

ECONOMIC DOWN-TURN REVEALS ÅF'S STRENGTH

Meet Jonas Wiström, who talks about a year when ÅF managed to advance its position despite bleak economic conditions. Sights are now set on growth and increased market share.

Jonas Wiström, how would you summarise 2009?

"2009 was a challenging year, yet in many ways it was one of our best ever. Despite the harsh economic climate, we managed to increase our market share and reinforce our position in the market. We also improved productivity and strengthened the ÅF brand. ÅF's business is well diversified across various sectors, which serves to limit the effects of cyclical fluctuations. Above all, however, we are skilled at systematising our experience and expertise. This means that we can always respond quickly to meet our clients' needs with tried-and-tested methods and technology – a strength that was very much in evidence in 2009."

What's your view of the performance of the divisions in 2009?

"The Energy Division continued to make progress, with particularly good results in Switzerland and Finland. The best performance was in hydropower and nuclear power. The markets in Russia and Eastern Europe remained low, on the whole, but we see good potential in these markets once the economy recovers.

"The Engineering Division's year featured an intensive and successful drive to increase productivity, as well as improvement programmes to maintain profitability in a tough market. A couple of minor acquisitions bolstered our expertise in industrial automation.

"For the Infrastructure Division it was very much a mixed market in 2009. Pure IT-related projects made a slow start to the year, although the situation did gradually improve. In contrast, infrastructure planning and energy-efficiency projects enjoyed significant growth.

"The Inspection Division has reported solid and stable growth for many years, though here, too, 2009 was something of a mixed bag: the response to the division's investments in development projects was more sluggish than anticipated, but productivity improved across the board in other areas of the business.

"Overall the divisions won many important new assignments. However, there were no major acquisitions during 2009, largely due to the wait-and-see tactics we adopted at the beginning of the year to weather the effects of the economic downturn."

Name three things that you were particularly pleased about during the year?

"One was the fact that green issues really started to take off in our industry. We expanded our portfolio of sustainability-related offers and recruited key personnel to help us take the next step forward.

"We continued our focus on energy. This included the launch of a trainee programme in nuclear power, an area where ÅF has solid expertise and where we see a great deal of potential in many markets.

"I'm also very proud that we climbed to the number two spot in Universum's annual ranking of Sweden's best employers, based on a nationwide survey of professional engineers. Among consulting companies, we were again ranked number one. This recognition matters because it's crucial for us always to be able to attract the very best engineers the market has to offer."

What part can ÅF play in making the world more sustainable?

"The world is facing enormous challenges, particularly in terms of energy and infrastructure planning. Let me give you a few examples: more of the world's transport must become carbon-neutral; the use of fossil fuels must be reduced; we need to find new solutions for light railways and electric cars; and with each day that passes people are less and less prepared to put up with poor environments and noise. The list of what needs to be changed could go on and on. All in all it paints a very clear picture – engineers will have a key role to play in tomorrow's society. And that means that ÅF is perfectly placed to tackle tomorrow's challenges. We are needed, and we can deliver results."

Around six years ago ÅF set a target: to achieve sales of SEK 5 billion by 2010. With this now within reach, what are ÅF's new long-term goals? What can you tell us about the Group's plans for growth and its new vision?

"By 2015 ÅF aims to raise its earnings from consulting services to 1 billion euros. Our sights are set on becoming the most profitable among Europe's leading technical consulting companies. We will achieve this through a combination of organic growth and strategic acquisitions. We will also draw on the strengths we have gained from previous growth, and become even stronger in fields such as energy and the environment, infrastructure and industry."

After sponsoring the ÅF Golden League, ÅF is now taking a new step. Tell us more.

"ÅF will be working as an Olympic Green Advisor and, as such, will be associated with the world's strongest brand. In concrete terms, this means that we will be working with the national Olympic Committees in Finland, Norway, Sweden and Switzerland, advising them on sustainability issues in everything from the education of athletes to the design of arenas. It's a big investment for us, but we're doing this because we are convinced that we can make a difference. Our partnership with these Olympic committees also gives us unique opportunities to communicate to our most important markets what ÅF stands for."

What's top of your agenda for 2010?

"When the market picks up, we must be ready to continue growing our market share. We will be prioritising organic growth and will continue to expand in green technology. However, our healthy cash flow and stable balance sheet also mean that we're in a strong position to make strategic acquisitions of companies with operations that tie in well with our direction and corporate culture."

A status report to round off with?

"Given the state of the economy, I am happier with 2009 than with any other year so far. We strengthened our position in terms of our clients, potential employees and competitors. As far as our own employees are concerned, an in-house survey revealed that pride in ÅF and confidence in the future are greater than ever. Looking



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ahead, it feels extremely satisfying to be able to say that ÅF is stronger than ever, that we have honed our skills in combining experience with innovation to ensure that clients are offered the right solutions quickly, and that we are in a strong position in areas of technology where the world will have considerable need of our expertise in the future. It all adds up to a very stable platform for creating value – for shareholders, clients and employees alike."

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Jonas Wiström
President and CEO