INSTALLATION REFI AB				
Purchases from Scandinavian Installation Refi AB	3,500	–	3,500	–
	3,500	**–**	**3,500**	**–**
TRANSACTIONS WITH SCANDINAVIAN INSTALLATION ACQUISITION AB				
Purchases from Scandinavian Installation Acquisition AB	85	2,000	85	2,000
Dividend paid to Scandinavian Installation Acquisition AB	150,360	700,000	150,360	700,000
Group contribution made to Scandinavian Installation Acquisition AB	4	31,938	4	31,938
Received shareholders' contribution from Scandinavian Installation Acquisition AB	412,000	–	412,000	–
Receivable from Scandinavian Installation Acquisition AB	418,496	–	418,496	–
Liability to Scandinavian Installation Acquisition AB	–	29,138	–	29,138
	980,945	**763,076**	**980,945**	**763,076**
TRANSACTIONS WITH INVESTERINGSSÄLLSKAPET 1999 AB				
Sales to Investeringssällskapet 1999 AB	–	–	–	1,204
Dividend received from Investeringssällskapet 1999 AB	–	–	–	567,388
Group contribution received from Investeringssällskapet 1999 AB	–	–	–	213,195
	–	**–**	**–**	**781,787**
TRANSACTIONS WITH BRAVIDA AS				
Dividend received from Bravida AS	–	–	170,775	294,401
	–	**–**	**170,775**	**294,401**
TRANSACTIONS WITH BRAVIDA DANMARK A/S				
Interest paid to Bravida Danmark A/S	–	–	3,463	–
Dividend received from Bravida Danmark A/S	–	–	18,000	–
Liability to Bravida Danmark A/S	–	–	92,928	–
	–	**–**	**114,391**	**–**

	Group		Parent company	
	2011-12-31	2010-12-31	2011-12-31	2010-12-31
TRANSACTIONS WITH BRAVIDA SVERIGE AB				
Interest paid to Bravida Sverige AB	–	–	–	2,315
Group contribution received from Bravida Sverige AB	–	–	242,293	–
	–	**–**	**242,293**	**2,315**
TRANSACTIONS WITH TRITON ADVISORS LTD.				
Purchases from Triton Advisors Ltd.	244	4,500	111	4,500
	244	**4,500**	**111**	**4,500**
TRANSACTIONS WITH TRITON MANAGERS II LTD.				
Purchases from Triton Managers II Ltd.	–	4,500	–	4,500
	–	**4,500**	**–**	**4,500**
TRANSACTIONS WITH TRITON MANAGERS LTD.				
Purchases from Triton Managers Ltd.	–	2	–	2
	–	**2**	**–**	**2**
TRANSACTIONS WITH TRITON ADVISERS (NORDIC) AB				
Purchases from Triton Advisers (Nordic) AB	111	14	111	14
	111	**14**	**111**	**14**
TRANSACTIONS WITH WEST PARK MANAGEMENT SERVICES LTD				
Purchases from West Park Management Services Ltd	1,059	–	1,059	–
	1,059	**–**	**1,059**	**–**

In addition to the related-party relationships indicated for the Group, the parent company has related-party relationships involving a controlling influence with its subsidiaries. See Note 32.

Senior executives
For information on salaries and other compensation, expenses and obligations in respect of pensions and similar benefits, and agreements on severance pay for the Board of Directors, Chief Executive Officer and other senior executives, see Note 6.

NOTE 32 INTERESTS IN GROUP COMPANIES

	Parent company	
	2011-12-31	2010-12-31
ACCUMULATED COST		
At beginning of year	3,054,739	3,054,739
Value of merged subsidiaries	1,424,892	–
	4,479,631	**3,054,739**
ACCUMULATED IMPAIRMENT		
At beginning of year	-1,096,467	-1,096,467
	-1,096,467	-1,096,467
Carrying amount at end of period	**3,383,164**	**1,958,272**

At 31 December 2011 Bravida AB owned shares directly in Bravida Sverige AB, Bravida AS and Bravida Danmark A/S.
At 31 December 2010 Bravida AB owned shares directly in Investeringssällskapet 1999 AB and Bravida AS.
The other subsidiaries listed below are indirectly owned.

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Specification of interests in Group companies

			2011-12-31
Subsidiary / Reg.no. / Regd office	**No. of shares**	**Share, %[1)]**	**Carrying amount**
Bravida Sverige AB, 556197-4188, Stockholm	20,000	100.0	2,543,983
Bravida Prenad AB, 556454-1315, Malmö	50,000	100.0	73,044
Bravida Säkerhet AB, 556193-1832, Stockholm	5,100	100.0	14,961
Erfator Projektledning AB, 556401-7795, Kista	1,000	100.0	9,072
Ferax Projektstyrning AB, 556722-6500, Stockholm	500,000	100.0	2,320
C2M Sprinkler AB, 556684-9021, Mark	2,100	70.0	16,827
Bravida Service Mellersta AB, 556181-4020, Norrköping	1,000	100.0	160
E/S Intressenter AB, 556564-6741, Skellefteå	1,000	100.0	14,828
E/S Elconsult AB, 556311-0633, Skellefteå	1,000	100.0	432
E/S Installation AB, 556306-0838, Skellefteå	1,000	100.0	415
E/S Styromatic AB, 556111-9248, Skellefteå	1,000	100.0	1,028
Juhl Air Control AB, 556308-0356, Kävlinge	2,000	100.0	5,905
Appelgrens Elektriska Mölndal AB, 556296-9435, Mölndal	30,000	100.0	3,087
Sandsnäppan AB, 556702-2412, Stockholm	1,001	100.0	100
Styltsnäppan AB, 556181-0812, Stockholm	9,500	100.0	1,140
Bravida El Stockholm AB, 556439-4681, Stockholm	30,000	100.0	58,727
Bravida Danmark A/S, 14769005, Brøndby, Denmark	4	100.0	260,859
Selskabet av 7 oktober 2003 ApS, 10035422, Brøndby, Denmark, TDKK	2,211	100.0	2,797
Bravida AS, 982 281 024, Oslo, Norway	500,001	100.0	578,322
Bravida Norge AS, 987 582 561, Oslo, Norway, TNOK	10,796,137	100.0	246,688
A Halvorsen & Sønn AS, 870 999 402, Lilleström, Norway, TNOK	1,000	100.0	15,000
Aug Larsen AS, 913 760 301, Oslo, Norway, TNOK	1,000	100.0	6,000

[1)] Refers to the ownership share of the capital, which is also consistent with the share of voting rights for the total number of shares.

			2010-12-31
Subsidiary / Reg.no. / Regd office	**No. of shares**	**Share, %[1)]**	**Carrying amount**
Investeringssällskapet 1999 AB, 556566-7879, Stockholm	698,800	100.0	1,379,950
Bravida Sverige AB, 556197-4188, Stockholm	20,000	100.0	2,321,843
Bravida Prenad AB, 556454-1315, Malmö	50,000	100.0	73,044
Bravida Säkerhet AB, 556193-1832, Stockholm	5,100	100.0	14,961
Erfator Projektledning AB, 556401-7795, Kista	1,000	100.0	9,072
Bravida Service Mellersta AB, 556181-4020, Norrköping	1,000	100.0	160
E/S Intressenter AB, 556564-6741, Skellefteå	1,000	100.0	14,828
E/S Elconsult AB, 556311-0633, Skellefteå	1,000	100.0	432
E/S Installation AB, 556306-0838, Skellefteå	1,000	100.0	415
E/S Styromatic AB, 556111-9248, Skellefteå	1,000	100.0	1,028
Juhl Air Control AB, 556308-0356, Kävlinge	2,000	100.0	15,289
Appelgrens Elektriska Mölndal AB, 556296-9435, Mölndal	30,000	100.0	7,570
Byggnads AB Konstruktör, 556012-3670, Örebro	6,000	100.0	360
Styltsnäppan AB, 556181-0812, Stockholm	9,500	100.0	1,140
Bravida Väst AB, 556200-3706, Gothenburg	20,000	100.0	2,182
AB Elektriska Jibex, 556451-3371, Sundsvall	1,000	100.0	213
Bravida El Stockholm AB, 556439-4681, Stockholm	30,000	100.0	58,727
Bravida Danmark A/S, 14769005, Brøndby, Denmark	4	100.0	260,859
Selskabet av 7 oktober 2003 ApS, 10035422, Brøndby, Denmark	2,211	100.0	–
Bravida AS, 982 281 024, Oslo, Norway	500,001	100.0	578,322
Bravida Norge AS, 987 582 561, Oslo, Norway, TNOK	10,796,137	100.0	246,688

[1)] Refers to the ownership share of the capital, which is also consistent with the share of voting rights for the total number of shares.

NOTE 33 STATEMENT OF CASH FLOWS

		Group		Parent company	
SEK millions	**Note**	**2011-01-01 -2011-12-31**	**2010-01-01 -2010-12-31**	**2011-01-01 -2011-12-31**	**2010-01-01 -2010-12-31**
INTEREST PAID AND DIVIDEND RECEIVED					
Dividend received		–	–	193	862
Interest received		6	11	9	38
Interest paid		-32	-28	-59	-27
ADJUSTMENTS FOR NON-CASH ITEMS ETC.					
Depreciation/amortisation and impairment of assets	7, 10	12	15	–	–
Capital gain/loss on sale of operations/subsidiaries		–	0	–	–
Pension provisions		-5	-60	–	–
Change in provisions		-94	-61	–	–
Profit/loss in merged subsidiaries		–	–	-26	
IAS 19 accounting of pensions		11	–	–	–
		-75	**-106**	**-26**	**–**
UNUSED CREDITS					
Unused credit facilities were:	22	501	881	500	881

NOTE 34 EVENTS AFTER THE BALANCE SHEET DATE

After the end of the reporting period Division South has acquired the operations of EU Installation AB, an HVAC firm in Uddevalla with 11 employees.

After the end of the reporting period it has also been decided that Jan Åkesson will step down as Chairman of the Board to be replaced by Finn Johnsson. Finn has many years' experience as a chairman, notably at Volvo and KappAhl, and as a Board member at Industrivärden and Skanska. The previous Chairman, Jan Åkesson, will remain a member of the Board. The change of Chairman took place on 16 February.

NOTE 35 SIGNIFICANT ASSESSMENTS AND ESTIMATES

The following is a description of certain significant accounting estimates that have been made in applying the Group's accounting policies.

Percentage of completion accounting
Reported earnings for installation projects in progress is accounted for in accordance with the percentage of completion method based on the degree of completion of the project. Use of this method requires that project income and project expenses can be reliably measured, which in turn requires a well functioning system for cost estimates, forecasting procedures and project review. Forecasts relating to the final outcome for the project is a critical assessment that is material to the reporting of earnings during the course of the project. There is a risk that the final earnings for the project may differ from earnings as reported in accordance with the percentage of completion method.

Impairment tests of goodwill
In estimating recoverable amounts for cash-generating units for the purpose of testing for impairment of goodwill, several assumptions about future circumstances and estimates of parameters have been made. These are described in Note 11. As implied by the description in Note 11, changes in 2011 in the bases for these assumptions and estimates could have a significant impact on the value of goodwill.

Pension assumptions
Management has assumed that the return on plan assets will exceed the discount rate by one percentage point, as this is the average return achieved over the last three years. To the extent that the actual return in 2011 deviates significantly from the expected long-term return, actuarial gains or losses could have a significant impact on the reported liability for defined benefit pensions. Similarly, deviations and changes to assumptions in respect of the calculation of the pension liability could have significant effects on the reported value of the net liability.

Leasing
The Bravida Group leases a significant number of vehicles, mainly commercial vehicles. These have been accounted for in accordance with the rules for operating leases. Amendments to the accounting policies could affect the presentation of Bravida's income statement and balance sheet.

Disputes
Actual outcomes for disputed amounts can differ from the recognised amounts, which are based on management's best assessment.

Tax
Changes in tax laws and changes to practice in the interpretation of tax laws can have a significant impact on the size of reported deferred tax.

NOTE 36 INFORMATION ABOUT THE PARENT COMPANY

Bravida AB is a Swedish-registered limited liability company with registered office in Stockholm. The address of the head office is Mikrofonvägen 28, 126 81 Stockholm.

The consolidated financial statements for 2011 comprise the parent company and its subsidiaries, which are jointly referred to as "the Group". The Group also includes the owned portion of interests in associated companies.

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 37 MERGER

In 2011 the subsidiary company Investeringssällskapet 1999 AB, reg.no. 556566-7879, was merged with the parent company. The income statement and balance sheet of the subsidiary company Investeringssällskapet 1999 AB at the merger date, 17 May 2011, are presented below.

Amount at	2011-05-17
Net sales	20,807
Operating profit/loss	5,937
Non-current assets	2,638,527
Current assets	28,640
Provisions	-104,297
Liabilities	-1,378,798
	1,184,072

NOTE 38 EFFECTS OF FUTURE CHANGES TO ACCOUNTING POLICIES

In June 2011 IASB published an amended version of IAS 19 Employee Benefits. The main changes are that:

- The corridor method for accounting of actuarial gains and losses is no longer applicable.
- Net interest income/expense relating to a defined benefit net asset/liability should be recognised in the income statement. Only the return on plan assets in accordance with the discount rate should be recognised in the income statement.
- Actuarial gains and losses and the return on plan assets in excess of the discount rate should be recognised in other comprehensive income.
- The amended version specifies that taxes should be included in actuarial assumptions used in calculating defined benefit pension plans.
- Bravida is planning to apply the amended version as of 2013.

Application of this accounting policy in Bravida's financial statements for 2011 would have had the following effect:

Defined benefit obligations and the value of plan assets

Group	2011-12-31
Present value of fully or partly funded obligations	-1,283,207
Fair value of plan assets	1,198,994
Total fully or partly funded obligations	**-84,213**
Present value of unfunded defined benefit obligations	-18,518
Net obligations before adjustments	**-102,731**
Adjustments:	
Payroll tax	-35,639
Net amount in balance sheet	**-138,370**
THE NET AMOUNT IS RECOGNISED IN THE FOLLOWING ITEMS IN THE BALANCE SHEET:	
Other securities held as non-current assets	43,251
Provisions for pensions and similar obligations	-181,621
Net amount in balance sheet	**-138,370**
THE NET AMOUNT IS DISTRIBUTED AMONG PLANS IN THE FOLLOWING COUNTRIES:	
Sweden	-138,092
Norway	-278
Net amount in balance sheet	**-138,370**

Cost recognised in the income statement

Group	2011-12-31
ADMINISTRATIVE EXPENSE	
Costs relating to service during current period	-22,593
Insurance premium (-) paid from plan assets	-2,526
Payroll tax	-3,045
Net expense in profit/loss for the year	**-28,164**
FINANCIAL EXPENSES	
Financial expense	-3,079
	-3,079
TAX	
Change in deferred tax	66,628
	66,628
OTHER COMPREHENSIVE INCOME	
Amortisation of actuarial losses	-246,539
	-246,539

The Board of Directors and Chief Executive Officer warrant that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated financial statements give a true and fair view of the parent company's and Group's financial positions and results. The audit report for the parent company and Group gives a true and fair overview of the development of the parent company's and Group's activities, their financial positions and results, and describes significant risks and uncertainties faced by the parent company and the companies included in the Group.

Stockholm, 6 April 2012

Finn Johnsson
Chairman

Thomas Erséus
Director

Thomas Tarnowski
Director

Torbjörn Torell
Director

Jan Åkesson
Director

Kjell Åkesson
Director

Mats O Paulsson
Chief Executive Officer

Jan-Erik Arvidsson
Employee representative

Anders Mårtensson
Employee representative

Peter Sjöquist
Employee representative

Øivind Fredriksen
Employee representative

Our audit report was submitted on 6 April 2012
KPMG AB

Per Gustafsson
Authorised Public Accountant

As stated above, the annual accounts and consolidated financial statements were approved for release by the Board of Directors on 6 April 2012. The consolidated statement of comprehensive income and the consolidated statement of financial position and the parent company income statement and parent company balance sheet will be submitted for adoption at the Annual General Meeting on 7 May 2012.

AUDIT REPORT

To the Annual General Meeting of Bravida AB, reg.no. 556713-6535

KPMG

Report on the annual accounts and consolidated financial statements

We have audited the annual accounts and consolidated financial statements for Bravida AB for 2011. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 32-76.

The Board of Directors' and Chief Executive Officer's responsibility for the annual accounts and consolidated financial statements

Responsibility for preparing annual accounts which give a true and fair view pursuant to the Swedish Annual Accounts Act and consolidated financial statements which give a true and fair view pursuant to the International Financial Reporting Standards, as adopted by the EU, and the Swedish Annual Accounts, and for such internal control as the Board of Directors and Chief Executive Officer deem necessary for the purpose of preparing annual accounts and consolidated financial statements that are free from material misstatement, whether due to irregularities or error, rests with the Board of Directors and Chief Executive Officer.

The auditor's responsibility

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements based on our audit. We have conducted our audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we observe professional ethical standards and conduct our audit with the aim of obtaining a reasonable degree of certainty that the annual accounts are free of material misstatement.

An audit involves obtaining, through various actions, audit evidence of the accuracy of amounts and other information contained in the annual accounts and consolidated financial statements. The auditor decides which actions to take, partly by assessing the risks of material misstatements in the annual accounts and consolidated financial statements, whether due to irregularities or errors. In this risk assessment the auditor takes considers those aspects of the internal control that are relevant for how the company prepares its annual accounts and consolidated financial statements with the aim of giving a true and fair view for the purpose of devising auditing actions that are appropriate in view of the circumstances, but not for the purpose of expressing an opinion on the efficacy of the company's internal control. An audit also includes an evaluation of the appropriateness of the accounting principles employed and the reasonableness of the estimates used by the Board of Directors and Chief Executive Officer in preparing the accounts as well as an evaluation of the general presentation in the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and give an essentially true and fair view of the parent company's financial position at 31 December 2011 and of its financial results and cash flows for the year in accordance with the Annual Accounts Act, and the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and give an essentially true and fair view of the Group's financial position at 31 December 2011 and of its results and cash flows in accordance with the International Financial Reporting Standards, as adopted by the EU, and with the Annual Accounts Act. The Directors' Report accords with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the parent company income statement and balance sheet and the consolidated statement of comprehensive income and balance sheet.

Report on other statutory and regulatory requirements

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the proposed appropriation of the company's profit and the Board of Directors' and Chief Executive Officer's administration of Bravida AB for 2011.

The Board of Directors' and Chief Executive Officer's responsibility

Under the Annual Accounts Act, responsibility for the proposal for appropriation of the company's profit or loss rests with the Board of Directors, and responsibility for the administration rests with the Board of Directors and Chief Executive Officer.

The auditor's responsibility

Our responsibility is to express an opinion, with a reasonable degree of certainty, on the proposal for appropriation of the company's profit or loss and on the administration on the basis of our audit. We have conducted our audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposal for appropriation of the company's profit, we have examined the Board of Directors' reasoned opinion and a selection of evidence for this in order to determine whether the proposal is consistent with the Swedish Companies Act.

As a basis for our statement on release from liability, we have, in addition to our audit of the annual accounts and consolidated financial statements, examined significant decisions, actions and circumstances of the company in order to be able to determine the liability, if any, to the company of any Director or of the Chief Executive Officer. We have also examined whether any Director or the Chief Executive Officer has in any other way acted in violation of the Swedish Companies Act, the Annual Accounts Act or the company's articles of association.

We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our opinions.

Opinions

We recommend that the Annual General Meeting appropriate the profit as proposed in the Directors' Report and grant release from liability to the members of the Board of Directors and Chief Executive Officer in respect of the financial year.

Stockholm, 6 April 2012
KPMG AB

Per Gustafsson
Authorised Public Accountant

BOARD OF DIRECTORS

FINN JOHNSSON [A]
M.Sc. in Engineering
Role on the Board: Chairman
Elected to the Board: 2012
Year of birth: 1946
Other significant directorships: Chairman of Ovako AB, EFG AB, Luvata Oy, Thomas Concrete AB, Geveko AB and Västsvenska Handelskammaren AB. Director of Norske Skog A/S.

MATS O PAULSSON [B]
CEO and Group President, Bravida
Role on the Board: Director
Elected to the Board: 2009
Year of birth: 1958
Other significant directorships: Director of Paroc OY, Strabag Projektutveckling AB samt Bösarps Grus and Torrbruk AB.

JAN ÅKESSON [C]
Partner at Triton
Role on the Board: Director
Elected to the Board: 2006
Year of birth: 1964
Other significant directorships: Director of Papyrus AB.

TORBJÖRN TORELL [D]
CEO and Group President, Svevia
Role on the Board: Director
Elected to the Board: 2006
Year of birth: 1956
Other significant directorships: Chairman of Nordomatic AB. Director of JM AB and Polygon AB.

THOMAS TARNOWSKI [E]
Investment Proffessional, Triton
Role on the Board: Director
Elected to the Board: 2007
Year of birth: 1976
Other significant directorships: Director of DSV Miljø A/S and Ambea AB.

THOMAS ERSÉUS [F]
CEO, Kungsleden
Role on the Board: Director
Elected to the Board: 2008
Year of birth: 1963
Other significant directorships: Director of Chalmersfastigheter AB, Kungsleden AB and DSVM AB.

KJELL ÅKESSON [G]
Role on the Board: Director
Elected to the Board: 2010
Year of birth: 1949
Other significant directorships: Chairman of Gullbergs AB, Director of Ballingslöv AB and Beijer Electronics AB

FREDRIK BRYNILDSEN [H]
Investment Professional, Triton
Role on the Board: Deputy Director
Elected to the Board: 2011
Year of birth: 1983
Other significant directorships: Director of Alimak Hek Group.

EMPLOYEE REPRESENTATIVES

ØIVIND FREDRIKSEN [I]
Title/profession: Installer – The Norwegian Confederation of Trade Unions (LO)
Elected to the Board: 2007
Year of birth: 1959

JAN-ERIK ARVIDSSON [J]
Title/profession: Electrician – The Swedish Electricians' Union
Elected to the Board: 2007
Year of birth: 1950

ANDERS MÅRTENSSON [K]
Title/profession: Plumber – The Swedish Building Workers' Union (Byggnads)
Elected to the Board: 2007
Year of birth: 1965

PETER SJÖQUIST [L]
Title/profession: Project Manager/Technician –
Ledarna in Sweden
Elected to the Board: 2007
Year of birth: 1957

SENIOR MANAGEMENT

MATS O PAULSSON [A]
Chief Executive Officer and Group President
Year of birth: 1958
Year of employment: 2011

PER LEOPOLDSON [B]
Chief Financial Officer
Year of birth: 1960
Year of employment: 2005

EIRIK FRANTZEN [C]
Head of Division Norway
Year of birth: 1968
Year of employment: 2002

STAFFAN PÅHLSSON [D]
Head of Division South
Year of birth: 1952
Year of employment: 1980

FILIP BJURSTRÖM [E]
Head of Division Stockholm
Year of birth: 1969
Year of employment: 2009

BENT ANDERSEN [F]
Head of Division Denmark
Year of birth: 1961
Year of employment: 2003

GÖRAN LINDFORS [G]
Head of Division North
Year of birth: 1957
Year of employment: 2008

PETTER HÅKANSON [H]
Head of Business Development, IT and Communications
Year of birth: 1967
Year of employment: 2005

DEFINITIONS

FINANCIAL DEFINITIONS

Operating margin
Earnings before impairment of goodwill (EBITA), as a percentage of net sales.

Profit margin
Earnings after financial items, as a percentage of net sales.

Capital employed
Balance sheet total (total assets) less interest-bearing liabilities.

Return on capital employed
Profit after financial items plus financial expense, as a percentage of average capital employed.

Equity/assets ratio
Equity plus, in the parent company, the equity share of untaxed reserves, as a percentage of total assets at year-end.

Interest coverage ratio
Profit after financial items plus interest expense, divided by interest expense.

Net sales
In the installation business net sales is accounted for in accordance with the percentage of completion method. These revenues are recognised in proportion to the degree of completion of the installation projects. In other operations net sales is the same as billing for the year.

Order intake
The value of received projects and changes to existing projects during the period concerned.

Order backlog
The value of remaining, not yet accrued project revenues from orders on hand at the end of the period.

OPERATIONAL DEFINITIONS

Installation/installation contract
The building or redevelopment of technical systems in buildings and infrastructure.

Service
Operations and maintenance as well as minor redevelopment of installations in buildings and infrastructure.

Number of employees
The average number of employees during the year, taking account of full-time and part-time jobs.

Field of technology: Electrical
Power supply, lighting, heating, automatic control and surveillance systems. Telecom and other light-current installations. Fire and burglar alarm products and systems, access control systems, CCTV surveillance and integrated security systems.

Field of technology: Heating & plumbing
Water, waste water, heating, sanitation, cooling and sprinkler systems. District heating and district cooling. Industrial piping with expertise for all types of pipe welding. Energy-saving measures in the form of integrated energy systems.

Field of technology: HVAC
Comfort ventilation and comfort cooling in the form of air handling, air conditioning and climate control. Commercial cooling in freezer rooms and cold rooms. Process ventilation, automatic control systems. Energy assessments and energy-saving measures in the form of heat recovery ventilation, heat pumps, etc.

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