

Nordic Technical Consultants



ANNUAL REPORT 2005

 **REJLERS**

CONTENTS

- 1 The past year
- 2 Rejlers – an introduction
- 4 A statement from the Chief Executive Officer
- 6 Growth
- 8 Acquisition of Rejlers Invest Oy
- 10 Customers and market
- 14 Human capital
- 16 Projects, Systems and Services
- 17 Projects
- 20 Systems
- 21 Services
- 22 Five-year review of the Rejler Group
- 24 Comments to the five-year review
- 26 Risk management
- 26 Sensitivity analysis
- 27 Directors' report
- 29 Income Statement
- 30 Balance Sheets
- 32 Changes in shareholders' equity
- 33 Cash flow statement
- 34 Accounting principles and notes
- 42 Proposed appropriation of profits
- 43 Auditor's Report
- 44 Share and Ownership Structure
- 46 Board of Directors and Auditor
- 47 Group Management
- 48 Definitions
- 49 Addresses

Annual General Meeting

The Annual General Meeting of Rejlerkoncernen AB (publ) will be held on Wednesday, 27 April 2006 at 4 p.m. in the company's offices at Industrigatan 2A, Stockholm, Sweden.

Registration

Shareholders registered in the shareholders' register maintained by VPC AB (the Swedish Central Securities Depository) no later than 21 April 2006 are entitled to participate in the General Meeting.

Shareholders wishing to participate must notify the company of their intention to attend no later than noon Friday, 21 April 2006 by phone +46 470 704313, via email birgitta.hagersjo@rejlers.se, via the company's website www.rejlers.se or by mail to Rejlerkoncernen AB at the address Bolagstämman, Rejlerkoncernen AB (publ), Box 3104, SE-350 43 Växjö.

Nominee shareholder shares

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own name with their fund manager before 21 April 2006 in order to participate in the Meeting. Shareholders must inform the fund manager of this in plenty of time before 21 April 2006.

When registering, the name, social security number/corporate ID number, address and telephone number and number of represented shares must be stated.

Authorisation for proxy representation

Shareholders represented by proxy must issue authorisation for the representative. The authorisation should be sent to the company at the address below well in advance of the Meeting. If the authorisation is issued by a legal entity, a certified copy of the proof of registration for the legal entity must be attached.

Agenda

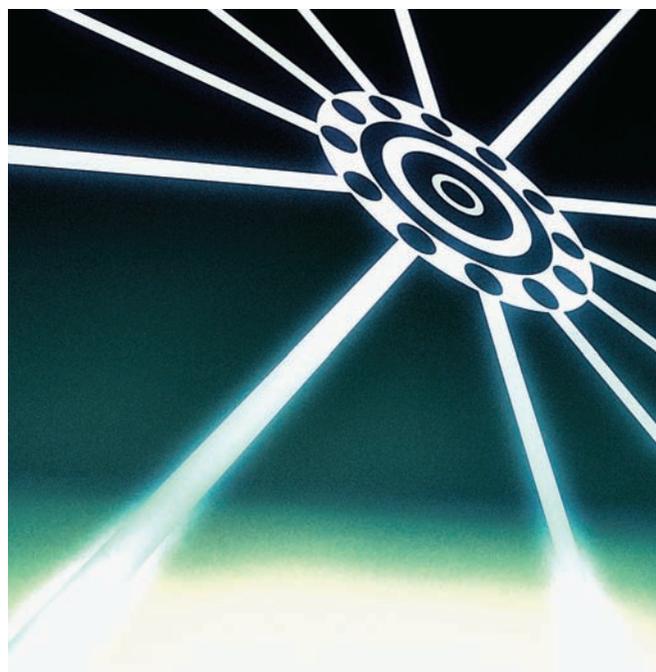
The Annual General Meeting will address the issues as prescribed by law and the Articles of Association.

Dividend

The Board proposes that a dividend of SEK 5 per share be paid to shareholders. The proposed record day for dividends is 3 May 2006, with a payment date of 8 May 2006.

A complete invitation can be found on Rejlers' website, www.rejlers.se.

Pss... Projects Systems Services



FINANCIAL INFORMATION FOR FINANCIAL YEAR 2006

The annual report and other reports can be ordered from Rejlerkoncernen AB, Box 49061, SE-10028 Stockholm. Tel +46 8 692 1000 or downloaded from the company's website www.rejlers.se.

For the 2006 financial year, the company will publish financial reports as follows:
Interim Report for Q1 2006, 27 April 2006
Interim Report for Q2 2006, 17 August 2006
Interim Report for Q3 2006, 2 November 2006

The publication date for the 2006 financial statement will be announced later.

The use of Rejlers, the Group, or the Company in this Annual Report refers to Rejlerkoncernen AB (publ).

The past year

Turnover increased by 42 per cent to SEK 420 million (294)

Profit after tax increased by SEK 7.2 million to SEK 20.5 million (13.3)

Operating profit increased by 11.3 per cent to SEK 30 million (18.8)

Earnings per share increased by 42 per cent to SEK 10.38 (7.33)

The Board proposes a dividend of SEK 5 per share and a 5:1 share split

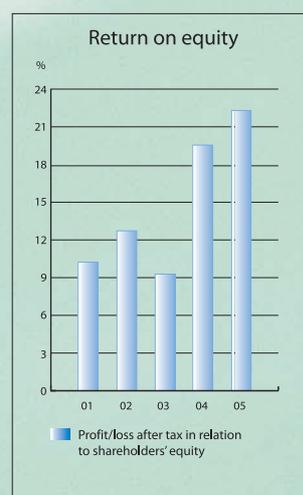
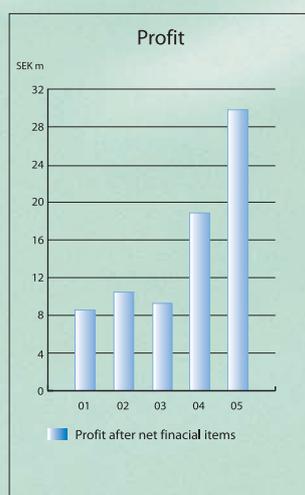
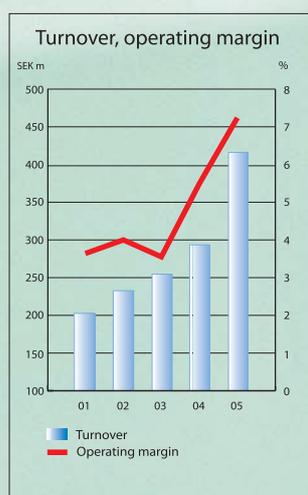
Rejlers acquired Rejlers Invest Oy, ista Sverige AB, BC Teknikkonsult AB and parts of INAC Automation.

Results and key ratios for the Rejler Group

SEK m	2005	2004	2003	2002	2001
Income	420,2	294,3	254,3	233,4	201,6
Operating profit/loss	30,1	18,7	9,3	9,3	7,4
Profit after net financial items	29,9	19,2	9,2	10,5	8,4
Shareholders' equity	116,9	72,6	63,2	56,8	49,9
Balance sheet total	248,8	139,7	118,5	110,9	119,6
Operating margin, %	7,2	6,4	3,7	4,0	3,7
Equity/assets ratio, %	47,0	51,9	53,3	51,2	41,7
Earnings per share, SEK	10,38	7,33	3,06	3,99	2,87
Dividend, SEK	5,00 ¹⁾	2,50	1,50	1,50	-

1) The Board's proposal

Financial years 2004-2005 are prepared in accordance with IFRS



Rejlers is Nordic knowledge-based group active in the fields of electrical engineering, energy, mechanical engineering, automation, IT and telecommunications. Business activities are conducted by the Group companies Rejlers Ingenjörer AB, ComIT Rejlers AB, Rejlers International AB, Rejlers Energitjänster AB, ista Sverige AB (undergoing name change), Rejlers OÜ, Svenska Energihuset AB, Rejlers Invest Oy and the associated company Mirakelbolaget HB. Rejlers' Class B share is listed on NGM Equity.

COMMENTS FROM THE CEO



I stand firm by my objective...

The global business cycle is currently extremely strong as is reflected in the 2005 earning reports for most business companies. Swedish enterprises enjoy major export triumphs. The sense of ruin and despair that marked the start of the Nineties is now a thing of the past. Even the bursted IT bubble is safely behind us. A forward-looking interpretation of the situation suggests that our experiences have generated strict monitoring of inflation and interest rates. Property and corporate appraisals are nowadays primarily based on realistic present value estimates of future cash flow and on present day net worth.

The Rejler Group has a strong financial position. This was achieved by gradually building up the Group's equity and long-term profitability. At the same time, we have been able to substantially expand our business activities.

The Group's triumphs have been backed by the tenacious refinement and expansion of our Finland-based operations where the Group's ownership has alternated throughout Rejlers' existence in Finland. The Reijler Group took the final step and became 100 per cent owners of Rejlers Invest Oy in 2005. This consolidation is reflected in the Group's key ratio. Rejlers Oy is, and has been very profitable.

We have also expanded in several other areas in which we have retained and even increased our profitability. The earning capacity and sales have risen markedly in the electric utility sector. The Group's original electric utility distribution activities constitute the core of this development.

In the same way, the acquisition of INAC's automation business has been a boost for Rejler's industrial segment. We feel that we hold a strong market position here and have vast potential for better earnings. The industrial sector is finally loosening its grip on its investments freeze. There is an enormous need for continued product development and a higher level of automation if Swedish and Finnish industries are to maintain their international competitiveness.

Investments in roads, railways, telecommunication and construction are being made to a greater extent which is evidence of an ongoing, stable economic boom. Rejlers plans power, lighting, automation, telecommunication and signal systems within these fields and is gaining ground on the markets.

Rejlers' introduction on the Nordic Growth Market (NGM) a few years ago proved to be a perfectly timed, prosperous move. The share has had strong growth and those who invested in Rejlers have not been disappointed. The Group now proposes a 5:1 split and thereby improve the liquidity of our share and attract more shareholders.

We will advance to the Stockholm Stock Exchange's O list when the time is ripe. A more interesting alternative would be a joint Nordic stock exchange, should such a thing become a reality.

I stand firm by my objective that Rejlers will have 1,000 employees and a turnover of SEK 1 billion within the next few years. The Group is now focusing on realising this by no later than 2010. The industry is cutting back on employees and new jobs are being created in the service sector. Consequently, the industry must increase its price level to ensure sound growth. A turnover of one million Swedish krona per employee and year is a realistic target.

We will realise our plans for expansion through equal shares of acquisitions and organic growth to much the same extent as previously. This scenario allows room for some stagnation in business.

The international markets also contribute to Rejlers conditions for growth. Projects are conducted either from established offices at home and in other countries, or on location for the project sites. We are directing our interest toward Asia, primarily China, and East Europe from a geographical perspective.

We have long viewed the Nordic region as our domestic market and intend on expanding this market to include Europe within a not too distant future. Rejlers is very interested in the Femar Bält project between Denmark and Germany which may mark the start of such a development.

With its focus on East Europe, the Group is now setting up a local activity in Estonia alongside the outsourcing activities established a few years ago.

The Group's business activities are quality assured through meticulous recruitment of experienced engineers, but also talented young engineers embarking on their new careers. Training, research and development in collaboration with our technical institutes for higher learning has top priority.

Rejlers continues to promote health issues. Preventive healthcare and medical healthcare aimed at quick rehabilitation is our concept. Five Swedish krona back on every krona invested in health is our conviction. Individual health diplomas for all employees are being scheduled.

Goods results can be achieved with the entire organisation is permeated by enthusiasm and team spirit. It is easy to draw parallels with sports.

I want to extend a sincere word of thanks to all my colleagues as we now together, for the seventh consecutive year, report climbing profits.

You have made it possible for me to lead and develop an independent Rejlers over a turbulent corporate market under enormous structural pressures.

Rejlers will participate in the structural changes, but on our terms. Only excellent results and a strong financial position enable us to validate such a position.

Stockholm, March 2006

Peter Rejler
Managing Director and CEO

Rejlers – an introduction



The company is currently one of Sweden's largest engineering consultancy firms in the Nordic region comprised of four main customer groups, namely Construction and Property, Energy, Industry and Infrastructure.

Rejlers is a technical knowledge-based Group that provides services within the areas of: electrical engineering, energy, automation, IT, telecommunications and mechanical engineering.

By employing good ethics, assured quality, environmentally-sound applications and dynamic employee development, the Group ensures its customers' demands are fulfilled and provides added value to its service or products. This approach safeguards long-term customer relationships which also cultivates the conditions for good profitability.

Background

Rejler was founded in 1942 and provided consultancy services within the electrical engineering field. This expanded in the 1950s to include consultancy services for the paper and shipbuilding industries, among others, and again in the 1960s to also include electrical and telecommunications consultancy services for major construction projects.

The company is currently one of Sweden's largest engineering consultancy firms in the Nordic region comprised of four main customer groups, namely Construction and Property, Energy, Industry and Infrastructure. Rejlers provides its services within three field of activities - Projects, Systems and Services.

- **Projects** is mostly consultancy activities where the services are defined for a particular customer project.
- **Services** offers a packaged service concept, which may involve Rejlers taking over the customer's own staff. A service of this kind may run for a prolonged period.
- **Systems** offers product-specific solutions that are designed within Rejlers and offered as a package to the customer.

General goals

Rejlers will create and realise value for its customers, shareholders and employees. The total yield for shareholders, dividends and any increase in share value will be on par with that of the best Nordic engineering consultancy firms.

Financial goals

Rejlers' goal as regard to profitability is to have an operating margin of at least seven per cent over one business cycle.

We need to aim for an equity/assets ratio of at least 30 per cent in order to ensure a long-term stable growth of the business.

Customer structure

Rejlers will have a customer structure consisting of a well-balanced customer base that has a differentiated sensitivity to business conditions. The customers will represent a broad spectrum of industries and include

both the public and private sectors.

Rejlers has a large customer distribution and many assignments so the risk of major customer losses is deemed to be very limited. The five largest customers answer for 10 per cent of Rejlers' total sales, while the public sector answers for 44 per cent and the company's largest single customer is responsible for 2.3 percent..

Growth through internationalisation

Rejlers' home market includes the Nordic region and the Baltic States, regions that the Group considers its natural growth market. Rejlers objective is to realise turnover of SEK 1 billion and 1,000 employees by 2010. This can be achieved through organic growth and acquisitions both in Sweden and in other parts of Rejlers' growth market.

The Group has two domestic markets, Sweden and Finland, following its acquisition of Rejlers Oy in 2005. Of the Group's approximately 635 employees, about 170 are located in Finland. Rejlers has also established a company in Estonia that presently acts foremost as a subcontractor for other companies in the Group. Rejlers' international commitments are coordinated through Rejlers International in Copenhagen. These commitments extend in part to Sweden's neighbouring countries and in part to participating in various international assignments linked to various international development agencies affiliated with the EU, the World Bank or the Swedish International Development Cooperation Agency (SIDA).

Organisation and control

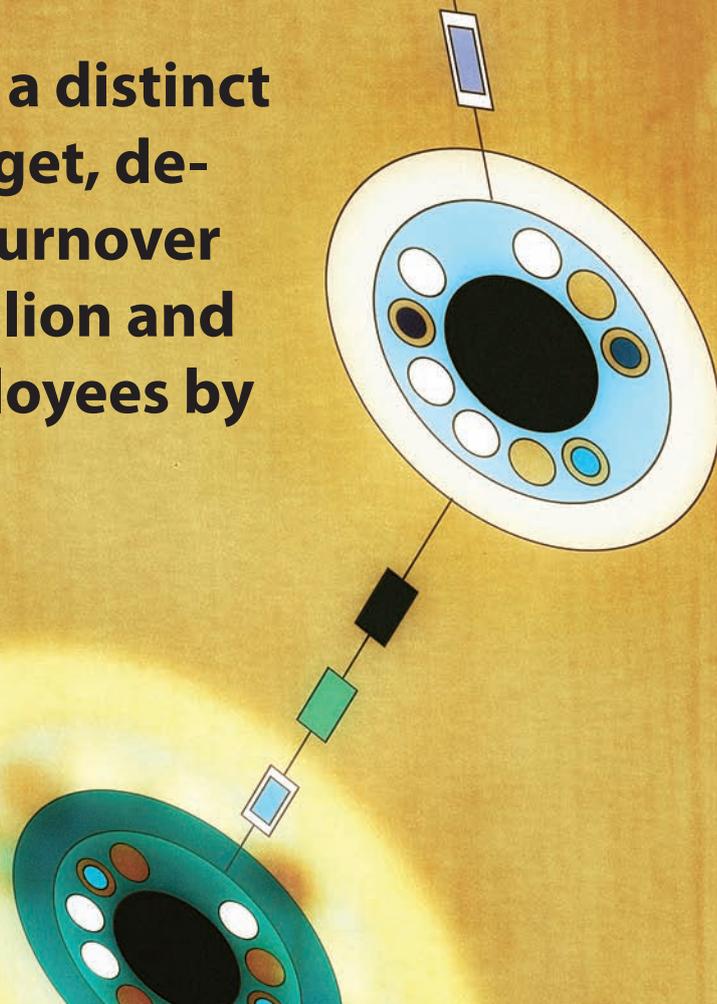
The company's business activities are organised in one parent company and several operating subsidiaries. The parent company is a holding company with the sole task of coordination between the subsidiaries and management of the Group's properties in Växjö.

The organisation is highly decentralised that afford local area managers and the subsidiaries' managing directors a strong position and decision-making rights. Profitability control within the largest subsidiary, Rejlers Ingenjörer AB, is carried out at office level, with the local area managers responsible for personnel and profitability for each office. The managing directors of each of the other subsidiaries are responsible for personnel and profitability. All local area managers and the subsidiaries' managing directors report to the Group management.

Growth



Rejlers has a distinct growth target, defined as a turnover of SEK 1 billion and 1,000 employees by 2010.



Rejlers has a distinct growth target, defined as a turnover of SEK 1 billion and 1,000 employees by 2010. The company's growth has in past been realised organically through its own expansion and through the acquisition of business companies.

The company's acquisitions are presented in the table below.

Year	Turnover, SEKm	No. of employees
2001	11	9
2002	8	11
2003	12	15
2004	25	27
2005	120	205
Total acquisitions	176	267

The number of employees has risen from 265 to 635 employees from 2001 to the close of 2005, marking a 140 per cent increase. Of the company's 370 new employees, 267 stem from acquisitions.

Sales climbed between 2001 and 2005 from SEK 202 million to about SEK 470 million (pro forma as if Rejlers Invest Oy was acquired 1 January 2005). Of this increase of about SEK 270 million, acquired companies and businesses answer for about SEK 175 million while the remainder is the result of organic growth.

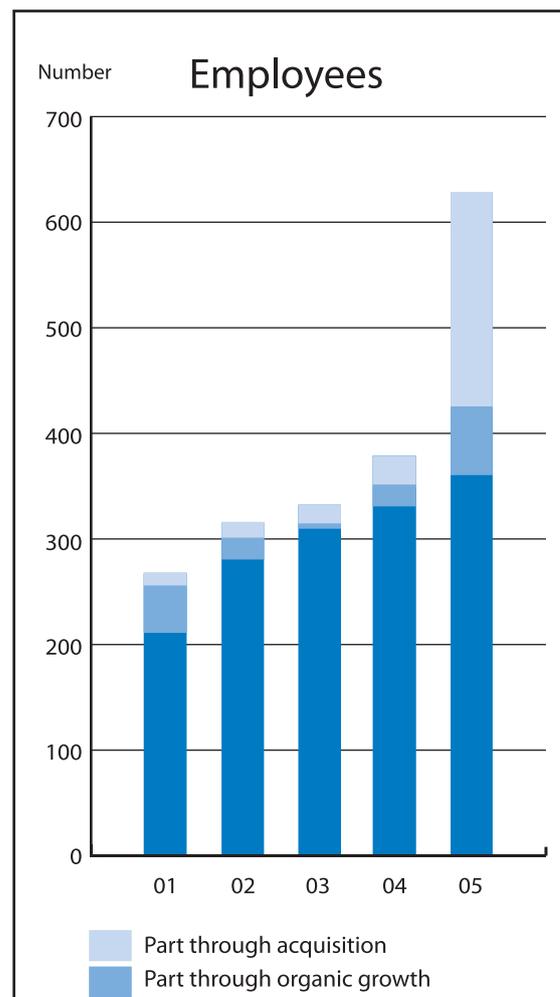
Subsequently, about one-third of the company's growth is ascribed to organic growth, and two-thirds through acquisition. This is partly commanded by the acquisition of Rejlers Invest Oy in 2005, a considerably larger than normal acquisition.

A "normal acquisition" involves a company or business operation consisting of 10-20 employees. Many of these companies are on the brink of a generation shift and consider themselves to be medium-sized companies on the market. In several instances, they need to become part of a larger organisation in order to continue to grow. This applies both in terms of business in order to participate in major consultancy bids, but also in terms of competence and IT support, which demands a larger organisation to carry these costs.

Rejlers will continue to grow over the next few years in part through recruitment and in part through the acquisition of complementary businesses, both in Sweden and internationally. The Group's objective is clear. The business will be considerably larger by 2010.

The Group's growth does not however supercede our margin target of a 7 per cent operating margin over one business cycle. Rejlers will therefore grow with continued good profits in order to safeguard our shareholders good returns on their investment and a stable environment for our employees that provides sound opportunities for personal development.

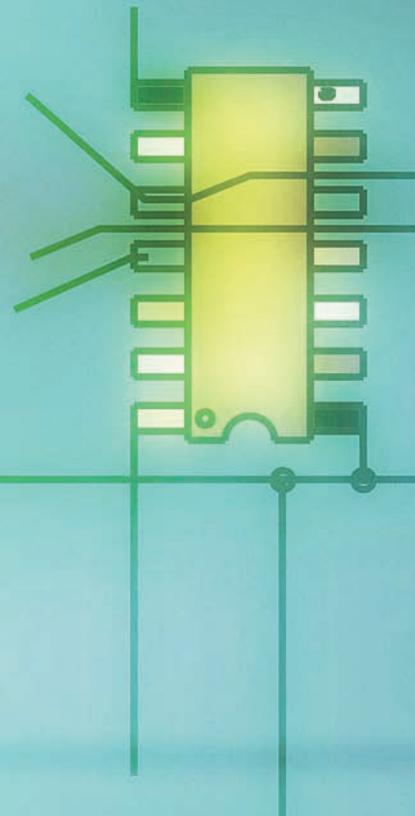
The diagram illustrates employee growth since 2000, in part through organic growth and in part through acquisitions.



ACQUISITION OF REJLERS INVEST OY



With our acquisition of Rejlers Invest Oy, the Rejler Group makes a serious claim for a share of the Nordic market.



The remaining 70 per cent of Rejlers Invest Oy was acquired in 2005. This became Rejlers' first large-scale foreign acquisition and underscores the company's Nordic ambition and objective to expand its domestic market to include all of the Nordic region and Baltic States.

Rejlers Invest Oy, the parent company of the Finnish operations, has two wholly-owned subsidiaries, Rejlers Oy and Rejlers Projektit Oy. Rejlers Oy was formed in 1980 as a subsidiary of Rejlers in Sweden. The companies later went their separate ways until 2000 when the Rejler Group acquired just over 20 per cent of the company, with the option to acquire the entire company. This option was executed during the first six months of 2005 when Rejlers Invest Oy was acquired in its entirety.

Business activities

Business activities in the Group are conducted through the wholly-owned subsidiaries Rejlers Oy and Rejlers Projektit Oy. About 95 per cent of the Group's business focuses on consultancy activities while the rest consists of total deliveries. Headquartered in Mikkeli, Finland, the Group has 170 employees divided among eight offices.

Company sales have escalated sharply during the past years, from SEK 65 million in 2001 to SEK 96 million in 2005.

The earnings trend for the same period climbed from SEK 8 million to SEK 13 million.

The company's core competence areas include Electrical Engineering, Automation and Mechanical Engineering. A skilled, well-trained staff have landed the company a strong position within the field of design and construction. The company has also made extensive investments in new technologies and CAD systems. The company's services include the following areas:

- Industry and production plants - design and construction
- Manufacturing processes – design, construction and development
- Property services – design and development
- Environmental engineering – industrial projects
- Project services – project management services, concept to finished design
- Project deliveries – prototypes and equipment, from idea to finished product

The company's customers are mostly industrial customers, the largest of which are Fortum Oil, KCI Konecranes, the Finnish Rail Administration (RHK), Ruukki Group, Patria, Vaahto and Metso.

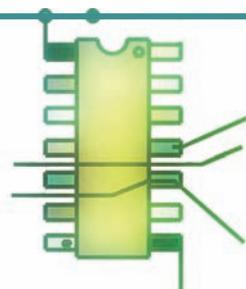
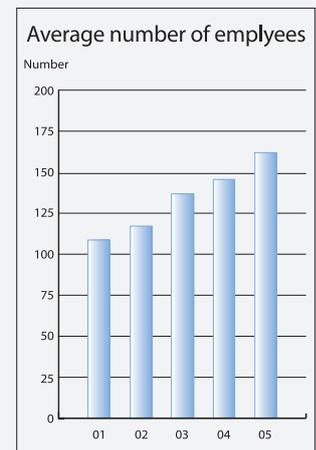
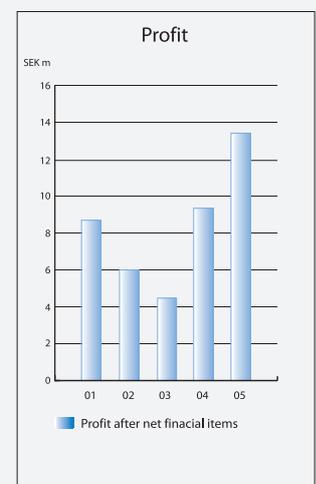
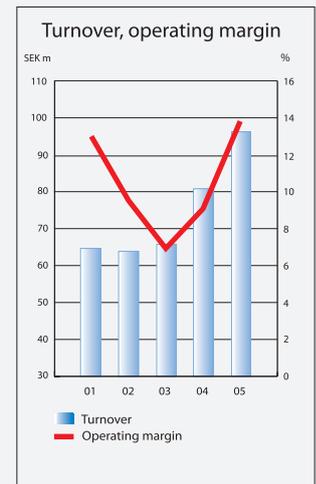
Outlook

The company's objective is to have 250 employees and a turnover of SEK 160 million by 2010.

This objective implies an annual growth of 10 per cent and is expected to entail both organic growth and acquisitions. We predict that we will primarily realise growth with the energy and infrastructure customer segments.

Partnership

Full-service commitments can be provided to several mutual customers through collaboration between Rejlers in Finland and Sweden. The Group companies also share a transfer of knowledge and experiences that allows us to offer our customers the best solutions.



Customers and market

Rejlers' business activities are customer oriented. With more than sixty years in the industry, most of our customer base stems from long relationships.



Rejlers' business activities are customer oriented. With more than sixty years in the industry, most of our customer base stems from long relationships. Rejlers and its customers have worked together over a long period to develop a partnership concept in which Rejler's personnel are automatically phased into the next project once one project is completed.

Rejlers' profile entails being the expert within a specific discipline. Rejlers' expertise is not directly linked to certain industries. Our customers know their own processes. Rejlers contributes to preparing solutions for industrialising processes. This applies regardless of whether our customer is active in daily commodities, paper or engineering industry. This outlook ensures that the customer receives the most appropriate solution for its needs and that the consultant can build up a sound expertise. Rejlers' fields of expertise include electrical engineering, energy, automation, mechanical engineering, IT and telecommunications.

Rejlers' growth on the market has been prudent, which means no new customers before fulfilling the needs of existing customers. Rejlers' strong brand has ensured that profitability is retained in all our growth. The brand's strength vouches for quality and added value for the customer as well as stability and profits for employees and owners. Customer contacts are cultivated via long-term, local relationship building.

Rejlers sells consultancy services to four main customer groups:

Construction and Property, Energy, Industry and Infrastructure. Our customers can be found within both the private and public sectors.

Construction and Property

Construction and Property covers typical services related to power, lighting and telecommunications. This group includes safety systems for entry monitoring and fire alarms as well as various vulnerability analyses, for example, for uninterruptible power supply. Other assignments relate to industrial catering solutions. Typical orderers are privately and publicly-owned property firms such as Vasakronan and Akademiska Hus. Fabege and Wihlborgs.

Energy

The Energy sector focuses on energy-related services associated with electricity use. One such area is the nuclear power industry which is a major buyer with all the extensive reconstruction and updating programmes planned for now and the coming ten-year period.

Renewable power production is another field with wind power as a growth area. A significant portion of the assignments within this sector traditionally consist of design, planning and preparation of electric utility networks, transformer stations and relay protection installations.

Many of Rejlers' Services and Systems customers are

found in the energy sector. Typical buyers include the large-sized energy companies such as Vattenfall, E.ON. and Fortum, but also municipality-owned electricity and energy companies.

Industry

The customer group Industry requires services from all of Rejlers' business activities. Examples of assignments include design, drafting and commissioning production and manufacturing processes, alongside logistics and maintenance of technical supply systems.

Clients range from large listed companies such as Sandvik, Metso, Siemens, Stora Enso, KCI Kone, Neste Oil and Astra Zeneca, to small and medium-sized companies operating in many different industries.

An emerging business in Services consists of maintenance-related activities within industrial and engineering companies.

Infrastructure

Infrastructure covers areas such as bridges, roads, railways and other track-based public transport. Other areas include the expansion of the broadband network and telecommunications sector. Network planning and network design are typical telecommunications assignments. There is a high degree of full-service commitments in the railway sector that involves electricity, telecommunications and signal planning. Consultancy services that pertain to bridges, roads and tunnels are often related to road informatics and SCADA system solutions. Our major customers include Copenhagen Malmo Port, the Railway Network (Banverket) in Sweden and Finland, Stockholm Transport (Storstockholms lokaltrafik), the Swedish Road Administration (Vägverket), Øresund Bridge, Bombardier and TeliaSonera.

Market situation

The Rejler Group's customers are vulnerable to the general business climate and the economic situation in society. Analyses indicate that the industry as a whole will have about the same financial outcome in 2006 as for 2005. According to the Swedish trade organisation, the Swedish Federation of Consulting Engineers and Architects (STD), turnover for the industry as a whole is estimated at about SEK 32 billion in 2006.

The consultancy sector reports a good order situation and high capacity utilisation in general. The consultancy sector is considered a good economic trend indicator since it is often first in the investment cycle. Subsequently, sector reports coincide well with the macroeconomic forecasts that indicate good GNP growth in the near future. Sweden's GNP growth rose by 2.5 per cent in 2005 and will in all likelihood achieve about the equivalent level in 2006. The consultancy sector's workload virtually hit record levels in 2005 and the forecasts for the first six months 2006 follow the outcome of 2005.

The acquisition of Rejlers Oy means our local market

has swelled into a mutual Swedish-Finnish region. The Rejlers companies share several synergies, particularly in the energy and industrial sectors.

According to the Economic Bulletin prepared by the Finnish Ministry of Finance's Economics Department, GDP growth is predicted to increase by over three per cent in 2006. The Finnish export industry will give the current demand for metals and the current relation between the Euro and the US dollar uphold the same level in 2006 as the year before. In all, the Finnish market is stable and there is no clear evidence of a change in the Finnish market between 2005 and 2006.

Below is a description of the general market situation for the segments in which Rejlers is active.

Construction and Property

Rejlers' assignment in Construction and Property assignments are primarily consultancy services for commercial property such as offices and industrial buildings, as well as to the public sector in the form of healthcare and teaching facilities. After several years of waning activities, STD predicts that investment activities will pick up. This applies to both reconstruction and new construction projects. Plant investments remain however at a low, though stable level.

The business climate for construction firms in Finland is substantially better than normal and project is increasing according to the Confederation of Finnish Enterprise.

Energy

According to STD, demand for services related to this sector have developed well with significant increases in invest-

ments in both production and consumption. This development is in part due to higher energy prices which serves as an incentive for reconstruction and new construction projects in terms of energy supply, and in part to growing demands for reliable deliveries in the utility distribution area.

Industry

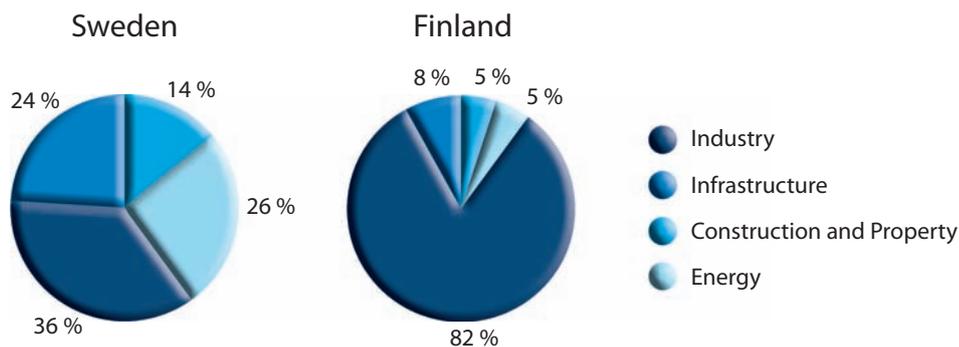
Industrial consultants had a positive influx of orders the past year according to STD, and capacity utilisation is very high at present. This high capacity can to a certain extent result in the industry recruiting its own talent. There is a climbing demand in most industries, primarily mining, telecommunications and electronics. The automotive industry is reporting a slight downturn.

According to the Confederation of Finnish Enterprise, the industrial business climate is growing stronger in Finland, which promises a continued strong consultancy market.

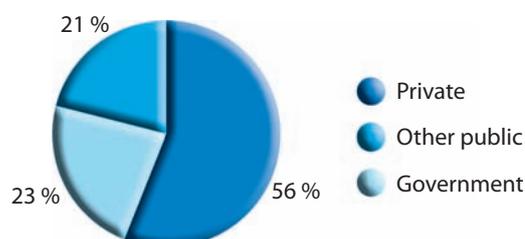
Infrastructure

The demand for services in the infrastructure segment is good. This applies to both road and track-based projects. Given that many of these projects are quite large, time schedules are often moved forward as is the case with the two largest projects in the Greater-Stockholm area. This can eventually prove problematic but a present our incoming order situation is good for most of the consultants working with services in this segment.

DISTRIBUTION OF SALES BETWEEN CUSTOMER GROUPS IN SWEDEN AND FINLAND



DISTRIBUTION OF SALES BETWEEN CUSTOMER CATEGORIES, THE GROUP



REJLERS AND GUDRUN

Friday, 7 January 2005, the Swedish Meteorological and Hydrological Institute (SMHI) issued a hurricane warning for the region of Götaland on the heels of a low pressure formation west of Scotland. The depression was moving very quickly and gathering force over northernmost Scotland and further in an easterly direction. The depression hit Sweden during the 8-9 January weekend in the form of a storm with thrusts of hurricane winds. The storm was named Gudrun.

Wind velocity of over 40 metres/second were measured in squalls and even the middle of the region of Småland reported hurricane winds in squalls. The destruction after the storm was immense and most of the infrastructure in the area was wiped out. The severe winds tore down millions of trees and about 500,000 people were left without

in new networks. Many of our consultants in the field had good local knowledge which made the work easier.

Much of the initial work during the emergency phase consisted of supervising, which demanded expertise in how electric utility distribution functions in both practice and theoretically. The emergency efforts that followed the storm continued for two months to ensure that all subscribers had regained power supply.

The emergency solution in most cases was to lay insulated cables directly on the ground. The appreciation expressed by power utility customers that in some cases had been without electricity for several weeks, was often profuse when the power came back.

Immediately after the emergency phase was concluded, our efforts morphed into the planning and project



electric power and about 300,000 without functioning phones.

Vast expanses of the roads and railway systems were blocked by fallen trees. One of Sweden's largest natural disasters in modern time had struck.

Rejlers' Group company, Svenska Energihuset in Växjö was contacted the next day, Sunday 9 January by the electric utility company that needed help with emergency efforts.

The same day the first of many colleagues were involved. During the initial phase, all work focused on arranging local power supply. This was done by building up smaller, local electric utility networks that were supplied by reserve power stations. As efforts progressed, the power station was moved to different sites and aligned

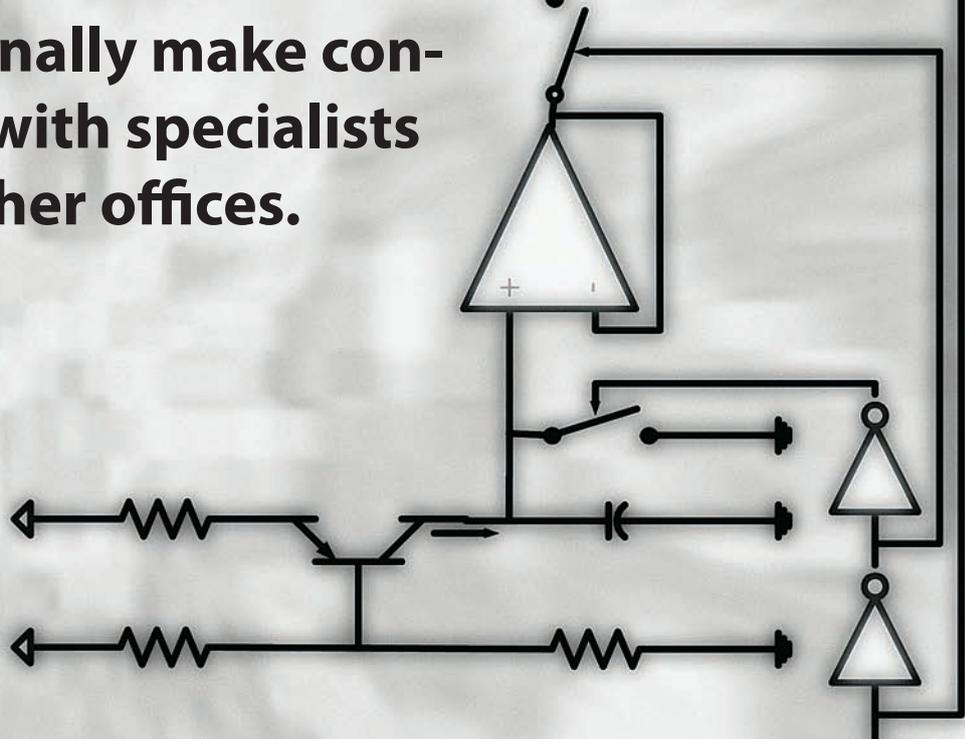
phase to improve reliability of the electric utility network. This work, which will take several years, means among other things that vast segments of the utility distribution system will be placed underground. In areas where it is impossible to lay the utility lines underground, the power supply streets will be broadened so that distributing poles are not damaged in case of new falling trees.

The Rejler Group's extensive experience of working with the electric utility network and the company's local connection to the area made it natural for the electric utility companies in the area to contract Rejlers for the recovery work in the wake of Gudrun.

Efficient coordination of the Group's resources enabled us to free up about a dozen colleagues to help in the recovery efforts, despite an already heavy workload.

Human resources

Rejlers' flat organisation makes it easy and convenient to internally make contact with specialists at other offices.



For a service company such as Rejlers, its employees are the Group's greatest asset. Even if everyone works under a mutual brand, the customer's impression of Rejlers is never better than the solution that the company's employees can deliver.

Working for Rejlers means vast opportunity for personal growth and development. Employees are in charge of ensuring that the technical solution arrives on time and within the cost framework. They have access to the entire organisation's comprehensive experience and expertise. Rejlers' flat organisation makes it easy and convenient to internally make contact with specialists at other offices. This ensures both the transfer of experience from project activities and our employees' personal growth and development.

Integrity and morals

Rejlers works with a multitude of different assignments for various customers. Gathering experiences internally means practically applying Rejlers' integrity, ethics and morals. Rejlers will always safeguard that the assignment is completed in the best interest of the customer and with full accountability.

In addition to in-depth expertise, curiosity and creativity are important factors in problem solving. One such example might include not routinely applying common-day solutions, but instead attempting to without prejudice testing other routes. This, coupled with training – both internally and externally – generates the conditions to provide our customers with the best solution for their purpose.

Focus on recruitment

Rejlers' organisation gets one year older each year and needs fresh talent. This covers the natural employee turnover, which was about eight per cent in 2005, as well as the expansive market on which Rejlers operates. Rejlers works dilligently to recruit both younger, new graduate engineers and more experienced engineers with their own personal networks. The first group can be reached by participating in various labour market activities at institutes for higher learnings while the latter group is best accessed through various networks.

Corporate governance

Rejlers adopts a work method in which the needs and quality requirements of our customers are our focus.

This means the elimination of faults and errors and the addition of such properties to the services we provide that they become more attractive to our customers.

To support us in this work, all employees have access to the Rejler Group's Internet-based corporate handbook. The handbook describes the various processes that safeguard the specifications and expectations of customers, public authorities, partners and sub-contractors.

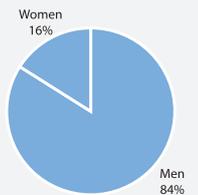
The purpose of the system is to contribute to achieving the goals set for Rejlers' assignment activities in a continuous, systematic and planned manner. This particularly applies to environmental impact and the measures for improving the environment that Rejlers is continuously involved in.

Health and fitness

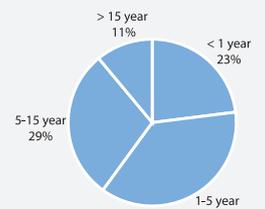
Rejlers wants to provide all its employees with a good work environment and actively partakes in various fitness programmes. Through close collaboration with the corporate healthcare, intensive efforts are made to prevent long-term sick leave and identify risk groups.

Rejlers was again health-certified by Korpen in 2004. This means that employees and the company have together defined both short-term and long-term action plans to promote good health within the company. Based on these action plans, certification is reviewed on an annual basis.

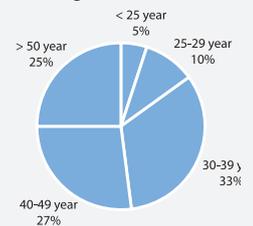
Women - Men



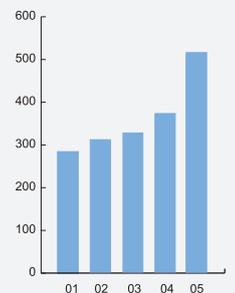
Terms of employment



Age structure



Average number of employee



Projects Systems Services



Projects

Project supplies consultancy services within electrical engineering, energy, automation, mechanical engineering, IT and telecommunications to all customer groups and covers everything from various forms of pre-studies to completion and final documentation.

In early phases of the project, Rejlers acts as a support in the customer's decision-making process. Once the basic scope descriptions and project directives are worked out, Rejlers'

commitment switches to planning and detailed design. The final phase includes testing, inspection and commissioning the facility or equipment. Final documentation and project follow-up concludes the project for the customer.

Projects account for around 60 per cent of Rejlers' total turnover. Of this, 30 per cent are at fixed prices and 70 per cent are ongoing accounts. A normal project runs in the range of SEK 700,000 to SEK 1,500,000.

REJLERS REBUILDS FACTORIES



The AVEBE Group is one of the world's leading manufacturer of starch for foodstuffs and paper. At the Malmö-based facility's – Stadex AB – new propylene oxide plant Rejlers has been involved in a full-service assignment that encompassed planning, designing and documenting new lighting, potential equalisation and lightning conductors, fire alarms, burglary/entry and telephony/computer systems as well as new power supply using transformers, as well as high and low-voltage switching stations. Instrumentation, heating, steam, compressed air, ventilation and cooling have also been part of the planning. Systems design and programming of automation systems, graphical user interfaces and data-base links with the business systems were also involved. During the installation and assembly period Rejlers was in charge of project management, coordination, risk analyses, monitoring, testing and commissioning electricity, heating, ventilation and sanitation as well as equipment contractors. The project was concluded with acceptance tests and delivery inspections where both technical and financial results have been analysed.

ELECTRIC UTILITY GRID

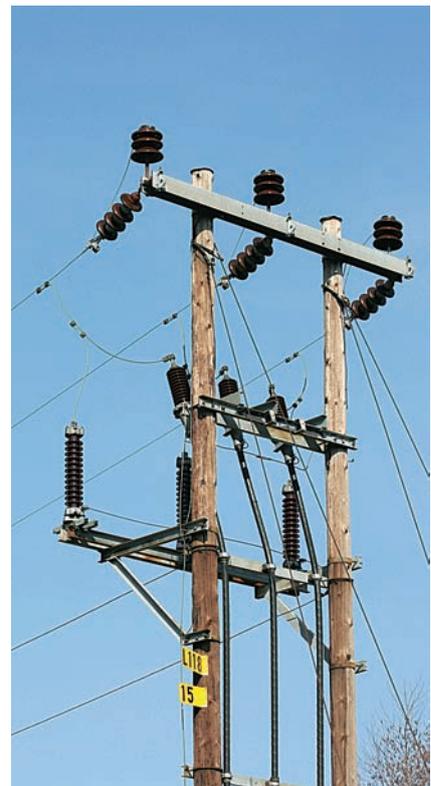
Throughout the year Rejlers completed extensive assignments for E.ON concerning the vectorisation of the company's low and medium-voltage network. The projects were carried out within the framework of the company's ongoing work to transfer manual maps and lists to a computerised corporate system.

A specially recruited project group was appointed for the task when the assignment was first landed. Rejlers extensive experience of similar tasks that include management and review guarantees that we conduct the project in compliance with the high, pre-defined rigorous specifications and objectives.

The project group under the management of a project manager at Rejlers' office in Gälve has run the projects in close, progressive collaboration with E.ON's appointed personnel.

In the first phase, the medium-voltage network in southern Sweden that consists of no less than 23,000 kilometers of utility grid was digitized. The digitalization process included not only the grid but also power-line pylons, connectors and disconnectors.

A pilot project to digitalize the low-voltage network was also part of the assignment for E.ON. This was completed in February 2006. The project entailed handling over 1,000 low-voltage areas comprised of both rural and metropolitan grids. This project entailed managing not only the utility distribution systems itself consisting of the lines, connectors, pylon cable housing and earth plate, but also the connection points for all utility grid customers.



AUTOLIV



Autoliv Electronics develops and manufactures advanced electronics for monitoring security systems in vehicles such as airbags and telematic systems. The focus is on developing advanced systems for safer vehicles, both in terms of the driver and passengers as well as other road users.

Rejlers was involved in both a telematic project and an airbag project in 2005. The telematic project developed system solutions for module de service (MDS).

The product provides services for automatic and manual calls to call centres via GSM for further transfer if necessary to rescue services or other service organisations. A call can be initiated by pressing the buttons as normal or when the airbag system is triggered. The product communicates via a CAN network with the car's navigation equipment and thereby maintains a positioning service so that the car's position can be conveyed via SMS before making the call. The project entailed both system design as well as electronics and software design.

The airbag project was called ACSM3, short for Advanced Crash and Sensing Module. It entailed developing a brand new control system with sensors for the airbag system for the next generation of cars from a major German auto manufacturer. The assignment includes requirement specifications, analysis and electronics design of two new electronic modules consisting of microcontrollers, ASICs and vehicle-mounted sensors.

FABEGE REFURBISHES FACILITIES

The building complex called Glädjen is a building that originally was a printing office for daily newspapers. The building housed the daily newspaper Dagens Nyheter's printer since the early 1930s. As the years past, medical technology gained a strong foothold in the area of Stockholm called Kungsholmen and the latest tenant to conduct business activities in the building was Pharmacia.

Fabegé's new tenant, the Federation of Swedish Farmers, is taking over the entire property and will move its head office complete with conference rooms and overnight accommodations here. LRF has chosen to use an open-landscape design for its office space, with the option to use a flexible cubicle system. This solution is very demanding in terms of technical systems for electricity, lighting, telecommunications and computer networks.

Rejlers has planned the routing, electric power supply with switching stations, lighting, general electrical installations, fire alarms as well as burglary and entry control systems. In total, the refurbishment covered 14,000 m² distributed over nine floors, a garage and equipment space on floors 1-2, five new elevators and a two-story conference facility complete with restaurant kitchen.



SECURITY FOR STOCKHOLM'S SÖDRA LÄNK



Having the responsibility of both employer and for the work environment for one of Europe's largest road and tunnel project requires meticulous monitoring of the people working within the site's security zones.

Those with access to the area during various operational phases must be authorised and properly trained.

A support system operated via a network portal manages this function. The system is connected to the operation and maintenance unit at the Swedish National Road Administration in Stockholm, Sweden.

The entire system is built on a small web wizard which is a user-friendly software designed by ComIT Rejlers AB. Rejlers was in charge of a turnkey function from system functions to commissioning.

JÖNKÖPING ENERGI

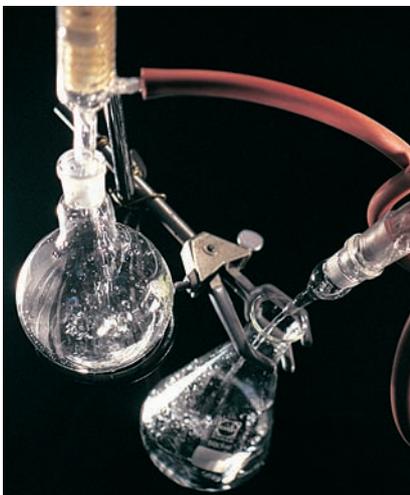
The Torsvik plan is a waste-fueled district-heating power plant that is to handle 10,000 tonnes of household waste from the Swedish city of Jönköping and neighbouring municipalities. The plant is the first of a two-phase total solution for the utilities company, Jönköping Energi.

The plant will produce heat for the district-heating grid and about 18 MVA electricity. The electricity produced will be received by a distributing sub-station in connection with the plant that has a 52 kV gas insulated, indoor switching station, a 40-10 kV two-transformer distributing substation and monitoring equipment.

The assignment has included grid investigations, planning and procurement of contractors for switching stations, construction, land, monitoring equipment and assembly. Additionally, tasks such as design, testing, commissioning, coordination of generator protection and signal switching between production and power distribution were also part of the assignment.



MONITORING ETHANOL CONSUMPTION



GE Healthcare in Uppsala, Sweden is the world-leader in protein separation. The company develops systems and manufactures equipment and separation media for purification of pharmaceutical substances. The company was formerly called Amersham Biosciences and before that, Pharmacia. These days however, the company is a wholly-owned group company within General Electric.

GE Healthcare has installed a security system for monitoring and administration of ethanol consumption. The system consists of a graphically devised monitoring system complete with database handling and a report generator. Reports about ethanol withdrawals from various workstations, project lines and the staff are generated here.

An operator panel with a graphical user interface is mounted at each respective ethanol tap site. From here, the user can log in and request an amount of ethanol. The user, date, time, requested quantity and actual tapped amount is then stored in the database.

Rejlers' involvement included systems design, programming, documentation, planning the installation and training staff.

PRODUCT LIFE CYCLE ANALYSIS

Talgo Oy is one of Europe's leading manufacturers of train sets and railway cars. A new bi-level sleeping car was designed in 2005, that has room for 38 passengers and weights 59 tonnes. The Finnish railway operator VR (the equivalent of Sweden's SJ) has placed an order for 20 cars of this model.

In the development phase, Rejlers conducted an investigation project to assess the total lifecycle of both individual components and the chain of logistics, production manufacturing as well as operational use and maintenance.

Besides analysing the actual lifecycle, the objective was also to identify all feasible factors that might have an environmental impact as well as which materials to use and how these materials could be recycled after the car is taken out of commission.

The analysis was performed in various computation and database systems including KCL-ECO and Swiss Ecoinvent. We used the recognised DAIA 98 method used to compile and interpret the results.

The estimated lifecycle of the sleeping car is 40 years and it is expected to cover about 14 million kilometres.

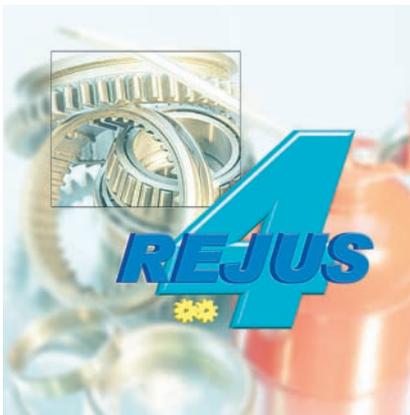


Systems

Rejlers' Project and Services activities often require supporting computer systems. Specific skills are required to develop these systems, both within the end-user environments and in computer engineering development. If the systems are assessed as being marketable to other companies, separate companies are formed to distinguish these activities from Rejlers' other independent consultancy work. This means that development costs are to a large extent externally financed. Systems account for about 10 per cent of Rejlers' total turnover. Business deals are based on a one-off cost for the software plus an an-

nual licence fee. The annual licence fee covers all software updates. In terms of income, this means that Systems has a customer base that generates annual license income that is to cover the fixed costs within Systems. Customers can be found in the healthcare sector with resource allocation systems for personnel, in electric utility companies with computation and documentation systems and within infrastructure and industrial companies that have maintenance and monitoring systems. A system delivery often includes consultancy services in the form of training, commissioning and implementation work.

REJUS



Swedspan AB is part of the Swedwood Group which is in turn part of the IKEA Group. Swedspan in Hultsfred, Sweden is the largest, state-of-the-art plant for particle board production in Scandinavia.

Rejlers delivered and installed the maintenance system Rejus. Beside the software and system installation, delivery included building up a documentation database in the system that contains all of the plant's technical documentation. A graphical structure of the equipment and article databases was also provided. This makes it easier for the employees to use Rejus which improves the system's feedback and statistics functions. The graphics are based on the same images used in the plant's operator system. Spare parts handling and report generator for work orders and statistics have also been implemented and commissioned in the system. For Rejlers, the delivery was worth SEK 1.2 million..

PRODUCTS FROM MIRAKEL

Mirakelbolaget develops and markets software applications and business systems for electric utilities, street lighting and broadband.

The company's software products were very successful throughout 2005. The most prominent product is the Mirakel QuickMap, a new product that allows easy access to information in the company's digital management documentation in both web and Windows environments. The product has been sold to some 15 customers.

Another of the company's products is the Mirakel Webserver which together with Mirakel QuickMap means that complete publication of network documentation in a web environment has been sold to such clients as KREAB Energi, Nybro Eln't, Västra Orust Energitjänst and Österlens Kraft Produktion.

Västra Orust Energitjänst is a new user of the Mickel documentation system as of 2005.

Mirakelbolaget is continuously developing new applications while simultaneously updating and developing already established systems and applications that the company has on the market.

The year opened with a partnership with IPNC Sweden AB where their AutoSuite system has been integrated with Mirakelbolaget's BABS product. AutoSuite manages active grids on various levels such as direct configuration of switches, monitoring and service and grid administration. BABS is Mirakelbolaget's product for documentation of opto networks, for instance.



Services

Through long-standing customer relationships, Rejlers has been able to develop a several types of cooperation consisting of more or less packaged services. Customers are offered the option of transferring all or part of their business' development, operation and maintenance to Rejlers. This benefits customers since they can focus to a greater extent on their own core businesses.

There are numerous examples of services and forms of cooperation. Strategic partnership is one, outsourcing/insourcing another, and straightforward resource reinforcement is yet another. The services are adapted at different levels for different customers, thereby devising a flexible form of cooperation with optimal cost-efficiency for all parties. Agreement terms also vary, ranging from

permanent agreements to fixed-term agreements over a number of years.

Services account for around 30 per cent of Rejlers' total turnover. Of this, 20 per cent are at fixed prices and 80 percent are ongoing accounts. Business deals normally run in the region of SEK 1 to 2 million.

Services is deemed to have a strong market growth as more companies increasingly focus on their own core activities.

Our service range includes emergency and readiness agreements for infrastructure and industrial customers, straightforward outsourcing agreements of functions and departments for industrial customers, logistics solutions for documentation handling and documentation archives, as well as resources and manning services.

ENERGITJÄNSTER – THE CROWN JEWEL

Energitjänster positions Rejlers as market leader and largest meter reading services operator in Sweden. The range of services includes everything from the point of measurement out in the field to assembly, verification and metering technology consultation. Hand-held terminal systems for reading, meter replacements and quantity assembly are also provided. Energitjänster's services also extend to reporting measurement series for green certificates as per agreements with the Swedish Renewable Energies Association. Administration and operation of the utility companies' debiting systems is also included in the range of services.

The service Complete measuring value and our service platform with integrated partnership systems are do not depend on the the make of the terminals that our customers use at the point of measurement. Rejlers collaborates with all the major systems and equipment suppliers on the Swedish market. Rejlers also participates in any adaptations of suppliers' systems and equipment. About 160 companies currently purchase various products/services from Rejlers Energitjänster.

In 2005, Rejlers was one of the first companies in Sweden to adapt its system to from X400 to SMTP as a communications channel for the electric market's EDI handling. As a consequence of this change, Rejlers landed several new grid areas for hourly balancing. These customers include Skånska Energi Elverk, Vetlanda Energi & Teknik, Vimmerby Energi, Vaggeryds Elverk, Habo Kraft, Sala Heby Energi, Ulricehamn Energi and Hjärtums elförening.

Rejlers has been the principal for expanding hourly balancing from 63 A to 200 A in such companies as Västerviks Kraft, Ekerö Energi, Kviinge Elverk, LKAB and Strängnäs Energi. At the same time, Rejlers also participated in Fortum Distribution's comparable project to bring hourly balancing down to 63 A, the so-called TIM63 project.

Strängnäs Energi was the new reference customer in 2005. Rejlers has also sold several assembly systems for quantity assembly based on a pocket PC hand-held for field use. Our customers include Mälarenergi, Skellefteå Kraft, Nacka Energi and Hallandsgruppen.

Rejlers Energitjänster turnover for 2005 reached over SEK 28 million, a 70 per cent increase compared with 2004.



Five-year Review

Income Statements in summary, SEK million	2005	2004	2003	2002	2001
Income	420,2	294,3	254,3	233,4	201,6
Personnel costs	-267,5	-197,0	-171,2	-159,6	-139,6
Other external costs	-113,8	-75,3	-69,0	-60,1	-51,8
Depreciation	-9,8	-5,1	-6,5	-5,9	-4,8
Shares in associated companies	1,0	1,9	1,7	1,6	2,0
Operating profit/loss	30,1	18,8	9,3	9,3	7,4
Net financial items	-0,2	0,4	-0,1	1,2	1,0
Profit after net financial items	29,9	19,2	9,2	10,5	8,4
Tax	-9,3	-5,8	-3,7	-3,7	-3,5
Profit for the year	20,5	13,3	5,5	6,8	4,9
Balance Sheets in summary, SEK million .					
	2005	2004	2003	2002	2001
Intangible assets	66,9	17,4	9,9	9,0	9,1
Tangible assets	43,0	28,1	26,4	26,8	26,2
Financial assets	0,5	10,9	11,1	8,1	24,4
Current receivables	126,2	77,4	66,3	65,5	56,2
Liquid assets	12,2	5,9	4,8	1,5	3,7
Total assets	248,8	139,7	118,5	110,9	119,6
Shareholders' equity	116,9	72,6	63,2	56,8	49,9
Provisions	-	-	9,2	8,7	8,8
Long-term liabilities	30,0	21,2	13,2	16,0	30,9
Current liabilities	101,9	45,9	32,9	29,4	30,0
Total liabilities and shareholders' equity	248,8	139,7	118,5	110,9	119,6
Of which interest-bearing liabilities	23,5	12,5	13,3	15,6	32,7
Share data					
	2005	2004	2003	2002	2001
Earnings per share, SEK	10,38	7,33	3,06	3,99	2,87
Earnings per share after dilution, SEK	10,38	7,33	3,00	3,39	2,44
Equity per share at end of period, SEK	54,73	40,02	34,84	28,33	24,89
Dividend per share (2005, proposed dividend), SEK	5,00	2,50	1,50	1,50	-
Average number of shares	1 974 975	1 814 000	1 773 000	1 705 000	1 705 000
Number of shares after dilution	1 974 975	1 814 000	1 814 000	2 005 000	2 005 000
Number of shares at end of period	2 135 951	1 814 000	1 814 000	1 705 000	1 705 000
Cash flow statement in summary, SEK million					
	2005	2004	2003	2002	2001
Cash flow from current activities	20,2	16,5	14,6	2,8	2,3
Cash flow from investment activities	-40,5	-11,5	-9,9	-5,9	-12,2
Cash flow from financing activities	26,6	-3,6	-1,6	0,9	11,4
Change in liquid assets	6,3	1,4	3,1	-2,1	1,5
Liquid assets	12,2	5,9	4,5	1,4	3,5
Unutilised overdraft facility	3,7	4,1	3,4	1,2	0,2
Unappropriated funds	15,9	10	7,9	2,6	3,7

Key figures	2005	2004	2003	2002	2001
Operating margin, %	7,2	6,4	3,7	4,0	3,7
Profit margin %	7,1	6,5	3,6	4,5	4,2
Return on equity after tax %	21,6	19,6	9,2	12,7	10,3
Return on capital employed %	27,0	22,9	12,9	15,0	12,5
Cash liquidity (excl. unutilised overdraft facility) %	136	181	216	228	200
Equity/assets ratio, %	47,0	51,9	53,3	51,2	41,7
Debt/equity ratio, times	0,2	0,2	0,2	0,3	0,7
Interest coverage ratio, times	50,7	56,7	24,0	10,5	7,5
Investments SEK m	40,5	15,0	9,6	5,9	12,2
Debiting ratio %	74	71	68	68	68
Average number of employees	514	371	326	311	282
Sales per employee SEK 000	813	793	778	750	715

Review of profit/loss, companies

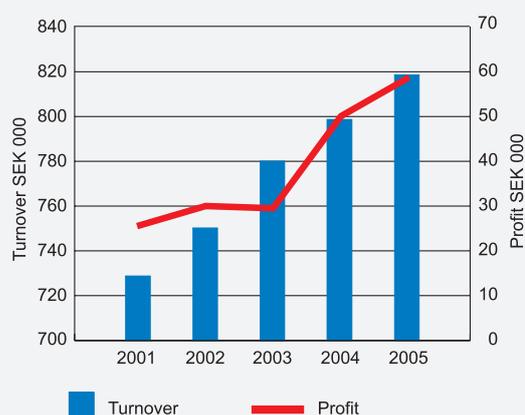
	Operating income SEK m		Operating profit/loss SEK m		Operating margin %	
	2005	2004	2005	2004	2005	2004
Rejlers Ingenjörer AB	306,8	261,7	16,0	15,1	5,2	5,8
Rejlers Invest Oy *)	50,1	-	7,1	-	14,2	-
ComIT Rejlers AB	5,5	4,4	-0,1	-0,2	neg	neg
Rejlers Energitjänster AB	28,7	16,8	4,3	1,7	14,8	9,9
Svenska Energihuset AB *)	25,2	10,9	2,7	1,5	10,9	13,3
Rejlers International AB	3,8	2,0	-0,1	-0,1	neg	neg
Rejlers OÜ	0,8	0,9	-0,4	-0,3	neg	neg
Rejler Group AB	1,9	1,4	-1,6	-0,4	neg	neg
Group wide, etc	-2,6	-3,8	2,1	1,4	-	-
Total Group	420,2	294,3	30,1	18,8	7,2	6,4

*) The figures for Rejlers Invest OY refer to July-December 2005. Comparable figures for Svenska Energihuset refer to July-December 2004..

The years 2004 and 2005 in this review have been prepared in accordance with IFRS while the years 2001-2003 were prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council.

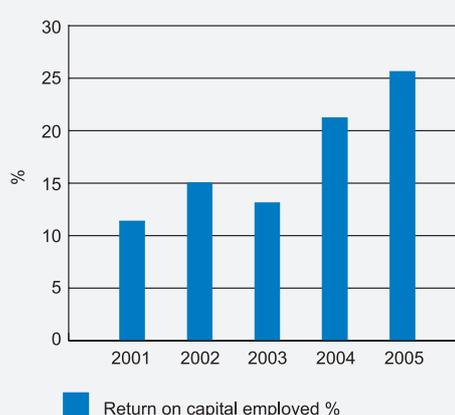
Sales and operating profit/loss per employee

2001 - 2005



Return on capital employed

2001 - 2005



Comments to the five-year review

The Rejler Group's consolidated accounts cover both the parent company and the nine operating subsidiary companies, Rejlers Ingenjörer AB, Rejlers Invest Oy, ComIT Rejlers AB, Svenska Energihuset AB, Rejlers International AB, Rejlers Energitjänster AB, ISTA Sverige AB (undergoing name change) and Rejlers OÜ. The associated company Mirakelbolaget HB (50 per cent) is also included. Comparable figures for 2004 below have been recalculated since the Group as of financial year 2005 prepares its consolidated statements in accordance with IFRS.

Operating income

Group operating income between 2001 and 2005 is allocated as below.

SEK m	2001	2002	2003	2004	2005
Income	199,9	231,8	252,2	292,5	415,8
Other operating income	1,7	1,5	2,1	1,8	2,4
Dissolution of negative goodwill	-	-	-	-	2,0
Total operating income	201,6	233,4	254,3	294,3	420,2

Income has increased about 20 per cent per year over the last three years, from a level of about SEK 230 million.

The increase is mainly due to increased sales of consultancy services. Turnover for consultancy activities in Rejlers Ingenjörer AB and Rejlers Invest Oy (as of July 2005) has improved as shown in the table below..

SEK m	2001	2002	2003	2004	2005
Net sales	189,0	222,0	241,7	254,1	356,9

Rejlers Ingenjörer AB and Rejlers Invest OY answer for about 85 per cent of the Group's turnover. Other subsidiary companies had sales of SEK 64.9 million and SEK 35.2 million respectively in 2005.

The debiting ratio in percentage (time which can be invoiced to a customer in relation to time present) for Rejlers Ingenjörer AB and Rejlers Invest Oy is shown in the table below.

Per cent	2001	2002	2003	2004	2005
Debiting ratio	68	68	68	71	74*)

*) Including Rejlers Invest Oy

Operating costs

Operating costs in the Group have been allocated as follows from 2001 to 2005.

SEK m	2001	2002	2003	2004	2005
Personnel costs	-139,6	-159,6	-171,3	-197,0	-267,5
Other external costs	-51,8	-60,1	-69,0	-75,3	-113,9
Total costs before depreciation	-190,4	-219,7	-240,3	-272,3	-381,4
Depreciation of tangible and intangible assets	-4,8	-5,9	-6,4	-5,2	-9,8
Shares in associated companies	2,0	1,6	1,7	1,9	1,0
Total operating costs	-193,2	-224,0	-245,0	-275,6	-390,2

Because consultancy activities are so extensive within the Group, personnel costs are the single largest cost item. Other external costs include costs of premises and IT systems.

Shares in associated companies refer to two companies, namely Mirakelboaget (50 per cent) and Rejlers Invest Oy up to and including June 2005 (30.1 per cent).

Operating profit/loss

The Group's has had an operating profit the past five years. Profit has climbed from SEK 7.4 million to SEK 30.1 million in 2005. The trend is shown in the table below.

SEK m	2001	2002	2003	2004	2005
Operating profit/loss	7,4	9,3	9,3	18,8	30,1

The Group's operating margin is reported below. The margin for 2005 reached 7.2 per cent. The operating margin, recalculated with deductions for associated companies, means that the margin fell about 0.3 percent in 2005. This recalculated operating margin shows the margin for the business activities included in Group's turnover.

SEK m	2001	2002	2003	2004	2005
Operating margin, %	3,7	4,0	3,7	6,4	7,2
Operating margin 2), %	2,9	3,6	3,2	5,7	6,9

2) Excluding profits/losses from associated companies.

Net financial items

SEK m	2001	2002	2003	2004	2005
Financial expenses	-1,3	-1,1	-0,4	-0,3	-0,6
Financial income	2,3	2,3	0,3	0,7	0,4
Net financial items	1,0	1,1	-0,1	0,4	-0,2

During 2001 and 2002, net financial items have been positive mainly because of the hidden interest compensation in connection with the recalculation of Alecta funds of about SEK 2.0 million

million

per year. Net financial items were positive in 2004, due largely to a capital gain from a property sale in conjunction with the acquisition of Svenska Energhuset AB.

Balance Sheet

The Group's assets are shown in the table below.

SEK m	2001	2002	2003	2004	2005
Intangible fixed assets	9,1	9,0	9,9	17,4	66,9
Tangible fixed assets	26,2	26,8	26,4	28,1	43,0
Financial fixed assets	24,4	8,0	11,3	11,0	0,5
Other current assets	56,2	65,5	66,3	77,4	126,2
Liquid assets	3,7	1,6	4,7	5,9	12,2
Total assets	119,6	110,9	118,5	139,7	248,8

The Group intangible assets are comprised primarily of goodwill. Goodwill refers to Rejlers Invest Oy SEK 41.9 million, Svenska Energhuset AB SEK 7.3 million, Rejlers International SEK 4.3 million, and goodwill arising from the purchase of the assets of Inac Automation AB SEK 3.2 million, and others at SEK 5.0 million.

The tangible fixed assets include buildings and land as well as other equipment. The buildings are used for the Group's consultancy activities. The property in Växjö, formerly a business property, was reclassified in 2005 and written down by SEK 2.0 million in conjunction with the reclassification. The financial fixed assets consisted previously of the 30.1 per cent holding in Rejlers Invest Oy.

The Group's shareholders' equity and liabilities are shown below.

SEK m	2001	2002	2003	2004	2005
Shareholders' equity	49,9	56,8	63,2	72,6	116,9
Provisions	8,7	8,7	9,3		
Long-term liabilities	30,9	15,9	6,6	21,1	30,0
Current liabilities	30,0	29,5	39,5	46,1	101,9
Total	119,6	110,9	118,5	139,7	248,8

The Group's shareholders' equity increased considerably during the period; the equity/assets ratio rose from almost 42 per cent in 2001 to 47 per cent by the end of 2005. During the period, SEK 18.5 million has been distributed to the company's shareholders, including the proposed dividend for 2006. During 2002, considerable repayments were made, both as regards liabilities to credit institutions of SEK 7 million, and as regards the company's overdraft facility of SEK 8 million compared with 2001. Borrowing increased in 2005 due to completed acquisitions and organic growth of the business. Investments, apart from acquisition of shares, are mainly related to equipment and software for the business.

Cash flow

The company has had positive cash flow from current activities for several years. The company has mainly used the positive cash flow to repay liabilities, investment in equipment and make strategic acquisitions.

Risk management

All business dealings and ownership of shares involves a certain degree of risk-taking. Below is a description of those factors that can be significant for the Rejler Group's future growth. The factors below are not presented in order of priority, and do not claim to be comprehensive.

Credit risk

Rejlers has considerable customer exposure to government and other public authorities, in which credit risk is very low or insignificant. For private clients, an individual assessment is performed as required concerning ability to pay. Normally, customers are invoiced each month, which means exposure as regards an individual customer is relatively small. Historically, the Group's credit losses have been very small.

Currency risks

The Group's currency risks consist of exchange rate fluctuations in payment flows and recalculation of items in the income statement and balance sheet.

The Group formerly had small flows in foreign currencies. The acquisition of Rejlers Oy means greater Euro exposure in both the company's Income Statement and Balance Sheet.

Financing risks

The company's policy is to ensure that in addition to liquid assets, there shall be sufficient overdraft facilities to cope with liquidity fluctuations.

Dependence on key personnel

To a certain extent, Rejlers' future growth depends on a number of key personnel remaining with the organisation. There is no guarantee that the company will

succeed in retaining these key personnel. Any loss of one or more of these employees may lead to a short-term negative trend in the company's activities. In order to reduce this risk, the company continuously invests in training, competence development and career possibilities. Recruiting and retaining competent employees is a prerequisite for future triumphs for a knowledge-based company such as Rejlers.

Assignments

About 20 per cent of the Rejler Group's total turnover (including budget and ceiling prices) consists of fixed-price assignments. Such assignments are coupled with both possibilities and risks, and must be continually monitored, both by project managers and controllers. Should unexpected difficulties arise, such an assignment can however lead to losses.

Acquisitions

A prerequisite for the Group's future growth consists of identifying and completing successful company acquisitions. Recently completed and future acquisition are affiliated with uncertainty, especially in terms of acquisitions of consultancy firms. There is a considerable risk of personnel leaving in the event of a change of ownership.

Strong growth stretches the organisation

The Board's ambition for a continued, rapid rate of growth requires a continual need for recruitment and training, which places considerable requirements on Rejlers' company management and organisation. One condition for the future growth of the Group is that recruited individuals are integrated into the organisation while upholding the quality of work.

Sensitivity Analysis

Rejlers' earnings are most vulnerable to the following factors:

- Debiting ratio
- Hourly rate
- Wage cost trends

Factor	+/-
Debiting ratio	4,5 SEKm
Hourly rate	4,2 SEKm
Overheads	1,2 SEKm
Wage costs	2,7 SEKm

Personnel costs make up about 64 per cent in relation to turnover, while other costs, including depreciation, are about 29 per cent.

Each percentual alteration in each parametre respectively has the following impact on the Group's operating profit/loss:

As can be seen, the most important factors for the company's profit/loss is the debiting ratio, followed by the hourly rate out to the customer. Rejlers' average hourly rate in 2005 in Sweden was about SEK 600. Consequently, each ten-krona increase in the average rate generates about SEK 7 million in increased profit.

Directors' report

Rejlerkoncernen AB (publ).

Corporate identity number 556349-8426

The Board and Managing Director of Rejlerkoncernen AB (publ) hereby present the Annual Report and consolidated financial statements for 1 January - 31 December 2005.

Business activities

Rejlers is a knowledge-based group that carries out projects and provides products and services within electrical engineering, energy, mechanical engineering, automation, IT and telecommunications.

Rejlers sales target four main customer groups: Construction and Property, Energy, Industry and Infrastructure.

The Group has been active in engineering consulting for over 60 years and is an established player with a good reputation on the market.

At the close of 2005, Rejlers had 635 employees (385). The company's objective is 1,000 employees and a turnover of SEK 1 billion by 2010. Rejlers' strategy is to increase its market shares via organic growth and acquisitions.

Business activities are conducted by the Group companies Rejlers Ingenjörer AB, ComIT Rejlers AB, Rejlers International AB, Rejlers Energitjänster AB, ista Sverige AB (undergoing name change), Rejlers OÜ, Svenska Energihuset AB, Rejlers Invest Oy and the associated company Mirakelbolaget HB. Rejlers is listed on NGM Equity.

Rejlers Ingenjörer AB is the largest of the companies, with a turnover of SEK 307 million. At the close of the year, the company had 401 employees, recalculated to full-time. The Group's range of services includes engineering consultancy activities within electrical engineering, energy, automation, IT, telecom and mechanical engineering.

Rejlers Invest Oy turnover for the July-December period reached SEK 50.1 million. At the close of the year, the company had 170 employees, recalculated to full-time. The Group's range of services includes mainly engineering consultancy activities within electrical engineering, automation, and mechanical engineering.

Turnover for Svenska Energihuset AB amounted to SEK 25.2 million. The company had 28 employees at year-end. The service range includes engineering consultancy activities within the electricity and energy sector.

Rejlers Energitjänster AB had a turnover of SEK 28.7 million. The company had 20 employees at year-end. Services mainly entail gathering and reporting measurement readings for power utility companies.

ComIT Rejlers AB had a turnover of SEK 5.5 million. The

company had 6 employees at year-end. Services include various types of communications solutions as well as developing and marketing software.

Rejlers International AB conducts engineering consultancy activities in Sweden and Denmark and had a turnover of SEK 3.8 million. The company had 4 employees at year-end.

Rejlers OÜ in Estonia had a turnover of SEK 0.8 million and 6 employees at the end of the year. Services mainly include document management.

Turnover and profits

Turnover rose during the period by 42 per cent to SEK 420 million (294). This increase is due to completed acquisitions, organic growth and improved debiting ratio.

The operating profit for the entire year amounted to SEK 30.1 million (18.7), with an operating margin of 7.2 per cent (6.4).

Profit after net financial items was SEK 29.9 million (19.1) and the profit margin reached 7.1 per cent (6.5).

The profit for 2005 has been burdened with the SEK 2.0 million write down of the former business property as well as the SEK 2.0 million dissolution of negative goodwill.

The debiting ratio was 74 per cent (71).

Profit per share totalled SEK 10.38 (7.33).

Rejlers Invest Oy was consolidated in the Group as of 1 July 2005.

Below is a pro forma income statement for the period January-December. The left column shows the result with the reported share according to the above. The right column shows the result had ownership been 100 per cent from the start of the year.

Income statement, SEK million	Pro forma	
	Jan-Dec 2005	Jan-Dec 2005
Income	420,2	466,5
Personnel costs	-267,5	-297,7
Other external costs	-113,8	-122,8
Depreciation	-9,8	-10,8
Shares in associated companies	1,0	-0,8
Operating profit/loss	30,1	34,4
Net financial items	-0,2	-0,3
Profit after net financial items	29,9	34,1
Tax	-9,3	-10,4
Profit after tax	20,5	23,7
Profit per share	10,38	11,09
Average number of shares	1 974 975	2 135 951

Cash flow and financial position

Cash flow from current activities during the year amounted to SEK 20.2 million (16.5).

The Group's liquid funds at year-end amounted to SEK 12.2 million (5.9), excluding unutilised overdraft facility. Interest-bearing liabilities increased by SEK 11 million and at year-end were SEK 23.5 million (12.5). Equity/assets ratio at year-end amounted to 47.0 per cent compared with 51.9 per cent for year-end 2004. Equity per share at the end of the period was SEK 54.73 (40.02).

Investments

Investments in equipment and corporate acquisitions reached SEK 40.5 million (15) in 2005.

Investments in equipment and software amounted to SEK 13.4 million (5.9) and the acquisition value of shares in acquired companies and associated companies constituted SEK 27.1 million (9,1).

Personnel

At year-end, the number of employees was 635. This is a 65 per cent increase compared with the close of 2004 when the number of employees totalled 385. This growth is largely attributed to acquired businesses but stems also from organic expansion. The average number of employees in 2005 was 514 (371).

Important events in 2005

Rejlers acquired the remaining 70 per cent of the Finnish consultancy firm Rejlers Invest Oy, which was consolidated on 1 July 2005. The acquisition means that 321,951 Class B shares were issued and our headcount increased with 170 employees.

Rejlers Invest Oy has a turnover of about SEK 90 million and a very positive effect on the Rejler Group's profits. The company will continue to be run as an independent subsidiary of Rejlers.

Rejlers acquired parts of Inac Automation AB, meaning an increase in personnel with 35 engineers and a turnover of about SEK 30 million. The business is part of Rejler's business area Industrial Electricity and Automation.

Rejlers also acquired Ista Sverige AB (formerly Viterra Energy Services). The company has 10 employees and offers energy measurement service as well as business activities complementary to those of Rejlers Energitjän-

ster AB. The acquisition is expected to have a positive impact on Rejlers' profits in 2006.

BC Teknikkonsult AB in Västerås, Sweden was acquired during the fourth quarter. The company has 4 employees in Västerås and an annual turnover of SEK 3.2 million. The company's business is electromechanics oriented meaning that this acquisition will reinforce Rejlers' position in the railway business area.

Parent company

The parent company's net sales for 2005 totaled SEK 1.9 million (1.4) with profit after net financial items amounting to SEK 1.7 million (-0.6).

The work of the Board of Directors

Rejlers Board of Directors is comprised of six Board members and two employee representatives. The MD is a member of the Board. During the year, the Board held eight Board meetings in addition to the statutory Board meeting following election. At these meetings, the Board has dealt with matters in accordance with the rules of procedure, such as market trends, strategies, financing, earning trends, personnel issues, budget, interim reports and annual accounts. The principal auditor has attended one Board meeting.

Transition to IFRS

The Group's financial reporting will comply with the International Financial Reporting Standards (IFRS) as of 2005. Comparable figures for 2004 were recalculated in conjunction with the transition. A description is provided in the Notes to the Consolidated Accounts.

The parent company complies with the recommendations of the Swedish Financial Accounting Standards Council.

Events after year-end

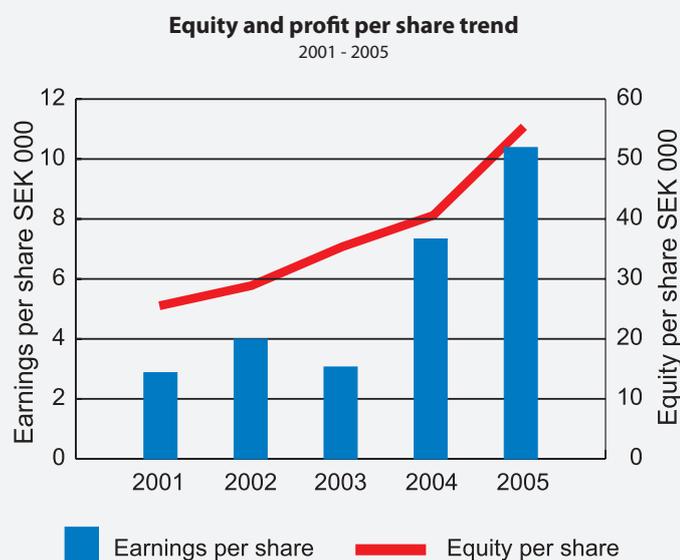
No significant events have occurred after closing day to influence the image of the company.

Prospects 2006

Rejlers considers the market trend for 2006 to be favourable and intends to expand its market shares through continued expansion and more corporate acquisitions and new establishments.

Income Statements

SEK 000	Note	The Group		The Parent Company	
		2005	2004	2005	2004
	1				
Net sales	2, 3	415 770	292 524	826	339
Other operating income		2 364	1 781	1 039	1 088
Other profits		2 039	0	0	
Total income, etc.		420 173	294 305	1 865	1 427
Other external costs	4	-113 873	-75 311	-2 345	-1 970
Personnel costs	5	-267 451	-197 001	0	0
Depreciation and write down of tangible and intangible assets		-9 782	-5 144	-321	-319
Shares in profits of associated companies		1 017	1 925	-831	432
Operating profit/loss		30 084	18 774	-1 632	-430
Financial income	6	379	746	3 563	540
Financial costs		-601	-346	-236	-674
Profit after financial items		29 862	19 174	1 695	-564
Appropriations	7	0	0	-1 981	-1 710
Tax on profit for the year	8	-9 336	-5 835	836	775
PROFIT FOR THE YEAR		20 526	13 339	550	-1 499
Share data					
Earnings per share, SEK		10,38	7,33		
Earnings per share after dilution, SEK		10,38	7,33		
Number of shares		1 974 975	1 814 000		
Number of shares after dilution		1 974 975	1 814 000		
Dividend per share (2005, proposed dividend), SEK		5,00	2,50		



Balance Sheets per 31 December

ASSETS					
SEK 000		The Group		The Parent Company	
	Note	2005-12-31	2004-12-31	2005-12-31	2004-12-31
	1				
Fixed assets					
Intangible assets					
Expenditure for software development brought forward	9	40	80	0	0
Software	10	5 167	2 763	0	0
Goodwill	11	61 725	14 545	280	420
Total intangible fixed assets		66 932	17 388	280	420
Tangible fixed assets					
Buildings and land	12	17 512	19 868	5 433	5 458
Equipment, tools and installations	13	25 493	8 260	120	180
Total tangible assets		43 005	28 128	5 553	5 638
Financial fixed assets					
Shares in Group companies	14	0	0	86 241	44 531
Shares in associated companies	15	0	10 563	0	10 475
Other long-term receivables		372	323	0	33
Total financial fixed assets		372	10 886	86 241	55 039
Total fixed assets		110 309	56 402	92 074	61 097
Current assets					
Accounts receivable		73 429	44 049	220	260
Receivables from Group companies		0	0	21 429	0
Receivables from associated companies		179	436	101	432
Other receivables		7 404	2 231	0	0
Prepaid expenses and accrued income	16	45 214	30 696	94	140
Total current receivables		126 226	77 412	21 844	832
Current investments					
Other current investments		195	200	0	0
Total current investments		195	200	0	0
Liquid assets					
Total current assets		12 050	5 707	0	0
Total current assets		138 471	83 319	21 844	832
TOTAL ASSETS		248 780	139 721	113 918	61 929

Balance Sheets per 31 December

SHAREHOLDERS' EQUITY AND LIABILITIES					
SEK 000		The Group		The Parent Company	
	Note	2005-12-31	2004-12-31	2005-12-31	2004-12-31
	1				
Shareholders' equity					
Share capital, 2,135,951 (1,814,000) shares		21 360	18 140	21 360	18 140
Reserves		0	0	29 531	4 418
Other capital contributions		27 564	2 452	0	0
Profit brought forward		68 026	52 034	21 407	18 192
Total shareholders' equity		116 950	72 626	72 298	40 750
Untaxed reserves					
	17	0	0	7 841	5 860
Long-term liabilities					
Liabilities to credit institutions	18	14 813	6 526	5 200	5 200
Deferred tax	8	8 446	10 150	0	0
Other liabilities		6 698	4 572	3 472	3 472
Total long-term liabilities		29 957	21 248	8 672	8 672
Current liabilities					
Liabilities to credit institutions		5 237	100	0	0
Bank overdraft facilities (limit SEK 15 m and SEK 25 m respectively)		12 832	5 873	23 154	948
Accounts payable		17 287	7 611	203	97
Liabilities to Group companies		0	0	0	4 213
Tax liabilities		2 388	1 623	1 089	1 010
Other liabilities		21 701	9 011	207	28
Accrued expenses and prepaid income	19	42 428	21 629	454	351
Total current liabilities		101 873	45 847	25 107	6 647
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		248 780	139 721	113 918	61 929
MEMORANDUM ITEMS					
		2005-12-31	2004-12-31	2005-12-31	2004-12-31
Pledged assets	20	21 370	21 200	32 813	33 358
Contingent liabilities		0	0	0	0

Changes in equity

The Group acc to IFRS

SEK 000	Share Capital	Other contr. capital	Translation reserve	Profit brought forward	Total
2004					
Balance at start of the year	18 140	2 452		41 397	61 989
New share issue					0
Translation difference, etc			19		19
Dividend				-2 721	-2 721
Profit for the year				13 339	13 339
Balance at year-end	18 140	2 452	19	52 015	72 626

SEK 000	Share Capital	Other contr. capital	Translation reserve	Profit brought forward	Total
2005					
Balance at start of the year	18 140	2 452	19	52 015	72 626
New share issue	3 220	25 112		0	28 332
Translation difference, etc			1		1
Dividend				-4 535	-4 535
Profit for the year				20 526	20 526
Balance at year-end	21 360	27 564	20	68 006	116 950

The Parent Company acc to the Swedish Financial Accounting Standards Council

SEK 000	Share Capital	Premium fund	Reserves	Non restric. equity	Total
2004					
Balance at start of the year	18 140	2 452	1 626	15 552	37 770
New share issue					0
Appropriation of profits as per decision at AGM			340	-340	0
Merger difference					0
Dividend				-2 721	-2 721
Group contribution received				7 200	7 200
Profit for the year				-1 499	-1 499
Balance at year-end	18 140	2 452	1 966	18 192	40 750

SEK 000	Share Capital	Premium fund	Reserves	Non restric. equity	Total
2005					
Balance at start of the year	18 140	2 452	1 966	18 192	40 750
New share issue*	3 220	25 113			28 333
Appropriation of profits as per decision at AGM					0
Dividend				-4 535	-4 535
Group contribution received				7 200	7 200
Reclassification premium fund		-27 565	27 565		0
Profit for the year				550	550
Balance at year-end	21 360	0	29 531	21 407	72 298

* Non-cash issue in conjunction with the acquisition of Rejlers Invest Oy. 321,951 Class B shares issued.

Cash flow statement

SEK 000	The Group		The Parent Company	
	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Funds provided				
Current activities				
Profit after financial items	29 862	19 174	1 695	-563
Adjustment for items not included in the cash flow				
Depreciation, write downs, dissolution of negative goodwill	9 743	5 147	321	319
Total	39 605	24 321	2 016	-244
Tax paid	-8 506	-3 718	836	774
Cash flow from the year's operations before changes in operating capital	31 099	20 603	2 852	530
Changes in operating capital				
Increase/decrease in current liabilities	-31 033	-11 233	-21 012	-24
Increase/decrease in accounts payable	8 462	1 192	106	80
Increase/decrease in other current liabilities	11 648	5 918	18 354	3 088
Cash flow from current activities	20 176	16 480	300	3 674
Investment activities				
Acquisition of subsidiaries	-36 759	-8 918	-31 202	-10 974
Conditional part of acquisition		3 472		
Acquisition of associated companies	10 563			
Acquisition of equipment	-8 571	-4 383	-95	
Acquisition of intangible assets	-5 762	-1 700		
Cash flow from investment activities	-40 529	-11 529	-31 297	-10 974
Financing activities				
New share issue	28 332		28 332	
Loans raised	2 887			2 815
Long-term receivables/liabilities				6
Amortisation of liability		-807		
Group contributions (after tax)			7 200	7 200
Dividends paid	-4 535	-2 771	-4 535	-2 721
Cash flow from financing activities	26 684	-3 578	30 997	7 300
Increase/decrease in liquid assets	6 331	1 373	0	0
Liquid assets at the start of the year	5 899	4 526	0	0
Liquid assets at the end of the year	12 230	5 899	0	0

Accounting principles and notes

ACCOUNTING PRINCIPLES

Grounds for accounting

As of financial year 2005, Rejlers prepares its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS). In accordance with the transition rules, the figures for the comparative year 2004 are reported in accordance with IFRS. The parent company's annual accounts have been prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council.

Consolidated accounts

The consolidated income statements and balance sheets cover all companies in which the Parent Company holds, directly or indirectly, the majority of the shares' voting rights, and companies in which the Group in some other way has a controlling influence and a more considerable proportion of the profit from their activities.

These consolidated accounts have been prepared in accordance with the purchase method. The acquired companies' assets, liabilities and commitments are valued at actual value according to IFRS 3. The difference between actual value and acquisition value is reported as goodwill. If the acquisition value is less than the actual value, the difference is reported in the income statement under the heading other profits. For acquisitions with additional purchase price, the probably result of the additional purchase price is calculated. When the definite purchase price is determined, an adjustment of the acquisition value is made when needed. The liability for the additional purchase price is reported as current liability and long-term liability respectively. Untaxed reserves reported for the individual Group companies are divided in the consolidated balance sheet in a capital item and a tax item. The capital item is reported in profit brought forward. The tax item is reported under long-term liabilities.

Associated companies

Associated companies are reported in accordance with the equity method.

Segment reports

The Rejler Group has a primary segment comprised of engineering consultancy activities. Income and costs from energy services are reported as engineering consultancy activities since these service only constitute 6% of the Group's total income.

Income and operating profit related to the business in Finland is reported under the five-year review.

Translation of foreign subsidiaries' income statements and balance sheets

The current rate method was applied in translating foreign subsidiaries' income statements and balance sheets to Swedish krona. All assets and liabilities in the subsidiaries' balance sheets are thereby translated at closing-day rate and all items in the income statement are translated at the average rate for the year. Any translation differences are carried directly to shareholders' equity.

Intangible assets and tangible fixed assets

The most important effects that arise for the Group in connection with the transition to IFRS relate to depreciation of goodwill. Since Rejlers' acquisitions normally relate to knowledge-based companies in which the primary asset consists of customer relations and acquired expertise, the surplus value in the acquisition analysis are classified as customer value and goodwill. Customer value is divided mainly into customer relations and future profit on the order book at the time of acquisition. The profit on the acquired company's order book are not considered significant.

The IFRS rules stipulate that goodwill must not be regularly depreciated, but that the values must be reviewed regularly, and at least once a year. IFRS 3 has been applied for the acquisition of subsidiaries after 1 January 2004. The company has not utilised retroactive applications for acquisitions prior to this date. The company has conducted write-down tests and applies a discount rate of an average 12%. These tests have not indicated a need to write down the value of goodwill.

Expenses for software development and software are written off according to plan at 20-33% per year. R&D costs are not considered significant and are therefore booked as they occur.

Tangible fixed assets are written off according to plan:

Buildings	2%
Computer equipment	33%
Equipment, tools and installationer	20%

Assets and liabilities have been valued at acquisition value unless otherwise stated in the following notes.

Leasing

Leasing of assets that constitute financial leasing are reported as fixed assets and financial liabilities. Depreciation follows the same principles as for other assets of the same type.

Leasing of assets that constitute operating leasing are booked linearly over the leasing period. Leasing contracts for cars are classified as financial leasing as of 2005.

Recalculation for 2004 has not been carried out since the effect on profit is considered insignificant.

Income, projects in progress

Valuation of projects in progress is done according to the percentage of completion method. This means that earned income is taken into account and valued in the income statement even if invoicing has not been made. Fees for earned but not invoiced work are recorded in the balance sheet as current account assignments as well as fixed price assignments which have been valued at the invoicing price after deduction of any loss risks and advance payments. Projects in progress are reported in the balance sheet under accrued income.

Taxes

Taxes are comprised of current taxes and deferred taxes.

Current tax is the tax to be paid or received for the year according to the tax rates that apply on closing day.

Deferred tax is calculated according to the balance sheet method on the basis of temporary differences between the reported and fiscal value of assets and liabilities.

Deferred tax claims for deductible temporary differences and deficit deductions are reported only if it probable that these can be utilised in future.

Remuneration to employees

Pensions

Rejlers primarily has defined-benefit pension schemes in accordance with the ITP plan secured via payments to Alecta. Alecta has not been able to provide the necessary information to report the ITP plan as a defined-benefit plan which means it is reported as a defined contribution plan until further notice.

Defined contribution plans are reported as a cost in the income state as it occurs.

The pension commitment is reported in the balance sheet for a person. The allocation amounts to a fixed amounts.

Transactions with close relatives

The Rejler Group has signed a management agreement with Rejlers Fastighets AB Mjölner in which the Rejler family is the principal owner. The contract was agreed on market rate terms and is work a management revenue of about SEK 0.9 million. No other transaction exist except for normal employment remuneration.

Cash flow statement

The cash flow statement is prepared using the indirect method. Liquid funds refer to cash and bank balances as well as current investments with a duration from the time of purchase less than three months that are exposed to insignificant risk for value fluctuation.

Other

Receivables are reported as the amount at which it is expected they will be received. Receivables and liabilities in foreign currencies have been translated into Swedish kronor at the closing day rate. The difference between acquisition value and the value on closing day has been taken up as income. Because the Group has a marginal foreign currency flow, there was no hedging on the closing date.

NOTE 1 TRANSITION TO IFRS

As of financial year 2005, Rejlers prepares its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS). In accordance with the transition rules, the comparison year 2004 must also be reported in accordance with IFRS, which means an opening balance per 1 January 2004 must be drawn up.

Recalculation of comparison figures for 2004 in conjunction with the transition to IFRS is reported in the tables below with an explanation in each note respectively.

Income Statement 2004 SEK m	Note	Acc to previous accounting rules	effect of transition to IFRS	acc to IFRS
Income		294,3		294,3
Personnel costs	3	-197,1	0,1	-197,0
Other external costs		-75,3		-75,3
Depreciation	1	-7,5	2,3	-5,2
Items affecting comparability				0,0
Shares in associated companies		1,9		1,9
Operating profit/loss		16,3	2,4	18,7
Financial income		0,7		0,7
Financial expenses		-0,3		-0,3
Net financial items		0,4		0,4
Profit after net financial items		16,7	2,4	19,1
Tax		-5,8		-5,8
Profit for the year		10,9	2,4	13,3

Balance sheets, SEK m 01-01-2004	Note	Acc to previous accounting rules	effect of transition to IFRS	acc to IFRS
Intangible assets		9,9		9,9
Tangible assets		26,4		26,4
Financial assets		11,1		11,1
Current receivables		66,3		66,3
Liquid assets		4,8		4,8
Total assets		118,5	0	118,5
Shareholders' equity	1,3,4	63,2	-1,2	62,0
Provisions	2	9,2	-9,2	0,0
Long-term liabilities	2,3	13,2	10,3	23,5
Current liabilities	3	32,9	0,1	33,0
Total liabilities and shareholders' equity		118,5	0,00	118,5

Balance sheets, SEK m 2004-12-31	Note	Acc to previous accounting rules	effect of transition to IFRS	acc to IFRS
Intangible assets	1	15,1	2,3	17,4
Tangible assets		28,1		28,1
Financial assets		11,0		11,0
Current receivables		77,4		77,4
Liquid assets		5,9		5,9
Total assets		137,5	2,3	139,7
Shareholders' equity	1,3,4	70,2	2,4	72,6
Provisions	2	10,1	-10,1	0,0
Long-term liabilities	2,3	11,1	10	21,1
Current liabilities	3	46,1		46,1
Total liabilities and shareholders' equity		137,5	2,3	139,7

1 Goodwill

The IFRS rules stipulate that goodwill must not be regularly depreciated, but that the values must be reviewed annually or more frequently if so justified. The effect on profit refers to reversal of depreciation.

2 Provisions

IFRS does not stipulate provisions as a separate heading, but instead refers to current and long-term liabilities. For Rejlers, the provisions refer to deferred tax and are reported as long-term liabilities.

3 Pension commitment

This was previously reported as contingent liability. The sum as per 1 January 2004 amounted to SEK 1.2 million, of which SEK 1.1 million is reported under long-term liabilities and SEK 0.1 million under current liabilities.

4 Shareholders' equity

Changes in shareholders' equity, SEK m	2004-01-01	2004-12-31
Shareholders' equity acc to previous laws and recommendations	63,2	70,2
Reversal depreciation goodwill		2,3
Pension commitment	-1,2	0,1
Shareholders' equity at year-end	62,0	72,6

IFRS impact on key figures 2004

	Acc to previous accounting rules	Effect of transition to IFRS	AccIFRS
Operating margin	5,5	0,9	6,4
Profit margin	5,7	0,8	6,5
Return on equity	16,2	3,4	19,6
Equity/assets ratio	51,9	0	51,9
Equity per share	39,36	0,66	40,02

NOTE 2 NET TURNOVER PER CUSTOMER GROUP

Net turnover is distributed among the customer groups as follows: SEK 000	The Group	
	2005	2004
Industry	162 000	111 800
Energy	113 050	70 600
Infrastructure	93 000	73 600
Construction and property	50 050	38 300
Total	418 100	294 300

NOTE 3 INFORMATION CONCERNING PURCHASES AND SALES WITHIN THE SAME GROUP, ETC.

Purchases and sales between Group companies	The Group		The Parent Company	
	2005	2004	2005	2004
Purchases (as % of total gross turnover)	1,7	1,3	10,0	8,7
Sales (as % of total gross turnover)	1,7	1,3	75,4	44,0

NOTE 4 AUDITORS' FEES

Deloitte & Touche AB	The Group		The Parent Company	
	2005	2004	2005	2004
Audit fees, SEK 000	375		140	
Fees for other assignments, SEK 000	58		22	
Group, total	433		162	

Audit assignments refer to the reviewing the annual report, the accounts and the administration by the Board of Directors and Managing Director. Auditing assignments also include what the company's auditors are required to perform, advise on or other contributions resulting from observations made during this auditing work or while carrying out these assignments.. Other assignments refer to all other activities.

NOTE 5 EMPLOYEES

Average number of full-time employees	2005	2004
The Parent Company		
Sweden	0	0
Total in Parent Company	0	0

Subsidiaries

Sweden	422	363
Finland	83	
Denmark	3	2
Estonia	6	6
Total in subsidiaries	514	371
Total in the Group	514	371
of which female employees	80	63

	2005	2004
	The Group	The Group
Distribution senior managers as per closing date		
Women:		
Board members	1	1
other members of company management including MD	1	0
Men:		
Board members	17	13
other members of company management including MD	3	3
Total	22	17

Sick leave

Sick leave in % of normal work hours

Sick leave, all employees	2,5%	3,3%
Share of long-term sick leave	1,3%	1,7%
Sick leave, women	5,2%	7,0%
Sick leave, men	2,2%	2,7%
Sick leave, employees 29 and younger	0,9%	1,5%
Sick leave, employees aged 30-49	1,9%	2,5%
Sick leave, employees older than 50	5,4%	5,9%

	2005		2004	
	Salaries and other remuneration	Payroll overh. (of which pension costs)	Salaries and other remuneration	Payroll overh. (of which pension costs)
Salaries and other remuneration SEK 000				
The Parent Company	0	0 (0)	0	0 (0)
Subsidiaries	177 631	80 509 (22 598)	130 164	47 057 (13 572)
GroupThe Group, total	177 631	80 509 (22 598)	130 164	47 057 (13 572)

	2005		2004	
	The Board and MD (of which bonuses, etc)	Other employees	The Board and MD (of which bonuses, etc)	Other employees
Salaries and other remuneration distributed per country and between Board members, other and employees, SEK 000				
Total in Parent Company	0 (0)	0	0 (0)	0
Subsidiaries in Sweden	6 905 (1 192)	144 527	2 460 (394)	126 276
Subsidiaries outside Sweden				
Finland	1 186 (65)	22 900	0 (0)	0
Denmark	0 (0)	1 390	0 (0)	1 018
Estonia	0 (0)	723	0 (0)	410
Total in subsidiaries	8 091 (1 257)	169 540	2 460 (394)	127 704
The Group, total	8 091 (1 257)	169 540	2 460 (394)	127 704

Of the Parent Company's pension expenses, SEK 0 thousand (SEK 0 thousand) refers to the Group's Board of Directors and MD. The company's outstanding pension commitments to these individuals amounts to SEK 0 (SEK 0).

Of the Group's pension expenses, SEK 1,570 thousand (347) refers to the Group's Board of Directors and MD. The company's outstanding pension commitments to these individuals amounts to SEK 0 (0).

Remuneration to the Board of Directors is made in accordance the AGM's resolution. In 2005 fees to the Board amounted to SEK 250 thousand (150), of which SEK 100 thousand (0) was paid to the Chairman. The Vice Chairman has also received salary of SEK 422 thousand from a subsidiary.

The MD and Board members of the Parent Company, and also MDs of subsidiaries received a total of SEK 1,619 thousand (1,066).

Remuneration to the MD and other senior managers consist of basic salary, benefits, pensions and variable remuneration based on the company's profits. Variable remuneration is maximised at between 20-70 per cent of annual salary. Remuneration to the other members of Group management in 2005 amounted to SEK 4,034 thousand (2,848).. There are no special agreement with regard to severance pay for the MD and other senior managers.

The Chairman of the Board has the task of negotiating with the MD and contracting the MD's salary. The MD is in charge of negotiating and contracting remuneration with other senior managers.

NOTE 6 FINANCIAL INCOME

SEK 000	The Group		The Parent Company	
	2005	2004	2005	2004
Dividends	0	0	3 560	538
Interest	379	746	3	2
Total	379	746	3 563	540

Dividends refer to dividends from subsidiaries. There are no other internal Group financial items.

NOTE 7 YEAR-END APPROPRIATIONS

SEK 000	The Parent Company	
	2005	2004
Changes in tax allocation reserve	-1 981	-1 710
Total	-1 981	-1 710

NOTE 8 TAX.

SEK 000	The Group		The Parent Company	
	2005	2004	2005	2004
The following components are included in the tax cost:				
Current tax	7 359	4 346	1 965	2 025
Current tax relating to Group contributions			-2 800	-2 800
Deferred tax referring to:				
Other	1 977	1 489		
Reported tax	9 336	5 835	-835	-775
Reported profit before tax	29 862	16 743	-285	-2 274
Tax as per current tax rate	8 220	4 688	-80	-637
Tax effect from:				
Adjustment of tax previous year	209	-229	196	-197
Non-deductible expenses	910	800	47	209
Non-taxable income	-3	-315	-998	-150
Group contributions			-2 800	-2 800
Other expenses reported directly against equity			2 800	2 800
Deferred tax		891		
Reported tax	9 336	5 835	-835	-775

Deferred tax receivables and tax liabilities	The Group	
	2005	2004
Deferred tax receivable for tax loss	3 416	0
Total deferred tax receivables	3 416	0
Deferred tax item in the company reported untaxed reserves	-8 580	-6 796
Deferred tax in fixed assets	-3 282	-3 354
Total deferred tax	-11 862	-10 150
Total deferred tax, net	-8 446	-10 150

NOTE 9 SOFTWARE DEVELOPMENT EXPENDITURE CARRIED FORWARD

SEK 000	The Group	
	2005-12-31	2004-12-31
Acquisition value, opening balance	520	520
Purchases		
Accumulated acquisition values, closing balance	520	520
Depreciation according to plan, opening balance	-440	-400
Depreciation for the year according to plan	-40	-40
Accumulated depreciation according to plan, closing balance	-480	-440
Residual value according to plan, closing balance	40	80

NOTE 10 SOFTWARE

SEK 000	Group.	
	2005-12-31	2004-12-31
Acquisition value, opening balance	6 732	5 032
Acquisition of subsidiaries	6 826	
Purchases	3 533	1 700
Sales/discards	-480	
Accumulated acquisition values, closing balance	16 611	6 732
Acquisition of subsidiaries	-5 631	
Depreciation according to plan, opening balance	-3 968	-2 401
Sales/discards	402	
Depreciation for the year according to plan	-2 247	-1 567
Accumulated depreciation according to plan, closing balance	-11 444	-3 968
Residual value according to plan, closing balance	5 167	2 764

NOTE 11 GOODWILL

SEK 000	The Group		The Parent Company	
	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Acquisition value, opening balance	14 545	7 109	1 260	1 260
Purchases*	47 180	7 436	0	0
Accumulated acquisition values, closing balance	61 725	14 545	1 260	1 260
Depreciation according to plan, opening balance	0		-840	-700
Depreciation for the year according to plan	0	0	-140	-140
Accumulated depreciation according to plan, closing balance	0	0	-980	-840
Residual value according to plan, closing balance	61 725	14 545	280	420

*) Of which customer value amounts to about SEK 10,000 (2,000).

Acquisition value, opening balance has been reported net against booked depreciations according to plan up to and including 2003.

NOTE 12 BUILDINGS AND LAND

SEK 000	The Group		The Parent Company	
	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Acquisition value, opening balance	26 883	26 883	7 082	7 082
Purchases	94		94	
Accumulated acquisition values, closing balance	26 977	26 883	7 176	7 082
Depreciation according to plan, opening balance	-7 015	-6 566	-1 624	-1 505
Write downs	-2 000			
Depreciation for the year according to plan	-450	-449	-119	-119
Accumulated depreciation according to plan, closing balance	-9 465	-7 015	-1 743	-1 624
Residual value according to plan, closing balance	17 512	19 868	5 433	5 458
Values assessed for tax purposes				
Buildings	9 553	9 553	7 245	7 245
Land	2 523	2 523	2 129	2 129
	12 076	12 076	9 374	9 374

Property that was previously business property but has been reclassified during the year as management property has been written down.

NOTE 13 EQUIPMENT AND TOOLS

SEK 000	The Group		The Parent Company	
	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Acquisition value, opening balance	25 307	20 458	300	
Acquisition of subsidiaries	25 607			
Purchases	9 803	5 158		300
Acquisition value, leased equipment	13 433			
Sales/discards	-3 881	-309		
Accumulated acquisition values, closing balance	70 269	25 307	300	300
Depreciation according to plan, opening balance	-17 047	-14 268	-120	-60
Acquisition of subsidiaries	-21 654			
Depreciation leased equipment	-4 036			
Sales/discards	3 717	296		
Depreciation for the year according to plan	-5 756	-3 075	-60	-60
Accumulated depreciation according to plan, closing balance	-44 776	-17 047	-180	-120
Residual value according to plan, closing balance	25 493	8 260	120	180

The company has operating leasing contracts for an acquisition value of SEK 6.7 million (5.9).

The annual costs for these contracts amount to SEK 2.2 million (SEK 1.9 million).

NOTE 14 SHARES IN GROUP COMPANIES

Company name	SEK 000	Corp. Reg. No.	Registered Office	Equity	Profit after tax
Rejlers Ingenjörer AB		556051-0272	Stockholm	28 287	8 593
Rejlers Invest Oy		1505468-5	Finland	22 403	5 220
Repow AB		556533-6442	Växjö	1 988	110
Svenska Energihuset AB		556363-9243	Växjö	4 686	1 440
ComIT Rejlers AB		556370-3452	Stockholm	584	-46
Rejlers Energitjänster AB		556583-1822	Stockholm	4 193	2 224
ISTA Sverige AB (undergoing name change)		556520-6850	Sundbyberg	14 746	
Rejlers OÜ		10915410	Estonia	234	-365
BC Teknikkonsult AB		556638-5703	Västerås	532	122
Rejlers International AB		556413-1752	Stockholm	1 160	304

Company name	SEK 000	Holding		Value of holding
		No. of shares	Participation, %	Book value
Rejlers Ingenjörer AB		15 000	100,0%	28 280
Rejlers Invest Oy		1 450	100,0%	39 574
Repow (Svenska Energihuset)		1 000	100,0%	11 470
ComIT Rejlers AB		1 000	100,0%	2 050
Rejlers Energitjänster AB		1 000	100,0%	100
Rejlers OÜ		1	100,0%	993
BC Teknikkonsult AB		1 000	100,0%	1 247
Rejlers International AB		2 000	100,0%	2 527
Total				86 241

NOTE 15 SHARES IN ASSOCIATED COMPANIES (APPLIES BOTH TO THE GROUP AND PARENT COMPANY)

Company name	Corp. Reg. No.	Registered Office			
Mirakelbolaget HB	916411-2725	Växjö			
Holding (for Group)					
Company name	No. of shares		Participation, %	Book value	Shareholders'
equity					
Mirakelbolaget HB	1	50		0	0
Total	1	50		0	0

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

SEK 000	The Group	
	2005-12-31	2004-12-31
Prepaid rents	2 952	2 352
Accrued leasing fees	471	295
Accrued income	39 251	25 915
Other items	2 540	2 134
Total	45 214	30 696

NOTE 17 UNTAXED RESERVES

SEK 000	The Parent Company	
	2005-12-31	2004-12-31
Tax allocation reserve tax 00	0	19
Tax allocation reserve tax 01	755	755
Tax allocation reserve tax 02	1 099	1 099
Tax allocation reserve tax 03	649	649
Tax allocation reserve tax 04	928	928
Tax allocation reserve tax 05	2 410	2 410
Tax allocation reserve tax 06	2 000	0
Total	7 841	5 860

NOTE 18 DUE DATES OF LIABILITY ITEMS

Long-term liabilities which fall due for payment later than five years after closing date SEK 000	The Group		The Parent Company	
	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Liabilities to credit institutions	6 025	6 125	5 200	5 200
Total	6 025	6 125	5 200	5 200

NOTE 19 ACCRUED EXPENSES AND DEFERRED INCOME

SEK 000	The Group		The Parent Company	
	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Accrued holiday pay	19 893	7 000	0	0
Accrued payroll overheads	15 832	6 853	0	0
Other items	6 703	7 776	454	351
Total	42 428	21 629	454	351

NOTE 20 PLEDGED ASSETS

SEK 000	The Group		The Parent Company	
	2005-12-31	2004-12-31	2005-12-31	2004-12-31
Bank overdraft facilities				
Chattel mortgages	9 000	9 000	0	0
Liabilities to credit institutions				
Mortgage on property	12 200	12 200	10 200	10 200
Advance from customers				
Bank guarantee	170	0	0	0
Shares				
Net assets/shares in subsidiaries and in associated companies	0	0	22 613	23 158
Total	21 370	21 200	32 813	33 358

The parent company has pledged assets in the form of generally unlimited surety bonds to the benefit of Rejlers Ingenjörer AB.

Proposed appropriation of profits

For financial year 2005, the Board of Directors and Managing Director propose a SEK 5.00 (2.50) per share dividend to the shareholders.

The Board's long-term dividend policy is that about 30 per cent of the year's profit after tax be distributed to the shareholders. The proposed dividend corresponds to 52 per cent of the year's profit after tax. The Board deems the dividend as reasonable given the requirements that the nature of the business makes on financing with shareholders' equity and the capacity to fulfill the Group's commitments, both in the short and long term.

The Parent Company

Non-restricted equity in the Parent company amounts to SEK 21,407,200 SEK

The Board and the Managing Director this sum be appropriated as follows:

distribution to shareholders	SEK 10,679,755
to be carried forward to new account	SEK 10,727,445

Stockholm, 3 April 2006

Lars V. Kylberg
Chairman

Jan Rejler

Lauri Valkonen

Åsa Landén Ericsson

Olof G Wikström

Björn Lauber

Hubert Johansson

Peter Rejler
Managing Director and CEO

Our auditor's report was presented on 7 April 2006

Deloitte AB

Gunnar Abrahamson
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of Rejlerkoncernen AB (publ).

Corporate Reg. No. 556349-8426

We have audited the annual report, the consolidated financial statements, the accounting records and the administration of the Board of Directors and the Managing Director of Rejlerkoncernen AB (publ) for financial year 2005. The Board and the Managing Director are responsible for the accounting records and the administration of the company, as well as for the application of the International Financial Reporting Standards (IFRS) as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion the annual accounts, the consolidated financial statements and the administration of the company based on our audit.

The audit has been conducted in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board and the Managing Director, as well as evaluating the significant assessments made by the Board and the Managing Director when preparing the annual accounts and consolidated financial statements, as well as evaluating the overall presentation of information in the

annual accounts and consolidated financial statements. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, of any Board member or the Managing Director to the company. We have also examined whether any Board member or the Managing Director has performed any other act in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the company's Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act, and thus provide a fair and true view of the company's results and financial position in accordance with generally accepted accounting standards in Sweden. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act and provide a fair and true view of the Group's results and financial position. The Directors' Report is in accordance with the annual accounts and other parts of the consolidated accounts.

We recommend that the Annual General Meeting adopt the income statements and balance sheets for the Parent Company and the Group, appropriate the profit of the Parent Company in accordance with the proposal in the Directors' Report and discharge the Managing Director and members of the Board from liability for the financial year.

Stockholm, 7 April 2006
Deloitte AB

Gunnar Abrahamson
Authorised Public Accountant

Ownership structure

In conjunction with the acquisition of Rejlers Invest Oy in 2005, 321,951 Class B shares were issued.

The share capital after the new issue amounts to SEK 21,351,951, distributed among 2,135,951 shares. The shares are divided into 261,000 Class A shares with one vote each and 1,874,951 Class B shares with 0.1 vote each. Each shareholder who is entitled to vote may vote with the full

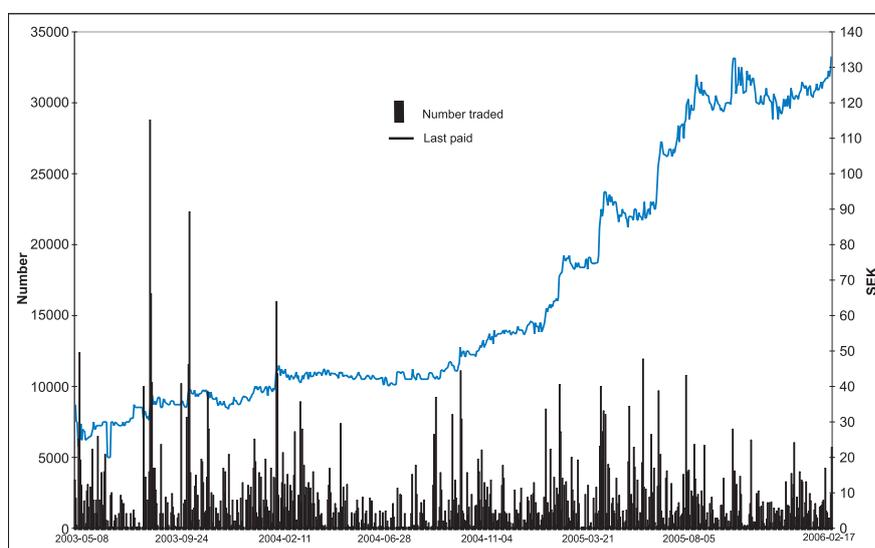
number of votes he or she owns and represents in shares, without limitation as to voting rights. Each share has equal right to shares in the company's assets and profits.

The share was listed on the Nordic Growth Market, NGM, on 8 May 2003. The share price was SEK 122 per share at the close of 2005, an increase of 126 per cent during the year.

The company has about 700 Class B shareholders.

Share trend

2003 05 08 - 2006 02 17



Corporate governance

The Annual General Meeting elects the Board of Rejlerkoncernen AB. The Board's work in the Rejler Group is regulated by the Swedish Companies Act, Articles of Association and the Board's rules of procedure.

The company does not comply with the Swedish Code of Corporate Governance since Rejlers is presently not so required. The task of identifying which changes are required in order to comply with the code in full has however begun.

Board of Directors

Rejlers' Board of Directors is comprised of six Board members and two employee representatives. The Managing Director is a member of the Board.

The Board shall in line with the Articles of Association consist of at least three and at most nine members, and no more than five deputies.

During the year, the Board held eight Board meetings in addition to the statutory Board meeting following election. At these meetings, the Board has dealt with matters in accordance with the rules of procedure, such as market trends, strategies, financing, earning trends, personnel issues, budget, interim reports and annual accounts.

The Annual General Meeting determines remuneration to the Board, which amounted to SEK 250,000 in 2005.

The auditor attended one board meeting in 2005.

Annual General Meeting

The Annual General Meeting is the highest decision-making body through which the shareholders exercise their influence over and elect the Board of Rejlerkoncernen AB. The Articles of Association regulate the areas to be addressed by the Annual General Meeting. In addition to the election of the Board, this includes adoption of the income statement and balance sheets, resolution to discharge the Board from liability and the election of auditors. The company auditor is elected for a four-year term. The coming Annual General Meeting will be held in Stockholm on 27 April 2006.

Shareholder agreement

There is an agreement between Jan Rejler, Peter Rejler, Lisa Rejler, Martina Rejler and Lars Kylberg regarding

pre-emption rights of the shares of the others if one of them wishes to sell all or part of his or her shareholding. Apart from this, as far as the Board is aware, there exists no other agreement between the company's shareholders with regard to limitations of ownership of shares or other coordination agreements.

Dividend policy

To ensure the possibility of continued growth, the Board strives to maintain a strong balance sheet and stable finances. Under these conditions, the long-term goal is to distribute one third of the company's profit on average, after tax. The dividend proposed by the Board for 2005 is just over 50 per cent of profit after tax.

Development of share capital

2003 - 2006

Year	Transaction	Increase of share capital	Total share capital	Increase of shares	Total shares
2003	New share issue ¹⁾	1 090 000	18 140 000	109 000	1 814 000
2005	New share issue ²⁾	3 219 510	21 359 510	321 951	2 135 951
2006	Split ³⁾	-	21 359 510	8 543 804	10 679 755
2006	New share issue ⁴⁾	142 040	21 501 550	71 020	10 750 775

1) New share issue backed by warrants. Only Class B shares were issued.
2) Non-cash issue in conjunction with the acquisition of Rejlers Invest Oy. Only Class B shares were issued.
3) The Board's proposal to the 2006 AGM.
4) The Board's proposal to the 2006 AGM.
Refers to new share issue through setoff of additional purchase price. Only Class B shares will be issued.

Ownership

As of 31 December 2005

Owner	No. of Class		Per cent of votes	Per cent of capital
	A shares	B shares		
Peter Rejler	189 000	25 340	42,71	10,03
Lisa Rejler	1 750	180 750	4,42	8,54
Martina Rejler	1 750	164 250	4,05	7,77
Jan Rejler	0	163 650	3,65	7,66
Lars Kylberg indirect ownership	52 500	87 500	13,66	6,55
Lauri Valkonen	0	130 002	2,90	6,09
Heikki Kilpeläinen	0	102 557	2,29	4,80
Cintura AB	0	60 740	1,35	2,84
Anders Almén	3 000	43 600	1,64	2,18
Other	5 500	738 680	19,1	41,0
Total	261 000	1 874 951	100,0	100,0

Distribution of shareholdings

As of 3 December 2005

No. of shares	No. of owners	Per cent of capital	Per cent of votes
0-500	403	4,02	2,01
501-1000	113	4,70	2,24
1001-2000	64	4,60	2,24
2001-5000	64	9,25	4,61
5001-10000	10	3,77	2,30
10001-	27	73,66	86,60
Total	681	100	100

Board of Directors



Jan Rejler

Vice Chairman.
Born 1939.
Board Member since 1989.
Shareholding A: -
Shareholding B: 163 650

Olof G Wikström

Born 1937.
Board Member since 1992.
Shareholding A: -
Shareholding B: 3 000

Lars V. Kylberg

Chairman.
Born 1940.
Board Member since 1993.
Chairman of Morgan Crucibel (UK).
Vice Chairman of Vasakronan AB and Civitas AB.
Board Member of IBS AB and Generics Group AG.
Shareholding A: 52 500
Shareholding B: 87 500

Hubert Johansson

Employee representative
Born 1942.
Board Member since 1982.
Shareholding A: -
Shareholding B: -

Björn Lauber

Employee representative
Born 1965.
Board Member since 1998.
Shareholding A: -
Shareholding B: -

Lauri Valkonen

Born 1955.
Board Member since 2002.
Managing Director and CEO of Rejlers Invest Oy (Fin). Chairman of Raudus Timber Oy (Fin).
Shareholding A: -
Shareholding B: 130 002

Peter Rejler

Managing Director and CEO.
Born 1966.
Board Member since 1999.
Board Member of Rejlers Invest Oy (Fin) and Mirakelbolaget HB.
Shareholding A: 189 000
Shareholding B: 25 340

Åsa Landén Ericsson

Born 1965.
Board Member since 2003.
Investment Manager with Catella Holding AB
Member of the Boards of ENEA AB and Tasteline Sweden AB
Shareholding A: -
Shareholding B: 1 500

Auditor

Deloitte AB

Gunnar Abrahamson

Authorised Public Accountant
Born 1947
Auditor of the company since 2003

Group Management



Peter Rejler
Managing Director and
CEO of the Rejler Group,
Managing Director of
Rejlers Ingenjörer AB.
Born 1966.
Employed since 1998.
Shareholding A: 189 000
Shareholding B: 25 340



Anders Almén
Deputy Managing Direc-
tor and Deputy CEO
Born 1960.
Employed since 1993.
Shareholding A: 3 000
Shareholding B: 43 600



Kjell Sandin
Chief Financial Officer
Born 1964.
Employed since 1996.
Shareholding A: -
Shareholding B: 18 000



Lars Wikman
Chief Technical Officer
Born 1948.
Employed since 1999.
Shareholding A: -
Shareholding B: 10 000



Jonas Nilsson
Business Developer
Born 1967.
Employed since 1999.
Shareholding A: -
Shareholding B: -2 100



Heikki Kilpeläinen
Managing Director Rejlers Oy
Born 1953.
Employed since 1999. 1996.
Shareholding A: -
Shareholding B: 102 557

Definitions

Operating margin

Operating profit/loss after depreciation in relation to income.

Profit margin

Profit after financial income and expenses in relation to income.

Return on equity

Profit/loss after tax in relation to average shareholders' equity.

Return on capital employed

Profit/loss after net financial items plus financial expenses in relation to average capital employed.

Cash liquidity

Current assets divided by current liabilities.

Equity/assets ratio

Shareholders' equity in relation to balance sheet total.

Debt/equity ratio

Interest-bearing liabilities in relation to shareholders' equity.

Interest coverage ratio

Profit/loss after net financial items plus financial expenses in relation to financial expenses.

Debiting ratio

Time that can be invoiced in relation to total attendance time.

Number of employees

Attendance and absence hours (excluding long-term absence) divided by normal hours.

Turnover per employee

Income per employee

Operating profit/loss per employee

Operating profit/loss excluding items affecting comparability per employee, average.

Earnings per share, SEK

Earnings after tax divided by total number of shares.

Equity per share

Equity divided by total number of shares.

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