# BRAVIDA FINANCIAL STATEMENT
# January – December 2011

Net sales increased to SEK 10,768 million (10,345).

The order backlog grew by 20 percent to SEK 4,590 million (3,840).

The operating profit improved by 7 per cent to SEK 663 million (621).

Cash flow from operating activities increased by 41 per cent to SEK 559 million (398).

Earnings per share increased to SEK 9.93 million (8.03).

The forecast for 2012 is for a continued increase in sales.

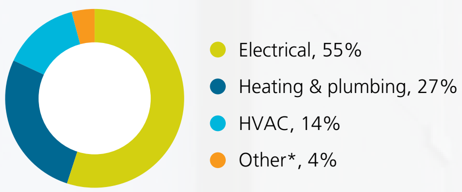
# Highlights of the period

| KEY PERFORMANCE INDICATORS, SEKM | Jan-Dec 2011 | Jan-Dec 2010 | Oct-Dec 2011 | Oct-Dec 2010 |
|---|---|---|---|---|
| Net sales | 10,768 | 10,345 | 3,155 | 2,851 |
| EBITA | 664 | 621 | 259 | 240 |
| Operating profit/loss | 663 | 621 | 258 | 240 |
| Earnings before tax | 616 | 573 | 245 | 231 |
| Earnings per share for period, before dilution, SEK | 9.93 | 8.03 | 4.60 | 3.15 |
| Cash flow from operating activities | 559 | 398 | 402 | 247 |
| Operating margin, % | 6.2 | 6.0 | 8.2 | 8.4 |
| Interest coverage ratio, times | 20.2 | 22.8 | 54.4 | 35.2 |
| Equity/assets ratio, % | 31.6 | 27.1 | 31.6 | 27.1 |
| Order intake | 11,315 | 10,601 | 3,510 | 2,688 |
| Order backlog | 4,590 | 3,840 | 4,590 | 3,840 |

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.

**FIELDS OF TECHNOLOGY**

SHARE OF BRAVIDA'S SALES, %



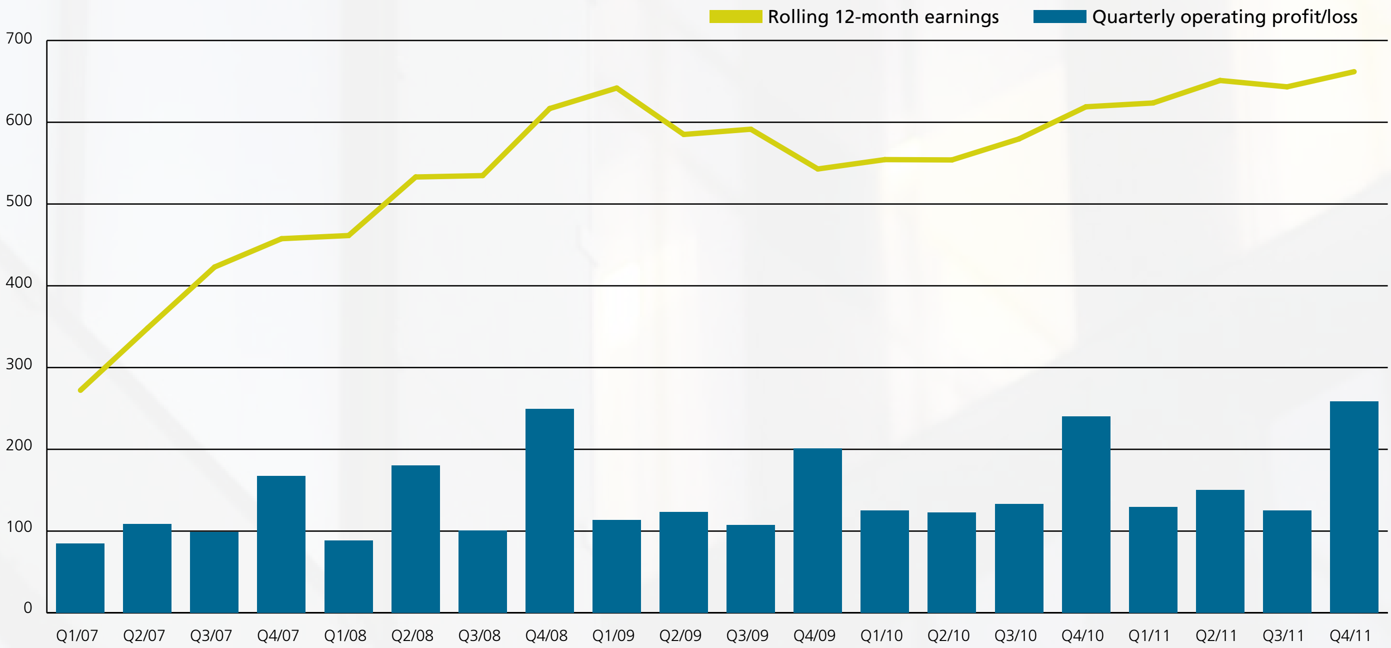

* The category includes technology consultancy, security and technical service management.

**SERVICE / INSTALLATION**

SHARE OF BRAVIDA'S SALES, %

51/49

**QUARTERLY OPERATING PROFIT AND ROLLING ANNUAL PROFIT**



# Comments from the CEO, Mats O Paulsson

Scandinavia's leading installation and service company Bravida reports a further increase in profits. The operating profit for the full year 2011 grew by 7 per cent to SEK 663 million (621), which represents an operating margin of 6.2 per cent (6.0). Sales increased by 4 per cent to SEK 10,768 million (10,345) and cash flow expanded by 41 per cent.

A very strong cash flow shows the high level of activity that we saw in large parts of our business in the final quarter of 2011. The result was boosted by a higher number of installation projects, headed by Facebook's new server facility in Luleå, as well as a string of other major contracts, including arenas and infrastructure projects. The key to our success, however, lies in our continued focus on profitability in the Group, a greater share of higher-margin service revenues, reduced administrative expenses and a selective approach in which we avoid installation contracts with a high risk and weak profitability. Our Swedish business was particularly strong, with an operating margin of 7 per cent. Profitability improved in Denmark but declined somewhat in Norway.

Sales expanded in all our geographic markets in 2011. Towards the end of the year our installation business once again increased its sales while the service business continued to grow at a healthy pace. Bravida has launched a number of selective ventures focusing on key markets that are aimed at strengthening our presence to ensure that we are represented and have the necessary strength in all relevant fields of technology. This will be achieved through a combination of organic growth and acquisitions.

I am pleased that our hard work yielded fruit in 2011. We have taken bold steps, won contracts for major projects and expanded at many of our local offices. In other parts of our organisation we have taken action to offset the effect of faltering demand. I would like to mention Denmark in particular, where, by taking action at an early stage, we have succeeded in restoring profitability and growth, albeit from low levels.

We go into 2012 with a strong business and a continued high order backlog that bodes well for the first half of the year.

Mats O Paulsson
CEO and Group President

"We go into 2012 with a strong business and a continued high order backlog"

## ABOUT BRAVIDA

Bravida is Scandinavia's premier integrated supplier of technical installation and service solutions, with about 8,000 employees and sales of nearly SEK 11,000 million.

Bravida provides specialist services and integrated solutions in three main fields of technology: electrical installations, heating & plumbing and HVAC. The three fields of technology also include services in modern technical service management, fire and security systems, sprinklers, cooling, project management services for the construction and property industries as well as service. Bravida has offices at 150 locations in Sweden, Norway and Denmark and offers everything from complete integrated solutions with overall responsibility to minor service assignments to customers in the public and private sectors. Since 2006 Bravida has been owned by a number of investment funds represented by Triton Managers II Limited.

## January-December highlights

For 2011 Bravida posts its strongest operating profit in the history of the Group. 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 to achieve a balance between its installation and service businesses was realised during the year. Demand was good in Sweden in 2011 while market activity in Norway and Denmark picked up from low levels. Cash flow improved by 41 per cent in 2011, driven by strong billing.

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 sales by 1.4 per cent while acquisitions and disposals added 1.4 per cent. The service business accounted for 51 per cent of sales 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. The tax expense was reduced by the activation of tax losses. 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 growth in demand we have seen has started to level off, though demand varies considerably from one area 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 by 6 per cent in 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. In Sweden the order backlog grew by 18 per cent. 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 do not include Bravida's service business.

| QUARTERLY EARNINGS | Q4 2011 | Q3 2011 | Q2 2011 | Q1 2011 | Q4 2010 |
|---|---|---|---|---|---|
| Net sales | 3,155 | 2,443 | 2,612 | 2,558 | 2,851 |
| Costs of production | -2,470 | -1,978 | -2,067 | -2,058 | -2,248 |
| **Gross profit/loss** | **685** | **465** | **545** | **500** | **603** |
| Selling and administrative expenses | -427 | -340 | -395 | -370 | -363 |
| **Operating profit/loss** | **258** | **125** | **150** | **130** | **240** |
| Net financial income/expense | -13 | -15 | -11 | -8 | -9 |
| **Earnings before tax** | **245** | **110** | **139** | **122** | **231** |
| Tax on profit for the period | -9 | -40 | -25 | -32 | -69 |
| **Profit/loss for the period** | **236** | **70** | **114** | **90** | **162** |
| *Other comprehensive income* | | | | | |
| Translation differences for the period from the translation of foreign operations | - | -4 | 20 | -7 | 0 |
| **COMPREHENSIVE INCOME FOR THE PERIOd** | **236** | **66** | **134** | **82** | **162** |
| Average number of employees | 7,955 | 7,850 | 7,758 | 7,726 | 7,834 |

All amounts are in SEK millions unless otherwise stated.

### 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.

### Acquisitions and disposals

In January Division Stockholm acquired Ferax Projektstyrning with about 10 employees while Division Norway acquired A Halvorsen & Sønn in Oslo with nearly 50 employees. In July Division Stockholm acquired a 70 per cent stake in C2M Sprinkler AB, which has about 50 employees. In August the South, North and Norway divisions signed agreements for the acquisition, respectively, of J. Jonsson Rörinstallation, a small heating and plumbing firm in Hässleholm, Rörmontören i Norrköping and Aug Larsen AS, a heating and plumbing company in the Oslo region with about 30 employees. Finally, in November Division South acquired the operations of Magnusson & Bäckstrand AB in Höganäs with about 10 employees. An internal acquisition within the Group also took place during the period.
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 instead have increased by about 2 per cent. No disposals were made during the year.

### 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 period. 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 period was thus SEK 41 million (-827).

## Fourth quarter highlights

In the fourth quarter net sales grew by 10 per cent and the order intake jumped by 30 per cent in local currency. The fourth quarter is normally the strongest due to the fact that many projects are concluded towards the end of the year, which has a positive impact on earnings. Consolidated net sales for the year increased to SEK 3,155 million (2,851). In Sweden net sales increased by 13 per cent to SEK 2,096 million (1,853). In Norway sales were SEK 660 million (602), an increase of 8 percent in local currency. In Denmark sales were SEK 436 million (393), which was an increase of 13 per cent in local currency.

The operating profit for the fourth quarter was SEK 258 million (240). The operating margin was 8.2 per cent (8.4). In Sweden the margin was 8.5 per cent (9.1) and in Norway 8.0 per cent (8.1). In Denmark the margin was 4.5 per cent (5.5). Earnings after financial items increased to SEK 245 million (231).

The order intake for the quarter was SEK 3,510 million (2,688). Adjusted for currency effects, this was an increase of about 30 per cent on the year before. The order intake grew by 36 per cent in Sweden, 34 per cent in Norway and 13 per cent in Denmark, all in local currency.

| NET SALES BY DIVISION | Q4 2011 | Q3 2011 | Q2 2011 | Q1 2011 | Q4 2010 |
|---|---|---|---|---|---|
| Division North | 591 | 434 | 500 | 445 | 512 |
| Division Stockholm | 580 | 423 | 436 | 441 | 536 |
| Division South | 908 | 678 | 776 | 776 | 824 |
| Intra-Group and eliminations | 16 | -17 | -13 | -20 | -18 |
| Sweden | 2,096 | 1,518 | 1,699 | 1,642 | 1,853 |
| Norway | 660 | 534 | 565 | 569 | 602 |
| Denmark | 436 | 391 | 350 | 345 | 393 |
| Intra-Group and eliminations | -38 | 0 | -1 | 1 | 3 |
| **TOTAL GROUP** | **3,155** | **2,443** | **2,612** | **2,558** | **2,851** |

| OPERATING PROFIT BY DIVISION | Q4 2011 | Q3 2011 | Q2 2011 | Q1 2011 | Q4 2010 |
|---|---|---|---|---|---|
| Division North | 50 | 27 | 36 | 27 | 44 |
| Division Stockholm | 42 | 20 | 26 | 21 | 36 |
| Division South | 69 | 41 | 55 | 45 | 69 |
| Intra-Group and eliminations | 17 | 7 | 0 | 5 | 20 |
| Sweden | 179 | 95 | 118 | 99 | 169 |
| Norway | 53 | 15 | 20 | 14 | 49 |
| Denmark | 20 | 14 | 11 | 13 | 22 |
| Intra-Group and eliminations | 8 | 2 | 3 | 3 | 1 |
| **TOTAL GROUP** | **258** | **125** | **150** | **130** | **240** |

# Regional markets

## Operations in Sweden

In Sweden Bravida operates through three divisions: North, Stockholm and South. 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 from other segments. The operating profit grew 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 North Norrland, 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 those offices 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 order is multidisciplinary and comprises project design, planning and installation of all electrical, heating & plumbing, HVAC, security, sprinkler and cooling systems in the world's most high-tech and energy-efficient data centre. The work has been commissioned by a joint venture comprising NCC and two US construction firms, DPR Construction and Fortis Construction. Bravida has initiated work on project design and planning, and the first stage of the project is expected to be completed in March 2013. The order intake for Division North does not include Division Stockholm's share of the project, and only the first of three planned stages.

The average number of employees increased by 5 per cent during the period to 1,410 (1,402).

**Division Stockholm's** 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 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 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 period increased by 9 per cent to SEK 2,133 million (1,953). Division Stockholm now has the largest order backlog relative to sales, with outstanding orders worth SEK 1,135 million (855) at year-end 2011, up 33 per cent from a year ago. During the quarter Bravida's recently acquired business C2M Sprinkler was awarded the contract for project design, planning and installation of the fire extinguishing system for the Norra länken (Northern link) motorway in Stockholm. Bravida is already responsible for ventilation in the 11 km long tunnels as well as for electrical, heating & plumbing and HVAC installations in the operations facilities. Norra länken is Sweden's largest current road project. Scheduled to open for traffic in 2015, it will form part of a network of roads around Stockholm. The principal is the Swedish Transport Administration.

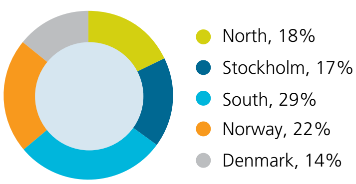
The average number of employees was 1,223 (1,145), an increase of 7 per cent.

**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 regions seeing the fastest growth in demand are the metropolitan regions. Volumes in Region Jönköping shrank while other parts of 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 is still positive over a rolling 12-month period, although the rate of growth has slowed. 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).

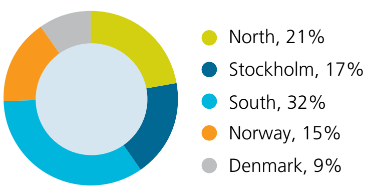
In the fourth quarter Region Malmö was commissioned to carry out the electrical installations in the Nya Triangeln project in central Malmö as part of a partnering agreement with NCC. The electrical installations comprise garages, retail, office and residential space across a total surface of 43,000 square metres. The project will be completed gradually over the course of 2013-2014. 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).

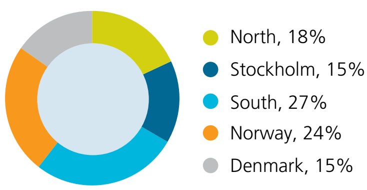
**SALES**
BREAKDOWN BY DIVISION, %




**OPERATING PROFIT/LOSS**
BREAKDOWN BY DIVISION, %




**EMPLOYEES**
BREAKDOWN BY DIVISION, %



All amounts are in SEK millions unless otherwise stated.

## Operations in Norway

**Division Norway** saw growing sales in 2011 following a series of years of weak market activity. Net sales for the year expanded to SEK 2,328 million (2,291), an increase of 4 percent in local currency. 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 to forecasts for ongoing projects at the beginning of the year. 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. An overcrowding of building services providers has led to tough competition and price pressures. The market for service projects was relatively stable. A greater degree of optimism is evident in the market, and we are positive 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 is partly due to acquisitions during the year but the division also received a large number of small to medium-sized orders.

On Spitsbergen, the largest island in the Svalbard archipelago, a decision has been taken to open the Lunckefjell coal mine. Bravida's Trondheim Industri & Energi office has received the contract to carry out the power installations at this, the world's northernmost coal mine. A strong emphasis is placed on improved technology to clean the emissions and increase the effectiveness of the extraction process. The client is Veidekke and the developer is Store Norske. The work is expected to continue throughout 2012.

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

## Operations in Denmark

In the past year **Division Denmark** has 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 during the year from weak levels. 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 renovation projects experienced 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. In late December Region Fyn was awarded the contract to carry out all plumbing and HVAC work in the renovation of the apartments in Svendborgs andelslägenhetsförening, a housing cooperative. The cooperative comprises 328 apartments, and energy optimisation is a key aspect of the project. Work will begin in March and is expected to continue for two years. 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.

| CONSOLIDATED INCOME STATEMENT | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| Net sales | 10,768 | 10,345 |
| Costs of production | -8,573 | -8,205 |
| **Gross profit/loss** | **2,195** | **2,139** |
| Selling and administrative expenses | -1,531 | -1,519 |
| **Operating profit/loss** | **663** | **621** |
| Net financial income/expense | -48 | -48 |
| **Earnings before tax** | **616** | **573** |

| NET SALES BY DIVISION | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| Division North | 1,970 | 1,830 |
| Division Stockholm | 1,880 | 1,840 |
| Division South | 3,138 | 2,931 |
| Intra-Group and eliminations | -34 | -70 |
| Sweden | 6,955 | 6,532 |
| Norway | 2,328 | 2,291 |
| Denmark | 1,522 | 1,519 |
| Intra-Group and eliminations | -38 | 3 |
| **TOTAL GROUP** | **10,768** | **10,345** |

| OPERATING PROFIT BY DIVISION | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| Division North | 140 | 133 |
| Division Stockholm | 110 | 115 |
| Division South | 210 | 184 |
| Intra-Group and eliminations | 30 | 26 |
| Sweden | 490 | 458 |
| Norway | 101 | 135 |
| Denmark | 57 | 17 |
| Intra-Group and eliminations | 15 | 10 |
| **TOTAL GROUP** | **663** | **621** |

| SHARE OF PRODUCTIVE INSTALLER TIME BY DIVISION, % | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| Division North | 95.7 | 95.8 |
| Division Stockholm | 96.3 | 96.6 |
| Division South | 96.9 | 97.1 |
| Sweden | 96.4 | 96.6 |
| Norway | 92.1 | 92.4 |
| Denmark | 97.3 | 95.9 |
| **TOTAL GROUP** | **95.4** | **95.6** |

| ORDER INTAKE | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| Division North | 2,301 | 1,809 |
| Division Stockholm | 2,133 | 1,953 |
| Division South | 3,023 | 3,057 |
| Intra-Group and eliminations | -34 | -70 |
| Sweden | 7,423 | 6,749 |
| Norway | 2,497 | 2,246 |
| Denmark | 1,433 | 1,604 |
| Intra-Group and eliminations | -38 | 3 |
| **TOTAL GROUP** | **11,315** | **10,601** |

| ORDER BACKLOG | 31 Dec 2011 | 31 Dec 2010 |
|---|---|---|
| Division North | 899 | 557 |
| Division Stockholm | 1,135 | 855 |
| Division South | 1,299 | 1,415 |
| Sweden | 3,323 | 2,827 |
| Norway | 804 | 460 |
| Denmark | 463 | 553 |
| **TOTAL GROUP** | **4,590** | **3,840** |

| INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| Net sales | 10,768 | 10,345 |
| Costs of production | -8,753 | -8,205 |
| **Gross profit/loss** | **2,195** | **2,139** |
| Selling and administrative expenses | -1,531 | -1,519 |
| **Operating profit/loss** | **663** | **621** |
| Net financial income/expense | -48 | -48 |
| **Earnings before tax** | **616** | **573** |
| Tax on profit for the period | -106 | -161 |
| **Profit/loss for the period** | **510** | **412** |
| *Other comprehensive income* | | |
| Translation differences for the period from the translation of foreign operations | -5 | -54 |
| **Comprehensive income for the period** | **505** | **358** |
| *Comprehensive income for the period attributable to:* | | |
| Equity holders of the parent | 504 | 358 |
| Non-controlling interests | 1 | - |
| **Comprehensive income for the period** | **505** | **358** |

| CONSOLIDATED BALANCE SHEET | 31 Dec 2011 | 31 Dec 2010 |
|---|---|---|
| Intangible assets | 2,203 | 2,134 |
| Other non-current assets | 315 | 367 |
| **Total non-current assets** | **2,518** | **2,501** |
| Trade receivables | 1,845 | 1,652 |
| Accrued but not invoiced income | 685 | 544 |
| Other current assets | 278 | 271 |
| Cash and bank balances | 76 | 35 |
| **Total current assets** | **2,884** | **2,501** |
| **Total assets** | **5,402** | **5,002** |
| **Equity attributable to equity holders of the parent** | **1,709** | **1,355** |
| **Non-current liabilities** | **127** | **136** |
| Trade payables | 1 111 | 852 |
| Invoiced but not accrued income | 982 | 797 |
| Current liabilities | 1,473 | 1,861 |
| **Total current liabilities** | **3,566** | **3,511** |
| **Total equity and liabilities** | **5,402** | **5,002** |
| Of which, interest-bearing liabilities | 202 | 469 |

| STATEMENT OF CHANGES IN EQUITY | 31 Dec 2011 | 31 Dec 2010 |
|---|---|---|
| **Consolidated equity** | | |
| Opening balance | 1,355 | 1,720 |
| Comprehensive income for the period | 505 | 358 |
| Dividend | -150 | -700 |
| Group contribution paid, net | - | -24 |
| **Closing balance** | **1,709** | **1,355** |

| CONSOLIDATED CASH FLOW STATEMENT | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| Cash flow from operating activities | | |
| Earnings after financial items | 616 | 573 |
| Adjustments for non-cash items | -75 | -106 |
| Income taxes paid | -77 | -8 |
| **Cash flow from operating activities before changes in working capital** | **463** | **459** |
| Changes in working capital | 96 | -61 |
| **Cash flow from operating activities** | **559** | **398** |
| **Cash flow from investing activities** | **-66** | **19** |
| *Financing activities* | | |
| Net change in long-term interest-bearing liabilities | - | -600 |
| Change in utilisation of overdraft facility | -267 | 269 |
| Dividend paid | -150 | -700 |
| Group contributions paid | -35 | -213 |
| **Cash flow from financing activities** | **-453** | **-1,244** |
| **Cash flow for the period** | **41** | **-827** |
| Cash and cash equivalents at beginning of year | 35 | 905 |
| Translation difference in cash and cash equivalents | 0 | -42 |
| **Cash and cash equivalents at end of period** | **76** | **35** |

All amounts are in SEK millions unless otherwise stated.

### Financial position

Consolidated cash and cash equivalents at 31 December were SEK 76 million (35). Bravida also had access to SEK 498 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 1,709 million (1,355), representing an equity/assets ratio of 31.6 per cent (27.1).

### Material risks in the Group and parent company

Fluctuations in the market, financial turmoil in Europe and political decisions are the exogenous factors having the greatest impact on new residential and commercial construction, and on industrial and public-sector investment. Demand for service and maintenance work is less sensitive to fluctuations in the economic cycle.

Operational risks are associated with day-to-day operations such as tendering, price risks, capacity utilisation and revenue recognition. Management of these risks is part of Bravida's ongoing business process. Percentage of completion accounting is applied in projects based on the degree of completion of the project and the final forecast. A sophisticated process for monitoring projects is crucial to limiting the risk of incorrect revenue recognition.

Bravida continually monitors the economic status of projects to ensure that individual project estimates are not exceeded. The identified material risks and uncertainties are the same for the parent company and Group.

### Events during the reporting period

Torbjörn Torell has 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.

Furthermore Staffan Påhlsson was appointed Deputy Group President, in addition to his role has Head of Division South.

### Events after the reporting period

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

Today, on 16 February, Finn Johnsson takes 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.

## Parent company

During the year the parent company completed the merger of the subsidiary Investeringssällskapet 1999 AB with the aim of creating a more refined organisational structure. 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 after financial items were SEK 384 million (1,024). Interests in Group companies includes a net Group contribution of SEK 242 million (181) as a result of the withdrawal of the UFR 2 recommendation. Cash and cash equivalents were SEK 58 million (2), and equity was SEK 1,662 million (1,505) after the dividend payment of SEK 150 million, resulting in an equity/assets ratio of 46.1 per cent (42.8). 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.

| PARENT COMPANY INCOME STATEMENT | Jan-Dec 2011 | Jan-Dec 2010 |
|---|---|---|
| **Net sales** | 86 | 1 |
| Selling and administrative expenses | -70 | -1 |
| **Operating profit/loss** | **16** | **0** |
| Profit/loss from interests in Group companies | 435 | 1 043 |
| Net financial income/expense | -67 | -19 |
| **Earnings before tax** | **384** | **1 024** |
| Appropriations | -37 | -36 |
| Tax on profit for the period | -40 | -33 |
| **Profit/loss for the period** | **307** | **955** |

| PARENT COMPANY BALANCE SHEET | 31 Dec 2011 | 31 Dec 2010 |
|---|---|---|
| Financial assets | 3,383 | 1,958 |
| Other non-current assets | 50 | - |
| **Total non-current assets** | **3,443** | **1,958** |
| Receivables from the parent company | 6 | - |
| Receivables from Group companies | 107 | 1,552 |
| Current receivables | 0 | 0 |
| Cash and bank balances | 58 | 2 |
| **Total current assets** | **172** | **1,555** |
| **Total assets** | **3,605** | **3,513** |
| **Equity** | **1,662** | **1,505** |
| **Untaxed reserves** | **73** | **36** |
| **Provisions** | **68** | **-** |
| Liabilities to Group companies | 1,540 | 1,427 |
| Liabilities to the parent company | - | 29 |
| Liabilities to credit institutions | 200 | 200 |
| Utilisation of overdraft facility | - | 269 |
| Current liabilities | 62 | 46 |
| **Total current liabilities** | **1,802** | **1,972** |
| **Total equity and liabilities** | **3,605** | **3,513** |
| *Pledged assets and contingent liabilities* | | |
| Pledged assets | 3,383 | 1,958 |
| Contingent liabilities | 17 | 16 |
| **Total pledged assets and contingent liabilities** | **3,400** | **1,975** |
| Number of shares | 51,313,833 | 51,313,833 |

## Outlook

Bravida is established in about 150 locations across Scandinavia, each with its own particular local market conditions. The Scandinavian installation 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 states. 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 growth rates are expected to level off as a result of tougher 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 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 contracts.

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 and 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.

## Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable sections of the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act, which is consistent with the provisions of Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. The Swedish Financial Reporting Board has withdrawn UFR 2, which means that Group contributions paid and received will be recognised as a financial income/expense in the parent company.

In other respects the same principles and bases of calculation have been used in preparing the consolidated and parent company financial statements as in the last annual report.

## Proposed dividend

The Board of Directors proposes a dividend of SEK 3.31 (2.93) per share. The proposal represents a total dividend payment of SEK 170 million (150).

The dividend is subject to approval at the Annual General Meeting on 7 May.

**Stockholm, 16 February 2012**

**Bravida AB**
The Board of Directors

This financial statement has not been examined by Bravida's auditors.

### Contact persons

Any questions are answered by Mats O Paulsson, CEO, or Per Leopoldson, CFO, tel. +46 8 695 20 00.

This report is also available at www.bravida.com

### Financial calendar

| | |
|---|---|
| Annual General Meeting 2011: | 7 May 2012 |
| Interim report Q1 2012: | 7 May 2012 |

The annual report for 2011 will be available on Bravida's website and from the head office from week 19 of 2012.

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