

ÅF Interim report January - September 2014

Press release 21 October 2014



Innovation by experience



Third quarter 2014

- Net sales amounted to SEK 1,873 million (1,770)
- Operating profit totalled SEK 120 million (130)
- Operating margin was 6.4 percent (7.4)
- Operating profit, excluding non-recurring items, totalled SEK 134 million (130)
- Operating margin, excluding non-recurring items, was 7.2 percent (7.4)
- Profit after tax totalled SEK 79 million (92)
- Earnings per share, before dilution: SEK 1.03 (1.15)

January - September 2014

- Net sales amounted to SEK 6,429 million (6,046)
- Operating profit totalled SEK 528 million (449)
- Operating margin was 8.2 percent (7.4)
- Operating profit, excluding non-recurring items, totalled SEK 542 million (504)
- Operating margin, excluding non-recurring items, was 8.4 percent (8.3)
- Profit after tax totalled SEK 382 million (319)
- Earnings per share, before dilution: SEK 4.95 (4.02)

A few words from the President

ÅF's operating profit, excluding non-recurring effects from the sale of Russian subsidiary Lonas in July, amounted to SEK 134 million (130). These are the highest third quarter earnings ÅF has ever reported, and the same applies to the first nine months of the year. The adjusted operating margin was 7.2 percent (7.4) for the third quarter.

The highest profitability was delivered by the Industry Division and the Infrastructure Division with operating margins of 9.5 (9.3) and 8.0 (9.4) percent, respectively. It is satisfying that these divisions, with over half of ÅF's total workforce, continue to gain market share and grow by about 15 percent in their respective fields. The International Division reported an operating margin of 5.9 percent (7.7), which is an improvement from 2014's first and second quarters. The Technology Division's market for advanced product development and IT continued to vary, and its operating margin was 5.0 percent (5.7).

ÅF's organic growth was 6.3 percent in the third quarter. ÅF now has a workforce of more than 7,000 highly qualified employees, with a stronger, more comprehensive range of engineering services than ever before. ÅF can also offer customers a pool of around 20,000 engineers from its own unique partner network. It is also gratifying that our strong position as an employer is being upheld. On 8 October ÅF was ranked, for the second year in a row, as Sweden's second most attractive employer in a survey conducted by Universum. Participating in the survey were 3,700 young professional engineers. ÅF was also named by Universum as one of the top 20 employers in Europe. It is a success factor that ÅF as a brand and a com-

pany is considered an ideal employer for engineers both in Sweden and internationally.

The outlook for the ÅF Group in late 2014 is cautiously positive. The infrastructure market remains strong in both Sweden and the rest of Scandinavia. Industrial activity remains at a satisfactory level, although uncertainty has increased slightly since the summer. The energy market continues to be influenced by low levels of investment in Europe, while opportunities continue to be good in the Asian and South American markets.

ÅF's most important goal is to be the most profitable company among its closest comparable competitors in the industry and achieve an operating margin of at least 10 percent over a business cycle. This will be combined with growth – both organic and through acquisitions. In early 2014, new long-term objectives were introduced, which included increasing ÅF's revenue to at least EUR 2 billion by 2020.

Stockholm, Sweden – 21 October, 2014

Jonas Wiström
President and CEO

Net sales and earnings, July – September 2014

Net sales for the period totalled SEK 1,873 million (1,770). Organic growth was 6.3 percent. The sum of acquisitions and divested companies had a negative structural effect of 0.5 percent, so total growth was 5.8 percent. Excluding the divestment of the Russian subsidiary (see below), growth was 10.0 percent, of which 6.5 percentage points were organic.

Operating profit and operating margin were SEK 120 million (130) and 6.4 percent (7.4), respectively. As stated under the heading Acquisitions and divestments, all of the shares in subsidiary ZAO Lonas Technologia in Russia were divested during the period. The holding amounted to 75 percent. The sale resulted in a capital gain of SEK 18 million. The transaction also resulted in a negative translation difference of SEK -32 million, which was recognised in equity and because the divestment row encumbers the income statement. Adjusted for these items, earnings increased to SEK 134 million (130) and the operating margin amounted to 7.2 percent (7.4).

Capacity utilisation was 76.2 percent (74.3). The increase is mainly related to divestment of the Russian operation.

The quarter had the same number of working days as last year.

The recognised tax for the quarter was 28.8 percent of earnings before tax. The unusually high tax rate is explained by the fact that the negative translation differences attributable to the sale of Lonas is not tax deductible. Adjusted for this tax effect (ca. SEK 7 million), the recognised tax for the quarter would be 22.6 percent of earnings before tax.

Net sales and earnings, January – September 2014

During the nine month period, net sales amounted to SEK 6,429 million (6,046). Of the 6.3 percent increase, 3.6 percentage points were related to organic growth. Adjusted for the divested Russian operation, growth was 10.0 percent, of which 6.0 percentage points were organic.

Operating profit and operating margin were SEK 528 million (449) and 8.2 percent (7.4), respectively. Net profit was affected by the divestment of the Russian operation, totalling SEK 14 million, and restructuring costs pertaining to the Spanish operation of SEK 7 million, while the previous year's earnings were affected by integration costs of SEK 55 million related to the acquisition of Epsilon.

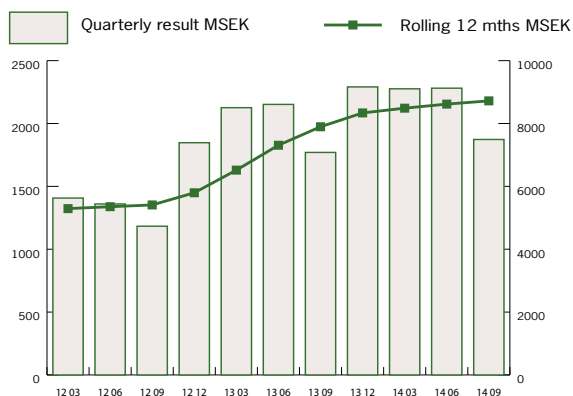
The nine month period had the same number of working days as last year. Capacity utilisation was 75.9 percent (75.0).

The recognised tax was 23.7 percent of earnings before tax. Adjusted for exchange differences attributable to the sale of Lonas as previously mentioned, the recognised tax would be 22.3 percent.

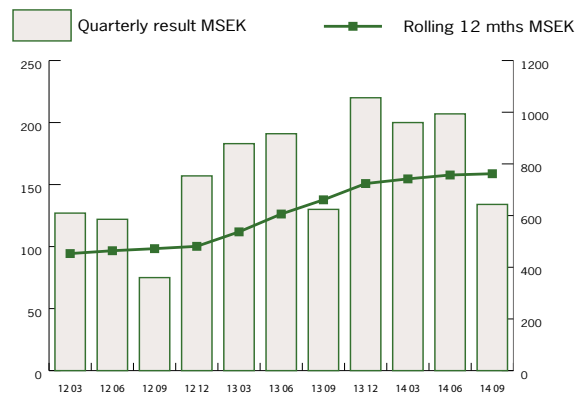
KEY RATIOS	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Net sales, MSEK	1,873.0	1,769.6	6,429.3	6,046.3	8,337.0
Operating profit, MSEK	120.1	130.1	527.6	448.8	722.5
Operating margin, %	6.4	7.4	8.2	7.4	8.7
Operating profit excl non-recurring items, MSEK	134.1	130.1	541.6	504.3	724.4
Operating margin excl non-recurring items, %	7.2	7.4	8.4	8.3	8.7
Profit after financial items, MSEK	111.6	119.2	501.0	413.8	677.3
Earnings per share, before dilution, SEK ¹⁾	1.03	1.15	4.95	4.02	6.70
Net debt (-), MSEK	-	-	-1,090.0	-1,038.5	-853.3
Net debt/EBITDA rolling 12-months, times	-	-	1.1	1.5	1.0
Net debt-equity ratio, %	-	-	28.4	29.8	23.2
Total number of employees	-	-	7,131	7,060	7,043
Capacity utilisation rate, %	76.2	74.3	75.9	75.0	75.1

¹⁾ A share split 2:1 was made on 17 June, 2014. Comparative figures are adjusted.

Net sales



Operating profit *)



*) excl non-recurring items

Important events during Q3 2014 and after the reporting date

ÅF signed an Owner's Engineer-contract with Riikinvoima Oy for a new combined heat and power plant in the Varkaus area, 300 km north-east of Helsinki in Finland. The contract is worth about EUR 1 million. The contract includes monitoring the delivery of energy services (EPC - Engineering, Procurement & Construction), project management as a representative of the client, checking the documentation of energy services (EPC), quality assurance, general supervision of the plant, and oversight of ordering and testing measures. ÅF will also provide additional oversight services at the plant.

ÅF signed an agreement with Volvo Car Corporation. The order relates primarily to industrial automation technology, which is one of the areas of technical expertise in which ÅF excels in the automotive industry. For ÅF the project involves the development and delivery of a number of automated production lines for Volvo Car Corporation. The project, which will run over a period of two years, will largely be carried out from ÅF's division in Olofström. ÅF won the project against international competition.

In a public procurement process, ÅF won a contract to lead the construction management organisation for the rock tunnels in the Stockholm Bypass' northern sections of Johannelund, Lunda, and Akalla. The contract's value is estimated at SEK 63 million. The Stockholm Bypass is one of Sweden's largest infrastructure projects ever. ÅF thereby continues to be entrusted by the Swedish Transport Administration and will assist with duties such as project and construction management, as well as cost and time control in its work with the rock tunnels in the Stockholm Bypass' northern sections over the entire construction period. ÅF has been working since 2010 with the planning of the Akalla and Häggvik interchanges as well as the rock tunnels together with global engineering consultancy URS.

Acquisitions & Divestments

Eight businesses have been acquired since the beginning of the year, and they are expected to contribute sales of SEK 228 million over the full year. These businesses also added 153 employees and an additional 45 sub-consultants to ÅF's roster.

All shares in subsidiary ZAO Lonas Technology in Russia were divested in the third quarter. The holding amounted to 75 percent. The sale resulted in a capital gain of SEK 18 million. The transaction also means that negative translation differences of SEK 32 million, previously recognised in the translation reserve under equity,

are charged to the income statement. All transactions related to the sale are charged to operating profit under Group-wide/Eliminations in the third quarter.

Cash flow and financial position

Cash flow from operating activities totalled SEK -7 million (23) during the third quarter. The weaker cash flow is primarily due to a decrease in customer advances in relation to project development. Cash flow from investing activities includes payments for company acquisitions and contingent considerations amounting to SEK 5 million (12). The net of borrowing and amortisation of loans was SEK -60 million (16). Total cash flow was SEK -71 million (13).

Cash flow from operating activities for the January-September period was SEK 278 million (174). Company acquisitions and contingent considerations paid totalled SEK 145 million (78). Financing activities included a dividend paid to shareholders of SEK -252 million (-215), share repurchases of SEK -50 million (-6), and the net of borrowing and amortisation of loans of SEK 227 million (-95). Total cash flow for January-September was SEK -14 million (-264).

Consolidated liquid assets totalled SEK 178 million (225) at the end of the period. Consolidated net debt amounted to SEK 1,090 million (1,038). The Group has unutilised credit facilities amounting to SEK 473 million (675).

Equity per share was SEK 49.73 (44.54). The equity/assets ratio was 52.8 percent (49.2). On 30 September equity totalled SEK 3,838 million (3,489).

Number of employees

The average number of full-time equivalents was 6,901 (6,613). The total number of employees at the end of the period was 7,131 (7,060): 5,643 (5,380) in Sweden and 1,488 (1,680) outside Sweden.

Parent company

Parent company operating income for the January-September period totalled SEK 384 million (326) and relates chiefly to internal services within the Group. Profit after net financial items was SEK 120 million (60). Cash and cash equivalents totalled SEK 24 million (26) and gross investment in non-current assets was SEK 43 million (25).



Industry Division

The Industry Division continued to win market share in a market that was satisfactory in the third quarter. The operating margin was 9.5 percent (9.3). At the end of last year, a slight improvement in industrial activity was noted and is persisting, even though the upturn has slowed since summer. The strongest demand continues to come from the automotive, oil, and forestry industries. Demand for contractual projects is rising across all sectors.

Sales rose by just over 12 percent in the third quarter. Profit rose thanks to a high capacity utilisation rate, good organic and acquisition-driven growth, and continued good project management. Overall, the division's project portfolio continues to grow, which is in line with customer demand for more project delivery and turnkey solutions. The total value of orders in fixed-price projects for the Industry Division exceeded SEK 1 billion at the end of the period.

The division's focus on the Heat and Power area, with a focus on power, heat, and manufacturing plants, as well as the heavy process industry, continues to yield results, and the number of contracts in major investment projects is steadily increasing in this area. The forestry industry has also picked up with increased investments in Sweden. One example of this is that the Industry Division won a new order from BillerudKorsnäs concerning planning for expanded production. The Industry Division also signed an agreement with E.ON regarding automa-

tion of two combined heat and power furnaces in Malmö and with LKAB regarding mine planning in Svappavaara in the third quarter. Furthermore, two important advanced robotics orders were signed with Volvo Cars in the quarter. The contract primarily involves development of new production lines, but also conversion of existing production lines to Volvo, partly as a direct delivery and partly as a subcontractor to one of Europe's largest integrators in the passenger car market.

In the third quarter, DLA-Elteknik in Sandviken was acquired. In the regional market, DLA has a strong brand in the electrical engineering field. The acquisition strengthens ÅF's local offering to customers in the steel and manufacturing industries through a more complete supply of mechanical, automation, and process services.

About the Industry Division:

The Industry Division is the Nordic region's leading consultant in process and production systems. Its mission is clear: to improve profitability for its clients. Experience from previous projects guarantees stability, competitive strength and peace of mind for clients. Geographical proximity to clients and a thorough understanding of the sectors in which they work are the most important foundations for long-term client relations.

Key ratios - Industry

	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Net sales, MSEK	561.7	500.0	1,973.9	1,681.1	2,353.5
Operating profit, MSEK	53.5	46.5	199.9	160.9	241.6
Operating margin, %	9.5	9.3	10.1	9.6	10.3
Average number of employees, FTEs	2,009	1,832	2,026	1,843	1,857

The historical figures above are adjusted based on changes to segment reporting, see page 9.



Infrastructure Division

The Infrastructure Division operated on a persistently strong market in the third quarter. In Sweden and Norway, where most of the division's business is located, public investments remained at high levels. Most in demand were project management services, railway-related services, and sustainability-related projects.

Sales rose by 18 percent, of which just over 10 percent was due to organic growth. Sales increased most in the Infrastructure Planning and Project Management business areas. Profitability could be maintained at a satisfactory level, although organic growth weighed down profitability somewhat. So far, more than 300 new employees have been recruited to the Infrastructure Division throughout the current year. Growth is particularly strong in northern Sweden. The ambition is to continue to grow and become a leading player in the areas of town planning and complex infrastructure projects also in this region. Notably, the Infrastructure Division's total growth rate has been more than 20 percent for the last three years.

Overall, the Infrastructure Division's order portfolio grew during the third quarter. For example, ÅF won a new significant contract within the framework of the Stockholm Bypass project in a fierce competition. The order indicates that after three years of planning efforts, ÅF will continue to be entrusted by the Swedish Transport Administration to assist with duties such as project and construction management, as well as cost and time control in its work with the rock tunnels in the Stockholm Bypass' northern sections over the construction period. New contracts in the quarter also include four road schemes in central Sweden for the Transport Administration. The Infrastructure Division continues to run a num-

ber of large projects, including the expansion of Oslo Gardermoen Airport in Norway, the City Line tunnel in Stockholm, and the West Link rail tunnel in Gothenburg. ÅF, together with Tyréns, is also the technical consulting company in charge of Phase 1 of the East Link project.

Activity continued to be good in Buildings, the largest business area, which employs about 750 in Sweden and Norway. Several major hospital projects were ongoing, such as modernisation and energy conservation at the New Karolinska Solna Hospital, Uppsala University Hospital, Södertälje Hospital, and Danderyd Hospital.

In the third quarter, ÅF's lighting designer won, for the second consecutive year, the prestigious Swedish Lighting Award for work on the underground part of the National Library of Sweden in Stockholm. According to the jury, the interplay between natural light, artificial lighting, and bold colours motivated the award.

About the Infrastructure Division:

The Infrastructure Division enjoys a leading position in the Scandinavian market for technical solutions for infrastructure projects. The division's strengths include a portfolio of services that offer clients sustainable, hi-tech solutions. Thanks to its ability to develop innovative solutions that boost client profitability and target fulfilment, the division is continuously enhancing its market potential.

Key ratios - Infrastructure

	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Net sales, MSEK	580.6	491.3	1,969.7	1,702.5	2,406.4
Operating profit, MSEK	46.3	46.2	215.0	211.0	295.7
Operating margin, %	8.0	9.4	10.9	12.4	12.3
Average number of full-time employees, FTEs	1,903	1,726	1,899	1,681	1,720

The historical figures above are adjusted based on changes to segment reporting, see page 9.



International Division

The market for international energy projects continued to remain relatively weak in the third quarter. Demand for energy projects is hampered by generally lower energy prices and political uncertainty about future energy solutions in Europe. One area in which demand is increasing, however, is renewable energy, including hydroelectric power. Another favourable trend is the increasing demand for improvements to the efficiency of existing power plants; this is an area in which the International Division has an impressive portfolio of references and a strong market position.

The operating margin was 5.9 percent (7.7), which is an improvement from 2014's first and second quarters. Profitability was burdened by additional costs for the restructuring of the Spanish operation. The restructuring program, which entailed staff reductions and concentration of the service offering in Spain, was initiated in the second quarter and completed in the third quarter.

The International Division grew by about 8 percent in the quarter, excluding the effects of the sale of Russian subsidiary Lonas, and order intake was good. The most important order received, in partnership with the German M+W Group, was for the planned nuclear power plant Fennovoima in Finland. ÅF was

appointed as principal technical consultant for Fennovoima, which is expected to be operational in about 10 years. ÅF's project will involve experts from ÅF in Finland, Switzerland, Sweden, and the Czech Republic. The International Division also won energy contracts in the Middle East and India in the third quarter.

The highest growth and profitability was reported in the Swiss and Czech operations in the third quarter. Profitability was not satisfactory in Spain.

About the International Division:

The International Division offers technical consulting services, primarily in the energy and infrastructure sectors. The division's domestic markets are Switzerland, Finland and the Baltic countries, the Czech Republic and Spain, but it also performs projects in around 70 countries worldwide. The division enjoys a strong position within renewable energy, thermal power, hydropower and nuclear power.

Key ratios - International	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Net sales, MSEK	244.4	293.9	756.7	927.0	1,224.9
Operating profit, MSEK	14.3	22.5	32.9	53.5	73.5
Operating margin, %	5.9	7.7	4.3	5.8	6.0
Average number of full-time employees, FTEs	798	1,105	1,026	1,125	1,123

The historical figures above are adjusted based on changes to segment reporting, see page 9.



Technology Division

The Technology Division's market for advanced product development and IT continued to vary in the third quarter. Sales increased, organically, by 2 percent and the operating margin was 5.0 percent (5.7). The strongest demand was from the automotive, defence, and telecommunications industries.

In line with its overall strategy, the Technology Division's project portfolio continues to grow gradually. Customers increasingly appreciate ÅF's ability to deliver project and turnkey solutions.

One example of an ongoing project is a collaboration with Volvo Cars called the "Non-Hit Car and Truck Project". The project aims to prevent various types of accident scenarios. ÅF is involved in all phases of the project and in the development of next generation sensor fusion technology, which ties together signals to create an external representation of what surrounds the vehicle that is as real as possible.

Technology also continues to grow in the public sector. For example, the division won a framework agreement with the Swedish Legal, Financial and Administrative Services Agency West and the City of Gothenburg in the third quarter. The division already has framework agreements with the County

Council and all municipalities in the County of Uppsala, Swedish Financial Supervisory Authority, Swedish Competition Authority, Swedish Agency for Marine and Water Management, Swedish Post and Telecom Authority, and Swedish National Police Board.

Its collaboration with the Swedish Defence Materiel Administration (FMV) showed a continued upturn. One of the biggest projects is through their international efforts, where ÅF is responsible for planning all necessary systems in a specific project.

About the Technology Division:

The Technology Division is active mainly in Sweden, where it is a leading name in Swedish product development and defence technology. A firm base and a long track record of success provide stability and give clients peace of mind. The Technology Division also has strong offers within its specialist fields relating to various aspects of sustainability.

Key ratios - Technology

	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Net sales, MSEK	534.0	526.1	1,892.7	1,828.6	2,522.6
Operating profit, MSEK	26.8	29.8	137.2	131.2	190.4
Operating margin, %	5.0	5.7	7.3	7.2	7.5
Average number of full-time employees, FTEs	1,825	1,851	1,846	1,881	1,882

The historical figures above are adjusted based on changes to segment reporting, see page 9.

Risks and uncertainty factors

The significant risks and uncertainty factors to which the ÅF Group is exposed include strategic risks linked to the market, acquisitions, sustainability and IT, and operational risks related to projects and the ability to recruit and retain qualified co-workers. In addition, the Group is exposed to a number of financial risks, including currency risks, interest-rate risks and credit risks. The risks to which the Group is exposed are described in detail in ÅF's Annual Report for 2013. No significant risks are considered to have arisen since the publication of the annual report.

Changes to segment reporting

The Group has introduced changes to the reporting principles for segments effective as of 1 January. From 2014, amortisation and any impairment of intangible assets arising from acquisitions are always reported within "Group-wide/eliminations", and not in the operating divisions. The same applies to changes in contingent considerations and their currency effects recognised in profit or loss. Comparative figures have changed based on the above, which means that the full-year earnings within "Group-wide/eliminations" for 2013 have been reduced by SEK 19.7 million. Corresponding amounts have affected full-year earnings for 2013 for the operating divisions Industry (SEK +3.6 million), Infrastructure (SEK +6.0 million), International (SEK -1.1 million) and Technology (SEK +11.2 million).

Accounting policies

This report has been prepared in accordance with IAS 34, "Interim Financial Reporting". The accounting policies conform to International Financial Reporting Standards (IFRS), as well as with the EU approved interpretations of the relevant standards, the International Financial Reporting Interpretations Committee (IFRIC) and Chapter 9 of the Swedish Annual Accounts Act. The report has been drawn up using the same accounting policies and methods of calculation as those in the Annual Report for 2013 (Note 1). New or revised IFRS standards that came into force in 2014 did not have any material impact on the Group.

The parent company has implemented the Swedish Financial Reporting Board's Recommendation RFR 2, which means that the parent in the legal entity shall apply all EU approved IFRS and related statements as far as this is possible, while continuing to apply the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and paying due regard to the relationship between accounting and taxation.

ÅF shares

The ÅF share price at the end of the reporting period was SEK 110; this represents an decrease in value of 2 percent since the start of the year. During the same period the Stockholm Stock Exchange's OMXSPI index rose by 6 percent.

Stockholm, Sweden, 21 October 2014

ÅF AB (publ)

Jonas Wiström
CEO

Financial reports – 2015

10 February: Year End Report 2014

29 April: Interim report January-March 2015

29 April: Annual General Meeting

13 July: Interim report January-June 2015

23 October: Interim report January-September 2015

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Corporate ID number 556120-6474

The information in this interim report fulfils ÅF AB's disclosure requirements under the provisions of the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was released for publication at 10.30 a.m. on 21 October.

All assumptions about the future that are made in this report are based on the best information available to the company at the time the report was written. As is the case with all assessments of the future, such assumptions are subject to risks and uncertainties, which may mean that the actual outcome differs from the anticipated result.

This is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.

Review Report

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

ÅF AB, org.nr 556120-6474

Introduction

We have reviewed the condensed interim report for ÅF AB as at September 30, 2014 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 21 October, 2014
Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

(in millions of SEK)

	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013	Oct 2013- Sept 2014
Net sales	1,873.0	1,769.6	6,429.3	6,046.3	8,337.0	8,720.1
Personnel costs	-1,029.3	-951.6	-3,531.4	-3,300.3	-4,458.8	-4,689.9
Purchase of services and goods	-509.0	-501.1	-1,730.1	-1,683.1	-2,327.7	-2,374.6
Other costs	-191.0	-167.8	-576.3	-558.0	-802.6	-820.9
Other income	0.0	0.6	2.5	1.7	147.8	148.6
Depreciations and amortisations	-23.6	-19.7	-66.4	-58.2	-174.1	-182.3
Share of associated companies' profit/loss	0.0	0.0	0.0	0.4	0.7	0.3
Operating profit	120.1	130.1	527.6	448.8	722.5	801.3
Net financial items	-8.5	-11.0	-26.6	-35.0	-45.2	-36.8
Profit after financial items	111.6	119.2	501.0	413.8	677.3	764.5
Tax	-32.2	-27.7	-118.7	-95.0	-151.8	-175.6
Profit after tax	79.4	91.5	382.3	318.8	525.5	589.0
<i>Attributable to:</i>						
Shareholders in parent company	79.3	89.8	382.1	314.0	522.8	590.9
Non-controlling interest	0.1	1.7	0.2	4.8	2.7	-1.9
Profit after tax	79.4	91.5	382.3	318.8	525.5	589.0
Operating margin, %	6.4	7.4	8.2	7.4	8.7	9.2
Capacity utilisation rate (invoiced time ratio), %	76.2	74.3	75.9	75.0	75.1	75.8
Earnings per share before dilution, SEK ¹⁾	1.03	1.15	4.95	4.02	6.70	-
Earnings per share after dilution, SEK ¹⁾	1.02	1.13	4.86	3.97	6.60	-
Number of shares outstanding ¹⁾	77,145,762	77,991,970	77,145,762	77,991,970	77,357,394	
Average number of outstanding shares before dilution ¹⁾	77,117,124	78,036,812	77,253,941	78,041,784	77,971,364	
Average number of outstanding shares after dilution ¹⁾	79,444,013	80,199,812	79,645,054	79,957,112	80,038,068	

¹⁾ A share split 2:1 was made on 17 June, 2014. Comparative figures are adjusted.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of SEK)

	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Items which will be reclassified subsequently to profit or loss					
Change in translation reserve for the period ¹⁾	44.9	-25.6	95.1	-56.8	-40.1
Cash flow hedging	-0.7	-0.1	-2.5	-0.4	-0.4
Tax	0.7	-0.1	2.0	0.1	0.3
Items which will not be reclassified to profit or loss					
Pensions	-0.1	2.1	-0.3	13.3	62.7
Tax	0.0	-0.4	0.0	-2.6	-12.7
Total other comprehensive income for the period	44.9	-24.1	94.3	-46.5	9.7
Profit for the period	79.4	91.5	382.3	318.8	525.5
Total comprehensive income for the period	124.3	67.4	476.6	272.4	535.2
<i>Total comprehensive income attributable to:</i>					
Shareholders in parent company	124.2	66.1	476.4	268.6	533.3
Non-controlling interest	0.0	1.2	0.3	3.8	1.8
Total	124.3	67.4	476.6	272.4	535.2

¹⁾ Change in the translation reserve for the period includes translation differences transferred to net profit of 32 SEK million.

CONSOLIDATED BALANCE SHEET

(in millions of SEK)

	30 Sept 2014	30 Sept 2013	31 Dec 2013
Assets			
Non-current assets			
Intangible assets	4,303.1	4,287.1	4,144.2
Tangible assets	339.2	279.5	289.7
Other non-current assets	58.9	22.0	65.4
Total non-current assets	4,701.1	4,588.5	4,499.3
Current assets			
Current receivables	2,394.0	2,271.3	2,386.9
Cash and cash equivalents	177.8	224.6	187.7
Total current assets	2,571.7	2,495.9	2,574.6
Total assets	7,272.8	7,084.5	7,073.9
Equity and liabilities			
Equity			
Attributable to shareholders in parent company	3,836.3	3,473.9	3,661.5
Attributable to non-controlling interest	1.7	14.7	12.7
Total equity	3,838.0	3,488.6	3,674.2
Non-current liabilities			
Provisions	218.5	259.6	230.3
Non-current liabilities	761.7	1,267.4	939.9
Total non-current liabilities	980.1	1,527.0	1,170.2
Current liabilities			
Provisions	13.6	18.0	21.9
Current liabilities	2,441.2	2,050.9	2,207.6
Total current liabilities	2,454.7	2,068.8	2,229.5
Total equity and liabilities	7,272.8	7,084.5	7,073.9

Pledged assets and Contingent liabilities are essentially the same as in the annual accounts for 2013.

CHANGES IN EQUITY

(in millions of SEK)

	30 Sept 2014	30 Sept 2013	31 Dec 2013
Equity at start of period	3,674.2	3,421.5	3,421.5
Total comprehensive income for the period	476.6	272.4	535.2
Dividends	-254.0	-217.2	-217.2
Share buy-backs/sales	-49.9	-5.5	-80.6
Value of conversion right	-	7.5	7.5
Acquisition of non-controlling interest	-7.5	-	-
Divestment of non-controlling interest	-8.0	-0.8	-0.8
Share savings programmes	6.5	10.7	8.7
Equity at end of period	3,838.0	3,488.6	3,674.2
<i>Attributable to:</i>			
Shareholders in the parent company	3,836.3	3,473.9	3,661.5
Non-controlling interest	1.7	14.7	12.7
Total	3,838.0	3,488.6	3,674.2

CASH FLOW ANALYSIS

(in millions of SEK)

	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Profit after financial items	111.6	119.2	501.0	413.8	677.3
Adjustment for items not included in cash flow and other	44.4	6.7	86.0	83.7	48.6
Income tax paid	-34.9	-33.9	-145.9	-110.0	-117.3
Cash flow from operating activities before change in working capital	121.1	92.0	441.1	387.5	608.6
Cash flow from change in working capital	-127.8	-69.2	-163.2	-213.6	-183.5
Cash flow from operating activities	-6.7	22.8	277.9	173.9	425.1
Cash flow from investing activities	-5.7	-18.0	-214.9	-119.8	-198.5
Cash flow from financing activities	-58.2	8.2	-76.7	-318.1	-529.1
Cash flow for the period	-70.7	13.1	-13.8	-264.0	-302.6
Cash and cash equivalents brought forward	252.7	213.8	187.7	497.7	497.7
Exchange rate difference in cash/cash equivalents	-4.3	-2.3	3.9	-9.1	-7.5
Cash and cash equivalents carried forward	177.8	224.6	177.8	224.6	187.7

KEY RATIOS

	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Return on equity, %	15.9	13.4	15.0
Return on capital employed, %	16.2	14.1	15.4
Equity ratio, %	52.8	49.2	51.9
Equity per share, SEK	49.73	44.54	47.33
Interest-bearing liabilities, MSEK	1,317.8	1,264.2	1,089.0
Average number of full-time employees (FTEs)	6,901	6,613	6,666

QUARTERLY INFORMATION BY DIVISION

Net sales		2013					2014				
(in millions of SEK)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3			
Industry	575.4	605.7	500.0	672.4	2,353.5	698.0	714.2	561.7			
Infrastructure	595.6	615.5	491.3	703.9	2,406.4	689.9	699.2	580.6			
International	331.1	302.0	293.9	297.8	1,224.9	249.1	263.2	244.4			
Technology	650.3	652.1	526.1	694.0	2,522.6	689.8	668.9	534.0			
Group wide/eliminations	-27.5	-23.8	-41.8	-77.2	-170.3	-51.1	-64.9	-47.8			
Total	2,125.0	2,151.6	1,769.6	2,290.7	8,337.0	2,275.7	2,280.7	1,873.0			
Operating profit/loss		2013					2014				
(in millions of SEK)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3			
Industry	46.0	68.5	46.5	80.7	241.6	70.5	75.9	53.5			
Infrastructure	82.6	82.1	46.2	84.7	295.7	81.8	86.9	46.3			
International	8.0	22.9	22.5	20.1	73.5	10.0	8.6	14.3			
Technology	55.9	45.5	29.8	59.3	190.4	59.2	51.2	26.8			
Group wide/eliminations	-26.6	-66.1	-14.9	28.9	-78.8	-21.2	-15.3	-20.9			
Total	165.8	152.9	130.1	273.6	722.5	200.3	207.2	120.1			
Operating margin		2013					2014				
(%)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3			
Industry	8.0	11.3	9.3	12.0	10.3	10.1	10.6	9.5			
Infrastructure	13.9	13.3	9.4	12.0	12.3	11.9	12.4	8.0			
International	2.4	7.6	7.7	6.7	6.0	4.0	3.3	5.9			
Technology	8.6	7.0	5.7	8.5	7.5	8.6	7.6	5.0			
Total	7.8	7.1	7.4	11.9	8.7	8.8	9.1	6.4			
Employees		2013					2014				
(FTEs)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3			
Industry	1,821	1,878	1,832	1,901	1,857	2,030	2,043	2,009			
Infrastructure	1,602	1,712	1,726	1,843	1,720	1,892	1,902	1,903			
International	1,132	1,141	1,105	1,115	1,123	1,140	1,162	798			
Technology	1,911	1,883	1,851	1,886	1,882	1,861	1,855	1,825			
ÅF AB	87	77	83	81	83	101	101	107			
Total	6,554	6,691	6,598	6,825	6,666	7,023	7,062	6,641			
Number of working days		2013					2014				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	
Sweden only	62	60	66	61	249	62	59	66	61	248	
All countries	61	60	66	61	248	62	59	66	62 ¹⁾	249 ¹⁾	

¹⁾ Estimated weighted average.

The historical figures above are adjusted based on changes in accounting principles regarding segment reporting, see page 9.

ACQUIRED COMPANIES' NET ASSETS AT TIME OF ACQUISITION

(in millions of SEK)

Date of acquisition	Jan-Sept 2014
Intangible non-current assets	0.1
Tangible non-current assets	1.0
Accounts receivable and other receivables	48.8
Cash equivalents	33.0
Accounts payable and other liabilities	-49.9
 Net identifiable assets and liabilities	 33.0
Goodwill	111.4
Fair value adjustment intangible assets	6.3
Fair value adjustment non-current provisions	-1.6
 Purchase price incl estimated additional consideration	 149.2
Transaction costs	2.5
Deduct:	
Cash (acquired)	33.0
Estimated additional consideration	51.9
 Net outflow of cash	 66.8

The acquisition analyses are preliminary as the assets in the companies acquired have not been definitively analysed. In the case of the above acquisitions, the purchase price has been greater than the assets recognised in the companies acquired and, as a result, the acquisition analyses have created intangible assets. As the acquisition of a consulting business involves, in the first instance, the acquisition of human capital in the form of the skills and expertise of the workforce, the greater part of the intangible assets in the companies acquired is attributable to goodwill.

The acquisitions refer to ES-KONSULT Energi och Säkerhet AB in Sweden, Xact Consultance AS in Norway and some smaller acquisitions of business operations in Sweden and Norway.

INCOME STATEMENT PARENT COMPANY

(in millions of SEK)

	Jul-Sept 2014	Jul-Sept 2013	Jan-Sept 2014	Jan-Sept 2013	Full year 2013
Net sales	84.3	79.9	258.8	216.7	301.5
Other operating income	42.3	39.8	125.0	109.3	156.3
Operating income	126.6	119.8	383.8	326.0	457.7
Personnel costs	-25.2	-21.4	-82.8	-66.9	-97.2
Other costs	-102.8	-95.5	-315.5	-299.9	-414.8
Depreciation	-5.7	-4.3	-16.0	-12.2	-16.4
Operating profit/loss	-7.2	-1.4	-30.5	-53.0	-70.7
Net financial items	15.2	1.3	150.2	113.1	-14.5
Profit/loss after financial items	8.0	-0.2	119.6	60.1	-85.2
Appropriations	-	-	-	-	609.4
Pre-tax profit/loss	8.0	-0.2	119.6	60.1	524.1
Tax	2.2	2.1	10.6	18.2	-109.0
Profit/loss after tax	10.2	2.0	130.3	78.4	415.1
Other comprehensive income	0.0	-0.2	-0.1	-0.1	0.6
Total comprehensive income for the period	10.2	1.7	130.2	78.3	415.7

BALANCE SHEET PARENT COMPANY

(in millions of SEK)

	30 Sept 2014	30 Sept 2013	31 Dec 2013
Assets			
Non-current assets			
Intangible assets	12.5	12.6	15.4
Tangible assets	87.3	57.6	59.7
Financial assets	4,908.8	5,192.5	4,904.2
Total non-current assets	5,008.7	5,262.7	4,979.3
Current assets			
Current receivables	467.7	514.7	802.5
Cash and cash equivalents	24.4	26.1	29.1
Total current assets	492.0	540.8	831.6
Total assets	5,500.7	5,803.5	5,810.9
Equity and liabilities			
Equity			
Share Capital	195.5	197.4	197.4
Statutory reserve	46.9	46.9	46.9
Non-restricted equity	2,952.8	2,904.7	2,838.8
Profit/loss for the period	130.3	78.4	415.1
Total equity	3,325.5	3,227.4	3,498.3
Untaxed reserves	122.5	126.4	122.5
Provisions	307.8	626.3	302.6
Non-current liabilities	491.7	639.0	603.3
Current liabilities	1,253.3	1,184.4	1,284.1
Total equity and liabilities	5,500.7	5,803.5	5,810.9