



Annual Report 2007





Managing Director's Letter

CleanTech is really picking up speed, and I am pleased to report that the company's focus on unique products for powerful cleaning and energy recovery is helping to safeguard our environment and save on the world's finite resources.

CleanTech makes a difference

Since it started in 1988, Götaverken Miljö has been a pure CleanTech company, supplying unique products and facilities for flue gas cleaning and energy recovery. The company also offers servicing and conversion work, as well as supplying large heat pumps and chillers.

Our unique ADIOX® technology, for separating dioxin from flue gases, has now been installed along some 65 incineration lines. As a result, ADIOX® has removed about 30 times as much dioxin as was released from all waste incineration plants in Sweden combined in 2002 (National Board of Health and Welfare chart MK2005:01).

The company's first installation to recover energy from a waste incineration plant, at Renova, in Gothenburg, is still fully operational after 20 years. No less than 3 TWh of heat has been recovered, an amount equivalent to 270 000 m³ of heating oil – almost 7000 tankers' worth. It is also pleasing to note the reduction in environmental impact from the replaced energy production.

These two examples provide clear proof that CleanTech in the spirit of Götaverken Miljö really does make a difference.

More interest in ADIOX® dioxin removal

I am pleased to report that more and more organisations are showing an interest in our dioxin separation, and a further 30 or so deliveries of ADIOX® material have taken place to both new and existing customers. The first delivery to Australia has taken place, to name but one example.

Underpinned by the successes of ADIOX® technology, we have started to establish an international sales network comprising agents and partners in a number of priority countries. This initiative is

now starting to pay dividends, and we are expecting to see an increase in the number of inquiries and potential customers.

Energy recovery and cleaning offer dual benefits

In March 2007, Götaverken Miljö entered into a contract for the supply of an energy recovery plant to Sønderborg Kraftvarmeværk on South Jutland in Denmark. This plant consists of a condensing scrubber with ADIOX® tower packings, as well as a modern condensate cleaning system based on membrane technology to allow the water to be recycled. The ADIOX® material is used to keep dioxin emissions to a minimum.

Renova in Gothenburg ordered enhanced sulphur separation with the option of greater energy recovery. This order, which is worth SEK 85 million (including options), is our biggest in many years and confirms our position as Scandinavia's leading supplier of highly efficient wet flue gas cleaning technology for waste incineration. This delivery means that Renova can reduce its already low emissions of sulphur in its flue gases to levels far below current emissions requirements.

All in all, 2007 has meant that we have reinforced the position of ADIOX® dioxin separators and greatly enhanced the number of orders received. Due to postponed projects and use of the gradual revenue recognition principle, we move results forward and report lowered turnover, but have substantially increased the order intake for 2007. This is an excellent foundation on which to base the continuing expansion of our company.

Lennart Gustafsson
Managing Director

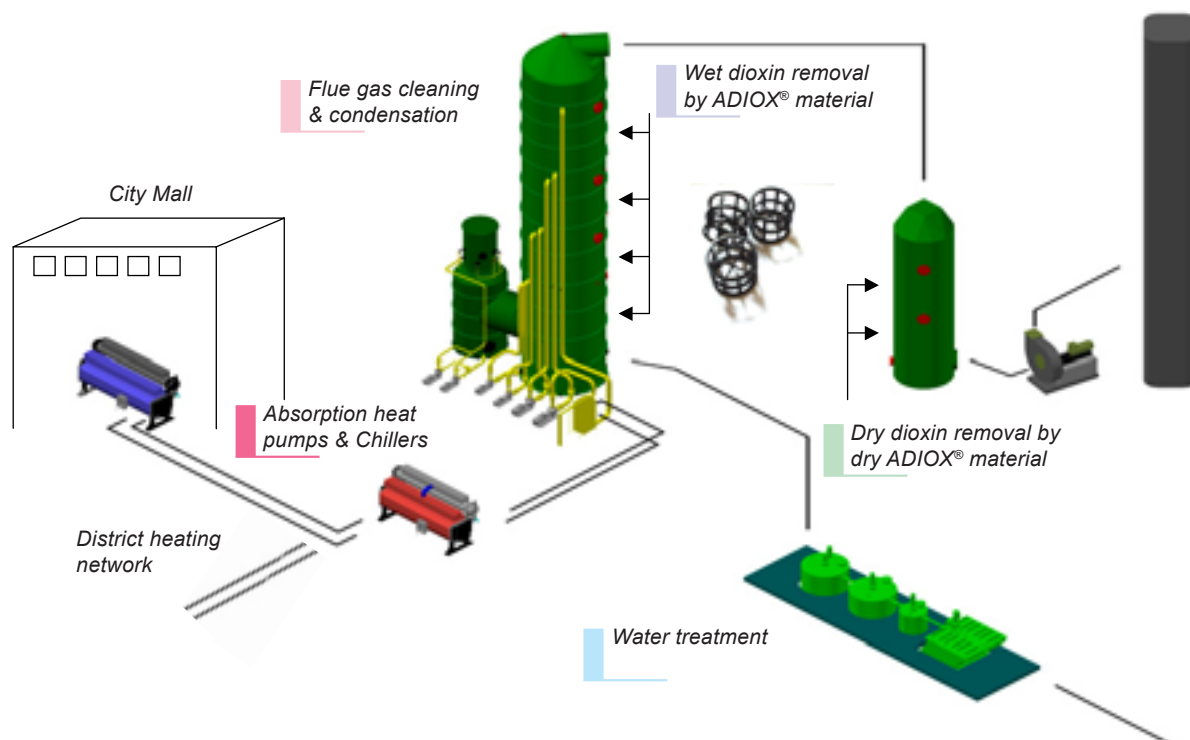
Summary – 2007

• 30 ADIOX® material deliveries to Europe and Australia	Order intake t€	13 510
• Order for 6 MW flue gas condensing plant to Sønderborg Kraftvarmeværk, Denmark, for commissioning during the year.	Net sales t€	5 380
• Order worth SEK 85 million from Renova, Gothenburg, Sweden, for conversion/supplementation of existing flue gas cleaning	Operating profit, EBITDA t€	370
• Order for chiller for Tekniska Verken, Linköping, Sweden.	Gross profit %	13
	Profit margin %	11
	Equity/assets ratio %	37
	Consolidation level %	68
	Liquidity ratio %	304
	Number of employees	22



Business operations

Götaverken Miljö develops, designs and supplies products and facilities for cleaning of environmentally hazardous emissions from air and water. We also supply energy recovery and district/local cooling generation. Our core operations, presented below, are solely cleantech oriented and are focused on wet flue gas cleaning systems combined with flue gas condensation and absorption heat pumps.



Flue gas cleaning & condensation

The patented multiple stage scrubber provides wet flue gas cleaning and the efficient removal of heavy metals, sulphur, hydrochloric acid, ammonia, dioxin and mercury. ADIOX® and MercOx processes can be included to increase the efficiency of dioxin and mercury removal. Flue gas condensation can be integrated into scrubbers to recover energy to a district heating system.

Water treatment

Heavy metals and particles are removed from the water by flocculation. Sulphates can be removed by gypsum precipitation. Condensate is treated by ion exchange or reversed osmosis to allow water reuse.

Dry dioxin removal by ADIOX®

Plants that generate flue gases with high dioxin levels can install a dry ADIOX® absorber after the scrubber, and through this achieve below 0.1 ng of TEQ. The dry system provides even more efficient dioxin removal than the wet application. The technology is very reliable – continuously in place and continuously removing dioxin from the ecocycle.

Absorption heat pumps & chillers

Energy recovery can be further extended by installing absorption heat pumps. Absorption chillers provide ‘competitive’ comfort cooling to buildings connected to a district heating system.

Wet dioxin removal by ADIOX®

The patented ADIOX® technology is a competitive and cost efficient method for achieving dioxin levels that are well below those stipulated in current EU directives. Dioxins are captured in packings or demisters made from the ADIOX® material. The packings are incinerated at the end of their service lifetimes, so destroying the dioxins. Thereby the dioxins are removed from the ecocycle.

Service

On site service and maintenance of flue gas cleaning and energy recovery plants and large absorption and compressor heat pumps. Guaranteed contracted call-out service.

Unique, leading technologies

Success in global competition

We are convinced that success for a small company, exposed to global competition, can be achieved only by having access to unique, leading technologies. These also have to be applied and customised by keen, committed staff with leading-edge skills and the right tools for their work. This is why the company invests major resources in constantly developing these products to well and truly exceed the expectations of the market in terms of performance and reliability at competitive prices.

Research partnerships

To attain our targets, we have established well-developed research partnerships with leading research institutes, including Forschungszentrum Karlsruhe, which has a special position as an innovator in the field of environmental chemistry. In addition, we should mention the names of Chalmers University of Technology with regard to high temperature corrosion and ash chemistry, and the Technical Research Institute of Sweden with regard to measurement of particle content and alkali compounds in flue gas.

ADIOX® technology for dioxin separation

This focus has led to development of ADIOX® – together with Forschungszentrum Karlsruhe – for absorption/adsorption of dioxins and furans from gas or liquid flows in a plastic material. This patented method is based on the fact

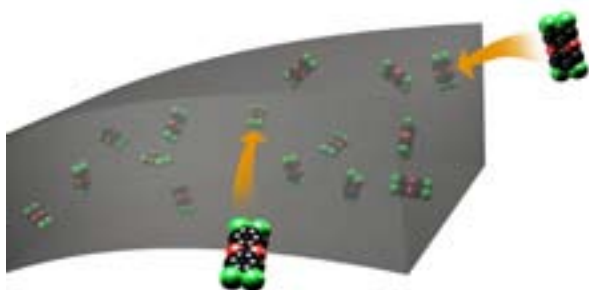


The Dry ADIOX pilot absorber at the Renova Waste-to-Energy plant in Gothenburg.

‘The material is exposed over two to five years and then taken out and incinerated, which destroys captured dioxins and furans.’

that dioxins and furans penetrate into the plastic, which has homogeneously incorporated carbon particles. As dioxins and furans have great affinity for carbon particles, they bind firmly to the material.

We have developed this material so that it has great chemical resistance and good mechanical properties, making it very suitable for use as a construction material and tower packing beds in both wet scrubber systems and dry dioxin absorbers. Depending on the application, the material can be exposed in the installations over a period of two to five years and then be removed and incinerated in a waste-fired boiler, which destroys captured dioxins and furans and finally removes them from the ecocycle.



MercOx technology for separation of mercury

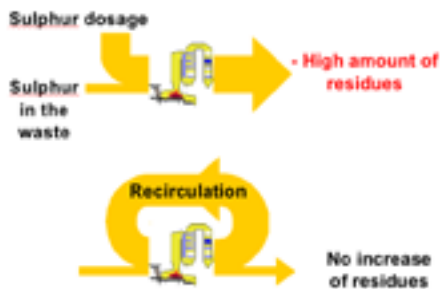
Elemental mercury is normally difficult to efficiently remove from flue gas. This is solved in our MercOx process which is a wet scrubber technology with H₂O₂ (hydrogen peroxide) being used to oxidise Hg⁰ (elemental mercury) to Hg(ox) (water soluble, oxidised mercury). Oxidation and absorption take place in a scrubber stage with a normal tower packing. In the scrubber both SO₂ (sulphur dioxide) and Hg⁰ are oxidised by H₂O₂, as a result of



which H₂SO₄ (sulphuric acid) and Hg(ox) are formed. The latter can be precipitated and collected for safe disposal. An additive further enhances the removal efficiency of mercury. In addition, HCl is also removed in the scrubber by absorption.

Sulphur recirculation

Waste-fired boilers have low electrical efficiency compared with power boilers fired with biofuels and – above all – coal. This is due mainly to the harsh, corrosive environment occurring in boilers during waste firing.



This is why Götaverken Miljö is developing new technology for “sulphur recirculation”, which has the potential to considerably reduce corrosion in waste boilers. This may permit new boilers to be designed

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for enhanced steam data, or to achieve reduced maintenance costs. Enhanced steam data will permit higher electrical efficiency, thereby ensuring better economy. At present, replacement of superheaters which have corroded and failed is normally a considerable expense for waste-fired power plants.

It is a well-known fact that boiler corrosion is reduced if sulphur is added, and the aim of the development project is therefore to develop and demonstrate completely unique technology for sulphur recirculation from a wet flue gas cleaning stage after the boiler and back to the waste-fired boiler’s firebox so that no external sulphur needs to be added. The aim is to increase the concentration of SO₂ in the flue gas through the boiler to a level that will greatly reduce boiler corrosion. At the same time, it is anticipated that the formation of dioxin in the cooler parts of the boilers will be considerably lower.

‘Our efforts to customise our solutions have allowed us to develop and patent a very compact multi-stage scrubber with integral circulation tanks for the process liquid.’

Compact, competitive core technology

For more than 20 years, Götaverken has successfully designed and supplied wet flue gas cleaning and related water purification. Our efforts to customise our solutions to suit a wide variety of process requirements, while maintaining our competitiveness, have allowed us to develop and patent a very compact multi-stage scrubber with integral circulation tanks for the process liquid. This means that more manufacturing can take place in workshops and on the shop floor, keeping work at the plant to a minimum. This leads to shorter delivery times and reduces costs on our projects.



Cleaning and energy recovery

Sønderborg Kraftvarmeværk focusing on flue gas condensing

Earlier in the year, Götaverken Miljö handed over to its customer the flue gas condensing plant for line 5 at I/S Vestforbrænding in Copenhagen. In March, the company entered into a further contract for installation of a flue gas condensing plant, this time with Sønderborg Kraftvarmeværk. Unlike the Vestforbrænding project, where heat pumps were also installed, condensing at Sønderborg takes place, as a consequence of the low temperature in the district heating water's return pipe, directly to the district heating water. The condensing output is approximately



6 MW, which is enough to heat around 10 000 houses on a cold winter's day.

Condensing takes place in a scrubber condenser with tower packings, along with droplet separators in ADIOX[®] material in order to eliminate problems with the "memory" effect. Most of the



The condensing scrubber is lifted into place at Sønderborg KVV in August.



condensate is recycled in the process upstream, while a part of it is cleaned in an efficient cleaning system, which includes ultrafiltration (UF) and what is known as a "reverse osmosis" (RO) process before being fed to the recipient. This system has been prepared for supplementation so that the water can also be used as boiler water.

The condensing scrubber started taking flue gas in early November and has been in constant operation since then. Test running and performance testing were carried out in December, with superb results. In early January 2008, two weeks before the agreed time, the plant was handed over to a very happy customer.

This project, worth around SEK 14 million, reinforces Götaverken Miljö's strong position as a leading supplier of flue gas condensing systems.

Renova in Gothenburg focuses on further enhanced flue gas cleaning system

The Renova waste incineration plant in Sävenäs, Gothenburg, has chosen Götaverken Miljö to supply systems for further enhancing flue gas cleaning from the three existing waste incineration lines. Including options, this order is worth some SEK 85 million.

This delivery means that Renova can reduce its already low emissions of mainly sulphur in flue gases from the plant to levels far below current emissions requirements. This modification/upgrade will give Renova the opportunity to increase its energy production from waste incineration, as well as enhancing flue gas cleaning. Besides the direct financial income from energy recovery, the company will be replacing other energy production as well, thereby reducing emissions from other sources in the region.

In new multi-stage wash reactors, hydrochloric acid, heavy metals, sulphur dioxide and dioxins are separated. The separated sulphur is converted into gypsum in a separate process, giving a safe, manageable residual product. Dioxin separation takes place using the tried and tested ADIOX[®] system, a technology that finally removes dioxin from the ecocycle as the absorbing material, including the absorbed dioxin, is incinerated when the material approaches the end of its service life.

The project is being implemented gradually, with the start of the gypsum precipitation system and the scrubber system for flue gas cleaning line 3 to be completed in 2008. Installation of new scrubber systems for flue gas cleaning lines 1 and 2 will then follow.

Scrubber and quench at line 3, Renova. These are to be replaced in 2008.



Continuing success for ADIOX[®] technology

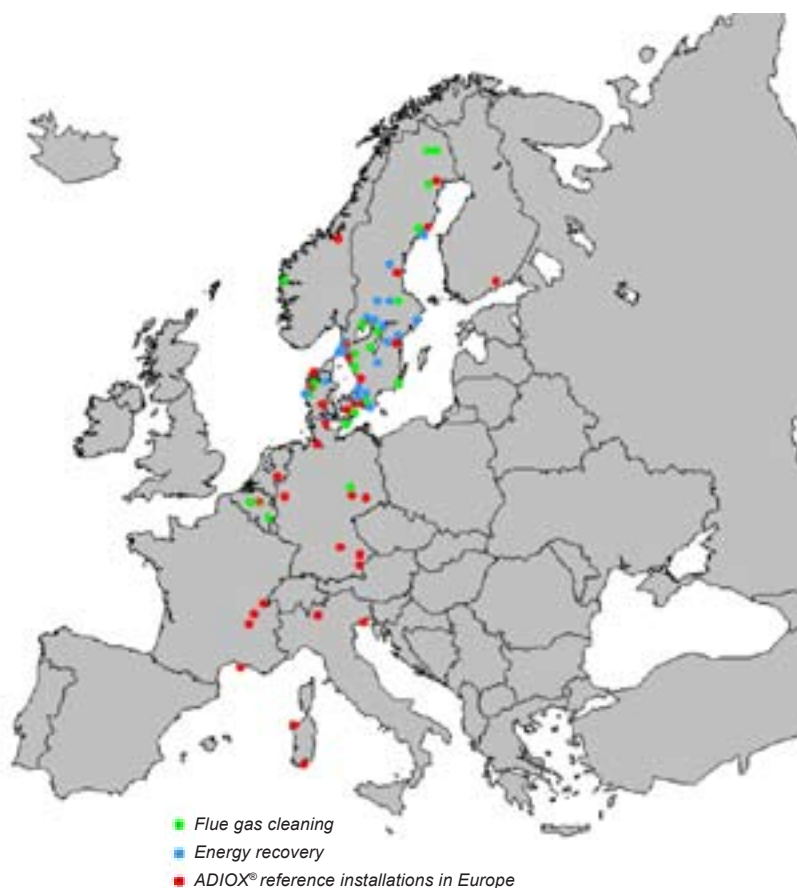
Over the year, ADIOX[®] has been contracted to a number of customers both old and new in a number of countries. Our first delivery to Australia went to a well-established customer, chemicals company DOW, with which we now have business dealings on three continents.

Our first delivery to Italy took place in 2006, and in 2007 we have followed this up with further deliveries to other customers at various locations throughout the country.

Furthermore, ADIOX[®] has been installed on the premises of new customers in Sweden and France, and has also been supplied for the replacement of old, worn-out material in older ADIOX[®] installations.

The following are important milestones for the technical and commercial development of ADIOX[®] technology:

- 2001** First full-scale ADIOX[®] installation in a wet scrubber system at the incineration plant for municipal waste in Thisted, Denmark.
 - 2002** Wet pilot scrubber for verifying that the emissions requirement (maximum 0,1 ng TEQ/m³) can be met.
 - 2003** Contract for systems using ADIOX[®] as the main filter for dioxin to Måbjergværket in Holstebro, Denmark.
 - 2004** Installation at a plant for incineration of environmentally hazardous waste.
 - 2006** "Package unit" delivery of a "dry" ADIOX[®] absorber to Tekniska Verken in Linköping, Sweden.
 - 2007** ADIOX[®] "granules" replace fixed carbon bed filters at Hydro Polymers AB in Stenungsund, Sweden.
- A search for agents/partners begins with a view to establishing operations on a larger number of new geographical markets.



ADIOX[®] applications are now in place at incineration plants in the following fields:

- Municipal waste
- Municipal and industrial waste
- Environmentally hazardous waste
- Environmentally hazardous waste in chemical process industries
- The paper and pulp industry
- Hospital waste

Sweden; Indaver, Leuven; Belgium; Acegas, Trieste, Italy.

Our reference plants are installed at the premises of customers such as: SYSAV, Malmö, Sweden; AVR, Duiven, the Netherlands; Vestforbrænding, Copenhagen, Denmark; Måbjergværket, Holstebro, Denmark; Tredi, Salaise, France; SARP Solamat Merex, Fos sur Mer, France; DOW, worldwide; SAKAB, Norrtorp, Sweden; Wacker Chemie, Berghausen, Germany; Vinnolit, Burgkirchen, Germany; Solvin/Solvay, Rheinberg, Germany; Stora Enso, Anjalankoski, Finland; Tecnocasic, Cagliari, Italy; INEOS, Porto Torres, Italy; INEOS, Stenungsund,



The two multistage scrubbers at Måbjergværket in Holstebro, Denmark.

Service operations

Our service operations include servicing, maintenance and performance optimisation of supplied flue gas cleaning systems, absorption and compressor heat pumps and absorption chillers.

They also include installation of new, small absorption chillers in the product field, as well as staff training and plant inspection.

During this year, Götaverken Miljö was awarded a contract to supply an absorption chiller with a cooling output of approx. 500 kW. This machine will be supplied in the spring of 2008, with subsequent test operation in the summer.

Also this year, we have carried out compressor audits at plants such as Hammarbyverken in Stockholm and Rya heat pump plant in Gothenburg. We have also converted flue gas ducts at Vestforbrænding, Copenhagen. This conversion took place with a view to improving conditions for flue gas analyses.

The following are just some of the typical tasks for our service operation:

Our assignments include

- Fault rectification and repair
- Preventive maintenance and control
- Calibration of instruments
- Replacement of heat exchangers or tube packages
- Performance calculations
- Supply and installation of closed loop emptying systems
- Supply of refrigerants
- Drying of refrigerants
- Commissioning, training and inspection



Compressor heat pumps at Rya, Gothenburg.



Financial Report

Götaverken Miljö AB is a pure CleanTech company whose operations mainly comprise deliveries and consultancy work in the product fields of flue gas cleaning and energy recovery plants, as well as large heat pumps/chillers. The company also offers servicing and conversion operations, aimed mainly at supplied plants and large heat pumps and chillers.

The unique ADIOX® technology for dioxin separation is attracting more and more interest among customers both existing and new. Over the year, the company has supplied ADIOX® technology to around 30 installations in Europe and has taken its first order in Australia. It is pleasing to note that the demanding installations in the chemical process industry and incineration of hazardous waste are representing a significant increase in sales.

The company employs 22 people, of whom four are female, and its head office is in Gothenburg.

Good profitability despite temporary reduction in turnover

We can state that our targeted focus and concentration on unique products within our core operations – gas cleaning, energy recovery and service – has continued to enjoy success. We have received orders worth SEK 128 000 000, and because of delays in projects, the turnover with profit deducted amounted to SEK 50 957 000 (84 135 000), generating an operating profit of SEK 3 947 000 (8 183 000). The gross profit amounted to 136%. The equity ratio has been further reinforced, amounting to 37.3%. (See also page 11, key figures.)

New technology for reduction of corrosion and dioxin formation in boilers

The company has started work on development of a supplementary new product, designed to use technical incineration methods to reduce dioxin formation and corrosion problems in waste-fired boilers. This technology is being developed at the Waste Refinery competence centre, which is a centre for optimal waste resource management. It has 20 stakeholders and an annual budget of SEK 15 million. Development subsidies have also been awarded by ProEnviro. The ProEnviro programme is an initiative focusing on innovative research ideas for environmentally-friendly product

manufacture and enhanced competitiveness for small and medium-sized enterprises. The Foundation for Strategic Environmental Research is responsible for this initiative.

Project operations

In 2006, the company entered into a contract with I/S Vestforbrænding, Copenhagen, Denmark, for supply of a flue gas condensing plant for incineration line 5. This order was worth some SEK 50 million, and the plant was handed over to the customer in February 2007 as planned.

To recover energy from flue gas, Sønderborg Kraftvarmeværk in southern Denmark entered into a contract with the company in mid-March. This plant is an investment for the environment, while at the same time providing good profitability for the customer with a short payoff time. Up to 6 MW of heat can be recovered at this plant, which is equivalent to the amount of heat required for around 6,000 houses. The recovered energy replaces other energy production with an adverse environmental impact, which all in all leads to lower emissions of greenhouse gases. ADIOX® material is used to keep dioxin emissions to a minimum. This contract, worth SEK 14 million, was implemented according to plan and handed over to the customer ahead of the scheduled time.

In the face of some tough international competition, the company was chosen as a supplier for flue gas cleaning from incineration lines 1-3 at Renova's waste incineration plant in Sävenäs, Gothenburg. This order, which was entered into in June, is worth SEK 85 million, including options, and underlines our position as a leading supplier of highly-efficient wet flue gas cleaning for waste incineration. This delivery means that Renova can reduce its already low emissions of mainly sulphur in flue gases from the plant to levels far below current emissions requirements. The improvement in cleaning also means that Renova can increase energy production from waste incineration, which will replace other means of energy production and hence reduce emissions from other sources in the region.



Continuing focus on service

Götaverken Miljö is running and developing its service operations. This includes servicing of flue gas cleaning and water purification plants, absorption heat pumps chillers, heat exchangers and service systems, and – not least – compressor heat pumps. In addition, orders of ADIOX® replacement material for earlier installations are on the increase. Of the major service projects, we can mention the conversion of flue gas ducts at I/S Vestforbrænding in Copenhagen and heat pump servicing for Fortum relating to compressor heat pumps in Hammarby.

Staff resources

Our staff numbers have remained unchanged over the period, but two people were taken on after the end of the year.

Three-year overview	2007	2006	2005
Net sales, kSEK	50 957	84 135	86 625
Profit after net financial income/expense, kSEK	3 561	6 983	7 670
Equity/assets ratio (%)	37	29	22

Ownership

Götaverken Miljö AB is wholly owned by the Sixth Swedish National Pension Fund.

Proposed distribution of unappropriated earnings

The following profit is available for distribution by the Annual General Meeting (in SEK).

Profit brought forward	18 214 694
Profit for the year	2 991 861
Total SEK	21 206 555

The Board proposes that the profit brought forward be distributed as follows:

To be carried forward	21 206 555
Total SEK	21 206 555

Key figures

	2007	2006
Equity/assets ratio %	37	29
Consolidation level %	68	56
Liquidity ratio %	304	236
Profit margin %	11	11
Gross profit %	13	13
Return on equity (ROE) %	12	30



Income statement			
Current operations	Note	2007	2006
Net sales		50 957	84 135
Cost of goods sold		-30 853	-57 819
Gross profit		20 104	26 316
Operating costs			
Sales expenses		-9 029	-9 495
Research and development		-2 056	-2 414
Administrative expenses		-3 235	-3 208
Depreciation		-2991	-3 016
Other operating income	13	692	0
Total operating costs		-16 619	-18 133
Operating profit	1, 2, 3, 4	3 485	8 183
Profit from financial investments			
Interest income		1 973	826
Interest expense		-1 897	-2 026
Total profit from financial investments		76	--1 200
Profit after financial items		3 561	6 983
Appropriations			
Additional depreciation		680	758
Change, tax allocation reserve		0	0
Profit before tax		4 241	7 741
Tax		-1 249	-2 218
Net profit for the year		2 992	5 523
Cash flow statement			
Current operations		2007	2006
Operating profit before financial items		3 485	8 183
Depreciation		2 991	3 016
Loss, sale of equipment		0	0
Provision, guarantee commitments		-2 496	-1 211
		3 980	9 988
Interest received		1 973	826
Interest paid		-1 897	-2 026
Tax paid		-3 248	-3 019
		808	5 769
Increase/decrease, stocks		-2 578	5 605
Increase/decrease, current receivables		6 913	-680
Increase/decrease, accounts payable		-737	539
Increase/decrease, current operating liabilities		-7 245	-1 208
Cash flow from current operations		-2 839	10 025
Investment operations			
Investments in tangible assets		-141	-548
Cash flow from investment operations		-141	-548
Financial operations			
Loans raised/Amortisation of liability		0	0
Cash flow from financing operations		0	0
Cash flow for the period		-2 980	9 477
Liquid funds at the beginning of the period		46 247	36 770
Liquid funds at the period-end		43 267	46 247

Balance sheet			
Assets	Note	2007	2006
Fixed assets, Intangible assets			
Goodwill	5	2 600	5 200
<i>Tangible assets</i>			
Equipment and tools	6	499	748
Total fixed assets		3 099	5 948
Current assets			
<i>Stocks etc.</i>			
Stocks		923	192
Projects in progress	7	2 155	308
		3 078	500
<i>Current receivables</i>			
Accounts receivable		5 399	13 242
Prepaid expenses and accrued income	9	1 526	939
Tax asset		1 422	0
Other current receivables		680	337
		9 027	14 518
Cash and bank balances		43 267	46 247
Total current assets		55 372	61 265
Total assets		58 471	67 213
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital, 5 000 shares at a nominal value of SEK 100		500	500
Statutory reserve		100	100
		600	600
<i>Non-restricted equity</i>			
Profit brought forward		18 215	12 692
Profit for the year		2 992	5 523
		21 207	18 215
Total equity	8	21 807	18 815
Untaxed reserves			
Additional depreciation		0	680
Total untaxed reserves		0	680
Provisions			
Provisions for guarantee commitments	10	1 468	3 964
Long-term liabilities			
Convertible subordinated debenture	11	18 000	18 000
Total long-term liabilities		18 000	18 000
Current liabilities			
Accounts payable		4 399	5 136
Tax liability		0	576
Accrued expenses and prepaid income	12	5 372	7 225
Advance payments from customers	7	5 610	6 133
Other current liabilities		1 815	6 684
Total current liabilities		17 196	25 754
Total liabilities		35 196	43 754
Total equity and liabilities		58 471	67 213
Memorandum items			
Pledged assets			
Floating charges		42 000	42 000
Contingent liabilities			
Guarantee undertakings		12 615	15 047

Notes to the accounts

Accounting and valuation principles

Götaverken Miljö AB's accounting and valuation principles are in compliance with the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board.

Note 1 - Salaries, other remuneration and social security

Average number of employees	2007	2006
Men	18	18
Women	4	4
Total	22	22

Board and President

Salary costs	1 654	1 680
Social security expenses	978	1 077
<i>Of which pension costs</i>	413	441
Total, Board and President	2 632	2 757

Other employees

Salary costs	9 310	9 443
Social security expenses	5 268	5 476
<i>Of which pension costs</i>	1 723	1 705
Total, other employees	14 578	14 919

Remuneration to auditors

Audit assignment	104	128
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Note 2 - Absence due to sickness

Absent due to sickness as a percentage of the total normal working hours for each group.

	2007	2006
All employees		
Age group 30 - 49 years	3.14%	0.77%
Age group 50 - years	0.36%	0.30%
Men, age group 30 - 49 years	3.44%	0.46%
Men, age group 50 - years	0.40%	0.30%

The percentage for employed women, in total or in each age group, is not reported due to the exception rule in the legislation, which states that information should not be furnished if the number of employees in each group is less than 10 or if the information can be traced to a specific individual.

Note 3 - Gender distribution, executive management

Board members	2007	2006
Men	4	4
Women	0	0
Total	4	4

President and other officers of the Company

Men	1	1
Women	0	0
Total	1	1

Note 4 - Breakdown of depreciation

	2007	2006
Intangible assets	2 600	2 599
Tangible assets	391	417
Total	2 991	3 016

Note 5 - Goodwill

	2007	2006
Opening acquisition value	13 000	13 000
Investments for the year	0	0
Opening accumulated depreciation	7 800	5 201
Depreciation for the year	2 600	2 599
Closing accumulated depreciation	2 600	5 200

Note 6 - Equipment and tools

	2007	2006
Opening acquisition value	1 629	1 081
Purchases	141	548
Sales and disposals	0	0
Closing accumulated acquisition value	1 770	1 629
Opening depreciation	881	464
Depreciation for the year	391	417
Sales and disposals	0	0
Closing accumulated depreciation	1 272	881
Residual value according to plan	498	748

Note 7 - Work in progress

	2007	2006
Contract expenses at the period-end	2 155	308
Advance payment from customers	-5 610	-6 133
	-3 455	-5 825

Work in progress at a fixed price is reported in accordance with the Swedish Accounting Standards Board main rule in BFNAR 2003:3 at the rate at which the work is completed, the so-called 'gradual revenue recognition' principle.

Note 8 - Equity

	Share capital	Statutory reserve	Non-res. equity
Amount at the beginning of the year	500	100	18 215
Profit allocation as decided at the AGM		0	0
Non-restricted equity			2 992
Amount at the year-end	500	100	21 207
		2007	2006
Conditional shareholders' contribution		1 500	1 500

Note 9 - Prepaid expenses and accrued income

	2007	2006
Prepaid rent	303	278
Other prepaid rental costs	446	567
Accrued income	77	94
Total	1 526	939

Note 10 - Other provisions

	2007	2006
Provisions for guarantee commitments	1 468	3 964

Note 11 - Convertible subordinated debenture

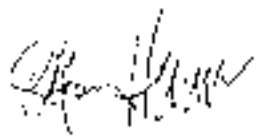
	2007	2006
The loan, including interest, falls due for payment on 31/12-2010.	18 000	18 000

The loan runs without interest for the first 12 months and thereafter at an annual rate of interest of 4.5% up to and including 30 June 2005 and at an annual rate of interest of 12% for the period thereafter.

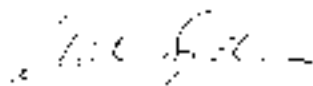
Note 12 - Accrued expenses and prepaid income

	2007	2006
Accrued social security contributions	971	836
Accrued holiday pay	1 880	1 582
Accrued salaries	182	1 263
Other accrued costs	2 339	3 544
Total	5 372	7 225

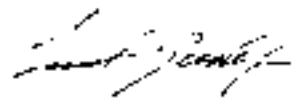
Gothenburg, April 28, 2008



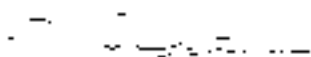
Stefan Holmgren



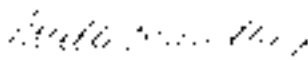
Christer Sjölin



Lennart Gustafsson
Managing Director



Åke Pettersson



Wille Brandberg

Audit Report

To the annual meeting of the shareholders
of Götaverken Miljö AB, Corporate identity
number 556652-2743

I have audited the annual accounts, the accounting records and the administration of the board of directors and the managing director of Götaverken Miljö AB for the year 2007-01-01–2007-12-31. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts are the responsibility of the board of directors and the managing director. My responsibility is to express an opinion on the annual accounts and the administration based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in Sweden. Those standards require that I plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts as well as evaluating the overall presentation of information in the annual accounts. As a basis for my opinion concerning discharge from liability, I 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. I 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. I believe that my audit provides a reasonable basis for my 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 results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

I recommend to the general meeting of shareholders that the income statement and balance sheet be adopted, that the profit 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 2007-01-01 – 2007-12-31.

Göteborg, 28th of April 2008



Mats Olsson
Authorized Public Accountant

Members of the board and auditor



Stefan Holmgren

Born 1961.
Elected 2002. Chairman of the Board.
Lawyer, The Sixth Swedish National Pension Fund.



Employee representative

Wille Brandberg

Born 1945.
Representative of SIF. Board member since 1998.



Åke Petterson

Born 1946.
Elected 1999.
Sociologist. Senior advisor,
The Sixth Swedish National Pension Fund.



Auditor

Mats Olsson

Born 1960.
Auditor of the Company since 2003.
Corporate lawyer and authorised public accountant.
Partner in Adrian & Partners AB.



Christer Sjölin

Born 1943.
Elected 2004.
Doctor of Engineering.
Owner CSJ-konsult.



Board secretary

Jonas Lidholm

Born 1970.
Secretary since 2004.
Corporate Lawyer, The Sixth Swedish National Pension Fund.

Management



From the left: Erland Astorsson, Ulf Hägg, Lennart Gustafsson, Per Lindgren and Anders Lorén.

Erland Astorsson

Born 1961. Manager, Service. Employed since 1998.

Ulf Hägg

Born 1955. Manager, Process. Employed since 1988.

Lennart Gustafsson

Born 1953. Managing Director. Employed since 2001.

Per Lindgren

Born 1956. Manager, Sales. Employed since 1989.

Anders Lorén

Born 1960. Manager, Projects. Employed since 2002.



Götaverken Miljö is located in Gothenburg and has its origin in the Götaverken companies, a large industrial group comprising, among other things, shipyards and boiler manufacturing with a history dating back to 1841. Our office has an attractive location on Hisingen, on the banks of the river, the Göta Älv, where Götaverken previously ran its shipbuilding operations. The company was founded in 1988 as a spin-off from Götaverken Energy and has been owned since 1998 by The Sixth Swedish National Pension Fund, which is domiciled in Gothenburg.

Götaverken Miljö AB

Visiting address: Anders Carlssons gata 14
Postal address: Box 8876, SE-402 72 Göteborg, Sweden
Telephone: +46-31-50 19 60, Fax: +46-31-22 98 67
www.gmab.se

