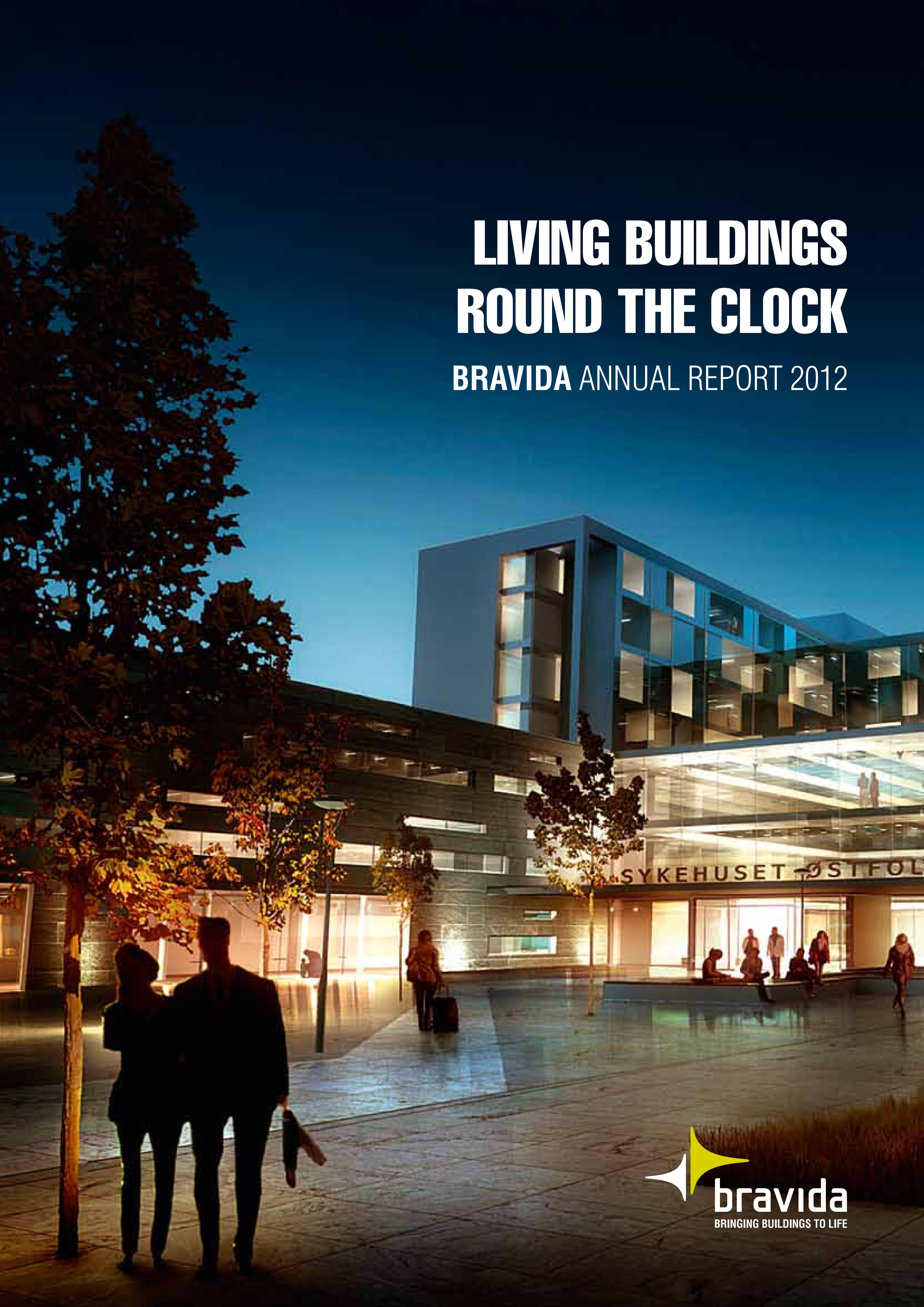
LIVING BUILDINGS ROUND THE CLOCK

BRAVIDA ANNUAL REPORT 2012



bravida
BRINGING BUILDINGS TO LIFE

CONTENTS

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.

COVER

Upon completion, Østfold's new central hospital will become one of Norway's largest and most modern hospitals. Bravida has been engaged to carry out all electrical installations. To meet the strong demand for resources, five Bravida offices will be collaborating on the project, three from Norway and two from Sweden. A unique cross-border partnership.

Read more about the project on page 21.

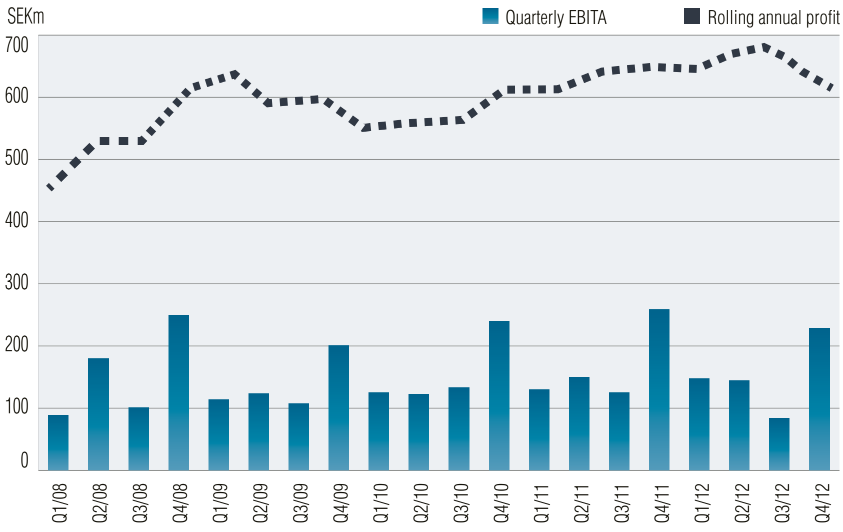
PHOTO: ARKITEMA ARCHITECTS (DK), AART (DK) & ELN (NO)

THE YEAR IN FIGURES

KEY PERFORMANCE INDICATORS, SEKM	2012	2011	2010	2009	2008
Net sales	11,400	10,768	10,345	10,831	10,511
EBITA	604	664	621	545	619
EBITA margin, %	5.3%	6.2%	6.0%	4.9%	5.9%

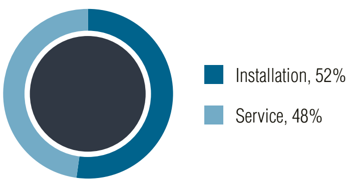
EARNINGS 2008–2012

Quarterly operating profit and rolling annual profit, SEKm



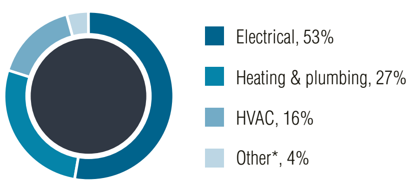
INSTALLATION / SERVICE

Share of Bravida's sales, %



FIELDS OF TECHNOLOGY

Share of Bravida's sales



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

8,100
EMPLOYEES

30,000
ACTIVE PROJECTS

470,000
PROJECT ORDERS

3.70
EMPLOYEE SATISFACTION INDEX (ON A SCALE OF 1-5)

3.9/4.0
CUSTOMER SATISFACTION INDEX (INSTALLATION/SERVICE, ON A SCALE OF 1-5)

INSTALLATION AND SERVICE IN THREE FIELDS OF TECHNOLOGY

INSTALLATION

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

Service refers to operation 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

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.

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.

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.

MILESTONES IN THE HISTORY OF BRAVIDA

1922 Twelve building guilds form the foundation of BPA
1967 Aktiebolaget BPA Byggproduktion AB is formed
1986 BPA's shares are listed on the Stockholm Stock Exchange
1993 Building services becomes the company's main business area
1994 Ventilationsunion is acquired from Trelleborg AB
1995 Ludvigsen & Herman A/S, a Danish plumbing & HVAC firm, is acquired
1996 BPA is an integrated building services firm with operations in Sweden, Norway and Denmark
1999 BPA's shares are delisted and Procuritas becomes main owner of Bravida
2000 BPA and Telenor's building services operations are merged to form Bravida
2003 Bravida acquires Semco A/S of Denmark
2004 The company's operations are concentrated to the core business areas electrical, heating & plumbing and HVAC
2005 Bravida's head office is moved to Stockholm
2006 The private equity firm Triton becomes the new main owner
2009 Bravida acquires Siemens Installation AS in Norway
2012 Bain Capital becomes the new main owner

OUR MISSION:
A LIVING SOCIETY

For us technology is a means of achieving peace of mind, warmth and well-being. Our installation and service projects cover those functions which give a building life: energy, heating, cooling, water and air. Qualities which centre on the people who live and work in the buildings, rather than on the buildings themselves. If you broaden the perspective you could say that we support a society that needs to live and function at all times of day and night.

Our contracts for a number of hospitals around Scandinavia are perhaps the clearest examples of how we contribute to a social function that needs to work uninterruptedly 24 hours a day. Where technology and functionality are often essential to saving lives. Yet we also perform installation and service projects for stadiums, offices, residential developments and infrastructure projects, where the social benefit of our contribution is measured in terms of efficiency and growth as well as safety and comfort.

We are a team of over 8,000 highly motivated employees working from 150 locations across Sweden, Norway and Denmark. We work round the clock to ensure that important social functions operate without interruption.

BUILDING ON A STABLE FOUNDATION

Increased sales with stable profitability – that's how we would sum up the year 2012 for Bravida. Despite a weaker economy and stiffening competition, we have continued to build a strong and well functioning business.

Once again, we are able to report a successful year for Bravida, despite faltering economic growth and mounting price pressures. Sales in 2012 were SEK 11,400 million (10,768), which is an increase of 6.3 per cent in currency-adjusted terms. Our installation business accounted for 51.6 per cent of total sales and the service business for the remaining 48.4 per cent. The fact that we continue to win several major contracts, such as the major hospital contracts in Sweden, Norway and Denmark is of course a great source of pride and a major factor contributing to our growth. Our very strong order backlog also bodes well for the future.

A weaker demand, particularly in the industrial regions of Sweden and Denmark, resulted in lower margins in 2012. Towards the end of the year, however, we succeeded to turn the trend and once again increased our result. For the full year the EBITA margin was 5.3 per cent.

GROWING WITH OUR PROJECTS

Over the past few years we have worked on ever larger projects and have done so successfully. For me this means several things. It shows that we have the right knowledge, that we have a strong organisation, and that we are able to plan and work together, both internally and with external suppliers. But it also means that our customers have strong confidence in us and in our ability to deliver on complex, resource-intensive projects. Our three hospital contracts are a testimony to the strength of our organisation and our contract from Facebook in Luleå shows that we are able to deliver an advanced and extensive solution in a short space of time. As installations account for an ever growing share of the total cost of a building, the role of the building services provider is becoming increasingly important. A natural consequence of this is that we are taking on a more central role in many projects, and I believe this trend is set to continue.

Yet these big and spectacular projects can easily overshadow all those smaller assignments which form the core of our business. We mustn't forget that projects under one million kronor account for nearly half our revenue and that the average value of a work order is approximately SEK 24,000.

> "In a period of weak economic activity and intensifying competition it is reassuring that our business rests on a stable and well functioning foundation."

PUBLIC SECTOR STILL A KEY CUSTOMER

On the installation side the Norwegian market continues to grow strongly along with the Stockholm region and northern Sweden, while Denmark and industrial regions of Sweden saw a weaker performance. It is also evident that the market for renovation has stagnated, which has had an impact on many of our smaller competitors and resulted in stronger price pressures in service assignments and smaller projects. Public-sector investments in schools, sports facilities, hospitals and infrastructure therefore remain significant, as residential construction is also expected to remain very subdued.

In a period of weak economic activity and intensifying competition it is reassuring that our business rests on a stable and well functioning foundation. We avoid high-risk projects and work proactively to identify, prevent and price risks. We continue to prioritise margins over volume. At the same time we must of course ensure that we don't become passive. We need to always focus on what lies ahead and become better at what we do. The one thing we can influence is our own business, and the tougher things get, the harder we need to work to win new contracts and keep our costs down.

A COMPETENT AND PROFESSIONAL PARTNER

The results of this year's customer satisfaction survey shows that our customers appreciate both what we deliver and the way we operate. With high scores for performance, skills and professionalism, we deliver top-class solutions, and our employees are deemed to be approachable and easy to work with. And this, precisely, is the best tool for further strengthening our customer relations – our ability to offer the right services and deliver them in the best possible way.

In terms of offering the right services, it is evident that integrated solutions and service contracts are becoming increasingly important. We make it easier for the customer by acting as a single contract partner that takes responsibility for all installations while also delivering a better product thanks to more effective coordination. This approach produces more winners: our customers, the end users and Bravida. We are already the leading integrated supplier, and I believe the need for this type of deliveries will become more and more common in future.

On the issue of energy efficiency there is also a lot that Bravida can do. We can take a more active role and drive the issue more clearly together with our customers. With our broad expertise and experience, we need to show the best alternatives for our customers and point to what really works in practice. This will benefit our customers as well as the environment.

OUR EMPLOYEES ENJOY WORKING AT AND ARE ABLE TO GROW AND DEVELOP AT BRAVIDA

With over 8,000 employees, Bravida is a large service organisation in which our employees' knowledge, experience and commitment constitute our single most important asset. That's why it is particularly encouraging to see that the results of the year's employee satisfaction survey show that our employees enjoy working at Bravida. Our strong reputation and the interesting projects we work on are two key reasons for this, I believe. Work on developing and stimulating our employees is also a central issue for us as our projects become increasingly challenging.

BUILDING FOR THE FUTURE

Although I am relatively new in the role of CEO, with over 30 years at Bravida, I have a long experience, both in the industry and in the company. I know the organisation and know what we do well and what we could do better. And that is also what makes me confident about our future growth.

Because, even though we stand strong today, we need to continue to develop all the time. An internal change project covering our whole organisation has therefore been launched. The aim is to find smarter ways of doing things and increase the value we add for our customers. Our development begins and ends at our local offices. That is where we create benefits for our customers and that is where we build a foundation for our future success.

I would like to conclude by expressing my gratitude to all our employees for yet another successful year. It is their contributions that have established the foundation on which the company stands and it is their hard work that will take us forward.

Staffan Påhlsson
CEO and Group President

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
» EBITA MARGIN > 7 PER CENT » PROFITABLE GROWTH – ABOVE MARKET GROWTH	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. 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.	Bravida's EBITA margin in 2012 was 5.3 per cent. 32 per cent of our local offices achieved the target of an EBITA margin in excess of 7 per cent. After adjusting for currency effects, consolidated net sales increased by 6.3 per cent in 2012. Organic growth was 4.6 per cent. Acquisitions/sales contributed 1.7 per cent. We estimate that the market has grown in line with Bravida's organic growth.

POSITION GOAL	DESCRIPTION	OUTCOME
» LARGEST OR SECOND LARGEST IN AT LEAST ONE FIELD OF TECHNOLOGY IN THOSE AREAS WHERE WE OPERATE » SERVICE > 50 PER CENT OF SALES	Bravida aims to be the largest and best known operator in installation and service in our geographic markets. 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 2012 we strengthened our presence and expanded our offering in strategically important locations through a number of major and minor acquisitions. In 2012 our installation business accounted for around 52 per cent of sales and our service business for the remaining portion. The increased installation share is due to a number of very large projects.

CUSTOMER GOAL	DESCRIPTION	OUTCOME
» STRONGEST BRAND IN THE INDUSTRY » A FIRST-CHOICE PROVIDER FOR OUR CUSTOMERS	Bravida's goal is to have the strongest brand in the installation and service market. The target is a customer satisfaction index (CSI) score over 4 on a scale of 1 to 5.	A brand survey among companies in the industry shows that 99 per cent are familiar with Bravida's brand in Sweden. The corresponding figures for Norway and Denmark are 100 and 85 per cent, respectively. Overall, 56 per cent are "very familiar" with the brand. Our CSI score was 3.9 for installation contracts and 4.0 for service assignments. Our customers show very high degree of loyalty and a clear majority would be very happy to recommend others to engage Bravida.

EMPLOYEE GOALS	DESCRIPTION	OUTCOME
» A FIRST-CHOICE EMPLOYER » ZERO TARGET FOR WORKPLACE ACCIDENTS	The target is an employee satisfaction index (ESI) score over 4 on a scale of 1 to 5. No Bravida employee should suffer an accident at work. The target is an occupational injury rate of zero.	In 2012 our ESI score was 3.70. The score was 3.96 among white-collar workers and 3.58 for blue-collar workers. In 2012 the occupational injury rate for the Group was 10.7.

CUSTOMER VALUE CREATES PROFITABILITY

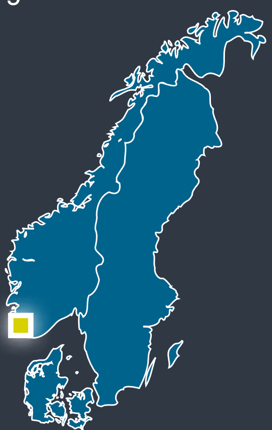
Our business model is based on a number of fundamental factors which are jointly aimed at creating customer value and thus profitable business for our customers and Bravida.

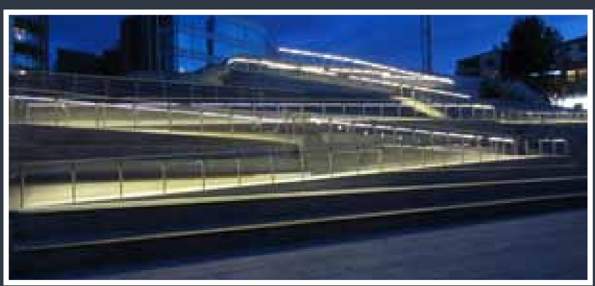
DEPTH, BREADTH AND COORDINATION

Thanks to its breadth and depth, Bravida gives its 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.

Latitude: 58.9755 **Longitude:** 5,7228
Time: 21:10 GMT, 14 August 2012

STAVANGER'S MAGNIFICENT CONCERT HALL is lit up by a multitude of LED lamps. An impressive lighting design where the Bravida-installed lights illumining the stairs, banisters, ground and water are adapted to the time of day and create an impressive framework for the city's musical meeting-place.





COMBINING INSTALLATION AND SERVICE

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

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 Aarhus, 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 to increase the share of projects covering several fields of technology.

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

- Development of packaged services covering 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 incentivised to stay on after the acquisition. The key to success is a rapid and controlled 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 26 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 2012:

- Rörspecialisten i Stockholm AB with 45 employees (heating & plumbing).
- Ing. Mosness in Drammen with 30 employees (electrical).

SUPPLEMENTARY ACQUISITIONS

Supplement and strengthen existing operations at a local office. Examples of supplementary acquisitions in 2012:

- El Team in Bodö with 16 employees (heating & plumbing).
- EU Installation AB in Uddevalla with 11 employees (HVAC).
- Energisystem i Östersund AB with 8 employees (electrical).
- Kylteknik in Falköping with 5 employees (HVAC/cooling).
- Panda VVS in Aarhus with 24 employees (heating & plumbing).

TECHNOLOGICAL SOLUTIONS FOR A LIVING SOCIETY

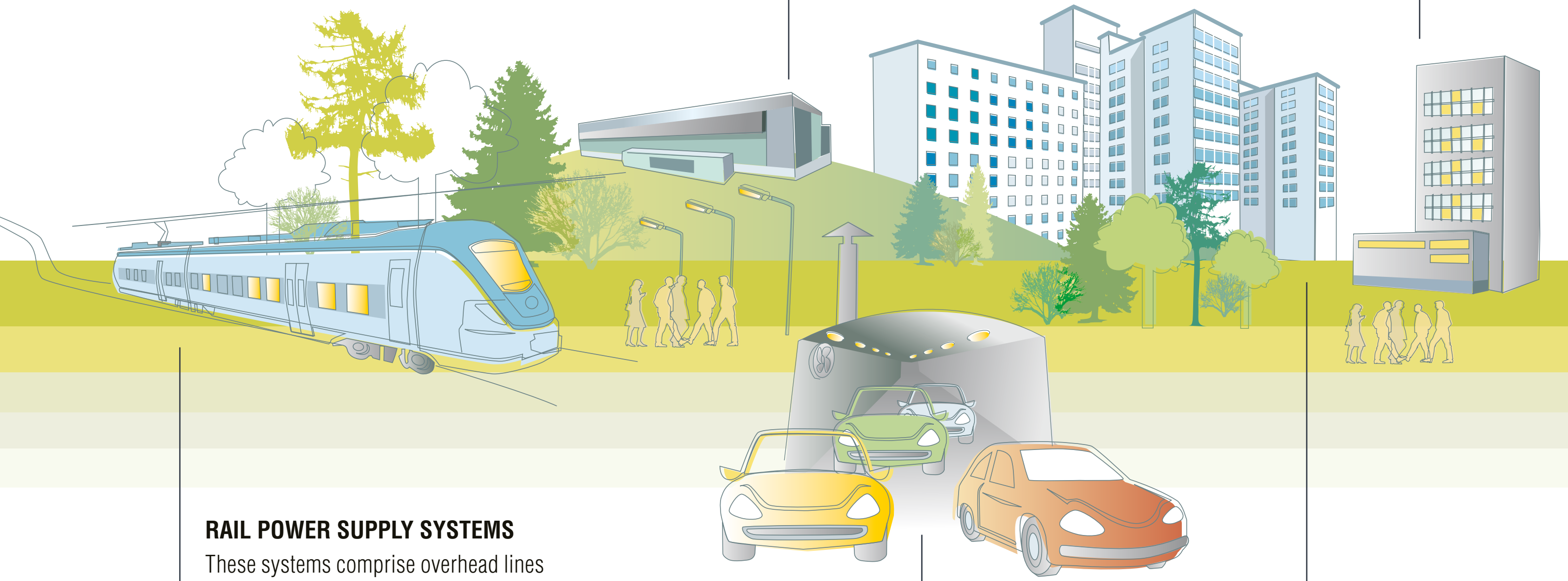
Bravida's electrical, heating & plumbing and HVAC solutions provide buildings, infrastructure and society as a whole with energy, heating, water, air and security – in short, the foundation for a secure life, development and growth.

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.

HOSPITALS

Hospitals and other healthcare facilities are some of the most installation-intensive buildings that exist, and also require an extremely high level of safety and functionality. We work on hospitals in all the Scandinavian countries.

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.

ARENAS

We carry out installations in and maintain several arenas. The large buildings require high-quality installations, not least in terms of their adaptability to changing requirements and the need to handle large audiences.

SWITCHGEAR

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

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.

BOREHOLE HEAT EXCHANGERS

Exploits 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.

SOLUTIONS THAT WORK – ROUND THE CLOCK

Bravida works with the functions that give life to a property – energy, heat, cooling, water and air. By installing modern technical systems and servicing these on a regular basis, we create environments that are energy-efficient and pleasant to work or live in, creating a good foundation for activity and development. In brief – we bring buildings to life.

Bravida is Scandinavia's premier integrated supplier of installation and service solutions. Our expertise and experience ensure effective long-term solutions for our customers, in terms of the initial investment as well as future operation and maintenance through regular service.

COMPREHENSIVE SPECIALIST EXPERTISE

Our business is based on our three fields of technology – electrical, heating & plumbing and HVAC – where we operate 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 long-term solutions that benefit the customer as well as the environment. Solutions that work round the clock, every day of the year.

We offer specialist expertise and integrated solutions from one or several of our three fields of technology together with our specialist areas covering everything from integrated alarm and fire safety concepts to measures which ensure efficient energy use and services in modern technical service management. Our strength is based on a local presence coupled with the purchasing advantages, resources and structured processes available to a big company.

INSTALLATION AND SERVICE IN THREE FIELDS OF TECHNOLOGY

SERVICES

INSTALLATION

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. We prioritise installation solutions that ensure improved functionality and more efficient use of energy, which reduces running costs as well as the impact on the environment.

SERVICE

Service refers to operation and maintenance as well as minor adjustments to installations in buildings and infrastructure. Regular supervision and upkeep increase the economic life of an installation and reduce running costs while also assuring that the various components maintain their functionality and that the operation of the system is being optimised. We coordinate technicians and installers from different fields of technology to deliver an efficient, high-quality solution.

FIELDS OF TECHNOLOGY

ELECTRICAL

With expertise in heavy-current and light-current installations, Bravida offers integrated solutions for everything from industries and sports arenas to offices and housing. We plan, design and install complete solutions, review energy consumption and propose modernisations.

HEATING & PLUMBING

Bravida carries out advanced installations for process manufacturers as well as regular repair and preventive maintenance for customers such as tenant-owner's associations. Our heating and cooling systems create a good indoor climate and guarantee the right temperature in sensitive environments.

HVAC

Bravida offers customised ventilation solutions and all the technology required for air handling, air conditioning and climate control. Effective ventilation creates a good indoor climate without consuming more energy than is required. Our HVAC solutions ensure that everything works as it should.

SPECIALIST AREAS

To provide our customers with a comprehensive service offering, Bravida also offers products and services in a number of specialist areas, including consulting, technical service management and fire safety, alarm and access control systems. Our specialist areas combine skilled professionals and resources from different fields of technology to ensure that we offer our customers exactly the expertise they require.

AN INTEGRATED OFFERING ADDS VALUE

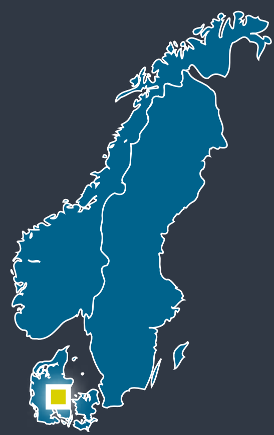
Today's customers are not simply buying a product or service but are more interested in its actual results. Function, feel and environment have, in other words, become more important than the product as such. In Bravida our customers find a partner that is able to take an integrated approach and assume responsibility for all aspects of the installation and service process. Quite simply, we make sure that things work. Thanks to our breadth and depth, we are able to deliver 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 interact effectively. With supplementary services in security, cooling, lift and sprinkler systems, Bravida is able to provide a full gamut of services ranging from complex integrated solutions to minor renovation jobs.

As a complement to our basic services, we have created a number of packaged solutions, such as *Bravida Plus* and *Bravida Energy Agreements*.

- 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.
- Through the *Bravida Energy Agreements* 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 easy to administer and cost-effective. With a low risk, and in some cases no initial investment, our customers can acquire a greener profile with a lower running cost.

Latitude: 54.9132 **Longitude:** 9,7786
Time: 08:10 GMT, 7 March 2012

At THE ALSION KNOWLEDGE AND CULTURE CENTRE IN SØNDERBORG in Denmark lifts installed by Bravida transport visitors and employees between the various floors. The ultra-modern buildings, which house a university and research centre as well as a first-class concert hall, are a place of continual development, of culture and of knowledge.



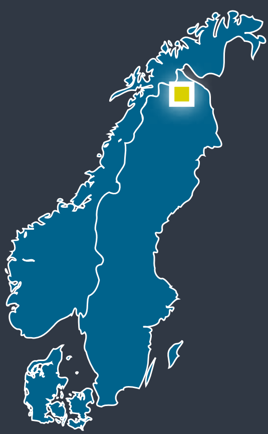
SERVICE AGREEMENTS INCREASE THE VALUE OF PROPERTIES

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 and maintenance of a building's technical systems are therefore no longer a cost, but an essential requirement for sound economics and development.

Through the *Bravida Service Agreements* we offer regular service and maintenance which increase the property's net operating income raises its environmental profile and value. Regular service leads to lower unplanned costs, improved operational reliability and a longer economic life.

Latitude: 67.8395 **Longitude:** 20,1792
Time: 00:27 GMT, 12 November 2012

Hundreds of metres below ground work is continually underway on mining the valuable iron ore in **LKAB'S MINE UNDERNEATH KIRUNA**. Bravida services the vital ventilation system which channels fresh air to the galleries, installs pumps which keep the galleries free from water and ensures that machinery and equipment have access to power.



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, and in an emergency we are at hand to assist at any time of day or night. A service agreement provides peace of mind and makes life easier for property owners as well as property managers – one agreement, one supplier, one responsibility and one invoice.

SAFE AND SIMPLE

We have been in the business for a long time, and have learnt to appreciate simplicity. That's why we have developed a quality system that makes life easier both for us and for our customers. Fault reports, logs and other relevant information are always available for our customers. By inventorying, documenting and producing a list of installed solutions, we know exactly what is located where, what needs attention and when it needs to be done. Through analyses and comparisons, we produce proposals for adjustments and investments, showing the customer exactly where and how much energy can be saved.

The following are examples of services that can be included in a service agreement

- Maintenance, cleaning and upkeep of HVAC installations, filters and grilles.
- Proposals for energy- and cost-saving changes.
- Regular inspections of fire safety, alarm and access control systems.
- Monitoring of servers and updating of security systems software.
- Maintenance of water and sewage pipes and cleaning of floor drains and other drainage pipes.
- Inspection of boiler rooms and mechanical rooms.
- Inspection of switchgear, distribution boards and control cabinets.
- Replacement of lamps and light fixtures and cleaning of reflectors.
- Measurement and adjustment of pressure and temperature settings in cooling systems.
- Documentation and service reports that are compliant with regulatory requirements.

A SCENE THAT ENTERTAINS. ROUND THE CLOCK.

On 1 April 2006 the Swedish Football Association took the decision to build a new national arena for football in Solna. The first sod for the new multi-function arena was turned by HRH Crown Princess Victoria in December 2009, and now it is finally ready – Friends Arena.

The arena has a capacity of 65,000 spectators, who come here to enjoy top-class sports, concerts and entertainment. It can cater for events on all types of surfaces, ranging from natural grass and gravel to ice and parquet flooring, with rapid switches from one surface to another. And because the arena can be heated and has a roof that can be closed completely in the winter and in poor weather, it can be used all year round.

In Arenastaden, the district around the arena, the Nordic region's largest shopping centre, Mall of Scandinavia, is being built along with 2,000 new homes, congress and conference facilities, several restaurants and a 400-room hotel.

As part of its contract for electrical and fire alarm installations, Bravida installed 14,300 light fixtures and 1,900 smoke detectors. Bravida is also responsible for all intallations in the hotel. During the construction phase as many as 55 Bravida installers were on site to help bring to life the Nordic region's largest arena and Sweden's new national pride. A scene where world stars will be performing and big matches will be decided.

PROJECT: FRIENDS ARENA
BRAVIDA'S MISSION: POWER AND LIGHT FIXTURE INSTALLATIONS AND FIRE ALARMS

A LEADING SUPPLIER IN A STABLE MARKET

The market for installation services and related service is growing, despite a weaker construction market. 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 at an annual rate of 3 per cent since 2006 and was estimated to be worth SEK 244 billion in 2012. The Norwegian market continues to show strength, recording positive growth in 2012, while a general slowdown has taken place in both Sweden and Denmark. There are, however, significant local and regional variations within the countries. Demand softened at industry-dominated localities in Sweden and Denmark but held up well in northern Sweden, Stockholm and Norway. The relatively stable trend, relative to the weak construction market, is largely due to an increased density of installations in new builds as well as ever increasing demand for energy-saving and green solutions. Public-sector investments and large infrastructure projects have continued to stabilise the market.

GREEN SOLUTIONS, TECHNOLOGY AND DESIGN CREATE GROWTH

In the last five years the share of installations in the total building cost has increased from about 33 to about 39 per cent. Key reasons behind the increase include a stronger focus on energy-efficient installations and energy-saving measures, an increased need for advanced IT and security solutions as well as a greater willingness and desire to invest in more sophisticated design solutions.

The energy issue drives the market

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. The trend is also being driven by government regulations and stricter directives on energy use as well as a growing interest in environmental labelling. The need for energy efficiencies and lower running costs are therefore expected to lead to an increase in the share of installation investments in existing buildings.

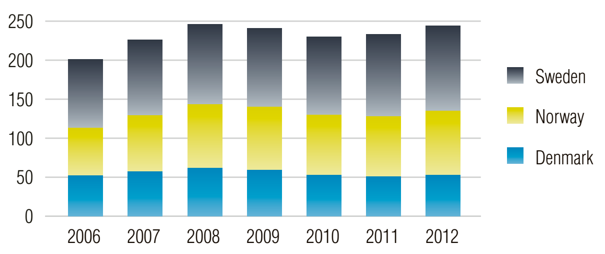
Technological advances create new opportunities

Today's information society demands entirely different IT environments, levels of security and capacity than previously, at home and in the office. Cooling systems for server rooms, the laying of cables for broadband services and automatic control of technical systems coupled with advanced lighting, sprinkler, alarm and access control systems are examples of installation solutions that are becoming increasingly common. Facebook's decision to build its first server hall outside the United States in Luleå in northern Sweden has also spurred a growing interest in this type of projects in the Scandinavian market.

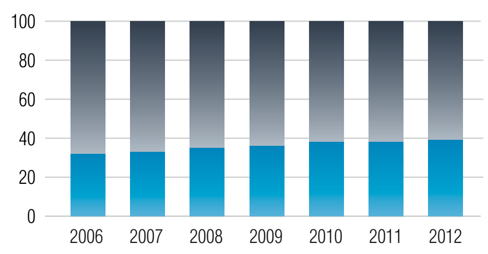
Modern design creates new requirements

The combination of energy-efficient buildings and modern design and a striving for comfort, space and light require an ever higher standard of installations. The recently built Stockholm Waterfront conference hotel is a case in point. The hotel building is characterised by large windows but is still very energy-efficient. The building uses a mere 60 kWh/m2, well below the 150 kWh/m2 strived for by the regulators. This would not have been possible without the use of modern methods and energy-smart solutions. For instance, the hotel extracts heat from the adjacent Klara Sjö canal in the winter and has a store of ice for use in the summer.

GROWTH IN THE BUILDING SERVICES MARKET*
BY COUNTRY IN SCANDINAVIA 2006-2012, SEKbn



SHARE OF INSTALLATION WORK IN TOTAL BUILDING COST*
IN SCANDINAVIA 2006-2012, %



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.

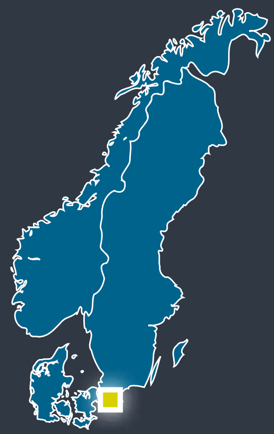
STRONG POSITION IN A FRAGMENTED MARKET

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 demand for larger and more complex integrated solutions and a broader range of services are driving a clear trend towards consolidation in the market. 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 (2008), NEA (2010) and Sydtotal (2011) of Sweden are examples of this.

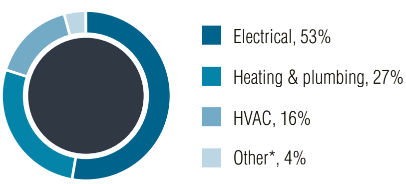
Along with YIT of Finland, Bravida is the largest supplier and the market leader in Scandinavia. Both companies provide integrated solutions covering several fields of technology in several geographic markets. However, in individual markets Bravida faces strong competition from rival suppliers in various 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.

Latitude: 55.5650 **Longitude:** 12,9733
Time: 11:10 GMT, 21 December 2012

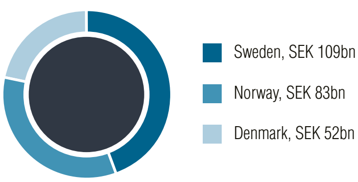
With 200 stores and a floor area of 93,000 m2, **MALMÖ'S NEW EMPORIA SHOPPING MALL** is a truly impressive meeting-place for shopping, culture, food and entertainment. Thanks to Bravida's installations, the 25,000 daily visitors and 3,000 employees enjoy a pleasant environment in summertime as well as wintertime.



MARKET SIZE BY FIELD OF TECHNOLOGY*
IN SCANDINAVIA 2012



MARKET SIZE BY COUNTRY*
IN SCANDINAVIA 2012



*Figures on market size and market trends are drawn from each country's national statistical office with adaptations by Bravida for 2012.

3 VOICES FROM THE MARKET

JØRGEN FESTERVOLL – Partner, ADAPT Consulting

Photo: Klas Sörbo/VVS-Forum

MARKO GRANROTH – Researcher, Royal Institute of Technology in Stockholm

SØREN POULSEN – Senior Consultant, Danish Technological Institute

IMPROVED COORDINATION CUTS COSTS

"If 100 crowns is invested only 70 crowns have an effect. The goal must be to make use of the remaining 30 crowns," Jørgen Festervoll, a specialist in energy efficiency and partner at consulting firm ADAPT, says.

The Norwegian construction industry has been weak since the 1990s. What is needed to turn the trend, according to Jörgen Festervoll, is a higher level of expertise among the buyers and a greater interdisciplinary understanding between those who work on the building and those who work on the technology. Today the challenges of system integration are underestimated, resulting in unnecessary costs.

"The main thing is to ensure that the building and the installations work, and that those who are responsible for the running of the building are able to complete their task. Experience shows that problems often arise when the operations staff are brought into the process at a late stage," Jørgen Festervoll says.

"In this context, using a big player like Bravida has benefits, as these are companies which operate across a wide range of disciplines. This should enable them to offer the necessary skills as well as integration and delivery of complete systems, which helps to improve efficiency in the construction sector," he adds.

BIM BRINGS BENEFIT AT THE MANAGEMENT STAGE

BIM is the general term for an approach in which architects, building engineers and installers share digital information on a construction project. This makes it easier to predict costs and environmental performance for a building while reducing the risk of mistakes.

"The benefit is that the ideas from the planning phase can be brought forward and used in the management of the building. For companies like Bravida this creates opportunities. Entrepreneurs with the right expertise can offer a package in which they not only build and install, but also take care of the management of the building. Bravida can also help to make assessments and consequence analyses for system choices and technical service management," Marko Granroth, a researcher who teaches BIM at the Royal Institute of Technology in Stockholm, says.

Our Nordic neighbours are working on a broad front, and the UK, Ireland and Australia are producing new national standards to be introduced in 2016.

"The Nordic countries have a good reputation, but we Swedes are not always at the forefront. Here, progress is driven by people who are dedicated and have visions, but without significant resources. In Sweden we need to cast our eyes at what is happening abroad and dare to invest more in research and development," Marko Granroth concludes.

NEW MARKET FOR SOLAR CELLS

The Danish solar cell market grew explosively from 2011 to 2012, especially within the private market. This growth was spurred by a decline in solar cell prices, low interest, generous depreciation allowances, high electricity prices and the opportunity of using the power grid as free stock.

Energy only represents a small fraction of the price of electricity; the rest goes to the government and pays for e.g. the electric companies' power grid costs and research. Therefore, the drop in electricity sales had repercussions. The Danish government decided that the growth needed to slow and the electric companies deemed it unreasonable that customers without solar cells should bear higher costs for the power grids.

"A new reform, which makes home-generated excess electricity less attractive, has lead to a sharp contraction of the private market. At the same time the rules have become more generous for housing cooperatives, local authorities and other organisations as regards larger installations. The regulations are not yet finalised and it is uncertain how the market will develop", Søren Poulsen from the Danish Technological Institute and one of Denmark's leading experts on solar energy, says.

"There are voluntary quality assurance systems for installations and similar systems for products are being developed. They can emphasise that companies like Bravida are professional players that deliver good products", says Søren Poulsen.

LIFE-SAVING CARE. ROUND THE CLOCK.

The new central hospital in Østfold outside Sarpsborg southwest of Oslo will become one of Norway's most modern hospitals when it is completed. The enormous 82,500 m2 facility covers an area the size of twelve football pitches, making it the largest construction project in the whole region.

Over the last few years major changes have taken place in Østfold's healthcare service. A restructuring that began already in 1998 when the activities at the hospitals in Halden, Askim, Sarpsborg, Moss and Fredrikstad were coordinated and work on planning the new central hospital began. Bravida is proud to be a part of the project, even if it creates big challenges.

Logistics is one the key challenges at a construction site of this magnitude. Short transports and access to materials are crucial to ensuring that the installers are able to perform their work as effectively as possible. On average, 60-70 installers from Bravida will be on site, with occasional peaks of up to 100. To meet the high demand for resources, five Bravida offices will be working together on the project, three from Norway and two from Sweden. A unique cross-border partnership.

With the new hospital, Østfold's nearly 300,000 inhabitants will have closer access to an ultra-modern hospital with local as well as regional functions for many years to come.

PROJECT: ØSTFOLD HOSPITAL
BRAVIDA'S MISSION: ALL ELECTRICAL INSTALLATIONS AND SECURITY

THE PROVIDER OF CHOICE FOR OUR CUSTOMERS

Bravida wants to be the obvious first choice provider and an active partner for our customers, both old and new. Professionalism is the basis for our relations while a strong local presence and long relationships enable us to offer peace of mind as well as new opportunities.

Bravida's customers fall into two main groups: end customers and building contractors. Building contractors account for the largest share of our installation contracts while property owners are crucial to our service business. 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 to 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 as a result 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. Bravida is also active in a number of major projects and new builds. In 2012 we were contracted to carry out the installations at the three largest hospitals being built in Sweden, Norway and Denmark.

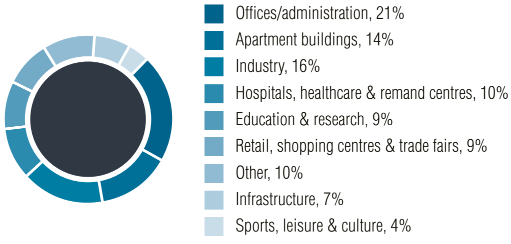
A typical installation project has an implementation time to final delivery of six months but projects can also stretch over several years. Service assignments comprise everything from 1–2-hour emergency call-outs to multi-year maintenance agreements. In 2012 Bravida had about 30,000 active projects, which generated approximately 470,000 work orders with an average value of SEK 24,000. Out of Bravida's 50,000 customers, no individual customer accounts for more than 6 per cent of Bravida's net sales.

PROPERTY OWNERS ARE CHANGING THEIR BEHAVIOUR

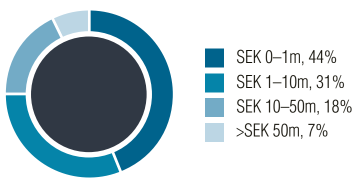
Building services is a sector facing strong price pressures where many contracts go to the supplier offering the lowest price. In most cases customers put out separate tenders for electrical installations, heating & plumbing and HVAC, and building services providers are often engaged at a later stage 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 has worked on integrated solutions covering several fields of technology in 2012 include the new Änglagården multi-sport facility in Gothenburg and the new university hospital in Aarhus, Denmark.

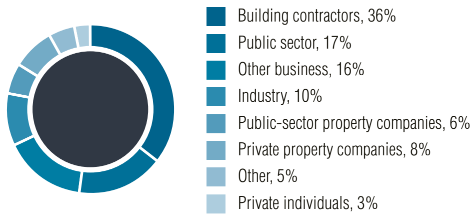
BREAKDOWN BY TYPE OF INSTALLATION
SHARE OF TOTAL SALES IN 2012



BREAKDOWN OF SALES
BY PROJECT SIZE 2012



BREAKDOWN OF SALES
BY CUSTOMER GROUP 2012



ACTIVE WORK BEHIND STRONG 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. Moreover, our customer relations are generally long-term in nature, and most customers come back to purchase new services.

To further strengthen our relations, we are working actively to get closer to our customers. Through a closer dialogue, we want to increase our understanding of their needs while taking the opportunity to demonstrate our broad range of expertise. A more proactive approach to all customer contacts and active add-on sales are other key elements of the effort to strengthen our position in the building services market.

KNOWLEDGE, HIGH STANDARDS AND A SIMPLE AND PROFESSIONAL RELATIONSHIP.

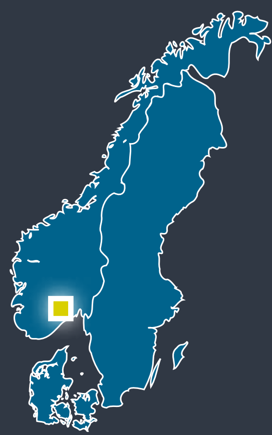
Bravida's goal is to be the provider of choice for its customers. That's why we regularly monitor what our customers think through customer surveys (customer satisfaction index) and brand surveys.

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. Our CSI score was 3.9 for installation contracts and 4.0 for service assignments. This is a high level of customer satisfaction and is also above the average for all industry (Swedish Quality Index 2012).

According to a brand survey conducted by market research firm MarketWatch in 2012, "professionalism", "expertise" and "high standard of work performed" are the most prized qualities in the building services industry. Bravida works continuously to improve its record in these areas, where we already meet or exceed our customers' expectations, according to the same survey.

Latitude: 59.5796 **Longitude:** 9,1762
Time: 12:30 GMT, 2 June 2012

By protecting against fire and vandalism, Bravida ensures that **NORWAY'S 28 STAVE CHURCHES** like this one in Heddal remain safe at all times. By minimising the impact on the historic buildings, we help to preserve the medieval churches, which are considered to be some of the most important remaining works of European medieval wooden architecture.



Magnus Hamerslag, Head of Production Systems and responsible for the implementation of the customer satisfaction survey, comments on the results.

"We know that those factors which are important when customers choose a partner are to find an experienced supplier, a high standard of work, and finding someone who is easy to deal with and has a professional attitude. The price is of course a function of all this. In our customer surveys we receive high scores in all areas."

CUSTOMER SATISFACTION INDEX (CSI)	CSI score installation	CSI score service
2012	3.9	4.0
2011	4.0	3.8
2010	4.0	3.8
2009	4.0	3.9
2008	3.8	3.9

Our customer surveys for 2012 produced a positive result. On the service side our results improved while our installation business saw a slight decline. Our customers also show a very high degree of loyalty and a clear majority would be very happy to recommend others to use Bravida.

CLOSE TO OUR CUSTOMERS THROUGHOUT SCANDINAVIA

Bravida combines the resources of a large company with the flexibility and local presence of a small company. Clear and decentralised leadership enables our employees to operate close to our customers with strong support from Bravida's central functions.

WORKING CLOSE TO OUR CUSTOMERS

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.

Bravida has a decentralised organisation with strong local ties, as 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 crucial steps to build 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.

A STABLE AND COMPETENT ORGANISATION

Central enterprise systems for project management, accounting and finance, and quality assurance coupled with a strong purchasing organisation and highly developed administrative processes allow 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.

With long established systems, clear procedures and experienced staff, Bravida stands on a stable foundation. Our ability to recruit staff internally for senior positions is reassuring and ensures continuity. It also testifies to the strength of our organisation. In 2012, for example, a new chief executive, two heads of division and several head of offices were recruited internally.

GROUP

At group level Bravida draws up 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

TRANSPORTS THAT REACH THEIR DESTINATION. ROUND THE CLOCK.

How long is the queue right now? Has there been an accident? How many lanes are open? With intelligent traffic systems, drivers receive the right information at the right time. This makes our roads safer, reduces congestion and ensures that traffic flows more smoothly.

When the motorway in the Trekantområdet* area of Denmark was expanded from four to six lanes Bravida was engaged to install an intelligent traffic system (ITS) with road portals which inform drivers about congestion, temporary speed limits and expected travel times. The system for traffic registration and signage gives drivers important information about temporary speed limits, lane changes and expected travel times.

The principal is the Danish Road Directorate, and Bravida has an average of 15 staff tied to the project. As part of its contract, Bravida will operate and maintain the system over a period of two and a half years.

Due to the volume of traffic, the time allowed for the assembly of each of the eleven road portals with mobile ITS signs across the motorway was limited to 15 minutes. The work was mainly carried out at night, and eight of the eleven portals were erected in the same week to minimise the impact on traffic. Thanks to the intelligent signage system, the traffic now flows more smoothly, day and night.

PROJECT: INTELLIGENT TRAFFIC SYSTEM
BRAVIDA'S MISSION: INSTALLATION AND POWER SUPPLY, ROAD EQUIPMENT, CONSTRUCTIONS AND FOUNDATIONS

* Trekantområdet is the name of an area comprising six municipalities in Denmark: Billund, Fredericia, Kolding, Middelfart, Vejen and Vejle.

WE MAKE SURE IT WORKS

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

OUR INSTALLERS AND SERVICE TECHNICIANS ARE THE HEART OF OUR BUSINESS

Regardless of whether the task is to fix a single pipe or introduce a new technological energy solution, our installers and service technicians are the heart of Bravida's business. Each day, they work on finding the best solutions for our customers. In 2012 our 6,000 installers completed some 30,000 small and large projects in our installation business. At our service offices we have delivered about 6,000,000 service hours.

EXPERIENCED PROJECT MANAGERS AND EXECUTIVES

Bravida's project managers and executives work as leaders in our installation projects and service assignments. Their duties cover everything from advice and project planning to implementation of installation and service projects. Our team includes installers and engineers who put their extensive experience and skills to use in leading our activities.

Due to stricter requirements for and an increased degree of complexity in the installations demanded, Bravida's installation projects and service assignments are becoming ever more challenging, requiring a higher degree of expertise in technology and logistics as well as leadership. To meet the ever increasing demands, we are gradually increasing the number of engineers at Bravida.

NUMBER OF EMPLOYEES*	2012	2011
Total in Group	8,139	7 955
Of which, women	476	485
Sweden	5,026	4 825
Norway	1,903	1 910
Denmark	1,203	1 213
Slovakia	7	7

* Average number of employees during the year.

AGE STRUCTURE, %	2012	2011
Over 60 years	7.4	7.6
51-60 years	19.7	19.2
41-50 years	25.3	25.6
31-40 years	21.4	22.4
21-30 years	22.7	20.9
Under 20	3.4	4.3

WE HELP OUR EMPLOYEES TO GROW AND DEVELOP

Bravida is a service company. We depend on our employees' expertise, professional experience and commitment in the competition for the best contracts. Investing in developing our leadership and the skills of our employees and in recruiting the right individuals is important for our future.

IN PROJECTS CLOSE TO OUR CUSTOMERS

At Bravida we work in projects, close to our customers and in their own properties or at construction sites. 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.

STRENGTHENED LEADERSHIP

Bravida looks for managers with the ability to drive and develop local businesses. We use a central leadership development programme. The programme emphasises the importance of building a strong company culture, and how we should use our common processes and methods. But it also promotes the exchange of experience and contacts among our managers. Since 2007 a majority of Bravida's managers have begun or concluded the programme.

OUR EXPERTISE – A COMPETITIVE ADVANTAGE

Bravida's training programme, the Bravida School, is aimed at enabling our employees to develop their skills while ensuring that Bravida always has the edge over its competitors, in terms of work methods as well as the technical solutions we offer. Engineers and senior installers take part in the Bravida School. The courses offered cover leadership and sales skills and include courses designed to improve production and health and safety.

Bravida's installers also have access to a wide range of courses for certification and specialist expertise. Here, too, health and safety is a key concern.

RECRUITMENT

The building services industry is growing and evolving, requiring a higher level of technical and commercial expertise from project managers. 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 and in Bravida. A special programme called BraIngenjörer has been developed to give young engineers a good start in a career with Bravida.

OUR EMPLOYEES ARE INVOLVED IN HELPING TO IMPROVE BRAVIDA

We regularly ask our employees to make an assessment, based on their own work situation, of what they think of Bravida's activities in a number of important fields, including health and safety, leadership, skills development and communication. This is done through an employee survey (employee satisfaction index, ESI). The last employee survey was conducted in autumn 2012 and pointed to a growing commitment on the part of the staff to actively influence Bravida's development. In this year's survey the participation rate increased significantly, with more than two thirds of all employees taking part. Another encouraging sign is that Bravida's employees have a more favourable attitude to their work situation than in the previous survey. Our average ESI score increased from 3.6 to 3.7. Bravida's goal is to achieve an ESI score of 4. Compared with similar surveys conducted at major Swedish companies and public-sector organisations, Bravida is above the average.

Christine Nilsson, an HR specialist who was responsible for conducting the employee survey, comments on the results:

"We are very happy that a growing number of employees are choosing to take part in our employee survey. That helps us to develop our role as an employer and gives us important insights into how we can improve. We have improved our score in all areas covered by the survey. This is a result of a long-term effort to improve the way we work. The survey also points to several areas where we can further raise our game. In particular, we need to continue to develop our leaders and the way we communicate internally. These are important and challenging issues in a large and decentralised organisation like Bravida."

A RELIABLE AND RESPONSIBLE SUPPLIER

Bravida is a reliable and responsible installation and service provider. We integrate sustainability issues in everything we deliver 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 influences the development of today's installation and service solutions, and is helping to ensure that we continually become better at finding ways of reducing our energy use. 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 learning from each other, finding simpler solutions and planning intelligently, we strive to maintain a high and consistent 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. We work continuously on various initiatives to improve our 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.

"ONE COMPANY – ONE CULTURE"

An important motto for Bravida is "one company – one culture". Our local 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 their company and that our customers recognise and appreciate a Bravida employee. We operate on the basis of four core values: *professionalism*, *simplicity*, *competence* and *good conduct*.

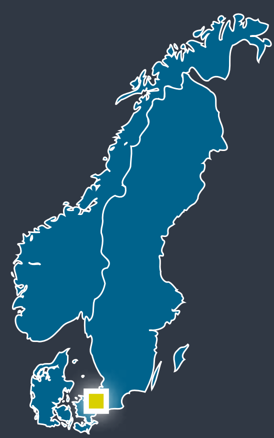
PROFESSIONALISM – a clear economic responsibility
SIMPLICITY – a uniform and uncomplicated approach
COMPETENCE – knowledge, will and ability
GOOD CONDUCT – reliability and correct behaviour

For BRAVIDA SUSTAINABLE GROWTH IS ABOUT:

- Offering solutions that save energy.
- Offering materials and products with a small environmental impact.
- Being a supplier for our customers that works actively to reduce carbon dioxide emissions at all stages of the delivery chain.
- Guaranteeing a high and consistent 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, and where ideas and suggestions are harnessed.
- Adhering to a high standard of business ethics.
- Respecting human rights, with an emphasis on equality and diversity.

Latitude: 55.6476 **Longitude:** 12,4170
Time: 16:10 GMT, 17 July 2012

By using modern solar cell panels, the **FSB TENANT-OWNER'S ASSOCIATION IN COPENHAGEN** saves money while helping to promote sustainable development. Bravida's technicians, who install the panels, have noticed a sharp increase in the number of enquiries. Investments in climate-smart installation are also expected to grow strongly in the future.



A STABLE AND SAFE WORKPLACE

Bravida's clear ambition is that it should feel safe to work for Bravida. To underline the importance of a good and safe work environment, Bravida has 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 Bravida's employees and in relation to our customers. We work to establish a good work environment in those places where the company's employees perform their duties.

Bravida's health and safety activities form part of the company's central enterprise systems. An important tool to reach our vision is our developed incident reporting. 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. Health and safety are also the responsibility of each individual employee. We therefore invest resources in training our staff so that each employee is able to prevent those risks to which he or she is exposed at work. Health and safety activities include:

- **Safety** – fostering a living safety culture where we strive to ensure that our safety philosophy is integrated in our daily activities through clear communication, procedures and follow-up.
- **Tools** – clothes, vehicles and equipment must be of a high quality to ensure that the company's employees are able to carry out their duties effectively and safely. The right equipment also helps to improve job satisfaction.
- **Reduced sickness absence and long-term sick leave** – we prevent occupational injuries through measures that are designed to protect our employees from dust, noise, vibrations and repetitive strain injuries.
- **Rehabilitation** – rehabilitation programmes for employees on long-term sick leave as well as action plans and measures for ensuring that as many as possible are able to return to work.

Åsa Björkström, a business developer who works on health and safety issues, speaks about what Bravida is doing to improve our employees' work environment.

What are the key challenges in Bravida's health and safety activities?

"As a building services provider, we need to find work methods that can be deployed more broadly in all our projects, for different customers and with different business partners. We operate in a changing environment at our workplaces and need to be able to think on our feet in response to the rapid changes that take place in the course of a project."

How do I notice Bravida's health and safety activities as an employee, customer or business partner of Bravida?

"Bravida strives to ensure a high level of health and safety work. Our approach to health and safety is also integrated in our enterprise systems. I believe those who come into contact with us realise that we care about health and safety, and that everything needs to be done in a safe way when they work with us."

What were your key health and safety activities in 2012?

"We are working to establish similar procedures throughout the Group. In 2012 we launched a new health and safety manual in Sweden that is based on our Norwegian manual. We also introduced a web portal that makes it easier to follow up accidents and incidents. Our aim is to spread knowledge about risks that exist at our workplaces."

What is happening in 2013?

"We will continue our activities to improve our work environment and standards of safety. One example is our Year of Health campaign, which means that there will be a special emphasis on employee health and activities to promote a healthier lifestyle. And in our service business we will be producing a new, specially adapted health and safety manual."

OCCUPATIONAL INJURY FREQUENCY*	2012	2011
Sweden	7.9	9.3
Norway	9.4	3.6
Denmark	27.7	37.5
Group	**10.7**	**11.9**

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

SICK LEAVE, %	2012	2011
Sweden	4.4	4.3
Norway	6.3	6.9
Denmark	3.6	3.0
Group	**4.7**	**4.6**

A STRONG POSITION IN THREE COUNTRIES

With five divisions and 200 local offices, Bravida is represented at around 150 localities across Sweden, Norway and Denmark, each with its own specific conditions and characteristics. The year 2012 was in many ways a tough year due to the economic slowdown and considerable price pressures in many markets. Despite this, Bravida succeeded in maintaining its strong position.

SALES BY COUNTRY	SEKM	SHARE OF GROUP
Sweden	7,324	64 %
Norway	2,696	24 %
Denmark	1,406	12 %

EBITA BY COUNTRY	SEKM	SHARE OF GROUP
Sweden	436	73 %
Norway	128	21 %
Denmark	34	6 %

SWEDEN

Our Swedish business comprises three divisions: North, Stockholm and South. In 2012 our Swedish business generated sales of SEK 7,324 million (6,955), which is an increase of 5.3 per cent on the previous year. EBITA was SEK 436 million (490), which represents an EBITA margin of 5.8 per cent (7.0).

VARYING DEMAND

The Stockholm region and northern Norrland were the strongest performing regions in 2012 while industry-dominated localities in southern and central Sweden struggled amid a weakening of economic activity. Public-sector investments therefore continue to be an important source of demand, especially as residential construction has remained very weak.

MANY EXCITING PROJECTS

A number of major projects were conducted in Sweden in 2012. Facebook's new data centre in Luleå, Friends Arena in Solna, the Emporia shopping mall in Malmö and Clarion Hotel Post in Gothenburg are a few examples that have attracted a lot of attention.

The multisport facility Änglagården in Gothenburg, our work at the Nya Karolinska hospital and our continued activities in the expanding mining industry are some of our exciting challenges for 2013.

NORWAY

Our Norwegian business performed strongly, increasing both sales and profitability. In 2012 Bravida Norway generated sales of SEK 2,696 million (2,328), which is an increase of 15.8 per cent. EBITA was SEK 128 million (101), which represents an EBITA margin of 4.7 per cent (4.3).

A STABLE MARKET

The Norwegian market continued to grow amid stable demand, in both service and installation. The concerns arising from the crisis-torn EU countries did not affect investment to the same extent as in our other markets, and the outlook remains good. The outlook in oil and offshore is also good.

CROSS-BORDER PARTNERSHIPS

The building of the new central hospital in Østfold and an extensive service agreement with Nordea are two examples of contracts covering activities across national borders. Two local offices from Sweden are taking part in the former while the latter builds on a successful contract with Nordea in Denmark.

A number of supplementary acquisitions have further strengthened Bravida's position as a leading integrated supplier in the Norwegian market.

DENMARK

After a positive turnaround in 2011, the weak economy led to a setback in our Danish business. Sales in 2012 were SEK 1,406 million (1,522), which was a decrease of 7.6 per cent compared with the previous year. EBITA was SEK 34 million (57), which represents an EBITA margin of 2.5 per cent (3.8).

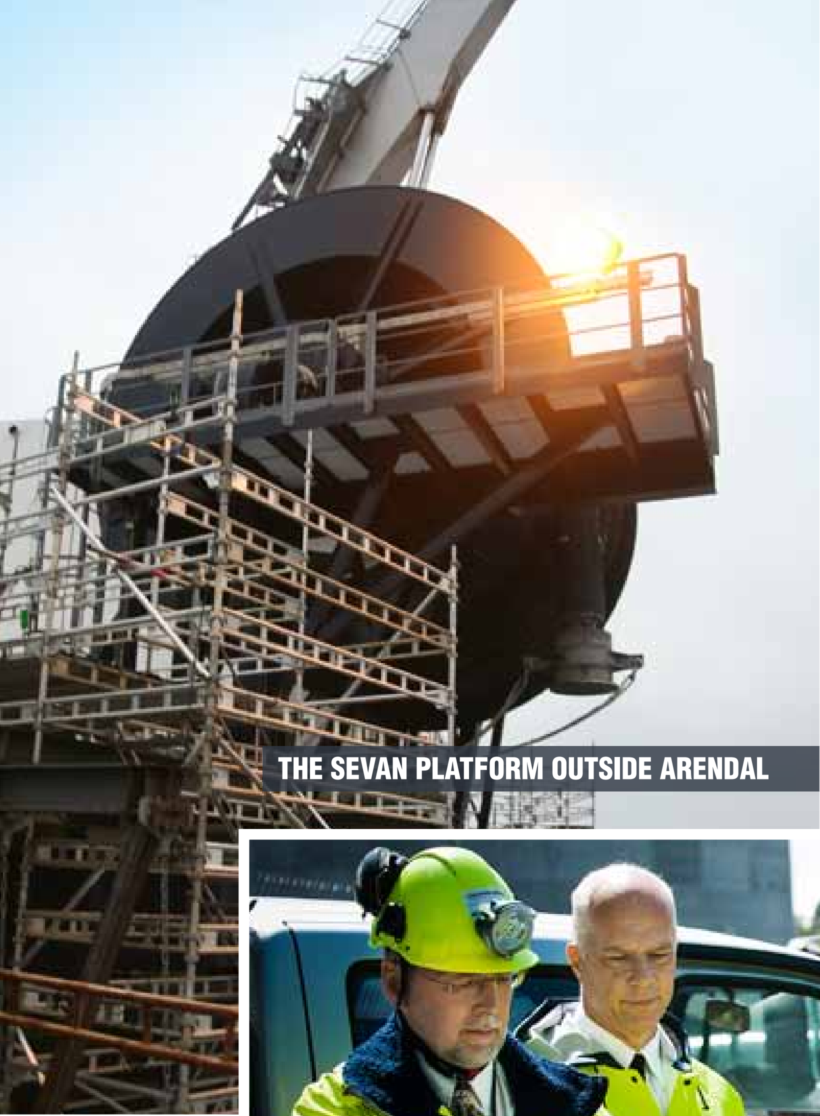
VERY WEAK ECONOMY

The Danish market remained weak due to the very tough economic conditions in the country. Although the building services industry is less exposed than the construction industry, price pressures are considerable and demand was also hit by a low rate of investment, especially around the major cities in Jutland and in industry-dominated localities. The downturn is noticeable in both our service and installation businesses.

SUCCESSFUL NICHE AREAS

The new university hospital in Aarhus is the largest hospital project in the history of Denmark, and Bravida has been engaged to carry out a large part of the installations. Efforts to strengthen our presence in niche markets such as solar cells and lifts have proved successful and are now spreading to Sweden and Norway.

Due to the difficult market situation, efforts are underway to deal with weakening demand.



THE SEVAN PLATFORM OUTSIDE ARENDAL

HOTEL POST IN GOTHENBURG

DANNEMORA MINE IN UPPLAND

FACEBOOK IN LULEÅ

AN APARTMENT BUILDING IN COPENHAGEN

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Bravida AB, reg. no. 556713-6535, hereby present their annual report and consolidated financial statements for the financial year 2012.

The business

Bravida is Scandinavia's leading provider of installation and service solutions, with over 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.

In response to the growing demand for energy-efficient buildings, Bravida is prioritising installation solutions which ensure improved functionality and make more efficient use of energy, resulting in lower running costs and reduced environmental impact.

Bravida also has qualified staff in certain specialist areas. Bravida Fire & Security (previously Säkerhet) specialises in fire and security 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 2012

Despite a more challenging market climate, especially in Sweden, Bravida reports a good result and strong sales growth. While net sales grew by 6.3 per cent in local currency terms, the operating profit declined somewhat due to ongoing price pressures in the market. The Group's installation volumes increased as a result of a number of major projects. Demand was good in Norway but mixed in Sweden and Denmark.

The Group's central ERP system was successfully upgraded during the year.

Net sales

Consolidated net sales were SEK 11,400 (10,768) million, an increase of 6.3 per cent after adjusting for currency effects. Organically, growth was 4.6 per cent. Currency effects reduced net sales by 0.4 per cent while acquisitions and disposals added 1.7 per cent. The installation business accounted for 52 per cent of net sales and the service business for the remaining portion. Net sales in our installation business increased by 11 per cent compared with the previous year, while net sales from service assignments were largely unchanged. Net sales increased by 5 per cent in Sweden, to SEK 7,324 million (6,955), and were SEK 1,406 million (1,522) in Denmark, which was a decrease of 4 per cent in local currency. Net sales in Norway increased to SEK 2,696 million (2,328), which, after adjusting for currency effects, was an increase of 15 per cent on the year before.

Operating profit/loss

EBITA was SEK 604 million (664), resulting in an EBITA margin of 5.3 per cent (6.2). The EBITA margin was 6.0 per cent (7.0) in the Swedish business. In Denmark the margin was 2.5 per cent (3.8) and in Norway it increased to 4.7 per cent (4.3). The operating profit was SEK 570 million (663), which represents an operating margin of 5.0 per cent (6.2). The difference between operating profit and EBITA is attributable to the capital loss which arose on the sale of a subsidiary in Division Norway.

Earnings before tax

The net financial expense was SEK -31 million (-48) and the profit before tax was SEK 539 million (616).

Earnings after tax

The tax expense for the year was SEK -145 million (-106). Of the total tax expense, SEK -26 million (-60) referred to deferred tax expenses while the remaining portion was payable. Earnings after tax for the period were SEK 394 million (510).

Comprehensive income for the period

Translation differences for the period from the translation of foreign operations were SEK -12 million (-5) due to the strengthening of the Swedish krona. Comprehensive income for the period was SEK 382 million (505). Out of total comprehensive income, SEK 1 million (1) is attributable to non-controlling interests.

Order intake and order backlog

The recent pick-up in demand has levelled off at a high level. Net sales were roughly equal to the order intake during the year. Demand varies considerably from one area to another, however. Some locations saw weak demand, resulting in continued price pressures, while other locations experienced good demand. Prices are still low. Because of the uncertainty in the market the process from decision to implementation of investments has become more protracted. Generally, demand is weakest in industry-dominated locations in Sweden and Denmark. Demand remains good in Norway, the Stockholm region and northern Sweden. Public-sector investments were stable and are set to increase in the health and infrastructure sectors. Housing production has softened, especially in Sweden. Investments in commercial property and in the industrial sector are expected to taper off going ahead. The service market was somewhat weaker in the period than in 2011.

AMOUNTS IN SEK MILLIONS UNLESS OTHERWISE STATED

Bravida's order intake was SEK 11,564 million (11,315), which, after adjusting for currency effects, represents a year-on-year increase of 3 per cent. The order intake decreased by 1 per cent in Sweden but increased by 5 per cent in Denmark and 11 per cent in Norway, all in local currency.

The order backlog increased to SEK 4,809 million (4,590). In currency-adjusted terms, this was an increase of 5 per cent compared with the same date the year before. The increased order backlog was primarily attributable to major installation contracts. The order backlog grew by 1 per cent in Sweden, 15 per cent in Norway and 16 per cent in Denmark, all in local currency. The order backlog figures do not include Bravida's service business.

Acquisitions and disposals

Bravida made the following acquisitions in 2012:

Acquired unit	Division	Type	Acquisition time	No. of employees
HVAC business, Uddevalla	South	Operation	March	10
Cooling business, Falköping	South	Operation	March	6
Heating & plumbing business, Östersund	North	Operation	April	8
Plumbing and HVAC business, Aarhus	Denmark	Operation	June	25
Electrical installation business, Drammen	Norway	Company 91%	July	33
Electrical installation business, Bodö	Norway	Company 91%	September	16
Heating & plumbing business, Stockholm	Stockholm	Company	December	45

All acquisitions are in line with Bravida's strategy to expand in its priority markets. In 2012 Bravida sold a small electrical installation business in Haugesund in Norway, a small sheet-metal business in Denmark and a dormant Norwegian subsidiary. Acquisitions and disposals increased net sales in 2012 by 1.7 per cent.

If the acquisitions had taken place at 1 January consolidated net sales and the consolidated operating profit would have increased by about 3 per cent. 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 7,324 million (6,955), which was an increase of 5 per cent on the year before. Out of total net sales, SEK 7,307 million refers to external sales, with sales to other segments accounting for the remaining portion. Demand varies significantly from one locality to another, and we noticed a moderation in demand in the second half of the year. Generally, demand is strongest in the Stockholm region and northern Sweden and weaker in industrial areas. The operating profit was SEK 436 million (490), which represents an operating margin of 6.0 per cent (7.0). The margin was negatively impacted by the strike in the heating and plumbing industry, which had a disproportionate impact on Bravida, as well as by a higher share of installation contracts.

The order intake for the year was SEK 7,346 million (7,423). At year-end the order backlog was SEK 3,356 million (3,323), which is 1 per cent higher than at the same date the year before.

The average number of employees was 5,023 (4,817), an increase of 4 per cent.

Operations in Norway

Division Norway saw growing sales in 2012 following a series of years of weak market activity. Net sales for the year increased to SEK 2,696 million (2,328), an increase of 15 percent in local currency terms. Net sales were wholly attributable to external sales. EBITA was SEK 128 million (101), which represents an EBITA-margin of 5.3 per cent (4.3). The operating profit was SEK 95 (101). In addition to a strong market, the margin improvement was partly due to efficiency improvements in the business. Some areas have continued to be affected by the increase in competition and resulting price pressures.

The order intake was 2,787 million (2,497), which is an increase of 11 per cent in local currency. The order backlog grew, to SEK 939 million (804) at the end of the period, which was an increase of 15 per cent in local currency. The increase in the order backlog was due to the new central hospital project in Østfold, for which the contract was awarded in 2012 and which will be carried out jointly by three Norwegian and two Swedish branches.

The average number of employees fell by 0.4 per cent to 1,894 (1,901).

Operations in Denmark

Early in the year Division Denmark saw a recovery from the declining volumes of recent years. This trend turned in the second half, resulting in lower sales. Net sales were SEK 1,406 million (1,522). In local currency terms this was a decline of 4 per cent. Net sales were wholly attributable to external sales. The operating profit was SEK 34 million (57), which represents a margin of 2.5 per cent (3.8). The Danish economy has been largely stagnant over the past few years, which has a direct impact on the construction market and thereby also on the building services market. To manage the situation, the division has continued to take a selective approach, especially with regard to major installation contracts. Organisational adaptations were implemented during the year to address the weak demand in certain sub-markets.

The order intake was SEK 1,457 million (1,433). In local currency terms this was an increase of 5 per cent. The order backlog grew by 16 per cent in local currency terms to SEK 514 million (463). The increase in the order backlog is explained by the large hospital contract that was awarded to Bravida in 2012.

The average number of employees in 2012 was 1,193 (1,203), a decrease of 1 per cent.

Cash flow and investments

Cash flow from operating activities was SEK 424 million (559). Cash flow includes SEK -19 million (-77) in taxes paid. Cash flow from investing activities was SEK -37 million (-66), partly due to the acquisition and sale of operations. Cash flow before financing activities decreased to SEK 387 million (493). Group contributions of SEK 0 million (32) were paid out during the year. A dividend of SEK 624 million (150) was also paid. Cash flow from financing activities was SEK -408 million (-453) and the cash flow for the year was thus SEK -21 million (41).

Financial position

Consolidated cash and cash equivalents at 31 December were SEK 50 million (76). Bravida also had access to SEK 700 million (501) in undrawn credit facilities. At 31 December the company had interest-bearing liabilities of SEK 0 million (202). Equity at year-end was SEK 1,653 million (2,121), representing an equity/assets ratio of 22.2 per cent (35.8).

Employees

The average number of employees was 8,139 (7,955), an increase of just over 2 per cent. The number of employees increased by 4 per cent in Sweden and declined by 1 per cent in Denmark. In Norway the average number of employees was largely unchanged. Bravida has a high level of preparedness to adapt its resources to changing conditions in its local markets. 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.

More than half of Bravida's managers have begun or completed Bravida's leadership training programme, which runs over 18 months and concludes with the award of an internal diploma.

The Bravida School offers a wide range of training programmes for the Group's employees. In 2012 we worked on improving our existing range of courses and added new course options, especially in business skills and service.

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. Since a few years 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 graduate engineers have been recruited over the past two years, resulting in a common development programme for engineers at Bravida.

Health & safety

A safe workplace where everything is in good order leads to strong results, not just in the form of healthier employees but also for our owners, customers and other stakeholders.

Bravida has a zero vision for workplace accidents, and the effort to move closer takes the form of systematic health and safety activities that are integrated in our regular operations. 2012 saw an increase in the exchange of experience among the three countries. In Sweden a health and safety manual modelled on its Norwegian predecessor was introduced. Sweden, Norway and Denmark are now all using the deviation portal, an online tool for registering proposed improvements, incidents and accidents. In response to the results of the 2012 employee survey (employee satisfaction index), improvement projects for more efficient production and results from health questionnaires will be launched in 2013. Information, follow-up and feedback create a more predictable work environment where accidents and health problems can be prevented.

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 2012

Bravida's goal is to be the first-choice employer for employees. The general goal is to achieve an ESI score of at least 4.0 among the Group's employees. The employee survey resulted in an ESI score of 3.7. The participation rate has increased significantly and we have added a new sub-area to the survey, a safe work environment, in line with Bravida's zero vision for workplace accidents.

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 2012.

Quality targets and follow-up in 2012

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 a CSI score of 3.9 (4.0 last year) for installation contracts and 4.0 (3.8 last year) for service assignments in Sweden.

Environmental targets and follow-up in 2012

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. The service business accounts for nearly half of Bravida's net sales.

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 29.

Sensitivity analysis

	Change, %	Effect on earnings before tax +– SEKm
Sales	1 %	6
Operating margin	1 % point	114
Payroll costs	1%	50
Materials and subcon-tractors	1 %	46
Share productive installer time	1 % point	60
Exchange rate	10 %	11

Material disputes

In 2012 a significant dispute arose concerning a management agreement concluded by Bravida TSM. The dispute refers to the interpretation of certain conditions in the agreement, which has been terminated. Bravida has filed for arbitration and is claiming compensation of more than SEK 40 million. A ruling is expected at year-end 2013 at the earliest.

On top of this, there is a small number of minor 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.

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 in the last two years after a period of weakness resulting in falling market prices. The reduced demand was related to the weak economy.

The general economic environment has again deteriorated. 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 has exceeded net sales since 2010 is encouraging. It is expected that the Norwegian market will remain strong, while Bravida's Swedish and Danish operations are expected to face a generally more challenging market situation.

New commercial construction is expected to remain weak. In residential construction the market is expected to be weak as a result of tougher funding criteria and greater uncertainty among consumers. Public-sector investments, especially in hospitals and infrastructure, are expected to remain robust over the next few years, according to a forecast produced by Euroconstruct. 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. With a strong order backlog, Bravida expects net sales to grow during the year.

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 2013 along with an ongoing effort to expand the service business and a focus on improving efficiency. In the last few years Bravida has made several minor additional acquisitions 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 stable position for 2013.

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 2012 the Board met on nine occasions, holding six regular and three extraordinary meetings. Two of the extraordinary meetings took the form of conference calls. The extraordinary meetings addressed issues relating to the sale of Bravida. The regular meetings were normally held at Bravida's head office in Stockholm. Members of senior management and the central Group functions presented reports at the Board meetings. Bravida's chief auditor was present at one of the Board meetings.

The Board's work followed the rules of procedure for the Board, which were adopted at the Board meeting in May 2011, and new rules of procedure that were adopted in May 2012.

The Board addressed strategic issues, business plans, financial statements, acquisitions and disposals, and other significant events. Reporting on the activities and financials of the company and Group has been a standing agenda item. The separate committees appointed by the Board worked in accordance with their instructions; the remuneration committee on the task of reviewing and adopting resolutions on issues relating to remuneration of senior executives and general incentive schemes, and the audit committee on ensuring that the Group's operations are correctly audited and on evaluating the audit.

In the spring the work focused largely on preparations for the sale of Bravida. After the sale all Board members as well as the employee representatives were replaced and a new Board was appointed consisting of representatives from the new owner and from management. The work of the Board after the change of ownership focused on acquisition strategies and project risk management as well as measures aimed at improving profitability.

AMOUNTS IN SEK MILLIONS UNLESS OTHERWISE STATED

Parent company

Bravida AB's net sales in 2012 were SEK 92 million (86). Out of total net sales, 93 per cent refers to inter-company sales.

The operating profit was SEK 5 million (16) while earnings before tax were SEK 453 million (347). Cash and cash equivalents were SEK 0 million (58). Equity was SEK 1,571 million (2,074) after the adopted dividend payment of SEK 624 million and the equity/assets ratio was 40.0 per cent (51.6). The average number of employees in the parent company was 11 (15). At year-end the company had no employees, as these have been transferred to Bravissima Acquisition AB after the change of ownership. The number of shares at the beginning and end of the year was 51,313,833.

Events during the reporting period

During the year funds represented by the private equity firm Bain Capital Europe acquired Bravida from Triton. The transfer of ownership took place on 31 July following approval of the transfer by the EU's competition authority. As a consequence of the change of ownership, changes have also been made to Bravida's Board of Directors.

Staffan Påhlsson, formerly Deputy Group President for Bravida, was appointed CEO and Group President in 2012. Staffan has worked at Bravida for 32 years and knows the industry and company extremely well. Up until now he has been Head of Division South, Bravida's largest division.

Events after the balance sheet date

After the end of the reporting period Bravida AB has drawn up a plan for a merger with the parent company, Scandinavian Installation Acquisition AB. The merger is planned for the second quarter of 2013.

Bravida AB has also sold its wholly owned subsidiary Bravida AS to Bravissima AS, a subsidiary of Scandinavian Installation Acquisition AB. The sale took place on 31 January and was made at market value.

Proposed allocation of profit

The Board proposes that the parent company's non-restricted equity of SEK 1,560,977,243 be allocated as follows:

Dividend	SEK 915,000,000
Carried forward	SEK 645,977,243
Total	SEK 1,560,977,243

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	2012-01-01 -2012-12-31	2011-01-01 -2011-12-31
Net sales	2	11,400	10,768
Costs of production		-9,165	-8,573
Gross profit/loss		**2,236**	**2,195**
Other operating income	5	–	–
Administrative and selling expenses		-1,633	-1,531
Other operating expenses		-33	–
Operating profit/loss	3, 6, 7, 8, 32	**570**	**663**
PROFIT/LOSS FROM FINANCIAL ITEMS			
Financial income		9	10
Financial expenses		-40	-57
Net financial income/expense	9	**-31**	**-48**
Earnings before tax		**539**	**616**
Tax on profit for the year	10	-145	-106
Profit/loss for the year		**394**	**510**
OTHER COMPREHENSIVE INCOME			
Translation differences for the year from the translation of foreign operations		-12	-5
Comprehensive income for the year		**382**	**505**
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the parent		381	504
Non-controlling interests		1	1
Comprehensive income for the year		**382**	**505**

CONSOLIDATED BALANCE SHEET

SEK millions	NOTE	31 Dec 2012	31 Dec 2011
ASSETS			
Intangible assets	11	2,276	2,203
Property, plant and equipment	12	36	34
Interests in associates	13	4	1
Pension assets	14	139	156
Other securities held as non-current assets	15	48	51
Long-term receivables	16	14	16
Deferred tax asset	10	117	151
Total non-current assets		**2,634**	**2,613**
Inventories		66	70
Tax assets		21	8
Trade receivables	17	1,901	1,845
Receivables from the parent company	18	–	418
Receivables from Group companies	18	1,826	–
Accrued but not invoiced income	19	763	685
Prepayments and accrued income	20	153	161
Other receivables	16	27	41
Short-term investments and restricted funds	21	3	2
Cash and cash equivalents		50	76
Total current assets		**4,811**	**3,306**
TOTAL ASSETS	28	**7,445**	**5,919**
EQUITY	22		
Share capital		10	10
Reserves		-21	-10
Retained earnings including profit/loss for the year		1,663	2,120
Equity attributable to equity holders of the parent		**1,652**	**2,120**
NON-CONTROLLING INTERESTS		2	1
LIABILITIES			
Pension provisions	14	83	91
Other provisions	24	38	36
Deferred tax liabilities	10	86	94
Total non-current liabilities		**207**	**221**
Current interest-bearing liabilities	23	–	200
Overdraft facilities	23	–	2
Trade payables		985	1,111
Tax liabilities		19	18
Invoiced but not accrued income	25	1,085	982
Liabilities to parent company	18	18	–
Liabilities to Group companies	18	2,105	–
Other liabilities	26	319	287
Accrued expenses and deferred income	27	931	883
Provisions	24	123	93
Total current liabilities		**5,584**	**3,576**
Total liabilities		**5,791**	**3,797**
TOTAL EQUITY AND LIABILITIES	28	**7,445**	**5,919**

PLEDGED ASSETS AND CONTINGENT LIABILITIES FOR THE GROUP

		31 Dec 2012	31 Dec 2011
Pledged assets	23, 31	5,362	5,216
Contingent liabilities	23, 31	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 01 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
Shareholder contributions received			412	412
Group contributions			0	0
Tax effect of Group contributions			0	0
Equity 31 Dec 2011	**10**	**-10**	**2,121**	**2,121**
Opening balance acc to balance sheet				
Equity 1 January 2012	**10**	**-10**	**2,121**	**2,121**
Profit/loss for the year			394	394
Other comprehensive income for the year		-12		-12
Dividend			-624	-624
Group contributions			-307	-307
Tax effect of Group contributions			81	81
Equity 31 Dec 2012	**10**	**-21**	**1,665**	**1,653**
Of which, shareholders without controlling influence, 31 Dec 2012			2	2
Equity attributable to equity of the parent company, 31 Dec 2012	**10**	**-21**	**1,663**	**1,652**

More information on equity is provided in Note 22 on page 63.

CONSOLIDATED CASH FLOW STATEMENT

SEK millions	NOTE	2012-01-01 -2012-12-31	2011-01-01 -2011-12-31
OPERATING ACTIVITIES			
Earnings before tax		539	616
Adjustments for non-cash items	34	76	-75
Income taxes paid		-19	-77
Cash flow from operating activities before changes in working capital		**596**	**463**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-) / Decrease (+) in inventories		6	-3
Increase (-) / Decrease (+) in operating assets		-140	-286
Increase (+) / Decrease (-) in operating liabilities		-38	384
Cash flow from operating activities		**424**	**559**
INVESTING ACTIVITIES			
Acquisition of subsidiaries	4, 32	-16	-52
Acquisition of assets and liabilities	4	-15	-7
Sale of assets and liabilities		4	–
Acquisition of property, plant & equipment	12	-11	-7
Cash flow from investing activities		**-37**	**-66**
FINANCING ACTIVITIES			
Shareholder contributions received		412	–
Repayment of loans		-200	–
Change in utilisation of overdraft and credit facilities		-2	-267
Dividend paid		-624	-150
Loan granted to parent company		6	-4
Group contributions paid		0	-32
Cash flow from financing activities		**-408**	**-453**
Cash flow for the year		-21	41
Cash and cash equivalents at beginning of year		76	35
Foreign exchange difference in cash and cash equivalents		-5	0
Cash and cash equivalents at end of year		**50**	**76**

PARENT COMPANY INCOME STATEMENT

SEK millions	NOTE	2012-01-01 -2012-12-31	2011-01-01 -2011-12-31
Other operating income	5	92	86
Administrative and selling expenses	6, 7, 8	-87	-70
Operating profit/loss		**5**	**16**
PROFIT/LOSS FROM FINANCIAL ITEMS			
Profit/loss from interests in Group companies		524	435
Interest and similar income		9	10
Interest and similar expenses		-55	-77
Net financial income/expense	**9**	**479**	**368**
Earnings after financial items		**484**	**384**
APPROPRIATIONS			
Transferred to tax allocation reserve		-31	-37
Earnings before tax		**453**	**347**
Tax on profit for the year	10	-105	-40
Profit/loss for the year[1)]		**347**	**307**

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

PARENT COMPANY BALANCE SHEET

SEK millions	NOTE	31 Dec 2012	31 Dec 2011
ASSETS			
Non-current assets			
Financial assets			
Interests in Group companies	33	3,383	3,383
Other securities held as non-current assets	22, 23	47	50
Total non-current assets		**3,430**	**3,433**
Current assets			
Current receivables			
Trade receivables		–	0
Receivables from the parent company	18	–	418
Receivables from Group companies	18	495	107
Other receivables		6	0
Prepayments and accrued income	20	0	0
		501	**525**
Cash and bank balances		0	58
Total current assets		**501**	**584**
TOTAL ASSETS	28	**3,931**	**4,017**
EQUITY AND LIABILITIES			
Equity	22		
Restricted equity			
Share capital (51,313,833 shares)		10	10
		10	**10**
Non-restricted equity			
Retained earnings		**1,214**	**1,757**
Profit/loss for the year		347	307
		1,561	2,064
		1,571	**2,074**
Untaxed reserves			
Tax allocation reserves		105	73
		105	**73**
Provisions			
Provisions for pensions and similar obligations	14	50	54
Other provisions	30	15	14
		66	**68**
Current liabilities			
Liabilities to credit institutions	23	–	200
Trade payables		1	2
Liabilities to Group companies	18	2,107	1,540
Liabilities to parent company	18	18	–
Tax liabilities		25	25
Other liabilities	26	31	20
Accrued expenses and deferred income	27	7	15
		2,190	**1,802**
TOTAL EQUITY AND LIABILITIES	28	**3,931**	**4,017**

PLEDGED ASSETS AND CONTINGENT LIABILITIES FOR THE PARENT COMPANY

		31 Dec 2012	31 Dec 2011
Pledged assets	31	3,702	3,704
Contingent liabilities	31	16	17

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 2011	10	516	979	1,505
Profit/loss for the year			307	307
Appropriation of retained earnings		979	-979	–
Shareholder contributions received		412		412
Group contribution paid to parent company		0		0
Tax effect of Group contributions		0		0
Dividend		-150		-150
Equity 31 Dec 2011	**10**	**1,757**	**307**	**2,074**
Opening balance acc to balance sheet				
Equity 1 January 2012	**10**	**1,757**	**307**	**2,074**
Profit/loss for the year			347	347
Appropriation of retained earnings		307	-307	–
Group contribution paid to parent company		-307		-307
Tax effect of Group contributions		81		81
Dividend		-624		-624
Equity 31 Dec 2012	**10**	**1,214**	**347**	**1,571**

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	2012-01-01 -2012-12-31	2011-01-01 -2011-12-31
OPERATING ACTIVITIES			
Earnings before tax[1)]		-40	-51
Adjustments for non-cash items	34	2	-26
Income taxes paid		-27	-28
Cash flow from operating activities before changes in working capital		**-66**	**-105**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-) / Decrease (+) in operating assets		-6	9
Increase (+) / Decrease (-) in operating liabilities		177	241
Cash flow from operating activities		**105**	**144**
INVESTING ACTIVITIES			
Acquisition of financial assets		–	-7
Cash flow from investing activities		**–**	**-7**
FINANCING ACTIVITIES			
Shareholders contributions received		412	–
Repayment of loans		-200	–
Change in utilisation of overdraft and credit facilities		–	-269
Dividend received		–	193
Dividend paid		-624	-150
Loans granted to parent company		7	-4
Group contributions paid		0	-32
Group contributions received		242	181
Cash flow from financing activities		**-163**	**-81**
Cash flow for the year		-58	57
Cash and cash equivalents at beginning of year		58	2
Cash and cash equivalents at end of year		**0**	**58**

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

NOTES

AND ACCOUNTING POLICIES

NOTES CONTENT

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

General accounting policies

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 certain 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 to 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 2012.

Bravida may be affected by the changes in IFRS 12 and 13. The changes may require the disclosure of additional information. The changes to IAS 1 will require that other comprehensive income be divided into several categories.

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 subsidiaries. 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.

Depreciation and 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 includes 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

A receivable is recognised when the company has performed a service and the counterparty is contractually obliged to pay, even if an invoice has not yet been issued. Trade receivables are recognised in the balance sheet when the invoice has been sent.

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, borrowing and other financial liabilities, e.g. trade payables.

General principles

A liability is recognised when the company has a contractual obligation to pay, even if a supplier invoice has not yet been received. Supplier invoices are recognised in the statement of financial position when the invoice has been received. The liability is removed when payment has been made or when a contractual obligation to pay no longer exists.

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

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.

The Group's net liability relating to defined benefit plans is calculated separately for each plan by estimating the future compensation earned by the employees through their employment in the current and previous periods. 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 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.

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 a financial cost.

Goodwill

Goodwill in the parent company is recognised at cost less accumulated amortisation and any impairment losses. This means that goodwill is amortised over a useful life of 5-10 years.

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 and provisions are reported under separate main headings 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 Bravissima Sweden AB (reg.no. 556896-0578) with registered office in Stockholm. The consolidated financial statements are available from Bravida AB. Out of the parent company's total purchases and sales in Swedish kronor, 76 per cent (27) of purchases and 93 per cent (95) of sales refer to other companies in the corporate group to which the company belongs.

NOTE 2 DISTRIBUTION OF REVENUES

Group	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31
Invoicing	11,422,667	10,822,605
Change in work in progress on behalf of third parties	-22,483	-55,011
Net sales	**11,400,184**	**10,767,594**

Revenue by significant revenue type

Group	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31
Installation contracts	5,886,467	5,278,409
Service	5,513,717	5,489,185
Net sales	**11,400,184**	**10,767,594**

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.

2012	North	Stockholm	South	Norway	Denmark	Central	Elimination and other	Total
REVENUE								
External net sales	1,977,156	2,075,641	3,250,783	2,691,848	1,402,997	1,759		11,400,184
Internal net sales	12,225	76,841	16,384	3,844	2,733	232,745	-344,772	–
Net sales[1)]	**1,989,381**	**2,152,482**	**3,267,167**	**2,695,692**	**1,405,730**	**234,504**	**-344,772**	**11,400,184**
Operating expenses	-1,873,152	-2,049,408	-3,065,101	-2,568,211	-1,370,602	-214,773	344,772	-10,796,475
Loss on sale of shares in subsidiaries				-32 662				-32 662
Amortisation of intangible assets	–	–	–	–	-701	–	–	-701
Operating profit/loss	**116,229**	**103,074**	**202,066**	**94 819**	**34,427**	**19,731**	**–**	**570 346**

1) External net sales in Sweden were SEK 7,307,239,000.

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 6,917,129,000.

Fields of technology

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

2012	Electrical	Heating & plumbing	HVAC	Other	Total
External sales	6,004,494	3,065,238	1,823,800	506,652	11,400,184

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

NOTE 4 ACQUISITION OF OPERATIONS

Acquisitions in 2012

Bravida made the following acquisitions in 2012:

Acquired unit	Division	Type	Acquisition date	No. of employees	Estimated annual sales
HVAC business, Uddevalla	South	Operation	March	10	28
Cooling business, Falköping	South	Operation	March	6	15
Heating & plumbing business, Östersund	North	Operation	April	8	9
Plumbing and HVAC business, Aarhus	Denmark	Operation	June	25	29
Electrical installation business, Drammen	Norway	Company 91%	July	33	56
Electrical installation business, Bodö	Norway	Company 91%	September	16	23
Heating & plumbing business, Stockholm	Stockholm	Company	December	45	67

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

During the year a small operation with 25 employees in Haugesund in Norway was sold, resulting in a capital gain of SEK 0.2 million. The business posted a flat result on annualised net sales of SEK 25 million. At the end of the year a sheet-metal workshop in Denmark was sold with no impact on earnings. The business generated net sales of about SEK 9 million in the past year and posted a strongly negative result. A company with no operations has also been sold in Norway with an impact on earnings of SEK -32.7 million. The reason for the sale was that the investment did not live up to Bravida's expectations.

Effects of acquisitions in 2012
The acquisition has the following effects on consolidated assets and liabilities.

	Fair value recognised in Group
Intangible assets	5,416
Other non-current assets	4,080
Other current assets	33,441
Cash and cash equivalents	23,809
Non-current liabilities	–
Current liabilities	-56,175
Net identifiable assets and liabilities	**10,571**
Consolidated goodwill	**70,950**
Cost	86,562
Consideration recognised as a liability	49,827
Cash and cash equivalents (acquired)	23,809
Net effect on cash and cash equivalents	**-12,926**
Calculation of cost	
Cash consideration paid	36,735
Consideration recognised as a liability	49,827
Cost	**86,562**

Acquisitions in 2011

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.

	Fair value recognised in Group
Intangible assets	1,380
Other non-current assets	26,473
Other current assets	50,966
Cash and cash equivalents	6,955
Non-current liabilities	–
Current liabilities	-81,137
Net identifiable assets and liabilities	**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**

NOTE 5 OTHER OPERATING INCOME

	Group		Parent company	
	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31
Management fee	–	–	85,688	80,591
Income form endowment policies	–	–	4,435	3,840
Other	–	–	1,650	2,000
	–	**–**	**91,773**	**86,431**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 6 EMPLOYEES, STAFF COSTS AND COMPENSATION TO SENIOR EXECUTIVES

Average number of employees	1 Jan 2012 -2012-12-31	of which women	1 Jan 2011 -2011-12-31	of which women
PARENT COMPANY				
Sweden	10	16.9%	15	20.5%
Total in parent company	**10**	**16.9%**	**15**	**20.5%**
SUBSIDIARIES				
Sweden	5,016	5.5%	4,810	5.9%
Norway	1,903	5,8%	1,910	6.8%
Denmark	1,203	7,5%	1,213	5.7%
Slovakia	7	0.0%	7	0.0%
Total in subsidiaries	**8,129**	**5.8%**	**7,940**	**6.1%**
Total, Group	**8,139**	**5.8%**	**7,955**	**6.1%**

Breakdown between men and women in management	31 Dec 2012	31 Dec 2011
	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	2012-01-01 – 2012-12-31		2011-01-01 – 2011-12-31	
	Salaries and compensation	Social-security contributions	Salaries and compensation	Social-security contributions
PARENT COMPANY	26,257	6,520	35,297	8,660
(of which pension costs)	(6,109)	(–)	(8,509)	(–)
SUBSIDIARIES	4,106,388	800,342	3,844,300	753,484
(of which pension costs)	(221,569)	(37,050)	(221,437)	(30,395)
Total, Group	**4,132,645**	**806,862**	**3,879,597**	**762,144**
(of which pension costs)	(227,678)	(37,050)	(229,946)	(30,395)

Salaries and other compensation by country and broken down between Directors etc. and other employees	2012-01-01 – 012-12-31		2011-01-01 – 2011-12-31	
	Board, CEO and other senior executives[1]	Other employees	Board, CEO and other senior executives[1]	Other employees
PARENT COMPANY				
Sweden	11,489	14,768	16,263	23,092
(of which bonuses etc.)	(–)	(1,140)	(5,536)	(3,798)
SUBSIDIARIES				
Sweden	10,727	2,343,792	11,206	2,162,481
(of which bonuses etc.)	(3,625)	(49,890)	(4,058)	(42,595)
Norway	10,979	1,108,799	7,416	1,018,051
(of which bonuses etc.)	(5,696)	(14,839)	(2,264)	(11,514)
Denmark	6,158	611,570	3,016	639,837
(of which bonuses etc.)	(3,160)	(5,367)	(606)	(6,386)
Slovakia	–	2,497	–	2,293
(of which bonuses etc.)	(–)	(–)	(–)	(–)
Subsidiaries, total	**27,864**	**4,066,658**	**21,638**	**3,822,662**
(of which bonuses etc.)	(12,481)	(70,096)	(6,928)	(60,495)
Total, Group	**39,353**	**4,081,426**	**37,901**	**3,845,754**
(of which bonuses etc.)	(12,481)	(71,236)	(12,464)	(64,293)

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

Senior executives' benefits

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 and other senior executives have a contractual right to an occupational pension.

NOTE 7 AUDITORS' FEES AND EXPENSES

	Group		Parent company	
	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31
KPMG				
Audit engagement	3,670	3,559	480	532
Audit assignments in addition to audit engagement	20	59	–	–
Tax advice	111	381	–	–
Other assignments	480	350	210	89
OTHER				
Other assignments	719	325	–	–
	5,000	**4,674**	**690**	**621**

NOTE 8 OPERATING EXPENSES BY FUNCTION OF EXPENSE

	Group		Parent company	
	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31
Costs for materials	3,437,857	3,200,850	–	-4,006
Subcontractors and purchased services in production	1,121,795	1,108,156	–	–
Staff costs	5,031,446	4,744,093	32,352	49,283
Depreciation and amortisation	12,139	13,126	–	–
Vehicle expenses	332,995	318,095	491	715
Premises expenses	187,603	192,605	265	126
Consulting fees	48,050	71,176	4,803	5,402
IT expenses and telephony	108,506	105,739	628	-2,426
Travel expenses	44,241	44,791	1,060	1,755
Other operating expenses	472,544	305,546	47,188	19,492
Loss on sale of shares in subsidiaries	32,662	–	–	–
	10,829,838	**10,104,177**	**86,787**	**70,341**

NOTE 9 NET FINANCIAL INCOME/EXPENSE

	Group		Parent company	
	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31	1 Jan 2012 -2012-12-31	1 Jan 2011 -2011-12-31
PROFIT/LOSS FROM INTERESTS IN GROUP COMPANIES				
Dividend			48,461	189,495
Group contributions received from subsidiaries			475,955	242,293
Capital gain/loss on sale of subsidiaries			–	3,342
			524,416	**–**
FINANCIAL INCOME				
Interest income, Group companies	3,015	–	7,724	7,238
Interest income, other	1,703	3,022	968	2,042
Foreign exchange gains	–	929	–	963
Interest on arrears	3,426	3,395	2	21
Other	812	2,239	726	–
	8,956	**9,585**	**9,420**	**10,264**
FINANCIAL EXPENSES				
Interest expense, Group companies	-19,372	–	-37,745	-28,065
Interest expense, other	-18,044	-32,056	-15,944	-30,494
Foreign exchange losses	-1,218	–	-965	–
Interest on arrears	-1,513	-737	-3	–
Other	–	-24,526	-244	-18,511
	-40,147	**-57,319**	**-54,901**	**-77,070**
Net financial income/expense	**-31,191**	**-47,734**	**478,935**	**-66,806**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 10 TAX

	Group		Parent company	
	1 Jan 2012 -2012-12-31	**1 Jan 2011 -2011-12-31**	**1 Jan 2012 -2012-12-31**	**1 Jan 2011 -2011-12-31**
CURRENT TAX EXPENSE (-)/TAX INCOME (+)				
Tax expense for the period	-119,058	-45,560	-105,424	-29,517
Adjustment of tax in respect of prior years	-44	-86	–	–
	-119,102	**-45,646**	**-105,424**	**-29,517**
DEFERRED TAX EXPENSE (-) / TAX INCOME (+)				
Deferred tax arising from temporary differences	-6,566	-20,066	–	-10,257
Deferred tax income in tax loss carry-forwards recognised during the year	234	5,520	–	–
Deferred tax liability resulting from utilisation of previously recognised taxable value in tax loss carry-forwards	-23,989	-13,342	–	–
Acquired deferred tax asset	469	-22,199	–	–
Deferred tax relating to untaxed reserves	-8,677	-10,394	–	–
Deferred tax relating to changes in tax rates	12,349	–	–	–
	-26,180	**-60,481**	**–**	**-10,257**
Total recognised tax expense	**-145,282**	**-106,127**	**-105,424**	**-39,774**
RECONCILIATION OF EFFECTIVE TAX				
Earnings before tax	539,155	615,683	452,560	347,005
Tax at tax rate applying to parent company	-141,798	-161,925	-119,023	-91,262
Effect of different tax rates for foreign subsidiaries	-1,646	-796	–	–
Group adjustment of foreign exchange differences internal loans	-398	-115	–	–
Other non-deductible expenses	-19,721	-13,113	-133	-144
Deductible items not affecting earnings	1,680	2,170	–	–
Non-taxable income	5,090	2,430	1,216	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	-363	3,592	–	–
Use of tax loss carry-forwards	–	59,104	–	–
Tax in respect of prior years	-41	-87	–	–
Standard interest on tax allocation reserve	-434	-533	-229	-193
Non-taxable income, dividend	–	–	12,745	49,838
Effect of changed tax rates in Sweden	12,349	–	–	–
Recognised effective tax	**-145,282**	**-106,127**	**-105,424**	**-39,774**

Reported deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable as follows:

Group	31 Dec 2012 Deferred tax asset	31 Dec 2012 Deferred tax liability	31 Dec 2011 Deferred tax asset	31 Dec 2011 Deferred tax liability
Intangible assets	–	-360	–	-157
Property, plant and equipment	5,106	–	6,240	–
Inventories	803	–	612	–
Trade receivables	8,704	–	3,211	–
Pension provisions	–	-28,536	–	-42,442
Provisions for projects	–	-70,534	–	-56,901
Warranty provisions	13,422	–	14,039	–
Other provisions	4,581	–	4,351	–
Tax allocation reserves	–	-39,185	–	-36,143
Other	51,544	–	52,953	–
Tax loss carry-forwards	84,987	–	111,151	–
	169,147	**-138,615**	**192,557**	**-135,643**
Net asset	**30,532**		**56,914**	

Sweden has a corporate tax rate of 26.3 per cent, which will be reduced to 22 per cent in 2013. In Norway the corporate tax rate is 28 per cent. Denmark's corporate tax rate is 25 per cent.

	Group 31 Dec 2012	Group 31 Dec 2011	Parent company 31 Dec 2012	Parent company 31 Dec 2011
SPECIFICATION BY COUNTRY				
Sweden	-59,834	-64,876	–	–
Norway	116,544	151,284	–	–
Denmark	-26,178	-29,494	–	–
	30,532	**56,914**	**–**	**–**

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

Group 2012	Amount at 1 Jan 2012	Recognised in profit/ loss for the year	Translation difference	Acquisition/ sale of company	Amount at 31 Dec 2012
Tax loss carry-forwards	111,151	-23,755	1,069	-3,478	84,987
Untaxed reserves	-36,713	-1,260		-1,212	-39,185
Property, plant and equipment	6,653	-745	-734	-68	5,106
Trade receivables	3,211	5,801		-308	8,704
Provisions for projects	-56,901	-14,558		925	-70,534
Warranty provisions	14,039	-1,391		774	13,422
Pensions	-42,442	11,180	2,726		-28,536
Other	57,916	-1,452		104	56,568
Total	**56,914**	**-26,180**	**3,061**	**-3,263**	**30,532**

Group 2011	Amount at 1 Jan 2011	Recognised in profit/ loss for the year	Translation difference	Acquisition/ sale of company	Amount at 31 Dec 2011
Tax loss carry-forwards	115,946	-30,021	-151	25,377	111,151
Untaxed reserves	-26,251	-10,394		-68	-36,713
Property, plant and equipment	8,421	-1,580	-184	-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	-2,340	-1,277	-329	-42,442
Other	76,515	-18,603		4	57,916
Total	**93,867**	**-60,481**	**-1,612**	**25,140**	**56,914**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 11 INTANGIBLE ASSETS

Group 31 Dec 2012	Goodwill	Other intangible	Total
ACCUMULATED COST			
At beginning of year	2,210,966	2,000	2,212,966
Purchases	76,449	5,269	81,718
Foreign exchange differences for the year	-8,339	-65	-8,404
At end of year	**2,279,076**	**7,204**	**2,286,280**
ACCUMULATED SCHEDULED AMORTISATION			
At beginning of year	–	-2,000	-2,000
Scheduled amortisation for the year	–	-702	-702
Foreign exchange differences for the year	–	8	8
At end of year	**–**	**-2,694**	**-2,694**
ACCUMULATED IMPAIRMENT			
At beginning of year	-7,644	–	-7,644
At end of year	**-7,644**	**–**	**-7,644**
Carrying amount at beginning of period	**2,203,322**	**–**	**2,203,322**
Carrying amount at end of period	**2,271,432**	**4,510**	**2,275,942**

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
At end of year	**2,141,352**	**2,000**	**2,143,352**
ACCUMULATED SCHEDULED AMORTISATION			
At beginning of year	–	-2,000	-2,000
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**	**–**	**2,133,708**
Carrying amount at end of period	**2,203,322**	**–**	**2,203,322**

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	31 Dec 2012	31 Dec 2011
Sweden	1,626,318	1,584,339
Norway	344,368	305,697
Denmark	300,746	313,286
	2,271,432	**2,203,322**

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 2-3 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 requirements: 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 just over 8 per cent.

NOTE 12 PROPERTY, PLANT & EQUIPMENT

Group 31 Dec 2012	Buildings and land	Machinery and equipment	Total
ACCUMULATED COST			
At beginning of year	2,946	150,205	153,151
Purchases	–	14,862	14,862
Acquisition of subsidiaries	–	3,198	3,198
Sales and disposals	–	-18,271	-18,271
Reclassifications	–	-4	-4
Foreign exchange differences for the year	–	-1,671	-1,671
	2,946	**148,319**	**151,265**
ACCUMULATED SCHEDULED DEPRECIATION			
At beginning of year	-726	-118,712	-119,438
Acquisition of subsidiaries	–	-1,558	-1,558
Sales and disposals	–	16,008	16,008
Scheduled depreciation of cost for the year	-94	-11,344	-11,438
Foreign exchange differences for the year	–	1,456	1,456
	-820	**-114,150**	**-114,970**
Carrying amount at end of period	**2,126**	**34,169**	**36,295**

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**

NOTE 13 INTERESTS IN ASSOCIATES

Group	31 Dec 2012	31 Dec 2011
ACCUMULATED COST		
At beginning of year	870	-77
Acquisition of subsidiaries	181	–
Added during the year	1,800	–
Sales	–	-52
Share in profit of associates	922	999
Carrying amount at end of period	**3,773**	**870**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

Specification of interests in associates

		31 Dec 2012		
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	1,839	50%	3,125	3,125
Tunnelentreprenad Bravida-EIAB HB, 969669-7862, Stockholm	6	50%	-188	-188
Svensk Berg Energi HB, 969753-2852, Stockholm	-923	50%	655	655
Forenede & Mosness Installasjon AS, 991 008 195, Oslo, Norway		50%	92	181
			3,684	**3,773**

		31 Dec 2011		
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**

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

31 Dec 2012	Parent company	Other Sweden	Norway	Denmark	Total
Active	–	1,024	70	–	1,094
Former employees, not retired	–	2,692	–	–	2,692
Retired	–	2,698	43	–	2,741
Total	**–**	**6,414**	**113**	**–**	**6,527**

31 Dec 2011	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**

Defined benefit obligations and the value of plan assets

Group	31 Dec 2012	31 Dec 2011
Present value of fully or partly funded obligations	-1,317,791	-1,239,956
Fair value of plan assets	1,194,009	1,155,743
Total fully or partly funded obligations	**-123,782**	**-84,213**
Present value of unfunded defined benefit obligations	-16,036	-18,518
Net obligations before adjustments	**-139,818**	**-102,731**
Adjustments:		
Accumulated unrecognised actuarial gains (-) and losses (+)	224,584	197,218
Payroll tax	21,159	24,175
Total	**105,924**	**118,661**
The net amount is recognised in the following items in the balance sheet:		
Pension assets	139,014	155,923
Provisions for pensions and similar obligations	-33,090	-37,261
Total	**105,924**	**118,661**
The net amount is distributed among plans in the following countries:		
Sweden	118,968	134,008
Norway	-13,044	-15,347
Total	**105,924**	**118,661**

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

Group	31 Dec 2012	31 Dec 2011
Obligation for defined benefit plans at 1 Jan	1,258,474	1,310,981
Cost of vested benefits during period	26,102	22,592
Interest expense	41,859	42,524
Pension payments	-57,618	-52,500
Actuarial (gain) / loss	–	-2,212
Reduction / adjustment (-)	64,123	-8,386
Corrections from prior years		-8,837
Foreign exchange differences	885	-45,687
Obligation for defined benefit plans at 31 Jan	**1,333,827**	**1,258,474**

Changes in fair value of plan assets

Group	31 Dec 2012	31 Dec 2011
Fair value of plan assets at 1 Jan	1,198,994	1,214,358
Expected return	58,184	59,965
Withdrawn	-57,165	-52,387
Insurance premium (-) paid from plan assets	-2,345	-2,526
Paid in	4,839	3,251
Actuarial gain / (loss)	31,156	-23,391
Foreign exchange differences	880	-276
Fair value of plan assets at 31 Dec	**1,234,543**	**1,198,994**

Cost recognised in the income statement

Group	31 Dec 2012	31 Dec 2011
Costs relating to service during current period	-26,102	-22,592
Insurance premium (-) paid from plan assets	-2,345	-2,526
Interest expense on obligation	-41,859	-42,524
Expected return on plan assets	58,184	59,965
Amortisation of actuarial gains/losses	-5,411	-5,145
Payroll tax	-4,310	-3,045
Net expense in profit/loss for the year	**-21,845**	**-15,868**

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

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

	31 Dec 2012	31 Dec 2012	31 Dec 2011	31 Dec 2011
Group	**Pension assets**	**Pension obligations**	**Pension assets**	**Pension obligations**
Defined benefit pension plans	139,013	-13,045	155,923	-15,346
PRI	–	-19,991	–	-21,711
Endowment policies	40,535	-50,369	43,251	-53,744
Other	–	-53	–	-203
	179,548	**-83,458**	**199,174**	**-91,004**

Actuarial assumptions

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

	Sweden		Norway	
	31 Dec 2012	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
Discount rate	3.00%	3.40%	3.90%	4.00%
Expected return on plan assets	3.00%	5.20%	4.00%	5.40%
Assumed long-term salary increases	3.00%	3.00%	3.50%	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	–	–	3.25%	3.75%
Future increase in pensions	–	–	0.20%	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	31 Dec 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
Present value of defined benefit obligation	-1,374,362	-1,301,725	-1,302,143	-1,264,425
Fair value of plan assets	1,234,543	1,198,994	1,214,358	1,197,402
Surplus/deficit in plan	**-139,818**	**-102,731**	**-87,785**	**-67,023**

Group	31 Dec 2012	31 Dec 2011
Of which credit-insured via FPG/PRI	20,253	19,848

Pledged assets for pension obligations

Group	31 Dec 2011	31 Dec 2010
Capitalised endowment policy	40,535	43,251
	43,251	**–**

NOTE 15 OTHER SECURITIES HELD AS NON-CURRENT ASSETS

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
ACCUMULATED COST				
At beginning of year	51,142	47,187	49,851	–
Purchases	200	6,600	–	6,600
Through merged companies	–	–	–	45,809
Sales and disposals	-120	-74	–	–
Change in endowment policies	-2,717	-2,558	-2,717	-2,558
Changes in value	-132	-10	–	–
Foreign exchange differences for the year	–	-3	–	–
Carrying amount at end of period	**48,373**	**51,142**	**47,134**	**49,851**
SPECIFICATION OF SECURITIES				
Funds, endowment policies	40,534	43,251	40,534	43,251
Tenant-owner apartment	6,600	6,600	6,600	6,600
Other	1,239	1,291	–	–
	48,373	**51,142**	**47,134**	**49,851**

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

NOTE 16 LONG-TERM RECEIVABLES AND OTHER RECEIVABLES

Group	31 Dec 2012	31 Dec 2011
LONG-TERM RECEIVABLES THAT ARE NON-CURRENT ASSETS		
Deposit rent for premises	12,118	13,875
Other	2,225	2,528
	14,343	**16,403**
OTHER RECEIVABLES THAT ARE CURRENT ASSETS		
Receivable, pension funds	9,168	19,127
Value-added tax receivable	17	1,913
Other	18,043	20,453
	27,228	**41,493**

NOTE 17 TRADE RECEIVABLES

Trade receivables are accounted for after taking account of bad debts, which were SEK 59,180,000 (533,000) 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 RECEIVABLES/LIABILITIES, GROUP COMPANIES

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Cash pool balances	1,826,212	–	–	106,662
Cash pool liabilities	-1,816,221	–	-1,782,814	-1,673,186
Net cash pool	**9,991**	**–**	**-1,782,814**	**-1,566,524**
Trade receivables from Group companies	39	–	45,890	26,412
Other receivables relating to Group contributions	–	–	475,955	242,293
Receivable, shareholder contributions	–	412,000	–	412,000
Other receivables from Group companies	–	6,500	9,426	6,500
Trade payables to Group companies	–	–	-1,384	-2,359
Other liabilities relating to Group contributions	-306,768	-4	-306,768	-4
Other liabilities to Group companies	–	–	-71,570	-132,695
Net balances with Group companies	**-296,738**	**418,496**	**-1,631,265**	**-1,014,377**

As a result of the transfer of ownership and refinancing of the Group, the Group's cash pool was transferred to another company in the Group that is hierarchically senior to this Group. This has the effect of increasing total assets in this Group, as this could previously be netted in the Bravida AB Group, Bravida AB being the main account holder in relation to the bank. In other respects, no material changes have taken place other than that another Group company has become the main account holder in relation to the bank.

NOTE 19 ACCRUED BUT NOT INVOICED INCOME

Group	31 Dec 2012	31 Dec 2011
Accrued income from work not yet completed	4,840,497	4,562,420
Invoicing of work not yet completed	-4,077,882	-3,877,374
	762,615	**685,046**

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.

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 20 PREPAYMENTS AND ACCRUED INCOME

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Prepaid rents	18,952	39,031	28	–
Prepaid insurance premiums	12	11,812	–	–
Accrued income	110,768	100,994	–	–
Other items	23,261	9,555	–	1
	152,993	**161,392**	**28**	**1**

NOTE 21 SHORT-TERM INVESTMENTS AND RESTRICTED FUNDS

Group	31 Dec 2012	31 Dec 2011
Current investments	19	0
Restricted funds	2,639	1,520
Cash and cash equivalents in external consortiums	-1,106	407
	3,072	**1,927**

NOTE 22 EQUITY

Parent company	31 Dec 2012	31 Dec 2011
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	31 Dec 2012	31 Dec 2011
TRANSLATION RESERVE		
Opening translation difference	-9,502	-4,989
Translation differences for the year, foreign subsidiaries	-11,814	-4,513
Closing translation difference	**-21,316**	**-9,502**

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, which took the form of a non-cash dividend of a claim of SEK 915,000,000 on Bravissima AS, or approximately SEK 17.83 per share, was paid on 30 January 2013. In 2012 a dividend of SEK 624,000,000, or approximately SEK 12.16 per share, was paid. 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 2012 the equity/assets ratio was 22.2 per cent (35.8). 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, special 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	1 Jan 2012 - 2012-12-31	1 Jan 2011 - 2011-12-31
Profit/loss for the year	393,873	509,556
Average number of shares before and after dilution, thousands	51,314	51,314
Earnings before and after dilution, SEK	7.68	9.93
Proposed dividend	915,000	624,000

NOTE 23 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 29.

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
CURRENT LIABILITIES				
Overdraft facilities	–	2,038	–	–
Current portion of bank loans	–	200,000	–	200,000
	–	**202,038**	**–**	**200,000**
Amount out of liability item that is expected to be paid within 12 months of balance sheet date.	–	202,038	–	200,000
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.

	2012				2011	
	Maturity	Nom. interest	Nom.value	Carr.amount	Nom.value	Carr.amount
Bank loans, SEK-denominated			–	–	200,000	200,000
Total interest-bearing liabilities			**–**	**–**	**200,000**	**200,000**

Credit limits

		Group		Parent company	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Credit limit granted		750,000	702,876	750,000	700,000
Undrawn portion		-700,000	-500,838	-700,000	-500,000
Credit drawn		**50,000**	**202,038**	**50,000**	**200,000**
CREDIT LIMIT GRANTED, BY COUNTRY					
Sweden	SEK '000	750,000	700,000	750,000	700,000
Norway	NOK '000	–	2,500	–	–
Total credit limit granted	**SEK '000**	**750,000**	**702,500**	**750,000**	**700,000**

Assets pledged as collateral for liabilities to credit institutions

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Property mortgages	1,800	1,800	–	–
Floating charges	999,100	1,004,100	278,000	278,000
Shares in subsidiaries	3,846,125	3,754,982	3,383,164	3,383,164
Trade receivables	–	411,975	–	–
	4,847,025	**5,172,857**	**3,661,164**	**3,661,164**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 24 PROVISIONS

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
PROVISIONS THAT ARE NON-CURRENT LIABILITIES				
Warranties	37,562	35,989	–	–
	37,562	**35,989**	**–**	**–**
PROVISIONS THAT ARE CURRENT LIABILITIES				
Warranties	37,562	35,989	–	–
Disputes	8,664	13,170	–	–
Provision for vacant premises	3,027	2,791	–	–
Costs of restructuring	19,003	12,212	6,919	5,256
Provision for project losses	4,864	3,939	–	–
Other	49,746	25,195	8,500	8,500
	122,866	**93,296**	**15,419**	**13,756**

Change in provisions 2012	Warranties	Disputes	Empty premises	Restructuring measures	Provision for project losses and other	Total
Carrying amount at beginning of year	71,978	13,170	2,791	12,212	29,134	129,285
Provisions made during the period	33,204	–	3,258	20,893	47,685	105,040
Amount used during the period	-33,490	-4,024	-2,973	-14,021	-28,983	-83,491
Provisions in acquired companies	4,035	–	–	–	6,804	10,839
Foreign exchange differences	-603	-482	-49	-81	-30	-1,245
Carrying amount at end of year	**75,124**	**8,664**	**3,027**	**19,003**	**54,610**	**160,428**

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**

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Amount out of provision that is expected to be paid within 12 months.	122,866	93,296	6,919	5,256

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 25 INVOICED BUT NOT ACCRUED INCOME

Group	31 Dec 2012	31 Dec 2011
Invoicing of work not yet completed	7,003,289	6,515,650
Accrued income from work not yet completed	-5,917,887	-5,533,666
	1,085,402	**981,984**

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 26 OTHER LIABILITIES

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
OTHER CURRENT LIABILITIES				
Value-added tax liability	128,093	134,815	10,684	6,052
Employee withholding taxes	101,134	96,874	306	711
Other	89,501	55,631	19,788	12,801
	318,728	**287,320**	**30,778**	**19,564**

NOTE 27 ACCRUALS AND DEFERRED INCOME

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Accrued holiday pay and salaries	646,276	620,513	5,395	8,328
Accrued social-security contributions	248,745	224,023	300	1,538
Other items	35,878	37,980	1,450	5,200
	930,899	**882,516**	**7,145**	**15,066**

NOTE 28 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	1,900,830	–	1,900,830	1,900,830
Current receivables from Group companies	–	1,826,251	1,826,251	1,826,251
Other receivables	9,168	–	9,168	9,168
Short-term investments and restricted funds	3,072	–	3,072	3,072
Total assets	**1,913,070**	**1,826,251**	**3,739,321**	**3,739,321**
Current liabilities to parent company	–	18,469	18,469	18,469
Current liabilities to Group companies	–	2,104,520	2,104,520	2,104,520
Trade payables	–	985,029	985,029	985,029
Total liabilities	**–**	**3,108,018**	**3,108,018**	**3,108,018**

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.

Parent company 31 Dec 2012	Loans and trade receivables	Other financial assets and liabilities	Total carrying amount	Fair value
Current receivables from Group companies	–	494,668	494,668	494,668
Total assets	**–**	**494,668**	**494,668**	**494,668**
Current liabilities to Group companies	–	2,107,464	2,107,464	2,107,464
Current liabilities to parent company	–	18,469	18,469	18,469
Trade payables	–	919	919	919
Total liabilities	**–**	**2,126,852**	**2,126,852**	**2,126,852**

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**

NOTE 29 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 0 months (1), while the remaining maturity of unused credits was 55 months (36) and of total granted credits 55 months (36).

Bravida's basic funding arrangement was renegotiated in 2012. 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 comfortable margin. Total granted committed lines of credit, including undrawn overdraft facilities at 31 December 2012 were SEK 750 million (703). Out of the total available committed lines of credit, SEK 50 million (202) had been drawn. Total granted committed lines of credit are SEK 750 million (703).

Maturity structure of financial liabilities

Group 31 Dec 2012	2013	2014	2015	2016
Loans	–	–	–	–
Overdraft facilities	–	–	–	–
Trade payables	985,029	–	–	–
Other liabilities	–	–	–	–
Total	**985,029**	**–**	**–**	**–**

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**	**–**	**–**	**–**

Parent company 2012-12-31	2013	2014	2015	2016
Loans	–	–	–	–
Overdraft facilities	–	–	–	–
Trade payables	919	–	–	–
Other liabilities	–	–	–	–
Total	**919**	**–**	**–**	**–**

Parent company 2011-12-31	2012	2013	2014	2015
Loans	200,000	–	–	–
Overdraft facilities	–	–	–	–
Trade payables	2,359	–	–	–
Other liabilities	1,816,273	–	–	–
Total	**2,018,632**	**–**	**–**	**–**

Credit facilities

Group 31 Dec 2012	Nominal	Drawn	Available
Bank loans	450,000	200,000	250,000
Overdraft facilities	300,000	2,038	297,962
Cash and cash equivalents	50,100	–	50,100
Liquidity reserve	**800,100**	**202,038**	**598,062**

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**

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 2012 were SEK 0 million (126). Total interest-bearing liabilities were SEK 0 million (202), of which SEK 0 million (200) refers to short-term loans and SEK 0 million (2) 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. The Group currently has no outstanding short-term credits.

Interest-bearing assets consist of cash and cash equivalents bearing variable interest, which means that the Group's net liability of SEK 0 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 2012

	Amount	Average effect interest rate, %	Share, %
2012	–	–	100
Total	**–**	**–**	**100**

Fixed-rate period for used credits 31 Dec 2011

	Amount	Average effect interest rate, %	Share, %
2011	200,000	5.30	100
Total	**200,000**	**5.30**	**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 results from foreign subsidiaries and net assets are translated to Swedish kronor. For the Group translation risks arises in the subsidiaries in Norway and Denmark. Assets and liabilities in foreign currencies are translated at closing rates. 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).

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	31 Dec 2012	31 Dec 2011
NOK	332,639	261,367
DKK	151,467	176,181

A 10 per cent strengthening of the Norwegian krona at 31 December 2012 would have a positive translation effect on equity of SEK 39 million. The same increase in the value of the Danish krone would have a positive translation effect on equity of SEK 17 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 -12 million (-5).

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 53 million (78).

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 -59 million (1). 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	**31 Dec 2012**	**31 Dec 2011**
Trade receivables not yet due	1,444,703	1,559,082
Trade receivables past due 1-15 days	336,179	217,431
Trade receivables past due 16-30 days	42,438	21,973
Trade receivables past due 31-60 days	34,050	34,327
Receivables past due > 60 days	144,757	59,544
Total	**2,002,127**	**1,892,357**

	Group	
Impaired trade receivables	**31 Dec 2012**	**31 Dec 2011**
Opening balance	47,513	65,517
Change for the year	53,744	-18,004
Closing balance	**101,257**	**47,513**

In other financial receivables there are no past due receivables.

	Group	
Sensitivity analysis	**Change +– %**	**Effect on earnings before tax +– SEKm**
Sales	1%	6
Operating margin	1 % point	114
Payroll costs	1%	50
Materials and subcontractors	1%	46
Share productive installer time	1 % point	60
Interest rate on loans	1 % point	0
Exchange rate DKK	10%	3
Exchange rate NOK	10%	11

NOTE 30 OPERATING LEASE PAYMENTS

	Group		Parent company	
	1 Jan 2012 -2012-12-31	**1 Jan 2011 -2011-12-31**	**1 Jan 2012 -2012-12-31**	**1 Jan 2011 -2011-12-31**
ASSETS HELD UNDER OPERATING LEASES				
Minimum lease payments	191,332	189,335	240	492
Variable payments	–	–	–	–
Total lease costs	**191,332**	**189,335**	**240**	**492**
BREAKDOWN OF LEASE PAYMENTS BY AGREEMENT				
Lease payments, vehicles	188,598	182,324	240	492
Lease payments, IT	274	3,779	–	–
Lease payments, other	2,329	3,232	–	–
Total lease costs	**191,201**	**189,335**	**240**	**492**
FUTURE LEASE COMMITMENTS				
Nominal value of future minimum lease payments relating to non-cancellable contracts fall due for payment:				
- Within 1 year	143,598	144,147	174	382
- Between 1 and 5 years	237,392	207,757	151	333
- After 5 years	1,042	1,817	–	–
	382,032	**353,721**	**325**	**715**
FUTURE COMMITMENTS, RENT FOR PREMISES				
Nominal value of future commitments in respect of rent for premises fall due for payment:				
- Within 1 year	98,730	141,628	–	53
- Between 1 and 5 years	209,409	211,363	–	106
- After 5 years	23,708	37,546	–	–
	331,847	**390,537**	**–**	**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 31 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
PLEDGED ASSETS				
For own liabilities and provisions				
Property mortgages	1,800	1,800	–	–
Floating charges	999,100	1,004,100	278,000	278,000
Shares in subsidiaries	3,846,125	3,754,982	3,383,164	3,383,164
Trade receivables, inventories and equipment in Bravida Norge AS	474,033	411,975	–	–
Funds, endowment policies	40,535	43,251	40,535	43,251
	5,361,593	**5,216,108**	**3,701,699**	**3,704,415**
CONTINGENT LIABILITIES				
For own liabilities and provisions				
Guarantee commitments, FPG/PRI	20,253	19,848	15,934	16,609
Guarantee commitments, SPP	–	–	59	108
	20,253	**19,848**	**15,993**	**16,717**

At 31 December 2011 the company was covered by the Bravida Group's funding of SEK 2,750 million.

In connection with the transfer of ownership of the Bravida Group new funding was arranged. The new funding covers the Bravissima Sweden Group, which includes the Bravida Group, and consists of loans, an overdraft facility and a revolving credit facility totalling SEK 3,654 million at year-end.

The company has, subject to the limitations contained in the provisions of the Swedish Companies Act concerning the provision of collateral and with regard to the company's distributable assets, issued a joint and several guarantee for the companies covered by the credit agreement.

NOTE 32 RELATED PARTIES

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

During the year funds represented by the private equity firm Bain Capital Europe acquired Bravida from Triton. The transfer of ownership took place on 31 July following approval of the transfer by the EU's competition authority. In view of their influence, transactions with the following companies are regarded as related-party transactions. However, the Bravida Group had no transactions with Bain Capital Europe or the companies through which the acquisition was effected in 2012.

Until 31 July the Group was under a significant influence of Triton Fund II. This fund is managed by Triton Managers II Limited. In view of their influence, transactions with the following companies are regarded as related-party transactions.

Bravida AB is 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	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
TRANSACTIONS WITH SCANDINAVIAN INSTALLATION REFI AB				
Purchases from Scandinavian Installation Refi AB	–	3,500	–	3,500
Group contribution made to Scandinavian Installation Refi AB	288,299	–	288,299	–
Liability to Scandinavian Installation Refi AB	288,299	–	288,299	–
	576,598	**3,500**	**576,598**	**3,500**
TRANSACTIONS WITH SCANDINAVIAN INSTALLATION ACQUISITION AB				
Purchases from Scandinavian Installation Acquisition AB	–	85	–	85
Dividend paid to Scandinavian Installation Acquisition AB	624,000	150,360	624,000	150,360
Group contribution made to Scandinavian Installation Acquisition AB	18,469	4	18,469	4
Group contribution received from Scandinavian Installation Acquisition AB	–	412,000	–	412,000
Receivable from Scandinavian Installation Acquisition AB	18,469	418,496	18,469	418,496
	660,938	**980,945**	**660,938**	**980,945**

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

	Group		Parent company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
TRANSACTIONS WITH BRAVIDA AS				
Dividend received from Bravida AS	–	–	–	170,775
	–	**–**	**–**	**170,775**
TRANSACTIONS WITH BRAVIDA DANMARK A/S				
Interest paid to Bravida Danmark A/S	–	–	–	3,463
Dividend received from Bravida Danmark A/S	–	–	48,461	18,000
Liability to Bravida Danmark A/S	–	–	44,467	92,928
	–	**–**	**92,928**	**114,391**
TRANSACTIONS WITH BRAVIDA SVERIGE AB				
Group contribution received from Bravida Sverige AB	–	–	475,955	242,293
	–	**–**	**475,955**	**242,293**
TRANSACTIONS WITH TRITON ADVISORS LTD.				
Purchases from Triton Advisors Ltd.	185	244	185	111
	185	**244**	**185**	**111**
TRANSACTIONS WITH TRITON ADVISERS (NORDIC) AB				
Purchases from Triton Advisers (Nordic) AB	–	111	–	111
	–	**111**	**–**	**111**
TRANSACTIONS WITH WEST PARK MANAGEMENT SERVICES LTD				
Purchases from West Park Management Services Ltd	559	1 059	559	1,059
	559	**1 059**	**559**	**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 33.

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 33 INTERESTS IN GROUP COMPANIES

	Parent company	
	31 Dec 2012	31 Dec 2011
ACCUMULATED COST		
At beginning of year	4,479,631	3,054,739
Value of merged subsidiaries	–	1,424,892
	4,479,631	**4,479,631**
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**	**3,383,164**

Bravida AB owns shares directly in Bravida Sverige AB, Bravida AS and Bravida Danmark A/S. The other subsidiaries listed below are indirectly owned.

Specification of interests in Group companies

				31 Dec 2012
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
C2M Sprinkler AB, 556684-9021, Mark		2,100	70.0	16,827
Rörspecialisten i Stockholm AB, 556353-5227, Stockholm		1,000	100.0	46,624
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	409
Appelgrens Elektriska Mölndal AB, 556296-9435, Mölndal		30,000	100.0	361
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	DKK '000	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	NOK '000	10,796,137	100.0	246,688
A Halvorsen & Sønn AS, 870 999 402, Lilleström, Norway	NOK '000	1,000	100.0	15,000
Ing. Mosness Norstad AS, 974 445 158, Drammen, Norway	NOK '000	1,000	91.0	12,147
El Team Drift AS, 981 402 561, Bodø, Norway	NOK '000	1,000	91.0	8,767

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.

				31 Dec 2011
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	DKK '000	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	NOK '000	10,796,137	100.0	246,688
A Halvorsen & Sønn AS, 870 999 402, Lilleström, Norway	NOK '000	1,000	100.0	15,000
Aug Larsen AS, 913 760 301, Oslo, Norway	NOK '000	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.

AMOUNTS IN SEK THOUSANDS UNLESS OTHERWISE STATED.

NOTE 34 STATEMENT OF CASH FLOWS

		Group		Parent company	
SEK millions	**Note**	**1 Jan 2012 -2012-12-31**	**1 Jan 2011 -2011-12-31**	**1 Jan 2012 -2012-12-31**	**1 Jan 2011 -2011-12-31**
INTEREST PAID AND DIVIDEND RECEIVED					
Dividend received		–	–	48	193
Interest received		6	6	8	9
Interest paid		-32	-32	-53	-59
ADJUSTMENTS FOR NON-CASH ITEMS ETC					
Depreciation/amortisation and impairment of assets	7, 10	12	12	–	–
Capital gain/loss on sale of operations/subsidiaries		33	–	–	–
Pension provisions		-5	-5	–	–
Change in provisions		22	-94	2	–
Profit/loss in merged subsidiaries		–	–	–	-26
IAS 19 accounting of pensions		14	11	–	–
		76	**-75**	**2**	**-26**
UNUSED CREDITS					
Unused credit facilities were:	22	700	501	700	500

NOTE 35 EVENTS AFTER THE BALANCE SHEET DATE

On 29 January Bravida AB adopted a plan for a merger with the parent company, Scandinavian Installation Acquisition AB. The dissolution of Bravida AB is scheduled to take place within 3 months of the adoption of the merger plan.

Bravida AB has also sold its wholly owned subsidiary Bravida AS to Bravissima AS, a subsidiary of Scandinavian Installation Acquisition AB. The sale took place on 31 January and was made at market value. On 31 January 2013 Bravida AB paid a non-cash dividend in the same amount, SEK 915 million.

NOTE 36 SIGNIFICANT ESTIMATES AND ASSESSMENTS

The following is a description of certain significant accounting estimates and assessments 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 2012 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 2012 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 37 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 2012 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.

NOTE 38 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	17 May 2011
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 39 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 applies this change from 1 January 2013.

Application of this accounting policy in Bravida's financial statements for 2012 would have had the following effect:

Defined benefit obligations and the value of plan assets

Group	31 Dec 2012
Present value of fully or partly funded obligations	-1,317,791
Fair value of plan assets	1,194,009
Total fully or partly funded obligations	**-123,782**
Present value of unfunded defined benefit obligations	-17,302
Net obligations before adjustments	**-141,084**
Adjustments:	
Payroll tax	-35,340
Total	**-176,424**
THE NET AMOUNT IS RECOGNISED IN THE FOLLOWING ITEMS IN THE BALANCE SHEET:	
Pension assets	8,282
Provisions for pensions and similar obligations	-184,706
Total	**-176,424**
THE NET AMOUNT IS DISTRIBUTED AMONG PLANS IN THE FOLLOWING COUNTRIES:	
Sweden	-184,706
Norway	8,282
Total	**-176,424**

Cost recognised in the income statement

Group	31 Dec 2012
ADMINISTRATIVE EXPENSE	
Costs relating to service during current period	-26,102
Insurance premium (-) paid from plan assets	-2,345
Payroll tax	-6,748
Net expense in profit/loss for the year	**-35,196**
FINANCIAL EXPENSES	
Financial expense	-3,864
	-3,864
OTHER COMPREHENSIVE INCOME	
Amortisation of actuarial losses	-221,201
	-221,201

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, 10 April 2013

Marc Valentiny
Chairman

Per Leopoldson
Director

Ivano Sessa
Director

Staffan Påhlsson
CEO

Jan-Erik Arvidsson
Employee representative

Kai-Otto Helmersen
Employee representative

Anders Mårtensson
Employee representative

Peter Sjöquist
Employee representative

Our audit report was submitted on 10 April 2013
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 10 April 2013. The consolidated statement of comprehensive income and balance sheet and the parent company income statement and balance sheet will be submitted for adoption at the Annual General Meeting on 07 May 2013.

AUDIT REPORT

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

Report on the annual accounts and consolidated financial statements

We have audited the annual accounts and consolidated financial statements for Bravida AB for 2012. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 32-75.

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 2012 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 2012 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 2012.

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, 10 April 2013
KPMG AB

Per Gustafsson
Authorised Public Accountant

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.

Electrical (field of technology)
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.

Heating & plumbing (field of technology)
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.

HVAC (field of technology)
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.

BOARD OF DIRECTORS

MARC VALENTINY
Partner, Bain Capital
Role on the Board: Chairman
Elected to the Board: 2012
Year of birth: 1964

STAFFAN PÅHLSSON
Chief Executive Officer and Group President
Role on the Board: Director
Elected to the Board: 2012
Year of birth: 1952

IVANO SESSA
Principal, Bain Capital
Role on the Board: Director
Elected to the Board: 2012
Year of birth: 1977

PER LEOPOLDSON
Chief Financial Officer
Role on the Board: Director
Elected to the Board: 2012
Year of birth: 1960

EMPLOYEE REPRESENTATIVES

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

KAI-OTTO HELMERSEN
Title/profession: Electrical fitter – Norway
Ledarna in Sverige
Elected to the Board: 2012
Year of birth: 1973

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

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

SENIOR MANAGEMENT

STAFFAN PÅHLSSON
Chief Executive Officer and Group President
Year of birth: 1952
Year of employment: 1980

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

MIKAEL LIDSTRÖM
Head of Division North
Year of birth: 1966
Year of employment: 1995-2006, 2013

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

ANDERS AHLQUIST
Head of Division South
Year of birth: 1966
Year of employment: 2008

MATTIAS JOHANSSON
Head of Division Norway
Year of birth: 1973
Year of employment: 1998

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

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

LARS KORDUNER
Chief Purchasing Officer
Year of birth: 1966
Year of employment: 2005

ADDRESSES

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OUR VALUES

PROFESSIONALISM A CLEAR ECONOMIC RESPONSIBILITY

SIMPLICITY A UNIFORM AND UNCOMPLICATED APPROACH

COMPETENCE KNOWLEDGE, WILL AND ABILITY

GOOD CONDUCT RELIABILITY AND CORRECT BEHAVIOUR

bravida
BRINGING BUILDINGS TO LIFE