



Ambea holds a leading position in health-care and care in the Nordic region.

“Time to care” forms the basis of our daily work within the Group. The focus is always on the individuals’ needs and on maximising time and resources in the personal interaction between our employees and the customer.

Annual Report 2009

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Ambea in brief

The Group is a leading private provider of healthcare and care services in the Nordic region. Ambea operates through its subsidiaries Mehiläinen in Finland, and Carema Care and Carema Healthcare in Sweden and Norway.

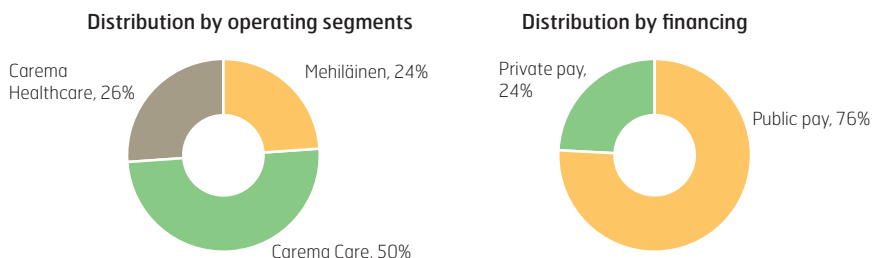
Mehiläinen is primarily active in the private pay healthcare market in Finland, while Carema Care and Carema Healthcare are active mainly in the public pay markets in Sweden and Norway.

Mehiläinen has a 100-year history of healthcare in Finland, while Carema was founded in Sweden 1996.

GROUP

- An average number of 10,300 full-time employees
- 600 units
- 5,000 clients in home care
- 5,800 care beds
- Contract portfolio value SEK 12,804 million
- 2 million physician visits
- 236,000 occupational health employee customers
- 345,000 listed primary care clients
- 12,800 elective surgery procedures

SHARE OF CONSOLIDATED NET SALES IN 2009



| Operating segments | Average number of FTE's | Sales, SEK million | EBITA, SEK million | EBITA margin, % |
|--------------------|-------------------------|--------------------|--------------------|-----------------|
| Mehiläinen | 1,714 | 1,775 | 324 | 18.2 |
| Carema Care | 7,018 | 3,666 | 268 | 7.3 |
| Carema Healthcare | 1,445 | 1,841 | 84 | 4.6 |
| Ambea | 10,300 | 7,282 | 624 | 8.6 |

HISTORIC OVERVIEW

1909
Finland

Mehiläinen was founded

1996
Sweden

Carema was founded

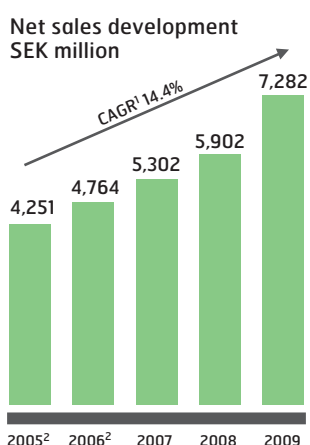
2009 in brief

- Net sales increased by 23.4 per cent to SEK 7,282.2 million (5,902.0).
- EBITA grew by 13.1 per cent amounting SEK 624.2 million (551.7).
- Operating margin impacted by costs for start-up of a large number of new operations.
- Strong growth for Carema Care and successful defence of contracts.
- Continued adaptation to Swedish customer choice reform.
- Carema organised in two separate operating segments reporting directly to Ambea Group CEO, Carema Care and Carema Healthcare, as of 1 October.
- Ann-Sofi Lodin appointed new President of Carema Healthcare.
- Start-up of operations in outpatient psychiatry in Sweden.
- Acquisition of Leivoyhtiöt with national provision of social care services in Finland.
- Mehiläinen signed a series of new contracts for occupational health, including ISS.
- Mehiläinen celebrated its 100th anniversary.

KEY FIGURES

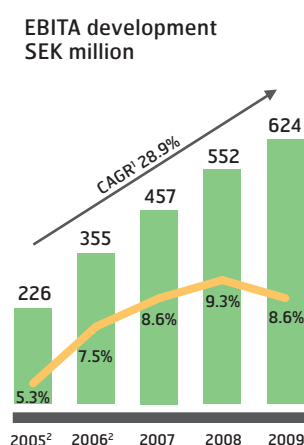
| SEK million | 2009 | 2008 |
|---|-------------|-------------|
| Net sales | 7,282.2 | 5,902.0 |
| EBITA | 624.2 | 551.7 |
| EBITA margin, % | 8.6 | 9.3 |
| Earnings before tax | 389.6 | 226.9 |
| Profit after tax, before minority share | 305.6 | 193.9 |
| Cash flow from operations ¹ | 783.3 | 665.8 |
| Earnings per share before dilution, SEK | 0.98 | 0.60 |
| Average number of shares, before dilution | 282,891,568 | 282,891,568 |
| Average number of shares, after dilution | 492,113,773 | 492,028,536 |

¹ Before paid interest and paid taxes



¹ CAGR (compound average growth rate): Average growth.

² Proforma 2005–2006.



¹ CAGR (compound average growth rate): Average growth.

² Proforma 2005–2006.

2000
Norway

Carema entered the Norwegian market

2005
Sweden

Ambea (former H-Careholding), is formed by the new owner, 3i

2006
Finland

H-Careholding, acquires Mehiläinen

2007
Sweden

The company's name is changed to Ambea



Strong growth in a changing market

The development towards increased competition opens up possibilities for Ambea to gain ground. Our operations are built up from customers best interest and we constantly adapt to customers needs.

The global financial crisis put the economy in focus in 2009, and in the Nordic countries, public finances were strained by increasing unemployment and lower tax revenues. When public finances are strained, it is vital to find new ways to further improve efficiency within public services such as care and healthcare. The scarcity of funds could potentially affect private healthcare companies negatively, but this isn't something we have experienced so far. Ambea has a solid platform in care and healthcare services – and these are always needed regardless of the health of the economy.

Against this backdrop we expect the positive driving forces in the care and healthcare markets to remain in place for the foreseeable future. This trend has been strong in Sweden and has gained momentum in Finland, while Norway has been slower to change.

Strong growth in 2009

Ambea showed very strong growth in 2009, we exceeded our growth target of 15 per cent including 10 per cent organic growth. Net sales grew by 23.4 per cent to SEK 7.3 billion and by 19.9 per cent, excluding acquisitions.

Our growth mirrors a strong underlying care market in Sweden as well as within occupational health in Finland. Acquisitions within the different operating segments in both Sweden and Finland. Mehiläinen has added to our strong growth. Mehiläinen's net sales grew by 35.6 per cent and 21.9 per cent, adjusted for currency effects. Looking back, the group has grown from SEK 4.3 billion in net sales 2005, to 7.3 billion 2009. The market has been very strong, particularly within care in Sweden. I will admit that we clearly underestimated the growth prospects five years ago.

More power to the customer

As more and more people become concerned with care and healthcare, their demands for it to improve and become more accessible are increasing. People also want to choose provider of healthcare and care, which is another trend that is getting stronger. As a result, a provider of healthcare and care like Ambea must increase customer focus and market itself more towards the individual.

Customer choice in healthcare was introduced all across Sweden on January 1st 2010. It will have major impact for all healthcare providers. Ambea has a solid platform and is well positioned to take care of the opportunities that are opening up. Here we can draw on the experience of Mehiläinen in Finland, which is used to working close to customers. Founded in 1909, it has an impressive history and a strong brand in Finland, where people tend to turn to Mehiläinen rather than to an individual physician for their healthcare needs.

Focus on our customers

In 2009 Ambea was successful in several tender processes and we also managed to defend existing contracts in Sweden. We have an effective tender process, strong relations to municipalities and we have our own quality and work process concepts.

In a service business like ours, it's not possible to check every meeting between a caregiver and an individual. This is why it's important to ensure that we have strong values that are well known and accepted among all staff. We also make sure that we have good relations with the trade unions. Ambea has developed a strong structural base in our values and concepts. The values and concepts regulate how we work with efficiency improvements, change processes and quality standards, and they also tie into our financial key indicators. The ultimate goal is to make sure that everyone seeking our services will be met with the same attention and respect. The customer – the patient – is at the heart of our business.

Planning for continued growth in Finland

The Swedish care and healthcare markets have only been open to private players for the last 25 years, while in Finland, private healthcare has been a natural alternative for 100 years. Mehiläinen's easy access, professional treatment and excellent service is appreciated and it's easy to turn to Mehiläinen for all your healthcare needs.

We have the quality leadership in Finland and we have continued to gain market shares in markets where Ambea are already present. For example, we plan to establish ourselves in additional locations in the greater Helsinki area. Ambea will continue to grow in regional markets where we are already established, such as within occupational health. We will also market ourselves to achieve the position as the most attractive employer among physicians. We have consistently invested in the Mehiläinen brand, which was boosted in connection with our 100-year anniversary party in November, attended by close to 700 invited guests, including government officials.

In 2009, we gained many new accounts within occupational health and healthcare. Our Mehiläinen units have a wide service offering, making it natural to turn to us for most healthcare services. We have worked on access, by making improvements in areas such as booking systems and parking facilities. We have invested in new equipment, including a new MRI in Åbo.

Furthermore we established a new organisation and management structure over the past year in order to continue developing within the public care segment. To supplement the organic growth in Finland, we are also looking into acquisitions.

The opening of public care and healthcare markets has advanced the most in the Nordic capital cities. However, the Norwegian market has not lived up to expectations, and Norway represents a small part of the Ambea group. We hope to see increased out-

sourcing within elderly care in Oslo, but we expect it to be slow moving.

Absorbing the growth

Ambea added about 2,000 new employees during 2009 and one main challenge in 2010 will be to properly manage the growth and secure our capacity to deliver. The strong growth put temporary pressure on margins and going forward we should expect to grow more in line with our target. I would like to take the opportunity to thank our staff. Building this group would not have been possible without your fantastic competence and professionalism.

After dividing Carema into two separate companies, Carema Care and Carema Healthcare, we are in a better position to focus on the Swedish care market that continues to show strong growth. We also appointed a new CEO of Carema Healthcare, Ann-Sofi Lodin, in order to take full advantage of the new growth opportunities as a result of the customer choice reform.

National elections will be held in Sweden in 2010. Care and healthcare will remain important issues, as always in elections. Customer choice and high quality healthcare enjoy support from a majority of the political parties. With the high quality we can offer and the solid platform we have built, Ambea will continue to prosper regardless of the outcome.

Outlook 2010

Private players only have a 15 per cent share of the Nordic care and healthcare markets. In Finland Ambea will continue to develop its activities in the publicly financed care markets and within occupational health the growth prospects remain good. There's a lot more to do and I'm confident that Ambea is in an excellent position to continue showing profitable growth for many years.

Ralph Riber

CEO Ambea

Business model

Ambea’s vision is to be the first choice in healthcare and care services. In Sweden, Ambea has a leading position through Carema Care and Carema Healthcare, with operations in the publicly financed market, while Mehiläinen is primarily active in the privately financed market in Finland. Operations are conducted both on outsourcing and own management. The Group has been able to spread risks effectively by acting in several different markets in different countries and different payor models.

At the Group level, Ambea has established a formal structure to manage public tenders and the exchange of experience across borders with reference documentation and financial and legal expertise. The transfer of expertise and know-how in the Group occurs in accordance with the “best practice” principle in terms of work methods, the spread of expertise and experience.

Ambea’s management is based on a Group-wide philosophy of effective leadership, entrepreneurship, CSR and corporate governance. The framework includes goals and guidelines of such factors as finance policies, HR, quality procedures, communication and environmental concerns.

Overall, Ambea has established expertise and experience of methods for

quality assurance, processes and concepts to ensure a continued ability to successfully expand in the care and healthcare markets.

Management of operations is based on three fundamental values: quality of life, professionalism and sustainability.

Different geographical markets and business areas

The characteristics of the geographical markets and business areas in which the company operates are considerably different, including the regulatory framework, contractual obligations, market dynamics and competition, sources of funding, payor and customer profiles, and operating models. Therefore Ambea has a diverse business mix across different areas of service, geographies and payor profiles.

Publicly or privately financed

Ambea’s provision of healthcare and care services is publicly or privately financed. Within the public pay field, Ambea provides services on behalf of local and regional authorities that have statutory obligations to fund and arrange for the provision of healthcare and care services. Within the private pay field, Ambea mainly provides healthcare services in Finland that are primarily paid for by individuals, employers and insurance companies.

Outsourcing or own management

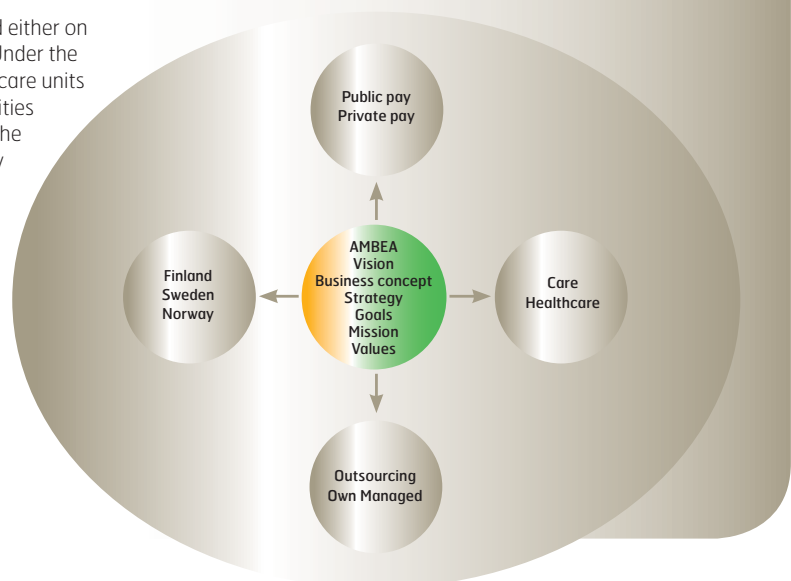
Ambea’s net sales are generated from units operated either on an outsourcing basis or an own management basis. Under the outsourcing model, the operation of healthcare and care units is outsourced to Ambea by local and regional authorities primarily in Sweden, but also in Finland and Norway. The operations in company’s own management units may be publicly or privately funded.

Highly adaptable business model designed to leverage knowledge-based synergies in changing regulatory and market environments

Ambea can effectively react to changes in the distinct regulatory and market environments in which it operates, as its business model is able to address the specific characteristics of local markets

while leveraging knowledge-based synergies across its countries and operating segments.

Ambea’s senior and regional management foster a group-wide culture based on sharing their respective experiences and competencies across markets that are governed by differing legal and regulatory frameworks but are characterised by similar demographic and consumer behavior trends that are driving growth in the healthcare and care industry. For example Mehiläinen operates in the highly competitive and consumer-oriented private pay market in Finland, and is applying its experience to the company’s operations in Sweden, which are expected to experience a greater degree of competition as a result of customer choice reforms. Similarly, Ambea applied the experience it has gained from operating its well-established public pay business in Sweden to win tenders in the public pay market in Finland, notably the healthcare center in Karjaa.



FINANCIAL TARGETS

OUTCOME 2009

| | | |
|---|--|----------------|
| Long-term revenue growth of 15 per cent, whereof 10 per cent is achieved through organic initiatives and 5 per cent through strategic acquisitions when appropriate. | <ul style="list-style-type: none"> • Growing organically in existing markets to strengthen our leading position through increasing contracts and customer volumes and establishing new units. • Growing organically in new markets with high potential by leveraging the existing platform and broad spectrum of competencies. • Growing through acquisitions to expand our presence both in new and existing market segments. | 23.4 per cent |
| Long-term EBITA margin of 10–11 per cent. | <ul style="list-style-type: none"> • Continuous effort to drive profitability in new and current contracts, customer groups and units while maintaining a focus on the high quality of services provided. • Continuous focus on a culture of professionalism and sustainability to ensure efficient use of resources across the organisation. • Continuous investment in innovation, concepts and processes to deliver higher level of value-added services to customers. | 8.6 per cent |
| Operating cash flow conversion¹⁾ of 100 per cent. | <ul style="list-style-type: none"> • Focus on ability to add capacity to our platform with limited capital expenditure and working capital requirements. • Focus on ability to maintain high quality of services and facilities through sustainable and efficient use of resources. | 101.2 per cent |

¹⁾ EBITDA adjusted for change in net working capital less net expenditure on property, plant and equipment and other intangible assets, divided by ordinary EBITA.

VISION TO BE THE FIRST CHOICE IN HEALTHCARE AND CARE SERVICES

MISSION TIME TO CARE

STRATEGIC TARGETS

| | |
|--|---|
| To be the provider of a choice, offering high quality services. | <ul style="list-style-type: none"> • To deliver high-quality, value-focused, consumer-oriented and holistic proposal to our customers. • To establish integrated service pathways and concepts for our customers within healthcare and care. |
| To be a unique platform for continuous balanced growth across healthcare and care. | <ul style="list-style-type: none"> • To continue to grow in current Nordic markets near term and evaluate mid term expansion in Europe. • To leverage the broad spectrum of competencies to drive growth across market segments. • To achieve scalable and transferable service concepts and business areas. • To achieve diversified operating models and payer mix which minimizes remuneration risk. |
| To be the preferred employer able to attract and retain the best skills and talent. | <ul style="list-style-type: none"> • To strengthen a value-based and sustainable company culture with high individual commitment and motivation. • To further develop strong leadership and empowered employees. |

Market overview

In all Nordic countries, healthcare and care are financed primarily by public funding, supplemented with national insurance contributions. The total healthcare and care market in Sweden, Finland, Norway and Denmark is worth about SEK 854 billion. The Nordic region is a global leader in terms of the share of GDP used for healthcare. The private provisioning accounts for 15 per cent of healthcare and care.

Market growth

In total, the Nordic market has grown 5 to 7 per cent in recent years, although there are differences among countries.

The private provision's share of the healthcare and care market in the Nordic region is relatively low compared with the rest of Europe. However, the market open for private provisioning is growing steadily, and the growth is currently strongest in Sweden.

The market growth has been stable and, historically, recessions have been likely to encourage the public sector to expose more operations to competition in an attempt to lower costs.

Most of the private market's growth originates from outsourcing of healthcare and care. This means that these services continue to be financed by the public sector, but provided by private-sector players. The public authorities are responsible for monitoring and checking private-sector players.

Driving forces

The underlying driving forces in the care and healthcare market is:

- Ageing population
- Increased level of outsourcing
- Customer choice systems
- National healthcare guarantees
- Increased focus on wellbeing and standard of health

There is a strong correlation between healthcare spending and age. The Nordic region has one of the highest proportion of elderly in Europe, and the share continues to increase. The care expenditures is expected to rise in the near future, also in terms of share of GDP.

Another important driving factor is the development towards customer choice models, which gives patients and elderly the right to choose healthcare center or nursing home. This implies that healthcare and care providers have to attract customers and patients with its offer. Quality and accessibility becomes important competitive tools.

2005 to 2008 the average growth in total spending was approximately 5 per cent. Private provision of total spending in 2008, amounted 10 per cent in healthcare and 14 per cent in care.

Funding of healthcare services

In Sweden, the majority of healthcare is publicly funded and provided. The 21 county councils are responsible for healthcare, which includes primary care, specialist care and psychiatry. Private provisioned healthcare is conducted almost exclusively on contract assignments from the county councils and is also funded by them.

Funding of care services

The municipalities are legally obligated to provide care to the elderly and disabled and are also responsible for financing these operations. Most of the care continues to be carried out by municipalities. Private operations are conducted on contract basis on behalf of the municipalities. Most of the private units operate on service contracts that extend for five to seven years. Some of the private operations are both owned and operated privately. In these cases, the municipalities purchase individual care beds, often through a framework agreement. Financing of private proprietary services is exclusively municipal.

Sweden

Total spending on healthcare and care in Sweden in 2008 was SEK 307 billion, of which healthcare represented SEK 164 billion and care SEK 138 billion. From

NORDIC HEALTHCARE AND CARE MARKET OVERVIEW

| Country | Total market healthcare and care, SEK billion | Market growth 2003–2007, % ³ | Private share, % | Population, million | Share of GDP spent on healthcare and care, % | Healthcare and care expenditure per capita/year, SEK |
|---------|---|---|------------------|---------------------|--|--|
| Sweden | 307 ¹ | 5.0 ⁴ | 13 | 9.3 | 9.1 | 30,400 |
| Finland | 130 ² | 6.2 | 23 | 4.8 | 8.9 | 25,900 |
| Norway | 212 ^e | 6.6 ^{3,5} | 13 ^e | 5.3 | 8.2 | 51,700 |
| Denmark | 205 | 5.6 | 16 | 5.5 | 9.8 | 37,400 |

1. Figures for 2008.

2. Figures for 2007.

3. OECD.

4. 2004–2008.

5. Excludes personal assistance for disabled people due to lack of data.

e. Estimated

Source: Sweden: Swedish Municipalities and County Councils, The Swedish National Board of Health and Welfare; Finland: Finances and Activities of Municipalities and Joint Municipal Boards, Statistics Finland, National Institute for Health and Welfare; Norway and Denmark: OECD Health Data 2009.



The private provisioning's share of the healthcare and care market in the Nordic region is relatively low compared with the rest of Europe. However, the outsourcing level is growing steadily, and the growth is currently strongest in Sweden.

Customer choice models

In Sweden, the trend is toward increased freedom of choice for customers and patients in both healthcare and care. Combined with the freedom of establishment that has been implemented in primary care through the Freedom of Choice in Healthcare Act (LOV), this could eventually reduce the relative importance of public tenders.

Initially, the main driving force for the decision by municipalities and county councils to outsourcing services was cost reduction. However, over time, improved quality and accessibility have become important arguments for outsourcing and exposure to competition, which further increases the pressure on healthcare and care providers. In addition, obtaining a diversified provider base that conduct operations based on different concepts has had an favourable impact on public operations.

The political driving forces for plurality in provision are in part linked to political parties. The 2010 parliamentary election is not expected to impact the market, since the major political parties agree on the advantages of a market that is exposed to competition. However, the outcome of the election could have an impact on the extent of freedom of establishment.

Several county councils implemented customer choice in primary care at an early stage, in 2007–2008, while about 50 municipalities have implemented customer choice in nursing home and home-help service, for example Stockholm and Nacka prior to mandatory legislation January 2010.

Care

The Swedish care market includes elderly care, care of the disabled, specialised care and personal assistants. In 2009,

care operations worth slightly more than SEK 30.0 billion were exposed to competition. From 2005 to 2008, the market expanded by an average of 5.1 per cent.

Elderly care

The share of private operators in elderly care is currently about 13 per cent. Municipalities are increasingly procuring care services at fixed prices in accordance with various quality criteria. The contract duration is usually five or six years. About 150,000 people over the age of 65 had home-help service in 2008, compared with about 125,000 people in 2000.

Care of the disabled

In the area regulated by the Act Concerning Support and Service for Persons with Certain Functional Impairments (LSS), many municipalities have ambitious plans to increase operations to competition, which has contributed to a continuing increase in procurement volumes. The establishment of customer choice solutions has also begun in LSS. The municipality of Uppsala implemented free choice for day centres at year-end 2009, while Stockholm implemented free choice for housing and day-care operations in 2009.

Psychiatry/substance abuse

Operations related to psychiatry/substance abuse are usually regulated in

COMPETITORS

| Company | Healthcare | Care | Market presence |
|------------------------|------------|------|-----------------|
| Ambea | ● | ● | SW, FI, NO |
| Attendo | ● | ● | SW, FI, NO, DK |
| Capio Nordic | ● | | SW, FI, NO, DK |
| Aleris | ● | ● | SW, NO, DK |
| Praktikertjänst | ● | | SW |
| Terveystalo Healthcare | ● | | FI |
| Forenede A/S | | ● | DK, SW |



Healthcare and care providers have to attract customers and patients with its offer. Quality and accessibility becomes important competitive tools.

Ambea – "Time to care"

framework agreements signed with the municipalities.

As part of psychiatry/substance abuse, care and treatment is offered to people with psychological disabilities. Many of these patients have what is known as a double diagnosis, with one or more psychological disabilities combined with drug/alcohol depending problems. The municipalities often experience difficulty in providing appropriate treatment to patients with double diagnoses in their own psychiatric services. The decision to treat persons at Carema Care's units may be based on various grounds, which entails that it is difficult to isolate and more precisely estimate the size of this market.

Healthcare

In 2009, healthcare operations worth slightly more than SEK 400 million were in tendering processes. Growth in the healthcare market has averaged 4.4 per cent in the past five years. During the same period, the private share of the healthcare market has increased 4.4 per cent.

The challenge in specialist healthcare is to reduce waiting times. Several

county councils have engaged private operators for such goals as reducing waiting times for operations. Stockholm, Västra Götaland and Skåne account for about half of the total primary and specialist healthcare market.

Customer choice reform

In February 2009, the Swedish Parliament decided to implement customer choice. The decision entailed that all county councils were obligated to implement customer choice in primary care as of 1 January 2010. The new law applies to all healthcare providers, meeting the criteria decided on by the county council, are entitled to establish operations in public financed primary care. Even if the law on freedom of establishment were abolished, for example as a result of a shift in power in the forthcoming elections, individual county councils could choose to retain freedom of establishment.

Customer choice is becoming more important

The new system is based on the concept that compensation to the healthcare provider follows the patient's choice

and that private and public healthcare providers should be treated equally.

Previously, primary care services were procured for a specific region or area. In such a system, patient choice had less influence than it will have now. The link between patient choice and compensation to the healthcare provider is much stronger in the new system.

To differing extents, the compensation system can include such variables as compensation per registered patient, compensation per visit, age structure and socioeconomic factors. Each county council can decide on the specific level of compensation and the basis thereof.

Staffing

The market for temporary healthcare staffing is worth about SEK 900 million annually. In the staffing sector, healthcare is one of the few industries that has expanded during 2009, compared with the preceding year.

Psychiatry

Traditionally, psychiatric care has not been outsourced to private providers, but this is changing. Stockholm county council has been somewhat of a pioneer in terms of exposing psychiatric care to competition on a greater scale. The total psychiatric care market, in which Carema Healthcare operates, has expanded by about 5 per cent annually in recent years and is worth about SEK 18 billion, of which the private share amounts to only about 6 per cent. Psychiatry is an area deemed to have extensive future potential.

CARE SWEDEN

| Market segment | Total market, SEK million ¹ | Estimated private share, % ¹ |
|----------------------|--|---|
| Elderly care | 92 | 13 |
| Care of the disabled | 51 | 28 |
| Total | 143 | 18 |

Source: SCB, Vårdföretagarna
1. Figures for 2008.

HEALTHCARE SWEDEN

| Market segment | Total market, SEK million ² | Estimated private share, % ² |
|------------------------------------|--|---|
| Primary care | 32 | 24 |
| Psychiatry care | 18 | 6 |
| Specialist healthcare ¹ | 100 | 6 |
| Other healthcare | 14 | 7 |
| Total | 164 | 9.5 |

1 Excluding pharmaceuticals
2 Figures for 2008.



Finland

Total spending on healthcare and care in Finland was SEK 130 billion in 2007, of which healthcare represented SEK 92 billion and care SEK 38 billion. From 2004 to 2007, average annual growth in total spending was approximately 6 per cent. Private provision as a percentage of total spending amounted to approximately 20 per cent in 2007 (18 per cent in healthcare and 24 per cent in care).

Funding of healthcare and care services

The majority of Finnish healthcare services are organised and provided by the municipal healthcare system. The 348 municipalities are responsible for organising primary care and care (elderly care and specialised care) for its residents. Hospital districts are responsible for organising specialist healthcare services. There are currently 20 hospital dis-

tricts, owned and funded by its member municipalities.

In general, the Finnish health system is more mixed in its funding than in other Nordic countries. The major part of private healthcare services are both used and funded by households and employers, and user participation and cost-sharing plans play prominent roles in funding of health services in Finland. The government, however, partially funds privately provided and financed healthcare services through the National Health Insurance scheme (“NHI”), which is administered by the Social Insurance Institution (“SII” or “Kela”) by reimbursing a part of such healthcare costs. Private pay represented approximately 17 per cent of total healthcare spending in 2007, whereas the company estimates that the great majority of total care spending is public pay.

Finland basically has two main healthcare laws for public healthcare; one governing primary healthcare and the other specialist care. The plan is to combine these two laws into a new healthcare law. The new law could open up additional outsourcing opportunities and make it easier for the public and private sectors to collaborate. All the details are not in place yet, but most likely the new law will not have any substantial impact on Mehiläinen’s operations. Private healthcare is governed by the Act of Private Healthcare which is also being updated with minor impact on private operators.

Healthcare

The total spending on healthcare services in Finland was SEK 92 billion in 2007, of which private provision accounted for approximately 18 per cent. From 2004 to 2007, average annual growth in healthcare spending was approximately 6 per cent.

The Finnish private pay market has consolidated during the last few years. Ambea, through Mehiläinen, is one of the largest private healthcare service providers in the Finnish market based on revenues.

Primary care – Outpatient clinics

In 2008, there were 3.7 million visits to private sector physicians in Finland (including both general practitioners and specialists but excluding occupational health physicians). The number of physician visits reported by Kela has grown from 2000 to 2007, at an average annual growth of 1.5 per cent. This trend is expected to continue.

In addition to physician visits, outpatient clinics also conduct diagnostic activities, such as laboratory testing and imaging. In general, the most common specialist fields within the private sector are ophthalmics, gynecology, surgery, psychiatry and ENT (ear, nose and throat).

Occupational healthcare

All companies operating in Finland have to offer occupational healthcare services to their employees by law. Companies can turn to both private and public providers or alternatively offer inhouse. The system allows the company to be reimbursed by Kela, but it may also have to reimburse Kela.

According to Kela, approximately 1.8 million employees were covered by occupational health in 2007. This corresponds to a coverage ratio of 86 per cent of total salary workers in Finland. From 2004 to 2007, employers have increased their spending on occupational healthcare by an average annual growth rate of 9 per cent. The growth is driven by higher costs associated with an older working population and by increased

HEALTHCARE AND CARE FINLAND

| Market segment | Total market, SEK million | Estimated private share, % |
|-----------------------|---------------------------|----------------------------|
| Specialist healthcare | 45 | 3 |
| Primary care | 25 | 5 |
| Private healthcare | 8 | 100 |
| Occupational health | 5 | 79 |
| Other healthcare | 9 | 19 |
| Elderly care | 24 | 25 |
| Home care | 6 | 5 |
| Child welfare | 4 | 62 |
| Other care | 4 | 8 |
| Total | 130 | 20 |

Source: Finances and activities of municipalities and joint municipal boards. Statistics Finland, National Institute for Health and Welfare

purchases of optional occupational health services by employers.

Approximately 13 per cent of all outpatient physician visits in Finland are provided by the occupational healthcare system. Significant differences exist in the scope of curative service coverage across employers. Despite a separate funding mechanism and distinct legislative framework, occupational healthcare services most often fall functionally within the scope of primary healthcare.

Ambea expects private providers to increase their penetration as employers are putting greater emphasis on the importance of good coverage to limit costs associated with sick leave.

Specialist care – hospitals

Specialist care is carried out at hospitals, and encompasses studies and procedures as well as most of the specialist outpatient and inpatient services provided by municipalities. Private hospitals are heavily focused in day surgery, mainly in specialties like orthopedics, ENT, and ophthalmology. Insurance companies represent the single largest group of customer. Other major customer groups are households and municipalities.

Care

Total spending on social services in Finland was SEK 44 billion in 2008, of which private provision accounted for approximately 25 per cent.

Social services are defined as nursing and residential homes for children, elderly and disabled, services for persons suffering from substance abuse problems as well as in-home and rehabilitation services.

Social services have traditionally been publicly provided in Finland. In 2007, the portion of publicly provided services exceeded 75 per cent. The remaining share was provided by private providers as well as by non-profit associations and foundations. Non-profit associations and foundations has previously received government subsidies for providing social services, and accordingly, played a significant role in the provision of such services.

Elderly care

Finland has one of the largest populations of elderly people in Europe as a percentage of the total population. During the 1990s there was a significant structural change in the Finnish elderly care system pursuant to which the emphasis of elderly care shifted from institutionalised care to service housing.

Private providers are generally focused on satisfying the increased demand for home services and service housing. Private provision is expected to grow as a result of the increased purchases by the public sector. The market for private providers is fragmented and characterised by a large number of smaller, emerging players.

Child welfare

Child welfare includes residential and 24-hour fostering, excluding day care facilities. The municipalities are responsible for providing child welfare services for children (under 18 years) and adolescent (18–20 years old). The amount of children placed in residential care has grown between 1991 and 2007, whereas the number of placements in foster families has remained relatively stable.

Mental rehabilitation

The number of patients in mental health residential services more than doubled from 1995 to 2005. Municipalities have decreased their service production and private provision has grown rapidly. Secondary care and hospital districts are closing down several mental hospitals to cut down the costs and moving towards outpatient care. The segment encompasses short- and long-term residential and home care services.

Norway

In 2007, total spending on health-care and care in Norway amounted to approximately SEK 212 billion. Average annual growth has amounted to 7 per cent between 2000 and 2007 (OECD).

Market structure

Only a small percentage of the Norwegian market is open to private players (excluding primary care/general practitioners), and this percentage is located primarily in the Oslo area. The market is slow-moving, and no significant volumes were negotiated during 2009. For private players, opportunities for growth may exist in some selected municipalities or in specific segments, including child welfare, psychiatry or substance abuse care.

In elderly care, private players account for about 4¹ per cent of the market, while the share of private specialist healthcare amounts to about 10² per cent. Healthcare is organised on both municipal and national levels.

Funding of healthcare and care services

The municipalities are responsible for primary care, which includes general practitioner services, rehabilitation and home nursing. Since 2001, all residents may freely choose a general practitioner. About 90 per cent of these are self-employed, have individual contracts with their respective municipalities and are compensated in accordance with a national rate. Doctors receive municipal basic compensation and compensation per treatment which is paid for by health insurance. Specialist healthcare is primarily financed publicly.

Elderly care market operates in the same way as it does in Sweden. Each municipality assesses the need for elderly care and then approves various forms of special housing or home-help service. Politicians have identified a need for additional nursing homes, and they plan to increase the number of places available.

The compensation system for healthcare is changing from fee for service to DRG-based (diagnosis related group) remuneration based on the entire care episode. It is still too early to assess the potential consequences of the new compensation system.

¹ NHO Services. ² Statistisk centralbyrå.



Mehiläinen

In 2009, Mehiläinen's net sales rose 35.6* per cent to SEK 1,775.1 million, including 26.6 per cent generated through organic growth.

Ambea is operating in Finland within privately financed healthcare market under the brand Mehiläinen and in publicly financed healthcare and care markets under the Carema and Leivoyhtiöt brands. Private pay healthcare businesses/operations correspond to about 90 per cent of Mehiläinen's turnover, while public pay makes up the remainder.

With about 1,700 full-time employees, including approximately 100 physicians and approximately 1,800 physicians working as private practitioners, Mehiläinen is one of the biggest private healthcare and care service providers in Finland. It's the best known and most respected healthcare company in Finland celebrating its 100th anniversary in 2009.

* At constant exchange rate 21.9 per cent.

Offering

Mehiläinen's private pay operations consist of Outpatient Clinics, Occupational Health and Hospitals. Mehiläinen is well positioned in all private pay segments with 20 Outpatient Clinics, 26 smaller units focusing only in Occupational Health services, and eight Hospitals in 17 cities and communities across Finland. In public pay operations, Municipal Services focuses on publicly financed healthcare and care services. Municipal Services has 19 units throughout the country.

Strategy

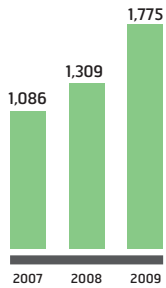
In privately financed healthcare, the strategy is to be a national provider and leader in quality and service. Mehiläinen is established in large cities with full-service hospitals, outpatient clinics and occupational health units, offering healthcare through multi-disciplinary teams. Through partnerships, Mehiläinen can also provide occupational health service to customers outside the major cities.

In public healthcare and care the strategy aims at being the first choice to customers. The service offering covers a wide spectrum of healthcare and care services. Healthcare services include Primary and Specialist Care, Home Care and Staffing and care services consists of Elderly Care, Mental Rehabilitation and Child Welfare. Strategy relies on cost-efficient and high-quality service offering with long-term sustainable solutions, attractive employer brand and close and in-depth relationship with customers. The strategy is executed by using well-established concepts that have been specially adapted for publicly financed operations.

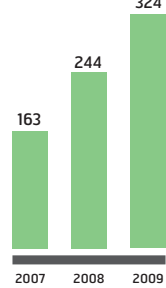
Mehiläinen's strategy is to expand in new geographical markets and further strengthen public pay services e.g. in areas such as child welfare or mental rehabilitation. Staffing as a new service in Mehiläinen's public pay services portfolio was started with the first won customers at the year end of 2009. Acquisitions of outpatient and occupational



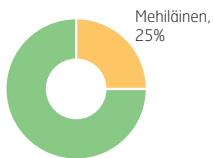
Net sales
SEK million



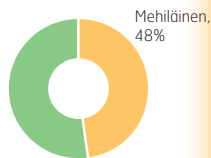
EBITA
SEK million



Share of Ambea's
net sales



Share of Ambea's
EBITA



health clinics are of interest in the bigger cities and growth centres. To offer a sizeable service portfolio the outpatient clinics must be situated in bigger cities to support the necessary customer flow.

Events

Main drivers for organic growth were increase of employee customers in Occupational Health, and increase in contract portfolio in Municipal Services. The growth was supported by acquisitions of which the largest one enabled Mehiläinen to enter new markets of child welfare and mental rehabilitation. The strong growth performance in Occupational Health came despite the financial crisis. In the occupational health segment, Mehiläinen is seen as a high quality service provider with a nationwide service network.

Strengthening the platform

In March Mehiläinen acquired Leivoyhtiöt with ten units across Finland.

With the acquisition, Mehiläinen and its Municipal Services strengthened its platform in the Finnish publicly financed market, particularly in the segments child welfare, paediatric psychiatry and mental rehabilitation.

In May 2009, Finland's first private psychiatric hospital for children was opened in Hyvinkää. Municipal Services started its first larger outsourced operation as of January 1st, 2009 as it took over primary healthcare and home care services in Karjaa region of city of Raasepori. It has been a learning process initially as the service areas are new for the Municipal Services.

In June Mehiläinen acquired Porin Pihljalainna and the business operations of Torilinnan lääkäriasema in Pori. The service offering ranges from occupational health services, general practitioner services to specialist services and diagnostics. With the acquisitions Mehiläinen has the platform for establishing a full-service medical centre and occupational health unit in Pori.

The Turku operations were extended with 3T MRI equipment. Mehiläinen managed to acquire a skilful radiological team with extensive knowledge in magnetic imaging. The start of the new unit has been more successful than was expected.

Outpatient Clinics

In 2009 Mehiläinen received 900,880 customers at 20 outpatient clinics in 17 cities.

The availability of services, good location of the service units, broad spectrum of services, professional skill of the service provider and the certificated quality system are the facts that have enabled the yearly growth. The growth in Mehiläinen Outpatient Clinics has been bigger than the overall growth on the market.

In 2009 the expansion of Mehiläinen Outpatient Clinics reached to Pori, which is a growth center on the Finnish west coast. This acquisition will lead to physical integration of two different



In Occupational Health care services Mehiläinen collaborates with the client organisation in maintaining and promoting the health of employees and the safety of the work environment. The goal is to prevent work-related illnesses and accidents. By helping to provide good health, a good working environment, motivation and a positive atmosphere, Mehiläinen contributes to increased work quality, profitability and reduced personnel costs.

Apart from servicing large corporate customers, Mehiläinen also offers a service package that meets the needs of small companies, which are more vulnerable to employee sick leaves. The small company package includes a survey of workplace conditions, drafting of an action plan and health checks for all personnel. Each company is assigned a team of occupational health experts.

Strong growth in Occupational Health

The Occupational Health care operations had yet another successful year in 2009, growing by about 10 per cent. Mehiläinen has a full service occupational health offer that includes, specialized physicians as well as nurses, physiotherapists and psychologist specialized in occupational health, providing a total of 230,000 employees with occupational health services.

Several significant companies chose Mehiläinen as their occupational health services provider in 2009. The facility services company ISS became a new customer since January. ISS is one of the biggest employer in Finland. The Finnish postal services Itella, which is the biggest employer in Finland was added to the client list in September in Southern Finland. Among Mehiläinen's important new customers were several other big nationwide companies. Mehiläinen is one of only two players that can offer a national network of service units, which is an advantage in procurement processes.

medical centers in new premises most probably in 2011.

Mehiläinen Outpatient Clinics will concentrate in cost-effective growth in all existing units and Outpatient Clinics are aiming to expand MRI-services by one mobile-MRI unit in 2010 and one fixed MRI yearly starting from Turku 2009.

Hospitals

Hospital operations is the oldest part of Mehiläinen. With hospitals in eight Finnish cities Mehiläinen is well known and one of the leading hospital chains in Finland. The operations focus on day surgery. Surgery demanding postoperative ward services is mainly performed at the hospital in Helsinki. The ward in Helsinki hospital now focuses on surgical patients hence the ward treatment of conservative patients (internal medicine) was run down towards the end of 2009. The main reason for that was the partially uncontrollable fluctuation in demand of such services. Approximately 7 per

cent of all surgical operations in Finland are conducted by private players.

Insurance companies are the main paying customer segment. Mehiläinen has contracts with all major Finnish insurance companies enabling the treatment of not only patients with private insurances but also patients with statutory traffic and work accident insurances. Mehiläinen also had operative patients referred from public hospitals. The referrals were won in public procurement processes.

Occupational Health

In Occupational Health, Mehiläinen's basic service offering includes preventive healthcare, medical examinations as well as consultations with psychologists and physiotherapists. The occupational healthcare services are generally bundled with outpatient care services such as consultations with specialists and diagnostics. Occupational Health works in close cooperation with the outpatient operations.

Public pay services within Municipal Services

Publicly financed services are offered in Mehiläinen by Municipal Services. The operations of Municipal Services consists of three elderly care, nine child welfare, and five mental health rehabilitation units, one primary health center and a home care unit and one psychiatric hospital for children. Customer base comprises municipalities, joint municipal authorities and hospital districts.

- *Primary Healthcare.* The primary healthcare services include a health center with outpatient services as well as healthcare services in schools and dental practices. The segment also contains municipal home care and home care nursing services.
- *Elderly Care.* Services for the ageing population incorporate tailored housing services. To make sure the services are appropriate over time, the responsible nurse regularly reviews the care plan together with the customer, the municipal representatives as well as the customer's relatives.

- *Mental Rehabilitation.* Municipal Services works in close cooperation with municipal mental health clinics and social workers as well as psychiatric hospitals to ensure that each customer undergoing rehabilitation receives care corresponding to his or her needs.
- *Child Welfare.* The child welfare units provide primary child welfare services for children and young people. Three of the units specialize in psychiatric services for children and adolescents on child welfare support. The child welfare units work in close collaboration with the social welfare, healthcare and educational authorities.
- *Child Psychiatry.* The hospital operates as an integral part of the hospital district care chain.
- *Staffing services.* A nationwide network enables Mehiläinen to serve municipalities and hospital districts with medical experts (physicians and nurses) when recruitment is challenging or when there is a need for temporary resources. Mehiläinen can offer medical experts a wide range of rewarding and challenging tasks in healthcare and social services with flexible hours. The employment services were started up in late 2009.

A 100 year long history

In 2009, several activities took place to mark the 100th anniversary of the founding of Mehiläinen. A road show visiting 16 different cities across the country created opportunities for Mehiläinen to showcase its offering. People could check e.g. their blood pressure or take part in health activities and courses promoting general health and wellbeing.

Mehiläinen's official birthday was November 6th. Several festivities took place in November with customers, partners and staff, including a party with 1,700 attending staff members from all over Finland.

Social Care

Mehiläinen acquired Leivoyhtiöt in March 2009. The acquisition was a major strategic step to broaden the services into the Finnish public-pay market.

The Leivoyhtiöt operation includes 10 units across Finland specialised in child welfare, and 24 assisted service housing for mentally disabled. Leivoyhtiöt is the second largest service provider of child welfare in Finland.

The acquisition of Leivoyhtiöt significantly strengthened the foothold in Municipal Services in public-pay market in social care and it offers a true platform for further roll-out of countrywide presence in publicly funded care services in Finland.

Ambea –
"Time to care"



Carema Care

Carema Care is one of the leading private provider of care services in Sweden and Norway. Carema Care reported net sales of SEK 3,666 million in 2009, corresponding to 50.3 per cent of Ambeas total sales. EBITA grew by 15.0 per cent to SEK 268.

The strong growth was partially attributable to the signing of several new contracts at the end of 2008 and the successful defence of existing contracts in procurements carried out during the year.

About 18 per cent of all care is operated by private providers in Sweden. Carema Care is represented in 69 of the country's 290 municipalities.

Offering

Carema Care operates in elderly care and specialised care. Specialised care includes

care and support services for persons suffering from physical and/or psychological disabilities, from substance abuse problems or psychiatric disorders.

About one third of the operations are carried out on a own management basis, while two-thirds are provided on a contract basis.

Carema has operated care services in Norway since 2001, with the main focus on elderly care. In Oslo, the share of privately provided elderly care is about 19 per cent, which is a high figure compared with the rest of Norway. Ambitions to increase this percentage exist, but progress is slow.

Carema Care places a substantial emphasis on working with concepts. The purpose is to clarify various offerings while ensuring quality in care operations. Concepts are developed by those working in the operations. Various work groups are then responsible for expanding the concepts.

Strategy

Carema Care is investing in continuous quality improvements to attract customers and to be a stable, secure provider to the municipalities.

Part of this initiative includes offering a favourable workplace, The model workplace, together with the trade union "Kommunal" with extensive opportunities to influence the individual work situation.

Carema Care strives to increase its share of own management operations, in which the company has greater opportunities to influence and control the operation. At the same time, the market situation for contracts is expected to be favourable, with continued attractive growth in outsourced volumes, which entails that the own management operations are expected to continue to comprise a smaller share of total net sales.



Ung Omsorg improve social relations

Carema Care has engaged a company called Ung Omsorg (Young Care). Ung Omsorg can improve social relations at Carema Care's nursing homes through walks, reading aloud, singing, board games or simply by spreading youthful energy. With youths from Ung Omsorg, Carema Care can contribute to encounters between different generations and reduce the gaps between young and old. The hope is that the programme may also encourage young people to train for work in care.

Ongoing assessments are carried out with the youths, care personnel and the elderly to further improve operations. The results of the assessments are analysed, and ideas for improvement are forwarded through ongoing training for both the youths and personnel.

Ambea – "Time to care"

Events

Carema Care grew significantly in 2009 as a result of the high number of contracts won in procurements at the end of 2008.

During the year, slightly more than 140 contracts were tendered, worth a total of about SEK 2.0 billion, of which about two thirds were new volume on the market and the remainder retendered. In total, Carema Care won about 38.0 per cent of all tenders. The average length of the contracts was three to five years, with options for extension. With the contracts it won and defended, Carema Care's contract portfolio will benefit from the relatively few contracts up for defence, whilst new volumes and retendering of competitors' contracts in 2010–2012 will allow for continued growth opportunities.

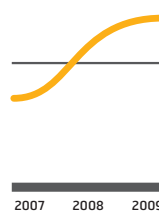
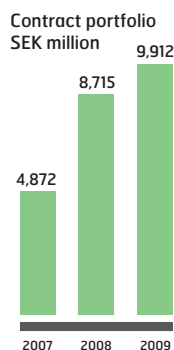
The new contracts, added in 2008 and 2009, have significantly strengthened Carema Care's position in the care market.

Aquisitions

At the end of May, Carema Care acquired Eken Care, providing care and assisted living for adults with psychiatric disorders. Eken has more than 200 care beds and conducts operations in Markaryd, Eksjö, Anneberg, Tyresö, Huddinge and Vattholma north of Uppsala. Through the acquisition Carema Care became Sweden's largest private player in social psychiatry.

Elderly Care

In elderly care, Carema Care provides home-help service and nursing homes for customers who can no longer live at home. Elderly care is conducted on a own management or contract basis and is Carema Care's largest operating segment, with 149 units of which 25 on a own management basis. In total, Carema Care offers about 5,500 places in nursing homes and home-help service to 5,000 customers.



Ambea has renewed a large share of the contract portfolio during 2008–2009, and also gained new contracts. Initially cost increases, but after approx. 1 year the business is profitable.



In elderly care, “The Good Day” is Carema Care’s concept for establishing how employees should act in various everyday situations, for example in relation to serving meals and medication.

Specialised Care

Care of the disabled – Orkidén

Orkidén provides care and support to people with psychological and/or physical disabilities. Operations are carried out on a own management basis at 29 units and through contracts at 230 units. About 1,400 people receive care or support, making Orkidén a leading player in Sweden.

Several of new contracts won at the end of 2008 started during 2009. Some of the more prominent tenders were won in Falkenberg and Borås, which carried out extensive public tenders for care of the disabled during the year.

In Orkidén, “We Grow Together” is aimed at helping the disabled to reach their full potential, while “Win-Win” is a concept in which various types of work tasks are provided for municipalities,

companies or private individuals. “An independent life” is another concept in Orkidén aiming to strengthen individuals affected by disabilities.

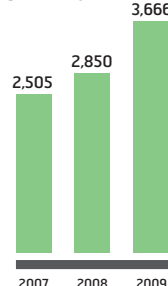
Psychiatry/substance abuse

These operations assist people who have difficulty managing everyday life on their own in order to have a dignified life. People with psychiatric disabilities are offered their own housing and support personnel around the clock, while others with substance abuse problems,

mental illnesses and psychiatric disabilities are offered housing adapted to their needs. Mental illness is not uncommon among people with substance abuse problems.

All operations are conducted on a own management basis at 54 units for people with substance abuse problems and/or psychiatric disorders. The individual units develop their own concepts and operational models, which are supplemented with specialist competence as required.

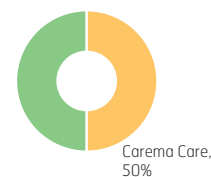
Net sales development
SEK million



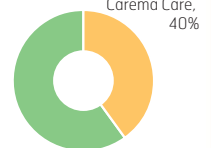
EBITA development
SEK million

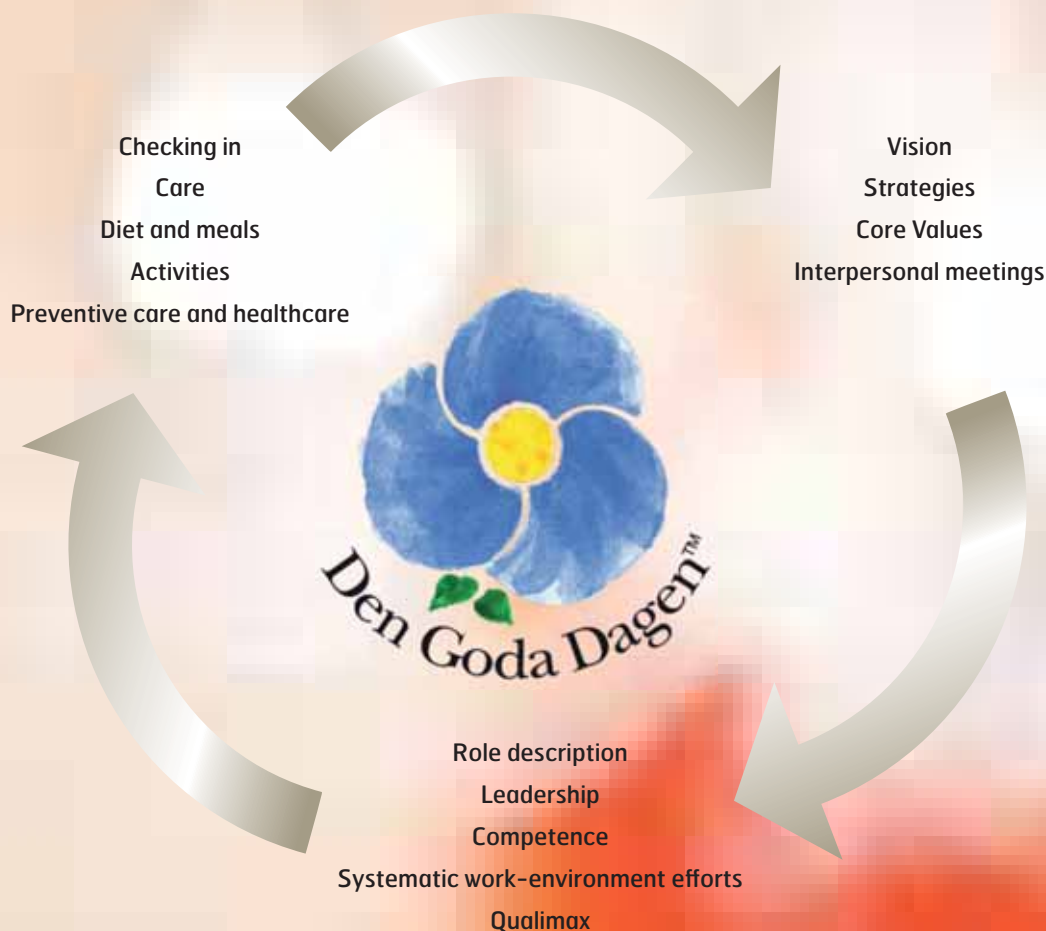


Share of Ambea's
net sales



Share of Ambea's
EBITA





The Good Day

When operations are customer-focused, care can be improved and become more individual. Through “The Good Day”, Carema Care wants to offer individually adapted high-quality care based on consideration, integrity and freedom of choice. This can include both minor and major everyday activities, such as having one’s nails painted, a certain amount of time outdoors each week, time alone with one’s contact person or having coffee in a café.

Carema Care offers two meal choices for lunch and dinner. At weekends, a Golden Menu may be offered, with special desserts, beer or wine, depending on the local contract Carema has reached with the payor.

“The Good Day” concept is based on specific, documented promises to our customers. Employees undergo training so that they can put “The Good Day” into practice – every day. Customer expectations determine whether the initiative is successful. Improvements are made in continuous dialogue with the associated parties and clients. The goal is to use “The Good Day” to become the quality leader among elderly care companies in Sweden.

Ambea – “Time to care”

Carema Healthcare

Carema Healthcare is one of the leading private providers of healthcare services in Sweden. The operation also includes Friskvernkliniken in Norway. Carema Healthcare reported net sales of SEK 1,840.8 million in 2009, corresponding to 25.0 per cent of Ambeas total sales. EBITA fell by 35.9 per cent to SEK 84.3 million.

About 10.0 per cent of all healthcare is operated privately in Sweden. Carema Healthcare operate in 9 of Sweden's 20 county councils and major regions.

2009 was characterised by fundamental changes in market conditions with increased freedom of choice for customers and patients. This applied particularly to primary care, where adaptation and preparations for patient choice in healthcare, which is to be implemented throughout Sweden as of 1 January 2010, was in focus.

Offering

Carema Healthcare provides services to county councils and major regions within outpatient clinics, hospitals and staffing. In Norway Carema Healthcare offers healthcare services through Friskvernskliniken.

Strategy

Carema Healthcare offers high quality and easily accessible healthcare.

During the year the specialist- and primary care were integrated and divided into four regions aiming to provide a stronger local customer offer. Designing customer centres adapting services to specific customer segments is given considerable attention.

Events

In the past two years, conditions in the market for healthcare services, has changed. Previously, county councils provided primary care services themselves or through outsourcing to private operators. In 2008, such counties as

Halland, Västmanland and Stockholm introduced customer choice reforms and made it possible for patients to make their own decisions about where to seek care.

The compensation follows the customer, creating incentive for healthcare suppliers to attract customers.

Acquisitions

At year-end 2008, Carema Healthcare acquired Hägerstens Läkarmottagning in Stockholm and Hälsobäckens Läkargrupp in Ystad. On 1 May, Carema Healthcare acquired two primary care units from the Stockholm county council, one in Viksjö and one in Upplands Väsby, with a total of about 22,000 customers. The focus has been on adapting processes to bring them into line with Carema Healthcare's work models. Carema Healthcare also established operations in Värberg outside Stockholm.

Carema Healthcare took over three primary care units in Uppsala and one in Linköping from the county councils.

Many healthcare and care providers see opportunities in the new customer choice structure. Carema Healthcare is facing new competitors including individual clinics owned by physicians and larger players that have acquired or established new clinics.

Medical responsibility

During the year, Carema Healthcare

established the new role of medical director, with specific responsibility for quality, research, development and attracting highly qualified physicians. This responsibility also includes ensuring that Carema lives up to its medical responsibility and participates in the national quality register.

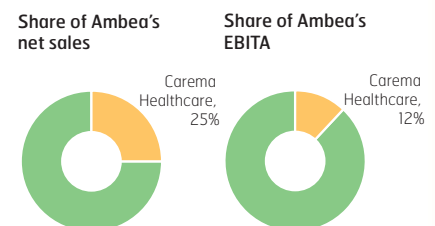
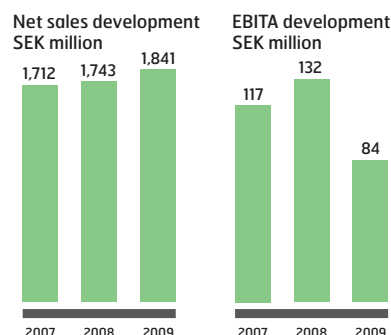
Customer Choice

Since customer choice came into effect throughout Sweden on 1 January 2010, the customer choice has become even more important. Operations must be locally adapted to a greater extent so that Carema Healthcare can continue to be the first choice. Accessibility and regional and local customer adaptation are in focus. In practice, this may include offering children's clinics in areas with high populations of children and improved customer dialogue.

Accordingly, Carema Healthcare will continue to assess where operations are to be conducted. This may entail both new establishments and acquisitions, but also withdraw from some operations.

In Stockholm, customer choice was in effect in 2009, including in some specialist healthcare. This entailed that, in addition to primary care, Carema Healthcare was also able to offer hip and knee joint operations in the framework of customer choice.

Through *Jätteöppet (på grund av sjukdom)* ("Extra-open because of illness"),





Carema Healthcare was able to show what private players can offer in primary care in Stockholm. Reactions to the reform have been positive; patients have experienced increased accessibility and better responses to their concerns.

In 2010, Carema Healthcare intends to continue developing its offering and is planning to expand its presence in selected areas.

Outpatient Clinics

The outpatient clinics offer Primary Care, Specialist Healthcare and Psychiatric Care.

Primary Care

Primary Care is the largest part of the operating segment. At year-end, primary care had 44 outpatient clinics of which 7 were child health centres. During 2009, the focus was on adapting operations to the new Freedom of Choice in Healthcare Act (LOV).

Specialist Healthcare

Specialist Healthcare works with both outpatient and inpatient care. The operation focuses on three areas: ortho-

paedics, rehabilitation and specialist clinics. As of 1 January 2009, customer choice was introduced for hip and knee arthroplasty operations in the Stockholm County Council, where Carema operates such facilities as the Ortopediska Huset Clinic.

At Friskvernskliniken the favourable performance continued, the clinic focus on muscular and skeletal problems, sports injuries, obesity and mild psychological disorders.

Psychiatric Care

The Psychiatric operation is relatively new, established in late 2008 after two public tenders were won. Its comprehensive goals include improving accessibility online and by phone and ensuring that patients can quickly obtain an appointment. Carema Psychiatry also places great importance on offering care that can be evaluated in terms of cost and efficiency, but above all in terms of results.

Psychiatric Care operates in Lysekil, Munkedal and Sotenäs on assignment from Västra Götaland county. In addition, and as a joint venture with Hjäns-hälsan, outpatient psychiatric care is also

offered on a contract basis southeast of Stockholm in Haninge, Tyresö, Nacka, Nynäshamn and Värmdö, which comprises a catchment area of more than 200,000 residents.

The Swedish public psychiatry market is worth about SEK 18 billion, and to date it has been exposed to competition to a very minor extent. Accordingly, the psychiatry market has the potential for continued expansion.

Hospitals

The Hospitals offers specialist healthcare within the area of inpatient care, which is treatment requiring an overnight stay, and elective day surgery. Specialist healthcare provided within Hospitals include orthopaedic surgery, inpatient orthopaedic rehabilitation and treatment of cardio-pulmonary diseases. Hospitals consists of four units as of 31 December 2009, including Simrishamn Community Hospital, Ortopediska Huset in Stockholm and Saltsjöbadens Hospital.

Staffing

Carema Staffing offers competence, primarily doctors and nurses, for short-term and long-term assignments under the three brands Rent-A-Doctor, Rent-A-Nurse and Care Team. Customers include counties, municipalities and private actors. Carema Staffing had a turnover of SEK 257 million during 2009, and the number of full-time employees amounted 144. That makes the business one of the leading in Sweden.

Carema Staffing has long experience of the market. Rent-A-Doctor was founded in 1994 with presence throughout Sweden. With staff from Carema Staffing, customers obtain greater flexibility to plan their work, for example with the assistance of Care Team, which offers nurses on evening, weekend and night duty.

Carema Staffing adapts its solutions to customer needs. To ensure quality, Rent-A-Nurse carries out continuous surveys, for example. After assignments are completed, they are carefully assessed from both the healthcare provider and the nurses' perspectives.



Psychiatric Care

At Carema Psychiatry, care is based on scientifically proven methods and tested experience, known as evidence-based care. The scientific basis is key to operations because it facilitates the assessment of a treatment's success and efficiency, which benefits both the patient and payors.

The nature of mental illnesses often means that patients with such illnesses are at risk of not obtaining the care they need. Measuring and following up the number of new visits is a way to identify the need for care and to better reach out to those in need of care.

"The most common mental illnesses include various forms of depression, sleep disorders and anxiety disorders. Among young men in Sweden, the most common cause of death is suicide, which means that depression could be a life-threatening illness. It is important to ensure that we have various methods for finding these individuals and reacting to these signals," says Ulla Tansen, Head of Carema Psychiatry.

In 2009, Carema's psychiatric operations worked on such tasks as the development of methods and the improvement of accessibility. To further improve accessibility, Carema Psychiatry also offers mobile treatment comprising both house calls and visits to other locations, including assisted living premises. The goal is to reach patients who do not seek care on their own initiative but who are in need of contact with psychiatric services.

The policy of Carema Psychiatry is to ensure that a patient's first visit is a visit to a doctor, so that the individual with the most competence can assess the patient and create a treatment plan at an early stage.

"We see ourselves as an agent of change. We can change operations, which is one of our roles. We believe that many stakeholders around us will observe the outcome of the takeover of these operations," says Ulla Tansen.

Ambea –
"Time to care"

Sustainability

Ambea is one of the leading private providers in healthcare and care in the Nordic region and with this follows a vast responsibility. The key factors underlying Ambea’s success are its proactive approach to contacts with stakeholders, continuously developing its operations and adding increased values. These are highly powerful driving forces at the company.

Stakeholders

Employees

Ambea’s foremost resource is its scarcely 15,000 employees, and the company maintains a strict focus on advancing its employees’ expertise and commitment to the company to ensure the highest quality of care.

To attract, develop and retain employees, Ambea works actively on the development of expertise, work-environment issues, equality and diversity matters and leadership. Follow-ups are conducted annually through employee surveys, the results of which indicate that favourable developments have occurred.

Customers

The trend in the Nordic market indicates that the customers themselves, to an increasing extent, will be given opportunity to choose a provider, also in healthcare and care. In Finland, customers and patients have long had this opportunity. For the whole of Sweden, the possibility to select a healthcare provider was implemented on 1 January 2010.

To address increasing competition for customers requiring care and

healthcare services, Ambea must live up to the expectations and requirements imposed by the market. Customer surveys are conducted annually and include customers, relatives, patients and employees. Generally, the results of the customer surveys are highly favourable. For example, Mehiläinen received highly favourable results, 88 per cent of the 3,300 customers surveyed would recommend Mehiläinen to a friend. Similarly, specialist healthcare provider Carema received a strong rating, 99 per cent of the customers were satisfied. Caremas care of disabled received 4.3 on a five degree scale from relatives.

To uniformly and systematically ensure the quality of the care provided, management systems is available for support. The quality work is based on continuous improvements at all levels.

Ambea places the needs of the individual at the centre of its operations and a high priority is assigned to customer relations and patient safety.

Municipalities and county councils

Nearly 80 per cent of Ambea’s net sales derive from publicly financed health-

care and care. It is important for Ambea to maintain a continuous and open dialogue with its public sector clients to ensure the delivery of high-quality care.

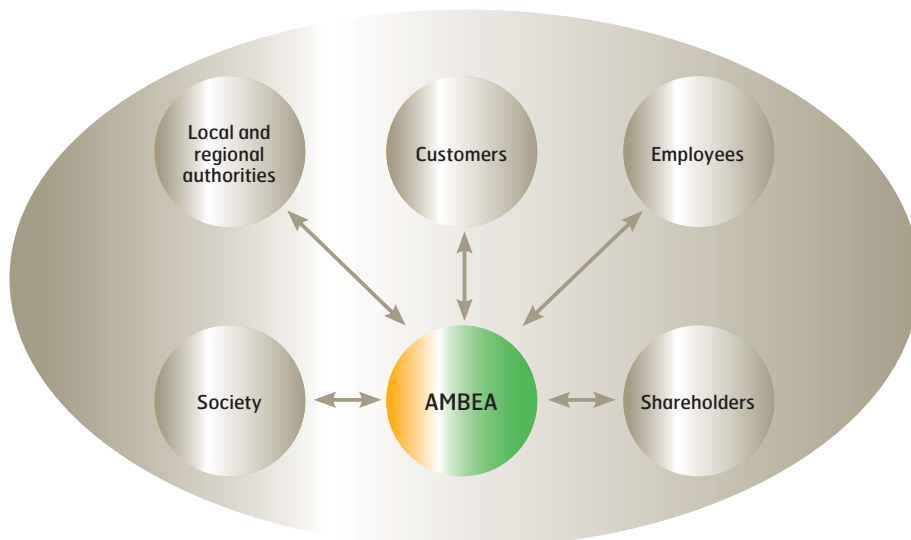
Shareholders

Ambea’s largest shareholders are 3i with its funds 75.00 per cent and the Government of Singapore Investment Corporation, GIC 15.94 per cent. Ownership is characterised by the aim of creating positive value growth for Ambea.

Society

A key driving force at Ambea is to contribute to developing the market structure for healthcare and care in the countries in which the company conducts operations.

Ambea’s operations affect many people, for an example Ambea had 2.0 million physician visits, 345,000 listed primary care clients and scarcely 15,000 employees. The private share of healthcare and care in the Nordic region is expected to continue to grow and, as the leading player, Ambea has a particular responsibility to add financial, social and environmental value for all of its stakeholders.



Financial perspective

The need for healthcare and care is expected to continuously rise in the Nordic region. The number of people aged 65 and above is expected to increase from 17 per cent in 2009 to 22 per cent in 2020. Meanwhile, a significant number of employees within the healthcare and care sector will retire. Overall, this will result in considerable demand for increased customer choice and enhanced efficiency.

Ambea works relentlessly to enhance the efficiency of its operations, without compromising the level of quality. Developing and improving efficiency and quality are natural elements of its daily operations.

Social perspective

Values as a foundation

Ambea is guided by values. With a focus on customers, employees are expected to take personal initiatives and to do their utmost to always provide quality service and fulfil the customer's expectations. Within the framework of Ambea's overriding core values, each company within the Group has drawn up values that are suitable for its specific operations.

At Ambea, each manager must be a role model and demonstrate that it is possible to impact the situation and customer satisfaction by conforming to Ambea's values. The focus is on the interpersonal meeting in which the delivery of professional customer service is a winning factor.

Ethics Council

Situations occasionally arise in healthcare and care operations that are not encompassed by legislation or regulations, but instead require a human standpoint. In these situations, the Ethics Council can take initiatives of their own or the management teams at Carema Care and Carema Healthcare can refer to the Ethics Council, an independent forum



Ambeas Core Values

Quality of life

Ambea's work in healthcare and care shall on a daily basis create the conditions for customers', patients' and employees' individual, physical and social wellbeing based on each individual's needs and possibilities.

Professionalism

By professionalism, Ambea means care and operations of high quality in all units. Professionalism is based on the broad and in-depth competence and long experience found within the

company, combined with respect for all individuals.

Sustainability

The company's work in healthcare and care contributes on a daily basis to sustainability at an individual and societal level. Ambea develops existing and new processes in the Group in a direction that will further contribute to long-term sustainability in all of the areas in which the company operates.

which acts as a sounding board and advisory service on ethical matters.

The members of the Ethics Council are Anita Bråkenhielm, Chairman and former County Governor of Kristianstad County, Erwin Bischofberger, a Priest and Professor of Medical Ethics at Karolinska Institutet, Margareta Skog, a Registered Nurse and Medical Doctor, Rune Borg, former Communications Director at a number of listed companies and Axel Carlberg, PhD in Ethics and advisor to the European Commission on ethical matters. Axel Carlberg was elected as a new member in 2009.

The Ethics council convenes a few times per year and includes the participation of Ambea management team, operation or unit managers, who contribute by addressing issues from an employee perspective.

During the year, among other things, discussions regarding ethical aspects that are relevant to the new open-care psychiatry business area were conducted,

as was a case study of primary care providers' deviation management system from an ethical perspective.

With their solid backgrounds, the members of the Ethics Council provide crucial support for Carema Care and Carema Healthcare in their work on ethical matters.

Environmental perspective

Ambea's primary environmental impact occurs in the facilities in which it operates and in conjunction with the transports it conducts. In the past year, Ambea initiated two key processes to reduce this impact. One was aimed at the attainment of ISO 14 001 certification for its operations, and the other to gradually replace its company vehicles with environmental vehicles, which reduce greenhouse gas emissions.

Human Resources

The Group has 10,300 fulltime employees. Carema Care is clearly the largest employer with slightly more than 7,000 and Carema Healthcare had 1,500 fulltime employees in 2009. The corresponding figure in Mehiläinen was 1,700.

Ambea's companies are active in markets where high demands are imposed by customers, patients and payors. It is a market that is under considerable pressure for transformation, has limited public resources and is subject to fierce competition.

Decentralised organisation

Ambea has a decentralised organisation, which contributes to employees evolving and assuming responsibility. A short chain of command is a hallmark, which also often means that decisions can be reached quickly and at the local level. A decentralised organisation often offers a higher degree of flexibility, which facilitates change efforts.

Leadership is a keyfactor

Ambea aims to create a work environment that is appealing, challenging and stimulating for its personnel. A key strategic element of this equation is to attract and retain effective managers, particularly in a Group that is expanding as rapidly as Ambea. Strong leadership is decisive for achieving robust results and attracting expertise. The competition for highly competent employees, particularly physicians, is expected to grow.

Mehiläinen has a rolling 18-month management programme. In 2010, a new group of about 20 employees is expected to participate in the management programme. In addition to the programme, additional leadership training is available based on individual needs. Management programmes are held internally and externally.

Work environment

The Group has an extensive number of units across the Nordic region. Ambea's strategic objective is to be the best workplace with excellent development

opportunities. Work aimed at developing the workplace and the work environment progressed to different degrees in the various parts of the organisation. There are several examples of structured processes and projects intended to advance work and the work environment. Ambea endeavours to remain at the forefront in terms of equality and considers diversity to be a competitive advantage.

The Model Workplace project was initiated at Carema Elderly Care in collaboration with the trade union organisation Kommunal. The project addresses matters such as: What do customers actually want?

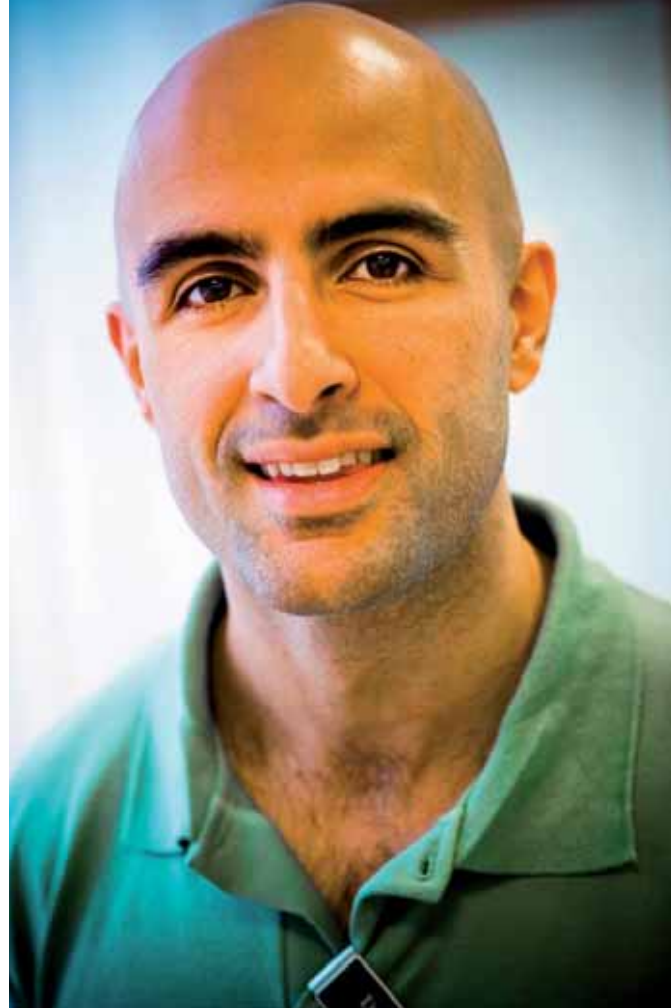
What constitutes a high level of quality? Can this work be done more efficiently? All participants must take a stand concerning personal questions regarding what and how they would like to change their work situation.

The purpose is for employees to gain greater control of their work situation and to strengthen the leadership and opportunities to have an influence. This is achieved by identifying changes and improvements that benefit the customer and the employee and is based on the notion that satisfied employees lead to satisfied customers.

Following the implementation of a number of pilot projects aimed at gaining experience, the Model workplace project continues to gradually be rolled out throughout Carema Care. The project is a means by which to strengthen leadership and the dialogue between managers and employees. By mid-2010, about 1,800 employees are expected to have participated in the project.

Trade union partnerships

In all countries in which Ambea is active, the company has well-developed partnerships with trade union organisations. Through collective agreements, elected



representatives and safety representatives safeguard employee interests regarding matters including agreements and working conditions.

Expertise is vital

The development of expertise is a central element of Ambea's effort to further strengthen its position as the leading player in healthcare and care. A number of measures are being implemented to ensure that the Group maintains a high level of expertise and a competitive offering in the employment market.

For example, at Carema Healthcare, students aiming to become general practitioners participate in a specialty training forum entitled ST forum so that participants will become acquainted with Carema Healthcare and further their professional expertise. ST forum organises training trips in Sweden and abroad.

For example, physicians at Carema Healthcare and Mehiläinen can participate in clinical research projects or PhD projects in parallel with their work. These opportunities will be expanded in 2010. Physicians and nurses have the opportunity to participate in a number of various networks including diabetes, rehabilitation, paramedicine, physical

therapy and occupational therapy. The training courses are planned based on factors such as the feedback retrieved during individual performance appraisals.

Other training-course areas are patient safety and customer relations training, meaning how to receive customers in a professional and respectful manner. The management and follow-up of adverse events in care activities is also important. These must be noted in a specific system known as deviation management.

Employee surveys

The Group companies closely monitors satisfaction among employees and how they are evolving in their work through measures including employee surveys and development discussions. Mehiläinen uses a balance-scorecard system for the management and follow-up of targets and performances on an individual basis in accordance with a personal development plan.

Based on the individual development plan, Mehiläinen plans the overall internal training programme, the management programme and other aspects of expertise development, such as the possibilities for workplace transfers to further expand your experience.

Health for well-being

Since 2006, a goal-oriented effort has been in progress at Carema Care to increase awareness about the import-

ance of strong health. This is aimed at individual employees as well as positive secondary effects on colleagues and customers. To add vigour to the effort, about 220 “health promoters” have been placed in the organisation, and a number of health coordinators at the regional level.

To ensure the long-term and strategic quality of the effort, Carema Care is partnering with Korpens Hälsodiplomer (Korpen’s Health Certification). In 2009, nearly 35 units received health certifications. Although it is difficult to more precisely measure the results of the initiative, the redemption of preventative healthcare contributions increased from about 10 per cent in 2006 to 27 per cent in 2009. 80 per cent of the units are positive to the initiative. 70 per cent of the employees experiences improved health.

The Carema companies have been tobacco-free since 1 January 2009. This means that employees are not permitted to smoke or use tobacco during working hours, nor smoke or use tobacco in work clothing. Mehiläinen became a smoke-free workplace on 1 September 2009.

Mehiläinen’s Kite project

The so-called Kite project was initiated in 2006 with the purpose of enhancing job satisfaction and improving the health and well-being of Mehiläinen’s employees. The project began by strengthening the organisation’s culture and focusing on leadership to encourage people to as-

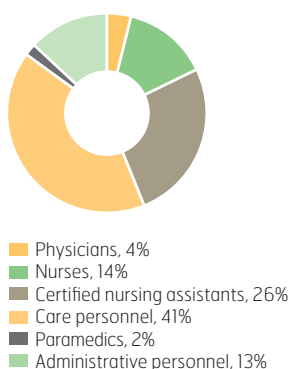
sume responsibility for their own health. In 2009, the focus was on personal well-being and providing support to employees in health matters. More than 900 employees participated in physical fitness tests. The project also aims to stimulate discussions regarding health and well-being.

Personal development

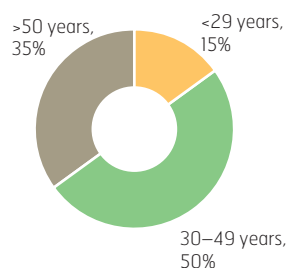
Every employee shall receive attention, which is achieved through measures such as the annual performance appraisals in which a personal development plan is prepared and followed up. Mehiläinen plans activities such as leadership training, expertise development and experience exchanges based on the development plan.

Employee surveys are conducted regularly and followed up at each workplace. Issues that have been addressed within the framework of follow ups include decision mandates, objectives for the operation and individuals, expertise development and the opportunity for employees to use their skills. Mehiläinen has focused intently on the follow-up of results regarding leadership, organisation and the possibility to have an impact. This has contributed to improved survey results for three consecutive years.

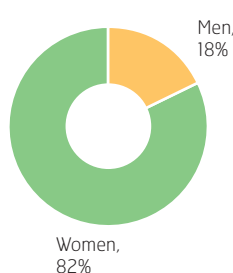
Distribution by profession



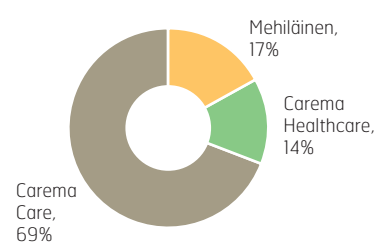
Distribution by age



Distribution by gender



Distribution by business area



Focus on quality

For Ambea to achieve its vision of being the customers' first choice in health-care and care, a high level of quality and long-term customer relations is of significant importance. Ambea maintains an overriding quality policy and each operating company has established quality targets that the operation should be steered towards. The overriding objective of the quality initiative is for Ambea to become the quality leader in healthcare and care.

The quality of healthcare and care services is created in the encounter between the customer and the healthcare/care employee. Employees are the principal resource in the quality effort. All employees must understand their role in the continuous pursuit of quality.

Ambea's operational subsidiaries have implemented successful quality management system, which is a prerequisite for conducting structured work in quality matters.

Quality policy

Ambea strives to increase customer satisfaction and focuses on high skills, accessibility and customer friendly reception. Mehiläinen, Carema Care and Carema Healthcare quality policies are in line with that of Ambea. Processes and procedures complies with the current legislation in each market, and strive to fulfil the standards imposed by the ISO 9001 quality-certification system.

Continuous improvements

The quality effort is an integral element of Ambea's daily work and is based on the principle of continuous improvement. The quality effort is proactive and work on preventative measures is constantly in progress in all processes. The systematic quality effort involves employees at all levels and is followed up through measures such as annual customer satisfaction surveys, the results of which form the basis for the advancement of the organisation.

Mehiläinen's entire organisation is certified in accordance with ISO 9001:2008, which also includes the management system. Carema Care has developed a quality management system called Qualimax. Qualimax is ISO

certified and is based on the Swedish National Board of Health and Welfare's recommendations, as well as strong examples from its own operations. A number of Carema Care and Carema Healthcare's operations are also certified in accordance with ISO 9001:2000.

Patient safety is paramount

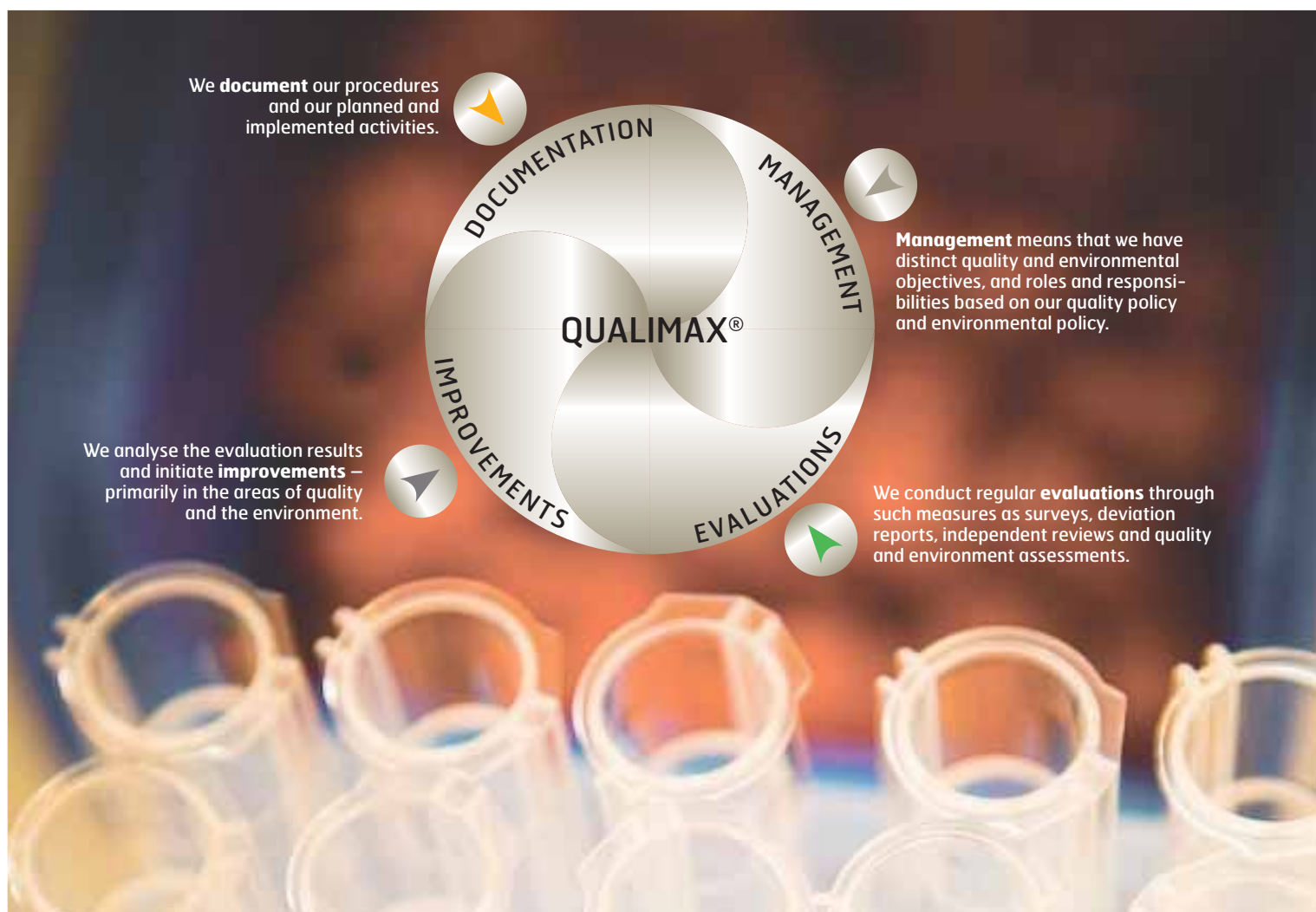
Patients shall feel safe in their encounter with Ambea. The key to patient safety is the personnel's know-how and experience, and training courses in the area are held continuously.

The management and use of pharmaceuticals shall be secure and safe for the patients. Uniform instructions and work procedures encompass all stages of work from prescriptions to the ordering, administration, treatment and disposal of pharmaceuticals. This also includes the constant review of medications for in-

dividual patients, aimed at reducing the quantity of drugs and ensuring the correct dosage and combination of various pharmaceuticals. Preventative hygiene work is also paramount to patient safety.

Healthcare and care operations are subject to legislation and ordinances regarding deviation and risk management for the purpose of improving patient safety. In addition, opinions and complaints from patients, customers, related parties, clients, employees and other stakeholders are gathered through phone calls and surveys. The management and follow-up of deviations are key elements of the continuous quality effort to identify possible areas of improvement. The objective is to constantly develop and enhance the encounter with the customer.





Qualimax

Qualimax is Carema Care's ISO-certified management system. This system constitutes the backbone of the operation's uniform and systematic work on quality and environmental matters. The viewpoints, complaints or improvement proposals that residents or relatives have regarding the operation, and that cannot easily be rectified, are registered in the management system as deviations. Each unit has a quality council that convenes once a month to discuss serious deviations and the improvement actions that can be taken. For example, this may involve altering procedures, training employees or reviewing the schedule. The objective is to avoid similar deviations. All actions are documented and followed up in relation to established targets.

All employees are encouraged to register operational deviations in the management system, which is a crucial element of the work on continuous improvements. Completed follow-ups indicate that deviations of a serious nature are declining.

Company managers regularly meet with representatives from the client – the municipality – to evaluate the company. Carema Care thus offers full insight and transparency regarding the deviations that have occurred in the company and the improvement actions that were taken. A successful management system is a prerequisite for being able to present a uniform and transparent overview of the quality effort throughout the organisation.

Reduced environmental impact

Ambea's environmental work is based on the principle of accepting responsibility and taking action on environmental improvement measures and encouraging sustainable development. The resources required to operate the company shall be used efficiently and conservatively. Ambea affects the environment in many different ways and actions have been taken to minimise its environmental impact. Ambea has an environmental policy and each operating company has environmental targets that the organisation should be steered toward. The overriding objective of the environmental work is to reduce each employee's energy consumption.

Daily operations have the greatest environmental impact and considerable emphasis is thus placed on increasing awareness and knowledge among employees concerning the elements of the operation that have a negative impact on the environment and the responsibility of each employee. Environmental training courses are conducted and environmental representatives are appointed locally.

Ambea has an environmental management policy, which is a prerequisite for applying a structured approach to environmental matters.

Environmental policy

An environmental policy forms the foundation for Ambea's environmental work. All employees are responsible for the environmental work within the company. Actions shall be taken to protect the environment whenever possible in the daily activity. Environmental issues are an integral part of all work processes. Processes and procedures shall continuously be developed to prevent, or limit, any negative effects on the environment. A proactive environmental effort also contributes to reducing health risks among employees, customers and patients.

Ambea complies with all laws, regulations and ordinances in the area, and strives for all processes and procedures to meet ISO 14001 standards.

Ambea's Group Management has the overall responsibility for enabling the Group to be an environmentally responsible organisation.

Systematic environmental work

Ambea's environmental work is decided on and organised at the local level. Targets are set based on the operation's environmental impact and follow-ups are continuously conducted.

Since the autumn of 2008, Mehiläinen has had a certified environmental management system. Mehiläinen is managed on the basis of an environmental programme that aims to obtain ISO 14001 certification for the entire organisation. A pilot project, which was conducted in 2009, resulted in the Turku operations attaining environmental certification in October 2009. During the next phase, the units in Helsinki will complete the same programme.



Mehiläinen shall be completely certified by spring 2010.

Carema Care is working systematically with their proprietary developed quality and environmental management system entitled Qualimax. The company's management and support functions are ISO 14001 certified.

In 2009, Carema Healthcare initiated an effort to attain ISO 14001 environmental certification. 14 units were certified during the year.

Significant environmental aspects

Ambea's companies primarily impact the environment through energy consumption, travel and transports, the use and management of pharmaceuticals, purchasing and waste management.

Energy consumption

Ambea's operations consume a great deal of energy, primarily through the heating and lighting of its premises. Ambea imposes stringent requirements on building managers during the planning and construction of premises. These are imposed through a function programme whose purpose is to design low-consumption and energy-conserving properties.

Medical equipment and computers also consume considerable energy. Low energy consumption is a key parameter when acquiring new electronic equipment.

The management and use of pharmaceuticals

The management, use and disposal of pharmaceuticals have a significant impact on the environment.

At Carema Healthcare, procedures are in place for the management of pharmaceuticals and pharmaceutical waste. To avoid prescribing and handing out more pharmaceuticals than necessary, the company has increased the use of smaller packages, which reduces the quantity of leftover pharmaceuticals and thus pharmaceutical waste. In 2010, a mapping of pharmaceuticals will be conducted to reduce the environmental impact of the pharmaceuticals prescribed and used by the healthcare units. Carema Care has also established instructions regarding the management of pharmaceuticals, which includes returning leftover pharmaceuticals for destruction. Mehiläinen sends pharmaceutical waste mainly to university pharmacies. Thereafter all pharmaceutical waste in Finland is taken care of by Ekokem for destruction.

Purchasing

Ambea subjects its subcontractors to demands and strives to collaborate with suppliers who conduct strong environmental efforts. For example, when purchasing chemicals, the objective is to purchase eco-labelled products and, in the procurement of new electronic equipment, energy consumption is a key parameter to evaluate.

Waste management

The company generates substantial quantities of environmentally hazardous and contagious waste, which is managed in accordance with current legislation.

A considerable focus is on reducing packaging quantities. At the same time as purchasing large quantities enhances the efficiency of management and reduces waste quantities.

Travel and transports

Business travel is regulated by the travel and vehicle policies. Ambea prioritises public transportation such as trains over air travel. Telephone and video conferences are also used whenever possible to reduce the number of business trips.

At Carema Care, environmentally classed vehicles are selected when purchasing new vehicles for the home-help service.



Corporate governance

Corporate governance provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance. Strong corporate governance and control is a key foundation for a quality-oriented healthcare and care company. Corporate governance also involves openness, which allows shareholders and other key interest groups to understand and monitor the company's development.

In 2009, in response to changing market conditions, the Board undertook a review of the company's structure and organisation to ensure that Ambea was best placed to compete in a market with major development opportunities and one in which political reforms have a significant impact. The resultant changes have enabled a greater focus on, and visibility of, the business' key success factors, and better management support for the organisation. Another central issue for strong growth in a dynamic environment is to gradually supply new expertise that corresponds to new demands and challenges. Against this background, Ambea's Board of Directors was strengthened with

new international experience and expertise from the healthcare and service industry during the year.

Delivering high levels of quality across the business goes hand in hand with strong governance and control. That ensures the delivery of the agreed strategy, from an appropriately structured and resourced organisation, that manages risk appropriately and, recognises its corporate responsibilities. Ambea looks forward to continuing to develop its approach in these areas, and in the coming year will focus specifically on a systematic review of risk management.

Recognising the company's public responsibility, sustainability is a key corporate value for the organisation. All of Ambea's operating companies work to create long term and sustainable healthcare and care solutions.

Peter Weiderman
Chairman of the Board



Corporate governance at Ambea

Corporate governance at Ambea is based on Swedish legislation, primarily the Swedish Companies Act, according to which companies have three decision-making bodies: the shareholders' meeting, the Board of Directors and the CEO. There must also be a controlling body, an auditor, which is appointed by the shareholders' meeting. The Swedish Code of Corporate Governance (the "Code") is not applicable to Ambea since the company's shares are not listed on a regulated market. However, the Code defines a norm for good corporate governance that Ambea in certain respects finds relevant and suitable also to companies with unlisted shares and Ambea's corporate governance work has to a large extent been inspired by the provisions of the Code. Ambea's objective is for the internal governance documents to meet the requirements of good governance practice.

The following internal governance documents constitute the cornerstones of Ambea's corporate governance:

- Articles of Association

- The Board of Director's rules of procedure, including instructions for the CEO and instructions for the Remuneration Committee and the Contract Committee
- Authorisation instructions
- Financial Policies and reporting (Ambea's financial reporting handbook)
- Group policies
- Business plan

Annual General Meeting

The Annual General Meeting of Ambea is the company's supreme decision-making body and the forum through which the shareholders can exercise influence. The Annual General Meeting of Ambea was held on 5 May 2009.

The Annual General Meeting resolved to:

- Adopt the financial statements and balance sheet as well as the consolidated financial statements and consolidated balance sheet for the 2008 financial year.
- Carry forward the non-restricted equity of SEK 340 million.

- Grant discharge from liability to the Board members and the CEO for the 2008 financial year.
- Establish that the Board of Directors shall comprise six members and one deputy member for the period up to the end of the next Annual General Meeting.
- Re-elect Gustav Bard, Göran Berglund, Tomas Ekman, Lars Gärdö, Jussi Huttunen and Peter Weiderman as Board members. Gustav Ecorcheville was also elected as a Deputy member up to the end of the next Annual General Meeting.
- Appoint Peter Weiderman Chairman of the Board.
- Establish that the Directors' fees to be paid to the Board members for the period up to the end of the next Annual General Meeting would amount to SEK 636,000 and EUR 32,850.

The Annual General Meeting for the 2009 financial year will be held in Stockholm on 5 March 2010.

The Articles of Association adopted at the General Shareholders' Meeting

on 30 May 2007 stipulate that the Board of Directors should comprise at least one and at most ten members with a maximum of ten deputies. The Board is elected annually at the Annual General Meeting until the end of the next Annual General Meeting. If one or two members are appointed, a minimum of one deputy shall be elected.

Notice convening the Annual General Meeting and Extraordinary General Shareholders' Meetings at which issues concerning the amendment of the Articles of Association will be discussed shall be made by postal letter to the shareholders not earlier than six weeks and not later than two weeks before the meeting. Notice convening other Extraordinary General Shareholders' Meetings shall be made by postal letter to the shareholders not earlier than six weeks and not later than two weeks before the meeting.

Nomination Committee

The role of the Nomination Committee is assigned by the principal shareholder 3i and co-investors. The Nomination Committee, along with the Chairman, propose candidates for the Board. In 2009, the company's major shareholders and the Chairman successfully recruited Clare Hollingsworth, who was elected to the Board in conjunction with an Extraordinary General Meeting on 20 August 2009. Clare Hollingsworth will add new international experience and

competence from the healthcare and service industry, which aptly corresponds to the demands and challenges facing Ambea.

The Nomination Committee also proposes candidates for the Board, the Chairman of the Board and the position as auditor.

The Board of Directors

The duties of the Board of Directors are regulated in the Swedish Companies Act and the company's Articles of Association. The rules of procedure govern the division of labour and responsibility among the Board, Chairman and CEO and specify instructions and financial reporting procedures for the CEO.

In 2009, Ambea's Board of Directors consisted of seven members, of whom all were independent of the company and five of its major shareholders. More information about the Board members is found on page 36 of this annual report.

Directors' fees

Remuneration to the Board members is determined by the Annual General Meeting and paid to the members who are not employed by Ambea. Approved Directors' fees are presented in Note 7 of the Annual Report.

Work of the Board of Directors

The statutory Board meeting, which is held directly after the Annual General Meeting, decides on the rules of proce-

cedure and forms of work for the Board and rules of procedure for its committees. All rules of procedure are reviewed annually.

The Board's tasks include adopting strategies, business plans and budgets, interim reports and the annual financial statements. The Board also defines the rules of procedure and the instructions for the CEO as well as committee and authorisation instructions, and decides on significant changes in the company's organisation business and strategy.

The Chairman heads the work of the Board and is responsible for ensuring that the other members continuously receive the information required to perform the Board's work at the appropriate level of quality and in accordance with the Swedish Companies Act.

In addition to scheduled Board meetings, the Board convenes for decisions on matters concerning which amounts exceed the CEO's limits and other matters called for by the Chairman.

According to the rules of procedure, the Board shall meet not less than four times during the time between two consecutive Annual General Meetings. In addition to this, the Board meets when special needs exist. The Chairman of the Board convenes such meetings. In 2009, the Board held a total of 18 meetings, of which seven were scheduled meetings. Each year, the Board establishes the number of scheduled Board meetings for the ensuing calendar year.

THE BOARD OF DIRECTORS

| | Position | Board meeting attendance 2009 | Member | | Independent relative to: | |
|----------------------|----------|-------------------------------|------------------------|--------------------|------------------------------|------------------------------|
| | | | Remuneration Committee | Contract Committee | Company and Group Management | Company's major shareholders |
| Peter Weiderman | Chairman | 18 | ● | ● | Yes | Yes |
| Gustav Bard | Member | 16 | | | Yes | No |
| Göran Berglund | Member | 16 | | | Yes | Yes |
| Tomas Ekman | Member | 18 | ● | ● | Yes | No |
| Lars Gärdö | Member | 16 | ● | | Yes | Yes |
| Jussi Huttunen | Member | 18 | | ● | Yes | Yes |
| Clare Hollingsworth* | Member | 3 | | | Yes | Yes |
| Gustav Ecorcheville | Deputy | 8 | | | Yes | No |

* Joined in August 2009

Evaluation of the work of the Board

The CEO's work is continuously evaluated. The evaluation of the CEO is explicitly dealt with at one Board meeting annually, at which neither the CEO, nor any other senior executive is present. The Board and the auditor also meet at least once annually, without the presence of the CEO or management.

The Chairman shall ensure that new Board members receive appropriate introductory training, which has been provided to the new Board member Clare Hollingsworth. The Chairman also conducts an annual evaluation of the Board's work including the efforts of individual members. The 2009 evaluation showed that the work of the Board of Directors is functioning well. The purpose of the evaluation is to improve the procedures and efficiency of the Board's work and based on the 2009 evaluation it was decided that the Board will increase its focus on risk management during 2010.

Board committees

In 2009, The Board had two committees: the Remuneration Committee and the Contract Committee. The Board appoints committee members from among its own members. The company's auditors participate annually in not less than two board meetings in which they present their observations from the review of the Group's internal control and annual accounts. Since the entire Board participates in this work, the company did not appoint any members to a separate audit committee in 2009.

Remuneration Committee

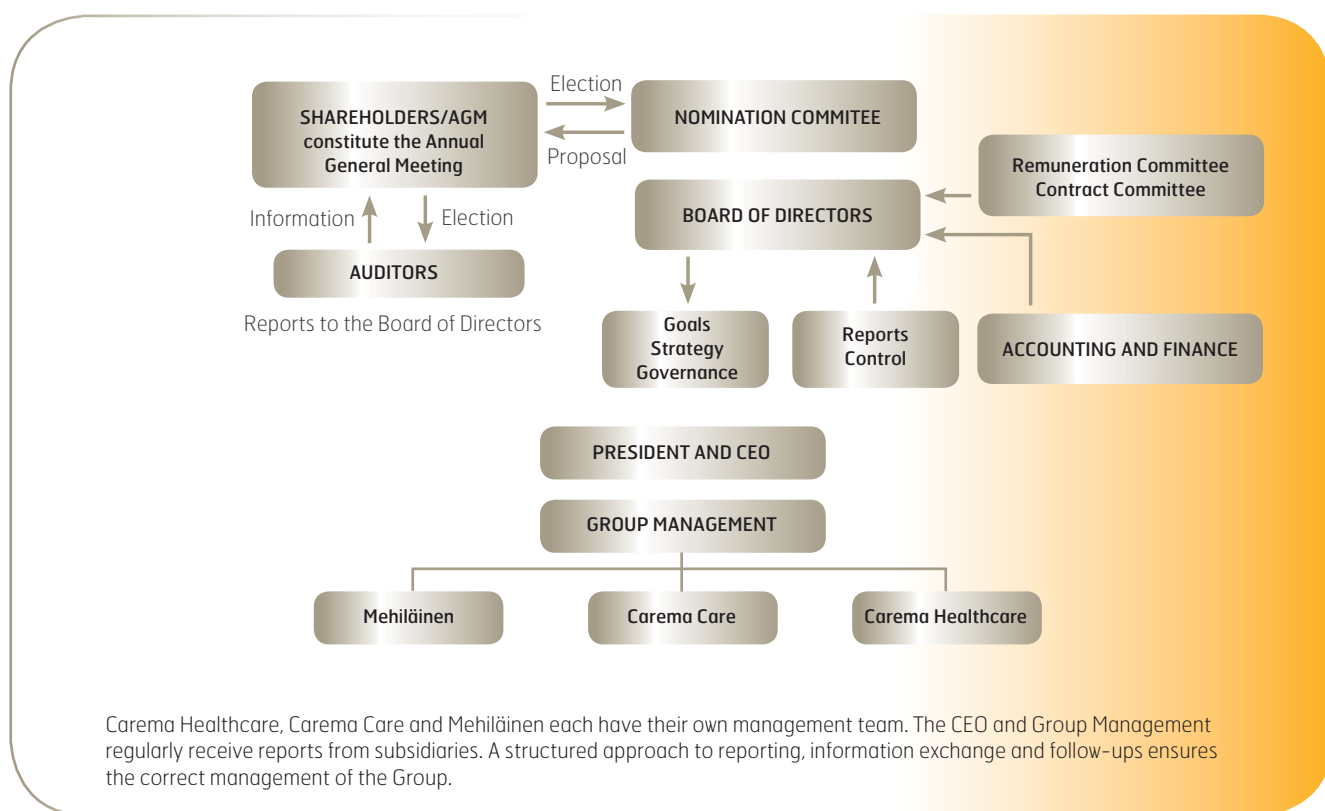
The task of the Remuneration Committee, within the context of the regular work of the Board, is to prepare issues relating to remuneration and other employment terms for company management. This work includes the relationship between fixed and variable remuneration and the relationship between performance and remuneration,

the principal conditions for bonuses and incentive schemes, conditions for non-monetary benefits, pensions, termination and severance pay, and to make proposals on individual remuneration packages for the CEO and other executives at the Group.

In 2009, the Remuneration Committee convened three meetings and comprised members Peter Weiderman (Chairman) Tomas Ekman and Lars Gårdö.

Contract Committee

The Contract Committee's duty is to ensure fulfilment of the Board's supervisory duty with regard to contracts of material significance to the Group. This work includes preparing the Board's work on quality-assuring the procedures for tendering and contract-writing. The Contract Committee prepares matters regarding tenders for decisions by the Contract Committee or by the Board, depending on the size of the tenders.



Carema Healthcare, Carema Care and Mehiläinen each have their own management team. The CEO and Group Management regularly receive reports from subsidiaries. A structured approach to reporting, information exchange and follow-ups ensures the correct management of the Group.

In 2009, the Contract Committee comprised members Peter Weiderman (Chairman), Tomas Ekman and Jussi Huttunen. The Committee convened four meetings.

Audit Committee

Since all Board members work with auditing matters, no separate Audit Committee had been formed in 2009.

Auditor

At the Annual General Meeting on 16 May 2008, Ernst & Young AB was elected the company's auditor for the period up to the end of the Annual General Meeting that follows the 2011 financial year.

Auditors' fees

It has been resolved that auditors' fees shall be paid in accordance with approved invoices. SEK 5.3 million was paid for audit services during 2009 and SEK 3.9 million for other services.

CEO and Group Management

The President and CEO direct the activities of the company based on guidelines and instructions defined by the Board. The CEO keeps the Board of Direc-

tors and Chairman up to date on the company's and Group's financial position and performance. At year-end 2009, Ambea's Group Management consisted of six members: the President and CEO of Ambea, the Deputy CEO of Ambea and CEO of Mehiläinen, the Vice President of Ambea, the CFO of Ambea and the CEO of Carema Care and CEO of Carema Healthcare. More information regarding Group Management is available on page 37 of this Annual Report.

Remuneration of Group Management

Remuneration issues for the CEO and Group Management are determined by the Board after preparation by the Remuneration Committee.

Presentation of the purpose, target figures and results related to actual payment.

Remuneration principles for CEO and other senior executives

The compensation to the CEO and other senior executives shall consist of a combination of basic salary, variable remuneration, other benefits and pension. The total remuneration shall be on market terms and shall be proportionate to each individual's responsibilities and

authority. The variable remuneration shall consist of a short-term variable remuneration based on outcomes in relation to individually pre-defined targets and a long-term variable remuneration in the form of a warrant program based on the long-term development of the company's share value. The short-term variable remuneration shall be capped at two to five monthly salaries for CEO and four monthly salaries for other senior executives. The retirement age for the CEO and other senior shall be 65. The pension costs shall correspond to the cost applicable under an ITP plan or the insurance premium according to the ITP plan. The employment of the CEO and other senior executives shall be subject to six to twelve months notice by the company and six months notice by the employee. Any severance pay are in general maximised to twelve monthly salaries and other earned income shall be offset against the severance pay.

Remuneration paid to the CEO and other senior executives in 2009

An overview of the remuneration paid to the CEO and other senior executives during 2009 is presented in Note 7 of the Annual Report.

Internal controls

The Board places a great deal of emphasis on internal control since this is believed to contribute to the creation of value and to the company's competitiveness. Ambea's Group-wide internal control is regulated by the following instructions:

- The Board's rules of procedure.
- Instructions regarding the delegation of work between the Board and the CEO and the financial reporting, which provides the CEO with a framework for the acquisition and divestment of companies, the signing of leases and investments.
- The rules of procedure for each committee.
- The Swedish Companies Act.
- The Swedish Code of Corporate Governance (i.e. those provisions of the Code that Ambea deems to be of relevance considering that the company's shares are not listed on any regulated market).

These instructions are supplemented by instructions for financial reporting, the Ambea Financial Manual and work instructions to the operating companies' presidents including authorisation instructions.

Ambea's internal control work is based on the framework for internal control, known as the COSO model, which is published by the independent US organisation, the Committee of Sponsoring Organisations of the Treadway Commission.

The COSO model is intended to ensure that a number of factors are in place – a control environment – that provide a solid foundation for the internal processes for control and follow up. The most important components of the control environment comprise risk assessment, control structures, information and communication as well as follow-up or monitoring.

Control environment

The control environment relative to financial reporting is relevant at both Group and entity level and is predominantly covered by so called Entity-Level Controls (ELCs) and processes and instructions for accounting and financial reporting. Entity Level Controls were in the process of being implemented in 2009. Ambea has started the documentation and testing procedures in accordance with the COSO framework for internal control.

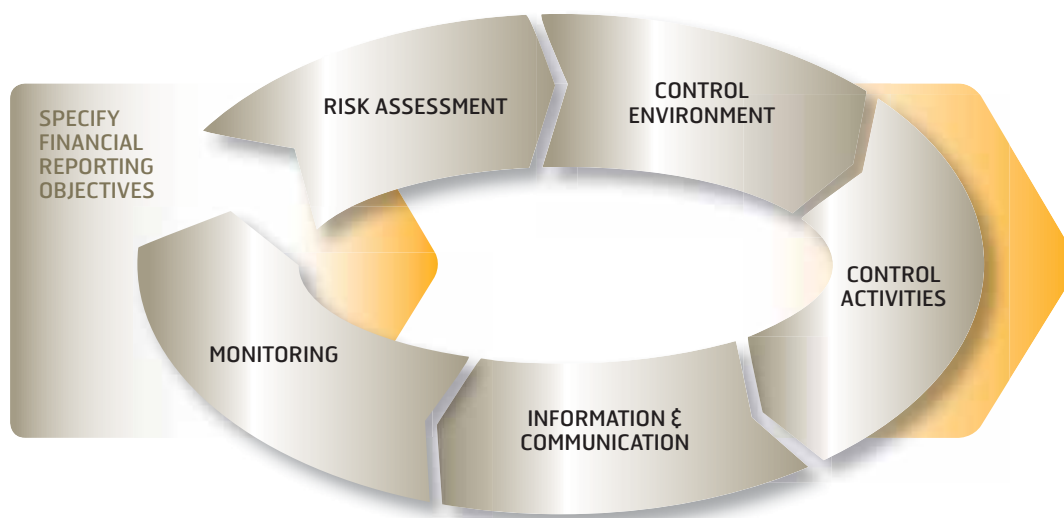
Responsibilities and expectations of the company's activities are clearly communicated to relevant executives. Larger transactions with customers and suppliers are based on contracts which are approved by the appropriate party in accordance with the attestation system. Furthermore, periodic reviews of the rights to grant and assign system access are performed.

Ambea have policies and procedures for the authorisation and approval of transactions at the appropriate level. Ambea's Policy Framework is known and available to all relevant staff categories with updates communicated regularly. In addition, policies and guidelines are adapted to the different kind of businesses at an operating company level.

Identified internal control deficiencies are to be corrected in a timely manner, together with management according to an action plan. The action plan is monitored by management until the deficiencies have been corrected.

Risk assessment

A risk analysis to identify the company's risk exposure is to be conducted at least annually. For each risk, the likelihood and consequences are described, in addi-



tion to a mitigation plan. Risks related to Ambeas business contracts are handled by the board when deciding whether to accept the contracts.

The accounting department has established processes to identify significant changes in accounting rules or generally accepted accounting principles to ensure that Ambea meets accounting laws and regulations. Furthermore, Ambea has routines to ensure that the forecasting for the operations is carried out in accordance with Board requirements, and that the forecast for coming years are updated to reflect changing conditions and new risks.

Control structure

Segregation of duties is consistent with the Group's internal control framework and policies for IT security. Analysis of segregation of duties of significant business processes is based on templates. Potential conflicts with segregation of duties are explained and dealt with by compensatory activities. Policies, directives and other applicable governing documents shall be regularly reviewed and updated. Updates and changes to policies, directives and instructions are logged and communicated to relevant

staff, especially regarding financial reporting and IT security. Furthermore, Ambea has a process to ensure that local guidelines and policies do not break the company-wide policies. Conflicting or overlapping local policies and guidelines are to be followed up and adapted to the corporate policies.

Procedures to prevent unauthorised access to documents, records and assets have been established. Furthermore, analysis of the consolidated financial report is performed on group level each month to ensure that there are no material errors.

For outsourced processes, the necessary controls are implemented and monitored through a contract with the provider. A "right to audit" clause are included in any outsourcing contract. All agreements and contracts will be documented and archived.

Information and communication

Ambea have written instructions and procedures to ensure that accounting procedures are followed consistently throughout the year. There is a schedule for interim reporting and closing of the books. The CEO is responsible for, depending on the issue, allocation

of responsibility to ensure that Ambea continuously handles communications to customers, suppliers, regulators and other external parties in a swift, accurate and timely manner.

Ambea's reporting programs (whistle-blower-policy) in which employees can anonymously report suspected malpractice is clearly communicated throughout the company.

Monitoring

Significant events occurring after the company closes the books until the next report is delivered are analysed and described, including an estimate of its financial effect if relevant. Management is kept informed of key figures (operational and financial as well as risk issues) on a regular basis. Significant differences from forecast are identified, analysed, listed and monitored.

The framework for internal control is continuously evaluated during the year, with respect to the operational effectiveness (functionality of controls and processes) and design effectiveness (process and control design). The evaluation is documented including recommendations for improvements.

Board of Directors



1. GUSTAV BARD

Member of the Board of Directors since 2005. Born 1964.

Other assignments:

Chairman of the Board of Pharmadule Emtunga AB. Member of the Board of Albivia AB and Scandferries Holding GmbH. Deputy member of the Board of The InfraNet Company AB.

Education:

Bachelor of Economics at Stockholm School of Economics and a degree from Paris École des Hautes Études Commerciales (HEC).

Employment:

President of 3i Nordic and Partner in 3i Buyouts.

Professional experience:

Partner in McKinsey & CO.

2. LARS GÅRDÖ

Member of the Board of Directors since 2005. Born 1941.

Other assignments:

Chairman of the Board of Isconova AB and Swedfund International AB. Member of the

Board of Ennismore Smaller Cos PLC, Gadelius K.K., Gamla Livförsäkringsaktiebolaget SEB Trygg Liv, Lars Gårdö Förvaltnings AB, Norfram S.A. and Tryggstiftelsen.

Education:

Bachelor of Economics.

3. GÖRAN BERGLUND

Member of the Board of Directors since 2005. Born 1942.

Other assignments:

Chairman of the Board of European Turboprop AB and West Air Holding AB. Member of the Board of Biolin Scientific AB and Medicinkonsulterna Göran Berglund AB.

Professional experience:

Professor of Medicine at Lund University, Malmö University Hospital MAS.

4. CLARE HOLLINGSWORTH

Member of the Board of Directors since 2009. Born 1960.

Other assignments:

Deputy Chairman of Spire Healthcare Group UK Limited.

Member of the Board of Assura Group Ltd and Independent Healthcare Forum Ltd.

Education:

Post Graduate Advanced Management Program, The Wharton School of University of Pennsylvania. Diploma in Management Studies and Higher National Diploma Business Studies, Thames Valley University.

Professional experience:

Former Managing Director of BUPA and Chief Executive of Spire Healthcare; Leading roles in the airline industry (Caledonian and British Airways).

5. JUSSI HUTTUNEN

Member of the Board of Directors since 2006. Born 1941.

Other assignments:

President of the Finnish Association for Mental Health. Chairman of the Board of the Juha Vainio Foundation for Health Promotion. Member of the Council of the Foundation for Brain Research.

Professional experience:

Professor, M.D., Ph.D., Former Director General of the National Public Health Institute of Finland and held senior positions in the Department of Social and Health Services at the Ministry of Social Affairs and Health in Finland.

6. TOMAS EKMAN

Member of the Board of Directors since 2005. Born 1967.

Other assignments:

Member of the Board of Axellia AS and TE Enterprises AB. Deputy member of the Board of Osby Intressenter AB.

Education:

MBA IMD in Lausanne, Master of Engineering Chalmers, Master of Science in Computer Aided Engineering from the University of Strathclyde, Glasgow.

Employment:

Partner in 3i Buyouts.

Professional experience:

Vice President ABB Stal, Manager Bain & Company.

7. PETER WEIDERMAN

Chairman of the Board. Born 1959.

Member of the Board of Directors since 2005.

Other assignments:

Chairman of the Board of Atvexa AB, TäbyPedagogerna Förskolor AB and Vårdapoteket i Norden AB. Member of the Board of Alteria Invest AB, Arelia Invest AB, Rönnberg & Partners AB, AB Videdals Privatskolor and Weiderman & Associates AB. Deputy member of the Board of Strategy Diagnostics and Dynamics AB.

Education:

Bachelor of Economics, University of Uppsala.

Professional experience:

Founder of Carema, CEO Carema (1996–2004), Associate Director Arthur D Little (1993–1996), CEO Svensk Hemservice AB (1991–1993), Consultant SIAR-Bossard (1985–1991).

Group Management



LARS WADELL

CFO Ambea, member of the Board of Directors of Carema and Mehiläinen.

Born 1959.

Employed since 2007.

Education: Bachelor of Economics, Stockholm School of Economics.

Professional experience: Consultant and acting CFO at HemoCue (2007). Group Controller at Intenia (2002–2006). CFO of CellPoint, Inc. (2000–2002), Vice President International Business at Telia Mobile International (2000). Finance Manager at Merkantildata Communication (1996–2000).

CECILIA DAUN WENNBORG

Vice President Ambea. Born 1963.

Employed since 2005.

Other assignments: Member of the Board of Hakon Invest AB and the Swedish Association of Private Care Providers (Vårdföretagarna).

Education: Bachelor of Economics, Stockholm University; studies in journalism and languages.

Professional experience: CEO (2007–2009) of Carema Vård och Omsorg AB and CFO (2005–2007) of Ambea and Carema Vård och Omsorg AB. Acting CEO of Skandiabanken AB (2004–2005). Head of Swedish operations in the Skandia Group (2003–2004). CEO of Skandia Link AB (2002–2003). Member of the Board of Nefab AB. Deputy member of the Board of Försäkringsförbundets Serviceaktiebolag AB.

RALPH RIBER

President and CEO Ambea, Chairman of the Boards of Carema and Mehiläinen Oy. Born 1958.

Employed since 2002.

Education: Master in Business Law and Bachelor in Business Administration, University of Gothenburg.

Professional experience: Management positions within Carema, including CEO (2004–2007) and Director of Business Development (2002–2004). Management consultant with Adacra AB (2000–2001), Tärnögruppen (1999–2000), A.T. Kearney (1995–1999), Gestlink S.A. (1989–1995) and Scandinavian Institutes for Administrative Research (SIAR) (1985–1988).

BENGT MARCUSSON

CEO and member of the Board of Directors of Carema Care.

Born 1949.

Employed since 1998.

Other assignments: Member of the Board of Directors of Sermavik AB.

Education: Advanced Management Program, Stockholm School of Economics. Studies in history and art history, Uppsala University.

Professional experience: CEO Carema Orkidén AB (1998–2000) and Orkidén AB (1993–1998). Business Controller, Department Manager and other positions, Stockholm County Council (1977–1992).

MATTI BERGENDAHL

Deputy CEO Ambea, CEO and member of the Board of Directors of Mehiläinen Oy.

Born 1966.

Employed since 2002.

Other assignments: Chairman of the Board of the Finnish Association of Employers in Health Care Services. Member of the Board of the Finnish Association of Health Care Service Providers (LPY), the Finnish Confederation of Industries (EK), the Finnish Association of Service Industries and NMC Holding Oy.

Education: M.D., Docent, Consultant Physician, MBA.

Professional experience: Management positions within Mehiläinen, including Vice President of Outpatient Clinics (2003–2005) and Municipal Services (2002–2005), and Director of Business Development (2002–2005). Pediatrics Consultant at the Children's Clinic at Turku University Central Hospital (1996–1998 and 1999–2000). Management Consultant with The Boston Consulting Group (1998–1999).

AUDITORS

HAMISH MABON, Authorised Public Accountant
Ernst & Young AB

Directors' Report

*Directors' Report 2009 for Ambea AB
(Corp. Reg. No. 556677-0896) Stockholm.*

The Board of Directors and the Chief Executive Officer of Ambea hereby present the annual report and consolidated financial statements of Ambea AB for 2009, the company's fifth financial year.

Introduction

The Ambea Group is a leading private supplier of healthcare and care services in the Nordic region. The Group has operations in several operating segments, in various geographic markets and with different financing systems. Ambea is a company that is capable of satisfying many customers' demands with a broad spectrum of healthcare and care services in Sweden and Finland.

In 2009, the Group recognised net sales of SEK 7,282 million, EBITA of SEK 624 million, operating profit of SEK 557 million and an operating cash flow ratio of 101 per cent. The Group operated about 600 healthcare and care units and had 10,300 employees in 2009.

Business

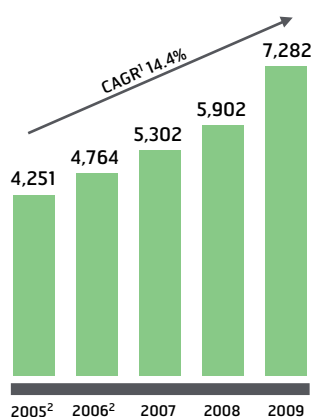
The Group is active in the healthcare and nursing markets in Finland through Mehiläinen and, in Sweden and Norway, through Carema Omsorg and Carema Sjukvård.

Ambea's care services are primarily offered through Carema Omsorg in Sweden and Norway, and Mehiläinen in Finland. The Group's largest presence in the care market is in Sweden, but Ambea believes that the Finnish and Norwegian markets offer attractive opportunities for further growth and development of the Group's operations. Ambea offers care services in elderly care and specialised care. Elderly Care accounted for about 37 per cent of the Group's net sales in 2009.

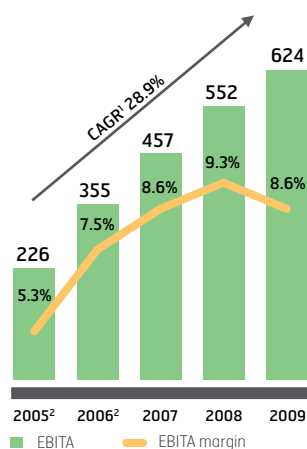
Ambea offers healthcare services in Finland, and in Sweden and Norway, through Mehiläinen and Carema Sjukvård. Mehiläinen offers healthcare services in Outpatient Clinics, Occupational Healthcare, Hospitals and Municipal Care. Carema Sjukvård offers healthcare services in Outpatient Clinics, Hospitals and Staffing. Outpatient facilities accounted for about 27 per cent of the Group's net sales in 2009.

THE COMPANY'S FINANCIAL PROFILE

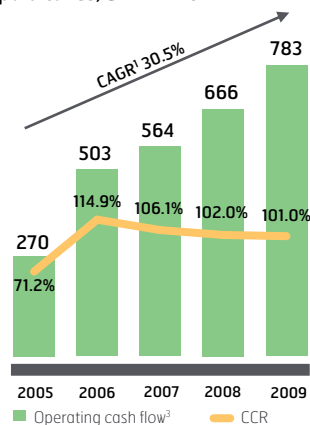
Sales, SEK million



EBITA trend, SEK million



Cash flow from operating activities, excluding paid interest (net) and paid taxes, SEK million



¹ CAGR = compound average growth rate

² Pro forma 2005–2006

³ Cash flow 2005–2006 Pro forma, EBITDA adjusted for changes in working capital. Cash flow from operating activities in 2007–2009, excluding taxes and interest paid.

⁴ Cash conversion ratio 2005–2006 Pro forma, EBITDA adjusted for changes in working capital less acquisition of tangible and intangible assets. Cash flow from operating activities in 2007–2009, excluding taxes and interest paid, less acquisition of tangible and intangible assets.

Group operations in brief 2009

- 10,300 full-time employees (average)
- 5,800 care beds
- 10,800 persons cared for
- 80 outpatient clinics
- Two million physician visits/year
- 15,000 planned operations/year
- 600 units in total

The principal owner is 3i, which holds 75 per cent of the shares together with the funds it manages. GIC owns 15.9 per cent and the Board of Directors and senior executives own the remaining 9.1 per cent.

Group overview 2009

- Net sales increased by 23.4 per cent to SEK 7,282 million (5,902.0).
- Operating profit increased by 18.1 per cent to SEK 557 million (471.8).
- EBITA excluding profit from sales of subsidiaries amounted to SEK 624.2 million (551.7).
- Profit for the period after tax attributable to the Parent Company's shareholders amounted to SEK 275.9 million (170.8).
- Earnings per share before dilution were SEK 0.98 (0.60).
- Organic growth during the year was 19.2 per cent, or SEK 1,131.5 million.
- The contract portfolio at 31 December amounted to SEK 12,804 million (12,422).

Contract portfolio* development

During the year, the contract portfolio increased by 3.1 per cent from SEK 12,422 million to SEK 12,804 million as a result of major contract gains in Sweden, primarily in 2008 and partly in

HEALTHCARE AND CARE OFFERING

| Operations | | Public pay | | Private pay |
|------------|-----------------------------|-------------|-------------|-------------|
| | | Own managed | Contracting | Own managed |
| Healthcare | Outpatient Clinics | ● | ● | ● |
| | Occupational Health | ● | | ● |
| | Hospitals | ● | ● | ● |
| | Staffing | ● | | ● |
| Care | Elderly Care | ● | ● | |
| | Disabled & Specialised Care | ● | ● | |

2009. At year-end, the contract portfolio in Carema Omsorg was SEK 9,912 million (8,668), up 14.4 per cent; SEK 2,616 million (3,431) in Carema Sjukvård, down 23.8 per cent; and SEK 276 million (323) in Mehiläinen, down 14.5 per cent. The decline in Carema Healthcare was attributable to the transition to customer choice, which means that contract operations will cease over time and be replaced by proprietary operations within the framework for customer choice. The contract gains for the year correspond to annual sales of SEK 552 million (SEK 1,644 million).

Publicly and privately financed markets

Mehiläinen, Carema Omsorg and Carema Sjukvård conduct operations in the privately and publicly financed healthcare and nursing markets in Finland, Sweden and Norway.

The publicly financed markets in Finland, Sweden and Norway comprise healthcare and care services provided by private companies, such as Ambea. The services offered by Carema Omsorg and Carema Sjukvård are nearly exclusively publicly financed (representing 98 per

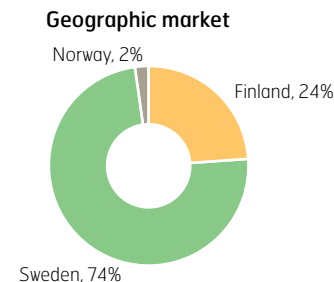
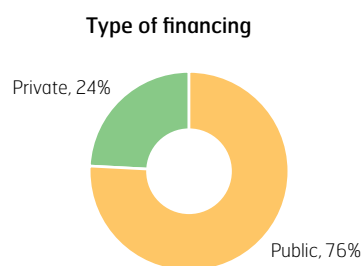
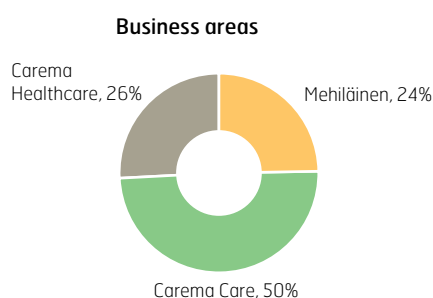
cent and 95 per cent of net sales in 2009, respectively). Meanwhile for Mehiläinen, only 10 per cent of net sales in 2009 derived from publicly funded services.

The privately financed markets in Finland, Sweden and Norway encompass healthcare services offered by private providers, such as Ambea. Finland has a large privately financed market compared with Sweden and Norway, and, consequently, 90 per cent of Mehiläinen's net sales derive from privately financed resources. Mehiläinen essentially represents all privately financed services in the Group.

Operating segments

The President manages the company based on the Carema Omsorg, Carema Sjukvård and Mehiläinen operating segments. Carema Omsorg comprises Elderly Care and Specialised Care, which encompasses the care of disabled and psychiatry/substance abuse patients. Carema Sjukvård comprises Outpatient Clinics, Hospitals and Staffing. Mehiläinen's operations comprise Outpatient Clinics, Occupational Health, Hospitals, Elderly Care and Specialised Care.

SHARE OF CONSOLIDATED NET SALES IN 2009



| | Jan–Dec | | |
|---|----------------|----------------|-------------|
| | 2009 | 2008 | Change, % |
| Net sales from external customers, SEK million | | | |
| Carema Omsorg | 3,666.3 | 2,849.7 | 28.7 |
| Carema Sjukvård | 1,840.8 | 1,743.3 | 5.6 |
| Mehiläinen | 1,775.1 | 1,309.1 | 35.6 |
| | 7,282.2 | 5,902.0 | 23.4 |
| EBITA, SEK million | | | |
| Carema Omsorg | 268.0 | 233.1 | 15.0 |
| Carema Sjukvård | 84.3 | 131.6 | –35.9 |
| Mehiläinen | 323.6 | 243.8 | 32.8 |
| Unallocated costs | –51.8 | –56.8 | 8.8 |
| | 624.2 | 551.7 | 13.1 |
| Capital gains from the divestment of subsidiaries | –0.1 | 11.0 | – |
| Depreciation of customer contracts and customer relationships | –67.1 | –90.8 | 26.1 |
| Operating profit | 557.0 | 471.8 | 18.1 |
| EBITA margin, % | | | |
| Carema Omsorg | 7.3 | 8.2 | |
| Carema Sjukvård | 4.6 | 7.6 | |
| Mehiläinen | 18.2 | 18.6 | |
| | 8.6 | 9.3 | |

NET SALES AND EARNINGS BY GEOGRAPHIC AND BUSINESS AREA

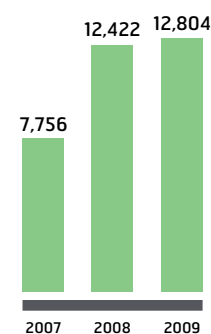
| | HEALTHCARE | | CARE | | TOTAL | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Net sales, SEK million | | | | | | |
| Sweden | 1,784.4 | 1,698.9 | 3,576.9 | 2,682.3 | 5,361.3 | 4,381.2 |
| Finland | 1,627.2 | 1,264.4 | 147.9 | 44.6 | 1,775.1 | 1,309.0 |
| Norway | 56.4 | 44.4 | 89.4 | 167.4 | 145.8 | 211.8 |
| | 3,468.0 | 3,007.7 | 3,814.3 | 2,894.3 | 7,282.2 | 5,902.0 |
| EBITA, SEK million | | | | | | |
| Sweden | 78.4 | 128.5 | 279.7 | 229.0 | 315.4 | 325.5 |
| Finland | 379.8 | 283.0 | –2.3 | 1.7 | 323.6 | 243.8 |
| Norway | 6.0 | 3.1 | –11.6 | 4.0 | –5.6 | 7.2 |
| Parent Company | – | – | – | – | –9.2 | –24.7 |
| | 464.1 | 414.6 | 265.8 | 234.8 | 624.2 | 551.6 |
| EBITA margin, % | | | | | | |
| Sweden | 4.4 | 7.6 | 7.8 | 8.5 | 5.9 | 7.4 |
| Finland | 23.3 | 22.4 | –1.5 | 3.9 | 18.2 | 18.6 |
| Norway | 10.6 | 7.1 | –13.0 | 2.4 | –3.9 | 3.4 |
| | 13.4 | 13.8 | 7.0 | 8.1 | 8.6 | 9.3 |

Net sales and earnings trend
2005–2009 pro forma*

Ambea was formed in 2005 and acquired Carema on 5 July 2005, Medihem on 31 January 2006 and Mehiläinen on 1 May 2006. With the aim of achieving comparability in sales and operating results over the years, pro forma figures have been calculated for the period from 2005 to 2006. Pro forma figures for 2006 were calculated by adding Mehiläinen's sales and earnings for the period from January to April and Medihem's sales and earnings for January. Pro forma figures for 2005 were calculated by adding Carema's sales and earnings for the period from January to June and Mehiläinen's and Medihem's sales and earnings for the full-year. IFRS was applied in calculating pro forma figures for Carema for 2005 to 2006. For Mehiläinen, IFRS was applied for 2006 and 2007 figures and generally accepted accounting policies in Finland for the 2005 figures. For Medihem, generally accepted accounting policies in Sweden were applied for the 2005 pro forma figures and IFRS for the 2006 figures. EBITA encompasses operating results before depreciation of customer contracts and customer relationships identified on acquisition.

Total income (pro forma) for Ambea grew by an average of 14.4 per cent annually during the period 2005–2009, of which organic growth accounted

Contract portfolio, SEK million



The portfolio value at year-end is calculated by multiplying the current year's budgeted sales by the number of outstanding contracted years plus 95 per cent of the sales during a potential first extension option.

for 12.2 per cent and acquired growth was 2.2 per cent. Pro forma EBITA for Ambea increased by an average of 28.9 per cent annually during the period 2005–2009. In the same period, the pro forma EBITA margin increased from 5.3 per cent to 8.6 per cent.

The increased income was primarily driven by new contracts in Sweden as well as by growing volumes in the Out-patient Clinics and Occupational Health operating segments in Finland. The Finnish operations have a higher EBITA margin than the Group's other business areas. In Finland, the operation is run partly by private-practice physicians, whose share of income and expenses is not included in Ambea, which is one of the reasons that the Finnish business has a higher operating margin than the Swedish and Norwegian businesses.

The improvement in margins, during the pro forma period, was the result of a concerted effort to improve staff scheduling and costs control combined with improved utilisation of capacity in Finland. However, the margins have been pressed down somewhat in the past year as a result of a large portion of the contract portfolio in Sweden being renewed and earnings were charged with integration costs for new units.

Net sales

Consolidated net sales for 2009 amounted to SEK 7,282.2 (5,902.0), up 23.4 per cent, of which organic growth accounted for 19.2 per cent and acquired growth for 4.2 per cent. This robust increase is

the result of a strong trend in a number of significant growth factors: the contract portfolio, the number of care beds, the number of physician visits and the number of employee customers within occupational health. The increase in net sales of SEK 1,380.2 million included a positive contribution from new contracts amounting to SEK 1,308.2 million, SEK 248.7 million from newly acquired units, and a combination of an increase in volume and price in existing operations, including the net of new and lost corporate customers in Mehiläinen, contributed SEK 304.5 million. Lost contracts had an adverse impact on sales of SEK 659.9 million. Changes in exchange rates affected net sales positively in the amount of SEK 174.8 million (51.6).

The strong growth in volume in Sweden is largely attributable to contracts won in Carema Omsorg, where the number of care beds increased by 32.9 per cent.

In Finland, the number of physician visits increased by 7.1 per cent. The number of employee customers in Occupational Health increased by 10.5 per cent to 236,000.

Operating profit

EBITA for 2009 amounted to SEK 624.2 million (551.7), which corresponds to an operating margin of 8.6 per cent (9.3). The decreased operating margin was attributable to costs for the integration of start-up contracts at Carema Omsorg, since a significant portion of Carema Omsorg's contract portfolio was

renewed in the past two years. Some onerous contracts also had an adverse effect on the margins. At the closing date, a provision of SEK 5.1 million (0) was made for onerous contracts. The EBITA margin for Carema Sjukvård declined as result of the conversion to care choice in primary care. This was particularly apparent during the first six months. During the second half of the year, earnings stabilised. Mehiläinen's EBITA rose SEK 79.8 million, as a result of increased volumes, primarily in occupational health, which in combination with an efficient utilisation of capacity, contributed to the margin remaining at a stable level.

Net financial items

Net financial items improved to an expense of SEK 167.4 (expense: 244.9), primarily due to decreased interest expenses resulting from lower interest rates.

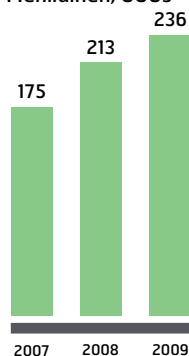
Taxes

Consolidated tax expenses include current and deferred tax based on the current and approved tax rates.

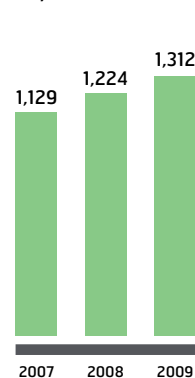
Intangible assets

Intangible assets comprise goodwill of SEK 3,120.2 million (2,993.9) and other intangible assets of SEK 582.7 million (609.6), the majority of which comprise customer contracts and customer relationships as well as trademarks identified in connection with acquisitions.

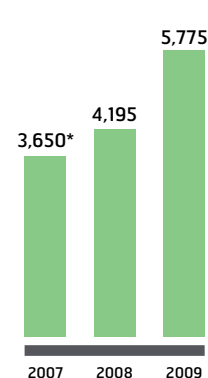
Occupational Health customers, Mehiläinen, 000s



Physician visits, Mehiläinen, 000s



Care beds



* Estimate.

Working capital

Working capital amounted to SEK neg: 264.2 million (neg: 239.9), neg: 3.6 per cent (neg: 4.1) of net sales.

Property, plant and equipment

Depreciation and impairment losses for the year amounted to SEK 113.6 million (98.0), 1.6 per cent (1.7) of net sales.

Net debt

Total interest-bearing liabilities decreased by SEK 135.4 million to SEK 3,309.4 million (3,444.8). This decrease was primarily attributable to SEK 108.4 million in loan repayments. Changes in exchange rates reduced interest-bearing liabilities by SEK 49.5 million. The interest rate on loans is the 3-month Ibor plus a margin of 2.20 per cent on average. To manage interest risk, 50 per cent of the loans have been bound to fixed interest rates through interest-swap agreements. The interest-swap agreements expire on 30 June 2012.

Cash flow

Cash flow from operating activities amounted to SEK 529.5 million (382.7) during the year, of which changes in working capital amounted to SEK 35.6 million (13.5). The improvement in cash flow from operating activities was primarily attributable to an increase in operating profit of SEK 85.2 million, a reduction in interest-rate payments of SEK 81 million and changes to working capital. The aforementioned factors were offset by an increase in tax payments of SEK 50.6 million.

NET DEBT

| SEK million | 31 Dec 2009 | 31 Dec 2008 |
|---------------------------------------|-------------|-------------|
| Non-current bank loans | 3,126.7 | 3,271.5 |
| Current bank loans | 60.1 | 57.7 |
| Convertible loans | 91.5 | 84.1 |
| Subordinated debenture | 8.8 | 8.6 |
| Non-current finance lease obligations | 10.5 | 6.2 |
| Current finance lease obligations | 11.8 | 16.7 |
| Interest-bearing liabilities | 3,309.4 | 3,444.8 |
| Cash and cash equivalents | -637.2 | -637.4 |
| Net debt | 2,672.2 | 2,807.4 |

Net investments amounted to SEK 343.7 million (133.0), of which acquisitions and divestments of subsidiaries amounted to SEK 184.2 million (36.5).

Cash flow from financing activities amounted to negative SEK 176.2 million (neg: 126.1).

Cash flow for the period amounted to SEK 9.6 million (123.6).

Profitability

Return on capital employed for the Group declined to 14.5 per cent (15.5).

Return on equity increased to 33.4 per cent (29.7).

Financial position

Total equity excluding minority interests increased during the year by SEK 215.8 million to SEK 933.9 million (718.1). The change in translation difference amounted to a loss of SEK 53.3 million.

No dividend is proposed for 2009 or was decided for 2008.

The equity/assets ratio was 17.0 per cent (13.7).

Cash and cash equivalents amounted to SEK 637.2 million (637.4).

The terms of credit ("covenants") set in connection with the assumption of bank loans have been achieved with a good margin.

Acquisitions and divestments during the year

During the year, Ambea made a total of eight acquisitions: four in Carema Sjukvård, three in Mehiläinen and one in Carema Omsorg. No divestments were made.

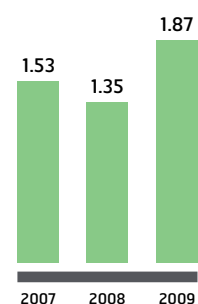
Group risks

The Ambea Group is exposed to four main categories of risk: financial risk, operational risk, political risk and market risk.

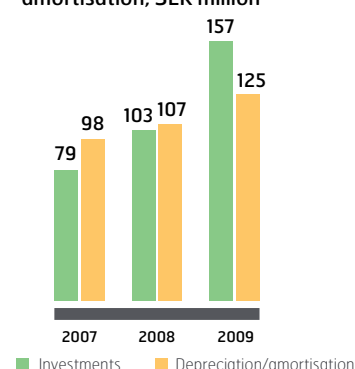
Financial risks

Financial assets of the Ambea Group are primarily trade receivables arising from supplying healthcare and care services and cash and cash equivalents. The Ambea Group's financial liabilities largely consist of loans raised primarily for the funding of acquisitions and, to a lesser extent, for the funding of the Group's working capital. The financial liabilities give rise to interest rate risks that are primarily managed by interest

Cash flow from operating activities per share before dilution, SEK



Investments in property, plant and equipment and intangible assets and depreciation/amortisation, SEK million



FINANCIAL MARGIN

| SEK million | 31 Dec 2009 | 31 Dec 2008 |
|--------------------------------|-------------|-------------|
| Cash and cash equivalents | 637.2 | 637.4 |
| Unutilised revolving credit* | 164.9 | 284.0 |
| Unutilised acquisition credit* | 372.0 | 372.0 |

* Valid up to and including 30 November 2014.

rate derivatives; in 2009, 50 per cent of the Ambea Group's bank loans were hedged with interest rate derivatives. As a result of the financial crisis that spread from the U.S. to Europe and led to rising interest rates, the parts of the Group's financing costs attributable to the Ambea Group's financial liabilities subject to variable interest rates increased for parts of the year.

The responsibility of managing financial risks in the Parent Company and the Group is that of the central financial function in the Parent Company under the management of the Group's Chief Financial Officer. Policies are formulated by the finance function and decided by the Board.

The Group's currency risks primarily consist of translation exposures arising from conducting operations through foreign subsidiaries in Finland and Norway and the raising of loans in local currencies in connection with acquisitions in these countries.

For further information about financial risk, see Note 31.

Operational risks

Risks in connection with the provisioning and operation of healthcare and care are managed by the respective company management at various levels, in observance of the governance principles applied within the Group; refer to the Corporate Governance Report. Follow-up of operations takes place in part through cooperation with clients and patients, and in part through internal quality control. The structure of contracts has a significant impact on risks in individual assignments.

Ambea continuously conducts corporate acquisitions. The valuation, contract signing and integration of acquired companies are processes that entail risk, which is reduced by applying the experience and the models for corporate acquisitions that have been built up within the Group. Risks of a legal nature are managed by external legal advisers and own specialists. Asset, liability and business interruption risks are covered by insurance policies with hitherto limited damage incurred.

Political risks

In the Nordic countries, care is largely funded by public means. Varying degrees of private care services exist, but the public sector is by far the largest provider of care. In all Nordic countries, privatisation is used in varying degrees as a means of introducing pressures for change and development in the healthcare sector. The most common model is tendering or outsourcing, where previously publicly run operations are contracted out for a limited period of time. However, the "vårdval" (Care Choice) reform in Sweden is expected to reduce political risk somewhat.

The funding and provisioning of healthcare are dependent on political decisions. This means that Ambea's growth opportunities are materially affected by prevailing opinion and political decision-makers' views on how healthcare should be financed and operated. However, management believes the current trend towards a larger share of privately operated care is set to continue, regardless of the proportional relationship between privately and publicly financed healthcare and care. The pace and future development of this trend will vary depending on future political decisions.

Market risks

In Sweden, pricing practices are subject to a greater degree of regulation through agreements or other arrangements than in Finland, where Ambea enjoys greater latitude in setting prices. In Sweden, the share of pricing by number of care days, visits and treatments is significant, as agreements often run for a period of three years or more. Annual indexing is also common. The wage trend for care staff varies depending on general economic conditions. Indexes should as far as possible reflect regional differences in wage trends. The supply of staff is another key cost driver. The market is competitive, which can lead to lower prices. Accordingly, Ambea needs to continually find new ways to develop its business to ensure that it can be run efficiently while maintaining a consistently high level of quality.

Personnel

Ambea is a service company where the employees are the most important resource. The employees' enjoyment of work, well-being and development are prerequisites for the company to achieve its set objectives. Ambea offers continuous management training, works with the "Right expertise" and other relevant skills development. It is also important for Ambea to work with health-promotion measures. Since 2006, the subsidiary Carema has worked with the project "Feel better" which has contributed to the company's low sickness absence figures. In partnership with the Swedish Municipal Workers' Union, Carema Omsorg initiated the "Model workplace" project, which aims to promote employee and customer satisfaction. In Finland, the work methods in the Leija project, which was introduced in 2006 as a two-year project with the aim of achieving a better work environment, has now become a permanent part of Mehiläinen's human resource efforts. The majority of Ambea's employees are women. The equality factor is considered in every recruitment, but expertise is always the deciding factor.

Future prospects

The privately financed healthcare market is well-established in Finland. On the other hand, there are a relatively limited number of privately operated companies in the publicly financed healthcare market in Finland. However, local and regional Finnish authorities have increased their procurement of services from private companies for the same reasons as Swedish authorities, which are described below, but also due to challenges in retaining and attracting physicians in the public sector.

Local and regional authorities in Sweden have increasingly outsourced healthcare and care services to providers in the private sector. Initially, the most important driving forces behind this trend were cost savings and limited public financing. However, with time, improved quality and availability have become key reasons to outsource health-

care and care operations to the private care providers.

Ambea believes that there are several factors that will ultimately drive an increasing share of healthcare and care into private sector, including:

- Greater need for efficiency enhancements due to strained public finances.
- Trend toward greater freedom-of-choice in society, also for healthcare and care services.
- Willingness among customers and patients to pay more for increased quality and availability for healthcare and care services.

Financial objectives

Ambea's Board has adopted the following financial objectives:

- A long-term annual increase in net sales of 15 per cent, of which 10 per cent shall be through organic growth and 5 per cent through strategic acquisitions.
- A long-term Operating margin EBITA (calculated as EBITA divided by net sales) of 10 to 11 per cent.
- Operational cash flow ratio of 100 per cent (calculated as EBITDA adjusted for changes in working capital less acquisitions of tangible and intangible assets, divided by EBITA).

Dividend policy

The Board of Ambea has adopted a dividend policy according to which the Board intends to propose to future annual general meetings a dividend of 30 per cent of the net income for the preceding financial year, provided that the company's future capital requirements allow this. The company's expected future earnings, financial condition, cash flows, credit conditions and other factors must also be taken into account. The Board has an overriding policy that the company shall maintain a long-term net debt relative to EBITDA of 2.0–3.0.

Research and development

Ambea has expenses for operational development, but otherwise conducts no research.

Policies

The Board of Ambea has adopted a framework for Group policies and instructions. Generally, these policies shall be approved by the Board and the instructions shall be approved by the President. The framework encompasses Corporate Governance, the internal control of financial statements, a Financial Policy, a Communication Policies, an HR Policy, a Quality Policy and an Environmental Policy.

Branche offices

Ambea has a branch office in Finland.

Changes in the legal structure of the Group

Ambea has and continues in 2010 to conduct a legal restructuring with the aim of reducing the number of legal entities in the Group.

A number of legal entities have also been added during the period through acquisitions.

Ownership

| Shareholders | Ownership share, % |
|---|--------------------|
| 3i Group plc and 3i funds | 75.00 |
| Government of Singapore | |
| Investment Corporation (GIC) | 15.94 |
| Peter Weiderman, via company | 3.47 |
| Management of Mehiläinen | 5.13 |
| Bengt Marcusson, via company, Head of Carema Omsorg | 0.46 |

Events after the end of the reporting period

After the end of the reporting period, the Parent Company applied to be listed on NASDAQ OMX. AS of yet, the company has not decided whether or not it will follow through on the listing process.

Parent Company results and financial position

The Parent Company's net sales amounted to SEK 15 million (15.0). The loss before tax was SEK 129.5 million (loss: 44.1). Cash and cash equivalents amounted to SEK 350.4 million (372.4). Shareholders' equity in the Parent Company amounted to SEK 673.5 million (558.0). The number of shares in the company amounted to 282,891,568.

The Parent Company's long-term borrowing amounts to SEK 3,224.9 million (3,363.9), including bank loans of SEK 3,124.5 million (3,271.2) and convertible loans and debenture loans of SEK 100.3 million (92.7). The contract terms and credit facilities for the Parent Company are the same as for the Group (refer to the sections on sales and earnings and financial position above).

The Parent Company's costs were significantly lower during the year due to major expenses for a planned IPO in 2008, which was discontinued as a result of the prevailing stock market climate.

Appropriation of retained earnings

The distributable equity to be appropriated at the annual meeting of shareholders is as follows:

| | SEK |
|--------------------------|-------------|
| Share premium account | 194,836,736 |
| Fair value reserve | -7,679,759 |
| Retained earnings | 355,724,546 |
| Profit/loss for the year | -87,417,954 |
| Total | 455,463,569 |

The Board of Directors proposes that all of the Group's distributable equity, as shown above, be carried forward.

For more information about the company's results and financial position, refer to the following profit and loss, and balance sheets with associated notes.

Five-year summary

| SEK million | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|-------------|-------------|-------------|-------------|-------------|
| Net sales | 7,282.2 | 5,902.0 | 5,302.3 | 4,370.7 | 1,474.0 |
| Operating profit EBITDAR | 1,228.8 | 1,045.9 | 911.9 | 577.9 | n/a |
| Operating margin EBITDAR, % | 16.9 | 17.7 | 17.2 | 13.2 | n/a |
| Operating profit EBITDA | 748.8 | 658.3 | 556.3 | 391.9 | 105.6 |
| Operating margin EBITDA, % | 10.3 | 11.2 | 10.5 | 9.0 | 7.2 |
| Operating profit EBITA | 624.2 | 551.7 | 457.3 | 311.1 | 87.9 |
| Operating margin EBITA, % | 8.6 | 9.3 | 8.6 | 7.1 | 6.0 |
| Operating profit | 557.0 | 471.8 | 347.9 | 183.7 | 23.1 |
| Operating margin, % | 7.6 | 8.0 | 6.6 | 4.2 | 1.6 |
| Profit/loss before tax | 389.6 | 226.9 | 79.3 | -19.6 | -32.3 |
| Profit/loss after tax, before minority interest | 305.6 | 193.9 | 83.6 | -28.0 | -28.8 |
| Net sales growth, % | 23.4 | 11.3 | 21.3 | 196.5 | n/a |
| EBITA growth, % | 13.1 | 20.6 | 47.0 | 253.9 | n/a |
| Operating profit growth, % | 18.1 | 35.6 | 89.3 | 695.4 | n/a |
| Productivity (income/employee expenses) | 1.56 | 1.59 | 1.59 | 1.52 | 1.50 |
| Return on capital employed, % | 14.5 | 15.5 | 13.0 | 10.2 | n/a |
| Return on equity, % | 33.4 | 29.7 | 17.7 | neg | n/a |
| Equity/assets ratio, % | 17.0 | 13.7 | 8.5 | 7.5 | 7.5 |
| Net debt | 2,672.2 | 2,807.4 | 2,920.8 | 2,999.6 | 1,529.4 |
| Net debt/EBITDA | 3.6 | 4.3 | 5.3 | 7.7 | 14.5 |
| Debt/equity ratio | 3.5 | 4.7 | 7.7 | 9.3 | 9.0 |
| Capital employed | 4,259.8 | 4,184.4 | 3,852.9 | 3,604.7 | n/a |
| Cash flow from operating activities | 529.5 | 382.7 | 432.8 | 225.7 | 34.0 |
| Cash flow from investing activities | -343.7 | -133.0 | -143.1 | -1,722.0 | -1,699.9 |
| Net investments excluding acquisitions and divestments of subsidiaries | -159.6 | -96.5 | -71.6 | -72.9 | -23.3 |
| Cash conversion ratio, % | 60.4 | 50.7 | 77.4 | 45.0 | 20.0 |
| Cash flow from operating activities excluding tax paid and interest | 783.3 | 665.8 | 564.0 | 368.4 | 85.7 |
| Cash conversion ratio excluding tax paid and interest, % | 101.2 | 102.0 | 106.1 | 91.3 | 79.1 |
| Average number of employees | 10,300 | 8,262 | 7,793 | 7,045 | 2,485 |
| Basic earnings per share, SEK | 0.98 | 0.60 | 0.24 | -0.18 | -0.39 |
| Average number of shares before dilution | 282,891,568 | 282,891,568 | 282,853,374 | 241,988,179 | 83,975,125 |
| Average number of shares after dilution | 492,113,773 | 492,028,536 | 491,089,078 | 396,893,907 | 167,796,835 |

Consolidated statement of comprehensive income

| MSEK | Note | 01 Jan 2009 –31 Dec 2009 | 01 Jan 2008 –31 Dec 2008 |
|---|-------|-----------------------------|-----------------------------|
| OPERATING INCOME | | | |
| Net sales | | 7,282.2 | 5,902.0 |
| Other operating income | | 34.0 | 38.3 |
| | 2,3 | 7,316.2 | 5,940.3 |
| OPERATING COSTS | | | |
| Consumables | | –530.0 | –428.8 |
| Other external costs | 4,5,6 | –1,348.8 | –1,125.9 |
| Employee benefits | 7 | –4,683.5 | –3,726.7 |
| Depreciation/amortisation and impairment of property, plant and equipment and intangible assets | 8 | –191.8 | –197.4 |
| Other operating costs | | –5.6 | –0.9 |
| Share of results of associated companies | | 0.6 | 0.2 |
| Capital gains/losses, Group companies | 9 | –0.1 | 11.0 |
| Operating profit | | 557.0 | 471.8 |
| Financial income | | 5.9 | 28.2 |
| Financial expenses | | –173.3 | –273.1 |
| Net financial items | 10 | –167.4 | –244.9 |
| Profit before tax | | 389.6 | 226.9 |
| Income tax expense | 11 | –84.0 | –33.0 |
| PROFIT FOR THE YEAR | | 305.6 | 193.9 |
| OTHER COMPREHENSIVE INCOME | | | |
| Currency translation differences | | –53.9 | 128.4 |
| Changes in hedging reserve | | –9.2 | –18.6 |
| Deferred tax on changes in hedging reserve | | 2.4 | 5.2 |
| Other comprehensive income for the year | | –60.7 | 115.0 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 244.9 | 308.9 |
| Profit for the year attributable to: | | | |
| Equity holders of the Parent Company | | 275.9 | 170.8 |
| Minority interests | | 29.7 | 23.1 |
| | | 305.6 | 193.9 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Parent Company | | 215.2 | 285.8 |
| Minority interests | | 29.7 | 23.1 |
| | | 244.9 | 308.9 |
| Earnings per share based on profit for the year, SEK | | | |
| Basic earnings per share, SEK | 21 | 0.98 | 0.60 |

Consolidated balance sheet

| SEK million | Note | 31 Dec 2009 | 31 Dec 2008 |
|-------------------------------------|-------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 12 | 3,702.9 | 3,603.6 |
| Property, plant and equipment | 13 | 397.4 | 358.1 |
| Investments in associated companies | 14 | 2.4 | 2.8 |
| Financial investments | 15 | 13.2 | 14.1 |
| Non-current receivables | 16 | 3.5 | 1.5 |
| Total non-current assets | | 4,119.4 | 3,980.1 |
| Current assets | | | |
| Inventory | | 24.7 | 23.2 |
| Trade receivables | 30 | 655.1 | 625.8 |
| Other receivables | 16 | 37.5 | 68.0 |
| Prepaid expenses and accrued income | 19 | 123.7 | 83.7 |
| Cash and cash equivalents | 31,34 | 637.2 | 637.4 |
| Total current assets | | 1,478.2 | 1,438.1 |
| TOTAL ASSETS | | 5,597.6 | 5,418.2 |

| SEK million | Note | 31 Dec 2009 | 31 Dec 2008 |
|--|----------|----------------|----------------|
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Equity | | | |
| | 20,21,22 | | |
| Share capital | | 28.3 | 28.3 |
| Other paid-in capital | | 384.8 | 384.3 |
| Reserves | | 80.8 | 141.2 |
| Retained earnings including profit for the year | | 439.9 | 164.3 |
| Equity attributable to equity holders of the Parent Company | | 933.8 | 718.1 |
| Minority interests | | 16.6 | 21.5 |
| Total equity | | 950.4 | 739.6 |
| Non-current liabilities | | | |
| Subordinated debentures and convertible loans | 22,23 | 100.4 | 92.7 |
| Interest-bearing liabilities | 23,24 | 3,137.1 | 3,277.7 |
| Other non-interest bearing liabilities | 25 | 49.8 | 8.1 |
| Provisions for pensions | 26 | 7.0 | 6.7 |
| Other provisions | 27 | 5.1 | – |
| Deferred tax liabilities | 28 | 179.8 | 188.0 |
| Total non-current liabilities | | 3,479.2 | 3,573.2 |
| Current liabilities | | | |
| Current interest-bearing liabilities | 23 | 71.9 | 74.4 |
| Accounts payable | | 158.0 | 152.7 |
| Income tax liabilities | | 37.2 | 49.0 |
| Other non-interest bearing liabilities | 25 | 256.1 | 260.4 |
| Accrued expenses and deferred income | 29 | 644.9 | 568.9 |
| Total current liabilities | | 1,168.0 | 1,105.4 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 5,597.6 | 5,418.2 |

For information regarding the Group's pledged assets and contingent liabilities, refer to note 32.

Consolidated statement of changes in equity

| Attributable to shareholders of the Parent Company SEK million | Share capital | Other paid-in capital | Reserves | Retained earnings | Total | Minority interests | Total equity |
|---|---------------|-----------------------|--------------|-------------------|--------------|--------------------|--------------|
| Equity at 1 Jan 2008 | 28.3 | 384.4 | 26.2 | -6.5 | 432.4 | 13.1 | 445.5 |
| Comprehensive income | | | | | | | |
| Profit for the year | | | | 170.8 | 170.8 | 23.1 | 193.9 |
| Other comprehensive income | | | | | | | |
| Change during the year in translation reserve, Note 21 | - | - | 128.4 | - | 128.4 | - | 128.4 |
| Change during the year in hedging reserve, Note 21 | - | - | -18.6 | - | -18.6 | - | -18.6 |
| Tax related to items recognised directly in equity | - | - | 5.2 | | 5.2 | - | 5.2 |
| Total other comprehensive income | - | - | 115.0 | 170.8 | 285.8 | 23.1 | 308.9 |
| Total comprehensive income | 28.3 | 384.4 | 141.2 | 164.3 | 718.2 | 36.2 | 754.4 |
| Transactions with equity holders | | | | | | | |
| Acquisition of and dividend to minority interests | - | - | - | - | - | -14.7 | -14.7 |
| Repurchase of warrants | - | -0.1 | - | - | -0.1 | | -0.1 |
| Total transactions with equity holders | 0.0 | -0.1 | 0.0 | 0.0 | -0.1 | -14.7 | -14.8 |
| Equity at 31 Dec 2008 | 28.3 | 384.3 | 141.2 | 164.3 | 718.1 | 21.5 | 739.6 |

| Attributable to shareholders of the Parent Company SEK million | Share capital | Other paid-in capital | Reserves | Retained earnings | Total | Minority interests | Total equity |
|---|---------------|-----------------------|--------------|-------------------|--------------|--------------------|--------------|
| Equity at 1 Jan 2009 | 28.3 | 384.3 | 141.2 | 164.3 | 718.1 | 21.5 | 739.6 |
| Comprehensive income | | | | | | | |
| Profit for the year | | | | 275.9 | 275.9 | 29.7 | 305.6 |
| Other comprehensive income | | | | | | | |
| Change during the year in translation reserve, Note 21 | | | -53.6 | | -53.6 | -0.3 | -53.9 |
| Change during the year in hedging reserve, Note 21 | | | -9.2 | | -9.2 | | -9.2 |
| Tax related to items recognised directly in equity | | | 2.4 | | 2.4 | | 2.4 |
| Total other comprehensive income | | | -60.4 | | -60.4 | -0.3 | -60.7 |
| Total comprehensive income | 28.3 | 384.3 | 80.8 | 440.2 | 933.6 | 50.9 | 984.5 |
| Transactions with equity holders | | | | | | | |
| Acquisition of and dividend to minority interests | | | | -0.3 | -0.3 | -34.2 | -34.5 |
| Purchase of warrants | | 0.4 | | | 0.4 | | 0.4 |
| Total transactions with equity holders | 0.0 | 0.4 | | -0.3 | 0.2 | -34.2 | -34.0 |
| Equity at 31 Dec 2009 | 28.3 | 384.7 | 80.8 | 439.9 | 933.8 | 16.6 | 950.4 |

Consolidated cash-flow statement

| MSEK | Note | 01 Jan 2009 – 31 Dec 2009 | 01 Jan 2008 – 31 Dec 2008 |
|--|------|------------------------------|------------------------------|
| | 34 | | |
| OPERATING ACTIVITIES | | | |
| Profit before tax | | 389.6 | 226.9 |
| Adjustment for non-cash items | | 216.1 | 203.4 |
| | | 605.7 | 430.3 |
| Income tax paid | | -111.7 | -61.1 |
| Cash flow from operating activities before changes in working capital | | 494.0 | 369.2 |
| CASH FLOW FROM CHANGES IN WORKING CAPITAL | | | |
| Increase (-)/Decrease (+) in inventories | | -2.1 | -0.8 |
| Increase (-)/Decrease (+) in operating receivables | | -4.7 | 4.6 |
| Increase (+)/Decrease (-) in operating liabilities | | 42.4 | 9.7 |
| Cash flow from operating activities | | 529.6 | 382.7 |
| INVESTING ACTIVITIES | | | |
| Acquisition of subsidiaries | 34 | -183.3 | -67.4 |
| Sale of subsidiaries | | -0.2 | 30.9 |
| Acquisition of intangible assets | | -18.9 | -9.7 |
| Acquisition of property, plant and equipment | | -136.2 | -97.2 |
| Sale of property, plant and equipment | | 1.5 | 3.6 |
| Sale of/investment in financial assets | | -6.6 | 6.8 |
| Net cash used in investing activities | | -343.7 | -133.0 |
| FINANCING ACTIVITIES | | | |
| New issue, convertible loans and option premiums | | 0.4 | - |
| Repayment of borrowings | | -144.3 | -111.0 |
| Dividends paid to minority interests | | -32.3 | -15.1 |
| Cash flow from financing activities | | -176.2 | -126.1 |
| CASH FLOW FOR THE YEAR | | | |
| Cash and cash equivalents at the beginning of the year | | 637.4 | 486.5 |
| Exchange-rate difference on cash and cash equivalents | | -9.9 | 27.3 |
| Cash and cash equivalents at year-end | | 637.2 | 637.4 |

Parent Company income statement

| SEK million | Note | 01 Jan 2009 – 31 Dec 2009 | 01 Jan 2008 – 31 Dec 2008 |
|---|---------|------------------------------|------------------------------|
| OPERATING INCOME | | | |
| Net sales | | 15.0 | 15.0 |
| | 2, 3 | 15.0 | 15.0 |
| OPERATING COSTS | | | |
| Other external costs | 4, 5, 6 | -11.8 | -28.2 |
| Employee benefits | | -12.1 | -11.2 |
| Depreciation/amortisation and impairment of property, plant and equipment and intangible assets | 8 | -0.3 | -0.3 |
| Operating loss | | -9.2 | -24.7 |
| Financial income | 10 | 93.8 | 250.2 |
| Financial expenses | 10 | -213.8 | -269.6 |
| Appropriations | | -0.3 | - |
| Loss before tax | | -129.5 | -44.1 |
| Tax for the year | 11 | 42.1 | 10.0 |
| LOSS FOR THE YEAR | | -87.4 | -34.1 |

Parent Company balance sheet

| SEK million | Note | 31 Dec 2009 | 31 Dec 2008 |
|---|-------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 12 | 1.0 | 1.0 |
| Property, plant and equipment | 13 | 0.1 | 0.1 |
| Investments in Group companies | 17 | 1,944.7 | 1,944.7 |
| Receivables from Group companies | 18 | 1,378.6 | 1,525.2 |
| Total non-current assets | | 3,324.4 | 3,471.0 |
| Current assets | | | |
| Receivables from Group companies | | 329.7 | 186.9 |
| Other receivables | 16 | 5.7 | 31.2 |
| Prepaid expenses and accrued income | 19 | 1.0 | 0.5 |
| Cash and bank balances | 30,33 | 350.4 | 372.4 |
| Total current assets | | 686.8 | 591.0 |
| TOTAL ASSETS | | 4,011.2 | 4,062.0 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Non-distributable equity | | | |
| Share capital | 20 | 28.3 | 28.3 |
| Statutory reserve | | 189.9 | 189.9 |
| | | 218.2 | 218.2 |
| Distributable equity | | | |
| Share premium reserve | | 194.8 | 194.4 |
| Fair value reserve | | -7.7 | -0.9 |
| Retained earnings | | 355.7 | 180.4 |
| Loss for the year | | -87.4 | -34.1 |
| | | 455.4 | 339.8 |
| Total equity | | 673.6 | 558.0 |
| Untaxed reserves | | | |
| | | 0.3 | - |
| Provisions | | | |
| Provisions for taxes | 27 | 16.0 | 20.4 |
| Non-current liabilities | | | |
| Subordinated debentures and convertible loans | 22 | 100.4 | 92.7 |
| Liabilities to credit institutions | 24 | 3,124.5 | 3,271.2 |
| Other non-current liabilities | | 10.4 | 1.2 |
| Total non-current liabilities | | 3,235.3 | 3,365.1 |
| Current liabilities | | | |
| Liabilities to credit institutions | 24 | 57.7 | 57.7 |
| Accounts payable | | 1.3 | 6.9 |
| Liabilities to Group companies | | 0.3 | - |
| Income tax liabilities | | 13.8 | 37.3 |
| Other liabilities | 25 | 0.4 | 10.3 |
| Accrued expenses and deferred income | 29 | 12.5 | 6.3 |
| Total current liabilities | | 86.0 | 118.5 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 4,011.2 | 4,062.0 |

For information regarding the Group's pledged assets and contingent liabilities, refer to note 32.

Parent Company statement of changes in equity

| SEK million | NON-DISTRIBUTABLE EQUITY | | DISTRIBUTABLE EQUITY | | | | Total equity |
|--|--------------------------|-------------------|-----------------------|--------------------|-------------------|--------------------------|--------------|
| | Share capital | Statutory reserve | Share premium reserve | Fair value reserve | Retained earnings | Profit/loss for the year | |
| Equity at 01 Jan 2008 | 28.3 | 189.9 | 194.5 | 12.5 | 146.9 | -87.2 | 484.9 |
| Group contributions | - | - | - | - | 167.6 | - | 167.6 |
| Tax effect on Group contributions | - | - | - | - | -46.9 | - | -46.9 |
| Change in value of financial assets | - | - | - | -13.4 | - | - | -13.4 |
| Loss for the year | - | - | - | - | - | -34.1 | -34.1 |
| Total changes in net asset value excluding transactions with equity holders | 28.3 | 189.9 | 194.5 | -0.9 | 267.6 | -121.3 | 558.1 |
| Appropriation of profit | - | - | - | - | -87.2 | 87.2 | - |
| Repurchase of warrants | - | - | -0.1 | - | - | - | -0.1 |
| Equity at 31 Dec 2008 | 28.3 | 189.9 | 194.4 | -0.9 | 180.4 | -34.1 | 558.0 |

| SEK million | NON-DISTRIBUTABLE EQUITY | | DISTRIBUTABLE EQUITY | | | | Total equity |
|--|--------------------------|-------------------|-----------------------|--------------------|-------------------|--------------------------|--------------|
| | Share capital | Statutory reserve | Share premium reserve | Fair value reserve | Retained earnings | Profit/loss for the year | |
| Equity at 01 Jan 2009 | 28.3 | 189.9 | 194.4 | -0.9 | 180.4 | -34.1 | 558.0 |
| Group contributions | - | - | - | - | 284.0 | - | 284.0 |
| Tax effect on Group contributions | - | - | - | - | -74.7 | - | -74.7 |
| Change in value of financial assets | - | - | - | -6.8 | - | - | -6.8 |
| Loss for the year | - | - | - | - | - | -87.4 | -87.4 |
| Total changes in net asset value excluding transactions with equity holders | 28.3 | 189.9 | 194.4 | -7.7 | 389.7 | -121.5 | 673.2 |
| Appropriation of profit | - | - | - | - | -34.1 | 34.1 | - |
| Purchase of warrants | - | - | 0.4 | - | - | - | 0.4 |
| Equity at 31 Dec 2009 | 28.3 | 189.9 | 194.8 | -7.7 | 355.7 | -87.4 | 673.6 |

Parent Company cash-flow statement

| SEK million | Note | 01 Jan 2009 – 31 Dec 2009 | 01 Jan 2008 – 31 Dec 2008 |
|--|------|------------------------------|------------------------------|
| | 34 | | |
| OPERATING ACTIVITIES | | | |
| Loss before tax | | -129.2 | -44.1 |
| Adjustment for non-cash items | | 64.1 | -97.9 |
| | | -65.1 | -142.0 |
| Income tax paid | | -58.1 | -20.5 |
| Cash flow from operating activities before changes in working capital | | -123.2 | -162.5 |
| CASH FLOW FROM CHANGES IN WORKING CAPITAL | | | |
| Increase (-)/Decrease (+) in operating receivables | | -93.3 | 271.1 |
| Increase (+)/Decrease (-) in operating liabilities | | -9.1 | -10.3 |
| Cash flow from operating activities | | -225.6 | 98.3 |
| INVESTING ACTIVITIES | | | |
| Shareholder contribution paid | | - | -10.0 |
| Acquisition of intangible assets | | -0.2 | -0.3 |
| Acquisition of property, plant and equipment | | - | -0.1 |
| Decrease in financial assets | | 67.4 | 46.5 |
| Net cash from in investing activities | | 67.2 | 36.1 |
| FINANCING ACTIVITIES | | | |
| New issue, convertible loans and option premiums | | 0.4 | - |
| Repayment of borrowings | | -108.4 | -88.8 |
| Group contributions received | | 243.9 | 171.3 |
| Cash flow from financing activities | | 135.9 | 82.5 |
| CASH FLOW FOR THE YEAR | | | |
| Cash and cash equivalents at the beginning of the year | | 372.4 | 152.9 |
| Exchange-rate difference on cash and cash equivalents | | 0.5 | 2.6 |
| Cash and cash equivalents at year-end | | 350.4 | 372.4 |

Notes

| Amounts pertain to millions of Swedish kronor (SEK million) unless otherwise stated. | | Page |
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NOTE 1 ACCOUNTING PRINCIPLES

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application in the EU. In addition the Annual Accounts Act and Swedish Financial Reporting Board's Recommendation RFR 1.2, "Supplementary Rules for Consolidated Financial Statements" has been applied.

The Parent Company applies the same accounting policies as the Group, except in those cases described in the section "Parent Company accounting policies". The deviations between the principles used in preparing the Parent Company and consolidated financial statements are due to limitations in the applicability of IFRS in the Parent Company in consequence of the Swedish Annual Accounts Act and the law on safeguarding of pension commitments, and in certain cases due to the tax legislation.

Unless otherwise stated, the accounting policies for the Group described in the following have been applied consistently in the consolidation of the Parent Company, subsidiaries and associated companies.

The applied accounting principles agree with those applied in the preceding year, with the exceptions stated below.

The company has chosen to only comment on the standards, changes and interpretations that are deemed to be relevant to the Group.

The annual report and consolidated financial statements were approved for release by the Board of Directors on February 21, 2010. The consolidated income statement and balance sheet and the Parent Company income statement and balance sheet were adopted by of the Annual Meeting of Shareholders on May 5, 2009.

BASIS OF MEASUREMENT

Assets and liabilities are stated on a historical cost basis except that certain financial assets are stated at fair value. Financial assets stated at fair value are derivatives and financial assets at fair value through the income statement.

JUDGEMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

In preparing Ambea's financial statements in accordance with IFRS, company management is required to make certain judgements and estimates. These are based on historical experiences and a number of other factors that appear reasonable under the prevailing circumstances. The results of these estimates and assumptions are then used to assess carrying amounts of assets and liabilities that are not evident from other sources. Actual outcomes may differ from these estimates and assessments. Estimates and assessments are reviewed on a regular basis. For a more detailed description, see Note 37.

NEW AND CHANGED ACCOUNTING POLICIES

STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE 2009

The Group has adopted the following new and amended standards and interpretations as of January 1, 2009.

Adoption of these standards and interpretations did not have any effect on the financial position and performance of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to definitions of accounting policies.

- IAS 1 (Revised) Presentation of Financial Statements The revised Standard was issued in September 2007 and becomes effective for financial years beginning on or after 1 January 2009. The Standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: containing all items of recognised income and expense, has elected to present comprehensive income in one linked statement. Comparative data has been restated to comply with the statement.
- IFRS 8 Operating Segments – effective January 1, 2009. This standard replaces IAS 14, Segment Reporting, and prescribes measurement and presentation of segments. IFRS 8 requires an entity to adopt the "management approach" to reporting on the financial performance of its operating segments. This means that the Group's segment reporting should be based on the way operations are managed internally and reported to the Chief Operating Decision Maker (CODM). The Group has defined the CODM as the Group CEO. The new Standard has led to changes to the segment disclosures. .
- IFRS 7 Financial Instruments (Amended): Disclosures – effective January 1, 2009. The changes have led to expanded disclosures of fair values, in particular fair value by source of inputs using a three level fair value hierarchy, for all financial instruments recognised at fair value. the change has affected disclosures only.
- IFRS 2 Share-based payment (Revised), "Group cash-settled and share based payment transactions" – Effective date 1 January 2009. The IASB issued an amendment to IFRS 2 which clarifies the definition of vesting conditions for warrants and prescribes the treatment for an award that is cancelled. The revision clarifies that vesting conditions are defined as service and performance conditions. All other conditions are defined as "non vesting conditions". Non-vesting conditions must be considered when the fair value at the allotment date is identified for employees and other similar service providers. The revisions do not affect the number of warrants issued nor the accounting after the allotment date. All cancelled warrants should be accounted for in an uniform manner. The revision has not had an impact on the financial position and performance of the group, as such events have not occurred. .
- IAS 23 Borrowing Costs (Revised) – effective date January 1, 2009. The standard should be applied for borrowing costs and entails capitalising borrowing costs, which are directly attributable to the acquisition, construction or production of so called qualifying assets. The revision has not had an impact on the financial position and performance of the group, as there are no qualifying assets within the group.
- IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation These amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for financial years beginning on or after 1 January 2009. The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfill a number of specified features. The amendments to the standards have had no impact on the financial position or performance of the Group, as the Group has not issued such instruments.

STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED BY THE EU AND NOT EARLY ADOPTED BY THE GROUP

At the time of the preparation of the consolidated financial statements as of December 31, 2009, several standards and interpretations have been published but not yet adopted by the EU and/or are not effective for annual periods beginning on or after January 1, 2009. Ambea has decided not to early adopt any of these.

THE FOLLOWING NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ARE DEEMED RELEVANT OR COULD BE RELEVANT IN THE FUTURE FOR THE GROUP.

- IFRS 3 (Revised) Business Combinations and IAS 27 (Revised) Consolidated and Separate Financial Statements The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. The changes by IFRS 3 (Revised) and IAS 27 (Revised) will affect the accounting for future acquisitions or loss of control and transactions with minority interests.
- IAS 27 (Revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with noncontrolling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The group will apply IAS 27 (Revised) prospectively to transactions with noncontrolling interests from 1 January 2010.
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after 1 July 2009. The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges. This standard has not yet been approved by the EU.
- IAS 38 (amendment), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009 and the group and company will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the group or company's financial statements.
- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly

paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The group and company will apply IFRS 5 (amendment) from 1 January 2010. It is not expected to have a material impact on the group or company's financial statements.

- IAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The group and company will apply IAS 1 (amendment) from 1 January 2010. It is not expected to have a material impact on the group or company's financial statements.
- IFRS 2 (amendments), 'Group cash-settled and share-based payment transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The new guidance is not expected to have a material impact on the group's financial statements.

SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which are subject to risks and rewards that are different from those of other segments. Ambea's primary segment reporting format is the geographical segments Sweden, Finland and Norway. The secondary reporting format is the two business segments Care and Healthcare. Segment information is only provided at Group level.

CLASSIFICATION ETC.

Non-current assets and liabilities in the Parent Company and the Group consist, in all material respects, exclusively of amounts that are expected to be recovered or settled later than twelve months from the balance sheet date. Current assets and current liabilities in the Parent Company and the Group consist, in all material respects, exclusively of amounts that are expected to be recovered or settled within twelve months of the balance sheet date.

PRINCIPLES OF CONSOLIDATION SUBSIDIARIES

The consolidated financial statements comprise all companies in which the Parent Company has a controlling influence. Controlling influence refers to direct or indirect ownership of more than 50 per cent of the votes or the right by other means to determine a company's financial and operational strategies for the purpose of obtaining economic benefits. In assessing whether a controlling influence exists, potential shares entitling the holder to vote that can be used or converted without delay are taken into account.

Subsidiaries are accounted for using the purchase method. Under the method, the acquisition of a subsidiary is regarded as a transaction in which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities and contingent liabilities. The acquisition cost is determined by means of a purchase price allocation analysis in connection with

the acquisition. The analysis is used to determine the cost of the shares or business as well as fair value on the acquisition date of acquired identifiable assets and assumed liabilities and contingent liabilities. The cost of the shares in the subsidiaries or business is the fair value on the date of exchange of assets given, liabilities incurred or assumed and issued equity instruments offered as payment for the acquired net assets, plus transaction costs that are directly attributable to the acquisition. In case of acquisitions where the cost exceeds the net value of the acquired assets and assumed liabilities and contingent liabilities, the difference is recognised as goodwill. Any negative difference is recognised directly in the income statement. The financial statements of subsidiaries are included in the consolidated financial statements as of the date of acquisition until the date when the controlling influence ceases.

Upon acquisition of minority interests the purchase price is compared to the acquired proportion of minority interests. The difference is recorded against equity attributable to the majority owner.

ASSOCIATED COMPANIES

Associated companies are those companies in which the Group has a significant, but not a controlling, influence, normally through shareholdings representing between 20 and 50 per cent of the votes.

Interests in associated companies are accounted for using the equity method. This means that the value of the shares in the associated companies that is recognised in the consolidated financial statements is the Group's share of the associated companies' equity plus any goodwill and any other remaining fair value adjustments recognised at acquisition date. In the consolidated income statement the Group's share of the associated companies' net results after tax and minority interests adjusted for any amortisation, impairment losses and other adjustment arising from the purchase price allocation is recognised in "Share of profit/loss of associated companies". Dividends from the associated company reduce the carrying amount of the investment.

Any difference at the time of acquisition between the cost of the holding and the owning company's share of the net fair value of the associated company's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with IFRS 3.

TRANSACTIONS THAT ARE ELIMINATED UPON CONSOLIDATION

Intercompany receivables and liabilities, income or expenses and unrealised gains or losses arising from transactions among Group companies are fully eliminated in preparing the consolidated financial statements. Unrealised gains from transactions with associated companies are eliminated to the extent of the Group's interest in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

FOREIGN CURRENCY

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are translated into the functional currency using the exchange rate at the transaction date. The functional currency is the currency in the primary economic environment in which each company conducts its operations. Monetary assets and liabilities are translated using the exchange rates at the balance sheet date. The resulting exchange rate differences are recognised in the income statement. Business-related exchange rate gains and losses are recognised in operating profit. Foreign exchange differences related to long term loans are offset against corresponding foreign exchange differences related to group internal lending, which are a consequence of the borrowed funds in turn being loaned to group companies in the same currency. Non-monetary assets and liabilities stated at historical cost are translated using the exchange rate at the transaction date.

TRANSLATION OF FINANCIAL REPORTS OF FOREIGN OPERATIONS

Assets and liabilities in foreign operations, including goodwill and fair value adjustments recognised at acquisition date, are translated using the exchange rate at the balance sheet date. Income and expenses are translated using the average exchange rate. Translation differences arising from the translation of a foreign net investment and the associated effects of hedging of the net investment are recognised directly in the translation reserve in equity. When a foreign operation is divested, the accumulated translation differences attributable to the operation net of any hedging effects are realised in the consolidated income statement.

Accumulated translation differences are presented as a separate category of capital, which includes translation differences accumulated since the formation of the Group.

REVENUE RECOGNITION

Healthcare and care services are provided both in owned managed facilities, in which case the company itself is responsible for managing occupancy levels and renting premises, and under contract, i.e. agreement covering several years. Regardless of the mode of service provision, the compensation for the services provided is tied to the number of care days, residence places, patient visits, type of operation or similar factors. Income is normally recognised in the accounts as services are performed. Revenue from owned managed facilities operations in Finland is recognised as the services are performed, net of compensation paid to private practitioners.

In cases where healthcare and care services are provided under multi-year operating agreements with monthly invoicing, index clauses are widely employed to provide annual compensation, partly for increases in employee costs and partly for increases in other costs. Certain services are sold under framework agreements.

In a small number of agreements the price is fixed for two years or longer. In these cases income is distributed over periods to achieve an even results level over the life of the contract. A provision for potential losses is made if the total costs during the full term of the contract, excluding indirect costs, are expected to exceed total income including index adjustments.

GOVERNMENT GRANTS

Government grants are recognised as deferred income in the balance sheet when it is reasonably certain that the grant will be received and that the Group will meet the conditions attaching to them. Deferred grants are systematically allocated to the income statement over the same periods as the costs that the grants are intended to compensate for.

LEASING

In the consolidated financial statements leases are classified either as finance or operating leases. A finance lease exists when the economic risks and rewards associated with ownership have in all material respects been transferred to the lessee. Assets leased under a finance lease are recognised as an asset in the consolidated balance sheet and are then depreciated. The obligation to pay future leasing fees is reported as non-current and current liabilities. Other leases are reported as operating leases.

PAYMENTS RELATING TO OPERATING LEASES

Payments relating to operating leases are charged to the income statement on a straight-line basis over the term of the lease. Incentives received in connection with the conclusion of an agreement are recognised as a reduction of leasing fees in the income statement on a straight-line basis over the term of the lease. Variable fees are charged to expense in the periods in which they are incurred.

PAYMENTS RELATING TO FINANCE LEASES

Minimum lease payments are apportioned between interest expense and repayment of the outstanding loan. The interest expense is allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Variable fees are charged to expense in the periods in which they are incurred.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income on bank deposits and receivables and interest-bearing securities, interest expenses on loans, dividend income, exchange rate differences (net after deductions of matching foreign exchange differences on pass-through lending to group companies), unrealised and realised gains and losses on financial investments and derivatives used in financial operations.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

Interest expenses includes issue expenses and similar direct transaction costs incurred in raising loans, as distributed over the relevant accounting periods.

Dividend income is recognised when the right to receive payment is established.

The Group and Parent Company do not capitalise interest in the historical cost of assets, as no interest expenses qualifying for capitalization have been incurred.

TAXES

Income taxes comprise current tax and deferred tax. Income taxes are recognised in the income statement, except when the underlying transaction is recognised directly in equity, in which case the associated tax effect is also recognised in equity. Current tax is tax that is payable or receivable in respect of the current year at tax rates that have been enacted or substantively enacted at the balance sheet date. This also includes adjustments of current tax attributable to previous periods. Deferred tax is calculated using the balance sheet liability method for all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax assets relating to deductible temporary differences and tax loss carry-forwards are recognised to the extent that it is probable that these will result in lower tax payments in future. Deferred tax is calculated using the tax rates and tax rules that have been enacted or substantively enacted at the balance sheet date.

FINANCIAL INSTRUMENTS

Financial instruments recognised in the balance sheet include, on the asset side, cash and cash equivalents, loan receivables, trade receivables, financial investments and derivatives, and, on the liability side, accounts payable, loan liabilities and derivatives.

RECOGNITION AND DERECOGNITION

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the commercial terms and conditions of the instrument. Trade receivables are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual duty to pay, even if no invoice has been received. Accounts payable are recognised when an invoice has been received.

A financial asset is removed from the balance sheet when the rights inherent in the agreement are realised, expire or if the company loses control over them. The same applies to a portion of a financial asset. A financial liability is removed from the balance

sheet when the obligation arising from the agreement has been met or expires for other reasons. The same applies to a portion of a financial liability.

A financial asset and a financial liability are offset and recognised on a net basis in the balance sheet only when there exists a legal right to offset the amounts and there is an intention to settle the items on a net basis or to simultaneously realise the asset and settle the liability.

Acquisitions and sales of financial assets are recognised at the transaction date, which is the date when the company undertakes to acquire or divest the asset, except in cases where the company acquires or divests listed securities, in which case settlement date accounting is used.

CLASSIFICATION AND VALUATION

Financial instruments that are not derivatives are recognised initially at cost, which is the fair value of the instrument plus transaction costs, for all financial instruments except those which are categorised as financial assets valued at fair value through the income statement, which are recognised at fair value excluding transaction costs. Upon initial recognition, a financial instrument is classified on the basis of the purpose for which the instrument was acquired. The classification determines how the financial instrument will be measured after the initial recognition, as described below.

Fair value of listed financial assets is the bid price of the asset on the balance sheet date. Fair value of unlisted financial assets is determined by the use of valuation techniques, e.g. by reference to recently executed transactions, prices of similar instruments and discounted cash flows. For more information, see Note 29.

Cash and cash equivalents comprise cash assets and call deposits at banks and similar institutions as well as short-term liquid investments with an original maturity of three months or less at the date of acquisition that are exposed to insignificant risk of fluctuations in value.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH THE INCOME STATEMENT

This category consists of two subgroups: financial assets that are held for trading and other financial assets that the company has initially chosen to place in this category (under the "Fair Value Option"). Financial instruments in this category are measured at fair value and any changes in value are recognised in the income statement. The first subgroup includes derivatives with a positive fair value, except derivatives that are identified as and constitute an effective hedging instrument.

Ambea currently has no financial instruments that are classified into the the Fair Value Option subgroup.

LOAN RECEIVABLES AND TRADE RECEIVABLES

Loan receivables and trade receivables are financial instruments that are not derivatives, have fixed or determinable payments and are not listed on an active market. These assets are valued at amortised cost using the effective interest rate at the time of acquisition. Assets with short maturities are not discounted. This category comprises trade receivables, non-current receivables and other receivables. Trade receivables are recognised at the amounts that are expected to be collected, i.e. after deduction for doubtful receivables, which are assessed individually. Impairment of trade receivables is recognised in operating expenses. Other receivables are classified as non-current receivables if the period of ownership exceeds one year and as other receivables if the period of ownership is less than one year.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available for sale financial assets are assets which are identified as being available for sale and which have not been placed in the other categories of

financial assets. The assets are presented as long-term assets if management does not intend to divest the assets within 12 months of the reporting date. Available-for-sale financial assets are carried at fair value with changes being recorded in other comprehensive income.

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH THE INCOME STATEMENT

This category comprises two subgroups: financial liabilities held for trading and other financial liabilities that the company has chosen to place in this category (under the "Fair Value Option"), see the description under "Financial assets measured at fair value through the income statement" above. This category includes the Group's derivatives with a negative fair value, except derivatives that are identified as and constitute an effective hedging instrument. Changes in fair value are recognised in the income statement.

OTHER FINANCIAL LIABILITIES

Loans and other financial liabilities, e.g. accounts payable, are included in this category. The liabilities are valued at amortised cost. Accounts payable have a short expected maturity measured at their nominal value and are not discounted. Non-current liabilities have an expected maturity of more than one year while current liabilities have a maturity of less than one year.

CONVERTIBLE BONDS

Convertible bonds can be converted into shares if the counterparty exercises its option to convert the bonds into shares. These are accounted for as a compound financial instrument comprising a debt component and an equity component. Fair value of the debt is calculated by discounting future payment flows at the current market interest rate for a similar liability, without right of conversion. The value of the equity instrument is calculated as the difference between the issue proceeds at the time of issuing the financial liability at the time of issue. Any deferred tax attributable to the liability at the time of issue is deducted from the carrying amount of equity instruments. Transaction costs incurred in connection with the issue of a compound financial instrument are allocated between the debt and equity components in proportion to the distribution of the proceeds of the issue. The interest expense is recognised in the income statement and is calculated using the effective interest method.

DERIVATIVES AND HEDGE ACCOUNTING

The Group's derivatives have been acquired to hedge the risks of interest and currency exposures that the Group is exposed to. An embedded derivative is reported separately if it is not closely related to the host contract. Derivatives are recognised initially at fair value, which means that all transaction costs are charged to the income statement for the period. After the initial recognition, derivatives are valued at fair value and changes in value are recognised in the manner described below.

To meet the requirements for hedge accounting contained in IAS 39, there must be a clear-cut relation to the hedged item. The hedge must also effectively protect the hedged item, hedging documentation must have been prepared and the effectiveness of the hedge must be measurable. Gains or losses relating to hedging instruments are recognised in the income statement at the same time as gains and losses on the hedged items.

Derivatives which no longer qualify for hedge accounting are derivatives are stated at fair value and the change in value is recognised in the income statement in accordance with the principle described above.

HEDGING OF THE GROUP'S INTEREST EXPOSURE – CASH FLOW HEDGES

Interest rate swaps are used to hedge against uncertainties in future interest flows relating to variable-interest rate loans. Interest rate swaps are stated at fair value in the balance sheet. The interest coupon is recognised as interest income or interest expense in the income statement and other changes in the value of the interest rate swap are recognised directly in the hedging reserve in equity for as long as the criteria for hedge accounting and effectiveness are met.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised as assets in the balance sheet if it is likely that future economic benefits will accrue to the company and the historical cost of the asset can be reliably calculated.

Such assets, owned and leased, are recognised at historical cost in the consolidated financial statements less accumulated depreciation and any impairment. Historical cost includes the purchase price and costs directly attributable to the asset.

Any additional expenditure is added to the cost only if it is likely that the future economic benefits associated with the asset will accrue to the company and the cost can be reliably calculated. All other additional expenditure is recognised in the income statement in the periods in which they are incurred.

DEPRECIATION PRINCIPLES

Assets are depreciated on a straight-line basis over their estimated useful lives. The depreciation is based on historical costs less estimated residual values. An impairment loss is recognised if the recoverable amount is lower than the carrying amount. Assets are depreciated at the following rates:

| | |
|-------------------------|-------------------------|
| Estimated useful lives; | |
| leasehold improvements | 5–20 years ¹ |
| equipment | 5–15 years |

¹ The shorter of the lease period and the economic life.

INTANGIBLE ASSETS**GOODWILL**

Goodwill represents the excess of the cost of a business acquisition over the fair value of acquired identifiable assets, assumed liabilities and contingent liabilities.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to the Group's cash-generating units and is not amortised but is tested annually for impairment. Goodwill arising from the acquisition of associated companies is included in the carrying amount of interests in associated companies.

In case of acquisitions where the cost is lower than the net value of acquired identifiable assets and assumed liabilities and contingent liabilities, the difference is recognised directly in the income statement.

OTHER INTANGIBLE ASSETS

Other intangible assets consist of separately identified customer contracts and customer relationships as well as trademarks in connection with business acquisitions, purchased software, licences, etc. and consulting services in connection with the implementation of new computer systems.

AMORTISATION PRINCIPLES

Customer contracts and customer relationships are amortised in line with the expected use of the economic benefits accruing from these assets. Goodwill and trademarks with an indefinite life are tested for impairment annually and as soon as there are indications the value of the asset has declined. Intangible assets with a finite useful life are amortised as from the date when they become available for use.

THE ESTIMATED USEFUL LIVES ARE:

| | |
|---|------------|
| customer contracts and customer relationships | 3–10 years |
| other intangible assets | 5–20 years |
| trademarks and goodwill | indefinite |

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. The risk of obsolescence is reflected in the net realisable value. Cost is calculated using the first in, first out method (FIFO).

IMPAIRMENT

The carrying amounts of the Group's assets are tested for impairment at the balance sheet date. Exceptions are made for inventories, plan assets used in funding employees pensions and deferred tax assets. For these asset categories, the carrying value is assessed under each applicable accounting standard.

IMPAIRMENT TESTS FOR PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INTERESTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

If there is an indication of impairment, the recoverable amount of the asset is calculated (see below). For goodwill, other intangible assets with indefinite useful lives and intangible assets that are not yet ready for use, the recoverable amount is also calculated annually, regardless if any indicators of impairment have been noted. If, in testing for impairment, it is not possible to identify essentially independent cash flows to a particular asset, the assets are grouped to the lowest level where it is possible to identify essentially independent cash flows – a "cash-generating unit".

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in the income statement. Impairment of assets attributable to a cash-generating unit is allocated first to goodwill and then to reduce the carrying amounts of the other assets included in the unit.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted using a discount rate that reflects the risk-free rate and the risk associated with the asset.

IMPAIRMENT TESTS FOR FINANCIAL ASSETS

At each reporting date the company assesses whether there is objective evidence of impairment of a financial asset or group of assets. Objective evidence refers to observable circumstances that have occurred and that negatively affect the ability to recover the cost.

The recoverable amount for assets belonging to the categories loan receivables and trade receivables that are stated at amortised cost is determined by discounting the present value of future cash flows at the effective interest rate applying at the time of the initial recognition of the asset. Assets with short maturities are not discounted. Impairment losses are recognised in the income statement.

REVERSAL OF IMPAIRMENT LOSSES

An impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the assumptions on which the calculation of the recoverable amount was based. Impairment losses on goodwill are not reversed. A reversal is only made to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount that would have been recognised, less any depreciation, if no impairment loss had been recognised.

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

DIVIDENDS

Dividends are recognised as a liability when the Annual Meeting of shareholders has approved the dividend.

EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to equity holders of the Parent Company and the weighted average number of outstanding shares during the year. In calculating diluted earnings per share, earnings and the average number of shares are adjusted to take account of the effects of dilutive potential ordinary shares arising from convertible bonds and options issued to employees during the reported periods. Dilutive potential ordinary shares are included in the calculation of the dilution only if this results in lower earnings per share, which is not normally the case in a loss-making year. A prerequisite for calculation of earnings per share after full dilution is access to information as to the value of the issuing company, which is not available for non-publicly quoted companies, such as the Group. Earnings per share after full dilution are consequently not presented.

EMPLOYEE BENEFITS**DEFINED CONTRIBUTION PLANS**

Commitments for retirement pensions and family pensions for salaried employees in Sweden are primarily secured through insurance policies in Alecta or similar, under a multi-employer defined benefit plan. For the fiscal years 2007 and 2008 the company has not had access to information that would enable it to apply defined benefit accounting to these plans, and they have therefore been reported as defined contribution plans. At year-end one of these plans in Norway was converted into a defined contribution plan. Commitments for retirement pensions and family pensions for salaried employees in Finland are secured through the TEL-plan system, which is classified as a defined contribution plan. Liabilities relating to contributions to defined contribution plans are recognised as an expense in the income statement as they arise.

DEFINED BENEFIT PLANS

The Group's net liability relating to defined benefit plans in Norway is calculated separately for each plan by estimating the future pensions earned by the employees through their employment during the current and previous periods; this compensation is discounted to a present value and the fair value of any plan assets is deducted. The discount rate is the interest rate at the balance sheet date on a first-class corporate bond with a maturity corresponding to the Group's pension commitments. The calculation is performed by a qualified actuary using the projected unit credit method.

When the calculation results in an asset for the Group, the carrying amount of the asset is limited to the net of unrecognised actuarial losses and unrecognised past service costs, and the present value of future repayments from the plan or reduced future payments to the plan.

The corridor rule is applied. Under the corridor rule, that part of accumulated actuarial gains and losses that exceeds 10 per cent of the higher of the present value of the obligations and fair value of the plan assets is recognised in the income statement over the estimated remaining service period for employees covered by the plan. Other actuarial gains and losses are not taken into account.

TERMINATION BENEFITS

An expense for compensation in connection with the termination of staff is only recognised if the company is demonstrably obliged, without a realistic possibility of withdrawal, by a formal detailed plan to terminate an employment before the normal time. When compensation is paid as an offer to encourage voluntary

termination, an expense is recognised if it is likely that the offer will be accepted and the number of employees that will accept the offer can be reliably estimated.

SHORT-TERM BENEFITS

Short-term benefits to employees are not discounted and are recognised as an expense when the related services are received.

A provision is recognised for the expected expense for profit-sharing and bonus payments when the Group has a valid legal or informal obligation to make such payments in consequence of receiving services from employees and the obligation can be reliably calculated.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is likely that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. In cases where the effect of the time value of money is material, provisions are calculated by discounting the estimated future cash flow at a pre-tax interest rate that reflects current market assessments of the time value of money and, where applicable, the risks specific to the liability. Examples of this include restructuring provisions and provisions for potential losses on care contracts.

RESTRUCTURING

A provision for restructuring is recognised when the Group has a detailed and formal restructuring plan. The restructuring also must have been initiated or publicly announced. No provision is made for future operating expenses.

PROVISIONS FOR POTENTIAL LOSSES ON CARE CONTRACTS

A provision for onerous contracts is recognised when the benefits that the Group expects to receive from a care contract are less than the unavoidable expenses of fulfilling the obligations specified in the contract.

CONTINGENT LIABILITIES

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

PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.1 Accounting for Legal Entities, which means that the Parent Company apply all EU-adopted IFRS and interpretations in the annual accounts for the legal entity insofar as this is possible under the Annual Accounts Act and with regard to the close tie between financial reporting and taxation. The standard specifies the exceptions and amendments to IFRS that must be made.

DIFFERENCES BETWEEN THE GROUP AND PARENT COMPANY ACCOUNTING PRINCIPLES

The most significant differences between the Group and Parent Company accounting principles are described below. The following accounting principles for the Parent Company have been applied consistently for all periods presented in the Parent Company's financial reports.

CLASSIFICATION AND PRESENTATION

The Parent Company's income statement and balance sheet are presented in accordance with the formats included in the Annual Accounts Act.

SUBSIDIARIES AND ASSOCIATED COMPANIES

In the Parent Company, interests in subsidiaries and associated companies are accounted for under the cost method. Only received dividends are recognised as income, provided that they derive from profits earned after the acquisition. Dividends in excess of such earnings are treated as repayments of the investment and thus reduce the carrying amount of the investment.

FINANCIAL GUARANTEES

The Parent Company's financial guarantees primarily comprise guarantees on behalf of subsidiaries, joint ventures and associated companies. Under a financial guarantee, the company has an obligation to compensate the holder of a debt instrument for losses incurred by the same as a result of the failure of a specified debtor to make full payment on the due dates specified in the agreement. In accounting of financial guarantees, the Parent Company applies RFR 2.1 clause 72, which represents a relaxation of the rules compared with IAS 39 with regard to financial guarantees on behalf of subsidiaries, associated companies and joint ventures. The Parent Company reports financial guarantees as provisions in the balance sheet when the company has an obligation for which payment will probably be required to settle the obligation.

ANTICIPATED DIVIDENDS

Anticipated dividends from subsidiaries are recognised in cases where the Parent Company alone has the right to decide on the size of dividends and the Parent Company has made a decision on the size of dividends prior to publication of the financial reports.

PROPERTY, PLANT AND EQUIPMENT

The Parent Company reports items of property, plant and equipment at cost less accumulated depreciation and any impairment losses in the same way as in the consolidated financial statements, but increased by any revaluation.

LEASED ASSETS

In the Parent Company, all leases are reported in accordance with the rules for operating leases.

TAXES

In the Parent Company, untaxed reserves are recognised inclusive of deferred tax liability. In the consolidated financial statements, untaxed reserves are reported in their deferred tax and equity components.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS IN LEGAL ENTITY ACCOUNTS

The company reports Group contributions and shareholder contributions in accordance with the pronouncement of the Swedish Financial Reporting Board (UFR 2). Shareholder contributions are recognised directly in equity by the receiving entity and as an investment in shares by the contributing entity, insofar as no impairment loss must be recognised. Group contributions are recognised on the basis of their economic significance. This means that Group contributions that have been made and received for the purpose of minimising the Group's total tax expense are recognised directly in retained earnings less their current tax effect.

Group contributions that are equivalent to dividends are recognised as a dividend. This means that received Group contributions and their current tax effect are recognised in the income statement. Group contributions that are made and their current tax effect are recognised directly in retained earnings.

Group contributions that are equivalent shareholder contributions are recognised directly in retained earnings by the receiving entity, taking account of the current tax effect. The contributing entity recognises the Group contribution and its current tax effect as an investment in Group companies, insofar as no impairment loss must be recognised.

NOTE 2 CATEGORIES OF REVENUE

| | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|------------------------------------|---------------------------|---------------------------|
| THE GROUP | | |
| Net sales: | | |
| Healthcare and care services | 7,282.2 | 5,902.0 |
| | 7,282.2 | 5,902.0 |
| Other operating income: | | |
| Rental income | 10.9 | 15.3 |
| Profit on the sale of fixed assets | 0.4 | 2.7 |
| Other | 22.7 | 20.3 |
| | 34.0 | 38.3 |
| Total revenue | 7,316.2 | 5,940.3 |
| PARENT COMPANY | | |
| Net sales: | | |
| Service assignments | 15.0 | 15.0 |
| | 15.0 | 15.0 |

Of the Parent Company's net sales, 100 per cent (100) pertains to other Group companies. Of the total purchases for the year, 1 per cent (2) pertains to other Group companies.

NOTE 3 SEGMENT REPORTING

The President bases his assessment of the operations on the Carema Care, Carema Healthcare and Mehiläinen business segments. Carema Care comprises elderly care, care for persons with functional disabilities and psychiatry/substance abuse. Carema Healthcare comprises outpatient care, hospitals, psychiatry and staffing.

The results of the business segments are assessed and analysed based on a measurement designated EBITA, which is operating profit after depreciation, amortization and impairment of tangible and intangible assets, but excluding depreciation, amortization and impairment of goodwill on consolidation and capital gains on the divestment of Group companies.

| | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|---|---------------------------|---------------------------|
| Revenue from external customers | | |
| Carema Care * | 3,666.3 | 2,849.7 |
| Carema Healthcare** | 1,840.8 | 1,743.3 |
| Mehiläinen | 1,775.1 | 1,309.0 |
| | 7,282.2 | 5,902.0 |
| Operating profit | | |
| Carema Care* | 268.0 | 233.1 |
| Carema Healthcare** | 84.3 | 131.6 |
| Mehiläinen | 323.6 | 243.8 |
| Unallocated costs | –51.8 | –56.8 |
| | 624.2 | 551.7 |
| Capital gain, Group companies | –0.1 | 11.0 |
| Depreciation of customer contracts and customer relations | –67.1 | –90.8 |
| Operating profit | 557.0 | 471.8 |
| EBIT margin | | |
| Carema Care* | 7.3% | 8.2% |
| Carema Healthcare** | 4.6% | 7.6% |
| Mehiläinen | 18.2% | 18.6% |
| | 8.6% | 9.3% |
| Assets | | |
| Carema Care* | 1,778.9 | 1,687.8 |
| Carema Healthcare* | 910.8 | 928.9 |
| Mehiläinen | 2,221.6 | 2,146.0 |
| Unallocated assets | 684.1 | 652.8 |
| Participations in associated companies | 2.4 | 2.8 |
| Total assets | 5,597.6 | 5,418.2 |

* Including Care Norway

** Including Healthcare Norway

The Parent Company has no external sales.

The internal price between the Group's different segments follows the "Arm's length" principle, i.e. between parties that are independent of each other, well-informed and with an interest that the transactions are made. The segments' profit/loss, assets and liabilities (excluding provisions) include directly related items and items that can be distributed by segment in a reasonable and reliable manner. Unallocated items primarily comprise costs for Group offices as well as financial income and expenses. Assets and liabilities that are not allocated to segments are deferred tax assets and deferred tax liabilities, tax liabilities and interest-bearing assets and liabilities. The segments' investments in property, plant and equipment and intangible assets include all investments apart from investments in expendable equipment and items of little value.

NOTE 4 OTHER EXTERNAL COSTS

| The Group | 01/01/2009 –31/12/2009 | | 01/01/2008 –31/12/2008 | |
|---|---------------------------|-----------------|---------------------------|-----------------|
| | The Group | Parent Company | The Group | Parent Company |
| Agency care staff and medical consultants | | –275.4 | | –246.5 |
| Premises costs | | –480.0 | | –387.7 |
| Operating leases, rent costs | | –52.1 | | –30.7 |
| Advertising and public relations | | –40.8 | | –33.4 |
| External services | | –160.5 | | –150.1 |
| Other | | –340.0 | | –277.5 |
| | | –1,348.8 | | –1,125.9 |
| Parent Company | | | | |
| Premises costs | | –0.9 | | –0.7 |
| External services | | –9.5 | | –24.6 |
| Other | | –1.4 | | –2.9 |
| | | –11.8 | | –28.2 |

NOTE 5 FEES AND COST REIMBURSEMENT TO AUDITORS

| | 01/01/2009–31/12/2009 | | 01/01/2008–31/12/2008 | |
|--------------------------|-----------------------|----------------|-----------------------|----------------|
| | The Group | Parent Company | The Group | Parent Company |
| Ernst & Young | | | | |
| Auditing assignments | 5.3 | 0.5 | 3.5 | 0.5 |
| Other assignments | 3.9 | 1.0 | 1.0 | 0.8 |
| Other auditors | | | | |
| Auditing assignments | 0.3 | – | 1.6 | – |
| Other assignments | 1.7 | – | 9.2 | 8.2 |

Auditing assignments refer to the examination of the annual accounts and accounting records as well as the administration of the business by the Board and the CEO, other tasks as required of the company's auditors as well as giving advice and other assistance as a consequence of observation during such examination or the execution of other such work tasks. Everything else comes under other assignments.

NOTE 6 LEASING CHARGES UNDER OPERATING LEASES

| The Group | 01/01/2009 –31/12/2009 | | 01/01/2008 –31/12/2008 | |
|---|---------------------------|----------------|---------------------------|----------------|
| | The Group | Parent Company | The Group | Parent Company |
| Assets held through operating leases | | | | |
| Leasing fees paid for the year | | 372.1 | | 307.7 |
| Agreed future lease payments | | 2,332.6 | | 1,466.2 |
| Parent Company | | | | |
| Assets held through operating leases | | | | |
| Leasing fees paid for the year | | 0.8 | | 0.8 |
| Agreed future lease payments | | 2.7 | | 2.7 |

Rent and leasing agreements

Outstanding rent costs for current leases are distributed as follows:

| The Group | 31/12/2009 | | 31/12/2008 | |
|----------------------------|------------|----------------|------------|----------------|
| | The Group | Parent Company | The Group | Parent Company |
| Within one year | | 376.7 | | 291.4 |
| Between one and five years | | 865.0 | | 626.9 |
| Later than five years | | 1,090.9 | | 547.9 |
| | | 2,332.6 | | 1,466.2 |

| Parent Company | 31/12/2009 | | 31/12/2008 | |
|----------------------------|------------|----------------|------------|----------------|
| | The Group | Parent Company | The Group | Parent Company |
| Within one year | | 1.0 | | 1.0 |
| Between one and five years | | 1.5 | | 1.5 |
| Later than five years | | 0.2 | | 0.2 |
| | | 2.7 | | 2.7 |

Operating leases primarily relate to premises leases.

NOTE 7 EMPLOYEES, EMPLOYEE BENEFITS AND REMUNERATION OF SENIOR EXECUTIVES

COSTS FOR EMPLOYEE BENEFITS

| The Group | 2009 | 2008 |
|-----------------------------|----------------|----------------|
| Salaries and other benefits | 3,430.8 | 2,778.5 |
| Social security costs | 840.1 | 673.4 |
| Pension costs | 362.7 | 249.8 |
| | 4,633.6 | 3,701.7 |

AVERAGE NUMBER OF EMPLOYEES

| Parent Company | 01/01/2009 –31/12/2009 | of which women | 01/01/2008 –31/12/2008 | of which women |
|--------------------------------|---------------------------|-------------------|---------------------------|-------------------|
| Sweden | 5 | 20% | 5 | 20% |
| Total in Parent Company | 5 | 20% | 5 | 20% |
| Subsidiaries | 01/01/2009 –31/12/2009 | of which women | 01/01/2008 –31/12/2008 | of which women |
| Sweden | 8,372 | 81% | 6,744 | 81% |
| Finland | 1,714 | 89% | 1,304 | 90% |
| Norway | 209 | 81% | 209 | 81% |
| Total in subsidiaries | 10,295 | 82% | 8,257 | 82% |
| Group total | 10,300 | 82% | 8,262 | 82% |

CORPORATE MANAGEMENT BY GENDER

| Parent Company | Proportion of women | |
|-------------------------|---------------------|------------|
| | 31/12/2009 | 31/12/2008 |
| Board of Directors | 14.7% | 0% |
| Other senior executives | 20% | 0% |
| Group total | | |
| Board of Directors | 14.7% | 0% |
| Other senior executives | 16.7% | 25% |

SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES AND OTHER EMPLOYEES BY COUNTRY, AND SOCIAL SECURITY COSTS IN THE PARENT COMPANY

| Parent Company | 2009 | | | 2008 | | |
|--|--------------------------------|-----------------|--------------|--------------------------------|-----------------|--------------|
| | Senior executives ¹ | Other employees | Total | Senior executives ¹ | Other employees | Total |
| Sweden | | | | | | |
| Salaries and other benefits (of which bonuses, etc.) | 3.6 (0.6) | 4.0 (0.4) | 7.5 (1.0) | 4.8 (0.8) | 2.2 (0.1) | 7.0 (0.9) |
| Social security costs (of which pension costs) | | | 3.9 (1.6) | | | 4.2 (1.3) |

¹ Pertains to two persons.

SALARIES AND OTHER BENEFITS AND PENSION COSTS FOR SENIOR EXECUTIVES IN THE GROUP

| | 2009 | 2008 |
|--|--------------------------------|--------------------------------|
| | Senior executives ² | Senior executives ³ |
| Salaries and other benefits (of which bonuses, etc.) | 13.6 (1.8) | 11.2 (1.5) |
| Pension costs | 3.5 | 1.6 |

² Pertains to 12 persons.

³ Pertains to 11 persons.

COMPENSATION AND BENEFITS TO SENIOR EXECUTIVES

Principles

The Chairman and other members of the Board receive Directors' fees in accordance with the resolution of the Annual Meeting of shareholders. The compensation paid to the Chief Executive Officer comprises basic salary, variable pay, other benefits and pension. The CEO's variable pay is capped at five monthly salaries. The variable pay is based on outcomes in relation to individually defined targets. Other senior executives refers to the four persons who together with the CEO constituted Group management at year-end 2009. The balance between basic salary and variable pay must be proportionate to the executive's responsibilities and authority.

COMPENSATION AND OTHER BENEFITS IN 2009

| (SEK thousands) | Basic salary/ Board fee | Variable pay | Other benefits | Pension cost | Total |
|--------------------------------------|----------------------------|--------------|----------------|--------------|---------------|
| Board chairman, Peter Weiderman | 617 | – | – | – | 617 |
| Board members (excluding Chairman) | 715 | – | – | – | 715 |
| Chief Executive Officer, Ralph Riber | 2,450 | 559 | 66 | 646 | 3,721 |
| Other senior executives (4 persons) | 7,784 | 1,236 | 193 | 2,814 | 12,027 |
| Total | 11,566 | 1,795 | 259 | 3,460 | 17,080 |

COMPENSATION AND OTHER BENEFITS IN 2008

| (SEK thousands) | Basic salary/ Board fee | Variable pay | Other benefits | Pension cost | Total |
|--------------------------------------|----------------------------|--------------|----------------|--------------|---------------|
| Board chairman, Peter Weiderman | 1,015 | – | – | – | 1,015 |
| Board members (excluding chairman) | 832 | – | – | – | 832 |
| Chief Executive Officer, Ralph Riber | 2,342 | 539 | 67 | 516 | 3,464 |
| Other senior executives (3 persons) | 5,299 | 1,009 | 123 | 1,111 | 7,542 |
| Total | 9,488 | 1,548 | 190 | 1,627 | 12,853 |

Comments on the table:

– Variable compensation for the 2009 financial year refers to bonuses that were charged to the accounts and are due to be settled in 2010. For information about how bonuses were calculated, see below. Variable compensation for 2008 that was paid in 2009 is also included insofar as provision had not been made for these amounts in the year-end financial statement for 2008.

– Other benefits refers to company cars and free residence.

– The Chairman of the Board has received compensation for work outside what falls within the framework of Board assignments, see Note 33.

– In Sweden, the Group primarily sponsors defined-benefit pension plans. Pension costs refers to the expense recognised in the income statement for the year. For more information about pensions, see below and Note 26.

Bonus

For 2009, the bonus reserved for the CEO amounts to 17 per cent of the basic salary, or equivalent to 40 per cent of the CEO's maximum variable salary in accordance with the bonus agreement.

NOTE 7 CONT.**VARIABLE PAY**

For other senior executives, the variable pay for 2009 was based on varying proportions of the operating result of the Group, the individual area of responsibility, and individual targets. The variable pay to other senior executives for 2009 corresponds to 2–35 per cent of the basic salary.

FINANCIAL INSTRUMENTS ETC.**OPTIONS**

| (SEK thousands) | Number | Value | Acquisition price | Benefits |
|--|-------------------|--------------|-------------------|----------|
| Chief Executive Officer, Ralph Riber | 10,320,000 | 479 | 479 | – |
| Senior executives, direct and indirect via companies | 30,307,287 | 2,175 | 2,175 | – |
| Total | 40,627,287 | 2,654 | 2,654 | – |

Comments on the table

From 2005 through 2009, certain senior executives acquired warrants at market value. The market value of the warrants was calculated by an external adviser. The warrants are included in the table pertaining to the share option plan below.

PENSIONS

The age of retirement for the CEO is 65. The retirement age for other senior executives is 65. The pension cost corresponds to the cost that the company would have incurred had the employee been a member of the ITP plan or the insurance premium according to the ITP plan.

Severance pay

The contract between Ambea AB and the Chief Executive Officer is subject to six months' notice by either party. Severance pay of six monthly salaries is paid in case of termination by Ambea. The employment contracts of other senior executives are subject to 6–12 months' notice by the company and six months' notice by the employee. In case of termination by the company, the senior executive will receive up to 6–12 monthly salaries during the notice period. Any other earned income is offset against the monthly salary. All senior executives and the CEO are subject to non-competition clauses of 12–24 months.

Occupational pension policy for salaried staff employed by the Group's Swedish companies

The occupational pension policy is based on the ITP plan. It contains the following sections:

- 1) clarification and rules for parts of the plan at the employee's disposal
- 2) additional defined-contribution occupational pension covering salaries in the interval 30–50 income base amounts
- 3) optional special premium-related pension for temporary retirement pension before the age of 65
- 4) harmonisation with previously-earned occupational pension
- 5) a special defined-contribution pension solution for employees with salaries in excess of ten base amounts ("tenfold earners").

PREPARATION AND DECISION PROCESS

The remuneration committee at Ambea AB has decided on criteria for assessing variable compensations, pension terms and severance pay. The Board has chosen the terms for warrants sold to senior executives.

Compensation for the 2009 financial year to the CEO was approved by the Board and, for other senior executives by the remuneration committee. The CEO and other senior executives were not party to the decisions regarding their own compensation. The remuneration committee met five times in 2009. The Chairman of the Board and two Board members made up the remuneration committee.

SHARE OPTION PLAN

| | 31/12/2009 | 31/12/2008 |
|---|-------------------|-------------------|
| Change to the number of share options held by the employees (employed when the programme was announced) | | |
| Outstanding at the start of the period | 75,183,003 | 75,183,003 |
| Issued | 102,290 | – |
| Forfeited | – | – |
| Re-purchased | – | – |
| Subscription during the year of earlier issued options | – | – |
| Not issued | – | – |
| Outstanding at year-end | 75,285,293 | 75,183,003 |

CONDITIONS FOR THE OPTIONS OUTSTANDING AT THE END OF THE PERIOD

| Date due | Exercise price | Number | | |
|------------|----------------|--------|-------------------|-------------------|
| 15/12/2012 | Series I | 2.61 | 33,017,045 | 32,965,900 |
| 15/12/2012 | Series II | 9.62 | 27,746,896 | 27,695,751 |
| 15/12/2012 | Series III | 11.63 | 14,521,352 | 14,521,352 |
| | | | 75,285,293 | 75,183,003 |

All options were acquired by employees or members of the Board at fair value according to an external valuation. Fair value was measured in accordance with the Black & Scholes' model for pricing of options.

NOTE 8 DEPRECIATION/AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

| The Group | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|------------------------------------|---------------------------|---------------------------|
| Customer contracts | –67.1 | –90.8 |
| Other intangible assets | –11.1 | –8.6 |
| Buildings | –0.1 | –0.1 |
| Leasehold improvements | –19.6 | –19.9 |
| Equipment, tools and installations | –93.9 | –78.0 |
| | –191.8 | –197.4 |
| Parent Company | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
| Other intangible assets | –0.3 | –0.3 |
| | –0.3 | –0.3 |

NOTE 9 CAPITAL GAINS/LOSSES, GROUP COMPANIES

| The Group | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|--|---------------------------|---------------------------|
| Capital gain on the divestment of business | –0.1 | 11.0 |
| | –0.1 | 11.0 |

On 14 June 2008, the Group sold Fertilitetscentrum AB, which belonged to the Healthcare segment. The consolidated capital gain on the divestment amounted to SEK 11.0 million.

NOTE 10 NET FINANCIAL ITEMS

| The Group | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|----------------------------|---------------------------|---------------------------|
| Interest income | 5.1 | 22.9 |
| Other financial income | 0.8 | 5.3 |
| Financial income | 5.9 | 28.2 |
| Interest expense | –154.3 | –247.3 |
| Foreign-exchange losses | –0.5 | 2.8 |
| Loan fees | –11.9 | –11.5 |
| Other financial expenses | –6.6 | –17.1 |
| Financial expenses | –173.3 | –273.1 |
| Net financial items | –167.4 | –244.9 |

| Parent Company | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|-----------------------------------|---------------------------|---------------------------|
| Interest income, Group companies | 92.1 | 123.9 |
| Interest income, other | 1.7 | 13.2 |
| Foreign-exchange gains | – | 113.1 |
| Financial income | 93.8 | 250.2 |
| Interest expense, Group companies | –0.6 | –6.2 |
| Interest expense, other | –152.0 | –244.4 |
| Foreign-exchange losses | –45.9 | 3.5 |
| Loan fees | –11.6 | –11.5 |
| Other financial expenses | –3.7 | –11.0 |
| Financial expenses | –213.8 | –269.6 |

In 2009 the Group and the Parent company have decided to offset the foreign exchange differences on external loans denominated in foreign currency against the corresponding foreign exchange differences on the pass-through ledning of such funds to group companies. Comparative data has been amended in the same manner.

NOTE 11 TAXES

| The Group | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|--|---------------------------|---------------------------|
| Current tax expense | | |
| Tax expense for the period | –107.5 | –76.3 |
| Tax attributable to previous year | 7.5 | 9.9 |
| | –100.0 | –66.4 |
| Deferred tax expense | | |
| Deferred tax related to temporary differences | 15.8 | 32.3 |
| Deferred tax expense/benefit related to tax value of loss carry-forwards capitalised during the year | 0.2 | 1.1 |
| | –84.0 | –33.4 |
| Total net tax expense/benefit | –84.0 | –33.0 |

In 2008, the Group's deferred tax assets and liabilities were restated due to the reduction in Swedish corporate tax to 26.3 per cent. This change is recognised in the profit and loss.

| Reconciliation of effective tax The Group | 01/01/2009–31/12/2009 | | 01/01/2008–31/12/2008 | |
|--|-----------------------|--------------|-----------------------|--------------|
| | % | Amount | % | Amount |
| Profit before tax | | 389.6 | | 226.9 |
| Tax at current tax rate | 26.3 | –102.5 | 28.0 | –63.5 |
| Non-deductible expenses | 1.0 | –4.0 | 2.3 | –5.1 |
| Tax-exempt income | –3.4 | 13.4 | –3.5 | 7.8 |
| Standard interest on tax allocation reserves | – | –0.1 | 0.1 | –0.2 |
| Increase of loss-carry-forwards without corresponding capitalisation of deferred tax | – | – | 0.3 | –0.7 |
| Effect of changed tax rate | – | – | –1.0 | 2.3 |
| Tax relating to previous years | –1.9 | 7.5 | –4.3 | 9.9 |
| Effect of tax rate/rule differences between countries | –0.2 | 0.7 | –7.9 | 17.8 |
| Other | –0.3 | 1.0 | 0.5 | –1.3 |
| Net effective tax | 21.6 | –84.0 | 14.5 | –33.0 |

| Parent Company | 01/01/2009 –31/12/2009 | 01/01/2008 –31/12/2008 |
|---|---------------------------|---------------------------|
| Current tax benefit | | |
| Tax benefit for the period | 40.1 | 8.3 |
| | 40.1 | 8.3 |
| Deferred tax expense/benefit | | |
| Deferred tax benefit, convertible loans | 2.0 | 1.7 |
| Total net tax benefit | 42.1 | 10.0 |

| Reconciliation of effective tax Parent Company | 01/01/2009–31/12/2009 | | 01/01/2008–31/12/2008 | |
|---|-----------------------|-------------|-----------------------|-------------|
| | % | Amount | % | Amount |
| Profit/loss before tax | | –129.5 | | –44.1 |
| Expected tax at current tax rate for Parent Company | 26.3 | 34.1 | 28 | 12.3 |
| Non-deductible expenses | 0 | 0.1 | –4.9 | –2.2 |
| Tax relating to previous years | 6.1 | 7.9 | – | – |
| Other | – | – | –0.5 | –0.1 |
| Net effective tax | 32.5 | 42.1 | 22.6 | 10.0 |

NOTE 12 INTANGIBLE ASSETS

| The Group | Goodwill | | Brands | | Customer contracts | | Other intangible assets | | Total | |
|---|----------------|----------------|--------------|--------------|--------------------|---------------|-------------------------|--------------|----------------|----------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| Accumulated cost | | | | | | | | | | |
| Opening balance | 2,993.5 | 2,828.5 | 337.5 | 292.0 | 643.4 | 607.9 | 94.6 | 72.7 | 4,069.0 | 3,801.1 |
| Business acquisitions | 198.1 | 22.4 | – | – | 54.6 | 20.3 | 0.2 | – | 252.9 | 42.7 |
| Other acquisitions | – | – | – | – | – | – | 18.9 | 9.2 | 18.9 | 9.2 |
| Sales and disposals | – | –17.9 | – | – | – | – | – | – | – | –17.9 |
| Reclassifications | – | – | – | – | – | – | 28.6 | – | 28.6 | – |
| Adjustment of purchase price analysis | –5.3 | –2.3 | – | – | – | – | – | – | –5.3 | –2.3 |
| Exchange-rate differences for the year | –66.4 | 162.8 | –17.9 | 45.5 | –6.6 | 15.2 | –5.6 | 12.7 | –96.5 | 236.2 |
| | 3,119.9 | 2,993.5 | 319.6 | 337.5 | 691.4 | 643.4 | 136.7 | 94.6 | 4,267.6 | 4,069.0 |
| Accumulated amortisation and impairment losses | | | | | | | | | | |
| Opening balance | 0.4 | 0.3 | – | – | –394.8 | –300.1 | –71.0 | –51.1 | –465.4 | –350.9 |
| Business acquisitions | – | – | – | – | – | – | – | – | – | – |
| Reclassifications | – | – | – | – | – | – | –27.7 | –0.2 | –27.7 | –0.2 |
| Impairment recognised during the year | – | – | – | – | – | – | – | – | – | – |
| Amortisation for the year | – | – | – | – | –67.1 | –90.8 | –11.1 | –8.6 | –78.2 | –99.4 |
| Exchange-rate differences for the year | –0.1 | 0.1 | – | – | 1.3 | –3.9 | 5.3 | –11.1 | 6.5 | –14.9 |
| | 0.3 | 0.4 | – | – | –460.6 | –394.8 | –104.5 | –71.0 | –564.8 | –465.4 |
| Closing balance | 3,120.2 | 2,993.9 | 319.6 | 337.5 | 230.8 | 248.6 | 32.2 | 23.6 | 3,702.9 | 3,603.6 |

IMPAIRMENT TEST

When there are indications that the value of an asset item of property, plant and equipment or an intangible asset with a finite useful life has diminished, a test is made to determine whether an impairment loss should be recognised in accordance with IAS 36 Impairment of Assets. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in profit and loss for the year. When assets, such as properties, are put up for sale, a clear indication is obtained of the recoverable value, which could trigger an impairment loss. Goodwill and intangible assets with indefinite useful lives are not amortised. Instead, these assets are tested for impairment annually and when there is an indication of impairment. Impairment tests are performed in accordance with IAS 36 Impairment of Assets. For impairment tests of goodwill, Ambea's primary segments, i.e. Carema Care, Carema Healthcare and Mehiläinen, have been identified as cash-generating units. Present value is based on forecast cash flows for the next 100 years less estimated investments and changes in working capital during the same period. The discount rate used is the weighted average cost of capital before tax (WACC), which is 9.37 per cent (10.5). Business plans and similar forecasts have been made for the first five years. Thereafter, the rate of growth has been assumed to be 2 per cent from year five. Terminal value is taken into consideration in the impairment testing.

Goodwill was distributed as follows as at 31 December:

| | 31/12/2009 | 31/12/2008 |
|---------|----------------|----------------|
| Finland | 1,283.0 | 1,231.8 |
| Norway | 19.3 | 17.1 |
| Sweden | 1,818.0 | 1,745.0 |
| | 3,120.2 | 2,993.9 |

The identified trademark is Mehiläinen's trademark. The Mehiläinen trademark is a market leader in healthcare in Finland and has been well-established for a long time. It is therefore considered to have an indefinite usage period. The trademark has been valued according to the "relief-from-royalty" method, i.e. discounting of future saved royalty payments. When calculating, the relief from royalty before tax is assumed to be 2 per cent of future sales. The discount rate used was 9.37 per cent (10.5).

| Parent Company | 31/12/2009 | 31/12/2008 |
|---|-------------|-------------|
| Accumulated cost | | |
| Opening balance | 1.5 | 1.1 |
| New acquisitions | 0.1 | 0.4 |
| Closing balance | 1.6 | 1.5 |
| Accumulated amortisation according to plan | | |
| Opening balance | –0.5 | –0.2 |
| Amortisation for the year according to plan from cost | –0.3 | –0.3 |
| | –0.8 | –0.5 |
| Closing balance | 0.8 | 1.0 |

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

| The Group | Land and buildings | | Leasehold improvements | | Equipment, tools and installations | | Total | |
|---|--------------------|-------------|------------------------|---------------|------------------------------------|---------------|----------------|---------------|
| | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 | 31/12/2009 | 31/12/2008 |
| Accumulated cost | | | | | | | | |
| Opening balance | 3.3 | – | 234.1 | 191.2 | 718.3 | 616.8 | 955.7 | 808.0 |
| Business acquisitions | 1.5 | 3.4 | – | – | 23.7 | 3.4 | 25.2 | 6.8 |
| Other acquisitions | 0.5 | 0.1 | 17.6 | 20.6 | 135.0 | 77.0 | 153.1 | 97.7 |
| Sales and disposals | – | –0.2 | –0.7 | –3.1 | –5.7 | –32.1 | –6.4 | –35.4 |
| Reclassifications | – | – | 0.2 | 0.1 | –1.5 | –0.5 | –1.4 | –0.4 |
| Exchange-rate differences for the year | – | – | –10.4 | 25.3 | –22.9 | 53.7 | –33.3 | 79.0 |
| | 5.3 | 3.3 | 240.8 | 234.1 | 846.9 | 718.3 | 1,092.9 | 955.7 |
| Accumulated depreciation according to plan | | | | | | | | |
| Opening balance | –0.7 | – | –105.3 | –75.1 | –491.6 | –402.3 | –597.6 | –477.4 |
| Business acquisitions | – | –0.6 | – | – | –9.9 | –2.3 | –9.9 | –2.9 |
| Sales and disposals | – | – | 0.1 | 1.2 | 3.9 | 25.4 | 4.0 | 26.6 |
| Reclassifications | – | – | –0.1 | –0.1 | 0.6 | 0.5 | 0.5 | 0.4 |
| Depreciation for the year | –0.1 | –0.1 | –19.6 | –19.9 | –93.9 | –78.0 | –113.6 | –98.0 |
| Exchange-rate differences for the year | – | – | 5.0 | –11.4 | 16.2 | –34.9 | 21.2 | –46.3 |
| | –0.8 | –0.7 | –119.9 | –105.3 | –574.7 | –491.6 | –695.4 | –597.6 |
| Closing balance | 4.5 | 2.6 | 120.8 | 128.8 | 272.2 | 226.7 | 397.5 | 358.1 |

Tax assessment value

The tax assessment value of land and buildings is zero. The property is not subject to taxation since it houses healthcare operations.

Equipment held under finance lease agreements

| is included with the following amounts | 31/12/2009 | 31/12/2008 |
|--|-------------|-------------|
| Cost | 199.6 | 188.2 |
| Accumulated depreciation according to plan from cost | –178.1 | –162.7 |
| Closing balance | 21.5 | 25.5 |

| Parent Company | 31/12/2009 | 31/12/2008 |
|---|------------|------------|
| Accumulated cost | | |
| Opening balance | 0.1 | 0.1 |
| New acquisitions | – | 0.0 |
| Closing balance | 0.1 | 0.1 |
| Accumulated depreciation according to plan | | |
| Opening balance | 0.0 | 0.0 |
| Depreciation for the year according to plan from cost | – | 0.0 |
| Closing balance | 0.1 | 0.1 |

NOTE 14 INVESTMENTS IN ASSOCIATED COMPANIES

| The Group | 31/12/2009 | 31/12/2008 |
|--|------------|------------|
| Accumulated cost | | |
| Opening balance | 2.8 | 2.5 |
| Acquisition of associated companies | – | 0.1 |
| Divestment of associated companies | –0.6 | –0.3 |
| Share of results of associated companies | 0.6 | 0.1 |
| Exchange-rate differences | –0.4 | 0.4 |
| Closing balance | 2.4 | 2.8 |

SPECIFICATION OF GROUP VALUES FOR GROUP'S SHARE

| The Group | | | | | | | |
|--|---------|---------|---------------------|--------|-------------|--------|--------------------|
| 31/12/2009 | Country | Revenue | Net profit/ loss | Assets | Liabilities | Equity | Group's share % |
| Subsidiary holdings in associated companies: | | | | | | | |
| Laser-Porus Oy, 1101689-2 | Finland | | 1.6 | 3.5 | 0.2 | | 42.7 |
| Näkökeila Oy (1.8.2008-31.7.2009), 0566037-4 | Finland | 0.6 | –0.1 | 0.4 | 0.0 | | 40 |
| Töölön Hammashoito Oy, 0432202-3 | Finland | | | | | | 20 |

| The Group | | | | | | | |
|--|---------|------------|---------------------|------------|-------------|------------|--------------------|
| 31/12/2008 | Country | Revenue | Net profit/ loss | Assets | Liabilities | Equity | Group's share % |
| Subsidiary holdings in associated companies: | | | | | | | |
| Svensk Hälsovårds Badhotell AB, 556469-6606 | Sweden | – | 0.0 | 0.2 | 0.0 | 0.2 | 34 |
| Ida-Maria Kiinteistöt Oy, 1642739-1 | Finland | 0.2 | 0.1 | 1.6 | 0.4 | 1.2 | 49 |
| Laser-Porus Oy, 1101689-2 | Finland | 2.7 | 0.5 | 4.5 | 0.6 | 3.9 | 43 |
| Näkökeila Oy, 0566037-4 | Finland | 0.6 | –0.1 | 0.5 | 0.0 | 0.5 | 40 |
| Töölön Hammashoito Oy, 0432202-3 | Finland | – | – | 0.3 | 0.0 | 0.3 | 20 |
| | | 3.5 | 0.5 | 7.1 | 1.0 | 6.1 | |

Interests in associated companies include no goodwill.

NOTE 15 FINANCIAL INVESTMENTS

| The Group | 31/12/2009 | 31/12/2008 |
|--|-------------|-------------|
| Available-for-sale financial assets | | |
| Shares and participations | 13.2 | 14.1 |
| Closing balance | 13.2 | 14.1 |

The group has deemed that fair value of these assets in all material respects agrees with the original acquisition costs.

NOTE 16 NON-CURRENT RECEIVABLES AND OTHER RECEIVABLES**NON-CURRENT RECEIVABLES THAT ARE FIXED ASSETS**

| The Group | 31/12/2009 | 31/12/2008 |
|-----------|------------|------------|
| Deposits | 0.2 | 0.8 |
| Other | 3.3 | 0.7 |
| | 3.5 | 1.5 |

OTHER RECEIVABLES THAT ARE CURRENT ASSETS

| The Group | 31/12/2009 | 31/12/2008 |
|---------------------------------------|-------------|-------------|
| Claims against employees | 1.7 | 1.3 |
| Tax clearing account | 19.1 | 28.7 |
| VAT and payroll tax receivables | 2.9 | 3.3 |
| Deposit for the acquisition of shares | – | 10.0 |
| Other | 13.8 | 24.7 |
| | 37.5 | 68.0 |

OTHER RECEIVABLES (CURRENT)

| Parent Company | 31/12/2009 | 31/12/2008 |
|---------------------------------------|------------|-------------|
| Deposit for the acquisition of shares | – | 10.0 |
| VAT receivables | – | 1.7 |
| Tax clearing account | 0.2 | 19.5 |
| Other | 5.5 | – |
| | 5.7 | 31.2 |

NOTE 17 INVESTMENTS IN GROUP COMPANIES

| Parent Company | 31/12/2009 | 31/12/2008 |
|---|----------------|----------------|
| Accumulated cost | | |
| Opening balance | 1 944,7 | 1 934,7 |
| Acquisitions | – | – |
| Shareholder contribution to Group company | – | 10,0 |
| Divestments | – | – |
| Closing balance | 1 944,7 | 1 944,7 |

THE GROUP'S SIGNIFICANT HOLDINGS IN SUBSIDIARIES

Also specifies the Parent Company's direct holdings in Group companies

| Subsidiary/Corp.id.no./Domicile | Number of shares | Holding in % | 31/12/2009 Carrying amount | 31/12/2008 Carrying amount |
|--|-------------------|--------------|-------------------------------|-------------------------------|
| Ambea Finland AB, 556699-5527, Stockholm | 1,000 | 100.0 | 27.1 | 27.1 |
| Ambea Oy, 2027055-0 Helsinki | 81 | 100.0 | – | – |
| Mehiläinen Oy, 1927556-5, Helsinki | 1,500,000 | 100.0 | – | – |
| Practimed Oy, 0679505-1, Helsinki | 15 | 100.0 | – | – |
| Carema Oy, 1558357-9, Helsinki | 38,600 | 100.0 | – | – |
| Mehiläinen Terveyspalvelut Oy, 2125610-1, Helsinki | 500 | 62.5 | – | – |
| Vaasan Magneetit Oy, 1842716-8, Vaasa | 85 | 68.0 | – | – |
| Mehiläinen Pori Oy, 2196139-6, Pori | 1,000 | 100% | – | – |
| Hyvinkään lasten ja nuorten psykiatrinen hoito- ja kuntotusyksikkö Oy, 2049496-2 Seinäjoki | 1,500 | 100% | – | – |
| Lastensuojeluyksikkö Wiljagård Oy, 2083002-8, Seinäjoki | 1,000 | 100% | – | – |
| Ilomantsin lastensuojeluyksikkö Ky, 2046206-9, Seinäjoki | | 100% | – | – |
| Hyvinkään lastenpsykiatrinen sairaala Oy, 2221253-0, Seinäjoki | 2,500 | 100% | – | – |
| Lakeuden Majakka Oy, 2151041-3, Seinäjoki | 1,000 | 100% | – | – |
| Lastensuojeluyksikkö Pesäpuu Ky, 1913865-9, Evijärvi | | 100% | – | – |
| Lastensuojeluyksikkö Pihapuu Ky, 20006125-7, Kauhava | | 100% | – | – |
| Leivokoti Oy, 1782799-5, Seinäjoki | 100 | 100% | – | – |
| Crystal Revontuli Oy, 1608704-0, Laukaa | 100 | 100% | – | – |
| Leakeuden Maininki Oy, 2137884-6, Seinäjoki | 1,000 | 100% | – | – |
| Carema Vård & Omsorg AB, 556531-6071, Stockholm | 13,363,313 | 100.0 | 1,917.6 | 1,917.6 |
| Carema AB, 556542-9908, Stockholm | 1,000 | 100.0 | – | – |
| Ortopediska Huset Viribus Unitis AB, 556403-5110, Stockholm | 2,400 | 100.0 | – | – |
| Carema Sjukvård AB, 556527-3751, Stockholm | 351,000 | 100.0 | – | – |
| Carema Primärvård AB, 556570-3468, Stockholm | 10,000 | 100.0 | – | – |
| Brynäs Hälsocentral AB, 556620-7816, Stockholm | 959 | 95.9 | – | – |
| Grästorps Nya Vårdcentral AB, 556620-7808, Stockholm | 1,000 | 100.0 | – | – |
| Gävle Vårdcentral AB, 556591-8355, Stockholm | 962 | 96.2 | – | – |
| Husläkarna i Kungsbacka, 556475-2003, Kungsbacka | 1,000 | 100.0 | – | – |
| Källered's Vårdcentral AB, 556607-7631, Stockholm | 1,000 | 100.0 | – | – |
| Skogås Nya Vårdcentral AB, 556620-4128, Stockholm | 1,000 | 100.0 | – | – |
| Uddevalle Nya Vårdcentral AB, 556591-8363, Stockholm | 1,000 | 100.0 | – | – |
| Vårdcentralen Lina Hage AB, 556568-9576, Stockholm | 970 | 97.4 | – | – |
| Geneta Vårdcentral AB, 556620-7790, Stockholm | 980 | 97.4 | – | – |
| TrialNet i Stockholm AB, 556620-7592, Stockholm | 1,000 | 100.0 | – | – |
| LLG Holding HB, 969698-4930, Malmö | 16 | 55.0 | – | – |
| Vårdalliansen AB, 556491-6772, Stockholm | 40,000 | 100.0 | – | – |
| Gubbängens Nya Vårdcentral AB, 556554-7378, Stockholm | 19,700 | 98.5 | – | – |
| Carema Primärvård i Västmanland AB, 556379-7934, Stockholm | 40,000 | 100.0 | – | – |
| C&N Medtjänst AB, 55480-2394, Stockholm | 100 | 100.0 | – | – |
| Hälsobackens Läkargrupp AB, 556452-5250, Ystad | 1,800 | 100.0 | – | – |
| Carema Specialistvård AB, 556284-9819, Stockholm | 4,375 | 100.0 | – | – |
| Sergelkliniken i Linköping AB, 556463-7477, Stockholm | 1,000 | 100.0 | – | – |
| Carema Specialistvård Skåne AB, 556585-4709, Eslöv | 1,961 | 100.0 | – | – |
| Carema Närvård AB, 556543-2878, Stockholm | 10,000 | 100.0 | – | – |

NOTE 17 CONT.

| Subsidiary/Corp.id.no./Domicile | Number of shares | Holding in % | 31/12/2009 Carrying amount | 31/12/2008 Carrying amount |
|---|------------------|--------------|----------------------------|----------------------------|
| Carema Psykiatri AB, 556469-6572, Stockholm | 3,000 | 100.0 | – | – |
| Carema Hjärnhälsan AB, 556760-8673, Stockholm | 1,000,000 | 70.0 | – | – |
| Rent-A-Doctor AB, 556582-3480, Stockholm | 1,057,520 | 100.0 | – | – |
| Rent A Dentist Sweden AB, 556552-2025, Stockholm | 910 | 91.0 | – | – |
| Rentanurse Scandinavia AB, 556578-0847, Stockholm | 1,000 | 100.0 | – | – |
| Care Team Scandinavia AB, 556583-7324, Stockholm | 1,000 | 100.0 | – | – |
| Carema Omsorg AB, 556469-9105, Sollentuna | 100,000 | 100.0 | – | – |
| Medihem AB, 556205-3628, Stockholm | 40,000 | 100.0 | – | – |
| Carema Äldreomsorg AB, 556573-6450, Solna | 10,000 | 100.0 | – | – |
| Grannskaps Service-boende och Service i Östergötland AB, 556441-1717, Solna | 1,200 | 100.0 | – | – |
| Mogården Omsorg AB, 556542-9940, Lerum | 100 | 100.0 | – | – |
| Mälardalen AB, 556468-4354, Stockholm | 10,000 | 100.0 | – | – |
| Nya Näshemmet AB, 556608-6715, Vansbro | 5,010 | 100.0 | – | – |
| Opalen Vård AB, 556455-5208, Solna | 3,000 | 100.0 | – | – |
| Saltsjöbadens Sjukhus AB, 556492-9148, Stockholm | 1,000 | 100.0 | – | – |
| Skåneborg Vård AB, 556319-5949, Lund | 1,000 | 100.0 | – | – |
| Carema Äldreomsorg I AB, 556466-3218, Sollentuna | 160,000 | 100.0 | – | – |
| Carema Orkidén AB, 556470-1901, Upplands Väsby | 55,000 | 100.0 | – | – |
| AB Dungens Boende, 556548-2766, Stockholm | 1,000 | 100.0 | – | – |
| Carema VIP AB, 556496-9367, Sollentuna | 100 | 100.0 | – | – |
| Dallotsen Utvecklingscenter AB, 556661-2718, Gagnef | 1,000 | 100.0 | – | – |
| Hedens Omvårdnadscenter AB, 556537-7180, Bollnäs | 1,000 | 100.0 | – | – |
| Planeringshemmen AB, 556619-7959, Stockholm | 1,000 | 100.0 | – | – |
| Skarpnäck Care AB, 556468-9270, Stockholm | 10,000 | 100.0 | – | – |
| Tasava AB, 556558-6871, Stockholm | 1,200 | 80.0 | – | – |
| Trehörna Omsorger AB, 556334-8407, Tingsryd | 1,000 | 100.0 | – | – |
| Eken Care AB, 556529-1803, Eksjö | 15,000 | 100.0 | – | – |
| Lyckobostäder, 556550-4916, Eksjö | 1,000 | 100.0 | – | – |
| Berglunda Sjukhem, 556520-8351, Eksjö | 1,000 | 100.0 | – | – |
| Furuvikens Sjukhem, 556118-6403, Eksjö | 100 | 100.0 | – | – |
| Annebergs Behandlingshem AB, 556568-5020, Nässjö | 1,000 | 100.0 | – | – |
| E-Care Fastigheter AB, 556575-0204, Eksjö | 7,000 | 100.0 | – | – |
| Hörnans Livs i Eksjö AB, 556586-5770, Eksjö | 1,000 | 100.0 | – | – |
| Carema AS, 984 328 915, Oslo, Norge | 2,945 | 100.0 | – | – |
| Carema Omsorg AS, 984 328 923, Oslo, Norway | 700 | 100.0 | – | – |
| Friskvernklinikken AS, 975 984 168, Asker, Norway | 122 | 100.0 | – | – |
| Rent-A-Doctor AS, 983 196 659, Oslo, Norway | 1,000 | 100.0 | – | – |
| | | | 1,944.7 | 1,944.7 |

NOTE 18 RECEIVABLES FROM GROUP COMPANIES

| Parent Company | 31/12/2009 | 31/12/2008 |
|--|----------------|----------------|
| Opening balance | 1 525.2 | 1 506.8 |
| Additional receivables | – | – |
| Receivables settled | – | –167.7 |
| Exchange-rate differences for the year | –93.7 | 232.6 |
| Reclassifications | –52.9 | –46.5 |
| | 1 378.6 | 1 525.2 |

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

| The Group | 31/12/2009 | 31/12/2008 |
|----------------------|--------------|-------------|
| Prepaid rent | 52.1 | 38.8 |
| Accrued income | 52.0 | 26.6 |
| Prepaid leasing fees | 1.0 | 1.4 |
| Other items | 18.6 | 16.9 |
| | 123.7 | 83.7 |
| Parent Company | 31/12/2009 | 31/12/2008 |
| Prepaid rent | 0.2 | 0.2 |
| Other items | 0.7 | 0.3 |
| | 0.9 | 0.5 |

NOTE 20 EQUITY**THE GROUP****DETAILS OF EQUITY RESERVES**

| | 31/12/2009 | 31/12/2008 |
|---|--------------|--------------|
| Translation reserve – Group | | |
| Translation reserve at beginning of year | 142.1 | 13.7 |
| Translation differences for the year | -53.6 | 128.4 |
| Translation reserve at end of year | -88.5 | 142.1 |
| Hedging reserve – Group | | |
| Hedging reserve at beginning of year | -0.9 | 12.5 |
| Change in value of interest swap | -9.2 | -18.6 |
| Tax | 2.4 | 5.2 |
| Hedging reserve at end of year | -7.7 | -0.9 |

Registered number of shares 282,891,568 at SEK 0.10; comprising 282,891,568 B shares with one vote per share.

OTHER PAID-IN CAPITAL

Refers to contributions by shareholders. This includes part of the share premium reserve transferred to the statutory reserve at 31 December 2005. Any share premium as from 1 January 2006 is also reported as paid-in capital.

RESERVES**Translation reserve**

The translation reserve includes all foreign exchange differences arising on the translation of financial reports from international enterprises that have prepared financial reports in a currency other than the currency used in the presentation of the consolidated financial reports. The Parent Company and the Group present their financial reports in Swedish kronor (SEK).

Hedging reserves

Comprises the net change in the fair value of interest rate swaps recognized in other comprehensive income.

Retained earnings including profit for the year

The retained earnings including profit/loss for the year comprise the earned profits of the Parent Company and its subsidiaries and associated companies.

Dividend

No dividend is proposed.

PARENT COMPANY**Restricted equity**

Restricted equity including the statutory reserve may not be reduced by way of profit distribution. The purpose of the statutory reserve is to save a proportion of the net profit that is not used to cover a loss carry-forward.

Non-restricted equity**Share premium reserve**

When shares are issued at a premium, i.e. when the amount paid for the shares exceeds the shares' quota value, the premium is transferred to the share premium reserve.

Fair value reserve

A change in value is recognised directly in the fair value reserve when it refers to a hedging instrument and the principles applied for hedge accounting permit that a part of or the entire change in value is not recognised in profit and loss.

Retained earnings

This item comprises retained earnings from previous years after payment of any dividends.

Together with the profit/loss for the year plus non-restricted equity, retained earnings constitute the amount available for dividends to shareholders.

The Board proposes that the non-restricted equity be carried forward in full.

NOTE 21 EARNINGS PER SHARE

| | 31/12/2009 | 31/12/2008 |
|---|--------------------|--------------------|
| Earnings per share before dilution | | |
| Profit for the year attributable to the Parent Company's shareholders | 275.9 | 170.8 |
| Weighted number of outstanding shares | 282,891,568 | 282,891,568 |
| Earnings per share before dilution, SEK | 0.98 | 0.60 |
| Weighted average number of outstanding ordinary shares after dilution | | |
| Number of shares | | |
| Weighted average number of ordinary shares during the year before dilution | 282,891,568 | 282,891,568 |
| Effect of full conversion of convertible debt instruments | 129,150,965 | 129,150,965 |
| Effect of full exercise of outstanding options | 80,071,240 | 79,986,003 |
| Weighted average number of ordinary shares during the year, after dilution | 492,113,773 | 492,028,536 |

Due to the fact that calculation of earnings per share after full dilution requires access to market value of the Group issuing potentially dilutive instruments and the absence of such data, the Group has not presented earnings per share after full dilution.

NOTE 22 SUBORDINATED DEBENTURES AND CONVERTIBLE LOANS

| Group and Parent Company | 31/12/2009 | 31/12/2008 |
|---|--------------|-------------|
| Convertible loans | | |
| Nominal value | 152.4 | 152.4 |
| Of which recognised as liability at 1 January | 84.1 | 77.3 |
| Annual debt adjustment | 7.4 | 6.8 |
| Recognised debt at 31 December | 91.5 | 84.1 |
| Subordinated debenture | | |
| | 8.8 | 8.6 |
| | 100.3 | 92.7 |

Convertible loans are interest-free.

Each option entitles the holder to one share for subscription during the period from 15 December 2005 up to and including 30 December 2015. Options that are not converted to ordinary shares are redeemed at a nominal amount before 31 December 2015. The nominal amount of the convertible is divided between liabilities and shareholders' equity and deferred tax. The liability is adjusted upwards continuously until maturity.

NOTE 23 INTEREST-BEARING LIABILITIES

This note contains information on the company's contractual terms regarding interest-bearing liabilities. For more information on the company's exposure to interest risk and the risk of exchange-rate fluctuations, see Note 31.

| The Group | 31/12/2009 | 31/12/2008 |
|---|----------------|----------------|
| Non-current liabilities | | |
| Bank loans | 3,124.5 | 3,271.5 |
| Convertible loans | 91.5 | 84.1 |
| Subordinated loans | 8.8 | 8.6 |
| Finance lease obligations | 10.5 | 6.2 |
| Other interest-bearing liabilities | 2.2 | – |
| | 3,237.5 | 3,370.4 |
| Current liabilities | | |
| Current portions of bank loans | 57.7 | 57.7 |
| Current portions of finance lease obligations | 11.8 | 16.7 |
| Other current liabilities | 2.4 | – |
| | 71.9 | 74.4 |
| Total interest-bearing liabilities | 3,309.4 | 3,444.8 |

Terms and payback periods are given in Note 31.

To secure the bank loans, shares in subsidiaries have been pledged to the value of SEK 3,891.4 million (4,027.4) in the company's participations in subsidiaries. In addition, there is a floating charge of SEK 1,151.7 million (1,202.9).

FINANCE LEASE OBLIGATIONS, ETC.

Finance leases refer to future leasing fees attributable to finance leases.

Future payments fall due as follows:

| The Group | 2009 | | | 2008 | | |
|----------------------------|--------------------|-------------|----------------|--------------------|------------|----------------|
| | Minimum lease fees | Interest | Capital amount | Minimum lease fees | Interest | Capital amount |
| Within one year | 12.2 | 0.3 | 11.8 | 17.9 | 1.3 | 16.7 |
| Between one and five years | 10.3 | 0.07 | 10.5 | 6.4 | 0.3 | 6.2 |
| Later than five years | – | – | – | – | – | – |
| | 22.5 | 0.37 | 22.3 | 24.3 | 1.6 | 22.9 |

NOTE 24 LIABILITIES TO CREDIT INSTITUTIONS

| Parent Company | 31/12/2009 | 31/12/2008 |
|---|----------------|----------------|
| Non-current liabilities | | |
| Bank loans | 3,124.5 | 3,271.2 |
| Subordinated loans, convertible loans and subordinated debentures with option right | 100.4 | 92.7 |
| | 3,224.9 | 3,363.9 |
| Current liabilities | | |
| Current portions of bank loans | 57.7 | 57.7 |
| | 57.7 | 57.7 |
| Liabilities due for payment later than five years after the balance-sheet date | | |
| Bank loans | 2,977.4 | 3,060.0 |
| Convertible loans | 152.4 | 152.4 |

NOTE 25 OTHER NON-INTEREST BEARING LIABILITIES

| The Group | 31/12/2009 | 31/12/2008 |
|--|-------------------|-------------------|
| Other non-current liabilities | | |
| Additional purchase considerations | 32.6 | – |
| Derivatives held for hedging | 10.4 | 0.9 |
| Other | 6.8 | 7.2 |
| | 49.8 | 8.1 |
| Other current liabilities | | |
| Withholding taxes | 61.9 | 69.0 |
| Advance payments from customers | 18.7 | 17.6 |
| Liabilities to doctors in private practice | 112.8 | 111.6 |
| VAT liabilities | 2.2 | 1.4 |
| Tax account | 4.6 | – |
| Liabilities for purchase considerations not yet paid | 32.9 | 49.2 |
| Other | 23.0 | 11.6 |
| | 256.1 | 260.4 |
| Parent Company | 31/12/2009 | 31/12/2008 |
| Other current liabilities | | |
| Withholding taxes and VAT liabilities | 0.4 | 0.3 |
| Liabilities for purchase considerations not yet paid | – | 10.0 |
| | 0.4 | 10.3 |

NOTE 26 PENSIONS**THE GROUP'S PENSION PLANS
DEFINED-CONTRIBUTION PLANS**

Undertakings for occupational pensions to the Ambea Group's employees in Sweden are insured with Alecta. In the Ambea Group's Norwegian subsidiaries, pensions are partly provided through a defined-contribution plan, Vital Sikret, and partly through two defined-benefit plans, KLP and Vital AFP. Vital Sikret was a defined-benefit plan up to 2006 and at the end of 2007, it converted into a defined-contribution plan. However, accounting of defined-benefit plans remain in Vital Sikret with regard to persons who had already retired by the end of 2007. Ambea's employees in Finland are members of the Finnish TEL-plan system that is accounted for as a defined-contribution plan. There are defined-benefit plans in Norway that only amount to a small total and, accordingly, have no material effect in consolidated earnings. The gross commitment amounts to 7.0 (6.7). Undertakings relating to contributions for defined-contribution plans are recognised as an expense in profit and loss as they arise.

DEFINED-BENEFIT PENSION PLANS IN SWEDEN

Undertakings for retirement pensions and family pensions for salaried employees in Sweden are secured through insurance with Alecta and similar plans. According to a statement by The Swedish Financial Reporting Board, UFR 3, these plans are multi-employer defined-benefit plans. For the financial years 2009 and 2008, the company has not had access to such information allowing it to apply defined-benefit accounting to these plans. The ITP pension plans that are secured through insurance with Alecta and others are therefore accounted for as if the plans were defined-contribution plans. The pension insurance premiums expensed for these plans which were accounted for as defined-contribution plans amount to SEK 238.1 million (157.3). Alecta's surplus may be distributed to the policy-holders and/or those insured. At the end of 2009, Alecta reported a surplus in the form of a collective consolidation level of 141 per cent (112). The collective consolidation level reflects the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial assumptions which are different from those under IAS 19.

| The Group | 31/12/2009 | 31/12/2008 |
|---|------------|------------|
| Costs of defined-contribution plans (incl. special employer's contribution) | 351.5 | 245.2 |

NOTE 27 OTHER PROVISIONS

Other provisions comprise a loss risk reserve for care contracts within Carema Care. The cost of the loss risk reserve for care contracts was recognised under other operating expenses in the Group's report on comprehensive income.

| | |
|-------------------------------|------------|
| Per 1 January 2009 | - |
| Recognised in profit and loss | |
| additional provisions | 5.1 |
| At 31 December 2009 | 5.1 |

NOTE 28 DEFERRED TAX ASSETS AND LIABILITIES**RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES**

| The Group 31/12/2009 | Deferred tax assets | Deferred tax liabilities | Net |
|-----------------------------------|------------------------|--------------------------------|---------------|
| Intangible assets | - | -144.3 | -144.3 |
| Leasehold improvements | 0.4 | - | 0.4 |
| Machinery and equipment | - | -7.6 | -7.6 |
| Financial assets | 2.7 | - | 2.7 |
| Tax allocation reserve | - | -8.0 | -8.0 |
| Other provisions | 3.6 | - | 3.6 |
| Loss carry-forwards | 1.3 | - | 1.3 |
| Convertible loans | - | -18.4 | -18.4 |
| Other | - | -9.5 | -9.5 |
| | 8.0 | -187.8 | -179.8 |
| Net accounting | -8.0 | 8.0 | - |
| Net deferred tax liability | - | -179.8 | -179.8 |

| 31/12/2008 | Deferred tax assets | Deferred tax liabilities | Net |
|-----------------------------------|------------------------|--------------------------------|---------------|
| Intangible assets | - | -152.7 | -152.7 |
| Leasehold improvements | 0.3 | - | 0.3 |
| Machinery and equipment | 0.1 | -6.4 | -6.3 |
| Financial assets | - | 0.3 | 0.3 |
| Tax allocation reserve | - | -7.5 | -7.5 |
| Other provisions | 4.1 | -0.1 | 4.0 |
| Loss carry-forwards | 1.4 | - | 1.4 |
| Convertible loans | - | -20.4 | -20.4 |
| Other | 0.8 | -7.9 | -7.1 |
| | 6.7 | -194.8 | -188.0 |
| Net accounting | -6.7 | 6.7 | - |
| Net deferred tax liability | - | -188.0 | -188.0 |

| Parent Company 31/12/2009 | Deferred tax assets | Deferred tax liabilities | Net |
|------------------------------|------------------------|--------------------------------|--------------|
| Financial assets | 2.7 | - | 2.7 |
| Convertible loans | - | -18.4 | -18.4 |
| Other | - | -0.3 | -0.3 |
| | 2.7 | -18.7 | -16.0 |

| 31/12/2008 | Deferred tax assets | Deferred tax liabilities | Net |
|-------------------|------------------------|--------------------------------|--------------|
| Financial assets | 0.3 | - | 0.3 |
| Convertible loans | - | -20.4 | -20.4 |
| Other | - | -0.3 | -0.3 |
| | 0.3 | -20.7 | -20.4 |

Normally there are no temporary differences between the carrying amount and tax value on holdings of business-related participations, since neither disposals nor dividends are taxable transactions.

UNRECOGNISED DEFERRED TAX ASSETS

Deductible temporary differences and tax loss carry-forwards for which deferred tax assets have not been recognised in the income statements and balance sheets:

| The Group | 31/12/2009 | 31/12/2008 |
|-------------------------|-------------|-------------|
| Tax loss carry-forwards | 95.3 | 95.3 |
| | 95.3 | 95.3 |

The tax value of the loss carry-forwards in Finland have not been recognised as deferred tax assets since it is not considered probable that these will be used in the foreseeable future. The losses may be carried forward indefinitely.

CHANGES IN DEFERRED TAX IN TEMPORARY DIFFERENCES AND LOSS CARRY-FORWARDS

| The Group 31/12/2009 | Amount at beginning of year | Recognised in income statement | Recognised in equity | Acquisitions/ disposals of business | Translation | Amount at year-end |
|-------------------------|--------------------------------|-----------------------------------|-------------------------|---|-------------|-----------------------|
| Intangible assets | -152.6 | 17.0 | - | -14.6 | 6.0 | -144.3 |
| Leasehold improvements | 0.3 | 0.1 | - | - | - | 0.4 |
| Machinery and equipment | -6.2 | -0.2 | - | -1.2 | - | -7.6 |
| Tax allocation reserve | -7.5 | 0.5 | - | -1.0 | - | -8.0 |
| Other provisions | 4.1 | -0.3 | - | - | -0.1 | 3.6 |
| Loss carry-forwards | 1.4 | -0.2 | - | - | 0.2 | 1.3 |
| Financial assets | 0.3 | - | 2.4 | - | - | 2.7 |
| Convertible loans | -20.4 | 2.0 | - | - | - | -18.4 |
| Other | -7.4 | -2.8 | - | - | 0.4 | -9.5 |
| | -188.0 | 16.0 | 2.4 | -16.6 | 6.5 | -179.8 |

NOTE 28 CONT.

| The Group 31/12/2008 | Amount at beginning of year | Recognised in income statement | Recognised in equity | Acquisitions/ disposals of business | Translation | Amount at year-end |
|-------------------------|--------------------------------|-----------------------------------|-------------------------|---|--------------|-----------------------|
| Intangible assets | -160.3 | 28.0 | - | -5.7 | -14.6 | -152.6 |
| Leasehold improvements | -1.0 | 1.3 | - | - | - | 0.3 |
| Machinery and equipment | -9.3 | 3.0 | - | - | 0.1 | -6.2 |
| Tax allocation reserve | -8.0 | 0.8 | - | -0.3 | - | -7.5 |
| Other provisions | 1.8 | 2.0 | - | - | 0.3 | 4.1 |
| Loss carry-forwards | 2.6 | -1.1 | - | - | -0.1 | 1.4 |
| Financial assets | -4.9 | - | 5.2 | - | - | 0.3 |
| Convertible loans | -22.3 | 1.9 | - | - | - | -20.4 |
| Other | -2.7 | -2.7 | -0.6 | - | -1.4 | -7.4 |
| | -204.1 | 33.2 | 4.6 | -6.0 | -15.7 | -188.0 |

| Parent Company 31/12/2009 | Amount at beginning of year | Recognised in income statement | Recognised in equity | Translation | Amount at year-end |
|------------------------------|--------------------------------|-----------------------------------|-------------------------|-------------|-----------------------|
| Financial assets | 0.3 | - | 2.4 | - | 2.7 |
| Convertible loans | -20.4 | 2.0 | - | - | -18.4 |
| Other | -0.3 | - | - | - | -0.3 |
| | -20.4 | 2.0 | 2.4 | - | -16.0 |

| Parent Company 31/12/2008 | Amount at beginning of year | Recognised in income statement | Recognised in equity | Translation | Amount at year-end |
|------------------------------|--------------------------------|-----------------------------------|-------------------------|-------------|-----------------------|
| Financial assets | -4.9 | - | 5.2 | - | 0.3 |
| Convertible loans | -22.3 | 1.9 | - | - | -20.4 |
| Other | - | -0.3 | - | - | -0.3 |
| | -27.2 | 1.6 | 5.2 | - | -20.4 |

NOTE 29 ACCRUED EXPENSES AND DEFERRED INCOME

| The Group | 31/12/2009 | 31/12/2008 |
|--|-------------------|-------------------|
| Holiday pay | 282.0 | 237.9 |
| Accrued employee benefits | 220.9 | 203.1 |
| Care charges invoiced in advance | 57.2 | 58.5 |
| Accrued interest expenses | - | 0.5 |
| Accrued consulting and auditing expenses | 14.3 | - |
| Other items | 70.5 | 68.9 |
| | 644.9 | 568.9 |
| Parent Company | 31/12/2009 | 31/12/2008 |
| Holiday pay | 0.8 | 0.7 |
| Accrued employee benefits | 1.9 | 2.1 |
| Accrued interest expenses | - | 0.5 |
| Accrued consulting and auditing expenses | 9.7 | - |
| Other items | - | 3.0 |
| | 12.4 | 6.3 |

NOTE 30 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

| The Group 2009 | Derivatives designated as hedging instruments | Trade and loan receivables | Other liabilities | Available-for-sale financial assets | Total carrying amount | Fair value |
|--|--|-----------------------------------|--------------------------|--|------------------------------|-------------------|
| Non-current receivables | | | | 13.2 | 13.2 | 13.2 |
| Trade receivables | | 655.1 | | | 655.1 | 655.1 |
| Other receivables | | | | | – | – |
| Total | – | 655.1 | – | 13.2 | 668.3 | 668.3 |
| Non-current interest-bearing liabilities | | | 3,224.8 | | 3,224.8 | 3,262.9 |
| Other non-current liabilities | 10.4 | | | | 10.4 | 10.4 |
| Current interest-bearing liabilities | | | 57.7 | | 57.7 | 57.7 |
| Accounts payable | | | 158.0 | | 158.0 | 158.0 |
| Total | 10.4 | – | 3,440.5 | – | 3,450.9 | 3,489.0 |
| The Group 2008 | Derivatives designated as hedging instruments | Trade and loan receivables | Other liabilities | Available-for-sale financial assets | Total carrying amount | Fair value |
| Non-current receivables | | | | 14.1 | 14.1 | 14.1 |
| Trade receivables | | 625.8 | | | 625.8 | 625.8 |
| Other receivables | | | | | – | – |
| Total | – | 625.8 | – | 14.1 | 639.9 | 639.9 |
| Non-current interest-bearing liabilities | | | 3,364.2 | | 3,364.2 | 3,386.8 |
| Current interest-bearing liabilities | | | 57.7 | | 57.7 | 57.7 |
| Accounts payable | | | 152.7 | | 152.7 | 152.7 |
| Total | – | – | 3,574.6 | – | 3,574.6 | 3,597.2 |
| Parent Company 2009 | Derivatives designated as hedging instruments | Trade and loan receivables | Other liabilities | Total carrying amount | Fair value | |
| Non-current receivables | | 1,378.3 | | | 1,378.3 | 1,378.3 |
| Other receivables | | 329.7 | | | 329.7 | 329.7 |
| Total | – | 1,708.0 | – | – | 1,708.0 | 1,708.0 |
| Non-current interest-bearing liabilities | | | 3,224.9 | | 3,224.9 | 3,262.9 |
| Other non-current liabilities | 10.4 | | | | 10.4 | 10.4 |
| Current interest-bearing liabilities | | | 57.7 | | 57.7 | 57.7 |
| Accounts payable | | | 1.3 | | 1.3 | 1.3 |
| Total | 10.4 | – | 3,283.9 | – | 3,294.3 | 3,332.3 |
| Parent Company 2008 | Derivatives designated as hedging instruments | Trade and loan receivables | Other liabilities | Total carrying amount | Fair value | |
| Non-current receivables | | 1,525.2 | | | 1,525.2 | 1,525.2 |
| Other receivables | | 186.9 | | | 186.9 | 186.9 |
| Total | – | 1,712.1 | – | – | 1,712.1 | 1,712.1 |
| Non-current interest-bearing liabilities | | | 3,363.9 | | 3,363.9 | 3,386.2 |
| Current interest-bearing liabilities | | | 57.7 | | 57.7 | 57.7 |
| Accounts payable | | | 6.9 | | 6.9 | 6.9 |
| Total | – | – | 3,428.5 | – | 3,428.5 | 3,451.1 |

The primary methods and assumptions used to determine the fair value of the financial instruments presented in the table above are summarised as follows.

SECURITIES

For listed securities, fair value is determined on the basis of the asset's listed bid price at the balance-sheet date, excluding transaction costs at the time of acquisition. Potential transaction costs upon the sale of an asset are also excluded.

DERIVATIVE INSTRUMENTS

The fair value of a forward currency contract is determined according to quoted rates if these are available. If these are not available, the fair value is calculated by discounting the difference between the agreed forward rate and the forward rate that can be agreed at year-end for the remaining contract period. Discounting is effected at a risk-free rate based on government bonds.

The fair value of interest rate swaps is based on the credit institution's evaluation. The reasonableness of such an evaluation is tested by discounting the estimated future cash flows according to the contract's terms and dates due and based on the market interest rate for similar instruments at the balance-sheet date.

INTEREST-BEARING LIABILITIES

The fair value of financial liabilities that are not derivative instruments is based on future cash flows of principal amounts and interest discounted using the market interest rate at year-end.

CONVERTIBLE DEBT INSTRUMENTS

The fair value of the debt component of convertible debt instruments is calculated by discounting future cash flows of principal amounts and interest using a market interest rate for similar debts without conversion right.

FINANCE LEASE OBLIGATIONS

The fair value is based on the present value of future cash flows discounted using the market interest rate for similar lease agreements.

TRADE RECEIVABLES AND ACCOUNTS PAYABLE

For trade receivables and accounts payable with a remaining life of less than six months, the carrying amount reflects the fair value. Trade receivables and accounts payable with a life in excess of six months are discounted when determining the fair value.

NOTE 31 FINANCIAL RISKS AND FINANCIAL POLICIES

Financial assets of the Ambea Group are primarily trade receivables arising from supplying healthcare and Care services, and cash and cash equivalents. Ambea's financial liabilities are primarily loans taken to finance acquisitions and, to a lesser extent, to finance the Ambea Group's working capital. The financial liabilities give rise to interest-rate risks that are primarily managed by interest-rate derivatives; in 2009, 50 per cent of the Group's bank loans were hedged with interest-rate derivatives.

The responsibility for dealing with financial risks in the Parent Company and the Group is that of the central financial function in the Parent Company under the management of the Group's chief financial officer. Policies are formulated by the finance function and decided on by the Board.

The Group's currency risks primarily comprise translation exposure through the ownership of subsidiaries in Finland and Norway, as well as the recognition of loans in local currencies in connection with acquisitions where income exposure, but not balance exposure is hedged.

CREDIT RISK IN FINANCING ACTIVITIES

The financial activities in the Group entail exposure to credit risks. This applies primarily to counterparty risks arising when cash and cash equivalents are deposited with banks and derivative instruments are purchased. Ambea's counterparties are regulated in the financial agreement that the company signed in December 2007.

CREDIT RISK IN TRADE RECEIVABLES

The risk that the company's customers do not fulfil their obligations, i.e. that payment is not received for trade receivables is a customer credit risk.

The Ambea Group's credit risks are very small. A large proportion of the Group's revenue is derived from sales to municipalities and county councils where the credit risk is considered very small. For other customers, the Group's policy is to sell services only to customers who have a good credit rating. Nor is there any considerable concentration of risk to individual customers; sales are distributed over a large number of customers.

| Age analysis, overdue but not written off trade receivables | Carrying amount | |
|---|-----------------|--------------|
| | 31/12/2009 | 31/12/2008 |
| Trade receivables not yet due | 587.8 | 544.5 |
| Trade receivables due 0–30 days | 46.8 | 63.8 |
| Trade receivables due > 30 – 90 days | 12.6 | 10.7 |
| Trade receivables due > 90 – 360 days | 7.9 | 6.8 |
| | 655.1 | 625.8 |

Provisions for doubtful trade receivables amounted to SEK 1.1 million at 31 December 2009 (2008: 2.0).

The carrying amount per currency for the Group's trade receivables and other receivables is as follows:

| | 31/12/2009 | 31/12/2008 |
|-----------------------|--------------|--------------|
| SEK | 430.2 | 412.4 |
| EUR | 215.7 | 194.7 |
| NOK | 9.2 | 18.7 |
| At 31 December | 655.1 | 625.8 |

LIQUIDITY/BORROWING RISK

Liquidity risk is the risk that financing cannot be obtained or only at greatly increased costs.

For Ambea, which is expanding, it is important to have credit facilities that cover the need for working capital and the purchase price of acquisitions. Confirmed credit facilities of SEK 372 million are Ambea's primary liquidity reserve. At year-end, SEK 207.1 million was charged to this credit facility. Ambea also has a confirmed acquisition facility of SEK 372 million that was not used at the end of the year. The Group has 12-month rolling liquidity planning that covers all the Group's units. The planning is updated each month.

Potential investments shall be made in interest-bearing securities with low risk and high liquidity.

INTEREST RISK

Interest risk refers to the risk of changes in the market interest rate having a negative effect on the Group's net financing cost.

The Group

The interest risk is that market interest rates affect cash flow or the fair value of financial assets and liabilities. For assets and liabilities that have a variable rate, a change in market interest rates has a direct effect on cash flow, whereas for assets and liabilities with a fixed interest rate, the fair value will instead

be affected. The Ambea Group's trade receivables are not interest-bearing. Interest-bearing assets exist in the form of interest derivatives and cash and cash equivalents, as well as plan assets associated with defined-benefit pension plans. Interest-bearing liabilities comprise loans, which are intended mostly to finance acquisitions and to a lesser extent, to finance operations.

The loans are made up of bank loans at variable interest rates and minor convertible loans at a fixed interest rate. To manage the interest risks in bank loans, interest derivatives in the form of interest swap agreements are used where the variable interest term for the bank loans is swapped to fixed interest. At year-end, 50 per cent of the loans were subject to fixed interest rates. Given the same loan volume and the same fixed interest terms as at the end of the year, a change in the market interest rate of +/- 100 interest points (1 percentage point) would change net interest costs by +/- SEK 16.6 million (16.6). This agreement expires on 30 June 2012.

Parent Company

The Parent Company's interest risks do not differ from those of the Group. The majority of the Group's borrowing is carried out in the Parent Company. The interest risk in flexible borrowing has been converted to a fixed interest rate through interest swap agreements.

CURRENCY RISK

Currency risk refers to the risk that fluctuations in foreign exchange rates will affect the company's result or its financial position. Ambea differentiates between two types of exposure: translation exposure and transaction exposure.

Translation exposure

Ambea is exposed to translation exposure when measuring goodwill in a foreign currency and through its wholly-owned subsidiaries in Finland and Norway when the net assets are translated to Swedish kronor using the year-end rate. The differences that arise when the currency rates have changed since the previous year-end are charged directly to equity. Parts of the net exposure in foreign currency are financially hedged by taking out loans in the currency of the asset. When translating the loans at the year-end rate, the translation difference in the income statement is shown as a financial income/expense net after foreign exchange differences on corresponding pass-through lending of the loaned funds to group companies. A change in the EUR/SEK rate of +/- 10 per cent would increase/decrease the Group's equity by SEK 108.6 million (99) and results by approximately SEK 19.8 million (13.5). No sensitivity analysis for changes in NOK/SEK is carried out as this is not material.

Transaction exposure

The Ambea Group has no transaction exposure since income and expenses are in the local currency of each country.

AGREEMENT TERMS

Ambea's borrowing from banks is regulated in credit facility agreements. Loans taken out within the framework of these facilities have varying interest rates and maturity profiles. At the balance-sheet date, the agreed facilities amounted to SEK 3,991.1 million (4,149) in the Group and the Parent Company, SEK 3,454.2 million (3,493.0) of which were utilised. The bank loans initially had a variable interest rate, whereas SEK 1,183.5 million (1,237.8) and EUR 42.5 million (42.5) of this borrowing was converted to fixed interest through swap agreements. Hedge accounting is applied in the Group for these swap agreements. The Parent Company's and the Group's subordinated loans run at a fixed nominal interest rate. This interest is capitalised and is due for payment when the loans are redeemed.

Securities provided include: shares in Carema Vård och Omsorg AB, shares in a number of Carema subsidiaries, shares in Ambea Finland AB and the majority of its subsidiaries. The agreed credit facility has covenants which mean regular reporting of the compliance with these conditions in connection with the publication of interim and annual accounts.

Subordinated loans bear a nominal interest rate of 8.5 per cent. Capitalised interest bears interest at a rate of 8.5 per cent. Loans and capitalised interest fall due on 31 December 2015.

Subordinated debentures bear a variable interest rate for 90 days based on STIBOR; interest is capitalised. Loans and capitalised interest fall due on December 31, 2015.

The convertible subordinated loans have been measured at fair value. The loans are interest-free.

SENSITIVITY ANALYSIS

A change of +/- 1 per cent in the market rate of interest would reduce/increase the Group's income by SEK 16.2 million for 2009 (16.6).

MATURITY ANALYSIS FOR FINANCIAL ASSETS AND LIABILITIES

The table on the next page records the effective interest rate on the balance-sheet date and the net outward flow of financial assets/liabilities. The interest rate and exchange rate on the balance-sheet date were used in the calculations.

NOTE 31 CONT.

| The Group 2009 | Interest rate % | Fixed interest period ¹ | Effective interest ¹ | Nominal amount, SEK million | Total 31/12/2009 | Within 1 year ² | 2 years ² | 3 years ² | 4 years ² | > 5 years ² |
|--|-----------------|------------------------------------|---------------------------------|-----------------------------|------------------|----------------------------|----------------------|----------------------|----------------------|------------------------|
| Credit facilities SEK | | | | | | | | | | |
| Loan facility A | 2.23 | Var. 3 months | 2.25 | 345.0 | 345.0 | 76.6 | 75.0 | 73.4 | 71.9 | 70.3 |
| Loan facility B | 2.73 | Var. 3 months | 2.76 | 2,022.1 | 2,022.1 | 56.0 | 56.0 | 56.0 | 56.0 | 2,129.3 |
| Borrowing costs | | | | | -64.9 | -11.3 | -11.3 | -11.3 | -11.3 | -19.7 |
| Subordinated debenture with option right | 2.48 | Var. 3 months | 2.48 | 8.8 | 8.8 | | | | | 8.8 |
| Convertible promissory note A | None | | 8.50 | 90.1 | 55.2 | | | | | 34.9 |
| Convertible promissory note B | None | | 9.40 | 62.3 | 36.3 | | | | | 26.0 |
| Finance lease obligations | 2.23 | Fixed | 2.25 | 17.1 | 17.1 | 6.9 | 5.4 | 2.7 | 1.1 | 0.7 |
| | | | | 2,545.4 | 2,419.6 | 128.2 | 125.1 | 120.8 | 117.7 | 2,250.3 |

| | Interest rate % | Fixed interest period ¹ | Effective interest ¹ | Nominal amount, SEK million | Total 31/12/2009 | Within 1 year ² | 2 years ² | 3 years ² | 4 years ² | > 5 years ² |
|-----------------------------------|-----------------|------------------------------------|---------------------------------|-----------------------------|------------------|----------------------------|----------------------|----------------------|----------------------|------------------------|
| Credit facilities EUR | | | | | | | | | | |
| Loan facility B II | 2.96 | Var. 3 months | 2.99 | 85.0 | 85.0 | 2.6 | 2.6 | 2.6 | 2.6 | 87.3 |
| Finance lease obligations | 2.30 | Var. 3 months | 2.30 | 0.5 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | 85.5 | 85.5 | 3.1 | 2.6 | 2.6 | 2.6 | 87.3 |
| Converted at year-end rate 10.353 | | | SEK | 885.2 | 885.2 | 32.1 | 26.9 | 26.9 | 26.9 | 903.8 |

| The Group 2008 | Interest rate % | Fixed interest period ¹ | Effective interest ¹ | Nominal amount, SEK million | Total 31/12/2008 | Within 1 year ² | 2 years ² | 3 years ² | 4 years ² | > 5 years ² |
|--|-----------------|------------------------------------|---------------------------------|-----------------------------|------------------|----------------------------|----------------------|----------------------|----------------------|------------------------|
| Credit facilities SEK | | | | | | | | | | |
| Loan facility A | 4.73 | Var. 3 months | 4.81 | 414.0 | 414.0 | 88.3 | 85.0 | 81.7 | 78.4 | 146.8 |
| Loan facility B | 5.23 | Var. 3 months | 5.33 | 2,061.5 | 2,061.5 | 109.5 | 109.5 | 109.5 | 109.5 | 2,390.0 |
| Borrowing costs | | | | -76.1 | -76.1 | -11.3 | -11.3 | -11.3 | -11.3 | -31.0 |
| Subordinated debenture with option right | 3.65 | Var. 3 months | 3.65 | 8.6 | 8.6 | | | | | 8.6 |
| Convertible promissory note A | None | | 8.5 | 90.1 | 50.9 | | | | | 90.1 |
| Convertible promissory note B | None | | 9.4 | 62.3 | 33.2 | | | | | 62.3 |
| Finance lease obligations | 3.6 | Fixed | 3.6 | 4.6 | 4.6 | 3.3 | 2.0 | 0.0 | 0.0 | 0.0 |
| | | | | 2,565.0 | 2,496.7 | 189.8 | 185.2 | 179.9 | 176.6 | 2,666.8 |

| | Interest rate % | Fixed interest period ¹ | Effective interest ¹ | Nominal amount, SEK million | Total 31/12/2008 | Within 1 year ² | 2 years ² | 3 years ² | 4 years ² | > 5 years ² |
|------------------------------------|-----------------|------------------------------------|---------------------------------|-----------------------------|------------------|----------------------------|----------------------|----------------------|----------------------|------------------------|
| Credit facilities EUR | | | | | | | | | | |
| Loan facility B II | 5.77 | Var. 3 months | 5.9 | 85.0 | 85.0 | 5.0 | 5.0 | 5.0 | 5.0 | 99.9 |
| Finance lease obligations | 4.73 | Var. | 4.73 | 1.7 | 1.7 | 1.3 | 0.4 | 0.0 | 0.0 | 0.0 |
| | | | | 86.7 | 86.7 | 6.3 | 5.4 | 5.0 | 5.0 | 99.9 |
| Converted at year-end rate 10.9355 | | | SEK | 947.7 | 947.7 | 68.4 | 58.8 | 54.4 | 54.7 | 1,092.6 |

¹ With consideration given to interest swap agreements where variable interest on the loan facility is swapped to fixed interest.

² The amounts in the maturity structure pertain to agreed undiscounted cash flows..

The Group uses interest swaps to reduce its interest risk. Interest swaps used by the company by currency and year are shown below. For 2009, the net effect of interest swaps was SEK -18.7 million (+14.9).

| SEK million | Fixed interest rate % | Variable interest rate % | Date due | 31/12/2008 Nominal amount | 31/12/2009 Nominal amount |
|-----------------------|-----------------------|--------------------------|------------|---------------------------|---------------------------|
| Interest swaps | | | | | |
| SEK | 2.45% | Variable 3 months | 30/06/2012 | 1,237.8 | 1,206.5 |
| EUR | 2.48% | Variable 3 months | 30/06/2012 | 42.5 | 42.5 |

PARENT COMPANY

The Parent Company's borrowing corresponds to the information in the Group's table with the exception of the finance lease obligations. Loan facilities A, B and B II are shown with variable interest (3 months) in the Parent Company. The effective interest is calculated to be 2.25 per cent, 2.75 per cent and 2.99 per cent for facilities A, B and B II. The Parent Company reports interest expenses paid and the accrued interest at the balance-sheet date under the interest swap agreements.

Cash and cash equivalents

The Group's cash and cash equivalents comprise mostly the balances of plusgiro and bank accounts. Cash and cash equivalents held in SEK amount to SEK 372.8 million, those held in NOK have an equivalent value in SEK of SEK 34.9 million and those held in EUR have an equivalent value in SEK of SEK 229.5 million. The Parent Company's cash and cash equivalents amounted to SEK 350.4 million at 31 December 2009, SEK 1.9 million of which denominated in EUR.

NOTE 32 PLEDGED ASSETS AND CONTINGENT LIABILITIES

| The Group Pledged assets | Pledges pertaining to financial liabilities | Other | Total | |
|-----------------------------|--|-------------|----------------|----------------|
| | | | 2009 | 2008 |
| Floating charges | 1 151.7 | – | 1 151.7 | 1 202.9 |
| Pledged shares | 3 891.4 | – | 3 891.4 | 4 027.4 |
| Leased assets | – | – | – | 7.2 |
| Other | – | 16.7 | 16.7 | 10.5 |
| | 5,064.0 | 16.7 | 5,080.7 | 5,248.0 |

| Parent Company Ställda säkerheter | Pledges pertaining to financial liabilities | Other | Total | |
|--------------------------------------|--|----------|----------------|----------------|
| | | | 2009 | 2008 |
| Pledged shares | 1 944.7 | – | 1 944.7 | 1 944.7 |
| Pledged receivables | 1 667.4 | – | 1 667.4 | 1 827.0 |
| | 3,612.2 | – | 3,612.2 | 3,771.7 |

| Contingent liabilities | The Group | | Parent Company | |
|-------------------------|-----------|----------|----------------|------------|
| | 31/12/09 | 31/12/08 | 31/12/09 | 31/12/08 |
| Sureties for: suppliers | – | – | 13.5 | 2.7 |
| | – | – | 13.5 | 2.7 |

NOTE 33 RELATED PARTIES**TRANSACTIONS WITH ASSOCIATED COMPANIES**

| The Group | 2009 | 2008 |
|---|------|------|
| Sale of goods to associated companies | 0.6 | 0.5 |
| Purchase of goods from associated companies | – | 2.7 |

TRANSACTIONS WITH KEY SENIOR EXECUTIVES

Senior executives are landlords of some of the premises where healthcare and care services are provided. Rents amounting to SEK 2.4 million (2.7) have been recognised in profit and loss. Rent agreements are entered into on market terms.

See Note 7 regarding remuneration of key executives. In addition to remuneration for Board duties, the Chairman of the Board received SEK 450 thousand (255) for consulting services provided.

Transactions with related parties are entered into on market terms.

NOTE 34 SUPPLEMENTARY CASH-FLOW INFORMATION

| The Group | 31/12/2009 | 31/12/2008 |
|---|--------------|--------------|
| Cash and cash equivalents | | |
| The following components are included in cash and cash equivalents: | | |
| Cash and bank balances | 637.2 | 637.4 |
| Total according to the balance sheet | 637.2 | 637.4 |
| Total according to the cash-flow statement | 637.2 | 637.4 |

| The Group | 31/12/2009 | 31/12/2008 |
|--|--------------|--------------|
| Interest received/paid | | |
| Interest received | 5.1 | 24.5 |
| Interest paid | –147.1 | –246.5 |
| Adjustments for non-cash items, etc. | | |
| Less share of profits of associated companies | – | – |
| Depreciation, amortisation and impairment losses | 191.8 | 197.4 |
| Unrealised exchange-rate differences | 0.4 | –1.7 |
| Gains on disposal of non-current assets | 1.1 | –0.3 |
| Capital gain on the divestment of business | – | –11.0 |
| Other provisions | 3.9 | 0.7 |
| Capitalised interest expenses | 7.7 | 7.3 |
| Other non-cash profit/loss items | 11.2 | 11.0 |
| | 216.1 | 203.4 |

| The Group | 31/12/2009 | 31/12/2008 |
|--|--------------|-------------|
| Acquisition of subsidiaries and other business operations | | |
| Acquired assets and liabilities: | | |
| Intangible assets | 283.6 | 69.3 |
| Property, plant and equipment | 15.4 | 3.8 |
| Financial assets | 0.3 | 1.9 |
| Inventories | 0.3 | 0.2 |
| Current receivables | 33.2 | 7.5 |
| Cash and cash equivalents | 20.7 | 6.4 |
| Total assets | 353.6 | 89.1 |
| Provisions and minority interests | 10.8 | 6.1 |
| Non-current liabilities | 22.3 | 3.1 |
| Current liabilities | 47.3 | 6.0 |
| Total liabilities and provisions | 80.4 | 15.2 |
| Purchase consideration | 238.8 | 73.8 |
| Less: Sales promissory notes | –68.5 | – |
| Add: Additional purchase price | 33.7 | – |
| Purchase price paid | 204.0 | 73.8 |
| Less: Cash and cash equivalents of the acquired enterprises | –20.7 | –6.4 |
| Effect on cash and cash equivalents | 183.3 | 67.4 |

Unused credit facilities in the Group amount to SEK 537 million (656), plus a committed line of credit of SEK 125 million that was never used.

NOTE 34 CONT.

| Parent Company | 31/12/2009 | 31/12/2008 |
|---|-------------------|-------------------|
| Cash and cash equivalents | | |
| The following components are included in cash and cash equivalents: | | |
| Cash and bank balances | 350.4 | 372.4 |
| Parent Company | 31/12/2009 | 31/12/2008 |
| Interest paid and dividends received | | |
| Interest received | – | 136.8 |
| Interest paid | – | –252.6 |
| Adjustment for non-cash items etc. | | |
| Depreciation, amortisation and impairment of assets | 0.3 | 0.3 |
| Unrealised exchange-rate differences | 44.9 | –116.5 |
| Capitalised interest costs | – | 7.3 |
| Other profit/loss items that do not affect cash | 18.9 | 11.0 |
| | 64.1 | –97.9 |

NOTE 35 BUSINESS ACQUISITIONS**Effects of acquisitions in 2009**

The acquisitions have the following effects on the Group's assets and liabilities:

During the year, the Group acquired 100 per cent of the shares in C&N Medtjänst AB, Hälsöbackens Läkargrupp AB, Eken Care AB, Leivoyhtöt and Mehiläinen Pori Oy. Asset acquisitions were also made of Kaarisillan and the local clinics in Upplands Väsby and Viksjö. The total purchase price amounted to SEK 238.8 million, of which SEK 170.3 was settled in cash. During the months that followed the acquisition, the subsidiaries contributed SEK 16.0 million to the Group's profit after tax. Had the acquisitions taken place on 1 January 2009, the Group's revenue would have been SEK 90.3 million higher, SEK 5,959.5 million, and the profit for the year attributable to shareholders in the Parent Company would have been SEK 2.7 million higher.

| The acquired companies' net assets at the time of acquisition: SEK million | Recognised value in the acquisition analysis | Fair-value adjustments | Fair value recognised in the Group |
|---|---|------------------------|---------------------------------------|
| Property, plant and equipment | 14.9 | 0.5 | 15.4 |
| Intangible assets | 11.0 | 53.3 | 64.3 |
| Inventories | 0.3 | | 0.3 |
| Trade receivables and other receivables | 33.5 | | 33.5 |
| Cash and cash equivalents | 20.6 | | 20.6 |
| Interest-bearing liabilities | –15.0 | | –15.0 |
| Accounts payable and other liabilities | –55.2 | | –55.2 |
| Deferred tax liabilities | –2.1 | –14.1 | –16.1 |
| Net identifiable assets and liabilities | 8.1 | 39.7 | 47.8 |
| Goodwill | | | 191.0 |
| Purchase consideration paid, cash¹ | | | 238.8 |
| Purchase price settled in cash | | | 170.3 |
| Cash (acquired) | | | –20.6 |
| Net cash outflow | | | 149.7 |

¹ Including fees for legal services and other transaction costs amounting to SEK 5.5 million.

The accounting of this year's acquired companies has only been preliminarily established, since additional fees for legal services and other transaction costs may arise. Goodwill includes the value of synergy effects primarily pertaining to quality management efforts, planning issues and skills development for the personnel.

Acquisition of minority interests

No material acquisitions of minority interests occurred during the year.

NOTE 35 CONT.**Goodwill**

During 2009, additional legal costs and other transaction costs of SEK 0.1 million were incurred pertaining to acquisitions in 2007. Group goodwill decreased by SEK 5.2 million as a consequence of a reduction in the purchase prices. The purchase price paid for the companies acquired in 2007 consequently decreased from SEK 151.1 million to SEK 143.4 million, and Group goodwill from SEK 100.7 million to SEK 93.0 million.

Effects of acquisitions in 2008

The acquisitions have the following effects on the Group's assets and liabilities:

During the year, the Group acquired 100 per cent of the shares in Hedens Omvårdnadscenter AB, Nya Näshemmet AB, Planeringshemmen AB and Raision Läkärrikeskus Oy and Riihimäen Läkärrikeskus ja Laboratorio Oy. The total purchase price paid amounted to SEK 42.9 million and was settled in cash. In the months that followed the acquisitions, the subsidiaries contributed SEK 1.6 million to the Group's profit after tax. Had all acquisitions taken place by 1 January 2008, the Group's revenue would have been SEK 19.2 million higher, SEK 5,959.5 million, and the profit for the year attributable to shareholders in the Parent Company would have been increased by SEK 0.2 million to SEK 171.0 million.

| The acquired companies' net assets at the time of acquisition: SEK million | Carrying amount in the acquisition analysis | Fair-value adjustments | Fair value recognised in the Group |
|---|--|------------------------|---------------------------------------|
| Property, plant and equipment | 3.8 | – | 3.8 |
| Intangible assets | – | 23.3 | 23.3 |
| Inventories | 0.2 | – | 0.2 |
| Trade receivables and other receivables | 9.4 | – | 9.4 |
| Cash and cash equivalents | 6.4 | – | 6.4 |
| Interest-bearing liabilities | –3.1 | – | –3.1 |
| Accounts payable and other liabilities | –6.1 | – | –6.1 |
| Deferred tax liabilities | –0.9 | –6.5 | –7.4 |
| Net identifiable assets and liabilities | 9.7 | 16.8 | 26.5 |
| Group goodwill | | | 20.6 |
| Purchase consideration paid, cash¹ | | | 47.1 |
| Cash (acquired) | | | –6.4 |
| Net cash outflow | | | 40.7 |

¹ Including fees for legal services and other transaction costs amounting to SEK 3.2 million.

Acquisition of minority interests

On October 27, the Group acquired a further 20 per cent of Tasava AB. The ownership share thus increased from 60 to 80 per cent. The fair value of the company's net assets on the acquisition date amounted to SEK 2.1 million. The purchase price amounted to SEK 1.3 million and was paid in cash. As a result of these acquisitions, the Group recognised a reduction of SEK 0.5 million in minority interests and of SEK 0.8 million in goodwill.

NOTE 36 EVENTS AFTER YEAR-END

After the end of the reporting period, the Parent Company applied to be listed on NASDAQ OMX. As of yet, the company has not decided whether or not it will follow through on the listing process.

NOTE 37 CRITICAL ESTIMATES AND JUDGEMENTS

The critical judgements and estimates for accounting purposes discussed in this section are those that corporate management and the Board consider to be the most important for an understanding of Ambea's financial statements considering the extent of significant judgements and uncertainty. These judgements are based on historical experience and the different assumptions that corporate management and the Board consider to be reasonable under the current circumstances. The conclusions reached as a result form the basis for decisions concerning the carrying amounts of assets and liabilities in the cases where these cannot readily be determined based on information from other sources. Actual results may differ from these estimates if other assumptions are made or other circumstances arise. We also refer to Note 1, Accounting Principles, where we give an account of which accounting principles we have chosen to apply.

A) IMPAIRMENT TEST OF INTANGIBLE ASSETS

Intangible assets in the Ambea Group essentially relate to goodwill arising in business acquisitions, separately recognised customer contracts, customer relations and valued trademarks and, to a lesser extent, other intangible assets. Recognised intangible assets relate mainly to assets arising on the acquisitions of the Carema Vård och Omsorg Group and the Mehiläinen Group. Customer contracts and customer relationships are amortised in line with the expected use of the economic benefits arising from these assets. For other intangible assets, amortisation is recognised in profit and loss on a straight-line basis over the assets' estimated useful lives. Goodwill and trademarks are tested for impairment requirements annually or as soon as there is an indication that the asset has decreased in value. In addition to changing demographics, which affect Ambea's business in all countries in which it is active, the company's performance in Sweden and Norway is expected to be strongly dependent on national and local government decisions, such as the assumption of greater competitive bidding for publicly funded healthcare and Care. Such decisions are influenced by financial circumstances at the State, county and municipal levels. The general economy also affects the cost situation for the business. Intangible assets in Carema Care amount to SEK 1,334 million, of which SEK 1,225 million is goodwill, and in Carema Healthcare to SEK 651 million, of which SEK 611 million is goodwill. For Mehiläinen, which operates in a private market and sells services primarily to private individuals, businesses and insurance companies, the outlook is expected to be linked to the general economy, but increasingly also to the financial position of the public sector and decisions on increased competitive bidding. Intangible assets amounted to SEK 1,706 million, of which SEK 1,283 million is goodwill. In impairment tests, the recoverable amount is as-

NOTE 37 CONT.

essed using future cash flows based on a five-year business plan developed by management for Carema Care, Carema Healthcare and Mehiläinen. For the period after the forecasting period, the growth rate has been assumed to be 2 per cent and the margin is assumed to remain the same. A weighted average cost of capital of 9.37 per cent has been used in discounting future cash flows to present value. Although management considers that the estimated future cash flows are reasonable, other assumptions for cash flows could affect the estimates that have been made.

B) INCOME FROM HEALTHCARE AND CARE AGREEMENTS AND PROVISION FOR LOSS RISKS

Some 60 per cent of the healthcare and care services in Carema Care and Carema Healthcare are delivered in line with care agreements with county councils and municipalities covering several years. Healthcare and care services are primarily provided according to operation agreements covering three or more years, which are invoiced monthly. Compensation for the services provided is tied to the number of care days, residence places, patient visits, type of operation or similar factors. Index clauses are common to provide annual compensation for increases in personnel costs and for increases in other costs in accordance with the KPI. Certain services are sold under a framework agreement. Income is recognised as services are provided. In a few cases, the price is fixed for two years or more. In such cases, income is allocated to a particular period so that an even result level is achieved over the life of the contract. Provisions for loss risks are made if the total cost during the entire life of the contract is expected to exceed the total income including index adjustments.

Ambea reviews these assessments regularly and amends them on the basis of new forecasts. Such changes to estimates that affect the agreements' overall profitability immediately result in a change to revenue recognition. Anticipated losses are immediately recognised in the income statement. In 2009, provisions for a loss risk reserve were made in an amount of SEK 5.1 million.

c) TAXES

Significant assessments have been made to determine the current and deferred tax liabilities/assets, particularly the value of deferred tax assets. Ambea must thereby assess the probability that the deferred tax assets will be used for offset against future taxable profits. The actual results may differ from these estimates due to future changes in the business climate, changes to tax regulations or the outcome of the final, pending review by tax authorities and tax courts of filed tax returns. Ambea reports deferred net tax liabilities of SEK 179.8 million at the year-end.

The company's Finnish operations are subject to a tax audit that is in progress but not yet completed. The Finnish tax authority have indicated that they intend to investigate the extent to which claimed tax expenses are to be considered deductible or not. The company is of the opinion that the claimed tax expenses are deductible in their entirety and calculated taxable earnings based on this assumption. If the Finnish tax authority determines that the interest expenses concerned are not deductible, the additional tax will amount to EUR 6.6 million. The company believes that the interest expenses were managed correctly in the tax returns submitted, that this action is supported by statements from standard-setting bodies and has thus not recognised any provision for additional taxes, etc.

D) ACQUISITIONS ANALYSES

An acquisition analysis is conducted when a subsidiary is acquired, with recognition of the fair value on the acquisition date of acquired identifiable assets and assumed liabilities and contingent liabilities. The acquisition analyses are based on material estimates and assessments of future events. Consequently, actual values may differ from those used in the acquisition analyses.

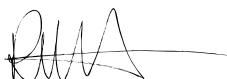
NOTE 38 INFORMATION ON THE PARENT COMPANY

Ambea AB, corp. id. no. 556677-0896, is a Swedish-registered limited liability company with its registered office in Stockholm. The address of the head office is Mäster Samuelsgatan 42, 5th floor, SE -111 57 Stockholm.

The consolidated accounts for the year 01/01/2009 – 31/12/2009 comprise the Parent Company and its subsidiaries. The Group also includes the owned share of holdings in associated companies.

The Annual Report covers the financial year 01/01/2009 – 31/12/2009.

Stockholm 21 February 2010



Peter Weiderman
Chairman of the Board



Gustav Bard



Tomas Ekman



Lars Göddö



Göran Berglund



Jussi Huttunen

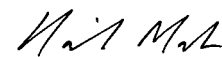


Ralph Ribér
President and CEO



Clare Hollingsworth

Our audit report was submitted on 21 February 2010
Ernst & Young AB



Hamish Mabon
Authorised Public Accountant

The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet are subject to adoption at the Annual General Meeting of shareholders.

Audit report

To the annual general meeting of Ambea AB
Corporate identity number 556677-0896

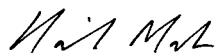
We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Ambea AB for the year 2008. The annual accounts and the consolidated accounts are included in the printed version of this document on pages 38–80. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of 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 on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. These standards require that we plan and perform the audit to obtain high but not absolute assurance that the annual accounts and the consolidated accounts are free from 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 of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and the consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. 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, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the 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 Annual Accounts Act and give a true and fair view of the company's financial position and performance in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards IFRS as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and performance. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm 21 February 2010



Ernst & Young AB

Hamish Mabon

Authorised accountant

Definitions

RETURN ON EQUITY

Net profit/loss as a percentage of average shareholders' equity.

RETURN ON CAPITAL EMPLOYED

Profit/loss after net financial items plus financial expenses, as a percentage of average capital employed.

CASH CONVERSION RATIO

Cash flow from operating activities less net investments (excluding acquisitions), divided by EBITA.

CASH FLOW FROM OPERATING ACTIVITIES EXCLUDING TAX AND INTEREST PAID

Cash flow from operating activities plus taxes paid and net interest paid.

OPERATING CASH-FLOW RATIO

Cash flow from current operations plus tax paid and net interest paid divided by EBITA.

NET DEBT

Interest-bearing liabilities less cash and cash equivalents.

NET DEBT/EBITDA

Net debt divided by operating profit/loss before depreciation and amortisation.

PRODUCTIVITY

Total sales divided by employee expenses.

WORKING CAPITAL

Non-interest-bearing current assets less non-interest-bearing current liabilities.

OPERATING MARGIN

Operating profit/loss as a percentage of net sales.

OPERATING MARGIN EBITA

EBITA as a percentage of net sales.

OPERATING PROFIT/LOSS EBITA

Operating profit/loss after depreciation, amortisation and impairment but before amortisation and impairment of goodwill on consolidation and capital gains/losses on the sale of Group companies.

OPERATING PROFIT/LOSS EBITDA

Operating profit before amortisation/depreciation and impairment losses

OPERATING PROFIT/LOSS EBITDAR

Operating profit before amortisation/depreciation and impairment losses and costs for rented premises.

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity.

EQUITY/ASSETS RATIO

Shareholders' equity including minority as a percentage of total assets.

CAPITAL EMPLOYED

Total assets less non-interest-bearing liabilities.

EXCHANGE RATES

The following exchange rates have been used to translate foreign-currency items:

2009

| | |
|------------------|-----------------|
| Balance sheet | SEK/EUR 10.3530 |
| Balance sheet | SEK/NOK 1.2430 |
| Income statement | SEK/EUR 10.6231 |
| Income statement | SEK/NOK 1.2162 |

2008

| | |
|------------------|-----------------|
| Balance sheet | SEK/EUR 10.9355 |
| Balance sheet | SEK/NOK 1.1035 |
| Income statement | SEK/EUR 9.6055 |
| Income statement | SEK/NOK 1.17054 |



“Time to care”

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www.ambea.com