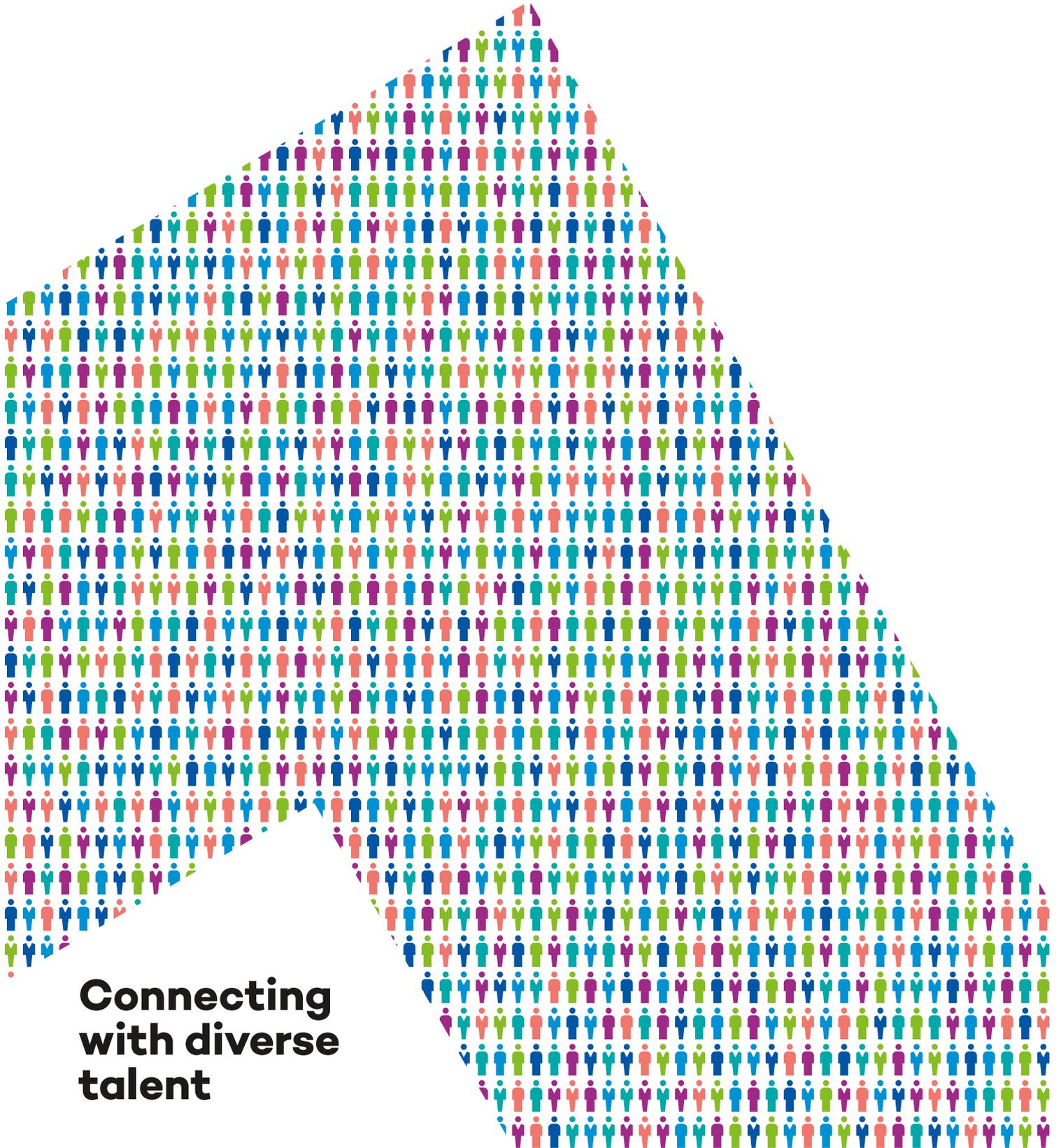


INNOVATION
BY EXPERIENCE



Annual Report 2015



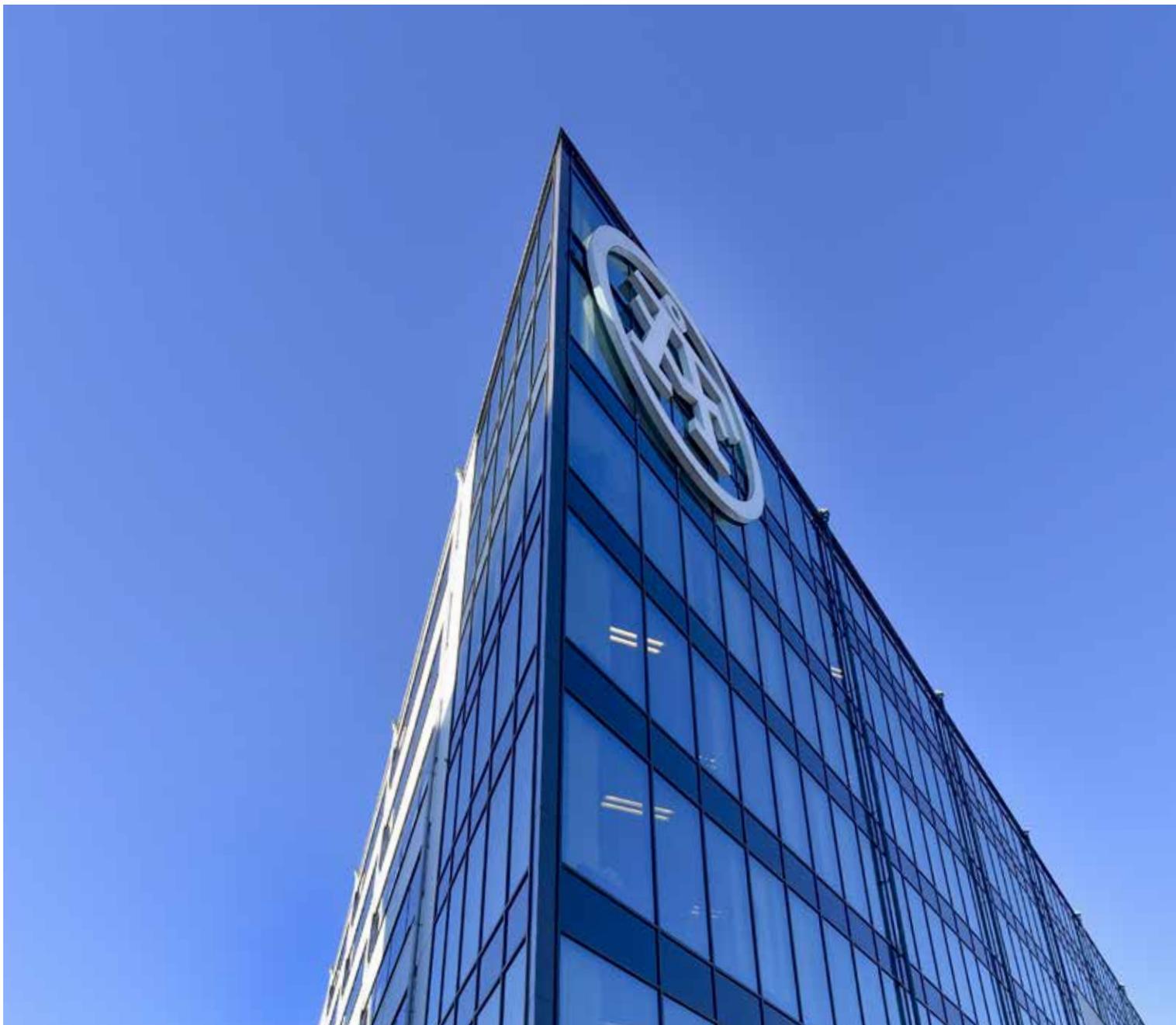
**Connecting
with diverse
talent**

At ÅF we believe in diversity and forward thinking, because old ways won't open new doors. Every day about 8,000 unique individuals across the globe connect to create innovation for our clients. With a diversity of employees, we are reaching our full potential.

Where do you want to be in the future?

Contents

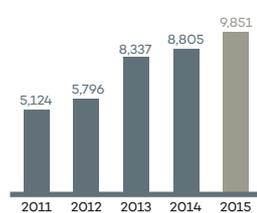
The year at a glance	1
A message from the CEO	2
Vision, mission, objectives and strategies	4
Sustainability	6
Human Resources	7
Branding	12
Offering	14
Market trends and business review	18
Industry Division	22
Infrastructure Division	26
International Division	30
Technology Division	34
Sustainability report	38
Chairman's report	50
Corporate governance report	51
Board of Directors	56
Group management	58
Administration report	60
Risks and risk management	63
Consolidated income statement	67
Statement of consolidated comprehensive income	67
Consolidated balance sheet	68
Statement of consolidated change in equity	70
Statement of consolidated cash flows	71
Parent income statement	72
Parent statement of comprehensive income	72
Parent balance sheet	73
Statement of change in equity for parent	75
Statement of cash flows for parent	76
Notes	77
Auditor's report	103
Five-year financial summary	104
The share	106
Calendar and definitions	109



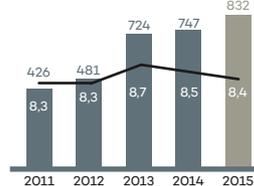
The year at a glance

	2015	2014
Net sales, SEK m	9,851	8,805
Operating profit excl. items affecting comparability, SEK m	832	747
Operating margin excl. items affecting comparability, %	8.4	8.5
Operating profit, SEK m	839	756
Operating margin, %	8.5	8.6
Profit after financial items, SEK m	799	720
Basic earnings per share, SEK	7.81	7.16
Net debt, SEK m	1,486	870
Net debt/EBITDA, rolling 12 months, times	1.6	1.0
Net debt-equity ratio, %	35	22
Total number of employees	7,852	7,117
Capacity utilisation rate, %	76.9	76.1

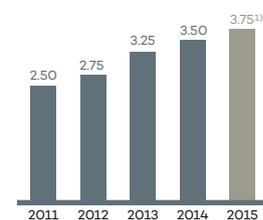
Group net sales, SEK m



Group operating profit and operating margin, excl. items affecting comparability, SEK m



Dividend per share, SEK



¹⁾ Proposed dividend.

This is ÅF



Zlatan Bahtijaragic Idnert
Section Manager, Sound and Vibration

ÅF – a brand built by people

Many believe ÅF is all about technology. But we think our story is mainly about people – bold engineers, business experts, visionary leaders and other professionals working together so new insights and ideas can grow into smart solutions that move society forward.

Every day we strive to improve people's lives, by developing energy-efficient solutions, investments in infrastructure, assignments within various types of energy, projects for industry and much more. We connect cities, countries and cultures with bridges, competence networks and mobile solutions. We generate jobs through technology that makes companies grow and prosper.

As an engineering and consulting company operating across the globe, we connect technologies to create progress for our clients. This is something we have done successfully for more than one hundred years. We started in 1895 as Ångpanneföreningen, an association

focusing on steam power, from which we have derived our name and trademark, ÅF.

Our driving force is powered by the curiosity and knowledge of our forward-thinking employees. This places high demands on our ability to lead and empower people in exploring new opportunities beyond conventional solutions, and support them in continuing to build on established knowledge and experience in a creative way.

At the heart of our culture, we're a company where people are allowed to grow as individuals and as a team. A company that believes equality will make us stronger, more productive and successful. A company that works hard to make a difference – because tomorrow will always be a result of what we achieve today.

ÅF – Innovation by experience.



Want to know more about what it's like to work at ÅF? Meet some of ÅF's employees on our website: afconsult.com/en/join-us/

Olimpia Censurato
Development Engineer, Infotainment, Automotive



Daniel Ordéus
Section Manager, Product Development



Emelie Nymark
Mechanical Integration Engineer, Automotive

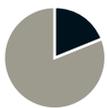
Sectors



ENERGY – ÅF is one of the world's leading engineering and consulting companies in the field of energy.

Industries

- Power and heating
- Hydropower
- Nuclear power
- Renewable energy
- Transmission and distribution
- Energy markets



19 %¹⁾



INDUSTRY – ÅF offers engineering services in all technologies and in all sectors of industry.

Industries

- Automotive
- Defence and security
- Mining
- Food processing and pharmaceuticals
- Forestry
- Telecommunications
- Manufacturing
- Oil and gas



46 %¹⁾



INFRASTRUCTURE – ÅF is one of the market leaders in Scandinavia in sustainable technical solutions for buildings and infrastructure projects.

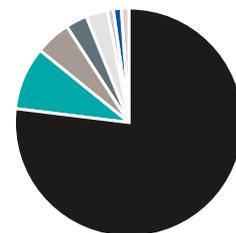
Industries

- Property
- Roads and railways



35 %¹⁾

Net sales per country



- Sweden
- Norway
- Switzerland
- Finland
- Denmark
- Czech Republic
- Spain
- Other

Our ten largest clients

- | | |
|---------------|-------------------------------|
| AB Volvo | Swedish Defence |
| Astra Zeneca | Materiel Administration (FMV) |
| E.ON | Swedish Transport |
| Ericsson | Administration |
| Oslo Lufthavn | Vattenfall |
| Scania | Volvo Cars |

¹⁾ Percentage of net sales.

A record year in which ÅF strengthened its positions

In an uncertain market, 2015 was a good year for ÅF from several perspectives. Profit for the full year and fourth quarter were ÅF's highest ever. Strategic acquisitions and reorganisation made ÅF even stronger for the future. We exceeded the growth target of EUR 1 billion in net sales that was set five years ago. And compared to the rest of Europe profitability was top class and cash flows remained strong.

Continued weak growth in Europe and the great uncertainty prevailing in the economies of the rest of the world, including developments in China, make it more difficult than ever to assess the future. This uncertainty has been reinforced by geopolitical tensions, especially regarding Russia and the Middle East.

In the sectors in which ÅF operates – energy, industry and infrastructure – low energy prices in Europe have meant a continued low level of investment in the energy sector. A number of planned nuclear power investments in Sweden have also been either shelved completely or pushed forward indefinitely. The manufacturing industry has seen large variations between different industries. For example, the automotive, pharmaceutical and pulp industries performed strongly, while the mining and steel industries have grappled with a market suffering from overcapacity. The market has been very weak in the oil and gas industry due to sharply falling prices.

Infrastructure investments remained at high levels in Scandinavia. The needs are still great and can be expected to persist going forward.

Improved profit in all divisions

All divisions improved their operating profit with better or largely unchanged operating margins and increased net sales during the year. The good outcome is a result of both organic growth and strategic acquisitions. It is also the result of our ability to divert resources and adapt operations to changing realities.

We implemented a reorganisation at mid-year that affected the Industry and Technology Divisions when the acquired

company LeanNova was moved to the Industry Division. The reorganisation had several purposes. One was to refine the Technology Division so it can fully focus on digital solutions, and another was to enable development of a knowledge base that is transferable to all industries. This has made the division's client offering clearer and more in-depth and specialised.

A third purpose was to take advantage of synergies in the Industry Division and create a very strong offering in automotive production and product development. The acquisition of LeanNova made ÅF the leading, most comprehensive supplier of development services to the automotive industry in the Nordics, and placed us in the international marketplace at the same time. We now have the expertise to do everything from joining systems together to developing a complete car.

In the energy area, we see good future opportunities for expansion in hydropower across divisional and country borders. That was the reason for a further reorganisation at year-end in which we pooled our hydropower expertise in the International Division.

For the Industry Division the year began with a weak market but ended on a stronger note. This was helped by our strong automotive offering, which met with success on the international automotive markets with new client agreements in Sweden, China and the UK.

With the acquisition of PRC Engineering we also took ÅF up the value chain in the growing pharmaceutical industry and improved the opportunities for internationalisation.

The market was strong for the

Infrastructure Division and it grew faster with better profitability than the industry in general. Operating profit for the division was the best ever and we further strengthened our market position. Over the last five years, the division has grown from number eight in size in the Swedish market to being one of two market leaders today.

We also strengthened our presence in the fast-growing Norwegian infrastructure market, partly through the acquisition of Erstad & Lekven and partly through the agreement with Reinertsen to form a jointly owned company there. The agreement took effect on 1 February 2016 and is expected to add about SEK 500 million in sales.

The International Division is one of ten leading energy consultants in the world and continued to improve its profit during the year despite a weak domestic market in Europe. Restructuring in the division helped improve profit, as did a strong focus on emerging markets, which resulted in a growing number of projects outside Europe.

There was a change in management in the Technology Division in conjunction with the reorganisation. The reorganisation has already led to improved profit and we have seen strong demand for defence systems and from the automotive industry, and stable demand from telecom.

Favourable long-term market trends

ÅF has a long and impressive history of helping to build a better society, with innovative solutions and trustworthy relationships that make for a more sustainable society. This in turn requires that we have a good understanding of

what is happening in our own and our clients' business environments. Today we see several major trends that are influencing our clients and thus also influence us. Globalisation means that clients face fierce competition and are looking for solutions that can help increase the efficiency of production, logistics and product development, but that can also help make products and solutions more attractive from a sustainability perspective.

There is much left to do in all parts of the industry and in society in general, especially when it comes to "Industry 4.0", the smart production method in which everything is connected, as well as in steering towards more efficient energy use. This digitalisation trend affects all industries and sectors. Intelligent solutions are becoming more common in everything from production and products to buildings and energy systems. Everyone is pulling in the same direction, namely towards the need for increased competitiveness in a globalised world and for a sustainable society.

The urbanisation that is occurring all over the world is also increasing the demand for a society that is organised in a sustainable manner, with well-functioning transport systems, safe and clean energy, clean air and water, energy efficient buildings and well-functioning public transport. Meeting these trends often involves large investments that require a long-term perspective. ÅF has ample evidence in its project operations that sustainability and profitable growth can go hand in hand. In the long term, we are convinced that they are not in the least incompatible. We consider it our primary task to develop solutions in partnership with our clients that will enable them to remain competitive and profitable in the future.

Another trend is the repositioning that is occurring among our industrial clients. They want to move up in the value chain by doing more for their clients and being less involved in the technological aspects of their businesses. These include car manufacturers and other client categories, such as the Swedish Transport Administration and power companies, who are increasingly procuring more of their technology needs externally. This is a development that benefits a company like ÅF that has the ability to offer end-to-end solutions in long term projects.



Q1

- ÅF acquires LeanNova with strategic expertise in vehicle development.
- ÅF strengthens its food and pharma offer by acquiring PRC Engineering.
- Two new orders from Swedish Transport Administration, including project planning for E14 Sundsvall-Stöde.

Q2

- ÅF is chosen for major power project in Kenya, Uganda and Rwanda.
- ÅF – new organisation with improved client focus
- ÅF acquires EQC Group, a fast-growing infrastructure planning company
- ÅF acquires LEB Consult, strengthening its offering to the property management market.

Q3

- ÅF wins hospital assignment in Malmö.
- ÅF wins extensive assignment from OKG.

Q4

- Lars-Eric Aaro new Executive Vice President Corporate Sales at ÅF.
- ÅF's framework agreement with FMV strengthens its position as a leading partner in defence technology.
- ÅF wins robotic automation order from Volvo Car Corporation.
- ÅF acquires construction management company Erstad & Lekven Oslo.
- ÅF wins framework agreement as supplier to Svenska kraftnät.
- ÅF strengthens its position in infrastructure together with Norwegian company Reinertsen.

We are enjoying a growing interest in such long-term partnerships. We are doing more and more for existing clients and our ten largest clients have increased their share of sales over the last five years. This enables us to build trusting relationships and become a real partner for the future.

An attractive employer

At ÅF, we strongly believe in the value of our outstanding employees. We want to recruit the best and also retain them. Ultimately, it's about being able to achieve our growth and profitability targets. We invest in long-term relationships with employees in different ways and offer several different specialist and career paths and opportunities for stimulating teamwork, which is one of our core values. Being an attractive employer also means promoting diversity and equality in our recruitment process.

Therefore I am very proud of receiving awards in 2015 for being the most attractive employer among those with a B.Sc. in engineering and in second place among recent graduates with an M.Sc. in engineering. This is something that will really help us further strengthen our brand.

Outlook for 2016

We had a good year in 2015 despite an uncertain world. We made a number of strategically significant investments, strengthened our brand and our client relationships and have been able to continue recruiting the best employees. All this, together with strong cash flows and a sound capital structure, means that we are well positioned for future growth in a market that is favourable to ÅF in the long term.

ÅF is stronger than ever, and with 2015 as a jumping off point we are well on our way to achieving our 2020 targets.

Finally, I want to thank our clients for the confidence they place in us and all our employees for their great efforts during the year.

Stockholm, Sweden – March 2016
Jonas Wiström, President and CEO

Vision, mission, objectives and strategies



Vision

The best partner for the best clients.

Mission

ÅF is an engineering and consulting company for the energy, industrial and infrastructure markets.

Our pool of experience, with a unique range of technologies, creates solutions that are profitable, innovative and sustainable.

Core values

Great people with drive

ÅF's employees are competent and forward-thinking team players, who take the initiative and are prepared to learn from others. They exceed client expectations with solutions that combine technical expertise and business acumen. They are good communicators who listen, have a positive attitude and who always keep promises.

Teamwork

ÅF's employees create good results through teamwork with clients and colleagues. For us, teamwork is about collaboration and partnerships – between people and businesses, across all boundaries. We make use of each other's experience and we share our own. This makes each individual consultant as strong as ÅF in its entirety and makes the company an indispensable strategic partner.

Indisputable independence

It goes without saying that we will be impartial when choosing suppliers and solutions. Client needs will always be our guide. We welcome strategic partnerships, but will always choose what is best for the client.



“Connecting future technologies”

Objectives

Financial objectives

ÅF shall 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.

Net debt shall be between 1.5 and 2.0 times EBITDA (Net debt/EBITDA) over a business cycle.

Growth objective

Sales of EUR 2 billion by 2020.

Human resources objective

Better balance in the gender ratio. An intermediate target is for at least 30 percent of managers and at least 30 percent of employees to be women by 2020.

Sustainability objectives

ÅF works resolutely to become a more sustainable company. Three overarching focus areas form the basis of the company's sustainability work.

- Sustainable solutions
- Responsible business transactions
- Attractive employer

The goals for these areas extend until 2020.

The focus areas and goals are described in more detail on pages 38–49.

Strategy

ÅF's four divisions work together to create the best solutions and strongest teams for each and every client. The key elements of the ONE ÅF strategy are:

ÅF's business activities are conducted as decentralised operations under one and the same brand and with common processes and systems. A strong corporate culture with shared values ensures that we work together and exploit all of the experience that is represented within ÅF.

ÅF has access to more than 100 million hours of engineering experience – know-how and solutions that are documented in “ONE”, our unique knowledge database that is available to every ÅF employee. This means that:

- Every ÅF employee can make use of the full, combined strength of ÅF.
- ÅF is ready to tackle every technical challenge, now and in the future.

Number one or two in every market

ÅF aims to be the number one or two as measured by sales in the segments in which we operate.

Both organic growth and growth through acquisitions

Our rate of growth will remain high. ÅF will grow both organically and through acquisitions. Half of this growth will come from acquisitions, which must strengthen the company in the selected sectors – energy, industry and infrastructure – and fit well with ÅF in terms of corporate culture. Above all, ÅF's continued growth will occur in its domestic markets and the global energy market.

ÅF's strategy for sustainable development

ÅF's operations are pursued with a focus on doing sustainable business in tune with current market trends such as globalisation, urbanisation and digitalisation, but above all to tackle global challenges such as increasing climate changes.

With technology at the heart, ÅF's core operations continually deliver innovative solutions as part of assignments to create sustainable value for its clients. ÅF's client offering is governed by demands for efficient use of resources, renewables and long-term solutions. Long-term profitability is secured by ÅF

being at the forefront in terms of developing a more sustainable business sector and society. In 2015, ÅF refined its strategy by establishing objectives within three focus areas that highlight the company's key sustainability issues.

Focus areas

1. Sustainable solutions
2. Responsible business transactions
3. Attractive employer

Find out more about ÅF's work with sustainability on pages 38–49.



Nyamko Sabuni
Vice President, Sustainability

What is your view on ÅF's sustainability work from a strategic perspective?

"Fundamentally it's about responding and being equipped to meet the global trends of urbanisation, sustainable community development, sustainable production and consumption, as well as digitalisation. We understand what these trends demand and we have the right expertise to assist clients with intelligent and sustainable end-to-end solutions, which draw on a combination of technologies and skills.

It is in client assignments that we are able to make the biggest difference. Our clients want to be profitable and grow while also wanting to reduce their use of resources. We help them create sustainable processes and products while ensuring that they live up to applicable regulations. By that I mean even the requirements of investors and other stakeholders, as well as the specific requirements of the products throughout the value chain."

How do you achieve this?

"All of our engineers aim to contribute towards sustainable development. We offer sustainable solutions to meet the challenges faced by our clients. We listen carefully when a client presents their requirements, but we are also proactive and at the forefront of developments, so we are able to propose entirely new solutions."

What will be the next steps for your sustainability work in 2016 and going forward?

"We will continue to help our clients develop their businesses in a sustainable way, to make our contribution to the new global development goals adopted by the UN member states. We will also continue to develop our own internal processes in accordance with our Code of Conduct and the UN Global Compact."

Diverse talents for growth and innovative strength

ÅF endeavours to achieve an inclusive corporate culture in which employees are able to grow together. The objective is to create a global skills-based organisation with a collaborative environment that makes the most of its diverse talents.

As a fast-growing company, ÅF is constantly on the lookout for the most talented individuals in the market. The diverse talents that exist within the organisation help to boost innovative strength among clients and in society as a whole, and highlight ÅF as an example to other employers.

One of the most important goals for the HR work is to create a cohesive organisation across country and division borders, with a shared corporate culture and view of leadership and career development. This is a continual process owing to ÅF's rapid growth.

ÅF has acquired 28 businesses over the past three years, and around 1,000 employees have been taken on via these acquisitions. Almost 1,300 employees were recruited to probationary and permanent positions in 2015. The rapid pace of growth underlines the need for a robust common corporate culture,

What have been the biggest successes and what have you prioritised during the year?

"I'm delighted to see how far we have progressed in Universum's Employer Ranking. We've devoted a huge amount of effort to further strengthening our employer brand, from both an internal and external perspective.

We've implemented a number of new initiatives, including our new student programme, ÅF Future Talent. Another initiative is our partnership with the Swedish Public Employment Service, where the aim is to broaden the base for our skills supply by creating internships for immigrant engineers.

We have also carried out a reorganisation within HR aimed at working in a more focused way with issues relating to skills supply, career and leadership development."

What areas are you planning to focus on in 2016?

"Firstly we are going to follow up the results of the 2015 employee survey throughout the organisation. On the whole, the survey produced good results, and now each unit needs to work on any areas that require improvement. We can see that issues relating to establishing the culture, leadership and internal communication need to be continually prioritised and strengthened.

One major challenge resulting from ÅF's growth strategy is the high pace of acquisitions and recruitment. Achieving growth targets requires a professional and efficient recruitment process that guarantees a first-class candidate experience. In 2016 we will be working on this and internal mobility."



Emma Claesson
Vice President, Human Resources & Communications



Zahra Kalantari Engineering PhD (KTH) and land and water treatment technology expert, Infrastructure Division, at ÅF since 2014, Stockholm

“What are you working on and what is the most exciting aspect of your job?”

“I’m a hydrologist and hydrogeologist, and I work as a consultant, mainly on big projects such as the Stockholm Bypass, the East Link and the West Link. I also work as a researcher, focusing on the impact of climate, land and water changes on road and rail infrastructure, as well as strategies and action that can be taken to mitigate and manage this impact. My expertise and considerable commitment, both as a researcher at Stockholm University and as a consultant at ÅF, have generated new opportunities for collaboration between various organisations in society, landowners, responsible authorities and companies.

One project we are working with is producing clear flood maps that highlight areas vulnerable to flooding when water flows reach a certain level. We need to be prepared for the fact that extreme weather conditions are going to be more common.”

along with shared processes, procedures, regulations and systems.

A wealth of different career paths

ÅF is a company that offers plenty of opportunities and exciting challenges for its employees. The company’s size and breadth, with 39,000 assignments spanning a vast number of technical fields and sectors, and 11,000 clients in over 100 countries, mean there are many opportunities for professional development.

ÅF has its own career development framework, called ÅF Career Model. This model highlights the various career paths at ÅF and supports development in different directions, depending on an individual’s chosen career goals. ÅF Career Model extends beyond the traditional career paths such as manager, specialist and project manager. The model is an important aspect of the establishment of a strong, common corporate culture.

Training through ÅF Academy

ÅF Academy is the organisation’s training platform, which supports ÅF’s various career paths. The range of training offered includes a number of different courses – from basic courses for new consultants, to specialist further training that has been tailored to individual needs and client requirements. All courses reflect ÅF’s values and fundamental approach to sound entrepreneurial skills. Lecturers and trainers come from both within ÅF and from external service providers. Besides further training and skills development, the ÅF Academy also helps employees to build a wider network within the company,

which is useful in their day-to-day work and creates openings for new business.

Compulsory management training

In order for ÅF to be able to grow, the company needs talented managers who are good at developing ÅF’s business and employees. In addition to being knowledgeable within their field, they also need to be professional salespeople and communicative and inspiring leaders, capable of building strong teams.

All new managers at ÅF attend a management training programme that includes various components, including leadership, finance and sales.

Talent Management Programme

The EVEN ODDS initiative includes a leadership programme aimed specifically at women. The purpose of the programme is to develop and strengthen a selection of talented women with leadership potential. The programme combines training with sharing experiences, and all participants are offered a senior mentor.

Specialist training

The ÅF Academy gives project managers the training needed to be certified under the European IPMA (International Project Management Association) standard at four different levels. ÅF has more certified project managers than any other company in Sweden. The ÅF Nuclear Academy is a competence development initiative designed to meet the increasingly stringent requirements of the nuclear power industry and its regulatory bodies. The training leads to certification at four levels. The training and certifica-

tion are also open to clients and other stakeholders. Since 2009, 516 people have been certified.

Management training

ÅF’s Business Executive Leadership Programme (BELP) is a joint venture with Stockholm School of Economics Executive Education (formerly IFL) aimed at selected managers. Training is spread over 12 months, during which participants acquire a deeper understanding of ÅF as a company and develop better strategic planning, international leadership and communication skills. It also results in valuable networks within the organisation. The training is arranged every other year and will be carried out again in 2016.

Better balance with EVEN ODDS

ÅF’s overriding human resources objective is to achieve a better balance in the gender ratio among both consultants and managers. One target is for at least 30 percent of managers and at least 30 percent of all employees to be women by 2020. In 2015, women accounted for 23.2 percent of the overall workforce (probationary and permanent), 21.5 percent of consultants and 14.4 percent of managers, and 28.0 percent of new recruits.

The EVEN ODDS initiative – a framework for focused equality work – was launched in 2013 to help achieve the target of a higher proportion of women. ÅF pursues a number of different activities as part of this initiative. Approaches within Employer Branding and recruitment have been reviewed to ensure that ÅF attracts both women and men. There is a requirement that at least one female



candidate must be shortlisted for managerial appointments. For the past two years, the company has been running a focused recruitment campaign, Ladies' Month, involving the recruitment of women only for a period of one month (find out more on page 10).

In partnership with female students at KTH Royal Institute of Technology in Stockholm, ÅF has been pursuing a mentorship initiative that aims to support and encourage young women to choose engineering.

In addition to efforts to improve gender equality, ÅF is also focusing on increasing diversity. In the autumn, ÅF teamed up with the Swedish Public Employment Service and launched a pilot project to attract and recruit more engineers with a foreign background. The programme includes work placements, mentorship, networking and skills development.

Employee survey

ÅF conducts a regular employee survey measuring employees' wellbeing, pride in their work, confidence in their manager and sense of community with their colleagues. The survey is an important tool for ensuring that ÅF retains skilled employees.

In 2015 a full-scale employee survey was conducted, which revealed that ÅF's key ratios, the employee index and the leadership index, remain at the same

high level as in the 2013 survey. Particularly positive outcomes for the year included high figures for cooperation within the team and confidence in line managers. ÅF's employees also believe they have meaningful jobs which make use of their skills and knowledge. The response rate for the 2015 survey was 83 percent.

Each manager is responsible for informing their unit of their own specific survey results and each unit has to define two or three focus areas to work on over the coming year.

Clear salary model

For some years now, ÅF and the trade unions in Sweden have been using their own system to set salaries at a local level. The basic principle builds on the assumption that local managers have the clearest understanding of the scope for salary increases in the context of their own operation's profitability, market situation, demand, performance and development. Managers have considerable responsibility for setting salaries at levels that can be clearly motivated.

Variable remuneration packages as a supplement to fixed salaries are common at ÅF; some are based on the relevant unit's performance, while others are directly linked to individual performance.

A Group-wide salary survey was initiated just before year-end. The aim is to detect, address and prevent unwar-

ranted differences in salaries between women and men in Sweden. The results will lead to an equal treatment plan, which will be incorporated into ÅF's overall equality plan. The project will be completed at the beginning of 2016.

Other benefits vary from country to country depending on local practice and tax rules. Examples include pensions, insurance and company cars. Other examples are a generous wellness allowance for employees in Sweden, and that all employees are entitled to rent one of the cottages or apartments that are owned and managed by ÅF's Employee Foundation.

Procedures and processes for a safe working environment

A health and safety management system was implemented in 2015 with procedures and processes in order to comply with the requirements of the OHSAS 18001 standard. Implementation initiatives such as training and evaluation to minimise health and safety risks were carried out. An external audit based on the requirements of the OHSAS 18001 standard was conducted in 2015 and a few additional implementation initiatives will be completed at the beginning of 2016 to achieve OHSAS 18001 certification.

Another successful Ladies' Month

For the second year in a row, ÅF ran the Ladies' Month campaign in October 2015. During this month, new employment contracts were signed only with women. Any men who qualified for jobs in October signed their contracts the following month.

The campaign resulted in the recruitment of 67 new female employees to ÅF in October, which is an increase of 22 percent compared with Ladies' Month last year.

The total number of women expressing interest in working for ÅF also rose in October.

"We saw a 24 percent increase in female applicants in October, compared with Ladies' Month last year. We've also noticed that Ladies' Month attracts men to ÅF. Gender equality is an important aspect for both men and women when choosing an employer," says Emma Claesson, Vice President Human Resources and Communications at ÅF.

Nyamko Sabuni, Vice President, Sustainability, at ÅF:

"For ÅF, Ladies' Month is a strategic measure to attract more women to the company. We aim for 30 percent of the workforce to be women at all levels by the year 2020, and this is an essential condition for us to continue to be innovative and successful in the future."

ÅF took a new approach in 2015 to help raise awareness of the campaign. A music video was created to accompany the song Curious; a new way of encouraging more women to join the engineering profession. The music video is available on youtube.com.



Johanna Sjöberg (JosJ) is a singer who is also an engineering student at Lund University studying mechanical engineering and specialising in technical design.

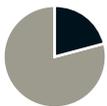


Gender distribution 2015*

*All permanent employees and employees on probationary periods.

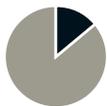
■ Women ■ Men

Consultants



21.5%

Managers



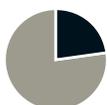
14.4%

New recruits



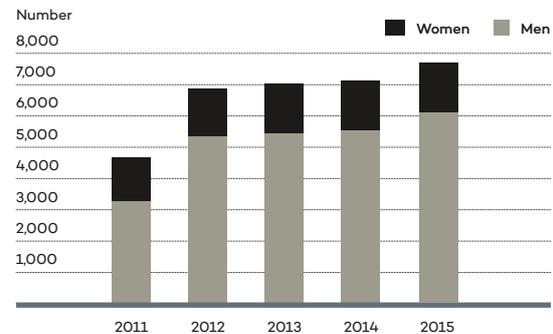
28.0%

Employees total



23.2%

Number of employees (all forms of employment)



“What are you working on right now?”

“I joined ÅF in 2001 and am now working as a technical specialist and project manager, and I'm also helping with sales and mentorship. It's important for me to have the opportunity to take on varied and challenging assignments.

At the moment I'm working on the next generation of mobile satellite communication systems. Developments within satellite communication are very much driven by IT entrepreneurs' investments in space for global internet access and commercial high-resolution Earth observation. We are developing entirely new ways of building, launching and running satellite systems. They can be made much smaller and more cheaply than traditional systems, while digitalisation, software control and new sensor and communication technologies enhance performance and flexibility. Green fuel is also being introduced. It's exciting stuff!”



Johan Tenstam

Graduate engineer, senior consultant with 26 years' experience of mobile communication and sensor systems, Technology Division, Uppsala

Average age ¹⁾

YEAR	2015	2014	2013	2012	2011
	41.3	41.1	41.3	41.1	42.8

Sickness absence ¹⁾

%	2015	2014	2013	2012	2011
	2.5	2.2	2.1	2.0	1.9

Length of employment ²⁾

%	0-2 years	2-5 years	5-10 years	10-20 years	>20
	34.2	30.8	19.7	10.8	4.6

Age distribution ¹⁾

%	2015 men	2015 women	2014 men	2014 women
-29	13.0	5.5	14.4	5.1
30-39	23.0	7.9	23.3	8.0
40-49	19.3	5.9	19.2	5.6
50-59	13.4	2.7	12.9	2.5
60-	8.4	0.9	8.0	1.0
Total	77.1	22.9	77.8	22.2

Education ²⁾

%	2015	2014	2013	2012	2011
Postgrad. licentiate or Ph.D. studies	3.1	3.8	3.5	3.7	3.7
University degree	60.8	59.7	59.5	57.4	54.1
Other post-secondary education	17.6	16.1	15.8	15.6	16.4
Secondary education	18.5	20.4	20.3	23.3	25.8

¹⁾ All forms of employment.

²⁾ Probationary and permanent employees.

Individuals who contribute to a better future

Every day ÅF helps improve society by developing energy-efficient solutions, investments in infrastructure, various types of energy assignments, industrial projects, and much more. ÅF combines technologies in assignments, thus creating new, innovative and forward-looking solutions.

ÅF has been a part of its clients' development and success since 1895. The company has contributed towards Sweden's industrial progress, to welfare and an increasingly and ever increasing sustainable development. This is ÅF's primary strength, and the aspects that it wants to reflect in its brand.

The company's driving force comes from inquisitiveness and the knowledge that exists among its forward-thinking employees. Together ÅF is a company where people have the chance to grow as individuals and as a team. A company that believes equality and diversity make us even stronger, more productive and successful. A company that works hard to make a difference – because the future will always be the result of what we achieve today.

Attracting and retaining the very best employees requires a strong brand that reflects the modern and innovative company that is ÅF today. ÅF has gradually advanced up the ranking lists of attractive employers by implementing a number of targeted initiatives. This year we are proud to celebrate our position as most attractive employer, climbing from 85th place just over 10 years ago.

Favourite among young engineers

For the third year in a row, ÅF was ranked top among young, professional engineers in Sweden. The 2015 ranking list was divided into two categories; one for engineers with a B.Sc. and one for engineers with an M.Sc. ÅF was ranked first among engineers with a B.Sc. and second, after Google, among engineers with an M.Sc.

The survey on Sweden's most attrac-

For ÅF, the drive and curiosity of its employees are immensely important – our consultants form the basis of our business. We need to work constantly on developing and strengthening our employees if we want the business to grow.

Johanna Jarl, Talent Management ÅF

tive employer among engineering professionals was conducted by Universum. In 2015, 3,905 young engineers who have been working for 1–8 years since graduating, took part.

ÅF attracts applicants through Tekniskprånget

Tekniksprånget is a national initiative which the government commissioned the Royal Swedish Academy of Engineering Sciences (IVA) to lead, with the aim of encouraging interest in studying engineering, particularly among women. The young people who are accepted into the programme are offered a four-month internship with the participating companies.

ÅF participated in Tekniskprånget for the first time in 2014 and received applications from 295 individuals. The subsequent report compiled by IVA noted that ÅF is a popular employer with high application numbers, and it also emerged that the proportion of women applying to ÅF is higher than the average for Tekniskprånget.

By 2015, the number of people applying to ÅF for an internship had almost doubled. Of the total of 1,800 applicants, 430 people chose ÅF from the 230 employers taking part. The proportion of women who chose ÅF remained high at 45 percent.

Talented students become ÅF ambassadors

A new student programme, ÅF Future Talent, was launched during the year and began at the start of 2016. ÅF Future Talent is a training and networking programme that takes place in Stockholm, Gothenburg and Lund. There are 18 participants and they come from three countries: Sweden, Finland and Spain.

The programme continues for three terms, starting during the participant's fourth year at university. In the first term there are five seminars at which each student finds out more about ÅF's business, creates a network and is assigned an ÅF mentor. In the second term, students learn more about ÅF's branding work and take on the role of ÅF ambassadors at their universities. In the third and final term the students carry out their degree projects at ÅF.

New university tour:

Have you found your calling?

The university tour, 'Have you found your calling?', was initiated in Stockholm and Gothenburg in 2015. During an evening at ÅF's offices, on the theme of driving forces, the students get to find out what drives ÅF and what drives some of Sweden's top sports stars. The students are also offered a brief personality test, giving them an insight into what

motivates them. The evening also offers an opportunity to meet employees from ÅF's various fields and listen to top athletes Charlotte Kalla's and Susanna Kallur's thoughts on what motivates them. In 2016 the tour will move on to Malmö and Linköping.

Charlotte Kalla is an Olympic gold medallist in cross-country skiing. She entered into a four-year partnership with ÅF in 2014. For more than ten years ÅF has been a major sponsor of Swedish and international sport, and the agreement with Charlotte Kalla breaks new ground in this area. The sponsorship consists of a traditional sponsorship and an educational component where ÅF will use its know-how to prepare Charlotte for life after her sporting career. Hurdles champion and world record holder Susanna Kallur has been working for ÅF since 2006.

The Olympic journey continues

Since 2010, ÅF has been an advisor to four national Olympic committees on green issues, and acts as a resource in developing the Olympic sports from a sustainability perspective. Current agreements extend until 2018 with the national committees of Finland, Norway, Switzerland and Sweden.

ÅF Offshore Race

ÅF has been the proud title sponsor of the ÅF Offshore Race from Stockholm and around Gotland since 2011. Together with the City of Stockholm and KSSS, ÅF moved the start of the race from the outer archipelago to the centre of Stockholm and changed its name from 'Gotland Runt' to 'ÅF Offshore Race', and since then the race has grown year by year. Over 200 boats competed in the 2015 ÅF Offshore Race. Media coverage reached an audience of over 17 million. What a success!

ÅF Offshore Race is a fantastic platform for generating company pride and commitment, attracting new potential employees and building relationships with clients.

In 2015, the race attracted 180,000 visitors to central Stockholm over the course of the event.



Sanna Kallur, Jonas Wiström and Charlotte Kalla talk about what drives them in the panel discussion as part of the 'Found your calling?' tour.



Charlotte Kalla mingles with the students.



ÅF Offshore Race at Skeppsholmen in Stockholm, Sweden.

Future cutting-edge technologies that work together for the client

ÅF is an engineering and consulting company that is strongly rooted in industry, with assignments in the energy, industrial and infrastructure sectors. By connecting forward-looking technologies and competencies, ÅF provides profitable, innovative and sustainable solutions that help boost clients' profitability and competitive edge.

Business model

ÅF's business model aims to create value for clients and other stakeholders by utilising the assets, resources and strengths that exist in the company in a way that helps to achieve strategic growth, profitability and sustainability targets. ÅF's assets include its outstanding employees, the company's financial strength, a solid reputation and brand and well-developed shared processes and control systems.

Operations are also governed by a sound understanding of markets and market conditions in different sectors, and effective risk management.

Project Business is ÅF's offer for major projects and end-to-end solutions. In such projects, ÅF acts as a partner for the client and the company is paid to deliver a solution or outcome. Many years of experience, an understanding of client needs and well-developed systems for sharing knowledge are key success factors in this part of ÅF's business.

The ability to meet client demand for end-to-end management is strengthened within ÅF via a growing number of skills centres and clusters around sectors and clients, such as the automotive industry, defence industry, telecoms and life science.

When a client requires additional expertise or resources within its own organisation, ÅF can offer professional services. Here, the key success factor is being able to respond quickly and provide consultants with the right expertise in the relevant sector or field.

One particular offering is the 'satellite operation', in which ÅF places its own premises at the disposal of a specific client, from which the project team can

work directly using the client's system. The satellite operation enables clients to outsource assignments more effectively. Demand for this service is also on the increase.

Exceptional range of specialists

ÅF has an exceptional range when it comes to the specialist skills offered in each client relationship and within all sectors of industry. The vast range of skills and specialist knowledge found among ÅF's employees and networks means that clients can be offered technical solutions that are one step ahead, and that boost their competitive edge. Sound business acumen and complete independence mean that ÅF's consultants are able to choose the most appropriate solution for each individual assignment.

The offering covers fields of expertise such as product development and IT within the automotive sector, telecoms, defence and life science, process know-how for industrial and energy plants, robotisation of production, production facilities, development of customised business systems, communications system management and IT and civilian security.

In the field of energy, ÅF's expertise extends to transmission and distribution of energy and all types of power plants for all kinds of energy sources, including waste fuels, gas, coal, nuclear power, as well as biofuel, water, wind and other renewable energy sources.

For infrastructure projects, ÅF offers management and project design skills for major projects within most sectors of society, primarily roads, railways and buildings. ÅF has specialist expertise in a

number of areas, such as noise, vibration and acoustic issues, lighting and environmental issues. ÅF's history and roots in an industrial culture with a long-term perspective also represent added value in many client relationships and are a key success factor, particularly in infrastructure projects.

Sharing knowledge in joint projects

ÅF's divisions and skills are increasingly brought together in joint projects and solutions to meet clients' needs. More and more clients are approaching ÅF with the type of project that involves several different technologies. One example is ÅF's expertise within embedded systems, which is being successfully linked with assignments across ÅF Group's client base, to develop everything from software to finished product, in partnership with clients. It can be about autonomous drive and active safety in vehicles, and in the infrastructure area, intelligent transportation systems. When different technologies come together, ÅF's employees need to have a sound understanding of each other's skills, and an ability to share and learn from previous experience from other projects. ÅF's employees also need to be good at understanding the forces that drive society.

End-to-end solutions offer benefits for both the client and ÅF. They create a shared incentive to work productively and efficiently, to draw on previous experience and to make more effective use of human resources.



Four divisions in three sectors

ÅF's four divisions, Industry, Infrastructure, International and Technology, offer technical consulting services in three main sectors: energy, industry and infrastructure. These sectors in turn cover a vast number of industry areas, as well as private and public operations within infrastructure.

The Industry and Infrastructure divisions are established in Scandinavia, while the Technology Division is on the Swedish market. All divisions also participate in international projects, in which the International Division covers the entire range of services in ÅF's markets outside Scandinavia. The divisions always work together to create the strongest teams, producing the very best solution for each and every client.



Energy

Power and heating, hydropower, nuclear power, renewable energy, transmission and distribution, energy markets.

INTERNATIONAL DIVISION

INDUSTRY DIVISION

TECHNOLOGY DIVISION



Industry

Automotive, defence and security, mining, food and pharmaceuticals, forestry, telecommunications, manufacturing, oil and gas.

INDUSTRY DIVISION

TECHNOLOGY DIVISION

INTERNATIONAL DIVISION



Infrastructure

Property, roads and railways.

INFRASTRUCTURE DIVISION

INTERNATIONAL DIVISION

TECHNOLOGY DIVISION

TEN LARGEST CLIENTS

AB Volvo, Astra Zeneca, E.ON, Ericsson, Oslo Lufthavn, Scania, Swedish Defence Materiel Administration (FMV), Swedish Transport Administration, Vattenfall, Volvo Cars

CLIENTS AND MARKET POSITION



Assignments
in 101 countries



Employees
in 34 countries



Market leader in Sweden, market share approximately 15%



The ten largest clients
accounted for 32% of
total net sales

Unique and growing network

ÅF's network is a unique resource centre of 27,000 engineers, including self-employed consultants, pensioners, graduates and researchers. Together with ÅF's own employees, numbering around 8,000, the network presents an outstanding opportunity to offer clients the most suitable consultant for every job. This growing network gives clients access to a vast and unrivalled bank of knowledge and expertise. In 2015, an average of just over 400 new members joined every month.

Effective system support makes finding suitably qualified consultants quick and easy. Both employees and members of the network can subscribe to updates on available assign-

ments and register their interest themselves.

All consultants hired by ÅF for assignments are quality-assured in three stages. The first step is a competence profile that is entered into the system. Next comes an interview, and references are obtained. Once an assignment has been completed, there is the third step of the quality assurance process, where the client gives an opinion on the consultant's performance. This quality assurance process means that clients can rest assured that ÅF will always choose the most appropriate people for every assignment.



Indoor network solves mobile coverage at NKS

New Karolinska Solna (NKS) aims to be one of the most sustainable university hospitals in the world. However, the buildings are so energy-efficient that they are blocking the radio signal from the public mobile network, making it impossible to use mobile phones. In order to resolve the issue, an indoor network is being built.

ÅF is responsible for project design and project management. The network is operator-neutral and modular to facilitate upgrading. The indoor network also cuts energy consumption and reduces exposure to radiation, while providing an improved working environment and longer battery life for mobile phones.

Solutions for a better future

Hospital of the future developed in Malmö

ÅF has signed a significant contract with Region Skåne for the development of modern hospital facilities in Malmö. ÅF's contribution to the project will be key expertise and the design of technical installations in the hospital's new central building, which will be sustainable, flexible and adaptable, to offer high quality and safe care in the future. For example, to satisfy new infection control requirements, the wards will largely comprise single rooms with their own washing facilities.

Dam provides effective flood defence

In Arvika municipality, with its 26,000 inhabitants, ÅF is designing the construction of a dam outside the town of Arvika to protect the area and its population against future flooding events. The project includes a high-capacity pumping station. Arvika is the first municipality of its size in Sweden to make such an investment.

The municipality's aim is for the investment is to improve safety for its residents and reduce future expense. It is anticipated that the dam will see use every six years.

Electric bus benefits environment and passengers in Landskrona

The research project Slide In, funded by the EU initiative EU Life+, has designed, ordered and put into operation a battery powered bus in Landskrona. The project is unique in that it focuses on battery powered buses that continually charge while in operation. ÅF designed the bus itself, developed the communication software between the bus and database servers, designed the database solution and has provided data for the purposes of research. ÅF is also responsible for operating the database server from its data centre in Åmål. A client survey reveals that 93 percent of passengers on the Slide In bus are either "satisfied" or "very satisfied" with the bus.





R&D project transforms Turkey's electricity distribution network

The Turkish power system is going through a period of extensive change. Demand for better service quality is growing, the production mix is changing and IT usage is increasing in the power sector's business processes.

In this process, and with the support of ÅF, various distribution companies applied for and received government funding for R&D activities. ÅF has participated in 15 projects with various distributors in 2015. ÅF in Turkey will also continue to participate in new projects that help electricity distributors on their way towards high-quality operations and infrastructure.

Modern automation system streamlines processes

ÅF will upgrade the automation system in Ekokem AB's incinerator in Kumla and replace five outdated separate systems with a new combined system from ABB. After the upgrade, Ekokem AB will have a secure and modern automation system that can be easily expanded when necessary. Furthermore, remote connection during implementation means lower travel costs and less environmental impact.

Traffic simulations support planning of new Slussen

The reconstruction of Slussen in Stockholm is one of the most complex infrastructure projects in Sweden's history.

Slussen is going to be demolished and rebuilt, while Sweden's second biggest public transport hub needs to continue to function for almost half a million passengers everyday. ÅF has developed and simulated the provisional solutions for public transport to ensure everything works during the construction period.



Sustainable living conditions after major dam project

ÅF is participating in the construction of a dam and a large water reservoir for the new hydropower plant Lai Chau in northern Vietnam. In conjunction with this, ÅF has been commissioned to support the implementation of the power plant's environmental and social action plan and ensure that the people in the area who need to move receive support that complies with international safeguards and guidelines. Over the next three years, the project is meant to ensure that the affected people and households are able to support themselves and that their situation in their new surroundings is sustainable.

Lighting effects enhance road safety

Research reveals that variation and visual stimuli improve driver alertness and concentration on the road. The Norwegian Public Roads Administration has therefore decided to improve road safety by introducing various types of lighting along a 44-km stretch north of Oslo. To support this, ÅF has developed the 'Pulse' concept, featuring road lighting solutions that include scenographic elements to increase attention and reduce monotony. So far ÅF has installed 10 lighting stations between Dal and Kolmoen on the E6 motorway.



Growing cities increase demand for sustainability and digitalisation

ÅF is an engineering and consulting company that focuses on three sectors: energy, industry and infrastructure. The company's base is in Europe, but its business and clients extend right across the globe. The conditions and the needs that fuel demand therefore vary both geographically and depending on the degree of economic development.

Major worldwide trends such as globalisation, urbanisation, digitalisation and needs based on the trends that exist govern demand in virtually all of the sectors and industries where ÅF operates, regardless of regions and markets.

One of the most significant trends is urbanisation, which is persistently strong in the industrialised world and even stronger in emerging economies, where populations are growing as industrialisation increases and welfare improves.

Growing cities increase demand for sustainable solutions. This demand applies to everything from improved transport solutions, reduced climate impact and resource management, to better quality of life. Factors that affect people's everyday lives, including better housing, effective public transport, cleaner air, less noise and improved lighting, are all key drivers towards a sustainable society.

In turn, globalisation means that primarily industrial clients face increasingly tough competition and price pressure, and in this sector there is a strong need to reposition and advance up the value chain.

Digitalisation, or the connected society, means that IT solutions are becoming an increasingly important element in projects within all three sectors; energy, industry and infrastructure. IT solutions will be increasingly found in, for example, intelligent vehicles and intelligent, energy-efficient buildings, but also in the major energy and transport systems. Increased use of IT is also supporting the journey towards a more sustainable society through more efficient use of resources.

All in all, the major social trends involve challenges, but primarily major opportunities for an engineering company with ÅF's breadth and diversity of skills. The large and increasingly com-

plex projects that clients are demanding within infrastructure planning and industry require the ability to take a comprehensive approach and to get different technologies to work together and benefit from each other. This leads to new working models and forms of cooperation, as well as the creation of new interfaces between industries and sectors, with IT as an increasingly important element. ÅF, with its extensive industrial experience within both development and processes, has an advantage in being able to reuse, further develop and link these experiences in entirely new areas.

- ⊕ **Urbanisation is fuelling investments within all of ÅF's sectors**
- ⊕ **Growing cities are increasing the need for sustainable solutions**
- ⊕ **IT solutions are increasingly important in all major development projects**
- ⊕ **New interfaces between industries and sectors are an advantage for ÅF**





- + Market demand for energy-efficient solutions
- + Growing need for capacity in emerging markets
- + Renewable energy on the increase, but continued need for all types of energy
- Low investment levels in Europe

Continued need for investments in emerging markets

The international market for energy technology and consultancy services covers various advanced services that extend throughout the entire project period, from pilot studies, project engineer services, project management, implementation and commissioning, to operation and maintenance. ÅF is one of the leading names in this area.

Despite the recent decline in the global energy market, persistent economic growth in Asia – particularly Southeast Asia and India – will drive a continued increase in global demand for energy.

Demand for engineering and consultancy services within the energy sector is fuelled by improvements in energy efficiency, sustainability issues and the need for reliable energy production, as well as for new capacity in fast-growing markets. Rapid industrialisation, population growth and extensive urbanisation in non-OECD countries requires investment in infrastructure, particularly

within energy, transportation and water supply. For the foreseeable future there will be growth potential for new investments in energy supply, as well as renovation and upgrades to outdated installations. Energy storage solutions and the extension and more efficient use of the power grid will require major investment both in OECD and non-OECD countries.

In many emerging countries, guaranteeing a reliable supply of energy is a significant issue. The energy market is largely dependent on national political decisions, which are implemented by local authorities. The weak profitability experienced by many energy companies, including state-owned companies, is forcing local authorities to approach the private sector to encourage investment in power generation. At the same time, political ambitions to make the transition to more sustainable sources of energy are affecting investment decisions. Sustainability has become a global requirement that demands new models

and innovative and cost-effective solutions.

The 2015 UN climate conference in Paris urged key economic and financial players to help tackle climate change. The political commitment to phasing out fossil energy sources and increasing the proportion of renewables in global energy production will continue to be restricted by economic and technical obstacles. Meanwhile, energy intensive industries and transportation require continuous and reliable deliveries. This means that fossil fuels – oil, coal and gas – along with nuclear power, are still the primary sources of energy for new production plants in emerging regions. Production of renewable energy will continue to increase globally.

ÅF's services cover all types of energy, and high capacity within renewable energy means the company is well equipped to cope with anticipated growth in these areas.



- + Increasing demand for end-to-end solutions from industrial clients
- + Continued need for investment in production and product development
- + Automotive, forestry and pharmaceutical industries displaying high demand
- Weak economies in parts of Europe

Global competition – a driver for industrial sector

Most of ÅF's industrial clients are based in the Nordic region, but an increasing number of clients worldwide are using ÅF's industrial know-how. The market is largely driven by the need to streamline and rationalise production and the need for product development among the major exporters.

Demand in the industrial markets is fundamentally governed by the global competition faced by many of the industrial companies. Shorter product life cycles require constant product development featuring new, innovative and sustainable solutions. More efficient production and use of materials is essential in order to retain competitive edge and profitability.

Almost all project assignments demanded by clients have a link to sustainability, which is an ongoing theme throughout the entire value chain, from choice of material and design, to suppli-

ers, production and the product's performance and usage.

Meanwhile, we are seeing greater complexity in clients' production processes, such as the use of IT in both processes and products. One example is the automotive industry, where there is a strong demand for expertise within active safety and driverless vehicles.

Another trend is that industrial companies are increasingly opting for fewer and larger suppliers that can deliver a combined range of skills. This creates growth potential for companies that are able to deliver comprehensive, multidisciplinary project assignments. Product development on the other hand is often defined as part of the client's core business, but the trend in demand for such services is also on the rise, which means consultants are engaged either as part of the client's project or in projects led by ÅF.

In the industrial sector, ÅF works mainly with companies in the automo-

tive, defence, mining, food and pharmaceutical, power generation, forestry, telecommunications and manufacturing industries. ÅF can offer specialist skills within essentially all industries and can be a strategic partner for not only IT and product development but also process and production development. Furthermore, ÅF possesses world-class expertise in certain areas, for example automotive, industrial automation and robotisation, as well as embedded systems.

The potential for growth lies in a strong need among clients to produce cost effectively, with high quality and sustainability. Client demand for major end-to-end solutions gives ÅF a competitive advantage through the company's ability to put together specialist project teams based on client needs, and ÅF's breadth of knowledge of different industries.



- + Strong market growth in Sweden and Norway
- + Greater demand for intelligent buildings and transportation systems
- + Europe's railways heading towards major technological shift

Urbanisation creates demand for smart buildings and transportation systems

ÅF's market for infrastructure projects is found mainly in the Scandinavian countries and the Czech Republic. Clients include both public and private sector businesses within infrastructure planning and the property sector. The market has in recent years been characterised by relatively high levels of public investment.

Although the markets for infrastructure projects are largely national, they are still driven by global trends. These are primarily rapid urbanisation, the move towards sustainable communities, greater demand for a healthy living environment and increasing life expectancy.

All trends contribute towards a growing need for effective transport solutions, with significant investment in roads and rail traffic, with current projects including the high-speed East Link railway between Stockholm and Linköping, and the West Link in the

Gothenburg region. They also boost demand for intelligent buildings and transportation systems featuring advanced IT, as well as expertise within such areas as lighting and acoustics.

Major technological shifts are emerging within roads and railways. For railways, developments are being partly driven by the new cross-border traffic management systems that have been adopted in Europe. For road traffic, a greater number of IT and automation features in vehicles is a significant factor, particularly opportunities for interaction with infrastructure systems.

As far as buildings are concerned, demographic trends, including an ageing population, have contributed towards the structural changes currently underway within healthcare systems, with investments in highly specialised hospitals featuring greater technological content. ÅF has built up considerable expertise with regard to the modern hospital, involving highly complex projects in

terms of both buildings and equipment.

ÅF participates in many of these extensive projects and has a major competitive advantage in its ability to handle the large and complex technological shifts that are occurring towards increased use of IT and automation, to improve efficiency both in buildings and transportation systems for roads and railways.

Infrastructure is the most consolidated part of Sweden's technical consulting industry, especially when it comes to roads and railways. The five largest companies in this area, of which ÅF is the second largest, command 60–70 percent of the Swedish market. The market for technical consulting services in the property sector, where ÅF has a leading position, is more fragmented, with many different players of various sizes.

Expanded offering and more end-to-end solutions

The Industry Division is the Nordic region's leading consultant in product, process and production development. Its mission is clear: to boost clients' profitability and competitive edge. Experience from previous projects guarantees stability 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.

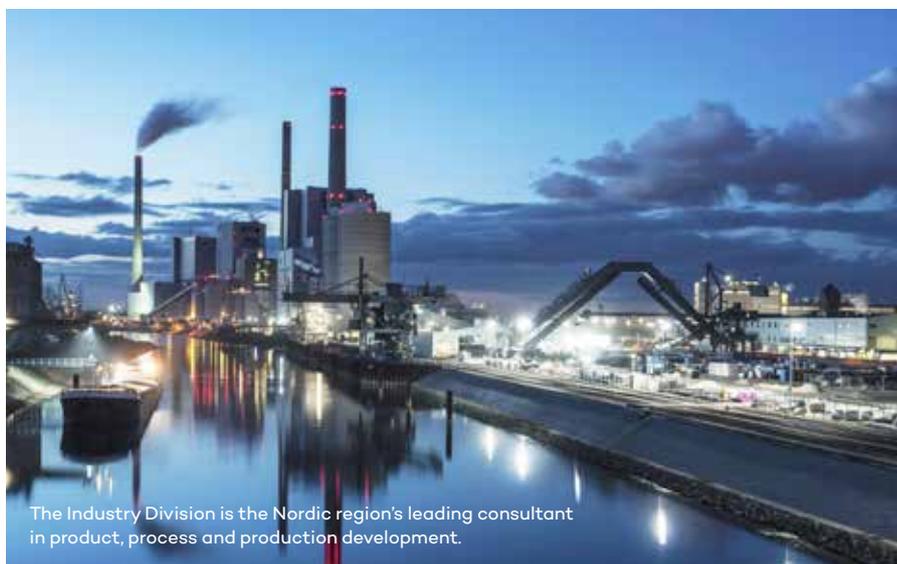
The industrial market in Sweden stabilised in 2015, and at a somewhat higher level compared with the previous year. A marked increase in demand was noted, mainly from the automotive, food and pharmaceutical industries. The forestry industry also performed well. The energy and commodities markets remained weak with low willingness to invest, but the division's size and flexibility mean that it has the resources to be able to redistribute between industries, which has made a positive contribution to the division's profit. A persistent trend of clients preferring to work with fewer, larger suppliers able to provide end-to-end solutions is also benefitting the division.

Incoming orders for fixed-price projects are steadily increasing.

Offering and clients

The combination of a broad offering and specialist expertise allows the Industry Division to take responsibility for all phases of a project for its clients, from the early stages such as feasibility studies and design, to later stages including implementation, commissioning and follow-up. Areas of expertise that are particularly important for our industrial clients include process know-how, electrical power transmission and distribution, mechanical engineering and plumbing, industrial automation and robotisation of production. The Industry Division has world-class expertise in several of these areas.

During the year, the division was strengthened by the transfer of two business areas focused on vehicle development and mechanical design from the Technology Division. The integration of



The Industry Division is the Nordic region's leading consultant in product, process and production development.

these business areas, which originated from the acquisitions of PRC Engineering (pharmaceutical) and LeanNova (automotive), was fully completed by the end of 2015. The change means that most of ÅF's industrial clients have now been gathered together within the Industry Division, creating a more complete range of services in product, process and production development. The division employs around 3,300 people with skills within these areas for industrial and energy clients.

Clients' demand for end-to-end solutions means the division's projects are often of a multidisciplinary nature, for example assignments where automation and industrial IT are combined to link up clients' business systems with production. Projects often draw on skills from all of ÅF's divisions.

Work continued in 2015 on adapting the organisation to market demand for

such end-to-end solutions. One example is the creation of project centres, which function as expertise hubs for a particular industry, such as the automotive sector. Geographical competence centres are also being established focusing on clients and industries, in order to build up a strong local presence.

A key competitive advantage for the division is ÅF's financial strength and stable ownership. These factors reassure the client that the division has the capacity to implement large and complex projects. Geographical coverage is also a significant factor. The Industry Division has offices in over 60 towns and cities across Scandinavia, and 2015 saw the establishment of new offices in Brazil, China and the UK. In addition, the division runs projects and has a presence in 63 countries.

End-to-end projects increasing

A new energy contract was signed with Härjeåns Kraft to lead the construction of Tännfallet's new power plants in Härjedalen, an end-to-end solution in which ÅF will staff the entire project organisation from project and construction management to project planning and procurement support. Other energy-related contracts were signed with clients including Karlshamns Energi, Fortum Värme, Uniper, E.ON and Ekokem, as well as with Norske Skogs Saugbruks for extraction of biogas from wastewater. At the end of the year, ÅF and Svenska kraftnät signed a new three-year framework agreement covering technical consulting services. ÅF also won two safety review assignments from OKG.

New agreements were signed within forestry with Metsä Board, Stora Enso Pulp and South African pulp producer Sappi.

Significant contracts were signed in other industries with clients like Volvo Cars, LKAB and Octapharma. The Division was also chosen to design a new dam in Arvika to prevent future flooding.

These are just a few examples of assignments in which the division takes responsibility for projects as part of an end-to-end solution.



DID YOU KNOW...

The Industry Division has 1,400 automotive engineers with world-class combined expertise and the ability to design and build an entire car.



Per Magnusson
President of the Industry Division

What's your view of the challenges and successes the division has experienced over the past year?

I'm incredibly proud of how well things have gone. We've built up an entirely new concept and offering for our clients through key acquisitions and by expanding our skillset within industrial design and product development. There has been wide variation in economic performance between industries, with some racing ahead while others lag behind. The division has a way of dealing with these fluctuations. Our broad industry expertise and our sophisticated project methodology have enabled us to respond to demand in those sectors that are seeing increased activity by shifting resources from sectors that temporarily have a lower level of project activity.

What are your expectations regarding developments in 2016 and going forward?

The reorganisation and integration of our strategic acquisitions during the year has given us a more comprehensive offering and made us a more competitive project and engineering partner for industry. This places us in an excellent position for the coming year to help boost profitability among our clients and serve as a long-term partner for them, with the shared goal of strengthening their competitive edge. We are also aiming to become more involved in the major infrastructure projects together with the Infrastructure Division, along with increased international participation with our International Division. We already have assignments in a large number of countries and the conditions are there to win market share in new areas and on new geographical markets.

Key figures

	2015	2014
Net sales, SEK m	4,247.5	3,805.1
Operating profit, SEK m	379.9	346.3
Operating margin, %	8.9	9.1
Average number of FTEs	3,278	2,915

The historical figures above are adjusted based on the organisational changes implemented on 1 July, 2015.

Domestic markets

Sweden, Norway and Denmark

Other markets

Involved in projects in 63 countries

Share of Group

NET SALES



43 %

PROFIT



45 %

Safety review at Oskarshamn nuclear power station

In two assignments for OKG, ÅF is assisting with resources to conduct a primary safety review, as well as an overall assessment of safety and protection in three reactors.

The primary safety review relates to documentation for an application for transition to routine operation after increasing capacity at the world's largest boiling water reactor, Oskarshamn 3.

The second assignment is to produce an overall assessment of the plants' safety, radiation protection and physical protection – an internationally established evaluation that needs to be carried out at least once every ten years, in accordance with the Swedish Act on the Use of Nuclear Technology. The procedure is called a Periodic Safety Review (PSR). The evaluation will be carried out for all OKG's reactors.

ÅF currently competes with the industry's biggest suppliers when it comes to nuclear power expertise and implementation capacity. By choosing ÅF, OKG has gained access to both national and international experience within both areas. Since the work is also happening remotely, ÅF has been able to provide expertise from across Sweden, which would not have been possible if a 100-percent onsite presence had been required. In addition, it cuts the amount of travel considerably, which is both environmentally and economically beneficial due to reduced emissions of CO₂.

The nuclear power industry has to date been extremely restrictive in outsourcing this type of major assignment. But economic pressure in the industry is motivating players to think along new lines. In response, ÅF has been working long-term to package services such as PSR as a complete offering. The packaging of PSR has enabled ÅF to also market services on the international nuclear power market in collaboration with the International Division.



Ulrika Wretås, Section Manager Safety and Quality,
Internal Audit at OKG



What is special about a PSR assignment?

"It's a huge assignment that goes right to the heart of operations. We have major projects and we've decided to outsource this analysis work as an assignment. The big advantage for us is that besides providing the documentation for action and improvement needs, it also provides a vision of the future. For example, it helps us see what technical developments are in the pipeline and how we can be proactive about embracing these new conditions."

Parts of the assignment are being carried out remotely.

How does this benefit OKG?

"Within the framework of our strict requirements as regards IT security, ÅF's end-to-end solution means we have access to both the best expertise and delivery, while minimising journeys by road and air. The environmental aspect is an added bonus for us."





Strong organic growth and several new acquisitions

The Infrastructure Division enjoys a leading position in the Scandinavian market for technical solutions for infrastructure projects. One of the division's strengths is a broad offering of innovative, hi-tech and sustainable solutions that boost client profitability and target fulfilment, and increase the division's market potential.



Public and private sector investments in infrastructure and buildings remained at high levels during the year.

In 2015, the Infrastructure Division continued to win new market share and grow with good profitability. Public and private sector investments in infrastructure and buildings remained at high levels in 2015 in both Sweden and Norway. Furthermore, several major projects are being planned that when combined with ongoing projects extending over several years offer good prospects for a persistently high level of activity for the division.

Significant drivers for the division's business dealings are heavy investments in new and existing infrastructure and interest in sustainable and profitable investments in the operation of properties. The division's industrial and innovative solutions for the infrastructure planning sector and its well-functioning time and cost management systems in projects remain extremely popular with clients.

Organic growth has been strong and the division recruited more than 460 new employees during the year. Recruitment is taking place in all business areas, with the main focus on project management and road and railways. In addition, almost 300 new employees joined through the acquisitions of EQC Group, Markitekten, LEB Consult and Österjörn, as well as Erstad & Lekven Oslo which became part of ÅF at year-end.

In December 2015, ÅF and the Norwegian engineering and consulting company Reinertsen decided to gather their Norwegian operations in infrastructure, construction and installation in a jointly owned company ÅF Reinertsen AS, with around 350 employees. The combined operations form the basis for further investment in the Norwegian infrastructure market. At the same time it was decided that ÅF will acquire Reinertsen's Swedish infrastructure, construction

and installations operation, with 185 employees in Gothenburg, Stockholm, Malmö and Luleå.

The division now has just over 2,800 consultants who work with modern infrastructure and real property. Sales rose by 15 percent, of which 8 percentage points was due to organic growth.

Offering and clients

The Infrastructure Division offers consulting services for infrastructure development within six business areas: Installation (Buildings), Road and Railways, Sound and Vibration, Lighting, Project Management and Environment.

The division's consultants bring various skills together to create pleasant and sustainable social environments in which people can live, work and spend their leisure time. It could involve anything from project design of roads and public transport, to creating hospitals of the future, housing and road lighting. Sometimes the assignments are small, individual projects, and sometimes long-term, often innovative end-to-end solutions.

The trend towards integrated solutions in anything from buildings to transportation systems is a huge advantage for the division. ÅF's experience of the industry's rapid, systematic and process-oriented approaches is utilised to create new development opportunities for infrastructure projects.

The division's clients are found mainly within the public sector, Swedish industry and in the Nordic property and infrastructure market. In addition, the division carries out targeted measures all over the world. Approximately 2,800

members of staff work in some 60 offices in Sweden, Norway and Denmark.

Solid project portfolio provides long-term peace of mind

In the Buildings business area, ÅF's installation experts were involved for the third year running in the winning Building Project of the Year (Årets Bygge), which in 2015 was the Rådhuskvarteret district in Kristianstad.

ÅF further consolidated its position in 2015 as the leading consultant in Sweden for planning, new construction and upgrades to hospital projects. Major hospital projects include the development of the hospital of the future in Malmö, Uppsala University Hospital, Vrinnevi Hospital in Norrköping and Helse Sør-Øst's new hospital in Østfold, Norway. The order value for ongoing hospital projects is more than SEK 350 million.

The Road and Railways business area has grown rapidly and is now the division's largest business area. The strategic initiatives taken in northern Sweden to develop ÅF's infrastructure planning offering have turned out well, and in the first quarter ÅF won two contracts from the Swedish Transport Administration for improving infrastructure in and around Sundsvall.

ÅF has solid experience of running large international infrastructure projects and the company has a major competitive advantage in its ability to manage the large-scale, complex technological shifts that are happening. Significant undertakings among ÅF's large ongoing infrastructure projects include the Stockholm Bypass, the high-speed East Link railway, the West Link in Gothenburg, along with the extension of Gardermoen Airport in Oslo. The order portfolio with its major projects forms a secure base for the Division's operations.



DID YOU KNOW...

The Infrastructure Division hired just over one consultant a day in 2015.



Mats Pålsson
President, Infrastructure Division

What's your view of the challenges and successes the division has experienced over the past year?

We have positioned ourselves well in relation to the major trends that are driving our business. Urbanisation, an ageing population, the need and demands for sustainable solutions are some examples of the mega-trends that are fuelling the needs of smarter, sustainable communities.

We have also seen healthy growth, both organic and through acquisitions, which further strengthens our client offering. We now have the opportunity to work with Reinertsen to develop a shared offering in the interesting infrastructure market in Norway. Reinertsen's Swedish operation, along with the other acquisitions during the year, will also be a welcome addition to our division. There are many interesting projects in this market where we will be able to offer even better solutions to our clients once these transactions are complete.

We have seen a healthy influx of orders during the year, with growth of 15 percent.

What are your expectations regarding developments in 2016 and going forward?

There is a considerable amount of work involved in all the projects that are to be implemented, spanning several different technical areas, which creates demand across the whole Group. We have a strong base to build from and I expect us to maintain the same high pace of growth as before, and to continue winning prestigious projects and market share.

We are constantly looking ahead and recruiting new skilled employees based on what we see as new, emerging patterns in demand. The BIM modelling of the Stockholm Bypass is one successful example of where our employees, using past skills within game programming, have brought new angles. It's fascinating to see how different areas of expertise unite to create added value for our clients.

Key figures

	2015	2014
Net sales, SEK m	3,146.8	2,730.0
Operating profit, SEK m	346.8	296.6
Operating margin, %	11.0	10.9
Average number of FTEs	2,254	1,930

Share of Group

NET SALES



32%

PROFIT



41%

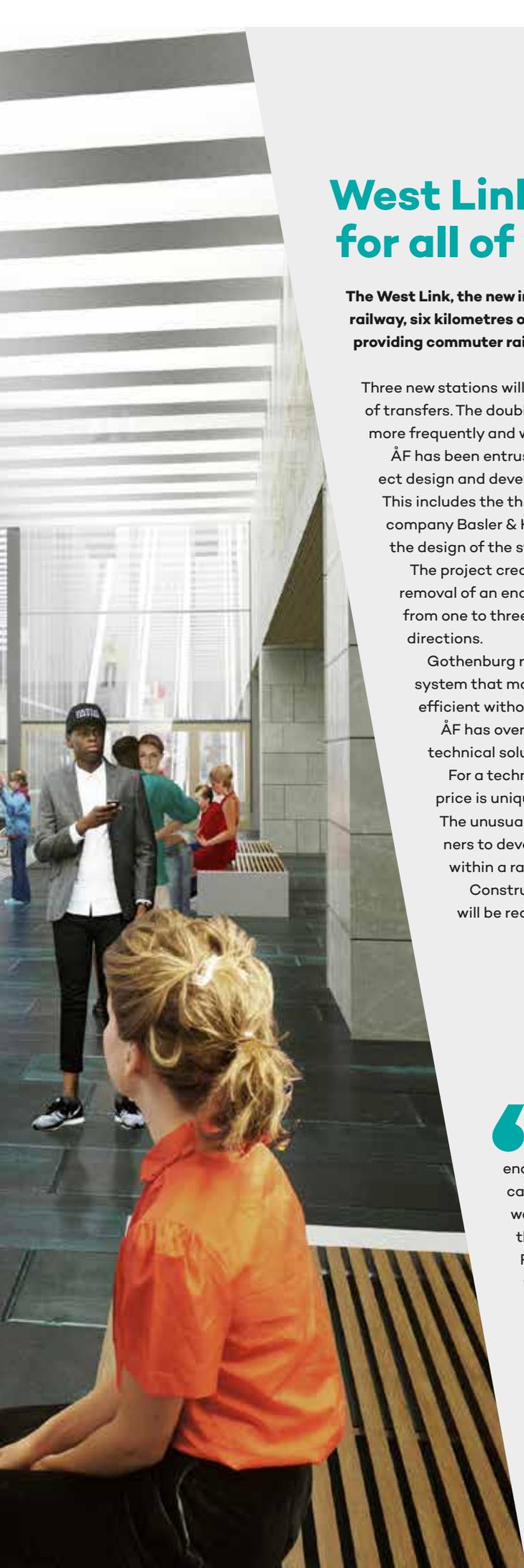
Domestic markets

Sweden, Norway and Denmark

Other markets

Assignments are carried out all over the world





West Link makes travel easier for all of western Sweden

The West Link, the new infrastructure project in Gothenburg, is an eight kilometre long railway, six kilometres of which run through a tunnel underneath central Gothenburg, providing commuter rail connections throughout the city.

Three new stations will make travel simpler and faster for passengers, while cutting the number of transfers. The double-track railway and several new stations will mean that trains can run more frequently and with shorter journey times.

ÅF has been entrusted by the Swedish Transport Administration to produce a detailed project design and develop the tender request documentation for the entire West Link project. This includes the three stations and tunnel sections in between. ÅF is working with the Swiss company Basler & Hoffman with regard to technical solutions, and with White architects on the design of the stations.

The project creates a sustainable, accessible environment for rail traffic through the removal of an end station and by increasing the number of stations in central Gothenburg from one to three. Furthermore, it will make passenger traffic through the city faster in all directions.

Gothenburg residents and travellers to and from the city will gain a modern transport system that makes the local feeder system, in the form of tram and car traffic, more efficient without the need for additional capacity.

ÅF has overall responsibility for the project as a fixed price and also delivers the best technical solutions by engaging cutting-edge, international expertise within the field.

For a technical consultant to take on an assignment of this magnitude at a fixed price is unique in Sweden, and simplifies project management and cost monitoring. The unusual arrangement of the project gives ÅF the opportunity to work with partners to develop and use its forward-looking solutions, built on technical expertise within a raft of different areas.

Construction on the West Link is expected to start in 2017/2018 and the railway will be ready for use in 2026.



Bo Larsson, West Link Project Director,
Swedish Transport Administration



What are the primary sustainability aspects of this project?

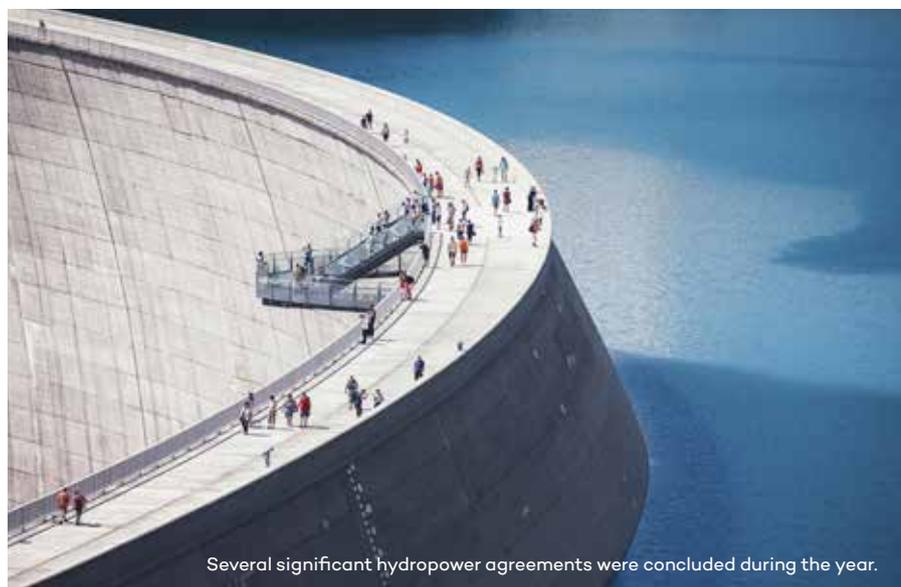
“Gothenburg and the surrounding area is a region that is experiencing significant growth. Meanwhile the railway system is being used at full capacity. So if Gothenburg is to be able to continue growing in a sustainable way, the rail network needs to be expanded considerably. This will benefit those who commute to work from other areas by simplifying their journey. For those who live in the city, it will hopefully reduce the amount of road traffic and therefore mean less noise and pollution.”

How is the Swedish Transport Administration working innovatively?

“We want to work with a forward-looking approach to develop the industry. On this occasion we chose to run the procurement process differently, with full responsibility at a fixed price. ÅF produced an excellent bid with an innovative approach, which showed they had understood our intentions and what we were looking for. They also bring international expertise, which is an added bonus. The bidding process included a two-month planning period, during which we agreed on a fixed-price solution that we are extremely happy with.”

Strong order intake in South East Asia, the Middle East and Africa

The International Division offers engineering and consulting services mainly within energy, but covers all ÅF's sectors. The division runs projects in more than 80 countries around the world. The division enjoys a strong position within renewable energy, thermal power, hydropower and nuclear power.



Several significant hydropower agreements were concluded during the year.

The energy markets in South East Asia, Africa and the Middle East remained strong during the year, both for new power plants and the renovation and extension of existing power plants. Orders from the regions doubled compared with the previous year. The Latin American market weakened, however, mainly because of problems in Brazil, Latin America's largest economy. In ÅF's domestic markets in Europe, energy companies' appetite for investment remained weak, but the decline showed some signs of having bottomed out. However, there is demand for renovations, upgrades and new hydropower.

Looking at the division's various areas of expertise, the hydropower market continued to be strongest, along with transmission and distribution. Globally, demand for energy conservation studies and efficient distribution solutions is

increasing, driven by an increased focus on environmental issues.

The division's net sales and profit improved by 4 percent and 35 percent, respectively. The improvements in profit are a result of the selective restructuring efforts undertaken in 2014 and the fact that the division gradually managed to increase the number of projects outside Europe.

Offering and clients

The division's expertise in the energy sector covers the transmission and distribution of energy and all types of power plants for various energy sources: water, coal, gas, biomass and waste fuels, nuclear and renewables.

ÅF is able to offer its clients broad expertise covering the entire spectrum of power generation as well as the entire life cycle of an investment. Since ÅF is

not dependent on type of energy, the division can always suggest what is best for the client. Moreover, the division's experts possess knowledge about each type of technology that various suppliers use, for example in nuclear power. This is also important in ensuring ÅF's independent position. The division has key technical and scientific expertise in the complex and demanding environmental aspects that come with major energy projects.

Clients are mainly private players such as the power industry and energy distributors, but also include financial institutions, investors and government agencies. Projects often extend over several years.

The division's clients are located worldwide, and meeting with them requires a local and regional presence. The International Division has assignments in more than 80 countries and employs over 900 experts in 26 offices, helping its clients realise both large and small projects.

Important markets in which the division is well established with strong hubs are the Czech Republic, Switzerland, Finland, Spain, Turkey, India and South East Asia. Over the past year, the Division has also established new sales organisations in Saudi Arabia, Indonesia and Vietnam.

Significant hydropower agreements

Several significant hydropower agreements were concluded during the year. One example is the division's order from Pumpspeicherkraftwerk Koralm GmbH regarding construction of a hydropower plant in Austria. It will be the largest in

the country when it becomes operational. An extended agreement was concluded in Switzerland for a major hydropower project there. A new hydropower agreement was signed in the United States, and agreements were concluded for a pumped storage power plant with a client in Saudi Arabia and for increasing the capacity of a hydropower plant in Thailand.

Several agreements have been extended, including the continued operation and maintenance of an Indonesian power plant. ÅF has also procured a project management assignment for improving electricity generation and distribution in Tajikistan, an assignment in a district heating project in Bulgaria and a transmission project in Macedonia.

Several studies have been entrusted to ÅF, including reformation of the energy sector in Albania and reformation of energy prices in Egypt. The division was also commissioned by the governments of Kenya, Uganda and Rwanda to do a feasibility study for an interconnection project aimed at a joint energy market.



DID YOU KNOW...

The International Division works with clients from A to Z: from Albania to Zimbabwe and in more than 80 other countries.



Roberto Gerosa
President of International Division

What's your view of the challenges and successes the division has experienced over the past year?

It's been a good year for the division, with improved profit and an increased inflow of orders. We have successfully strengthened our market position in the Middle East, Africa and South East Asia, and are thus able to compensate for continued weak domestic markets in Europe.

I also welcome the turnaround that we achieved in the Spanish operation during the year.

What are your expectations regarding developments in 2016 and going forward?

We have shown that we are well positioned to adapt to a business dynamic where certain markets go down or stand still, while others grow and even flourish. This bodes well for the coming years. We'll also continue to build on our strong local presence through our offices in 26 countries, where we have built up good knowledge of the markets. This also means that we can continue to expand our offering from other divisions to selected markets.

Key figures

	2015	2014
Net sales, SEK m	1,078.1	1,038.1
Operating profit, SEK m	73.1	54.2
Operating margin, %	6.8	5.2
Average number of FTEs	820	964

Share of Group

NET SALES



11%

PROFIT



9%

Domestic markets

Switzerland, Finland, the Czech Republic and Spain

Other markets

Involved in projects in more than 80 countries

Modern RCC dams with recycled ash in Vietnam

ÂF is a world leader when it comes to RCC dams (Roller Compact Concrete) and has built up unique experience of planning and designing such projects. The most recent is the hydropower plant Lai Chau in Vietnam, which was successfully completed in 2015. Vietnam is the site of a similar previous ÂF project, the Son La hydropower plant, which opened in 2010.

The Lai Chau hydropower plant is located on the upper Black River in the northwest part of Vietnam's Lai Chau province. The dam was built roughly 150 kilometres upstream from the plant at Son La. The project is a 131-metre high RCC dam and consists of a gravity dam with an integral conventional power intake structure in concrete. When fully operational, Lai Chau will be Vietnam's third largest hydropower plant.

Construction of the RCC dam began in March 2013, and its completion was celebrated in May 2015. This meant that Unit one was able to begin operation in December of the same year, three months earlier than planned.

The power plant is owned by Electricity of Vietnam (EVN), which is the sole buyer and distributor of electrical power in Vietnam. ÂF's client is the project's main designer, Power Engineering Consulting Joint Stock Company No.1 (PECC1) in Hanoi, for which ÂF also supplied designs and other services in connection with the construction of the dam in Son La.

The commissioning of Lai Chau ahead of schedule marks yet another successful partnership between EVN, PECC1 and ÂF. After Son La, the Lai Chau project is the second major public ÂF assignment that could be commissioned earlier than planned, thereby generating revenue for EVN from an early stage. The modern construction processes for RCC dams that ÂF has introduced in Vietnam have made a considerable financial contribution to both projects.

Technical implementation included identifying and using a domestic resource, fly ash, which was found in a lagoon where it was deposited as waste from a thermal power plant. The Son La and Lai Chau RCC dams are among the first in the world to involve the large-scale use of this ash in concrete. The use of treated ash may be a breakthrough in the construction of a new generation of vast RCC dams, not only quickly and cheaply, but also with considerable added value with regard to sustainability.



Nguyen Tai Son, CEO
Power Engineering Consulting JSC No.1



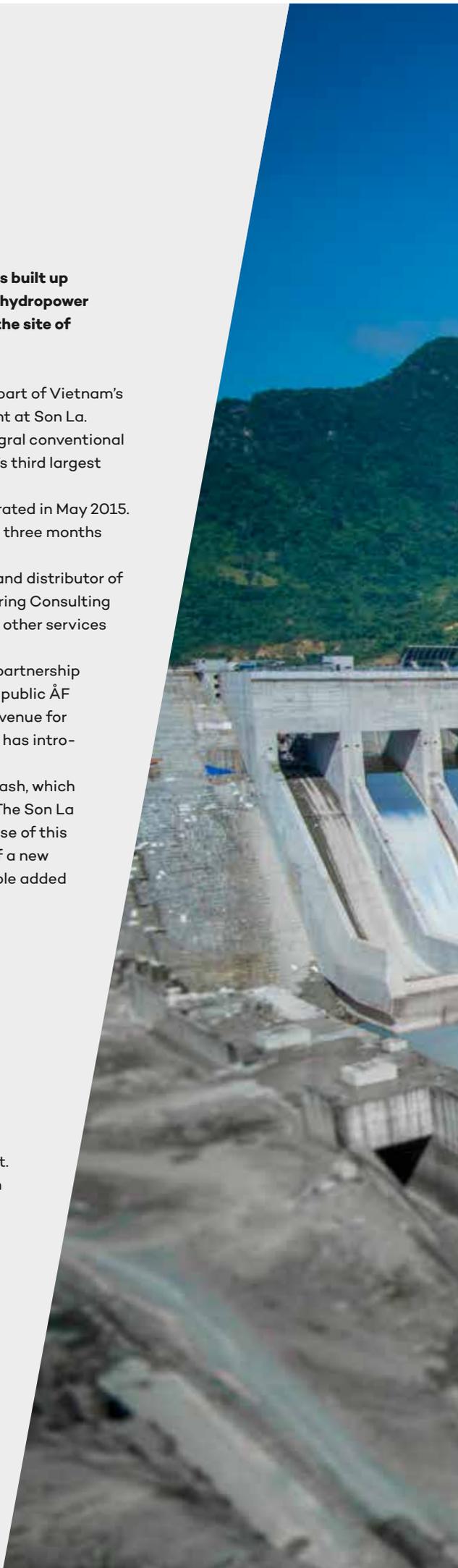
What are your impressions of working with ÂF and their ability to add value for their clients?

"ÂF had always managed to find ways of creating the best solutions for us as a client. They go the extra mile to identify the optimum and most advanced technology, such as the latest scientific findings, and applying them based on the specific conditions of each individual project, to create the greatest economic value for us.

They bring these solutions from their own expertise and from practical experience of other projects around the world, which they then adapt to the situation here in Vietnam."

Has ÂF introduced any innovative and sustainable solutions to the project?

"There is always a sustainable dimension to the solutions that ÂF proposes. A typical example is the choice of RCC technology for both dam projects. ÂF's experts proposed the most suitable and proportionate concrete mix, along with a well-prepared project schedule, which made it possible to commission both projects much earlier than planned. Naturally this has meant major gains for the power plants' owners."





Market leader in Sweden within systems and IT

The Technology Division's main operations are in Sweden, in digital solutions for product development, communication technology and IT. Technology helps companies, government agencies and the defence sector to take advantage of the possibilities of the connected world. A firm base and a long track record of success provide stability and give clients a sense of security.



Technology has a clear focus on developing and interconnecting systems and products in the rapidly evolving digitised society.

The market for advanced systems development and digital solutions saw a steady improvement during the year. Digitalisation offers new business opportunities in many industries, although demand varies considerably between different sectors, and to a certain extent geographical areas too.

Net sales increased by 9 percent during the year, and were entirely organic. The operating margin improved to 7.8 percent (7.7). The strongest demand in 2015 was from the automotive, defence and telecommunications industries. The public sector and banking and finance also contributed to growth.

Offering and clients

The Technology Division was restructured on 1 July, 2015. The new division has a clear focus on advanced systems develop-

ment, digital solutions, product development and IT in order to develop and interconnect systems and products in our rapidly evolving digitised society. With its roughly 1,000 employees and a unique network of partners, the division is the market leader in Sweden, offering clients advanced services and solutions within three business areas: Systems Management, Embedded Systems and IT Solutions.

The Systems Management business area works mainly with clients within the defence and telecommunications industries. The IT Solutions business area is growing, especially in the public sector, which today accounts for about 30 percent of sales. Embedded Systems solutions are found in everything from industrial robots and vehicles, to mobile telephony systems.

Manufacturing industry clients account for the majority of the division's

assignments, with the automotive industry as the single largest sector. Defence and telecoms also make up a significant share of operations. The public sector is a growing client segment.

Clients engage the services of the division for consulting assignments, Professional Services, in which ÅF employees bring their skills to the client's organisation, and for a growing proportion of framework agreements and project assignments in which ÅF takes overall responsibility. Professional Services enable ÅF to provide expertise at an individual or team level in the clients' own projects as part of a highly flexible arrangement. Project assignments are an expression of an increasingly common desire on the part of clients to consolidate the various suppliers and team up with a supplier that can combine large volumes with high quality.



DID YOU KNOW...

For most of 2015, the Technology Division has had several employees based on site at the Swedish Armed Forces' camp in Mali, which is part of the UN peacekeeping mission in the country.

This market trend gives ÅF a considerable competitive advantage.

The Technology Division's IT expertise is also something that is increasingly and with great success being connected with assignments for ÅF Group's entire client base. Assignments may relate to the development of customised business systems, communications systems management, IT and civilian security and maintenance technology. Examples of the latter include warning systems and mobile command systems. Embedded systems is one of the division's particular strengths and an area that in general is growing in all types of projects.

Almost all assignments encompass a sustainability dimension, for example reducing energy consumption and carbon footprint.

Significant new contracts

Several major framework agreements were entered into or extended in 2015, including with the broadband operator IP Only, the Swedish eHealth Agency, TeliaSonera, Atlas Copco and the Swedish Defence Materiel Administration (FMV) regarding garrison facilities. The Technology Division was also selected as one of Electrolux's few preferred suppliers via an extended framework agreement. Together with the Industry and Infrastructure divisions in Norway, the Technology Division also won a framework agreement with the Norwegian State Railways Company, NSB.

A strategic breakthrough was achieved in the banking and financial sector in the form of a four-year agreement with Ikano Bank, in which ÅF will act as overall consulting provider to the bank for the period. Other key contracts concluded in 2015 were with the Legal, Financial and Administrative Services Agency (Kammarkollegiet), SBAB Bank and FMV in following up suppliers and designing the new A26 submarine, as well as mid-point modifications of Gotland Class submarines.

The division also entered into a strategic partnership with RUAG Space regarding communication technology for the aerospace industry. ÅF is the chosen supplier for skills supply, project management and technical development. A strategic partnership was also concluded with AstaZero, which provides vehicle testing services.



Viktor Svensson
President of Technology Division

What's your view of the successes the division has experienced over the past year, and its future challenges?

I took on my new role as head of division halfway through 2015. It's an exciting challenge after 13 years at ÅF in a number of different managerial positions, most recently as the Group's sales director. The long-term goal is to improve profitability and organic growth, and to form an ÅF division that takes up a clearer position within digitalisation. In the short term, we have successfully implemented a number of measures aimed at achieving these goals. It's about steadily increasing our sales activities, taking on additional employees within software and, perhaps most importantly, raising the dialogue with our major clients to a strategic level. At the end of 2015 we also implemented a cost-cutting programme, which is expected to boost profit by around SEK 10 million a year.

What are your expectations regarding developments in 2016 and going forward?

We are living in exciting times from a technological point of view, which opens up new business opportunities for us. Digitalisation is happening now – but it's just the beginning. The road to the connected society, and connected industry, is ahead of us. Everything will be affected, and business models will change. Technology has the experience, skill and breadth to help our clients all the way from concept to product in a digitised world. We can do this partly by acting as moderator and navigator, and partly in the form of assignments on a specialist or project basis when systems and products need to be developed and then linked up. We call this making our clients "Future Connected". All in all, we are very confident about 2016.

Key figures

	2015	2014
Net sales, SEK m	1,600.6	1,462.3
Operating profit, SEK m	124.6	112.6
Operating margin, %	7.8	7.7
Average number of FTEs	983	977

The historical figures above are adjusted based on the organisational changes implemented on 1 July 2015.

Domestic markets

Sweden

Other markets

Norway and Denmark

Share of Group

NET SALES



16%

PROFIT



15%

Digitalisation is the key to renewal in industry

Just like the rest of Europe, Sweden is dependent on its industries and their ability to create sustainable, lasting growth. That's why one of Sweden's largest employers' organisations, Teknikföretagen, was looking for answers to what Sweden needs now to be a natural location for development and production in the year 2030.

This was all part of the Renewal in Industry project, in which ÅF was commissioned by Teknikföretagen to analyse Sweden's industrial companies, focusing on digitalisation, future development and production, as well as potential challenges. ÅF was chosen to carry out the study thanks to its digital expertise and its broad knowledge of industry.

A key conclusion of the study is that Swedish companies need to be good at developing new, smart products combined with intelligent and effective modes of production. New technologies and the Internet of Things (IoT), in which things/products are linked up with the internet, create opportunities to compile information about how products are used and end-user behaviour. Companies can then use this information, Big Data, to broaden their range of services and streamline their solutions. This also allows companies to make suitable adjustments and improvements to their business models and offerings. Effective data collection and analysis is thus becoming directly linked to future competitiveness.

As part of the study, ÅF looked at the experiences of several different sectors to identify opportunities that exist across industries, and to find out what senior managers believe is important for Sweden in order for their companies to remain competitive in 2030. The Renewal in Industry project also identifies areas for research initiatives and gives recommendations for how Sweden can go forward.



Eva Wigren, Head of Industrial Development,
Teknikföretagen

“ How did ÅF's way of working across sectors contribute to this specific project? ”

“The digitalisation of the whole of society creates both opportunities and challenges for our member companies. ÅF helped us to come up with a number of questions relating to the impact of digitalisation, and to interview senior managers at selected companies. The fact that ÅF's consultants work across sectors enabled them to identify common denominators in an innovative way with regard to how our various member companies utilise digitalisation for product, process and production renewal. We have used the report as a basis for informing the government about what Swedish industry feels the government can do to help Sweden be at the forefront in the area of digitalisation.



Industry's renewal



ÅF boosts sustainable development through innovation and technology

ÅF has an important part to play in the transition to a sustainable energy and technical trend in the business sector and society. Technology development will be crucial to many of the global challenges faced by society, for example with regard to future energy production. ÅF's position as an innovative technology expert creates major opportunities for making a positive contribution to society's sustainable infrastructure. Assignments are carried out in accordance with stringent requirements as regards sound business ethics.



ÅF is contributing to the development of sustainable cities, infrastructure and transport solutions.

Energy and technical solutions

Together with several of its clients, ÅF's Vice President of Sustainability, Nyamko Sabuni, participated in the climate conference in Paris, the 21st session under the United Nations Framework Convention on Climate Change. It is clear that trade and industry must be involved in helping to reduce climate change, as is ÅF's contribution towards the transition to sustainable energy and technology development in the commercial sector. Less energy consumption helps cut carbon dioxide emissions. Energy efficiency is therefore highly significant in terms of the impact on climate. Together with its clients, the company continues to focus on developing innovative solutions that reduce carbon dioxide emissions and increase energy efficiency. ÅF is already working to address the sustainable energy supply of the future in several

projects, such as the Electricity Crossroads project, which brings together leading representatives of energy companies, technical consultancies, research institutes, industry, and environmental organisations to find solutions for Sweden's future energy supply.

Sustainable urban development and infrastructure

The trend of urbanisation has never been so strong in the world. ÅF is contributing to the development of sustainable cities, infrastructure and transport solutions. Through knowledge and innovative solutions, the company is making a positive impact on the development of the cities of tomorrow.

One example of a ground-breaking assignment is Oslo's Gardermoen Airport, in which ÅF is project managing all phases of the reconstruction, encom-

passing the world's largest passive house (minimises heat loss) with a total area of 87,000 square metres.

Circular business models and greater product efficiency

ÅF operates within a broad spectrum of industrial projects, spanning everything from product development and logistics solutions, to streamlining material flows. The world is moving towards increasing demands for circular business models with zero waste. ÅF helps clients realise their sustainability ambitions and achieve more sustainable solutions in all processes.

Partnerships and end-to-end solutions

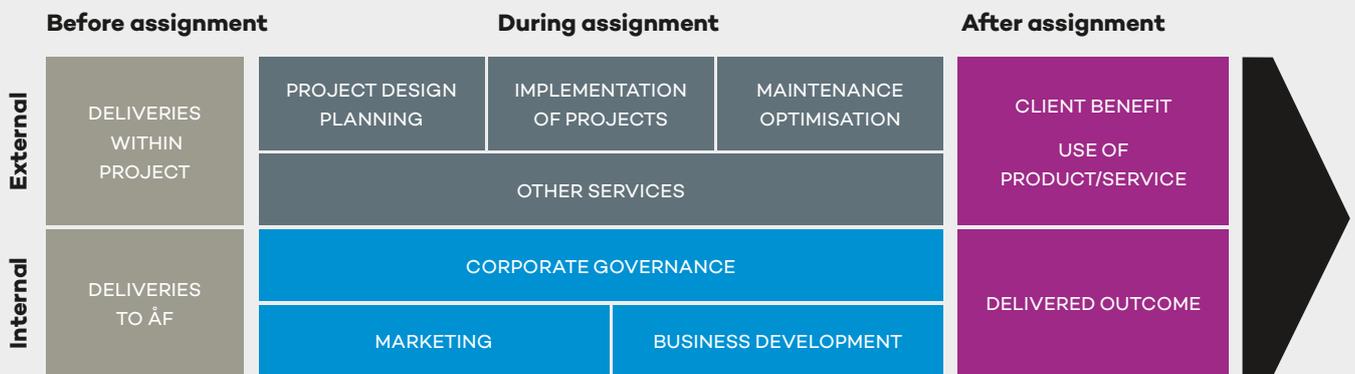
Partnerships and innovative end-to-end solutions are the watchwords in taking the lead and creating solutions throughout the entire value chain. ÅF's expertise ensures that clients' operations contribute to sustainable value. The UN's new global development goals bring opportunities for cooperation and innovative business across the value chain, to tackle sustainability challenges jointly. Partnerships create innovative strength.

ÅF brought together its key stakeholders, clients, partners and teaching institutions at the annual conference, ÅF Green Day, in order to urge organisations to cooperate, create value and do sustainable business together. For example, there were discussions around solutions such as digitalisation, smart technology and safe transport systems.



When Gardermoen is finished, the airport will feature new, globally unique and energy-efficient energy solutions.

ÅF's value chain



ÅF creates value in assignments

ÅF's value chain describes processes and spheres of influence. The value in assignments is developed by our employees and determined through their expertise and range of technical skills. The most significant sustainability impact is found in assignments namely through innovation, energy and technical development. When ÅF

participates in the early phase of projects it offers the greatest potential for influencing the design, implementation, choice of materials and choice of suppliers to create sustainable solutions. Many of the assignments are part of larger projects such as energy, infrastructure or industrial projects. ÅF often joins at an early stage and is

able to influence areas that may affect the project's sustainability performance.

The value chain also includes deliveries to ÅF offices, as well as travel and materials for project implementation. Within the framework of assignments, ÅF encourages purchasing sustainable materials and services.



Key events during the year

In 2015, ÅF continued with its strategic direction to strengthen sustainability work.



ÅF Green Day

The ÅF Green Day conference brought together 75 key individuals from Ericsson, IBM, SIDA, TeliaSonera, Scania and other companies for discussions on the theme 'Driving Sustainable Development through Connectivity'.



Most attractive employer

ÅF came first and second in Universum's 2015 'most attractive employer' ranking. The 2015 list for professional engineers was divided into two categories; one for engineers with a B.Sc. and one for engineers with an M.Sc. ÅF won the coveted first place among engineers with a B.Sc. and second among engineers with an M.Sc.



Sustainability training

3,700 employees completed ÅF's online sustainability training, which provides a basic understanding of the company's sustainability aspects.



Tekniksprånget attracts more applicants

The Royal Swedish Academy of Engineering Sciences reported that the proportion of young women applying to ÅF through the Tekniksprånget programme is higher than average. In 2014, 295 persons, of whom 48 percent were women, applied for a job at ÅF. By autumn 2015, the number of candidates increased to 430, of whom 45 percent were women.



Anti-corruption training

65 employees completed advanced anti-corruption training as a result of risk analysis assessments relating to projects.



Trainee programme for immigrants

ÅF launched a trainee programme for immigrant engineers. The programme includes a six-month work placement, training, mentorship and networking.



Proud employees

The 2015 employee survey revealed that 73 percent are proud to work for ÅF.



67 recruited during Ladies' Month

67 new female employees were recruited at ÅF during October as a result of the 2015 Ladies' Month campaign, which is an increase of 22 percent compared with Ladies' Month 2014.



Sound understanding of ÅF's sustainability work

The 2015 employee survey revealed that 80 percent of employees have a sound understanding of sustainability work.

Governance and responsibility

ÅF's sustainability work is based on the ten principles enshrined in the UN Global Compact regarding human rights, working conditions, the environment and anti-corruption. The guiding principle is based on ÅF's core values of outstanding and motivated employees, teamwork and indisputable independence, with the vision of being the best partner for the best clients.

Prioritised and integrated sustainability work at management level

ÅF's Vice President of Sustainability, Nyamko Sabuni, is a member of Group management, which creates an environment for proactive and integrated work with sustainability. This means sustainability issues can be raised, assured and prioritised early on in the business process. Strategic responsibility lies with the Vice President of Sustainability. Sustainability work is integrated at Group management level and existing employee functions, such as Finance, HR and Legal, are responsible for implementation. The sustainability work is governed and followed up via ÅF's Group-wide management system and processes. Each division president is responsible for pursuing sustainability work as part of their client assignments. In addition there are four sustainability coordinators, one for each division. In 2015, the sustainability coordinators met with ÅF's Sustainability VP on six occasions to ensure that work is being implemented and developed.

International guidelines and governing framework

ÅF has undertaken to follow the principles of the UN Global Compact and submits annual reports to the UN regarding its work and progress. In 2015, 80 internal audits were carried out to improve efforts. The Group does not enter into business projects where there is a risk of the UN Global Compact's principles or ÅF's Code of Conduct being breached. Sustainability work is governed by the company's sustainability policy, opera-

tions policy, travel policy, equality policy, health and safety policy, whistleblower policy and Code of Conduct. The Code of Conduct is a summary of the rules and guidelines that form the basis of the operations. It defines how ÅF conducts its business relations with clients, business partners, employees and other stakeholders. The code extends to all employees and the Group's Board of Directors. ÅF already has a Group-wide management system that includes quality, environmental and working environment processes that ensure employees' compliance with the Code of Conduct. In 2015, minor incidents and deviations were reported via the whistleblower function and were addressed within the areas of working environment and integrity.

A system of health and safety procedures and processes was implemented in 2015 to meet the requirements of OHSAS 18001. Initiatives such as training and evaluation to minimise health and safety risks were carried out. An external audit based on the requirements of the OHSAS 18001 standard was conducted and a few additional steps will be completed to achieve OHSAS 18001 certification. As a result of the 2015 external audit of internal processes, several governing documents were updated. New suppliers in the procurement process were informed about the updated purchasing policy. Furthermore, the business criteria for ÅF's business partners were updated and communicated to all new partners in the procurement process, for improved sustainability governance in projects.

More training initiatives

Sustainability work that is integrated and adds value requires an awareness of the issues, as well as the risks and opportunities faced by the entire business. For that reason, 3,700 employees completed the compulsory sustainability programme in 2015; the ultimate aim is for all employees to undergo the training. New employees carry out the training within three months of starting their job. A number of communication and training initiatives were conducted at various levels for more in-depth implementation of the sustainability strategy. For example, sustainability is part of the induction and managerial course. Specific areas such as human rights, gender equality, diversity and anti-discrimination are also aspects of the EVEN ODDS talent programme.

Advanced anti-corruption work

Corruption is a reality in many countries in which ÅF operates. The compulsory sustainability training also covers anti-corruption and information about ÅF's policies for sustainability and whistleblowing. A section on anti-corruption has been drawn up as part of the sustainability policy. Anti-corruption training was developed in 2015 to further support consultants in their assessment of corruption risks. Some 60 consultants completed the programme, which featured anti-corruption scenarios. ÅF will continue to train its consultants working in high-risk projects and countries, in order to encourage responsible business practices. ÅF also ensures that operations are conducted responsibly through its Sustainability Risk Assessment process (SRA).

Focus on the essential

Focus areas for sustainable development

ÅF works systematically with its prioritised sustainability aspects. All are included in the focus areas.

1

SUSTAINABLE SOLUTIONS

ÅF contributes towards sustainable development by offering the most sustainable solutions. Every project creates value for ÅF, the client and society.

2

RESPONSIBLE BUSINESS

All projects and assignments fulfil the principles stated in ÅF's **code of conduct**, which includes the UN Global Compact principles. ÅF ensures that operations are conducted responsibly through its risk assessment process (SRA).

3

ATTRACTIVE EMPLOYER

ÅF's most significant success factor is human capital. ÅF attracts **outstanding, motivated employees**. Teamwork is important to enabling development of innovative, multi-sectoral solutions.

ÅF guarantees long-term profitability by working proactively to push developments towards a more sustainable society.

ÅF conducts stakeholder dialogues to ensure that its sustainability work focuses on the principal issues. Just over 2,000 employees and 20 selected clients, suppliers and students have listed their priorities under the following aspects:

environmental responsibility, employee responsibility, social responsibility and financial responsibility.

The results of the survey and ÅF's internal assessment form the basis of the aspects that ÅF will focus on the years ahead.

ENVIRONMENTAL RESPONSIBILITY

- 1 Business trips
- 2 Commuting to and from work
- 3 Energy saving in offices
- 4 Purchase of products
- 5 Environmental management system
- 6 Material selection in assignments
- 7 Environmental impact of goods transport

EMPLOYEE RESPONSIBILITY

- 8 Psychosocial work environment
- 9 Physical work environment
- 10 Gender equality
- 11 Diversity
- 12 Fair wage equality
- 13 Fair working conditions
- 14 Continuing professional development
- 15 Increased knowledge of sustainable development

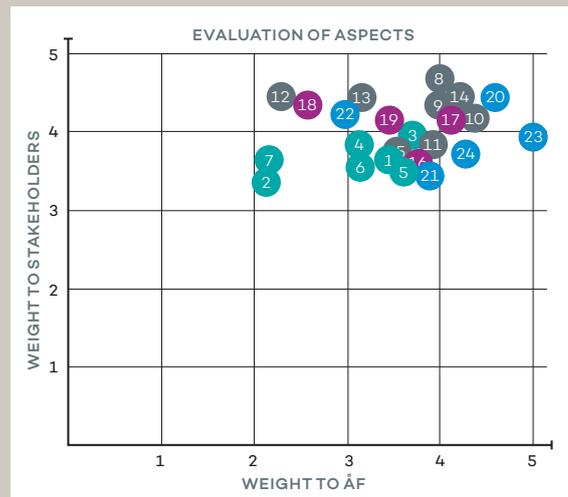
SOCIAL RESPONSIBILITY

- 16 Impact on local communities
- 17 Anti-corruption
- 18 Human rights
- 19 Evaluation of suppliers

FINANCIAL RESPONSIBILITY

- 20 Long-term profitability
- 21 Communication of ÅF's sustainability performance
- 22 Innovation and new approaches (business development)
- 23 Future skills supply
- 24 Develop ÅF's service offer in terms of sustainability

The numbers refer to the corresponding figure in the chart and do not indicate order of priority.



PRIORITISED SUSTAINABILITY ASPECTS

- Psychosocial working environment
- Anti-corruption
- Future skills supply
- Physical work environment
- Long-term profitability
- Human rights
- Gender equality
- Develop ÅF's service offer in terms of sustainability
- CO₂ emissions
- Continuing professional development
- Impact on local communities

Sustainable solutions

ÅF is influencing the development of a more sustainable society through its operations. The assignments span a broad spectrum within energy, infrastructure and industrial product and process development. ÅF's technical solutions contribute to efficient use of resources and reduced environmental impact or environmental improvements. By combining wide-ranging skills from a number of different disciplines, ÅF is able to offer sustainable end-to-end solutions.

Global challenges require global technical solutions

Climate change is the biggest global challenge facing the world. Rapid population growth, increased urbanisation and the continual flow of refugees are trends that are bringing increasingly high demands for sustainable urban planning, a reduction in carbon dioxide emissions and access to jobs for more people. Global energy consumption is expected to increase by 50 percent before 2035. Guaranteeing future energy supply and the transition to renewables present major challenges. Society is poised to embrace the positive opportunities created by digitalisation. By applying digitalisation and smart technology, ÅF can help link systems, societies and people, thus cutting energy consumption and carbon dioxide emissions, while improving resource management. The UN's global sustainable development goals will facilitate more in-depth collaboration and innovative solutions to limit climate change.

Targets for sustainable solutions

The UN's global sustainable development goals, which were launched in 2015, form the basis of ÅF's goals. Many of the UN's 17 goals are relevant to ÅF's operations. Three have the most obvious link to business operations. These are:

- Objective 7. Ensure access to affordable, reliable, sustainable and modern energy for all.
- Objective 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- Objective 11. Make cities and human settlements inclusive, safe, resilient and sustainable.

These objectives have been reinterpreted to create the following target areas, in which ÅF can create the most value.

ÅF contributes to:

- sustainable energy
- sustainable industries
- sustainable cities and infrastructure

ÅF's assignments add value: efficient and renewable energy, more efficient use of resources, safe workplaces, green properties and circular processes. The three target areas cover large areas of ÅF's business relating to climate adaptation and limiting climate emissions.

ÅF steers its operations towards sustainable goals

In 2016 these goals will be established in the operations, and both action plans and follow-up will be implemented. Below is a description of the challenges we face and how ÅF can create value.

Sustainable energy

More than a billion people across the globe live without access to electricity. Meanwhile, according to the UN, the global population is expected to increase to 8.5 billion by 2030. As energy consumption rises, so too do requirements for reduced carbon footprint. These are some of the challenges that ÅF addresses



SUSTAINABLE ENERGY



SUSTAINABLE INDUSTRIES



SUSTAINABLE CITIES AND INFRASTRUCTURE

ÅF has chosen to use the UN sustainable development goals as a starting point for the Sustainable solutions focus area.



Green Advisor Report

Find out more about ÅF's sustainable solutions in the Green Advisor Report, which can be downloaded at afconsult.com/sustainability.

through its energy projects. ÅF will monitor the proportion of projects that focus on renewables and energy efficiency.

Sustainable industry

Product development today is subject to stringent requirements as regards sustainability. Sound resource management and renewable materials are often non-negotiable. Sustainability expertise is a competitive advantage. ÅF's consultants develop vast numbers of applications and products used on a daily basis through the assignments in which they are involved. Everything from dishwashers, packaging, smart and safe vehicles, to telecom solutions. ÅF works to optimise logistics and process flows in factories in order to boost productivity, avoid unnecessary energy loss and reduce water consumption. ÅF's environmental specialists also help companies and other clients with waste management, environmental management systems, environmental and health risk assessments and permit applications. Land contamination specialists help remove toxic substances from buildings and the natural environment. These assignments in turn contribute towards reducing emissions to air and water, ensuring safe working environments and increasing understanding of safety, health and the environment.

The world is moving ever closer to a circular economy¹⁾ based on a recycling society. ÅF's ambition is to contribute to the development of a circular approach to product development by adapting designs and using recycled materials as far as possible.



ÅF is leading developments with regard to the cities of the future, with increasing demands for climate-adapted, safe environments.

Sustainable cities and infrastructure

Half the world's population live in cities, and the figure is rising. ÅF is leading developments with regard to the cities of the future, with increasing demands for climate-adapted, safe environments. The strong urbanisation trend and higher levels of air pollution are also fuelling interest in smart communica-

tions such as intelligent transportation solutions and driverless cars.

Through its expertise and innovative solutions, ÅF is at the forefront and influencing the development of a large number of urban development projects in Sweden and abroad. It could involve anything from project design of roads and public transport, to creating the hospitals, housing, lighting and acoustics of the future. ÅF contributes expert knowledge of sustainability issues and social perspectives. Municipal waste management, the preservation of cultural heritage and development of safe and accessible green spaces are also examples of areas that come under ÅF's remit.

ÅF is participating in the expansion of the digital infrastructure of tomorrow – fibre. As more and more social functions become digitised, it is important that anyone, wherever they live, has the same opportunities to be a part of the digitalisation process. ÅF is a key player in national efforts to achieve Sweden's broadband target, which is for 90 per cent of the population to have access to high-speed broadband of 100 Mbit/s by the year 2020.

¹⁾ According to the Swedish Environmental Protection Agency: "A circular economy is based on recycling systems and means that the added value of products is preserved for as long as possible, eliminating waste. This means that a product that has reached the end of its life cycle is reused in new production, thereby adding more value."

Responsible business

2

One of ÅF's most important tasks is to ensure that assignments are carried out responsibly. ÅF conducts assignments in 100 countries all around the world and therefore has a systematic process and procedure for ensuring they are performed in accordance with the principles of the UN Global Compact.

Targets for responsible business transactions

ÅF's Code of Conduct includes requirements for sound business ethics that do not violate human rights or accept corruption, and that advocate good working conditions and minimal environmental impact. In order to monitor compliance with the code, the following targets have been developed.

- ÅF will deliver services that fulfil or exceed client expectations.
- ÅF's assignments will satisfy the UN Global Compact's ten principles for sustainable enterprise.
- ÅF will pursue operations in such a way as to reduce the company's internal environmental impact, as well as CO₂ emissions.

Monitoring of goals

In 2016 the goals will be an integral part of the organisation, while action plans, activities and monitoring processes will be implemented. For those areas and goals for which ÅF lacks measurable data, 2016 will be used as the base year for developing procedures and monitoring processes. The goals will be measured as follows:

Improve client satisfaction

Client satisfaction is measured via the client surveys carried out in ÅF's business system following completion of a project. 2016 will be the base year in which a procedure is set up to collect and evaluate the results. Following this the goal will be broken down into various intermediate goals.

Ensure compliance with UN Global Compact

To ensure compliance with the UN Global Compact at the bidding stage, a risk assessment of the assignment is conducted based on a number of sustainability criteria linked to the ten principles. The purpose is to identify possible risks attached to the project at an early stage and, if necessary, carry out a more in-depth analysis. In 2015, in-depth analyses were conducted on seven projects. In two cases an action plan was required in order to address the risks. One measure included ensuring the consultants linked to one of the projects completed advanced anti-corruption training.

Reduce CO₂ emissions

The majority of ÅF's emissions are related to business travel. To encourage sustainable travel, the company acquired additional electric cars in 2015 to function as company cars, and charging stations for electric hybrid cars were installed at a number of offices. ÅF also signed a contract that prioritises electric cars when ordering taxis, in order to promote the electric car market. Internal awareness has been generated among employees. One such example is that 50 percent of ÅF's hire cars are eco cars. Compared with the previous year, flights have risen by 12 percent, but rail journeys have seen an even larger increase: an impressive 31 percent. ÅF monitors its emissions by producing a climate report, which details carbon dioxide emissions per employee.



+12% air travel



+31% rail travel



50% proportion eco cars/rental cars



An example of plug-in hybrids working well in an urban environment is when there is access to charging stations. The record for this V60 D6 is 5,980 km on 42 litres of diesel.



Eugenia Seleskerova,
Senior Energy Consultant, International Division,
at ÅF since 2009, Madrid



What do you do at ÅF?

"I work in the policy and regulations department. My area of expertise is mainly the development of renewable energy and effective resource management. During my very first year at ÅF I had the opportunity to work with project management and commercial activities, and to identify new markets and clients, with the aim of encouraging them to consider the sustainable, cutting-edge solutions being developed at ÅF.

I was recently accepted onto ÅF's 2016 Talent Management Programme. I'm looking forward to continuing to develop my skills, expand my network within the company and make full use of my potential."

Tell us about the Madrid office.

"We are a mixed international team of employees from 15 different countries. We each bring our own particular skills, which is what makes the team innovative and unique.

Many colleagues have known one another for several years. This creates a special atmosphere that encourages discussion, and we have no problem asking for advice or feedback. It makes it easier for new employees to feel part of the team and settle into the job quickly."



Elliot Badal, Team Leader,
Planning and Project Management, Industry Division,
with ÅF since 2013, Gothenburg



What are you working on right now?

"I'm involved in establishing and developing a team with planning and project management skills for the industrial sector in western Sweden.

At the moment I'm working on the West Link project and I'm responsible for time management and for coordinating all the schedules of the subprojects. Primarily I set up the structure, analyse the amount of time and work spent on the project, monitor status, key milestones and any scope for flexibility within the timetable. I calculate the critical elements and the margins available to keep to time and budget restraints, all in relation to the various phases of the project."

How does ÅF help its clients become more sustainable?

"Project planning and project management are an art form as far as ÅF is concerned. We make sure that projects, which are often large and complex, are efficient in terms of both cost and time, retain a high level of quality and prevent risks and occupational risks. We plan down to the essential details using advanced tools and software, to make sure projects are delivered on time. We make efficient use of resources and ensure that we are prepared to meet unforeseen challenges and needs. My motto is customised solutions for the client and their sector. It's about keeping up and using the latest that technology has to offer. Being at the forefront and part of developments."

Attractive employer

Employees are crucial to maintaining the quality and competitiveness of ÅF's offer. As ÅF grows, new employees are recruited and incorporated into the company continuously. Considerable effort is made to attract the best talent and great importance is attached to increasing the proportion of women. Employees are offered plenty of opportunities in a strong, common corporate culture and given the chance to contribute to sustainable development through ÅF's assignments.

Attractive workplace goals

- Increase the proportion of female employees.
- Improve employee satisfaction.
- Leadership is characterised by a high level of confidence in line managers.
- Zero tolerance regarding bullying and discrimination.

Monitoring of goals

In 2016 the goals will be an integral part of the organisation. Action plans, activities and monitoring processes will be established. The goals will be measured as follows:

Increase the proportion of women

By 2020, 30 percent of all employees will be women. This goal is monitored via monthly personnel statistics. HR processes help ÅF ensure a good gender balance when recruiting to managerial positions, and various activities are under way to increase the proportion of female applicants.

Improve employee satisfaction

Various factors influence the level of employee satisfaction. ÅF conducts different activities and initiatives aimed at improving employee satisfaction. The results will be measured via the employee survey.

Increased confidence in ÅF's managers

ÅF's managers will practice modern leadership skills based on the principles of gender equality, diversity and inclusion. Training and practical leadership



will help boost confidence in ÅF's managers among employees.

Zero tolerance towards discrimination

The company has a zero tolerance policy with regard to discrimination.

Through the employee survey and whistleblower function, the organisation receives information about and can take steps to counteract any tendencies towards discrimination.

Sustainability data

Current situation 2015

2015 has provided ÅF with basic data to enable the company to progress with the new focus areas: Sustainable solutions, Responsible business and Attractive employer. New measuring tools and performance indicators will be developed in 2016 to extend up to 2020.

Sustainable solutions goals

The following goals have been identified for the Sustainable solutions focus area.

- ÅF supplies renewable, modern energy solutions and creates continual energy efficiency enhancements.
- Through innovative solutions, ÅF contributes towards sustainable industrial processes that equip companies for the circular economy.
- ÅF proposes solutions that make cities and infrastructure inclusive, safe and sustainable.

Responsible business goals

The following goals have been identified for the Responsible business focus area.

- ÅF will deliver services that fulfil or exceed client expectations. Client satisfaction will continually increase by delivering persistently high quality.
- All ÅF's assignments will satisfy the UN Global Compact's ten principles for corporate sustainability. Internal audits will be conducted to ensure compliance with ÅF's Code of Conduct.
- ÅF's assignments will be carried out with the least possible environmental impact. ÅF monitors its carbon footprint with the aim of reducing emissions. See the table for this year's results.

Attractive employer goals

In 2015 the following goals were identified for the Attractive employer focus area.

- ÅF will increase the proportion of women at all levels to 30 percent. See results in the table, Equality and diversity.
- ÅF will improve employee satisfaction.
- All employees will have a high level of confidence in their line manager.
- ÅF has a zero tolerance policy regarding all forms of exclusion and discrimination.

The sale of ÅF's Russian operation Lonas in 2014 meant that the share of female probationary and permanent employees fell from 23.4 percent in June 2014 to 21.7 percent in July 2014. In 2015 this percentage rose again, partly thanks to activities like Ladies' Month, and at year-end the percentage of female employees in the Group was 23.2 percent.

Attractive employer – data 2015

Equality and diversity

Distribution 2015*, %	Men	Women	Age < 30	Age 30–50	Age >50
Board of Directors	70.0	30.0	0	25.0	75.0
Group management	63.6	36.4	0	36.4	63.6
Managers	85.6	14.4	0.4	66.2	33.4
Consultants	78.5	21.5	20.5	57.6	21.8
Admin staff	25.0	75.0	8.9	57.4	33.7
Total	76.8	23.2	17.8	58.6	23.6

*All permanent employees and employees on probationary periods.

Equality divisions

Women*, %	2015		2014	
	Managers	Employees	Managers	Employees
Industry Division	11.2	20.1	9.9	13.8
Infrastructure Division	14.8	25.5	13.5	25.9
International Division	9.0	19.2	8.7	19.8
Technology Division	20.4	17.4	23.0	21.0
ÅF AB	50.0	58.3	36.8	60.0

*All forms of employment.

Employee survey

	2015	2013
All employees will have a high level of confidence in their line manager. (Measured via leadership index in the Employee Survey), %	69	69
ÅF will improve employee satisfaction. (Measured via employee index in the Employee Survey), %	67	67
ÅF has a zero tolerance policy regarding all forms of exclusion and discrimination. (Measured via Employee Survey), no.	151	194

Skills development

Number of hours of training per average FTE, total	2015	2014	2013
Hours of training	212,754	219,745	232,084
Average number of FTEs	7,453	6,887	6,666
Hours of training/employee	29	32	35

Profitability

Direct economic value generated, SEK m	2015	2014	2013
Net sales	9,851	8,805	8,337
Operating costs, incl. depreciation/amortisation	-3,584	-3,253	-3,201
Employees' wages and benefits	-4,456	-3,932	-3,622
Income tax and employer's contributions	-1,201	-1,066	-988
Economic value retained	609	553	525

Climate impact 2009–2015

Climate

Total climate emissions, tonnes CO ₂ eqv.	2015	2014	2013	2012	2011	2010	2009
Energy	1,911	1,503	2,033	2,162	1,852	1,258	1,110
Travel	8,042	8,159	7,231	6,174	5,783	4,747	4,415
Total emissions	9,953	9,662	9,264	8,336	7,635	6,005	5,525

Climate emissions per employee, kg CO ₂ eqv. per employee	2015	2014	2013	2012	2011	2010	2009
Energy	257	221	305	408	415	313	283
Travel	1,083	1,201	1,087	1,165	1,297	1,182	1,125
Total emissions	1,340	1,423	1,393	1,573	1,712	1,495	1,408

The calculations relate to the climate impact of business travel and energy consumption for all ÅF employees. Energy emissions include purchased electricity, heating and cooling for offices. Business travel includes journeys by car, rail and air.

About the report

The sustainability report covers the companies in the ÅF Group, in accordance with same principles applied to financial reporting.

The report refers to the 2015 financial year. The report is published annually; the most recent report was produced for 2014 and was published in April 2015. This is an abbreviated version of ÅF's sustainability report, which is available at afconsult.com/en/GRI2015.

The separate sustainability report has been prepared in accordance with GRI G4 'Core'. The report has not been reviewed by a third party. The reporting principles in accordance with GRI G4 have been used to define the contents of the report.

Direct inquiries about the sustainability report to:
Nyamko Sabuni, Vice President of Sustainability,
tel: +46 10 505 00 00.



Chairman's report

It is important for the Board of Director's work to maintain continuity while at the same time focusing on long-term business objectives, i.e. growth and profitability. The Board of Directors is responsible, through sound corporate governance, for creating conditions for growth and thereby also value for the shareholders, for whom we ultimately work.

The Board of Director's priorities in the past year largely involved ÅF's ability to grow, both organically and through acquisitions. ÅF acquired six businesses in 2015 that were assessed to provide significant contributions in different ways to the company's ability to create value through enhanced client offers in partly new areas. One example is the acquisition of LeanNova, which made ÅF the leading, most comprehensive automotive development services provider in the Nordics. Another example is PRC Engineering whose specialists provide ÅF with a strong offer to the pharmaceutical industry.

The businesses acquired during the year performed well and in line with the company's ambition to offer more end-to-end solutions, while moving the client offer up the value chain. Along with good organic growth, the acquisitions contributed significantly to ÅF's being able to exceed the growth target of EUR 1 billion in net sales for 2015.

One of the key factors for growth is the company's employees. A business like ÅF stands or falls on its ability to attract the best employees and that makes it particularly important to nurture the ÅF brand and what it stands for. Promoting ÅF's brand in various ways is therefore closely linked to the Board of Director's goals and commitment. Through sound corporate governance, good organisation and firm control, the Board of Directors ensures that ÅF remains a credible and respected business partner and employer.

Sustainable solutions are an integral part of the client offer in ÅF's operations, whether it be buildings, transport, pro-



ducts or resource use. The Board of Directors is also very engaged in and follows sustainability developments. We focus much of our attention on the business ethics of sustainability. As part of our corporate governance duties we follow and monitor compliance with regulations, primarily the UN Global Compact, with regard to ethics, anti-corruption and human rights, along with our decision-making processes and risk management within these areas.

The positive outcome of 2015 has given us plenty of confidence. Now we are aiming at the next target: doubling net sales by 2020. I feel very confident that we can reach it.

Stockholm, Sweden – March 2016

Anders Narvinger
Chairman of the Board

Corporate governance report

This corporate governance report was prepared by the company's Board of Directors and covers the corporate governance of ÅF during the 2015 financial year. The corporate governance report is submitted in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code.

The corporate governance report has been reviewed by Ernst & Young AB, whose opinion follows immediately after the report.

Corporate governance within ÅF

ÅF AB is a Swedish public limited company domiciled in Stockholm. The company's Class B shares are listed on Nasdaq Stockholm.

Governance, management and control are divided between the shareholders, the Board of Directors, the CEO and Group management in accordance with applicable laws, rules and recommendations and with ÅF's Articles of Association and internal regulations.

The shareholders' meeting is the company's highest decision-making body and is the forum in which the shareholders exercise their voting rights. The Board of Directors and the Chairman of the Board are elected at the annual general meeting (AGM). The Board of Directors appoints the CEO. The administration of the company by the Board of Directors and the CEO, as

well as the company's financial reporting are audited by the external auditor appointed by the AGM.

For the purpose of streamlining and strengthening its work in certain areas, the Board of Directors has appointed an Audit Committee and a Remuneration Committee. One important support function for the Audit Committee is ÅF's Internal Audit Function. ÅF applies the Swedish Corporate Governance Code (available at www.corporategovernance-board.se) and did not deviate from it in 2015. ÅF complies with Nasdaq Stockholm's Rules for Issuers (available at business.nasdaq.com/list/Rules-and-Regulations) and generally accepted stock exchange practice.

The most important internal instrument of governance is the Articles of Association adopted by the shareholders' meeting. In addition, there are the Board of Director's Rules of Procedure and the Board of Director's instructions for the CEO.

Internal policies and instructions constitute essential management documents for the whole company, clarifying responsibility and authority within specific areas, such as information security, regulatory compliance and risk management.

Ownership structure

ÅF has issued two classes of shares: A shares and B shares. Each A share is

entitled to 10 votes, and each B share to 1 vote. At the end of 2015, the total number of shareholders was 8,561.

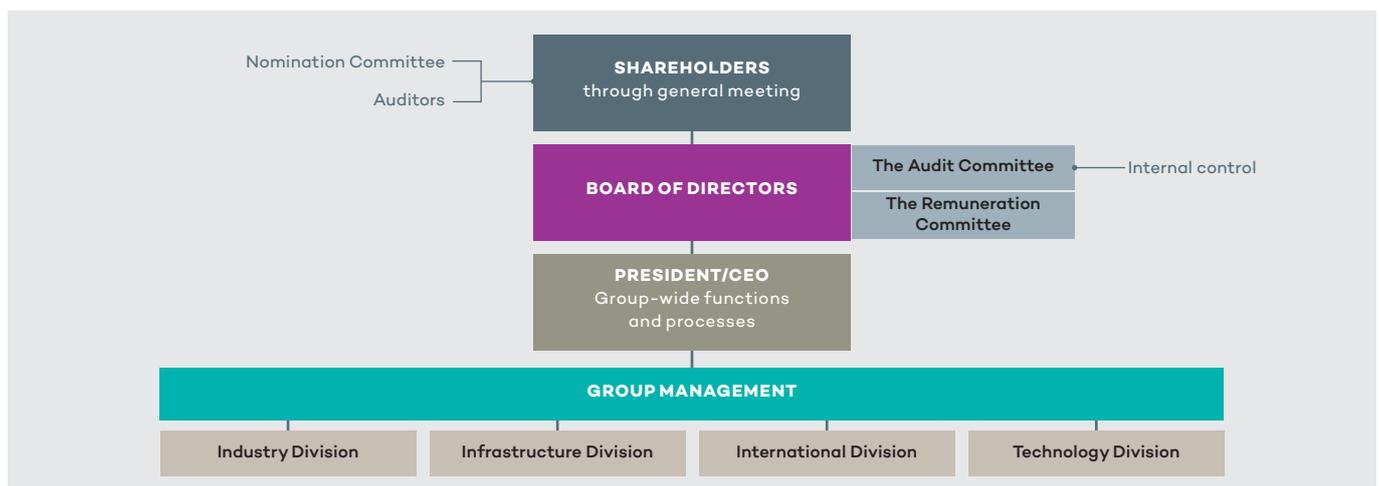
Share distribution:

A shares	3,217,752
B shares	74,847,541
Total shares	78,065,293
of which custodial B shares	476,971
Votes	107,025,061

The largest shareholder at the end of the year was the ÅForsk Foundation with 37.1 percent of the votes. Handelsbanken Funds had 5.9 percent and Swedbank Robur Funds had 5.4 percent of the votes.

ÅF's Annual General Meeting

The shareholders' meeting held within six months of the end of the financial year, and which approves the income statement and balance sheet, is called the Annual General Meeting. Shareholders who are registered in the share register on the record day, and who have given sufficient notice of participation, have the right to participate in the shareholders' meeting. The notice convening the AGM is published on the company's website and advertised in the Swedish Official Gazette. The fact that the notice convening the AGM has been published is advertised in Dagens Industri. The 2015 AGM was held at ÅF's head office in Solna, Sweden, on 29 April 2015. In total, 171 shareholders participated,



representing 63 percent of the share capital and 73 percent of the votes. In addition to the election of the Board of Directors, the AGM resolved to introduce the staff convertible 2015, and also authorised the Board of Directors to acquire and transfer custodial shares and to issue new Class B shares. The minutes of the meeting together with all the documentation issued prior to the AGM are available on the ÅF website, under the section for Corporate Governance.

Nomination Committee

In accordance with a resolution passed at the 2015 AGM, the members of the Nomination Committee for the 2016 AGM shall be appointed by at least three and at most five of the shareholders with the largest number of votes. In addition, the Chairman of the Board shall be a member of the Nomination Committee. The names of the committee members were announced six months before the AGM.

The Nomination Committee for the 2016 AGM comprises: Gösta Lemne (Chairman), appointed by The ÅForsk Foundation; Annika Andersson appointed by Swedbank Robur Funds; Jonathan Mårtensson, appointed by Handelsbanken Asset Management; Anders Narvinger, ÅF's Chairman of the Board; Johan Strandberg, appointed by SEB Investment Management; and Karl Åberg, appointed by Zeres Capital.

Duties of the Nomination Committee

The Nomination Committee submits proposals, prior to the AGM, on the number of board members, the composition and remuneration of the Board of Directors, and any fees payable for committee work. The committee shall also submit proposals on who is to chair the Board of Directors and the AGM, as well as on auditors and their remuneration. In accordance with its remit, the committee shall also carry out any other duties assigned to it under the Swedish Corporate Governance Code.

The work of the Nomination Committee

In the period up to and including February 2016, the committee held four minuted meetings and maintained contact between meetings. To assess how well the present Board of Directors meets the demands that will be placed on the Board in consequence of the company position and future focus, the committee has discussed the size and composition of the Board in relation to, for example, experience in the industry and specialist expertise. As a basis for the committee's work, the Chairman of the Board has informed the committee about the work of the Board of Directors during the year and of the work undertaken by the Audit Committee and the Remuneration Committee. The Nomination Committee has also considered the results of the evaluation of the Board of Directors and its work, and interviewed individual members of the Board.

No remuneration has been paid for work on the committee. All shareholders are entitled to approach the committee with suggestions for members to serve on the Board of Directors. The committee's proposals, the report on the committee's work prior to the 2016 AGM, and supplementary information on proposed members of the Board of Directors will be published in connection with the meeting notice and will be presented at the 2016 AGM.

Board of Directors

The Board of Directors of ÅF shall consist of a minimum of six and a maximum of ten members, with a maximum of five deputies, appointed by the AGM. From and including the 2015 AGM, there are eight directors and no deputies. The CEO is not a member of the Board of Directors. In addition, the employees have two ordinary representatives on the Board of Directors, with two deputies.

The following members were re-elected to the Board of Directors for 2015: Marika Fredriksson, Staffan Jufors, Anders Narvinger, Björn O. Nils-

son, Maud Olofsson, Joakim Rubin, Kristina Schauman and Anders Snell. Anders Narvinger was elected by the AGM to serve as Chairman of the Board up until the close of the next AGM.

The CEO, Jonas Wiström, participates in meetings of the Board of Directors to present reports. The Group's CFO, Stefan Johansson, also participates to present reports, and Jacob Landén, ÅF's senior legal adviser, participates as Secretary to the Board of Directors. For more information on the Board of Directors, please refer to pages 56-57 of the annual report.

The fees paid to the Board of Directors are determined by the AGM after the recommendation of the Nomination Committee. The Chair and members of the Audit Committee and Remuneration Committee are paid an additional fee.

Independence

The composition of the Board of Directors of ÅF meets the requirements for independent directors laid down by the Swedish Corporate Governance Code. Members of the Board of Directors Björn O. Nilsson and Anders Snell are dependent in relation to the largest shareholder by voting rights in ÅF, but are not dependent of the company or Group management. The other members of the Board of Directors are independent of the company's major shareholders, the company and Group management.

The work of the Board of Directors

Each year the Board of Directors produces a written formal work plan which sets out the responsibilities of the Board, and which governs the allocation of duties among Board members, the rules for decision-making, dates and times of Board meetings, notification, agenda and minutes for Board meetings, and the Board's work with accounting and auditing matters. The ÅF Board of Directors holds an inaugural meeting immediately after the AGM. Thereafter, the Board of Directors is required to meet at least four times per calendar year. Every ordinary

Board meeting follows the agenda set out in the Board of Directors' formal work plan, which includes a report from the CEO, a financial report and various strategic matters.

The Board of Directors has elected to appoint a Remuneration Committee and an Audit Committee.

During the year, the Board of Directors held nine meetings, including the inaugural meeting, whereof three were held by telephone with relevant documentation sent in advance. Four of the meetings were held in connection with the publication of the company's interim reports.

The work of the Board of Directors revolves mostly around strategic issues, business plans, budgeting, accounts and acquisitions, in addition to other decisions which, under the company's decision-making rules, are dealt with by the Board. Reports on the progress of the company's operational activities and finances are a standing item on the agenda. A strategy seminar was held at the meeting in September, and included a thorough review of each division. On one occasion each year, the Board of Directors discusses issues related to succession planning for senior executives in the company.

On one occasion in 2015, the Board of Directors met with the company's auditors without the presence of management.

Remuneration Committee

The task of the Remuneration Committee is to prepare the guidelines for the remuneration of senior executives which is then decided by the AGM, and to submit proposals to the Board of Directors for the salary and terms and conditions of the CEO. The committee also deals with matters relating to the salary and terms and conditions of employment for senior executives who report directly to the CEO, and overall terms of employment and remuneration packages for all of the company's employees. The Remuneration Committee reports to the Board of Directors.

Since the inaugural meeting of 2015, the Remuneration Committee has con-

	Board of Directors	Audit Committee	Remuneration Committee
Total number of meetings	9	4	3
Anders Narvinger, Chairman	9	4	3
Marika Fredriksson	9		3
Staffan Jufors	9		
Björn O. Nilsson	7		
Maud Olofsson	9		
Joakim Rubin	8	4	
Kristina Schauman	8	4	
Anders Snell	9		3
Anders Forslund, employee rep.	9		
Anders Toll, employee rep.	8		
Johan Lindborg, employee rep. deputy	2		
Ida Yveborg, employee rep. deputy	1		

sisted of Anders Narvinger (Chairman), Anders Snell and Marika Fredriksson. The CEO and the HR Manager participate as co-opted members. The committee held three minuted meetings.

Audit Committee

The Audit Committee is a vital communications link between the Board of Directors and the company's auditors. The Audit Committee supports the work of the Board of Directors by safeguarding the quality of financial reports and following up the results of the reviews and audits carried out by the external auditors. The company's internal audit function support the committee in its work.

Since the inaugural meeting of the Board of Directors in 2015, the Remuneration Committee has consisted of Kristina Schauman (Chairman), Anders Narvinger and Joakim Rubin. Ernst & Young AB, the company's auditors, were represented by Hamish Mabon as auditor in charge. The CFO and the director of Group Accounting attend as co-opted members. The company's internal auditor attended as rapporteur when needed. The committee held four minuted meetings.

Attendance at Board and Committee meetings, 2015

Attendance at Board meetings during the year was very good with a 94 percent attendance rate. The Audit Committee and the Remuneration Committee meetings recorded full attendance at every meeting.

Evaluation of the Board of Directors and the CEO

Once a year, the Chairman of the Board initiates an evaluation of the work of the Board of Directors by issuing each director with a detailed questionnaire, which is answered anonymously. The questionnaire covers areas such as the climate of cooperation, the breadth of expertise available and the manner in which the work of the Board of Directors has been carried out. The object of the evaluation is to obtain an understanding of the directors' opinions on how the work of the Board of Directors has been carried out, and what measures may be taken to improve the efficiency of this work. The results of the evaluation are discussed individually by the Chairman with each director, as well as with the Board of Directors as a whole, and communicated to the Nomination Committee.

The Board of Directors evaluates the work of the CEO on an ongoing basis, by monitoring the progress of the business against the targets that have been set. A formal evaluation is carried out once a year, and the results are discussed with the CEO.

Auditors

The Nomination Committee is tasked with proposing auditors for approval by the AGM. The auditors work for and on behalf of the shareholders to audit the company's accounting records, the annual accounts and the administration of the Board of Directors and the CEO. A

full audit of the annual report and the consolidated financial statements is carried out. The auditors also review the nine-month interim report for the period up to September each year, and attend the meetings of the Audit Committee. A review is also carried out of the Group's corporate governance report and of compliance with the guidelines approved by the AGM relating to remuneration of senior executives.

The 2015 AGM reappointed the accounting firm Ernst & Young AB, represented by Hamish Mabon as the auditor in charge, to serve to the end of the 2016 AGM.

CEO and Group management

The Board of Directors has delegated operational responsibility for the administration of the company and the Group to the company's CEO. The CEO leads operations within the framework laid down by the Board of Directors. The Board has adopted instructions for the division of responsibility between the Board of Directors and the CEO. These are updated and approved each year.

The CEO has appointed a Group management team with day-to-day responsibility for various aspects of the Group's operation. ÅF's Group management normally meets once a month to discuss matters such as the Group's financial performance, acquisitions, Group-wide development projects, succession planning and competence development, together with various other strategic issues. During 2015, ten minuted meetings were held, as well as a two-day meeting with additional Group managers invited.

Once a month the CEO and the CFO discuss each of the divisions' income statements, balance sheets, key figures and major projects with the relevant president and controller. In addition, meetings are held three times a year to discuss long-term matters, focusing on HR, strategy and budget.

At the end of 2015 Group management consisted of the President and

CEO, divisional presidents, CFO, and the VPs of Group Sales and Marketing, Sustainability, and Human Resources & Communications, as well as the PA to the CEO, who serves as secretary to Group management. As of 1 January 2016, ÅF's CIO is included in Group management. For further information about the members of Group management, please see pages 58-59 of the annual report.

The Board of Directors' description of internal control

The Board of Directors' responsibility for internal control is regulated in the Swedish Companies Act and the Swedish Corporate Governance Code, which set out requirements for annual external disclosures on how internal control over financial reporting is organised.

Board members must stay informed about the state of affairs in the company and evaluate the internal control system on a regular basis. Internal control at ÅF is designed to ensure that the company's operations are efficient and fit for purpose, that financial reporting is reliable, and that applicable laws and regulations are complied with. ÅF divides its internal control over financial reporting into the following components: Control environment, Risk assessment, Control activities, Information & Communication, and Monitoring.

Control environment

The control environment constitutes the basis for internal controls over financial reporting. One important aspect of the control environment is that decision paths, authority and responsibility are clearly defined and communicated between different levels of the organisation, and that guidance documents are available in the form of policies, guidelines and manuals.

A description of ÅF's internal control system is included in the company's process-orientated business management system used for managing and supporting day-to-day business operations. This sets out the organisational structure,

together with the authority and responsibility vested in the various roles in the business. The process orientation of the management system guides users to the relevant routines and appropriate tools for the particular task in question, thus providing a sound basis for compliance with requirements and expectations for an appropriate control environment. The management system is available to all employees via the ÅF intranet.

Risk assessment

ÅF's risk assessment in respect of financial reporting aims to identify and evaluate the key risks affecting financial reporting in the Group's companies, business areas, divisions, processes and operations, all of which can affect financial reporting. Risk assessment forms the basis for risk management and control, as well as control targets that help to ensure that the fundamental requirements of external financial reporting are met. The risks are assessed, reported and managed by ÅF centrally together with the divisions. Risks are also assessed and managed in other contexts; for example, risks associated with fixed-price projects and acquisitions.

Control activities

In order to ensure that the business is run efficiently and that the scheduled financial reports consistently provide a fair presentation of the situation, each process has a number of built-in control activities. These involve all levels of the organisation.

Responsibility for implementing control activities at ÅF is allocated appropriately within the organisation, with clear roles ensuring effectiveness and reliability. Specific internal control activities are in place, with the aim of identifying or preventing the risk of reporting errors. For all ÅF units, including those outside Sweden, result analysis takes place continuously. Other control activities are carried out through the finance functions of the various divisions and ÅF AB's Group Accounting department.

All accounting and reporting activities for ÅF's Swedish operations are centralised under ÅF Business Services (ÅBS) at the Group's head office, using standardised control processes.

Control activities at ÅBS include profit analyses and other controls in respect of revenue and receivables, payments, non-current assets, work in progress, wages and salaries, VAT/tax, book-keeping, consolidation and reporting as well as the maintenance of databases.

Information and communication

Information about and the communication of policies, process descriptions, routines and tools applicable to financial reports are contained in the management system that is available to the relevant personnel via the ÅF intranet. Updates are carried out in the event of any changes in internal or external requirements or expectations with regard to financial reports.

Communication with internal and external parties is governed by a communication and IR policy, which sets out guidelines for the form this should take. The policy aims to ensure that all disclosure obligations are met properly and in full. Internal communication aims to ensure that every employee understands ÅF's values and business activities. Information is actively communicated on an ongoing basis through the Group's intranet and other channels in order to keep employees informed.

Monitoring

Compliance and the efficacy of internal control are followed up on an ongoing basis by both the Board of Directors and management to guarantee the quality of the processes. The company's financial situation and strategy in respect of its financial position are considered at every Board meeting. The Board of Directors also receives detailed monthly reports on the company's financial position and the development of the business.

The Audit Committee fulfils an important function by guaranteeing control

activities for key risk areas in the financial reporting process. The Audit Committee, management and the internal audit function regularly follow up any reported non-conformances. ÅF's system for financial management and control paves the way for effective financial follow-ups throughout ÅF. Monthly reports are submitted for each profit centre, and the reports on the financial performance of assignments reflect the highest standards of reliability and detail. Any errors that are identified and any measures that are taken are reported to the next level up in the line organisation. ÅF's internal audit function carries out independent audits to monitor whether the internal control and management systems live up to ÅF's internal ambitions and external requirements and expectations. Priority areas for ÅF's internal audits are the ÅF brand, ÅF's values and ethics, processes and systems, as well as the assignments that ÅF has undertaken to perform. Reports are submitted to the CEO and the Board of Directors' Audit Committee.

Corporate social responsibility

ÅF focuses on long-term strategic work aimed at ensuring the company becomes a more sustainable business. The ten principles of the UN Global Compact and the OECD's guidelines are fundamental to this work. The company's sustainability objectives govern the priorities set in this area. This sustainability work is intended to contribute to the company's growth and is, therefore, followed up by both the Board of Directors and by Group management. For further details about the work that ÅF is engaged in with regard to sustainability, please see pages 38-49 of the annual report.

Stockholm Sweden — 23 March 2016
The Board of Directors of ÅF AB

AUDITORS' REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders of ÅF AB, corporate identity number 556120-6474

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2015 on pages 51–55 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that reading and our knowledge of the company and the Group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance

with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the corporate governance statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm Sweden 5 April 2016
Ernst & Young AB

Hamish Mabon
Authorised Public
Accountant

Erik Sandström
Authorised Public
Accountant

Board of Directors



Anders Narvinger

Chairman of the Board, Chairman of the Remuneration Committee and member of the Audit Committee



Marika Fredriksson

Director and member of the Remuneration Committee



Staffan Jufors

Director



Björn O. Nilsson

Director



Maud Olofsson

Director

Elected

2011

2013

2014

2010

2013

Born

1948

1963

1951

1956

1955

Education

Master of Engineering, Faculty of Engineering, Lund University, and graduate in economics, Uppsala University.

Master of Business Administration, Hanken School of Economics, Helsinki.

Graduate business administrator, Gothenburg School of Business, Economics and Law.

Doctor of Technology, M.Sc., Royal Institute of Technology (KTH), Stockholm.

Upper Secondary School diploma.

Current position and other significant duties outside ÅF

Chairman of the Board of Alfa Laval AB, Capio Holding AB and Coor Service Management Holding AB.

CFO, Vestas Wind system A/S. Director of Ferronordic machines.

Director of Akelius Residential Property AB, Haldex AB and Nordens Ark.

Professor, CEO and member of the Royal Swedish Academy of Engineering Sciences (IVA), Senior lecturer at the Royal Institute of Technology, Stockholm. Chairman of the Board of BioInvent International AB and of the ÅForsk Foundation. Director of Swed-Nano Tech AB.

Chairman of the Board of Visita. Director of Arise AB, Diös Fastigheter AB and Envac AB.

Professional experience

CEO of Teknikföretagen, former President and CEO of ABB Sverige.

Member of the Senior Management team of Volvo Construction Equipment, Autoliv and Gambro.

CEO of Volvo Trucks and Volvo Penta, Chairman of the Board of Volvo Buses.

Deputy President, Biovitrum AB; President KaroBio AB, Director of Research, Amersham Pharmacia Biotech AB.

Party Chair of the Centre Party, Sweden's Minister of Enterprise, Energy and Communications, 2006–2011 and Sweden's Deputy Prime Minister, 2006–2010.

Shareholding at 31 December 2015

10,000 B shares

0

2,000 B shares

0

2,000 B shares

**Joakim Rubin**

Director and member of the Audit Committee

**Kristina Schauman**

Director and Chairman of the Audit Committee

**Anders Snell**

Director and member of the Remuneration Committee

**Anders Forslund**

Director, employee representative

**Anders Toll**

Director, employee representative

2012

2012

2009

2012

2009

1960

1965

1950

1974

1955

Master of Engineering, Institute of Technology, Linköping University.

MBA, Stockholm School of Economics.

M. Sc. Civil Engineering Royal Institute of Technology (KTH), Stockholm.

Graduate Engineer, Faculty of Engineering, Lund University.

Engineer.

Funding Partner at Zeres Capital Partners, director of Cramo Qyj.

Director and Chairman of the Audit Committee of Apoteket AB, BillerudKorsnäs AB, Orexo AB, Coor Service Management Holding AB and Ellos Group Holding AB, Director of Livförsäkringsbolaget Skandia, mutual.

Chairman of the Board of Wibax AB and executive member of the ÅForsk Foundation.

Employed in ÅF's Industry Division.

Employed in ÅF's Industry Division.

Senior Partner at the Finnish venture capital company CapMan. Head of Corporate Finance and Dept Handelsbanken Capital Markets.

CFO of OMX, Carnegie and Apoteket AB, CEO of Apoteket AB and CFO of Investor AB.

Senior Vice President BillerudKorsnäs, Senior Vice President AssiDomän, CEO Grycksbo, CEO Norrsundet Bruks AB, Chairman of the Board of the ÅForsk Foundation.

Automation engineer, Industry Division.

Inspection Engineer, Project Engineer at Industry Division.

0

2,500 B shares

0

763 B shares
2013 Staff Convertible Programme: nominal amount SEK 60,000

254 B shares

Deputies

Ida Yveborg Deputy for employee representative

Elected: 2014

Born: 1979

Education: Master of Engineering, Institute of Technology, Linköping University.

Other appointments: Employed in ÅF's Technology Division.

Holding: 0

Johan Lindborg Deputy for employee representative

Elected: 2015

Born: 1981

Education: Upper secondary engineering

Other appointments: Employed in ÅF's Industry Division.

Holding: 2012 Staff Convertible Programme: nominal amount SEK 60,000

Auditors

Ernst & Young AB

Auditor in charge

Hamish Mabon



Group management

Stefan Johansson
CFO

Employed: 2011
Born: 1958

Education: MBA, Linköping University
Professional experience: CFO Haldex and Duni, and various positions in the ABB Group

Holding: 20,134 B shares.
2013 Staff Convertible Programme: nominal amount SEK 1,500,000
2015 Staff Convertible Programme: nominal amount SEK 3,000,000

Roberto Gerosa
President, International Division

Employed: 2007
Born: 1965

Education: M.Sc., Swiss Federal Institute of Technology, Zürich
Professional experience: CEO AF-Colenco Ltd, Switzerland, CEO Colenco Power Engineering Ltd, Switzerland

Holding: 34,063 B shares.
2015 Staff Convertible Programme: nominal amount SEK 3,000,000

Marie Edman
PA to the President

Employed: 2010
Born: 1953

Education: Managerial Secretary studies; PR & Business Communication, IHM Business School
Professional experience: PA to the President at Proffice, Electrolux Cleaning Appliances and Skandex

Holding: 12,576 B shares
2013 Staff Convertible Programme: nominal amount SEK 1,500,000
2015 Staff Convertible Programme: nominal amount SEK 3,000,000

Viktor Svensson
President, Technology Division

Employed: 2003
Born: 1975

Education: MBA, Blekinge Institute of Technology

Professional experience: Stock market journalist at Finanstidningen

Holding: 23,500 B shares
2013 Staff Convertible Programme: nominal amount SEK 1,500,000
2015 Staff Convertible Programme: nominal amount SEK 3,000,000

Lars-Eric Aaro
Executive Vice President, Corporate Sales

Employed: 2015
Born: 1956

Education: Mining engineer, Luleå University of Technology

Professional experience: CEO LKAB, Divisional Manager Boliden, Sales Director Atlas Copco/Secoroc

Holding: 0



Jonas Wiström
President and CEO

Employed: 2002
Born: 1960

Education: Master of Chemical Engineering, Royal Institute of Technology (KTH), Stockholm.

Other appointments: Deputy Chair Teknikföretagen (the Swedish Engineering Industry Employers' Association), Business Sweden. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and Deputy Chairman of IVA's Business Council, Director of Sweden International Chamber of Commerce.

Professional experience: President/CEO Prevas AB, CEO Silicon Graphics northern Europe, head of Sun Microsystems Sweden.

Holding: 73,541 B shares.

2013 Staff Convertible Programme: nominal amount SEK 3,000,000

2015 Staff Convertible Programme: nominal amount SEK 6,000,000

Lena Tollerz Törn
CIO

Employed: 2015
Born: 1972

Education: MBA, Stockholm School of Economics

Work experience: COO SPP, CIO Swedish Tax Agency, Manager Accenture

Holding: 0

2015 Staff Convertible Programme: nominal amount SEK 900,000

Per Magnusson
President, Industry Division

Employed: 2006
Born: 1954

Education: Electrical power engineering Polhem Technical Upper Secondary School, advanced supplementary courses in economics, marketing, and business development KTH Executive School.

Professional experience: Plant Engineer ASEA AB, consultant Rejlers Ingenjörer AB, Consulting Manager J&W AB, Sigma AB, CEO Benima SydVäst

Holding: 9,911 B shares

2013 Staff Convertible Programme: nominal amount SEK 500,000

2015 Staff Convertible Programme: nominal amount SEK 2,000,000

Nyamko Sabuni
Vice President, Sustainability

Employed: 2013
Born: 1969

Education: Law, Uppsala University; Information and Communication, Berghs School of Communication; Migration Policy, Mälardalens University

Professional experience: Minister in Swedish government, Member of Swedish Parliament and its Committee on Industry and Trade, Communications Advisor Geelmyuden Kiese, Project Manager Folksam Social Council

Holding: 668 B shares

Emma Claesson
Vice President, Human Resources & Communications

Employed: 2014
Born: 1974

Education: MSc Business and Economics, Uppsala University

Professional experience: VP HR SSAB EMEA, Director Leadership & Competence Development SSAB, Management Consultant Accenture

Holding: 345 B shares

2015 Staff Convertible Programme: nominal amount SEK 3,000,000

Mats Pålsson
President, Infrastructure Division

Employed: 2009
Born: 1954

Education: M.Sc. Civil Engineering, Luleå University of Technology

Professional experience: Site Engineer Skanska, CEO SWECO VBB Viak and SWECO VBB, Business Area Manager ÅF Infrastructure Planning

Holding: 21,049 B shares

2012 Staff Convertible Programme: nominal amount SEK 1,500,000

2013 Staff Convertible Programme: nominal amount SEK 1,500,000

2015 Staff Convertible Programme: nominal amount SEK 3,000,000

Strong growth and increased profit



ÅF AB (publ)

Corporate identity number 556120-6474

The Board of Directors and the CEO of ÅF AB (publ) herewith submit their annual report and consolidated financial statements for the 2015 financial year. ÅF AB is the parent of the Group. The registered office is in Stockholm.

Net sales and profit

Net sales amounted to SEK 9,851 million (8,805). Excluding divestments, growth was 12.6 percent, of which 4.8 percentage points were organic. Adjusted for currency translation effects, growth stood at 11.2 percent.

Consolidated operating profit rose to SEK 839 million (756) during the year. The operating margin was 8.5 percent (8.6). During the year, restructuring costs of SEK 43 million and adjustments to the estimated size of future contingent considerations of SEK 50 million were treated as items affecting comparability. Thus, net items affecting comparability amount to SEK 7 million (9). Adjusted for items affecting comparability, operating profit totalled SEK 832 million (747) and the operating margin was 8.4 percent (8.5). There were two more working days in 2015 than in 2014. Capacity utilisation was 76.9 percent (76.1). Profit after financial items was SEK 799 million (720). Profit after tax totalled SEK 609 million (553). Earnings per share were SEK 7.81 (7.16).

A reorganisation of operations in the Industry and Technology Divisions was implemented

during the year. The change means that the Technology Division is devoted solely to digitalisation and the networked society, while the Industry Division takes over responsibility for the business segments that focus on mechanical design and can thereby offer end-to-end solutions for product and production development. A number of efficiency measures were implemented as a result of this reorganisation.

The reorganisation resulted in substantial changes to the income statements and balance sheets of the Technology and Industry Divisions. All historical data for the divisions are reported pro forma.

Acquisitions and divestments

Six businesses have been acquired and taken over since the beginning of the year, and they are expected to contribute sales of about SEK 800 million over the full year. The acquired businesses also added 675 employees to ÅF's roster. The acquisitions were made in Sweden. At the end of the year, Erstad & Lekven Oslo AS and Alteco AB were also acquired and taken over as of 1 January 2016. In 2015, ÅF and Reinertsen decided to gather their Norwegian operations in infrastructure, construction and installation in a jointly owned company from February 2016. ÅF also acquired Reinertsen's Swedish infrastructure business as of 1 February 2016.

Cash flow and financial position

Cash flow from operating activities was SEK 523 million (601). The slightly lower cash flow is

mainly due to an increase in tied-up capital driven by the Group's growth. Company acquisitions and contingent considerations paid totalled SEK 741 million (158). Not taking into account acquisition of businesses, gross investment in property, plant and equipment and intangible assets during the year totalled SEK 69 million (102). The dividend paid amounted to SEK 273 million (254), share repurchases and sales to SEK -86 million (-47), and the net of borrowings and loan repayment to SEK 729 million (-66). Total cash flow was SEK 86 million (-5).

ÅF issued a senior non-secured bond loan totalling SEK 700 million during the year. The bond loan has a variable interest rate of three months' STIBOR +115 basis points and a term of five years, with a final maturity date of 12 May 2020.

Consolidated net debt totalled SEK 1,486 million (870) at the end of the year. The Group had unutilised credit facilities amounting to SEK 842 million (742) at the end of the year, and cash and cash equivalents at the end of the period totalled SEK 264 million (178). The total of unutilised credit facilities and cash and cash equivalents is, therefore, SEK 1,106 million (920).

Equity at the end of the year was SEK 4,230 million (3,955), equivalent to equity per share of SEK 54.46 (51.17). The equity ratio was 50.9 percent (54.1).

Parent

Parent operating income for the year totalled SEK 574 million (520) and relates chiefly to internal services within the Group. Profit after net financial items was SEK 599 million (532). Dividends from Group companies totalled SEK 658 million (600). Cash and cash equivalents totalled SEK 92 million (27). Gross investment in non-current assets was SEK 27 million (54).

Environment and sustainability

Together with its stakeholders and society in general, ÅF has an important duty to work towards more sustainable development. In many instances, ÅF is tasked with introducing new and better technology, implementing rationalisation measures and reducing emissions. It also analyses and helps government authorities and other governing bodies to understand the challenges that we are all facing. With over a century of experience, ÅF has its sights firmly set on making a positive contribution to long-term sustainable development. ÅF has no licensable operations. For ÅF's Sustainability Report, please see pages 6 and 38-49 of the annual report.

Employees

The average number of FTEs was 7,453 (6,887). The total number of employees at the end of the period was 7,852 (7,117): 6,455 (5,680) in Sweden and 1,397 (1,437) outside Sweden. ÅF adopts an active, long-term perspective to HR work in order to attract and retain skilled employees. This approach involves marketing ÅF as an employer externally, while also providing clear

Industry Division

The industry market varies greatly between different industries but ended at a higher level compared to early 2015. The automotive, pulp and pharmaceutical industries showed great demand, while the commodity and energy sectors remained weak.

Growth was 11.6 percent, and was entirely acquired. Organic growth in the division was a challenge during the year but increased slowly toward the end of the year.

Operating profit increased year-on-year, totalling SEK 379.9 million (346.3). A cost reduction program was implemented during the year, which helped improve profit. The programme is expected to generate annual savings of about SEK 30 million with full effect from 2016. Another contributing factor to the Division's good performance is that with its size and flexibility it has managed to reallocate resources from sectors with weak performance to sectors with higher demand.

	2015	2014
Net sales, SEK m	4,247.5	3,805.1
Operating profit, SEK m	379.9	346.3
Operating margin, %	8.9	9.1
Average number of FTEs	3,278	2,915

International Division

The energy market in Asia and the Middle East continues to be stronger than in Europe, both for new power plants and expansions and rebuilds in existing power plants. In Europe, with its low electricity prices, there remains a reluctance to invest in power generation, but there is demand for rebuilds and upgrades. The Latin American market also remains weak. Globally, demand for energy conservation studies and efficient distribution solutions is increasing, mostly driven by an increased focus on environmental issues.

Net sales, excluding divestments, rose by 9.9 percent, of which the majority was related to currency translation effects. Despite a weak European domestic market, the Division improved its operating profit and operating margin, mainly thanks to the restructuring measures implemented and a continued increase in projects outside Europe. The operating margin was 6.8 percent (5.2).

	2015	2014
Net sales, SEK m	1,078.1	1,038.1
Operating profit, SEK m	73.1	54.2
Operating margin, %	6.8	5.2
Average number of FTEs	820	964

Infrastructure Division

Public sector infrastructure investments remain at high levels in Sweden and Norway. Strong drivers of the Division's business dealings are heavy investments in new and existing infrastructure, hospital upgrades and sustainable investments in property maintenance and management.

Continued strong growth with good profitability were distinguishing factors in 2015. Growth stood at 15.3 percent, of which 7.7 percentage points were organic. Operating profit climbed to SEK 346.8 million (296.6).

The Division's order portfolio of large infrastructure projects, valued at more than SEK 1,000 million, represents a stable base of operations. Notable projects include the West Link, East Link and Gardermoen Airport. The order portfolio for ongoing hospital projects is growing and amounts to just over SEK 350 million. Notable projects here are the reconstruction, extension and new construction occurring at Vrinnevi Hospital in Norrköping and Malmö Hospital, along with Helse Sør-Øst's new hospital in Østfold, Norway.

The Infrastructure Division continues to grow and attract community planners and developers. In 2015, nearly 460 new employees were recruited to the Division, primarily in the fields of road and rail engineering.

	2015	2014
Net sales, SEK m	3,146.8	2,730.0
Operating profit, SEK m	346.8	296.6
Operating margin, %	11.0	10.9
Average number of FTEs	2,254	1,930

Technology Division

Services in the digitalisation of Swedish industry continue to provide new business opportunities for ÅF's clients. The market for advanced product development and digital solutions was good.

Growth was entirely organic and amounted to 9.5 percent for the year. The operating margin, which improved during the second half of the year, amounted to 7.8 percent (7.7). The main factors behind the improved result were increased capacity utilisation along with the savings programme that was implemented during the year. The programme is expected to generate annual savings of about SEK 10 million with full effect from 2016.

The defence, automotive, and banking and financial sectors accounted for the strongest demand, while the telecom sector was more cautious by year-end. The need for advanced application and systems development as well as integration is generally good within the Division's focus areas, and is particularly driven by digitalisation's considerable potential in client businesses. The Technology Division wins the confidence of its clients through considerable technical breadth and volume, but also through a well-established ability to compose cross-functional consulting teams, which are increasingly in demand.

	2015	2014
Net sales, SEK m	1,600.6	1,462.3
Operating profit, SEK m	124.6	112.6
Operating margin, %	7.8	7.7
Average number of FTEs	983	977

information about the various career paths and opportunities for development available at ÅF, and offering all employees the kind of work that develops them as individuals. In 2015, ÅF further strengthened its position as an attractive employer. In Universum's annual survey, which is Sweden's biggest among young practising engineers (with 3,905 responses), ÅF came in first among those with a B.Sc. in engineering and second among those with an M.Sc. in engineering. ÅF devotes considerable effort to Employer Branding activities to market itself as an attractive employer among potential co-workers and to bolster the company's image. During the year a number of activities were conducted at universities and colleges. ÅF also works to achieve a good gender balance within the company. ÅF works actively with diversity and equality within the framework of the EVEN ODDS programme. In 2015, ÅF worked closely with a number of student associations and networks to inspire and attract more women to take up engineering. The number of female employees at ÅF increased in 2015. At year-end, women constituted 21.5 (20.2) percent of the total number of consultants in the company. ÅF has what it calls the ÅF Career Model whose main purpose is to clarify employee development opportunities and help showcase talent within ÅF. The model also aims to attract new employees by presenting the development opportunities available within the company. ÅF has collective agreements with Sveriges Ingenjörer (the Swedish Association of Graduate Engineers) and Unionen, Sweden's largest private-sector trade union. For further details about ÅF's work with human resources, please see pages 7-13 in the annual report.

The ÅF share

ÅF's Class B shares have been quoted on the Nasdaq Stockholm since January 1986. Prior to that, ÅF (formerly Ångpanneföreningen) traded as a cooperative association from 1895 until 1980 and as a public limited company from 1981. ÅF's B shares are traded on the Nasdaq Stockholm exchange Mid Cap list under the "AF B" symbol. At year-end, the market capitalisation of ÅF's outstanding shares, including A shares, was SEK 11,153 million (9,734).

AF B traded at SEK 143.75 (126) at year-end, a rise of 14.1 percent (12.0) in value over the year. During the same period, the OMX SPI index rose by 6.6 percent (11.9). The total number of ÅF shares at year-end amounted to 78,065,293 (78,204,970), of which 3,217,752 (3,217,752) were A shares and 74,847,541 (74,987,218) were B shares. Of these, 476,971 (953,094) were custodial. The ten largest shareholders in ÅF are listed on page 107 of the annual report. The single largest shareholder is the ÅForsk Foundation, which holds 3,205,752 Class A shares and 7,665,152 Class B shares, corresponding to 37.1 percent of the voting rights and 13.9 percent of the equity. There are no limitations, either in law or in the company's articles of association, relating to the transfer of shares.

During the year, 203,297 custodial shares were used for matching of the 2011 and 2012



ÅF devotes considerable effort to Employer Branding activities to market itself as an attractive employer among potential co-workers and to bolster the company's image.

share savings programmes. In respect of the 2015 convertible programme, 695,043 shares were repurchased under the authority granted by a resolution at the 2015 AGM. The authorisation is for a maximum of two percent of all shares in the company. In addition, 967,869 custodial shares were cancelled.

Long-term incentive programmes

The AGM approved a motion on a convertible programme for key employees of ÅF. The programme means that ÅF AB raised a staff convertible of a nominal maximum of SEK 200.0 million through the issue of convertibles. The convertibles may be exchanged for shares at a predetermined price of SEK 134.10 between 15 June 2018 and 15 March 2019. Convertibles with a nominal value of SEK 129.8 million were subscribed for, equivalent to 967,869 shares. The company repurchased shares and the share capital was reduced by 967,869 shares to neutralize the dilutive effect a conversion would otherwise imply.

Guidelines for the remuneration of Group management

The guidelines adopted for 2015 by the AGM are set out in Note 6. The Board of Directors proposes that the 2016 AGM resolve that the policies for remuneration and other conditions of employment for Group management for 2016 shall be in line with the policies that applied in 2015, with the exception of the one-off special incentive programme that was arranged in 2013, which should be stricken from the guidelines since the programme expired in 2015.

Corporate governance

ÅF prepares its Corporate Governance report as a separate document from the statutory annual report. Please see pages 51-55.

Dividend

The Board of Directors proposes a dividend for 2015 of SEK 3.75 per share (3.50).

Expectations for 2016

The overall outlook for 2016 is cautiously optimistic. The infrastructure market is expected to remain strong. The market for energy investments in Sweden has stabilised at a lower level, while remaining unchanged in the rest of the world. The outlook for the industrial market remains difficult to assess.

Proposed appropriation of profits

Non-restricted profits of SEK 3,875,607,886 are at the disposal of the AGM. The Board of Directors and CEO propose that these profits be appropriated as follows:

A dividend of SEK 3.75 per share paid to the shareholders	290,956,207
To be carried forward	3,584,651,679
Total	3,875,607,886

The Board of Directors' explanation of the proposed appropriation of profits will be posted on the company's website, www.afconsult.com. It is also available from the company on request.

Risks and risk management

ÅF's risk management model has been implemented to meet the strategic, operational and financial risks linked to ÅF's operations. In 2015, ÅF continuously assessed and monitored risk trends, which helped ÅF to cope with both changes in the market and changes resulting from the company's strong growth.

Strategic risks	Description	Risk management
Market	<p>Changes in the economic cycle, structural changes and changes in market trends are events which challenge ÅF at regular intervals, demanding watchfulness and initiative at several levels and throughout the organisation.</p> <p>In addition, ÅF faces challenges from a number of major international players as well as various small and medium-sized local competitors in each market.</p>	<p>ÅF manages the risks linked to the economic cycle, structure and market trends by trading in multiple markets and in areas which have different business cycles and which are affected in individual ways by structural changes and fluctuating market trends. ÅF also aims to be flexible internally and to utilise its resources to best meet the needs of the moment. The company also carries out regular evaluations of the current competitive situation in each local market and at appropriate levels within the operation. ÅF's broad collective expertise, in combination with accurate assessments in each situation, increases competitiveness.</p>
Sustainability	<p>ÅF's presence in a global energy, industry and infrastructure market gives rise to sustainability risks in areas such as human rights, working conditions, the environment and corruption.</p>	<p>ÅF reduces its exposure to risks related to sustainability through its Code of Conduct, a clear and regulating sustainability policy and an obligatory sustainability risk analysis at an early stage of the business process. Responsibility for upholding and developing ÅF's sustainability efforts is clearly allocated within the organisation, and ÅF's Vice President of Sustainability is a member of Group management. With respect to the environment, ÅF has a follow-up system to ensure that all units within the Group comply with environmental law.</p> <p>The Group's anti-corruption framework clearly sets out the ethical rules governing ÅF's conduct in relation to clients as well as in its operations. Anti-corruption training was developed in 2015 to further support consultants in their assessment of corruption risks.</p> <p>A whistleblowing channel enables every member of ÅF's staff to report deviations with complete confidentiality.</p> <p>A system of health and safety procedures and processes was implemented in 2015 to meet the requirements of OHSAS 18001.</p>
Acquisitions	<p>Consolidation of the technical consultancy industry continues, and ÅF is part of this trend through its acquisitions, to prevent any loss of competitiveness.</p>	<p>ÅF minimises acquisition risks through a systematic approach and a carefully considered acquisition and integration process.</p> <p>To ensure that ÅF adopts a forward-looking and systematic approach to acquisitions and start-ups in new geographical markets, decisions on acquisitions are taken by Group management and the Board of Directors. An annual review of recent acquisitions over a certain limit is carried out by the Board of Directors. Responsibility for the acquisition process itself and for the integration of acquired companies is allocated among the parts of the organisation involved in each acquisition. A person has been designated by the Group to lead acquisition and integration efforts.</p>
IT	<p>It is crucial that the IT infrastructure at ÅF is operationally reliable since unplanned outages inevitably mean loss of income.</p>	<p>ÅF ensures that the Group has the appropriate IT resources by utilising both internal expertise and outsourcing to suppliers.</p> <p>Both internal and external resources have signed agreements setting out how rapidly faults are to be rectified. An incentive structure to prevent problems is in place. ÅF checks continuously to ensure that the available resources are adequate and have the necessary expertise.</p> <p>ÅF ensures that sufficient resources are allocated to system ownership and administration, and that these are handled in accordance with an adopted administration model. Allocations are made for development and training.</p>

Operating risks	Description	Risk management
Quality	<p>The engineering and consulting services that ÅF supplies form the basis for the development of products, systems, buildings, infrastructure and industry. ÅF has a major responsibility to supply services and/or functions which meet clients' requirements and expectations as to quality and performance. It is essential to monitor and manage risks related to this responsibility on a continuous basis.</p>	<p>ÅF has its own business support system for the internal control, management and follow-up of operations and operational projects.</p> <p>This system has been certified under ISO 9001:2008 (quality) and ISO 14001:2004 (environment), and is accessible to all members of staff via the intranet.</p> <p>This system's process descriptions for operations are tailored to suit each technical area, and contain detailed support for the planning, follow-up, control and delivery of the assignments ÅF is tasked with. Experts in the operating organisation have been given responsibility for the respective operating processes to ensure the reliability and performance of the processes, and for their implementation within the organisation.</p> <p>Operational compliance with the business support system is monitored continuously by the internal audit team and by externally conducted annual audits of the quality and environmental management systems.</p> <p>ÅF has comprehensive insurance cover including public liability insurance, product liability insurance and consultant liability insurance.</p>
Capacity utilisation and price per hour	<p>ÅF has a relatively high proportion of consultants working within its clients' organisations, providing expertise and detailed knowledge. A feature of this consulting operation is that the services are provided at the client's premises in the client's system, which reduces ÅF's risk exposure associated with responsibility for the final result. Competition is, however, fierce and it is essential to monitor the operation's financial performance continuously, since every percentage point change in the capacity utilisation rate and the price per hour has an appreciable impact on ÅF's annual profit. Every percentage point change in the capacity utilisation rate affects ÅF's profit by about plus/minus SEK 90 million. An increase in the price per hour of one percent, with an unchanged capacity utilisation rate, improves ÅF's annual profit by around SEK 70 million.</p>	<p>ÅF has effective systems for sales support and managing expertise to ensure sustainable business relationships and successful matching of expertise with the notified needs.</p> <p>ÅF's sensitivity analysis is designed to emphasise the importance of a high capacity utilisation rate and appropriate price per hour.</p> <p>The risk is also reduced through the use of sub-consultants.</p>
Project operations	<p>As a result of a number of substantial assignments carried out successfully in recent years in the infrastructure and industry sectors, ÅF is seen as a confidence-inspiring partner for setting up competent and effective project organisations.</p> <p>Large assignments with great responsibility also increase risk exposure – both financially and in relation to quality and performance in the project result. A fixed-price contract may involve an increased risk if the time required to complete the assignment is not correctly estimated. In ÅF's case this can lead to reduced margins.</p>	<p>The systems for sales support and managing expertise provide a basis for creating competent project organisations and achieving sustainable business relationships also within project operations.</p> <p>A fixed-price arrangement may be advantageous for projects with a clearly defined scope. This allows the consultant to take advantage of previous experience which will benefit the client and enable the consultant to assess time and resource requirements more accurately in his or her project estimates.</p> <p>Once the projects are underway, there is a system for project management directly linked to the process descriptions and tools that ÅF has developed for its project operation.</p> <p>ÅF has training programmes designed to develop the expertise required for project management and project work. Considerable importance is attached to the formulation of appropriate terms and conditions to reduce the risks associated with fixed-price projects.</p> <p>ÅF's methods for continuously monitoring and evaluating the amount of work remaining in projects also reduce this risk.</p>
Partners, subcontractors and sub-consultants	<p>ÅF's continued growth, both in respect of supplying professional consultants and complete project organisations, is leading to an increasing need for subcontractors with specialist expertise as well as subcontractors who can supply specific project planning services.</p> <p>ÅF is exposed to risk both when the company arranges an assignment and where partners are working in ÅF's name as subcontractors in a project assignment.</p>	<p>ÅF needs to ensure that all projects involving sub-consultants match the quality of projects carried out by ÅF itself, and that sub-consultants are given the same opportunities to do an excellent job as the company's own consultants. Tools are available to assess and evaluate sub-consultants project by project, so reducing risk exposure.</p> <p>ÅF's system for managing partners includes separate functions for evaluating and following up to ensure that quality and performance reached the expected levels – particularly in the event that the service is actually provided by a partner.</p>

Human Resources	<p>As competition for qualified employees increases, so too does the pressure on ÅF to present itself as an attractive employer.</p> <p>For a consulting company to achieve its objectives, it is essential that employees are motivated and have appropriate skills and knowledge. There is always a risk that highly competent employees may leave ÅF to join competitors or clients, or set up their own businesses. The risk is exacerbated if these people are able to use their inside knowledge of the company to cherry-pick the best of their skilled colleagues.</p>	<p>ÅF allocates substantial resources each year to recruitment and induction activities.</p> <p>ÅF achieved a high rating in a number of polls measuring attractiveness as an employer.</p> <p>In order to retain and motivate employees of the right calibre, ÅF invests in continual professional development, skills development and management training (via the ÅF Academy, for example). It is also the company's ambition to conduct a personal development review with each employee once a year in order to discuss and draw up an individual development plan.</p> <p>Annual employee surveys are carried out to ascertain how satisfied members of staff are with their work situation.</p>
Disputes	<p>There is a risk that disputes may arise in the course of ÅF's business operations.</p> <p>Disputes may arise if ÅF disagrees with a client about the conditions that pertain to a certain assignment.</p> <p>Disputes may also arise, for example, in conjunction with the acquisition of operations.</p>	<p>Drawing up contracts for all assignments with terms appropriate to the project in hand reduces the risk of disputes. Legal advice is always sought in more complex transactions.</p> <p>Ultimate responsibility for legal questions lies with the Group's General Counsel.</p>

Financial risks	Description	Risk management
Financing and liquidity risks	<p>The financing risk faced by the Group is the risk of not being able to raise new loans or refinance existing ones on acceptable terms. The Group is also exposed to liquidity risk, which is defined as the risk that it will not be able to meet its immediate payment obligations.</p>	<p>Responsibility for the Group's financial transactions and risks is handled centrally by the parent's Treasury Department, which implements the policy set by the Board of Directors. There is a routine in place to ensure the availability of appropriate lines of credit at all times. ÅF's policy is that the company shall have a net debt over time, and that net debt shall be between 1.5 and 2.0 times EBITDA over a business cycle.</p> <p>In accordance with the current policy, the company is to have cash and cash equivalents and unutilised credit facilities that together correspond to at least 6 percent of annual sales.</p>
Interest rate risk	<p>Interest rate risk is the risk that changes in interest rates may have a negative impact on the Group's net interest income/expense and cash flow.</p>	<p>ÅF's exposure to interest rate risk relates chiefly to outstanding external loans. Under the current policy, ÅF raises loans both at fixed and variable interest, but the average fixed-interest period must not exceed 12 months. If necessary, ÅF can use interest rate swaps to achieve the desired average duration.</p> <p>A change of one percentage point in market rates would have an effect of SEK 18 million on the Group's interest expenses.</p>
Exchange rate risk	<p>Exchange rate risk refers to changes in exchange rates which have a negative impact on the consolidated income statement, balance sheet and cash flow.</p> <p>Exchange rate risk can be split into transaction exposure and translation exposure.</p> <p>Transaction exposure is the net of operating and financial inflows and outflows in foreign currencies.</p> <p>Translation exposure consists of the net assets and profit/loss of foreign subsidiaries in foreign currency.</p>	<p>ÅF's transaction exposure is relatively limited, as the majority of sales and expenses are invoiced in local currencies. In accordance with current policy, payment flows in foreign currencies are hedged when it is possible to determine the amount and time of the transaction with a great degree of certainty, and in cases where the future payment flow is anticipated to exceed a value of EUR 100,000.</p> <p>ÅF's largest operational transaction exposures involve the currency pairs USD/EUR, USD/SEK and EUR/SEK. An unhedged exchange rate fluctuation of 10 percent in these currencies would affect ÅF's operating profit by SEK 2 million, SEK 1 million and SEK 1 million respectively on an annual basis.</p> <p>In line with Group policy, ÅF does not hedge translation exposure.</p>
Credit risk	<p>ÅF's commercial and financial transactions give rise to credit risks in respect of counterparties.</p> <p>Credit risk or counterparty risk is the risk of loss in the event that the counterparty does not fulfil its obligations.</p>	<p>The credit risk consists of outstanding accounts receivable and uninvoiced consulting assignments.</p> <p>This risk is limited through ÅF's highly effective credit policy. All new clients are vetted for creditworthiness and project services are invoiced on a pay-as-you-go basis to minimise the risk of bad debts.</p> <p>ÅF's ten largest clients, who account for a total of 32 percent of Group sales, are all large listed companies or publicly owned institutions. The remaining 68 percent of net sales are spread over a large number of clients.</p>

Contents

Consolidated income statement	67
Statement of consolidated comprehensive income	67
Consolidated balance sheet	68
Statement of change in consolidated equity	70
Statement of consolidated cash flows	71
Parent income statement	72
Parent statement of comprehensive income	72
Parent balance sheet	73
Statement of change in parent equity	75
Statement of cash flows for parent	76
Notes	
1 Accounting policies	77
2 Segment reporting	82
3 Acquisition of business operations	82
4 Other operating income	83
5 Fees and reimbursement of auditors' expenses	83
6 Employees and personnel costs	83
7 Other operating expenses	86
8 Items affecting comparability	86
9 Financial items	86
10 Appropriations	86
11 Earnings per share and number of shares	87
12 Financial assets and liabilities	87
13 Intangible assets	91
14 Property, plant and equipment	92
15 Participations in associates and joint arrangements	93
16 Prepaid expenses and accrued income	93
17 Equity	93
18 Pension obligations	94
19 Other provisions	96
20 Taxes	97
21 Accrued expenses and prepaid income	98
22 Operating leases	98
23 Pledged assets, contingent liabilities and contingent assets	98
24 Related party transactions	99
25 Group companies	99
26 Untaxed reserves	101
27 Statement of cash flows	101
28 Subsequent events	101
29 Critical estimates and judgements	101
30 Information on parent	102
Auditor's report	103



Østbanehallen, Oslo

ÅF's lighting unit designed the lighting solution for Østbanehallen, which was Oslo's first railway station when it was built. The station building underwent extensive renovation and was transformed into a popular meeting place and shopping oasis in the city centre. Originally, Østbanehallen had an open facade facing east, through which the rising sun lit up the large hall. Today's lighting solution includes an eye-catching pixel wall that once again makes the light and the sunrise part of the building and symbolises the start of new days and new journeys.

Østbanehallen won the 2015 Norwegian Lighting Award.

Consolidated income statement

1 January - 31 December (SEK million)	Note	2015	2014
Net sales	2	9,850.6	8,805.0
Purchases of services and materials		-2,672.1	-2,392.8
Other external costs	5, 22	-825.6	-751.3
Personnel costs	6	-5,467.3	-4,831.4
Amortisation and impairment of intangible assets	13	-42.9	-42.0
Depreciation and impairment of property, plant and equipment	14	-56.2	-49.0
Other operating income	4	54.7	32.3
Other operating expenses	7	-2.3	-14.4
Profit attributable to participations in associates	15	0.0	0.2
Operating profit	2, 8	839.0	756.3
Profit/loss from financial items			
Financial income	9	10.7	23.7
Financial expenses	9	-50.7	-59.8
Net financial items		-39.9	-36.1
Profit after financial items		799.1	720.1
Tax	20	-189.8	-166.7
Profit for the period		609.3	553.5
Attributable to:			
Shareholders in the parent		605.2	553.1
Non-controlling interest		4.1	0.3
		609.3	553.5
Attributable to the parent's shareholders	11		
Basic earnings per share (SEK)		7.81	7.16
Diluted earnings per share (SEK)		7.63	7.03

Statement of consolidated comprehensive income

1 January - 31 December (SEK million)	2015	2014
Profit for the period	609.3	553.5
Items which will be classified to profit or loss		
This year's translation differences for foreign operations	-38.5	58.3
Translation differences transferred to profit or loss	—	32.0
Change in hedge reserve	-2.7	-0.9
Tax	0.4	0.2
Items which will not be classified to profit or loss		
Pensions	-22.1	-68.4
Tax	4.4	13.7
Other comprehensive income	-58.5	34.9
Comprehensive income for the period	550.9	588.4
Attributable to:		
Shareholders in the parent	546.6	588.0
Non-controlling interest	4.3	0.4
	550.9	588.4

Consolidated balance sheet

As at 31 December (SEK million)	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	2, 13	4,817.7	4,276.4
Property, plant and equipment	2, 14	384.8	346.4
Participations in associates	15	0.5	1.4
Financial investments	12	0.8	0.7
Non-current receivables	12	3.6	2.3
Deferred tax asset	20	16.6	10.3
Total non-current assets		5,223.8	4,637.5
Current assets			
Accounts receivable	12	1,914.0	1,623.2
Revenue generated but not invoiced	12	702.8	672.5
Current tax assets	20	12.0	15.9
Other receivables		86.4	80.4
Prepaid expenses and accrued income	16	113.1	95.7
Cash and cash equivalents		264.3	178.4
Total current assets		3,092.5	2,666.0
Total assets		8,316.3	7,303.5

As at 31 December (SEK million)	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	17		
Share capital		195.2	195.5
Other contributed capital		1,137.8	1,139.9
Reserves		64.0	105.4
Profits brought forward including profit for the period		2,828.6	2,512.0
Equity attributable to shareholders in parent		4,225.5	3,952.7
Non-controlling interest		4.1	1.8
Total equity		4,229.7	3,954.5
Liabilities			
Loans and credit facilities	12	1,239.1	611.3
Provisions for pensions	18	106.4	83.2
Other provisions	19	18.3	12.6
Deferred tax liabilities	20	127.7	133.1
Other liabilities	12	35.9	180.8
Total non-current liabilities		1,527.4	1,020.9
Loans and credit facilities	12	404.4	353.8
Other provisions	19	29.1	11.8
Work invoiced but not yet carried out		169.9	176.6
Accounts payable		568.5	535.2
Current tax liability	20	54.0	92.1
Accrued expenses and prepaid income	21	828.6	695.3
Other liabilities	12	504.8	463.2
Total current liabilities		2,559.3	2,328.1
Total liabilities		4,086.7	3,349.0
Total equity and liabilities		8,316.3	7,303.5

For information about the Group's pledged assets and contingent liabilities, see Note 23.

Net debt	2015	2014
Loans and credit facilities	1,643.5	965.1
Net pension liability	106.4	83.2
Cash and cash equivalents	-264.3	-178.4
	1,485.6	869.8

Statement of change in consolidated equity

SEK million	Equity attributable to shareholders in parent						Non-controlling interest	Total equity
	Share capital	Other contributed capital	Reserves	Retained profit incl. profit for the period	Total			
Equity brought forward 1 Jan 2014	197.4	1,176.6	15.8	2,271.7	3,661.5	12.7	3,674.2	
Profit for the period				553.1	553.1	0.3	553.5	
Other comprehensive income			89.6	-54.7	34.9	0.0	34.9	
Comprehensive income for the period	—	—	89.6	498.4	588.0	0.4	588.4	
Dividends				-251.9	-251.9	-2.2	-254.0	
Share programmes		8.9			8.9		8.9	
Share buy-backs/sales		-47.5			-47.5		-47.5	
Cancellation of shares	-1.9	1.9			—		—	
Gradual acquisition of non-controlling interest				-6.3	-6.3	-1.2	-7.5	
Divestment of non-controlling interest					—	-8.0	-8.0	
Equity carried forward 31 Dec 2014	195.5	1,139.9	105.4	2,512.0	3,952.7	1.8	3,954.5	
Equity brought forward 1 Jan 2015	195.5	1,139.9	105.4	2,512.0	3,952.7	1.8	3,954.5	
Profit for the period				605.2	605.2	4.1	609.3	
Other comprehensive income			-41.4	-17.7	-59.1	0.7	-58.5	
Comprehensive income for the period	—	—	-41.4	587.5	546.1	4.7	550.9	
Dividends				-270.9	-270.9	-2.4	-273.2	
Conversion of convertible bonds into shares (2012 programme)	2.1	62.9			65.0		65.0	
Value of conversion option (2015 programme)		9.8			9.8		9.8	
Tax on value of conversion option (2015 programme)		-2.1			-2.1		-2.1	
Share buy-backs/sales		-86.0			-86.0		-86.0	
Cancellation of shares	-2.4	2.4			—		—	
Share programmes		10.9			10.9		10.9	
Equity carried forward 31 Dec 2015	195.2	1,137.8	64.0	2,828.6	4,225.5	4.1	4,229.7	

For supplementary information, see Note 17.

Statement of consolidated cash flows

1 January - 31 December (SEK million)	Note	2015	2014
Operating activities	27		
Profit after financial items		799.1	720.1
Adjustment for items not included in cash flow		87.7	82.2
Income tax paid		-231.0	-190.2
Cash flow from operating activities before changes in working capital		655.8	612.2
Cash flow from changes in working capital			
Change in operating receivables		-171.9	-53.1
Change in operating liabilities		38.9	41.7
Cash flow from operating activities		522.8	600.7
Investing activities			
Acquisition of property, plant and equipment		-57.4	-86.8
Disposal of property, plant and equipment		1.3	2.3
Acquisition of intangible assets		-11.5	-14.9
Acquisition of business operations	3	-608.5	-83.3
Disposal of business operations		2.6	18.1
Contingent considerations paid and gradual acquisitions		-132.5	-74.6
Acquisition/Disposal of financial assets		-1.0	1.2
Cash flow from investing activities		-807.0	-238.0
Financing activities			
Borrowings		829.5	46.7
Amortisation of loans		-100.0	-112.5
Dividends paid (including non-controlling interest)		-273.2	-254.0
Share buy-backs/sales		-86.0	-47.5
Cash flow from financing activities		370.2	-367.3
Cash flow for the period		86.0	-4.6
Opening cash and cash equivalents		178.4	187.7
Exchange difference in cash and cash equivalents		-0.1	-4.8
Closing cash and cash equivalents		264.3	178.4

Parent income statement

1 January - 31 December (SEK million)	Note	2015	2014
Operating income			
Net sales		389.8	352.1
Other operating income	4	184.0	168.0
		573.8	520.1
Operating expenses			
Other external costs	5, 22	-275.8	-253.1
Personnel costs	6	-125.7	-114.5
Depreciation/amortisation and impairment of intangible assets and property, plant and equipment	13, 14	-25.6	-22.0
Other operating expenses	7	-179.1	-167.8
		-32.4	-37.3
Profit/loss from financial items			
Profit from participations in Group companies and associates	9	657.5	600.7
Interest income and similar profit/loss items	9	12.2	20.8
Interest expense and similar profit/loss items	9	-38.3	-52.6
		631.4	568.9
Profit/loss after financial items			
		599.1	531.6
Appropriations	10	55.1	63.2
Pre-tax profit			
		654.2	594.8
Tax	20	0.0	-0.3
Profit for the period			
		654.3	594.6

Parent statement of comprehensive income

1 January - 31 December (SEK million)	2015	2014
Profit for the period	654.3	594.6
Items which will be classified to profit or loss		
Change in value of hedge reserve	-3.6	0.3
Tax	0.6	0.0
Other comprehensive income	-3.0	0.3
Comprehensive income for the period	651.2	594.9

Parent balance sheet

As at 31 December (SEK million)	Note	2015	2014
Non-current assets			
Intangible assets	13	15.7	15.8
Property, plant and equipment	14	89.1	86.9
Financial assets			
Participations in Group companies	25	5,438.4	4,945.0
Receivables from Group companies	24	29.7	24.5
Non-current receivables		9.1	8.7
Total non-current assets		5,582.0	5,080.9
Current assets			
Current receivables			
Accounts receivable		0.6	3.3
Receivables from Group companies and associates	24	572.3	356.8
Current tax assets	20	—	70.5
Other receivables		536.7	459.3
Prepaid expenses and accrued income	16	74.1	64.9
Total current receivables		1,183.7	954.8
Cash and bank balances		92.4	26.9
Total current assets		1,276.1	981.7
Total assets		6,858.1	6,062.5

As at 31 December (SEK million)	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	17		
Restricted equity			
Share capital (3,217,752 A shares, 74,847,541 B shares, 78,065,293 total shares with a quota value of SEK 2.50)		195.2	195.5
Statutory reserve		46.9	46.9
Non-restricted equity			
Share premium reserve		1,059.5	1,072.6
Fair value reserve		-2.2	0.9
Profit brought forward		2,226.9	1,892.3
Profit for the period		654.3	594.6
Total equity		4,180.7	3,802.8
Untaxed reserves	26	129.0	126.4
Provisions			
Provisions for pensions and similar obligations	18	20.5	22.4
Deferred tax liability	20	3.0	2.3
Other provisions	19	108.8	254.4
Total provisions		132.3	279.1
Non-current liabilities			
Bond loan	12	700.0	—
Staff convertible	12	120.8	70.6
Liabilities to credit institutions	12	400.0	500.0
Liabilities to Group companies	24	0.2	0.2
Other liabilities	12	0.3	3.3
Total non-current liabilities		1,221.3	574.1
Current liabilities			
Staff convertible	12	95.4	84.7
Liabilities to credit institutions	12	258.5	257.5
Accounts payable		86.7	91.8
Liabilities to Group companies	24	683.6	792.3
Current tax liability	20	0.9	—
Other liabilities	12	21.5	11.8
Accrued expenses and prepaid income	21	48.3	42.1
Total current liabilities		1,194.9	1,280.2
Total equity and liabilities		6,858.1	6,062.5
Pledged assets and contingent liabilities			
Pledged assets	23	None	None
Contingent liabilities	23	79.0	82.4

Statement of change in parent equity

SEK million	Restricted equity		Non-restricted equity				Total equity
	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Profit brought forward	Profit for the period	
Equity brought forward 1 Jan 2014	197.4	46.9	1,118.1	0.6	1,720.2	415.1	3,498.3
Profit for the period						594.6	594.6
Other comprehensive income				0.3			0.3
Comprehensive income for the period	—	—	—	0.3	—	594.6	594.9
Appropriations					415.1	-415.1	—
Dividends					-251.9		-251.9
Share buy-backs/sales			-47.4				-47.4
Cancellation of shares	-1.9		1.9				—
Share programmes					8.9		8.9
Equity carried forward 31 Dec 2014	195.5	46.9	1,072.6	0.9	1,892.3	594.6	3,802.8
Equity brought forward 1 Jan 2015	195.5	46.9	1,072.6	0.9	1,892.3	594.6	3,802.8
Profit for the period						654.3	654.3
Other comprehensive income				-3.0			-3.0
Comprehensive income for the period	—	—	—	-3.0	—	654.3	651.2
Appropriations					594.6	-594.6	—
Dividends					-270.9		-270.9
Conversion of convertible bonds into shares (2012 programme)	2.1		62.9				65.0
Value of conversion option (2015 programme)			9.8				9.8
Tax on value of conversion option (2015 programme)			-2.1				-2.1
Share buy-backs/sales			-86.0				-86.0
Cancellation of shares	-2.4		2.4				—
Share programmes					10.9		10.9
Equity carried forward 31 Dec 2015	195.2	46.9	1,059.5	-2.2	2,226.9	654.3	4,180.7

For supplementary information, see Note 17.

Statement of cash flows for parent

1 January - 31 December (SEK million)	Note	2015	2014
Operating activities	27		
Profit/loss after financial items		599.1	531.6
Adjustment for items not included in cash flow		-471.9	-400.4
Income tax paid		70.5	-93.9
Cash flow from operating activities before changes in working capital		197.7	37.3
Cash flow from changes in working capital			
Change in operating receivables		260.3	-42.0
Change in operating liabilities		-107.0	506.6
Cash flow from operating activities		351.0	501.9
Investing activities			
Acquisition of property, plant and equipment		-17.7	-42.8
Disposal of property, plant and equipment		—	3.8
Acquisition of intangible assets		-10.0	-10.6
Acquisition of financial assets		-0.3	—
Acquisition of subsidiaries		-308.8	-11.4
Shareholders' contribution made		-219.0	-75.0
Contingent considerations paid		-103.9	—
Cash flow from investing activities		-659.7	-136.0
Financing activities			
Borrowings		831.1	43.7
Amortisation of loans		-100.0	-112.5
Dividends paid		-270.9	-251.9
Share buy-backs		-86.0	-47.5
Cash flow from financing activities		374.2	-368.1
Cash flow for the period		65.5	-2.2
Opening cash and cash equivalents		26.9	29.1
Closing cash and cash equivalents		92.4	26.9

Amounts are in SEK millions unless otherwise stated.

1 Accounting policies

1.1 Compliance with standards and legal requirements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations published by the International Financial Reporting Interpretations Committee (IFRIC) approved by the European Commission for application in the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) has been applied.

The parent applies the same accounting policies as the Group except in those cases specified below in the "Parent accounting policies" section. The differences between the accounting policies of the parent and the Group are due to limitations in the parent's scope to apply IFRS imposed by the Swedish Annual Accounts Act and the Pension Obligations Vesting Act (Tryggsdelagen), and in some cases to tax reasons.

1.2 Basis of preparation of the parent and consolidated financial statements

The parent's functional currency is the Swedish krona (SEK), which is also the presentation currency for the parent and the Group. This means that the financial statements are presented in SEK.

Assets and liabilities are recognised at cost, with the exception of various investments and liabilities which are carried at fair value. The financial assets and liabilities which are carried at fair value are derivative instruments, contingent consideration and financial assets.

The preparation of financial statements in accordance with IFRS requires management to make judgements and estimates, and to make assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and a number of other factors deemed reasonable under the circumstances. The results of these estimates and assumptions are then used to judge the carrying amounts of assets and liabilities where these are not clear from other sources. The actual outcome may differ from these estimates and judgements.

Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made if the change affects only that period, or in both the period in which the change is made and future periods if the change affects both the current and future periods. Assessments made by management in applying IFRS which have a significant effect on the financial statements, and estimates made which could result in material adjustments in subsequent year's financial statements, are described in more detail in Note 29.

The following accounting policies for the Group have been applied consistently to all periods presented in the Group's financial statements unless otherwise stated below. The Group's accounting policies have been applied consistently in the reporting and consolidation of the parent, subsidiaries and the inclusion of associates and joint ventures in the consolidated accounts.

The annual report and consolidated financial statements were approved for release by the Board of Directors on 23 March 2016. The consolidated income statement and balance sheet and the parent income statement and balance sheet will be put forward for adoption at the AGM on 27 April 2016.

1.3 Amended accounting policies and disclosure requirements

1.3.1 Amended and new accounting policies for the year

Amended and new accounting policies have had no significant effect on the Group.

1.3.2 Future changes in accounting policies

IFRS 9 - Financial Instruments

IFRS 9 will supersede the current IAS 39 - Financial Instruments: Recognition and Measurement. The standard comes into force on 1 January 2018 and will be applied retroactively. The standard will not be applied in advance. The Group is currently estimating the effect of the new standard.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers, will supersede the current IAS 11 - Construction Contracts and IAS 18 - Revenue. The standard comes into force on 1 January 2018 and will be applied retroactively. The standard will not be applied in advance. The Group is currently estimating the effect of the new standard.

IFRS 16 - Leases

IFRS 16 will supersede the current IAS 17 - Leases. The standard comes into force on 1 January 2019 and will not be applied in advance. The new standard will have a significant effect on the consolidated balance sheet. Efforts to estimate the extent of the effect are in progress.

In general, none of the IFRS or IFRIC interpretations which have not yet become effective are estimated to have any significant impact on the Group.

1.4 Segment reporting

Segment reporting is based on operating segments which consist of the Group's four divisions. This corresponds to the structure for the CEO's monitoring and management of operations.

1.5 Classification etc.

In the financial statements for both the parent and the Group, non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or settled more than twelve months after the balance sheet date. Current assets and liabilities consist essentially of amounts expected to be recovered or settled within twelve months of the balance sheet date.

1.6 Basis of consolidation

1.6.1 Subsidiaries

Subsidiaries are companies over which ÅF AB has a controlling influence. A controlling influence means, directly or indirectly, the power to govern a company's financial and operating policies with a view to deriving economic benefits.

Subsidiaries are accounted for using the acquisition method. This means that the acquisition of a subsidiary is treated as a transaction where the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is determined by means of an analysis undertaken in connection with a business combination. The analysis determines the acquisition value of participations or businesses, the fair value of acquired identifiable assets and assumed liabilities, contingent liabilities and equity instruments issued as consideration for the net assets acquired.

Goodwill is the difference between the cost of the shares in a subsidiary and the fair value of the assets acquired and liabilities and contingent liabilities assumed.

Subsidiaries' financial statements are consolidated from the date of acquisition until such time as the controlling influence is relinquished.

1.6.2 Associates and joint arrangements

Associates

Associates are companies over whose operational and financial management the Group exercises a significant but not controlling influence, generally through a holding of 20-50 percent of the votes. As from and including the date on which the controlling influence is obtained, participations in associates are recognised in accordance with the equity method in the consolidated financial statements.

Joint arrangements

There are two types of joint arrangement: joint operation and joint ventures. A joint operation arises when one party in a joint arrangement has direct rights to the assets and obligations for the liabilities in that joint arrangement. In such an arrangement, the assets, liabilities, revenues and expenses are recognised in proportion to the operator's interest in these. A joint venture is a joint arrangement whereby the parties that have joint controlling influence over the arrangement have rights to the net assets of the arrangement. Holdings in such an arrangement are recognised using the equity method.

The equity method

The equity method means that the carrying amount of the shares in the associate/joint venture recognised in the consolidated financial statements consists of the Group's share of the associate's/joint venture's equity plus goodwill and any other remaining fair value adjustments. The Group's share of the associate's/joint venture's net income after tax and non-controlling interests, adjusted for any depreciation/amortisation, impairment or reversal of fair value adjustments, is recognised in the consolidated income statement under Profit/loss attributable to participation in associates. Any dividends received reduce the carrying amount of the investment.

Note 1, cont.

Any difference at the time of acquisition between the cost of the investment and the investor's interest in the net fair value of the associate's/joint venture's identifiable assets, liabilities and contingent liabilities is recognised in accordance with IFRS 3 - Business Combinations.

If the Group's interest in recognised losses exceeds the carrying amount of the shares in the consolidated balance sheet, the carrying amount of the shares is reduced to zero. Further losses are not recognised unless the Group has issued guarantees to cover losses arising. The equity method is applied until such time as significant influence is relinquished.

1.6.3 Transactions eliminated on consolidation

Intra-Group receivables and liabilities, income or expenses, and unrealised gains or losses arising on transactions between Group companies, are eliminated in their entirety when preparing the consolidated financial statements.

Unrealised gains arising on transactions with associates and joint arrangements are eliminated in proportion to the Group's interests 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.

1.7 Foreign currencies**1.7.1 Transactions in foreign currency**

Transactions in foreign currency are translated into the functional currency at the exchange rate ruling on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate ruling at the balance sheet date. Exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities carried at cost are translated at the exchange rate ruling on the transaction date. Non-monetary assets and liabilities carried at fair value are translated into the functional currency at the exchange rate ruling when their fair value was determined, and changes in exchange rates are then recognised in the same way as other changes in the value of the asset or liability.

The functional currency is the currency of the primary economic environments in which the companies in the Group operate. The parent's functional currency and presentation currency is the Swedish krona (SEK). The Group's presentation currency is also the Swedish krona (SEK).

1.7.2. Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and other fair value adjustments, are translated into SEK at the exchange rate ruling at the balance sheet date. The income and expenses of foreign operations are translated into SEK at an average exchange rate which approximates the exchange rates on the various transaction dates.

Translation differences arising on the translation of net investments in foreign operations are recognised in other comprehensive income. When a foreign operation is sold, the accumulated translation differences attributable to the operation are realised net of any currency hedging in the consolidated income statement.

1.8 Revenue

Revenue from services rendered is recognised in accordance with IAS 18. The percentage of completion method is applied to all assignments whose outcome can be measured reliably. The majority of assignments are performed on a current account basis, according to which income is entered into the accounts when the work is performed, and clients are normally invoiced one month after the work is carried out. Where assignments are carried out on a fixed-price basis, revenue is recognised in profit or loss on the basis of the stage of completion at the balance sheet date. The stage of completion of an assignment is determined by comparing the expenditure at the balance sheet date with estimated total expenditure. If it is probable that the total assignment expenditure will exceed the total assignment revenue, the anticipated loss is immediately recognised as an expense in its entirety. Revenue is not recognised if it is probable that the economic benefits will not flow to the Group. In the event of significant uncertainty about payment or associated expenses, no revenue is recognised.

1.9 Operating expense and financial income and expense**1.9.1 Operating leases**

Payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Benefits received in connection with signing a lease are reported as part of the total lease cost in profit or loss. Contingent rents are recognised in the periods in which they arise.

1.9.2 Finance leases

Minimum lease payments are apportioned between a finance charge and a reduction of the outstanding liability. The finance charge is spread over the lease term so that the amount charged in each reporting period corresponds to a fixed rate of interest on the liability recognised in that period. Contingent rents are recognised in the periods in which they arise.

1.9.3 Financial income and expense

Financial income and expense consists of interest receivable on bank balances and receivables, interest payable on loans, borrowing costs, dividend income and exchange differences on loans.

Interest income on receivables and interest payable on liabilities are calculated using the effective interest rate method. The effective interest rate is the rate of interest that makes the present value of all future inflows and outflows over the life of the receivable or liability equal to its carrying amount.

The interest component of finance lease payments is recognised in profit or loss by applying the effective interest rate method. Interest receivable includes accrued transaction costs and any discounts, premiums or other differences between the original value of the receivable and the amount received at maturity.

Borrowing costs are charged to profit and loss for the period to which they relate. Costs arising when raising a loan are divided over the maturity of the loan on the basis of the recognised liability.

Dividend income is recognised when the right to receive payment has been ascertained.

1.10 Financial instruments

Financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, accounts receivable, shares and other equity instruments, and derivatives. Included in equity and liabilities are accounts payable, issued debt and equity instruments, borrowings, contingent considerations and derivatives.

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the contractual terms of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. Liabilities are recognised once the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognised when an invoice has been received.

A financial asset is derecognised from the balance sheet when the rights in the contract are transferred or expire or the company loses control over them. The same applies to parts of a financial asset. A financial liability is derecognised when the obligation in the contract is discharged or in some other way extinguished. The same applies to parts of a financial liability.

Acquisitions and divestments of financial assets are recognised on the trade date, which is the day when the company makes a binding commitment to buy or sell the asset.

1.10.1 Classification and valuation

Financial instruments that are not derivatives are recognised initially at an acquisition value equivalent to the fair value of the instrument with the addition of transaction costs for all financial instruments except those in the financial assets valued at fair value via profit and loss category, which are recognised at fair value excluding transaction costs. A financial instrument is classified on initial recognition on the basis of the purpose for which the instrument was acquired. The classification determines how the financial instrument is to be valued after initial recognition, as described below.

Derivative instruments are recognised initially at fair value, indicating that transaction costs are charged to profit or loss for the period. Subsequent to the initial recognition, derivative instruments are recognised in the manner described below.

1.10.2 Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are valued at amortised cost. Amortised cost is determined on the basis of the effective interest rate calculated on the date of acquisition. Assets with a short term are not discounted.

Accounts receivable are recognised at the amount which it is estimated will be received, i.e. after the deduction of doubtful receivables and as the result of individual evaluation. Impairments of accounts receivable are recognised in operating expense.

Note 1, cont.

Other receivables are classified as non-current receivables if the holding period exceeds one year and if it is shorter as other receivables.

Cash and cash equivalents consist of cash, immediately accessible deposits with banks and similar institutions, and short-term liquid investments with a maturity of less than three months from the date of purchase, which are subject to only an insignificant risk of changes in value.

1.10.3 Financial assets and liabilities measured at fair value in profit or loss

This category consists of two sub-groups: financial assets and liabilities held for sale and other financial assets and liabilities which the company has decided to place in this category. The second sub-category includes contingent consideration. Assets and liabilities in this category are valued continuously at fair value with changes for the period recognised in profit or loss for the period.

1.10.4 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 term and are valued without discounting to nominal amount.

Non-current liabilities have an expected term longer than one year, while current liabilities have a term shorter than one year.

Staff convertibles can be converted into shares by the counterparty exercising an option to convert the instrument into shares. Staff convertibles are recognised as a compound financial instrument comprising a liability component and an equity component. The fair value of the liability is calculated by discounting future cash flows using the current market interest rate for an equivalent liability without a conversion right. The value of the equity instrument is calculated as the difference between the issue proceeds when the staff convertible was issued and the fair value of the financial liability at the time of issue. Any deferred tax attributable to the liability on the date of issue is deducted from the carrying amount of the equity instrument. The transaction costs relating to the issue of a compound financial instrument are apportioned between the liability component and the equity component in the same proportions as the issue proceeds. The interest expense is recognised in profit or loss and calculated using the effective interest rate method.

1.11 Derivatives and hedging

Derivatives used for hedging future cash flows are recognised in the balance sheet at fair value. The changes in value are recognised in other comprehensive income until such time as the hedged flow affects profit or loss, at which point the accumulated changes in value of the hedging instrument are recycled into profit or loss simultaneously with the profit or loss effects of the hedged transaction. Flows from both contracted and forecast transactions can be hedged.

Gains and losses on hedging are recognised in profit or loss on the same date as gains and losses on the hedged items are recognised. Even if hedge accounting is not applied, increases or decreases in the value of the derivative are recognised as income or expense in operating profit/loss or in net financial income/expense depending on the intention behind the use of the derivative. With hedge accounting, the ineffective part of the hedge is recognised in the same way as changes in the value of a derivative that is not used for hedge accounting.

1.12 Property, plant and equipment

1.12.1 Owned assets

Property, plant and equipment are recognised as assets in the balance sheet if it is probable that future economic benefits will flow to the company, and that the cost of the item can be measured reliably. Property, plant and equipment are recognised in the consolidated financial statements at cost less accumulated depreciation and any impairment losses. Cost is defined as the purchase price plus any additional expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

Property, plant and equipment which consist of parts with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an asset is derecognised from the balance sheet on retirement or disposal or when no future economic benefits are expected to flow from the use or retirement/disposal of the asset. The gain or loss

arising on the disposal or retirement of an asset is the difference between the disposal proceeds and the carrying amount less direct costs to sell. The gain or loss is recognised under other operating income/expense.

Subsequent expenditure

Subsequent expenditure is added to the cost only if it is probable that future economic benefits that are attributable to the asset will flow to the company, and the cost can be measured reliably.

1.12.2 Leased assets

Leased assets are accounted for in accordance with IAS 17. Leases are classified as either finance leases or operating leases in the consolidated financial statements. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Otherwise it is classified as an operating lease. Assets held under finance leases are recognised as assets in the consolidated balance sheet. The liability to make future lease payments is recognised under non-current and current liabilities. The leased assets are depreciated according to plan.

1.12.3 Depreciation

Depreciation is charged on a straight-line basis over the estimated useful life of an asset.

Estimated useful lives are:

IT equipment	3 years
Cars	5 years
Office equipment	5 years
Office furnishings	10 years
Buildings (business premises)	40-100 years

Business premises consist of a number of components with different useful lives. The primary division is between buildings and land. No depreciation is applied to the land component, which is regarded as having an unlimited useful life. The buildings, however, consist of many components with varying useful lives. The useful lives of these components have been assessed as varying between 40 and 100 years.

The residual value and useful life of an asset are reviewed annually.

1.13 Intangible assets

1.13.1 Goodwill

Goodwill is the difference between the cost of a business combination and the fair value of the assets acquired and liabilities and contingent liabilities assumed.

When it comes to goodwill arising on business combinations before 1 January 2004, IFRS has not been applied retroactively; instead, the carrying amount on that date will continue to be the cost of acquisition in the consolidated financial statements, net of impairment losses.

Goodwill is apportioned between cash-generating units and groups of cash-generating units, and is tested annually for impairment. Thus goodwill is carried at cost less accumulated impairment losses. Goodwill arising on the acquisition of associates is included in the carrying amount of the investment in the associate.

Where the cost of a business combination is less than the net fair value of the assets acquired and liabilities and contingent liabilities assumed, the difference is recognised immediately in profit or loss.

1.13.2 Other intangible assets

Other intangible assets acquired by the Group are carried at cost less accumulated amortisation and impairment losses.

Costs incurred in respect of internally generated goodwill and internally generated trademarks are recognised in profit or loss as they are incurred.

1.13.3 Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is recognised as an asset in the balance sheet only if it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised as an expense as it is incurred.

Note 1, cont.

1.13.4 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the asset, unless its useful life is indefinite. Amortisable intangible assets are amortised from the date they become available for use.

Estimated useful lives are:

Capitalised development expenditure	1-3 years
Outstanding orders	2-5 years
Client relationships	10-20 years
Trademarks	2-5 years

1.14 Impairment

The carrying amounts of the Group's assets — with the exception of assets held for sale recognised in accordance with IFRS 5 and deferred tax assets — are tested at the end of each reporting period to assess whether there is any indication of impairment. If there is any such indication, the asset's recoverable amount is determined. Goodwill and intangible assets with an indefinite life are tested for impairment annually or as soon as there are indications that the asset in question has diminished in value. The carrying amounts of the exceptions stated above are tested in accordance with the relevant standard.

1.14.1 Impairment tests for property, plant and equipment and intangible assets, as well as participations in subsidiaries and associates

The recoverable amount is the higher of fair value less costs to sell and value in use. When calculating value in use, future cash flows are discounted at a discount rate which reflects the risk-free rate of interest and the risk associated with the specific asset. For an asset that does not generate cash flows that are essentially independent of other assets, the value in use is calculated for the cash-generating unit to which the asset belongs. The impairment loss is the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses in respect of cash-generating units are allocated in the first instance to goodwill. Impairment is then applied to the other assets included in the unit on a pro rata basis.

1.14.2 Impairment test for financial assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence consists both of observable circumstances that have arisen and which have a negative effect on the ability to recover the acquisition cost, and of significant and long-lasting reductions in the fair value of an investment designated as an available-for-sale financial asset.

On the impairment of an equity instrument designated as an available-for-sale financial asset, accumulated losses already recognised in equity are reversed through profit or loss.

The recoverable amount of assets in the loans and receivables category which are recognised at amortised cost is measured as the present value of the future cash flow discounted at the effective interest rate current on the date on which the asset was first recognised. Assets with a short term are not discounted. Impairment is charged to profit or loss.

1.14.3 Reversal of an impairment loss

An impairment loss is reversed if there are indications that the impairment requirement no longer exists and there has been a change in the assumptions which formed the basis for the measurement of the recoverable amount. Impairment of goodwill is, however, never reversed. A reversal is carried out only to the extent that the carrying amount after reversal does not exceed the carrying amount which would have been recognised, less depreciation/amortisation if appropriate, if no impairment had been applied.

Impairment of loans and receivables that has been recognised at amortised cost is reversed if a subsequent increase in the recoverable amount can be attributed objectively to an event occurring after the impairment had been made. Impairment losses on equity instruments designated as available-for-sale financial assets that have already been recognised in profit or loss may not subsequently be reversed via profit or loss. The impaired value is the value from which subsequent revaluations are made, and these are recognised in other comprehensive income. Impairment losses on interest-bearing instruments designated as available-for-sale financial assets are reversed in profit or loss if the fair value increases and the increase can be attributed objectively to an event occurring after the impairment had been made.

1.15 Dividends

Dividends are recognised as a liability once they have been approved by the Annual General Meeting.

1.16 Employee benefits**1.16.1 Defined-contribution pension plans**

Obligations in respect of contributions to defined contribution pension plans are recognised as an expense in profit or loss when they arise.

1.16.2 Defined-benefit pension plans

The Group's net obligations under defined-benefit plans are calculated separately for each plan by estimating the future benefits earned by employees through their employment in both current and prior periods. These benefits are discounted to present value. The discount rate is the interest rate at the balance sheet date on a high-quality investment-grade corporate bond with the term equivalent to the Group's pension obligations. Where there is no active market for corporate bonds of this type, the interest rate on mortgage bonds with a corresponding term are used instead. The calculations have been performed by a qualified actuary using the projected unit credit method.

Actuarial gains and losses are recognised in other comprehensive income for the period in which they arise. The Group's net liabilities, which are also recognised in the balance sheet for each defined-benefit plan, consist of the present value of obligations less the fair value of the plan assets. If the value of plan assets exceeds the value of the obligations, a surplus arises, and this is recognised as a plan asset under receivables. Past service costs are recognised in profit or loss.

When a difference arises between the way in which pension costs are determined in the legal entity and Group, a provision or receivable in respect of a special employers' contribution based on this difference is recognised. The provision or receivable is not discounted to present value.

1.16.3 Share-based payment

Under the share programme adopted by the AGM, employees are eligible to receive performance-related matching shares for shares which they have themselves purchased under the programme. For these share programmes, payroll expenses for matching shares are recognised during the vesting period (three years) based on the fair value of the shares on the date on which the employee purchased shares under the programme. Provisions for estimated social security contributions are made during the vesting period. The buy-back of shares to meet obligations under outstanding share programmes is recognised in equity.

1.16.4 Convertible programme

The Group has issued convertible bonds targeted to employees. The convertible is divided into a financial liability and a conversion option, which is recognised as equity. The programmes do not entail any personnel costs.

1.16.5 Termination benefits

A provision is made for termination benefits only when the company is demonstrably committed to terminating employment before the normal date, or when the benefits are the result of an offer made in order to encourage voluntary redundancy. In the event that the company is obliged to lay off members of staff, a detailed plan is drawn up specifying as a minimum the location, function and approximate number of employees involved, the benefits for each job classification or function, and the time at which the plan will be implemented.

1.17 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, and when it is probable that an outflow of economic resources will be required to meet this obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of the point in time when payment takes place is significant, provisions are calculated by discounting expected future cash flows at a rate of interest before tax that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability. Provisions for restructuring are recognised once the Group has adopted a detailed and formal restructuring plan, and the work of restructuring has either begun or been publicly announced. No provisions are made for future operating expenses.

Note 1, cont.

1.18 Taxes

Income tax consists of current tax and deferred tax. Income tax is recognised in profit or loss unless the underlying transaction is recognised in other comprehensive income, in which case the tax effect is recognised in other comprehensive income.

Current tax is the tax payable or recoverable in respect of the current year, based on the tax rates enacted or substantively enacted as at the balance sheet date, including adjustments of current tax in respect of prior periods.

Deferred tax is calculated in accordance with the balance-sheet method starting from temporary differences between the carrying amount and the value for tax purposes of assets and liabilities. The following temporary differences are disregarded: temporary differences arising on the initial recognition of goodwill; the initial recognition of assets and liabilities which do not constitute business combinations and affect neither recognised nor taxable income at the time of the transaction; and temporary differences attributable to investments in subsidiaries and associates, in cases where the parent, investor or joint owner can exert some influence over the point in time when the temporary differences will be reversed and when it is not anticipated that this reversal will take place in the foreseeable future. The valuation of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realised or adjusted. Deferred tax is calculated using the tax rates and tax rules enacted or substantively enacted as at the balance sheet date.

Deferred tax assets in respect of deductible temporary differences and unused tax losses are recognised only to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer deemed probable that they can be utilised.

Any additional income tax arising on the payment of dividends is recognised at the same time as the dividend is recognised as a liability.

1.19 Contingent liabilities

A contingent liability is recognised when there is a potential obligation relating to past events whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or the amount cannot be measured reliably.

1.20 Earnings per share

The calculation of earnings per share is based on the consolidated profit or loss attributable to the parent's shareholders and on the weighted average number of shares outstanding during the year. In calculating earnings per share after dilution, the profit or loss and the weighted average number of shares are adjusted to take account of the effects of potential diluting ordinary shares, which derive during the reporting period from matching shares in the programme and the staff convertible programme.

1.21 Parent accounting policies

The parent has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities". RFR 2 requires that the parent's annual report applies all IFRS standards and interpretations approved by the EU as far as is possible within the constraints of the Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), and while taking into account the relationship between reporting and taxation. The recommendation specifies which exceptions and supplements are to be made with respect to IFRS. The differences between the accounting policies of the Group and parent are presented below.

The accounting policies outlined below have been applied consistently to all periods presented in the parent's financial statements.

Differences between the accounting policies of the Group and parent

1.21.1 Subsidiaries and associates

Shares in subsidiaries and associates are recognised in the parent using the acquisition method. Acquisition costs are recognised as shares in subsidiaries instead of being expensed. Dividends received are recognised as income.

1.21.2 Property, plant and equipment

Leased assets

The parent reports all leases on the basis of the rules for operating leases.

1.21.3 Financial guarantees

The parent's financial guarantees consist mainly of guarantee commitments on behalf of subsidiaries and associates. Financial guarantees mean that the company has an obligation to reimburse holders of a debt instrument for losses they suffer through a specified debtor not making due payments under the terms of the contract. In recognising financial guarantees, the parent applies RFR 2, which involves a relaxation of the rules of IAS 39 in respect of financial guarantees issued on behalf of subsidiaries and associates. The parent recognises financial guarantees as a provision in the balance sheet when the company has an obligation for which payment is probably necessary to settle the commitment.

1.21.4 Employee benefits

Defined-benefit pension plans

In calculating defined-benefit pension plans, the basis for calculation applied by the parent differs from that set out in IAS 19. The parent complies with the provisions of the Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's rules since these are a condition for tax deductibility. The most significant differences compared with IAS 19 are the method for determining the discount rate, the calculation of defined-benefit obligations on the basis of current salary levels without assumptions on future salary increases and the recognition of all actuarial gains and losses in profit or loss when they arise.

1.21.5 Taxes

The parent recognises untaxed reserves including deferred tax liability. In the consolidated financial statements, untaxed reserves are apportioned between a deferred tax liability and equity.

1.21.6 Group contributions and shareholder's contributions for legal entities

Group contributions both made and received are recognised as appropriations. Shareholders' contributions are recognised directly in equity by the recipient and are capitalised as participations by the contributor, insofar as impairment is not required.

2 Segment reporting

	Industry		Infrastructure		International		Technology		Group-wide and eliminations		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income and expense												
Sales to external clients	4,156	3,711	3,084	2,665	1,064	1,027	1,554	1,409	-7	-8	9,851	8,805
Sales between segments	92	94	63	65	14	11	47	53	-216	-223	—	—
Net sales	4,248	3,805	3,147	2,730	1,078	1,038	1,601	1,462	-223	-231	9,851	8,805
Operating expense	-3,862	-3,454	-2,786	-2,420	-990	-969	-1,475	-1,348	200	234	-8,913	-7,957
Amortisation and impairment of intangible assets	0	0	-1	-1	-3	-3	0	0	-39	-37	-43	-42
Depreciation and impairment of property, plant and equipment	-6	-5	-14	-12	-12	-12	-1	-1	-23	-19	-56	-49
Operating profit/loss	380	346	347	297	73	54	125	113	-85	-53	839	756
Operating margin, %	8.9	9.1	11.0	10.9	6.8	5.2	7.8	7.7	—	—	8.5	8.6
Assets and liabilities												
Operating assets	1,760	1,312	2,149	2,013	1,375	1,400	2,358	2,494	674	84	8,316	7,303
Operating liabilities	1,992	1,526	2,237	2,091	1,390	1,397	638	784	-2,170	-2,449	4,087	3,349

Operating segments

The Group's operating structure and internal reporting to the CEO is based on accounting by divisions. The aim is to classify the divisions on the basis of their clients and their own expertise. Intra-group sales between segments are based on an internal market price, calculated on an arms-length basis, i.e. as between parties who are mutually independent, well-informed and with an interest in completing the transactions.

All of the Group's operating assets and liabilities have been placed directly in divisions or allocated by division. The Group-wide items refer to traditional parent functions. The accounting policies governing operating segments are the same as those applied in the Group in general. There are no individual clients whose sales amount to 10 percent or more of the Group's total sales.

At 1 July 2015, a reorganisation was implemented in which parts of the Technology Division's operations were moved to the Industry Division. The historical data for the divisions are reported pro forma.

By geographical area	Net sales		Non-current assets	
	2015	2014	2015	2014
Sweden	7,742	6,739	3,730	3,087
Norway	819	850	612	684
Switzerland	490	437	506	483
Other countries	800	779	354	369
Total	9,851	8,805	5,202	4,623

Income from external clients has been attributed to individual countries on the basis of the country from which the sale was made.

3 Acquisition of business operations

Acquisitions 2015

In 2015, ÅF acquired and took over all shares in LN Management AB, PRC Group AB, EQC Group AB, LEB Consult AB, Markitekten AB and Österjörn AB with a total of about 675 employees. None of the acquisitions is substantial, and for that reason they are all recognised together in the table below.

At the end of 2015, Erstad & Lekven Oslo AS and Alteco AB were also acquired. These companies were consolidated as of 1 January 2016. Acquisition analyses have not yet been prepared for these. The purchase price for Alteco AB is however included in the table below.

In 2015, ÅF and Reinertsen decided to gather their Norwegian operations in infrastructure, construction and installation in a jointly owned company from February 2016. ÅF will own 51 percent of the company. ÅF also acquired Reinertsen's Swedish infrastructure business as of 1 February 2016. The deal with Reinertsen will result in an increase in net sales of about SEK 450 million annually: about SEK 300 million in Norway and about SEK 150 million in Sweden. Acquisition analyses have not yet been prepared since the company was recently taken over.

Effects of acquisitions

The table below shows the effect of the acquired companies on consolidated assets and liabilities. Acquisition analyses are preliminary as the assets in the companies acquired have not been finally analysed.

Total net assets of acquired companies at date of acquisition, 2015

2015	Identifiable assets and liabilities	Fair value adjustment	Fair value recognised in the Group
Intangible assets	2.5	26.7	29.2
Property, plant and equipment	18.5	—	18.5
Accounts receivable and other receivables	230.5	-29.0	201.5
Cash and cash equivalents	38.0	—	38.0
Deferred tax	—	0.5	0.5
Accounts payable and other liabilities	-204.5	—	-204.5
Net identifiable assets and liabilities	85.1	-1.8	83.3
Consolidated goodwill			594.0
Consideration including estimated contingent consideration			677.3
Transaction costs			6.4
Deduct:			
Cash (acquired)			-38.0
Estimated contingent consideration			-37.1
Net cash outflow			608.5

Note 3, cont.

Goodwill

Goodwill refers primarily to human capital in the form of staff expertise, as well as synergy effects. The goodwill is not expected to be tax-deductible.

Contingent consideration

Agreed upon contingent considerations in the acquired companies relate to the performance of each company for up to three years. Total contingent consideration for the acquired companies is a maximum of SEK 39 million (51). For further information on contingent consideration, see Note 12.

Acquisition-related expenditure

Transaction costs are recognised in "Other external cost" in profit or loss.

Acquired receivables

The fair value of the acquired receivables is expected to be settled in full. The agreed gross values are substantially equivalent to the fair values of the receivables.

Net sales and profit from acquired companies

During the year, acquired companies/operations contributed SEK 600 million (198) to consolidated net sales and SEK 68 million (18) to operating profit.

If the above-mentioned acquisitions had been executed on 1 January 2015, they would have contributed net sales of SEK 792 million (239) and operating profits of SEK 82 million (23).

Acquisitions 2014

In 2014, ÅF acquired all the shares of ES-KONSULT Energi och Säkerhet AB in Sweden and Xact Consultance AS in Norway. A number of other small businesses have also been taken over in Sweden, Norway and Switzerland. In total, ÅF acquired nine operations with 219 employees. The consideration for these operations amounted to SEK 154 million including estimated contingent consideration. None of the acquisitions is substantial, and for that reason they are all recognised together in the table below.

Total net assets of acquired companies at date of acquisition, 2014

2014	Identifiable assets and liabilities	Fair value adjustment	Fair value recognised in the Group
Intangible assets	0.1	6.8	6.9
Property, plant and equipment	1.2	—	1.2
Accounts receivable and other receivables	56.5	—	56.5
Cash and cash equivalents	36.1	—	36.1
Non-current provisions	—	-1.7	-1.7
Accounts payable and other liabilities	-53.4	—	-53.4
Net identifiable assets and liabilities	40.4	5.2	45.6
Consolidated goodwill			108.0
Consideration including estimated contingent consideration			153.6
Transaction costs			2.6
Other			3.9
Deduct:			
Cash (acquired)			-36.1
Estimated contingent consideration			-40.7
Net cash outflow			83.3

4 Other operating income

Group	2015	2014
Exchange gains	—	2.0
Changed estimated contingent consideration	50.3	27.2
Government grants	4.2	3.1
Other	0.2	—
	54.7	32.3

Other operating income of SEK 184.0 million (168.0) in the parent largely relates to the re-invoicing of rental charges, chiefly to subsidiaries.

5 Fees and reimbursement of auditors' expenses

	Group		Parent	
	2015	2014	2015	2014
Auditing firm EY				
Audit assignments	5.3	5.1	0.9	0.9
Tax advice	0.2	—	0.2	—
Other services	1.5	1.8	0.8	0.4
	7.0	6.9	1.9	1.3
Other auditors				
Audit assignments	0.6	0.3	—	—
Tax advice	0.1	0.1	—	—
Other services	0.2	0.5	—	—
	0.9	0.9	—	—

Audit assignments refer to the auditing of the annual report, the accounting records and the administration by the Board of Directors and the CEO, other duties which it is incumbent upon the company's auditors to carry out, as well as advice and other assistance stemming from observations made during such audits or the execution of such other duties.

6 Employees and personnel costs**Average number of full-time employees (FTEs) by gender**

	2015			2014		
	Women	Men	Total	Women	Men	Total
Parent						
Sweden	66	42	108	60	40	100
Subsidiaries						
Sweden	1,246	4,761	6,006	1,044	4,246	5,290
Norway	89	312	402	94	314	409
Czech Republic	54	175	229	41	167	208
Switzerland	49	152	201	45	147	191
Finland	34	136	170	36	144	180
Denmark	24	115	139	21	123	143
Estonia	7	30	38	7	29	36
India	13	17	30	6	36	42
Spain	2	27	29	12	28	40
Turkey	5	19	25	6	18	24
Russia	6	14	20	88	75	163
Lithuania	6	7	13	6	8	15
Brazil	1	9	11	1	7	8
Other	7	26	33	11	28	39
Group total	1,610	5,843	7,453	1,477	5,410	6,887

Gender distribution on the Board of Directors and in Group management

Group	Women, %	
	2015	2014
Board of Directors	30	30
Group management	36	31

Note 6, cont.

Salaries, other remuneration and social security contributions

Group	2015		2014	
	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
Board of Directors and Group management	41.4	21.3	36.7	19.9
of which annual variable remuneration	8.4	2.6	5.6	1.8
of which pension costs ¹⁾	—	9.4	—	9.1
Other employees	3,808.4	1,476.9	3,384.2	1,294.5
of which annual variable remuneration	112.2	35.2	107.9	33.9
of which pension costs ¹⁾	—	477.2	—	406.1
	3,849.9	1,498.1	3,420.9	1,314.4

Parent	2015		2014	
	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
Board of Directors and CEO	11.3	5.7	9.2	5.0
of which annual variable remuneration	2.5	0.8	0.5	0.2
of which pension costs ¹⁾	—	2.4	—	2.3
Other employees	68.3	33.7	64.4	31.6
of which annual variable remuneration	5.8	1.8	6.0	1.9
of which pension costs ¹⁾	—	13.3	—	11.9
	79.6	39.4	73.6	36.6

¹⁾ Including statutory charges.**Annual variable remuneration**

Within ÅF's divisions, there are different systems of variable remuneration for employees. Remuneration may either be based on the division's performance or linked directly to individual performance.

Remuneration of the Board of Directors

The AGM held on 29 April 2015 approved remuneration, including remuneration for committee work, totalling SEK 2,785,000 for the work of the Board in 2015. The Chairman received SEK 600,000 and other members of the Board of Directors not employed by the Group received SEK 260,000 each.

Fees for committee work of SEK 50,000 are to be paid to each member of the Audit Committee not employed in the Group, SEK 45,000 to each member of the Remuneration Committee not employed in the Group, SEK 100,000 to the Chairman of the Audit Committee, and of SEK 75,000 to the Chairman of the Remuneration Committee.

The remuneration of the Board of Directors is determined annually at the AGM, and relates to the period until the next AGM. This means that the remuneration to the Board of Directors was at the rate determined by the AGM in 2014 for the first two quarters and at the rate determined by the AGM in 2015 for the remaining two quarters of the year.

In addition, the employee representatives on the Board received a total of SEK 48,000 (48,000).

No agreements have been signed concerning future pensions or severance pay for the Chairman or other members of the Board.

Fees in SEK 2015

Director	Board of		Total
	Directors	Committee	
Marika Fredriksson	260,000	45,000	305,000
Staffan Jufors	260,000	—	260,000
Anders Narvinger	600,000	122,500	722,500
Björn O. Nilsson	260,000	—	260,000
Maud Olofsson	260,000	—	260,000
Joakim Rubin	260,000	47,500	307,500
Kristina Schauman	260,000	95,000	355,000
Anders Snell	260,000	45,000	305,000
Total	2,420,000	355,000	2,775,000

Fees in SEK 2014

Director	Board of		Total
	Directors	Committee	
Ulf Dinkelspiel	275,000	48,000	323,000
Marika Fredriksson	255,000	22,500	277,500
Staffan Jufors	130,000	—	130,000
Anders Narvinger	425,000	76,500	501,500
Björn O. Nilsson	255,000	—	255,000
Maud Olofsson	255,000	—	255,000
Joakim Rubin	255,000	45,000	300,000
Kristina Schauman	255,000	90,000	345,000
Anders Snell	255,000	39,000	294,000
Lena Treschow Torell	125,000	16,500	141,500
Total	2,485,000	337,500	2,822,500

Guidelines for remuneration of senior executives in accordance with the resolution of the 2015 AGM

ÅF Group policy is that remuneration should be on competitive market terms, as this will facilitate recruitment and enable the Group to retain senior executives. ÅF applies the grandfather principle, which means that terms and conditions of employment must always be approved by the immediate superior of the manager who negotiated the terms and conditions.

The remuneration package for senior executives consists of basic salary, a variable salary element, long-term incentive programmes and pension entitlements. Other remuneration may be awarded, primarily in the form of the use of a company car.

The Board of Directors shall ensure that there is an appropriate balance between fixed and variable elements of the remuneration package.

Basic salary and variable remuneration

Remuneration packages are renegotiated annually. Remuneration is based on factors such as duties, expertise, experience, position and performance. The apportionment between basic salary and variable remuneration is also related to the individual's position and duties. The annual variable element for the CEO and senior executives is a maximum of 60 percent of the fixed annual salary. The fixed annual salary is the current monthly salary multiplied by 12. The variable element is based on outcomes in relation to targets. The targets and salary for the CEO are determined by the Board of Directors. For other senior executives, these are set by the Remuneration Committee.

Long-term incentive programme

Key personnel within the ÅF Group may be offered a range of long-term incentive programmes. The emphasis is on share-based incentive programmes, with the object of rewarding performance, increasing and spreading ownership among senior executives and providing an inducement for them to remain with the company. A personal, long-term ownership commitment among key personnel can be expected to stimulate interest in the business and its future performance and to increase motivation and a sense of affinity with the company, resulting in the retention of valuable expertise.

To help meet the challenges arising from the integration of Epsilon's operations, a special one-off incentive programme was started in 2013. The programme was offered to a few key employees, giving them the opportunity to receive extra remuneration up to a maximum of 60 percent of their fixed basic salary for the period 2013-2015 provided that, by the end of 2015, ÅF achieved certain financial targets linked to the integration.

Note 6, cont.

Decisions on the details of long-term incentive programmes have been delegated to the Board of Directors, with the proviso that share-based and share price-based programmes are to be submitted to the Annual General Meeting for approval.

Pensions

Senior executives have defined-contribution pension plans with market contributions. All pension benefits are vested, and are not, therefore, dependent on future employment. The retirement age for the CEO is 60, and for other senior executives, 65. Remuneration in accordance with the long-term incentive programme does not qualify for pension entitlement.

Employees' notice of termination and severance pay

The period of notice for the CEO is 12 months from the company's side, and the CEO is entitled to 12 months' severance pay. The period of notice from the CEO's side is 6 months.

The period of notice for other senior executives is normally 12 months from the company's side and 6 months from the senior executive's side.

Proposal and decision process

The level of remuneration paid to the CEO was set by the Board of Directors following a proposal drafted by the Board's Remuneration Committee. Remuneration paid to other senior executives was set by the Remuneration Committee.

Cost of remuneration of the CEO and other members of Group management

	2015		
	CEO	Other members of Group management	Total
Salary including daily allowance	5.9	22.0	27.9
Provisions for annual variable remuneration earned during the current year	2.5	5.8	8.4
Provisions for long-term variable remuneration	0.6	1.7	2.3
Pension costs ¹⁾	2.4	6.9	9.4
Other social security contributions	2.9	8.4	11.3
Total	14.5	44.8	59.3
	2014		
	CEO	Other members of Group management	Total
Salary including daily allowance	5.4	20.6	26.0
Provisions for annual variable remuneration earned during the current year	0.5	5.1	5.6
Provisions for long-term variable remuneration	0.5	1.9	2.3
Pension costs ¹⁾	2.3	6.9	9.1
Other social security contributions	2.1	8.1	10.2
Total	10.7	42.5	53.2

¹⁾ Including statutory charges.

President/CEO

The remuneration of the CEO has been based on the "Guidelines for the remuneration of senior executives" as set out above.

The fixed basic salary of the CEO was SEK 5.8 million (5.4). The CEO also has the use of a company car. Annual variable remuneration is based on the Group's results, as well as a number of pre-set targets, and may amount to a maximum of 60 percent of fixed basic salary.

The CEO also participates in ÅF's long-term incentive programmes.

The CEO's retirement benefit plan is defined-contribution, and an annual provision equivalent to 40 percent of the year's basic salary is made for this.

Full salary continues to be payable during the period of notice. An obligation to work during the period of notice may apply for a maximum of one year.

Group management, excluding the President/CEO

The Group management team consists of 10 (12) individuals excluding the President/CEO.

The remuneration of Group management has been based on the Guidelines for the remuneration of senior executives as set out above.

One of the members of Group management has retirement benefit conditions in line with the ITP occupational pension plan. Others have defined-contribution retirement benefits, towards which an amount equivalent to 30 percent of basic salary is allocated annually.

ÅF has no outstanding retirement benefit obligations to current or former members of the Board of Directors and/or Presidents. Full salary continues to be payable during the period of notice.

Long-term variable remuneration

One-off incentive programme

This programme was introduced in 2013, and is described in Guidelines for the remuneration of senior executives in this note. The program ended 31 December 2015, and gave no dividend.

Staff convertible

During 2012, ÅF AB issued target convertibles to staff totalling SEK 87.8 million. The loan runs with an annual interest of Stibor 360 and a margin of 1.41 with effect from 26 July 2012. Conversion may be called during the period from 15 June 2015 to 15 March 2016. The conversion price is SEK 78.55. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 4.50.

During 2013, ÅF AB issued target convertibles to staff totalling SEK 76.6 million. The loan runs with an annual interest of Stibor 180 and a margin of 0.86 with effect from 15 August 2013. Conversion may be called during the period from 15 June 2016 to 15 March 2017. The conversion price is SEK 100. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 4.50.

In 2015, ÅF AB issued targeted convertibles to key staff members totalling SEK 129.8 million. The loan runs with an annual interest of Stibor 180 and a margin of 1.65 with effect from 20 August 2015. Conversion may be called during the period from 15 June 2018 to 15 March 2019. The conversion price is SEK 134.10. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 4.10.

Performance-related share programme

Employees who participate in the performance-related share programme saved an amount equivalent to a maximum of 5 percent of their fixed salaries, which was used to purchase shares. Senior executives may be given the right to performance matching of up to four shares, Group management up to five shares and the CEO up to six shares for each share purchased within the PSPs. To qualify for performance matching, the individual concerned must also have been employed during the entire three-year period from the beginning of the respective programme.

A condition for performance matching is that ÅF's average annual percentage increase in earnings per share meets certain targets. (See the table for each share programme.) The base value for the calculation of the increase in earnings per share is the total of earnings per share for the four quarters immediately preceding the implementation of a new share programme. Before the number of performance shares for matching is finally determined, the Board of Directors will consider whether performance matching is reasonable. If the minimum performance has not been achieved, no performance matching shares will be issued. In addition to performance matching, employees will be allocated a number of Class B shares free of charge, equivalent to the number saved.

The expense is arrived at and charged by periodising a straight-line estimated expense over three years for each programme. The cost includes social security contributions for the countries in which they arise.

Note 6, cont.

Share savings programme (PSP)	2013	2014	Total
Base value earnings per share, SEK	5.23	7.75	
Target for annual average increase in earnings per share, %	5-15	5-15	
Number of participants in the allocation	21	125	
Number of participants at the balance sheet date	18	111	
Allocation of matching shares, number	0-5	0-5	
Allocation of number of free shares per saved share	1	1	
Maximum number of matching shares	110,000	500,000	610,000
Maximum dilution of earnings per share, %	0.2	0.5	0.7
Provisions for the year	2.2	13.1	15.3
Accumulated provision	5.7	20.2	25.9
Minimum cost ¹⁾	1.4	7.1	8.5
Maximum cost ¹⁾	6.8	36.4	43.2
Saving period	July 2013 – June 2014	July 2014 – June 2015	
Closing date	June 2016	June 2017	

¹⁾ Estimated on number of participants and share price at end of reporting period.

7 Other operating expenses

Group	2015	2014
Exchange losses	2.3	—
Capital loss on divestment of subsidiary	—	14.0
Capital loss on disposal of non-current assets	—	0.4
	2.3	14.4

Other operating expenses of SEK 179.1 million (167.8) in the parent relate primarily to rental charges.

8 Items affecting comparability

In order to improve analysis between periods, items affecting comparability are reported separately here.

Group	2015	2014
Revaluation of contingent considerations	50.3	23.5
Restructuring	-43.3	—
Divestment of subsidiary	—	-14.0
	7.0	9.5

9 Financial items

Group	2015	2014
Interest income ¹⁾	4.2	4.5
Exchange gains	6.5	19.2
Financial income	10.7	23.7
Interest expense ¹⁾	-28.5	-32.1
Other financial expenses	-6.3	-8.3
Exchange losses	-15.8	-19.4
Financial expense	-50.7	-59.8
Financial items	-39.9	-36.1

Parent	2015	2014
Dividends from Group companies	657.5	599.7
Gain/loss on disposal of participations in Group companies and associates	—	1.0
Result from participations in Group companies	657.5	600.7
Interest income, Group companies	7.2	5.0
Interest income	0.9	0.8
Exchange gains	4.1	15.0
Interest income and similar profit/loss items	12.2	20.8
Interest expense, Group companies	-0.2	-0.3
Interest expense ¹⁾	-31.2	-34.9
Exchange losses	-6.9	-17.4
Interest expense and similar profit/loss items	-38.3	-52.6
Financial items	631.4	568.9

¹⁾ Includes interest on pension provisions.

10 Appropriations

Parent	2015	2014
Difference between recognised depreciation and depreciation according to plan	-2.7	-3.9
Group contribution received	57.8	67.1
	55.1	63.2

11 Earnings per share and number of shares

SEK	Basic earnings per share		Diluted earnings per share	
	2015	2014	2015	2014
Earnings per share	7.81	7.16	7.63	7.03

The calculation of the numerator and denominator used in the above calculations of earnings per share is specified below.

Basic earnings per share

The calculation of earnings per share for 2015 has been based on the profit for the period attributable to the parent's ordinary shareholders, amounting to SEK 605.2 million (553.1) and on a weighted average number of outstanding shares in 2015 amounting to 77,502,515 (77,243,656).

Diluted earnings per share

In calculating diluted earnings per share, the weighted number of outstanding ordinary shares were adjusted for the dilution effect of all outstanding potential ordinary shares. In calculating diluted earnings per share, outstanding ordinary shares have been adjusted for a potential dilution effect for shares in outstanding share savings programmes, as well as staff convertibles.

Total number of shares

	2014				
	Class A shares	Class B shares	Total number of shares	Of which custodial shares	Total number of outstanding shares
Opening balance 2014	1,608,876	37,877,259	39,486,135	807,438	38,678,697
Cancellation	—	-383,650	-383,650	-383,650	—
Split 2:1	1,608,876	37,493,609	39,102,485	423,788	38,678,697
Share buy-backs	—	—	—	430,000	-430,000
Matching shares for share programmes	—	—	—	-324,482	324,482
Closing balance 2014	3,217,752	74,987,218	78,204,970	953,094	77,251,876
	2015				
	Class A shares	Class B shares	Total number of shares	Of which custodial shares	Total number of outstanding shares
Opening balance 2015	3,217,752	74,987,218	78,204,970	953,094	77,251,876
Cancellation	—	-967,869	-967,869	-967,869	—
Conversion to shares (convertible programme 2012)	—	828,192	828,192	—	828,192
Share buy-backs	—	—	—	695,043	-695,043
Matching shares for share programmes	—	—	—	-203,297	203,297
Closing balance 2015	3,217,752	74,847,541	78,065,293	476,971	77,588,322

The total number of shares is divided into Class A shares (10 votes per share) and Class B shares (1 vote per share). As per the articles of association, the maximum permitted number of shares is one hundred million (100,000,000).

12 Financial assets and liabilities

The Group's overall financial risk management policy is intended to reduce financial risks at a cost that is reasonable for AF. The aim is to ensure cost-effective financing while minimising the negative effects of market fluctuations on the Group's profit. Derivative instruments are used to hedge some risk exposure.

The Group's risk management is handled centrally by the Group Treasury Department on the basis of policies adopted by the Board of Directors. The Treasury Department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units.

The Group is exposed to different kinds of financial risk through its operations, including exchange rate risk, interest rate risk, credit risk and financing risk.

Exchange rate risk

Exchange rate risk covers future business transactions, recognised assets and liabilities in foreign currency, and net investments in foreign operations. Exchange rate risk is relatively limited in the ÅF Group.

Loans are raised and investments made in the local currency for each company through ÅF's central Treasury Department.

Profit attributable to the parent's diluted ordinary shares

	2015	2014
Profit attributable to the parent's ordinary shares	605.2	553.1
Reversal of interest expense for staff convertibles	4.9	6.6
	610.2	559.8

Weighted average number of diluted ordinary shares outstanding

	2015	2014
Weighted average number of basic ordinary shares during the year	77,502,515	77,243,656
Effect of outstanding PSPs	394,013	473,405
Effect of outstanding staff convertibles	2,035,004	1,884,864
Weighted average number of diluted ordinary shares during the year	79,931,532	79,601,925

Translation exposure

Translation exposure consists of the net assets and profit/loss of foreign subsidiaries in foreign currency. In line with Group policy, ÅF does not hedge translation exposure.

Transaction exposure

Exchange rate risks are relatively limited as most payments are made in the local currency for each company. Where this is not the case, any large sums are hedged using derivatives. The Group classifies the forward contracts used for hedging forecast transactions as cash flow hedges.

Interest rate risk

The Group's cash and cash equivalents are kept in central cash pools or in bank accounts in local banks. There are no other significant interest-bearing assets otherwise.

Liabilities to credit institutions are bank loans at both fixed and variable interest rates.

Note 12, cont.

Credit risk

Credit risk is a result of the company having at all times a substantial number of outstanding trade receivables, as well as fees earned but not invoiced, in other words the credit granted to clients. This risk is limited through the Group's established policies for ensuring that sales are made to clients with an appropriate payment history, and through advance payments. ÅF's ten largest clients, who together account for 32 percent of the Group's sales, are all large listed companies with good credit ratings or government institutions. The remaining 68 percent of net sales are spread over a large number of clients. There is, therefore, not deemed to be any significant credit risk with regard to any single major client. Counterparties for derivative contracts and cash transactions are limited to financial institutions with a high credit rating. Historically ÅF has suffered only very limited credit losses.

Financing risk

Financing risk is the risk of not being able to obtain financing, or only at a greatly inflated price. For ÅF, prudent management of financing risk means having adequate cash and cash equivalents and committed credit lines. The Group has credit facilities at banks amounting to SEK 1,500 million, of which SEK 842 million was unutilised at the end of the reporting period. The company also finances itself through the bond market.

Sensitivity analysis**Interest**

Of the Group's borrowings at the end of the reporting period, loans at variable interest rates comprised 100 percent of all borrowings, and 30 percent of the loans are secured at a fixed interest rate through interest rate swaps. A change in the average annual interest rate on these loans of +/- 1 percent affects interest expense by +/- SEK 18 million.

Currency

Of total profit before tax, 20 percent (21) comes from foreign units, of which 8 percent (11) is generated by units whose local currency is NOK and 3 percent (4) by units whose local currency is CHF. A change in the average exchange rate in NOK for 2015 of +/- SEK 0.25 would have affected profit before tax by +/- SEK 15 million, and a change in CHF of +/- SEK 0.25 would have affected profit before tax by +/- SEK 0.8 million.

Exchange rates	2015-12-31	2014-12-31
CHF	8.43	7.91
CZK	0.34	0.34
DKK	1.22	1.28
EUR	9.14	9.52
NOK	0.96	1.05

Group	2015					
	Derivatives used in hedge accounting	Financial assets/liabilities measured at fair value via profit or loss	Loans and receivables	Financial liabilities	Total carrying amount	Fair value
Financial investments (level 3)		0.8			0.8	0.8
Non-current receivables			3.6		3.6	3.6
Accounts receivable			1,914.0		1,914.0	1,914.0
Revenue generated but not invoiced			702.8		702.8	702.8
Derivatives (level 2)	4.9				4.9	4.9
Cash and cash equivalents			264.3		264.3	264.3
Total	4.9	0.8	2,884.6	—	2,890.3	2,890.3
Non-current loans and credit facilities				1,239.1	1,239.1	1,230.1
Other non-current liabilities				0.6	0.6	0.6
Current loans and credit facilities				404.4	404.4	404.4
Accounts payable				568.5	568.5	568.5
Accrued expenses, subcontractors				148.3	148.3	148.3
Derivatives (level 2)	13.2				13.2	13.2
Contingent consideration (level 3) - Other liabilities		188.0			188.0	188.0
Total	13.2	188.0	—	2,360.9	2,562.1	2,553.1

Group	2014					
	Derivatives used in hedge accounting	Financial assets/liabilities measured at fair value via profit or loss	Loans and receivables	Financial liabilities	Total carrying amount	Fair value
Financial investments (level 3)		0.7			0.7	0.7
Non-current receivables			2.3		2.3	2.3
Accounts receivable			1,623.2		1,623.2	1,623.2
Revenue generated but not invoiced			672.5		672.5	672.5
Derivatives (level 2)	7.0				7.0	7.0
Cash and cash equivalents			178.4		178.4	178.4
Total	7.0	0.7	2,476.4	—	2,484.1	2,484.1
Non-current loans and credit facilities				611.3	611.3	611.3
Other non-current liabilities				0.7	0.7	0.7
Current loans and credit facilities				353.8	353.8	353.8
Accounts payable				535.2	535.2	535.2
Accrued expenses, subcontractors				125.7	125.7	125.7
Derivatives (level 2)	9.4				9.4	9.4
Contingent consideration (level 3) - Other liabilities		342.2			342.2	342.2
Total	9.4	342.2	—	1,626.6	1,978.3	1,978.3

Note 12, cont.

2015						
Parent	Derivatives used in hedge accounting	Financial assets/liabilities measured at fair value via profit or loss	Loans and receivables	Financial liabilities	Total carrying amount	Fair value
Accounts receivable			80.0		80.0	80.0
Derivatives (level 2)	4.8				4.8	4.8
Cash and bank balances			92.4		92.4	92.4
Total	4.8	—	172.4	—	177.2	177.2
Non-current liabilities to credit institutions				400.0	400.0	400.0
Other non-current liabilities				820.8	820.8	811.8
Current liabilities to credit institutions				258.5	258.5	258.5
Other current liabilities				95.4	95.4	95.4
Accounts payable				90.7	90.7	90.7
Derivatives (level 2)	13.2				13.2	13.2
Total	13.2	—	—	1,665.4	1,678.5	1,669.5

2014						
Parent	Derivatives used in hedge accounting	Financial assets/liabilities measured at fair value via profit or loss	Loans and receivables	Financial liabilities	Total carrying amount	Fair value
Accounts receivable			73.9		73.9	73.9
Derivatives (level 2)	7.0				7.0	7.0
Cash and bank balances			26.9		26.9	26.9
Total	7.0	—	100.8	—	107.8	107.8
Non-current liabilities to credit institutions				500.0	500.0	500.0
Other non-current liabilities				70.6	70.6	70.6
Current liabilities to credit institutions				257.5	257.5	257.5
Other current liabilities				84.7	84.7	84.7
Accounts payable				97.0	97.0	97.0
Derivatives (level 2)	8.6				8.6	8.6
Total	8.6	—	—	1,009.8	1,018.4	1,018.4

Measurement of fair value

Fair value corresponds with carrying amount, with the exception of the bond loan. The following provides a summary of the main methods and assumptions used to determine the fair value of the Group's financial instruments.

Derivative instruments

Forward contracts and interest rate swaps are measured at market value in accordance with level 2, i.e. fair value determined using a measurement method based on directly observable market inputs, either direct (such as price) or indirect (derived from price), and which are not included in level 1 (fair value determined on the basis of quoted prices for the same instruments on active markets).

Non-current and current liabilities to credit institutions

Non-current and current liabilities are valued by adding to the loan the discounted interest rate difference between the agreed loan interest rate and the market rate up to maturity for equivalent loans.

Bond loan

The bond is listed on the Nasdaq OMX Exchange in Stockholm. The market value corresponds to the market price at the end of the reporting period.

Contingent consideration

The calculation of contingent consideration is dependent on parameters in the relevant agreements. These parameters are chiefly linked to expected EBIT over the next two to three years for the acquired companies.

An increase in expected EBIT involves a higher liability for contingent consideration. Normally, there is a ceiling on each contingent consideration which limits how large the liability can become. Maximum contingent consideration paid totalled SEK 231 million at the end of the reporting period.

The single largest contingent consideration recognised relates to Advansia AS, which is already fixed at NOK 67 million and will be settled in 2016.

Due date structure, financial liabilities

Group	2015			
	< 1 year	1-2 years	3-5 years	> 5 years
Bank loans, SEK	—	258	400	—
Bank loans, CHF	34	—	—	—
Bond loan	—	—	700	—
Staff convertible	95	—	121	—
Finance leasing liabilities	17	13	5	—
Contingent consideration	100	63	27	—
Accounts payable	569	—	—	—
Accrued expenses, subcontractors	148	—	—	—
Interest	13	7	21	—

Group	2014			
	< 1 year	1-2 years	3-5 years	> 5 years
Bank loans, SEK	—	258	500	—
Bank loans, CHF	—	32	—	—
Staff convertible	85	71	—	—
Finance leasing liabilities	11	6	2	—
Contingent consideration	165	145	34	—
Accounts payable	535	—	—	—
Accrued expenses, subcontractors	126	—	—	—
Interest	6	3	11	—

Note 12, cont.

Accounts receivable

Age analysis of accounts receivable which are due but not impaired	Group		Parent	
	2015	2014	2015	2014
< 30 days	81.6	131.6	—	—
30-90 days	27.0	35.1	—	—
91-180 days	23.8	27.3	—	0.2
> 180 days	12.9	15.2	0.0	—
Total	145.3	209.2	0.0	0.2

Provision for doubtful receivables	Group		Parent	
	2015	2014	2015	2014
Provision at start of year	39.4	36.0	—	—
Provision for anticipated losses	25.1	28.5	—	—
Established losses	-14.7	-3.8	—	—
Recovered losses	-5.7	-8.2	—	—
Divested companies	—	-12.1	—	—
Exchange differences	-0.4	-0.9	—	—
Provision at end of year	43.7	39.4	—	—

Credit quality

Credit risk is managed in each subsidiary in accordance with a centrally drawn up credit policy. Outstanding accounts receivable are monitored and reported regularly within each company and within the Group. Provisions have been made after individual assessment. The assessment of the amount which it is expected would be received is based on careful analysis of the clients' ability to pay and the markets they operate in. ÅF's ten largest clients, who account for a total of 32 percent of Group sales, are all large listed companies or publicly owned institutions.

Conditions and repayment periods

Group	2015				
	Interest rate, %	Nom. amount in original currency	Carrying amount	Due, year	Fair value
Non-current liabilities					
Sweden, SEK, variable interest rate	1.15	400.0	400.0	2018	400.0
Bond loan	0.78	700.0	700.0	2020	691.0
Other			0.4		0.4
			1,100.4		1,091.4
Current liabilities					
Sweden, SEK, variable interest rate	0.40	249.1	249.1	2016	249.1
Sweden, SEK, variable interest rate	0.60	9.4	9.4	2016	9.4
Switzerland, CHF, variable interest rate	1.80	4.0	33.7	2016	33.7
			292.2		292.2

Group	2014				
	Interest rate, %	Nom. amount in original currency	Carrying amount	Due, year	Fair value
Non-current liabilities					
Sweden, SEK, variable interest rate	1.11	500.0	500.0	2017	500.0
Switzerland, CHF, fixed interest rate	1.90	4.0	31.6	2016	31.6
Other		0.6	0.6		0.6
			532.2		532.2
Current liabilities					
Sweden, SEK, variable interest rate	0.49	189.7	189.7	2015	189.7
Sweden, SEK, variable interest rate	0.60	67.8	67.8	2015	67.8
Other			0.3		0.3
			257.8		257.8

Loans and credit facilities

Group	2015	2014
Non-current liabilities		
Bank loans	400.4	532.3
Staff convertible	120.8	70.6
Bond loan	700.0	—
Finance leasing liabilities	17.9	8.4
	1,239.1	611.3
Current liabilities		
Bank loans	292.2	257.8
Staff convertible	95.4	84.7
Finance leasing liabilities	16.9	11.3
	404.4	353.8

ÅF issued a bond for SEK 700 million during the year. The bond carries a variable interest rate and matures in 2020.

ÅF has a revolving credit facility of SEK 1,000 million with a remaining period of 2.5 years, with an option for an additional year, along with a bank overdraft facility of SEK 500 million.

Of total credit facilities of SEK 1,500 million, SEK 658 million was utilised at the end of the reporting period.

The agreements governing the Group's bank loans include certain financial obligations which must be fulfilled to retain the loan and avoid increased borrowing cost. The most important obligation is net debt/operating profit (EBITDA). All financial obligations were fulfilled by a good margin during the year.

Note 12, cont.

Contingent considerations

Group	2015	2014
Opening balance	342.2	398.0
Estimated liabilities on acquisitions	37.1	40.7
Payments	-132.5	-67.2
Changes in value recognised in other operating income - Advansia	-34.4	-26.3
Changes in value recognised in other operating income - other	-15.9	-4.5
Changes in value recognised against goodwill - other	-1.9	3.8
Discounting	2.2	1.2
Exchange differences	-8.8	-3.6
Closing balance	188.0	342.2

13 Intangible assets

Group	Goodwill		Intangible assets related to business combinations		Other intangible assets		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Cost	4,508.4	3,959.3	446.0	424.0	85.0	75.7	5,039.4	4,456.3
Accumulated amortisation	—	—	-121.5	-95.0	-65.0	-52.3	-196.5	-147.4
Accumulated impairment	-31.7	-31.7	—	—	-0.8	-0.8	-32.6	-32.6
Carrying amount	4,474.0	3,924.9	324.5	329.0	19.2	22.6	4,817.7	4,276.4
Opening carrying amount	3,924.9	3,771.0	329.0	349.0	22.6	24.3	4,276.4	4,144.3
Purchases	—	—	—	—	11.5	14.9	11.5	14.9
Divestments and disposals	—	—	—	—	-0.8	-1.8	-0.8	-1.8
Acquired business operations	596.5	108.0	26.7	6.9	—	0.1	623.1	114.9
Changes in contingent consideration	-1.9	3.8	—	—	—	—	-1.9	3.8
Amortisation for the period	—	—	-28.8	-27.0	-14.1	-14.2	-42.9	-41.2
Impairment for the period	—	—	—	—	—	-0.8	—	-0.8
Exchange differences	-45.5	42.0	-2.3	0.0	0.1	0.3	-47.7	42.3
Closing carrying amount	4,474.0	3,924.9	324.5	329.0	19.2	22.6	4,817.7	4,276.4

Group

The Group's intangible assets arise primarily from business combinations. These acquired intangible assets consist largely of goodwill, since the main value of consulting companies lies in their human capital, the expertise of their employees. Other intangible assets identified in connection with the acquisitions include client relationships. For information on amortisation, see the accounting policies in Note 1.

Goodwill has been allocated to cash-generating units. The cash-generating units comprise the Group's divisions.

Impairment tests on goodwill and other intangible assets are carried out annually, during Q4 or when there are indications that an impairment need has arisen, by discounting the anticipated future cash flow by a weighted average cost of capital per cash-generating unit. The present value of the cash flows, the value in use, is compared with the carrying amount including goodwill and other intangible assets.

Forecasts used in respect of future cash flows are based on the forecast approved by Group management for the next year supplemented by an individual assessment of a further four years. From that point onwards the calculation is based on an annual growth rate of 2 percent.

The forecasts are based on previous experience, internal assessments and external sources of information. The most important variable is operating margin, which is affected by hourly rate, capacity utilisation rate, payroll expenses and total number of employees.

The weighted average cost of capital is based on assumptions about average interest rates on 10-year government bonds, as well as company-specific risk factors and beta values. The Group's average cost of capital, the discount rate, for 2015 has been calculated at 9 percent (10) before tax and 7 percent (8) after tax. The forecast cash flows have been discounted to present value.

The discount rate varies between cash-generating units as shown in the table on the following page.

Note 13, cont.

Cash-generating unit	Discount rate before tax, %	
	2015	2014
Industry Division	9.2	9.8
Infrastructure Division	9.2	9.8
International Division	9.3	—
Technology Division	9.2	9.8

Cash-generating unit	Goodwill	
	2015	2014
Industry Division	1,985.9	1,645.3
Infrastructure Division	1,218.2	1,018.8
International Division	622.9	613.8
Technology Division	647.0	647.0
Total	4,474.0	3,924.9

Parent	Intangible assets	
	2015	2014
Cost	49.2	39.2
Accumulated amortisation	-33.5	-23.4
Carrying amount	15.7	15.8
Opening carrying amount	15.8	15.4
Purchases	10.0	10.6
Divestments and disposals	—	-1.7
Amortisation for the period	-10.1	-8.6
Closing carrying amount	15.7	15.8

Since 2015 the International Division has operated as an integrated business, so the division is being considered a cash-generating unit.

At 1 July 2015, a reorganisation was implemented in which parts of the Technology Division's operations were moved to the Industry Division. The historical data for the divisions are reported pro forma.

14 Property, plant and equipment

Group	Equipment, tools, fixtures and fittings		Buildings and land		Total	
	2015	2014	2015	2014	2015	2014
Cost	395.7	327.8	212.7	199.9	608.4	527.7
Accumulated depreciation	-169.7	-134.6	-53.9	-46.8	-223.6	-181.3
Carrying amount	226.0	193.2	158.8	153.1	384.8	346.4
Opening carrying amount	193.2	143.9	153.1	145.8	346.4	289.7
Purchases	74.8	97.8	1.2	—	76.0	97.8
Divestments and disposals	-8.7	-6.6	-0.6	—	-9.4	-6.6
Acquired business operations	18.5	1.2	—	—	18.5	1.2
Depreciation for the period	-51.1	-44.2	-5.1	-4.8	-56.2	-49.0
Exchange differences	-0.7	1.1	10.1	12.1	9.4	13.3
Closing carrying amount	226.0	193.2	158.8	153.1	384.8	346.4

Group

Finance leases

Equipment held under finance leases is included in the Group at the carrying amount of SEK 37.4 million (19.7).

Current and non-current liabilities in the consolidated balance sheet include future payments in respect of leasing obligations entered as liabilities.

See also Note 12 Financial assets and liabilities.

Parent	Equipment, tools, fixtures and fittings	
	2015	2014
Cost	185.6	167.9
Accumulated depreciation	-96.5	-80.9
Carrying amount	89.1	86.9
Opening carrying amount	86.9	59.7
Purchases	17.7	42.6
Divestments and disposals	—	-1.9
Depreciation for the period	-15.5	-13.4
Closing carrying amount	89.1	86.9

15 Participations in associates and joint arrangements

	Group	
	2015	2014
Carrying amount at start of year	1.4	1.1
Participations in profits of associates/ joint ventures after tax	0.0	0.2
Dividend	-0.8	—
Translation difference	-0.1	0.1
Carrying amount at end of year	0.5	1.4

	Country	Category	Project
FEM Consult I/S	Denmark	Joint venture	Tunnel
Sweco ÅF Healthcare AB	Sweden	Joint venture	Hospital
Stockholm Bypass	Sweden	Joint operations	Roads
East Link	Sweden	Joint operations	Railways
Fennovoima	Finland	Joint operations	Nuclear power
Atdorf	Switzerland	Joint operations	Hydropower
Stanari	Switzerland	Joint operations	Thermal power
Jerada	Switzerland	Joint operations	Thermal power
Cotlan	Switzerland	Joint operations	Hydropower
Vinh	Switzerland	Joint operations	Renewable energy
Berschnerbach	Switzerland	Joint operations	Hydropower
Italy	Switzerland	Joint operations	Hydropower
Piva	Switzerland	Joint operations	Hydropower

16 Prepaid expenses and accrued income

	Group		Parent	
	2015	2014	2015	2014
Rent	50.9	45.9	45.6	42.5
Support and maintenance agreements	11.1	9.4	7.3	7.6
Insurance	12.8	4.9	9.4	0.6
Other	38.3	35.5	11.8	14.2
	113.1	95.7	74.1	64.9

17 Equity

Group

Holders of ordinary shares are entitled to dividends as approved annually by the Annual General Meeting. All shares have the same rights to the company's residual net assets. The quota value of the share is SEK 2.50 (2.50).

The proposed dividend has not been recognised in these financial statements.

Dividends	2016 ¹⁾	2015	2014
Dividend per share, SEK	3.75	3.50	3.25
Total number of outstanding shares	77,588,322	77,387,143	77,495,692
Dividend	291.0	270.9	251.9

¹⁾ Proposed dividend

Reserves	Translation reserve	Hedge reserve	Total reserves
Opening balance, 2014	15.1	0.7	15.8
Exchange differences for the year	58.2	—	58.2
Translation differences transferred to profit or loss	32.0	—	32.0
Cash flow hedges	—	-0.9	-0.9
Tax	—	0.2	0.2
Closing balance, 2014	105.4	0.0	105.4
Opening balance, 2015	105.4	0.0	105.4
Exchange differences for the year	-39.1	—	-39.1
Cash flow hedges	—	-0.1	-2.7
Interest rate swap	—	-2.6	0.0
Tax	—	0.4	0.4
Closing balance, 2015	66.2	-2.2	64.0

Capital management

Capital is defined as total equity, which corresponds to equity in the consolidated balance sheet. ÅF's objective is that, over time, the Group shall have a net debt.

Net debt is measured in relation to EBITDA (net debt/EBITDA) and shall be between 1.5 and 2.0 over a business cycle. As at 31 December 2015, net debt/EBITDA was 1.6 (1.0).

There are external requirements in the agreements governing the bank loans. Additional information on these is given in Note 12.

There were no changes in capital requirements during the year.

18 Pension obligations

Of the Group's total number of employees at the end of the year, around 3 percent have pensions that are recognised as defined-benefit. Other employees within ÅF have pensions that are recognised as defined-contribution.

Defined-benefit plans are in place in Sweden, Switzerland and Finland. The plan in Finland is not significant.

The defined-benefit plans in Sweden and Switzerland are governed by a broadly similar framework of rules. The plans are final salary retirement plans which give employees benefits in the form of a guaranteed level of pension payment during their lives. The plans are exposed, broadly speaking, to similar risks. The Swedish plan, however, covers only pensioners and paid-up policyholders, while the Swiss plan covers only active employees. The plan in Switzerland is secured by a fund. The Swedish plan is unfunded.

Alecta

For white-collar staff in Sweden, the ITP 2 occupational pension plan's defined-benefit pension obligation for retirement and survivor pensions is secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board this is a defined-benefit multiemployer plan. For the financial year, the company has not had access to the information required to recognise this plan as a defined-benefit plan. The ITP supplementary pensions plan for salaried employees' retirement benefits that is secured through insurance with Alecta is, therefore, recognised as a defined-contribution plan.

Contributions during the year for retirement benefit insurance with Alecta amounted to SEK 268.6 million (221.3). Alecta's surplus may be allocated to the insurance policy holder and/or the insured. At year-end Alecta's surplus in the form of the collective funding ratio was 153 percent (143). The collective funding ratio is the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions, which are not in conformity with IAS 19.

In the event that funding is low, one possible action is to raise the agreed price for new entrants and for the extension of existing benefits. In the event that funding is high, one possible action is to reduce premiums.

Group

Defined-benefit plans

	2015	2014
Present value of funded obligations	-450.2	-441.9
Fair value of plan assets	406.2	424.9
	-44.0	-17.1
Present value of unfunded obligations	-62.4	-66.1
Liability recognised in balance sheet	-106.4	-83.2
Of which Switzerland	-44.0	-17.1
Of which Sweden	-62.4	-66.1

Change in defined-benefit net debt

	2015			2014			
	Present value of plan assets	Present value of obligations	Total	Present value of plan assets	Present value of obligations	Effect of asset ceiling	Total
Opening balance	424.9	-508.1	-83.2	409.5	-416.7	-9.7	-16.9
Current service costs	—	-19.1	-19.1	—	-14.1	—	-14.1
Change in special employers' contribution (Sweden)	—	0.2	0.2	—	-0.9	—	-0.9
Interest income/expense	3.4	-5.2	-1.8	8.1	-8.9	-0.2	-1.1
Other	—	—	—	—	-0.2	—	-0.2
Return on plan assets (excluding interest)	4.1	—	4.1	18.6	—	—	18.6
Actuarial gains/losses	—	-26.6	-26.6	—	-96.6	—	-96.6
Change in asset ceiling (excluding interest)	—	—	—	—	—	10.2	10.2
Exchange difference	28.0	-28.1	-0.1	33.5	-32.8	-0.3	0.4
Contributions by the employer	16.4	—	16.4	13.6	—	—	13.6
Contributions by plan participants	14.8	-14.8	—	12.2	-12.2	—	—
Benefits paid	-85.5	89.0	3.5	-70.5	74.4	—	3.9
Closing balance	406.2	-512.6	-106.4	424.9	-508.1	—	-83.2

Note 18, cont.

Actuarial gains and losses

	2015	2014
Financial assumptions	-7.8	-53.0
Experience adjustments	-18.8	-43.7
Total	-26.6	-96.6

Allocation of plan assets

	2015	2014
Cash and cash equivalents	13.0	3.9
Equity instruments	148.1	159.5
Debt instruments	150.4	172.3
Real property	80.8	74.6
Other	13.9	14.5
Total	406.2	424.9

All assets have a quoted market price.

Assumptions for defined-benefit obligations

Sweden	2015	2014
Discount rate, %	2.75	2.75
Future increase in pensions, %	1.5	1.5

Switzerland	2015	2014
Discount rate, %	0.5	0.8
Future increase in pensions, %	0.0	0.0
Future increase in salaries, %	0.5	1.0

The discount rate is equivalent to the market interest rate on mortgage bonds and corporate bonds, respectively, with the duration corresponding to the average remaining term of the obligation.

Sensitivity analysis of pension obligations

	Sweden		Switzerland	
	Changes in assumptions	Increase/decrease	Changes in assumptions	Increase/decrease
Discount rate	+/- 0.25%	+/- 2	+/- 0.25%	+18/-17
Rate of salary increases	—	—	+/- 0.25%	+/- 3

The above sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. It is unlikely that this will occur in practice, and changes in several of the assumptions may be correlated.

Payments to plans are expected to total SEK 16 million (14) over the coming year.

The average remaining term for the Swedish plan is 14.0 years (21.0) and for the Swiss plan, 16.1 years (17.1).

Defined-contribution plans

	Group		Parent	
	2015	2014	2015	2014
Cost of defined-contribution plans (including Alecta)	465.8	400.7	15.7	14.1

Parent

Defined-benefit plans	2015	2014
Present value of unfunded obligations	20.5	22.4
Net amount recognised as regards defined-benefit plans	20.5	22.4
Of this amount, the following is covered by credit insurance via FPG/PRI	20.5	22.4

Changes in obligations during the year

	2015	2014
Net present value of pension obligations at start of year	22.4	24.5
Cost excluding interest expense charged to profit or loss	-0.6	-1.1
Interest expense	0.8	1.3
Payment of pensions	-2.1	-2.3
Net present value of pension obligations at end of year	20.5	22.4

All obligations are for pension provisions under the Pension Obligations Vesting Act.

19 Other provisions

Change in provisions that are non-current

	2015	2014
Carrying amount at start of period	12.6	17.1
Provisions during the period	10.8	6.1
Amount utilised during the period	-2.1	-3.6
Releases during the period	-2.7	-1.0
Transfer from non-current to current provisions	—	-5.0
Exchange differences	-0.3	-1.0
Carrying amount at end of period	18.3	12.6

Change in provisions that are current

	Restructuring		Other		Total	
	2015	2014	2015	2014	2015	2014
Carrying amount at start of period	2.3	10.6	9.5	11.3	11.8	21.9
Provisions during the period	59.2	4.9	4.4	9.6	63.5	14.5
Amount utilised during the period	-36.0	-13.2	-6.3	-16.7	-42.4	-29.9
Releases during the period	—	—	-3.8	—	-3.8	—
Transfer from non-current to current provisions	—	—	—	5.0	—	5.0
Exchange differences	0.0	—	-0.1	0.2	-0.1	0.2
Carrying amount at end of period	25.4	2.3	3.6	9.5	29.1	11.8

Parent

Other provisions

	2015	2014
Change in provisions		
Carrying amount at start of period	254.4	274.8
Provisions during the period	2.3	8.8
Amount utilised during the period	-105.1	-2.1
Releases during the period	-34.4	-26.3
Exchange differences	-8.3	-0.8
Carrying amount at end of period	108.8	254.4

Of the recognised provisions, SEK 107.8 million (254.4) refer to contingent considerations.

20 Taxes

Recognised in profit or loss

Group	2015	2014	Parent	2015	2014
Current tax					
Tax expense for the period	190.9	172.5	Tax expense for the period	0.9	0.4
Adjustment of tax attributable to previous years	1.7	0.9	Adjustment of tax attributable to previous years	—	0.4
Deferred tax					
Deferred tax expense	-2.8	-6.7	Deferred tax expense	-0.9	-0.6
Total recognised consolidated tax expense	189.8	166.7	Total recognised parent tax expense	0.0	0.3

Reconciliation of effective tax

Group	2015 (%)	2015	2014 (%)	2014
Pre-tax profit		799.1		720.1
Tax in accordance with the tax rate applicable to the parent	22.0	175.8	22.0	158.4
Effect of other tax rates for foreign subsidiaries	0.1	0.4	-0.1	-0.8
Non-deductible costs	1.4	11.0	1.2	8.6
Non-taxable income	0.0	0.0	-0.2	-1.2
Tax for previous non-capitalized loss carry-forwards	0.0	-0.3	—	—
Effects of loss carry-forward without corresponding capitalisation of deferred tax	0.1	0.8	0.1	0.5
Revaluation of temporary differences	—	—	-0.5	-3.4
Effect of changed tax rates	0.0	-0.3	0.0	0.0
Tax attributable to previous years	0.2	1.7	0.1	0.9
Other	0.1	0.7	0.5	3.5
Recognised effective tax	23.8	189.8	23.1	166.7
Parent				
Pre-tax profit		654.2		594.8
Tax in accordance with the tax rate applicable to the parent	22.0	143.9	22.0	130.9
Non-deductible costs	0.2	1.1	0.2	1.2
Non-taxable income	-22.2	-145.0	-22.3	-132.3
Tax attributable to previous years	0.0	0.0	0.1	0.4
Other	0.0	0.0	0.0	0.1
Recognised effective tax	0.0	0.0	0.0	0.3

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Deferred tax asset		Deferred tax liability		Net	
	2015	2014	2015	2014	2015	2014
Non-current assets	1.4	1.6	-90.8	-96.3	-89.4	-94.7
Current receivables and liabilities	0.8	2.9	-7.0	-6.1	-6.2	-3.2
Provisions and non-current liabilities	27.5	24.1	-2.9	-4.8	24.5	19.3
Untaxed reserves	—	—	-47.0	-44.3	-47.0	-44.3
Loss carry-forward	6.8	0.1	—	—	6.8	0.1
Tax assets/liabilities	36.5	28.7	-147.7	-151.6	-111.2	-122.9
Set off	-20.0	-18.4	20.0	18.4	—	—
Net tax assets/liabilities	16.6	10.3	-127.7	-133.1	-111.2	-122.9

Note 20, cont.

Unrecognised deferred tax assets

Deductible temporary differences and loss carry-forwards for tax purposes for which deferred tax assets have not been recognised in profit or loss and balance sheets:

Group	2015	2014
Tax deficit	44.0	32.5
	44.0	32.5

Deferred tax assets were not recognised for these tax deficits, since it has not yet been deemed likely that the Group will be able to utilise them against future taxable profits. The deficit is attributable to ÅF's subsidiary in Germany. The deficit is not due.

Change in deferred tax in temporary differences and loss carry-forwards

Group	Balance at 1 January 2015	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquisition/divestment of business	Balance at 31 December 2015
Non-current assets	-94.7	5.8	-1.0	—	0.5	-89.4
Current receivables and liabilities	-3.2	-3.3	0.4	—	—	-6.2
Provisions and non-current liabilities	20.4	2.9	4.4	-2.1	-1.1	24.5
Untaxed reserves	-44.3	2.7	—	—	-5.4	-47.0
Loss carry-forward	7.5	-5.3	-0.7	—	5.3	6.8
	-114.3	2.8	3.1	-2.1	-0.7	-111.2

Group	Balance at 1 January 2014	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquisition/divestment of business	Balance at 31 December 2014
Non-current assets	-107.8	20.0	—	-0.8	-6.1	-94.7
Current receivables and liabilities	2.3	-5.7	0.2	—	—	-3.2
Provisions and non-current liabilities	11.6	-5.7	13.7	-0.3	—	19.3
Untaxed reserves	-44.1	-0.2	—	—	—	-44.3
Loss carry-forward	1.7	-1.7	—	—	—	0.0
	-136.3	6.7	13.9	-1.1	-6.1	-122.9

21 Accrued expenses and prepaid income

	Group		Parent	
	2015	2014	2015	2014
Personnel-related liabilities	606.2	517.7	22.8	22.7
Accrued expenses, subcontractors	148.3	125.7	0.1	0.1
Other	74.1	51.9	25.4	19.3
	828.6	695.3	48.3	42.1

22 Operating leases**Lease agreements in which the company is the lessee**

Operating leases cover rental agreements for properties, leasing agreements for vehicles under which employees assume all the financial risks and benefits associated with the vehicles, and the lease of certain items of office equipment. The cars are leased primarily over three years.

Non-terminable minimum lease payments

Group	Premises		Other	
	2015	2014	2015	2014
During the year	229.6	207.8	69.6	66.5
Within one year	240.0	211.8	65.7	66.3
Between one and five years	710.4	645.5	173.8	182.9
Longer than five years	451.7	519.1	0.0	0.0
Total	1,631.6	1,584.2	309.1	315.7

Parent	Premises		Other	
	2015	2014	2015	2014
During the year	181.0	164.1	5.3	6.0
Within one year	187.5	170.6	5.2	6.0
Between one and five years	647.9	564.2	19.6	21.0
Longer than five years	448.9	519.1	0.0	0.0
Total	1,465.4	1,418.0	30.0	33.0

23 Pledged assets, contingent liabilities and contingent assets

	Group		Parent	
	2015	2014	2015	2014
Pledged assets				
In the form of pledged assets for own liabilities and provisions				
Property mortgages	33.7	31.6	—	—
Floating charges	0.8	0.8	—	—
Total pledged assets	34.5	32.4	—	—
Contingent liabilities				
Guarantee commitments, FPG/ PRI	0.5	1.0	0.4	0.4
Guarantee commitments in favour of subsidiaries	—	—	10.9	25.0
Guarantee commitments	208.6	182.7	68.6	57.0
Total contingent liabilities	209.1	183.7	79.9	82.4

Guarantee commitments refer primarily to performance guarantees for tenders and the completion of projects.

Contingent assets

The Group has determined that no contingent assets exist.

24 Related party transactions

The parent has a related party relationship with its subsidiaries (see Note 25).

Summary of transactions with related parties

This refers to the ÅForsk Foundation, which holds 37.1 percent of the votes in ÅF AB, senior executives, associates and joint ventures. Transactions with these parties took place on commercial terms.

Group	Year	Sale of services to related parties	Purchase of services from related parties	Receivables from related parties at 31 Dec	Liabilities to related parties at 31 Dec
Joint venture	2015	18.3	—	2.9	—
Joint venture	2014	41.2	—	5.3	—
Senior executives	2015	—	—	—	37.9
Senior executives	2014	—	—	—	26.1
The ÅForsk Foundation	2015	1.1	—	1.1	—
The ÅForsk Foundation	2014	1.0	—	—	—

In 2015, in addition to the above, the Group received appropriations from the ÅForsk Foundation amounting to SEK 1.6 million (2.9). These grants were for projects administered by the Group.

For details of other remuneration to senior executives, please see Note 6.

Parent	Year	Sale of services to related parties	Purchase of services from related parties	Receivables from related parties at 31 Dec	Liabilities to related parties at 31 Dec
Subsidiaries	2015	579.1	23.5	602.1	683.7
Subsidiaries	2014	525.8	30.4	381.2	792.4
Senior executives	2015	—	—	—	37.9
Senior executives	2014	—	—	—	26.1
The ÅForsk Foundation	2015	0.2	—	0.6	—
The ÅForsk Foundation	2014	0.1	—	—	—

25 Group companies

Comprehensive list of all Group subsidiaries

	Corp. ID number	Registered office	2015	
			Participating interest, % ¹⁾	Carrying amount in parent
AB Ångpanneföreningen	556158-1249	Sweden	100	0.2
ÅF-Industry AB	556224-8012	Sweden	100	1,422.4
OrbiTec AB	556470-7015	Sweden	100	—
ES-KONSULT Energi och Säkerhet AB	556415-0067	Sweden	100	—
DLA Elteknik AB	556614-4779	Sweden	100	—
PRC Group AB	556643-5292	Sweden	100	—
PRC Engineering AB	556404-3221	Sweden	100	—
PRC Engineering AS	998 202 582	Norway	100	—
Automatiksystem i Jämtland AB	556413-0945	Sweden	100	—
ÅF-Infrastructure AB	556185-2103	Sweden	100	667.4
Bygganalys AB	556461-1050	Sweden	100	—
Connect Consult AB	556641-5260	Sweden	100	—
Ljusarkitektur Sweden AB	556568-9485	Sweden	100	—
Österjörn AB	556290-3996	Sweden	100	—
Markitekten AB	556477-3405	Sweden	100	—
AF-CityPlan spol. s.r.o.	473 07 218	Czech Republic	13	—
EQC Group AB ²⁾	556821-1089	Sweden	100	—
EQC Mälardalen AB	556824-8859	Sweden	100	—
EQC Östergötland AB	556824-8842	Sweden	100	—
EQC Karlstad AB	556816-6713	Sweden	100	—
EQC Engineering AB	556882-2851	Sweden	100	—
EQC Väst AB	556882-2869	Sweden	100	—
EQC Norge AS	999 008 410	Norway	100	—
EQC Mitt AB	556942-4582	Sweden	100	—
EQC Management AB	556847-0988	Sweden	100	—
EQC Bro AB	556955-7860	Sweden	100	—
LEB Consult AB	556102-3192	Sweden	100	—
ÅF-Consult AB	556101-7384	Sweden	100	15.0
AF-Consult GmbH	218 403 818	Germany	100	—

Note 25, cont.

Comprehensive list of all Group subsidiaries

	Corp. ID number	Registered office	2015	
			Participating interest, % ¹⁾	Carrying amount in parent
ÅF-Teknik & Miljö AB	556534-7423	Sweden	100	10.5
ÅF-Funktionspartner AB	556099-8071	Sweden	100	0.6
ÅF-Technology AB	556866-4444	Sweden	100	1,488.5
Epsilon Holding AB	556421-6884	Sweden	100	50.0
Epsilon Design AB	556314-1380	Sweden	100	—
Epsilon Polen Sp.z o.o.	9521980649	Poland	100	—
LN Management AB	556933-4740	Sweden	100	307.9
LeanNova Engineering AB	556880-7233	Sweden	100	—
LeanNova Automotive Engineering (Shanghai) Co. Ltd.	310 000 400 718 401	China	100	—
LeanNova Engineering UK Ltd	9039993	UK	100	—
ÅF Advansia AS	883 889 762	Norway	100	466.7
Advansia AB	556742-2596	Sweden	100	—
ÅF AdvansIT AS	974 415 852	Norway	100	—
ÅF Norge AS	911 567 989	Norway	100	68.2
ÅF Infrastruktur AS	955 021 037	Norway	100	—
ÅF Industry AS	997 671 651	Norway	100	—
ÅF Reinertsen AS	915 229 719	Norway	100	—
ÅF A/S	21 007 994	Denmark	100	37.6
ÅF-Hansen & Henneberg A/S	13 59 08 85	Denmark	100	45.8
ÅF-Consult Oy	1800189-6	Finland	100	291.1
ÅF-Consulting AS	10 449 422	Estonia	100	—
UAB AF-Consult	135 744 077	Lithuania	100	—
Enprima Engineering Oy	0477940-2	Finland	100	—
ÅF-Automaatika OÜ	11 297 301	Estonia	100	8.2
AF Consult LLC	1 037 800 096 641	Russia	100	0.9
AF-Engineering s.r.o.	263 66 550	Czech Republic	100	10.6
AF-Consult Czech Republic s.r.o.	453 06 605	Czech Republic	100	74.6
AF Nuclear Projects CZ s.r.o.	016 06 239	Czech Republic	100	—
AF-CityPlan spol. s.r.o.	473 07 218	Czech Republic	87	15.4
AF Helvetica AG	CHE 340.373.992	Switzerland	100	0.9
AF-Consult Switzerland AG	CH-400.3924.101-4	Switzerland	100	418.7
International Power Design Ltd.	CH-400.3025.445-4	Switzerland	100	—
AF-Consult Italia S.r.l.	MI-1808529	Italy	100	—
AF-Consult (Thailand) Ltd	3011879733	Thailand	100	—
AF-Consult India Pvt Ltd	U74140DL2009FTC197507	India	100	—
AF Consult do Brazil Ltda	108.307.539/0001-08	Brazil	51	—
AF-Consult Ltd.	4080012527924	Macedonia	100	—
AF-Consult Energy doo Beograd	20 801 298	Serbia	100	—
AF-Iteco AG	CH-020.3914.049-4	Switzerland	100	—
ITECO Nepal (Pvt.) Ltd	2616/043-44	Nepal	66.6	—
AF Mercados Energy Markets International S.A.	A-82316902	Spain	100	37.2
Mercados Energy Markets International Europe S.r.l.	6622220967	Italy	100	—
AF-MERCADOS EMI Enerji Mühendisligi, AR-GE, Kontrol ve Test Hizmetleri Ltd.Sti.	6 160 390 509	Turkey	100	—
				5,438.4

¹⁾ Participating interest refers to both voting share and proportion of total number of shares.²⁾ EQC Group AB owns 51% of the shares in its subsidiaries. The remaining 49% is owned by ÅF-Infrastructure AB.

Specification of changes in carrying amounts for the year

	Parent	
	2015	2014
Opening carrying amount	4,945.0	4,876.1
Acquisitions	308.8	11.4
Changed estimated contingent consideration	-34.4	-17.5
Shareholders' contribution	219.0	75.0
Closing carrying amount	5,438.4	4,945.0

26 Untaxed reserves

Parent	2015	2014
Accumulated additional depreciation		
Opening balance 1 January	35.1	31.2
Depreciation for the year, equipment	2.7	3.9
Closing balance 31 December	37.8	35.1
Transfer to tax allocation reserve		
Opening balance 1 January	91.3	91.3
Closing balance 31 December	91.3	91.3
Total untaxed reserves	129.0	126.4

27 Statement of cash flows

Interest paid and dividends received

	Group		Parent	
	2015	2014	2015	2014
Dividends received	—	—	657.5	599.7
Group contribution received	—	—	57.8	67.1
Interest received	3.9	4.4	7.9	5.8
Interest paid	-26.9	-31.7	-24.6	-28.4
	-23.0	-27.3	698.6	644.2

Adjustment for items not included in cash flow

	Group		Parent	
	2015	2014	2015	2014
Depreciation/amortisation	92.4	85.0	25.6	22.0
Capital loss on divestment of subsidiary in Russia	—	14.0	—	—
Changed estimated contingent consideration	-50.3	-30.8	—	—
Restructuring reserve	20.0	—	—	—
Anticipated dividend from subsidiaries	—	—	-500.0	-425.0
Other	25.7	14.0	2.5	2.6
	87.7	82.2	-471.9	-400.4

28 Subsequent events

The agreement between ÅF and Reinertsen, announced in December 2015, was completed as of 1 February 2016. ÅF Reinertsen AS, a jointly owned company, has about 350 employees in Trondheim, Oslo, Lillestrøm and Sandefjord. Reinertsen's operations in Sweden are in infrastructure, construction and installations with 180 employees in Gothenburg, Stockholm, Malmö and Luleå. The operations in Sweden and Norway are reported in the Infrastructure Division.

29 Critical estimates and judgements

Noteworthy sources of uncertainty in estimates

The Group makes estimates and judgements about the future. By definition, the resulting accounting estimates will rarely correspond to the actual outcome. Estimates and judgements are reviewed regularly and are based on historical experience and other factors, including the expected outcomes of future events that are considered reasonable under the circumstances.

The main features of the estimates and judgements which represent a significant risk of material adjustments to the carrying amounts of assets and liabilities during the coming financial year are presented below.

Impairment test of goodwill

When calculating the recoverable amount of cash-generating units, a number of assumptions about future circumstances and estimates of parameters have been made. Changes to these assumptions and estimates could have an effect on the carrying amount of goodwill (see Note 13).

A lower rate of growth and reduced operating margin would result in a lower recoverable amount. The reverse applies if the calculation of the recoverable amount is based on a higher growth rate or margin. Were future cash flows to be discounted at a higher rate of interest, the recoverable amount would be lower. Conversely, the recoverable amount would be higher with a lower discount rate.

The impairment test for the year did not give rise to any impairment in respect of goodwill.

Contingent considerations

A contingent consideration linked to a business combination is frequently dependent on the future economic development of the business acquired. The actual outcome may deviate from these assumptions and the effect of this will be to change the size of the previously recognised contingent consideration.

During the year, an assessment of contingent consideration related to the acquisition of Advansia AS changed substantially, which led to a positive impact on profit of SEK 34.4 million. See also Note 12.

Pension assumptions

The Group's net obligations under defined-benefit plans are calculated separately for each plan by estimating the future benefits earned by employees through their employment in prior periods. These benefits are discounted to present value. The calculation of the size of the Group's total pension provision is based on a number of assumptions (see Note 18). Were a lower discount rate to be used, the obligations would increase and have a negative effect on the Group's equity. The reverse applies if a higher discount rate is used.

In 2015, changed assumptions in Switzerland meant that the provision for pensions increased, leading to an actuarial loss that was recognised in other comprehensive income. See also Note 18.

Assessment of forecast and the stage of completion of contracts

The Group applies the percentage of completion method, which means that income is recognised on the basis of stage of completion. The stage of completion is determined by comparing the accrued expenditure at the balance sheet date with total expenditure. This means that the Group must estimate how large a percentage of the total expenditure is represented by the accrued expenditure at the end of the reporting period. The forecasts for each assignment also represent an estimate of final income and expenditure.

Disputes

There is a risk that disputes may arise in the course of doing business, such as in customer assignments and in conjunction with acquisitions. At year-end, the Group recognised provisions based on a best assessment.

In 2015, Danir AB called for arbitration of a claim for an additional contingent consideration related to ÅF AB's acquisition of Epsilon Holding AB in 2012. The claim, whose size has not been finalised by Danir, is deemed to be unfounded and has therefore not led to any change in ÅF's assessment of the size of the contingent consideration.

30 Information on parent

ÅF AB is a Swedish public limited company domiciled in Stockholm. The parent's shares are listed on the Nasdaq OMX stock exchange in Stockholm. The postal address to the company's head office is ÅF AB, SE-169 99 Stockholm, Sweden.

The consolidated financial statements for 2015 comprise the parent and its subsidiaries, which together form the Group. The Group also includes participations in associates.

The undersigned declare that the consolidated accounts and annual report were prepared in accordance with IFRS, as approved by the EU, and with generally accepted accounting practices, and give a fair presentation of the position and performance of the Group and the company, and that the

Group administration report and the administration report give a fair review of the progress of the Group's and the company's operations, position and performance, as well as describing the material risks and uncertainty factors to which the companies that are members of the Group are exposed.

Stockholm – 23 March 2016

Anders Narvinger
Chairman of the Board

Jonas Wiström
President and CEO

Marika Fredriksson
Director

Staffan Jufors
Director

Björn O. Nilsson
Director

Maud Olofsson
Director

Joakim Rubin
Director

Kristina Schauman
Director

Anders Snell
Director

Anders Forslund
Director,
employee representative

Anders Toll
Director,
employee representative

Our Audit Report was presented 5 April 2016
Ernst & Young AB

Hamish Mabon
Authorised Public Accountant

Erik Sandström
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of ÅF AB, corporate identity number 556120-6474

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of ÅF AB for the financial year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 60-102.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of ÅF AB for the financial year 2015.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm Sweden 5 April 2016
Ernst & Young AB

Hamish Mabon
Authorised Public Accountant

Erik Sandström
Authorised Public Accountant

Five-year financial summary, SEK

SEK million, unless otherwise stated	2015	2014	2013	2012	2011
Net sales and profit					
Net sales	9,851	8,805	8,337	5,796	5,124
Operating profit excluding items affecting comparability	832	747	724	481	426
Operating profit	839	756	722	481	426
Profit after financial items	799	720	677	477	426
Profit for the period	609	553	525	353	312
Capital structure					
Non-current assets	5,224	4,638	4,499	4,566	2,040
Current assets	3,093	2,666	2,575	2,950	2,083
Equity including non-controlling interest	4,230	3,955	3,674	3,422	2,450
Non-current liabilities	1,527	1,021	1,170	1,699	297
Current liabilities	2,559	2,328	2,230	2,395	1,376
Balance sheet total	8,316	7,304	7,074	7,516	4,123
Equity (average)	4,115	3,805	3,498	2,665	2,409
Total capital (average)	8,016	7,317	7,237	4,845	3,957
Capital employed (average)	5,694	5,005	4,736	3,143	2,682
Net debt (-)/net cash (+)	-1,486	-870	-853	-877	131
Key ratios					
Operating margin excluding items affecting comparability, percent	8.4	8.5	8.7	8.3	8.3
Operating margin, percent	8.5	8.6	8.7	8.3	8.3
Profit margin, percent	8.1	8.2	8.1	8.2	8.3
Equity ratio, percent	50.9	54.1	51.9	45.5	59.4
Net debt/EBITDA, times	1.6	1.0	1.0	1.6	-0.3
Net debt-equity ratio, percent	35.1	22.0	23.2	25.6	N/A
Current ratio, times	1.2	1.1	1.2	1.2	1.5
Return on equity, percent	14.8	14.5	15.0	13.3	13.0
Return on total capital, percent	10.5	10.4	10.1	10.2	11.0
Return on capital employed, percent	14.8	15.2	15.4	15.7	16.3
Interest cover, times	20.0	19.3	14.4	28.9	37.3
The ÅF share					
Basic earnings per share, SEK	7.81	7.16	6.71	5.07	4.54
Diluted earnings per share, SEK	7.63	7.03	6.60	5.01	4.51
Yield, percent	2.6	2.8	2.9	3.5	4.5
Basic equity per share, SEK	54.46	51.17	47.33	43.66	36.19
Diluted equity per share, SEK	52.85	49.74	45.86	42.66	35.91
Cash flow from operating activities per basic share, SEK	6.77	7.78	5.45	7.09	6.13
Cash flow from operating activities per diluted share, SEK	6.54	7.55	5.31	6.97	6.10
Share price 31 December, SEK	143.75	126.00	112.50	77.75	55.50
Market capitalisation	11,153	9,734	8,703	6,068	3,781
Ordinary dividend per share, SEK	3.75 ¹⁾	3.50	3.25	2.75	2.50
Other					
Cash flow from operating activities	523	601	425	483	414
Cash flow from investing activities	-807	-238	-199	-1,226	-81
Cash flow from financing activities	370	-367	-529	902	-315
Capacity utilisation rate, percent	76.9	76.1	75.1	74.2	73.1
Average number of FTEs excluding associates	7,453	6,887	6,666	4,808	4,367

A 2:1 share split was carried out in 2014. The comparative figures have been adjusted.

¹⁾ Proposed dividend

Five-year financial summary, EUR

EUR million, unless otherwise stated	2015	2014	2013	2012	2011
Closing day exchange rate	9.14	9.52	8.94	8.62	8.94
Average exchange rate	9.36	9.10	8.65	8.71	9.03
Net sales and profit					
Net sales	1,053	968	964	665	568
Operating profit excluding items affecting comparability	89	82	84	55	47
Operating profit	90	83	83	55	47
Profit after financial items	85	79	78	55	47
Profit for the period	65	61	61	41	35
Capital structure					
Non-current assets	572	487	503	530	228
Current assets	339	280	288	342	233
Equity including non-controlling interest	463	416	411	397	274
Non-current liabilities	167	107	131	197	33
Current liabilities	280	245	249	278	154
Balance sheet total	910	768	791	872	461
Equity (average)	440	418	404	306	267
Total capital (average)	857	804	837	556	438
Capital employed (average)	609	550	548	361	297
Net debt (-)/net cash (+)	-163	-91	-95	-102	15
Key ratios					
Operating margin excluding items affecting comparability, percent	8.4	8.5	8.7	8.3	8.3
Operating margin, percent	8.5	8.6	8.7	8.3	8.3
Profit margin, percent	8.1	8.2	8.1	8.2	8.3
Equity ratio, percent	50.9	54.1	51.9	45.5	59.4
Net debt/EBITDA, times	1.6	1.0	1.0	1.6	-0.3
Net debt-equity ratio, percent	35.1	22.0	23.2	25.6	N/A
Current ratio, times	1.2	1.1	1.2	1.2	1.5
Return on equity, percent	14.8	14.5	15.0	13.3	13.0
Return on total capital, percent	10.5	10.4	10.1	10.2	11.0
Return on capital employed, percent	14.8	15.2	15.4	15.7	16.3
Interest cover, times	20.0	19.3	14.4	28.9	37.3
The ÅF share					
Basic earnings per share, EUR	0.83	0.79	0.78	0.58	1.00
Diluted earnings per share, EUR	0.82	0.77	0.76	0.58	1.00
Yield, percent	2.6	2.8	2.9	3.5	4.5
Basic equity per share, EUR	5.96	5.38	5.29	5.06	8.09
Diluted equity per share, EUR	5.79	5.23	5.13	4.95	8.03
Cash flow from operating activities per basic share, EUR	0.72	0.85	0.63	0.81	1.36
Cash flow from operating activities per diluted share, EUR	0.70	0.83	0.61	0.80	1.35
Share price 31 December, EUR	15.74	13.24	12.58	9.02	12.41
Market capitalisation	1,221	1,023	973	704	423
Ordinary dividend per share, EUR	0.41 ¹⁾	0.37	0.36	0.32	0.28
Other					
Cash flow from operating activities	56	66	49	55	46
Cash flow from investing activities	-86	-26	-23	-141	-9
Cash flow from financing activities	40	-40	-61	104	-35
Capacity utilisation rate, percent	76.9	76.1	75.1	74.2	73.1
Average number of FTEs excluding associates	7,453	6,887	6,666	4,808	4,367

A 2:1 share split was carried out in 2014. The comparative figures have been adjusted.

¹⁾ Proposed dividend

Healthy return for the shareholders

The price of ÅF's Class B share rose by 14 percent in 2015 and total shareholder return, including reinvested dividends, amounted to 18 percent. In 2015 the ÅF share continued to give a better return than the index. The liquidity of the shares rose sharply in 2015 and exceeded the average for the past five years.

ÅF's Class B shares have been quoted on the Stockholm Stock Exchange since January 1986. Prior to that, ÅF traded as a cooperative association from 1895 until 1980 and then as a limited company from 1981.

ÅF's B shares are traded on the Nasdaq Stockholm exchange Mid Cap list under the "AF B" symbol. At year-end, the market capitalisation of ÅF's shares, including A shares, was SEK 11,153 million (9,734).

Price trend and turnover

The AF B share was valued at SEK 143.75 at the end of the year, an increase of 14.1 percent in 2015. The OMX Stockholm rose by 6.6 percent and the OMX Stockholm MidCap by 35.4 percent in 2015.

Total return on the AF Class B share, that is, price trends and reinvested dividend of SEK 3.50, was 17.6 percent, while the reinvesting SIX Return Index rose by 10.4 percent.

Over the last five years, 2011-2015, the AF B share's total return was 141.6 percent compared with 64.8 percent for the SIX Return Index.

In 2015 a total of 28,730,816 shares (21,444,797) were traded on Nasdaq Stockholm for an aggregate value of SEK 3,437 million (2,492). The average turnover per trading day was 114,465 shares (86,124), corresponding to SEK 13.7 million (10.0). The share was traded on all trading days.

With the implementation of the EU's MiFiD directive at the end of 2007, equity trading has changed and now takes place both on regulated markets and other trading venues. Most of the trading in AF B shares takes place in Stockholm, but the shares were traded in 2015 on a dozen other markets, including BATS Chi-X, BOAT, London and Turquoise. Trading on the Nasdaq Stockholm exchange accounted for 78 percent of the total turnover of shares and trading in other marketplaces for 22 percent.

Dividend policy and dividend

The Board of Directors has adopted a dividend policy according to which the dividend corresponds to approximately 50 percent of consolidated profit after tax excluding capital gains.

For the 2015 financial year the Board of Directors proposes a dividend of SEK 3.75 per share (3.50), equivalent to a pay-out ratio of 48 percent and a dividend yield of 2.6 percent.

Share buy-backs, 2015

As of 31 December 2015, ÅF held a total of 476,971 custodial B shares (953,094) related to the Performance-related Share Programmes for 2012, 2013 and 2014.

In 2015, 695,043 (430,000) AF B shares were repurchased. Of ÅF's total shareholdings, 967,869 (767,300) were cancelled during the year and 203,297 (324,482) were used to match the 2011 and 2012 share savings programmes.

Long-term communication with the stock market

The company has an ongoing long-term communication strategy towards the capital market, and interest in the ÅF share remained strong in 2015. The CEO, CFO and Executive Vice President Corporate Information, either individually or together, took part in almost 60 investor meetings in 2015.

Shareholders in Sweden and abroad

31 December 2015	Percent of equity
Sweden	60.6
Other Nordic countries	6.4
Rest of Europe (excl. Sweden and the Nordics)	15.7
USA	16.6
Rest of world	0.7
Total	100.0

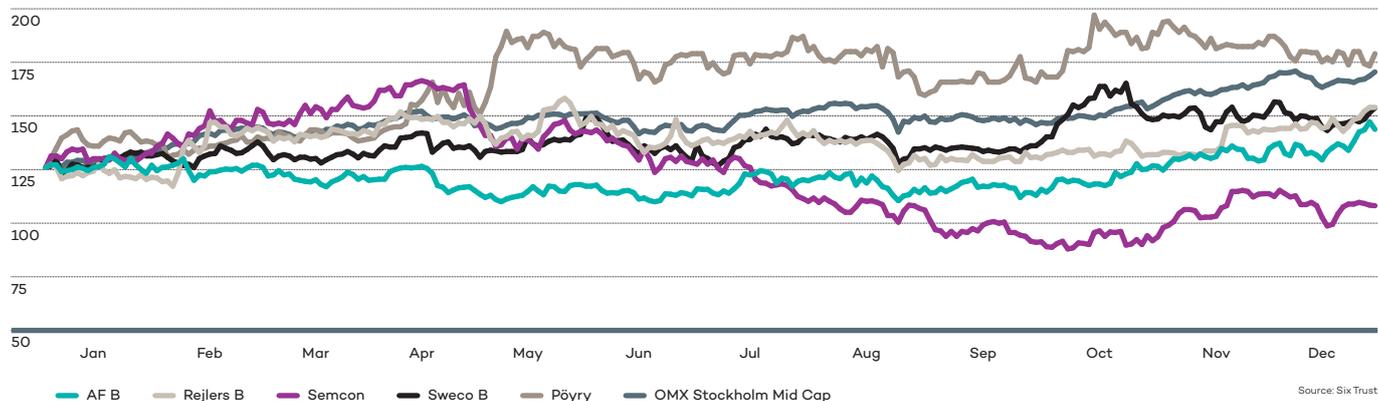
Size of shareholdings

31 December 2015	Number of shareholders	Shareholding, %
≤ 500	4,988	1.1
501 – 5000	3,037	6.1
≥ 5001	536	92.8
Total	8,561	100.0

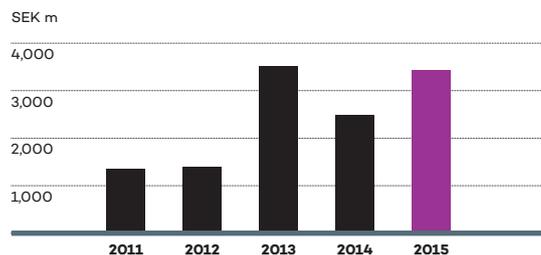
Analysts who monitor ÅF regularly

Name	Company
Viktor Lindeberg	Carnegie Investment Bank AB
Staffan Åberg	Handelsbanken Capital Markets
Stefan Andersson	SEB Equities
Mats Liss	Swedbank Markets

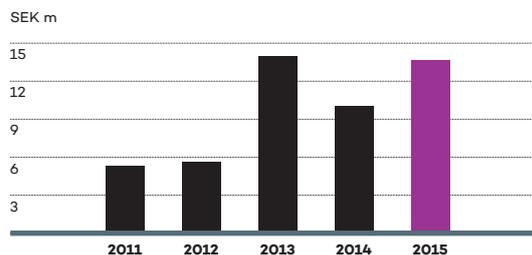
Price trend for AF B compared with the index and competitors within the industry in 2015



Annual turnover of AF B share



Average daily trading of AF B share



Key ratios per share

SEK	2015	2014	2013	2012	2011
Share price, 31 December	143.75	126.00	112.50	77.75	55.50
Basic earnings	7.81	7.16	6.70	5.07	4.54
Diluted earnings	7.63	7.03	6.60	5.01	4.51
Equity attributable to shareholders in the parent	54.46	51.17	47.33	43.66	36.19
Yield, percent ¹⁾	2.6	2.8	2.9	3.5	4.5
Proposed dividend	3.75	3.50	3.25	2.75	2.50
Market capitalisation, SEK million	11,153	9,734	8,703	6,068	3,781

A 2:1 share split was carried out in 2014. The comparative figures have been adjusted.

¹⁾ Based on proposed dividend

The ten largest shareholders at 31 December 2015

Owner	Class A shares	Class B shares	Share-holding, %	Votes, %
THE ÅFORSK FOUNDATION	3,205,752	7,665,152	13.9	37.1
SHB FUNDS	0	6,293,896	8.1	5.9
SWEDBANK ROBUR FUNDS	0	5,787,885	7.4	5.4
SEB INVESTMENT MANAGEMENT	0	4,699,145	6.0	4.4
ZERES PUBLIC MARKET FUND	0	3,312,474	5.1	3.8
CBNY-NORGES BANK	0	3,377,311	4.2	3.1
NORDEA INVESTMENT FUND	0	2,951,982	3.8	2.8
DIDNER & GERGE FUNDS AB	0	2,927,104	3.8	2.7
NTC VARIOUS FIDUCIARY CAPACIT	0	2,250,554	2.9	2.1
MELLON US TAX EXEMPT ACCOUNT	0	1,729,789	2.2	1.6
Total other	12,000	32,719,681	42.6	31.1
Total shares	3,217,752	74,847,541	100.00	100.00

Analyst: An incredibly interesting year for ÅF

It was really interesting to follow ÅF in 2015. Exposure in the Swedish industrial, energy and commodities sectors, which performed weakly during the year, worried the stock market and weighed on share prices in the first half.

But in the second half, the market was positively surprised by two strong quarters with organic growth of around five percent. ÅF has demonstrated that their strategy is holding and that they managed to strike a balance between strong and weak sectors in an exemplary manner. By balancing capacity ÅF has shown resilience despite major challenges in key client segments.

Acquisitions drive growth

Alongside organic growth, ÅF announced a series of acquisitions during the year, which is not only driving growth, but is



Staffan Åberg
Analyst at Handelsbanken

also creating a stronger and broader total offer. ÅF has also shown that it can raise the profitability of the acquired companies by identifying and realising cost synergies.

In the long term, the ability to attract the best employees is essential and ÅF has shown that, by offering good oppor-

tunities for advancement and interesting projects, they can attract talented employees.

Why buy ÅF shares?

For those who believe in the art of Swedish engineering, ÅF is a great exposure!

For analysts it is always about the share price and valuation. There is interesting long-term potential since ÅF is a quality company with a strong market position and good management with an excellent track record. Over the past five years ÅF shares have outperformed the stock market with a share price increase of 106.5 percent compared to 37.1 percent for OMX Stockholm. Should they manage to meet their goal of reaching EUR 2 billion in net sales by 2020, there is more potential – the share price does not reflect this potential today.

Development of the share capital

Year	Quota value	Change	Change in number of shares		Total number of shares		Total shares	Share capital
			Class A shares	Class B shares	Class A shares	Class B shares	Number	SEK thousand
1984		ÅF issues convertibles to employees			727,460		727,460	36,373
1985	50	Redesignation	-42,600	42,600	684,860	42,600	727,460	36,373
1986	50	New issue and Class B share floated on A list		300,000	684,860	342,600	1,027,460	51,373
1987	20	Bonus issue and split	684,860	1,370,060	1,369,720	1,712,660	3,082,380	61,648
1990	20	Conversion of staff convertibles from 1984	269,420	480,580	1,639,140	2,193,240	3,832,380	76,648
1994	20	Redesignation	-810,475	810,475	828,665	3,003,715	3,832,380	76,648
1996	20	Bonus issue	414,332	1,501,857	1,242,997	4,505,572	5,748,569	114,971
1997	20	Redesignation	-840,778	840,778	402,219	5,346,350	5,748,569	114,971
2004	20	New issue		175,807	402,219	5,522,157	5,924,376	118,488
2005	20	New issue		37,766	402,219	5,559,923	5,962,142	119,243
2006	10	Split 2:1	402,219	5,559,923	804,438	11,119,846	11,924,284	119,243
2006	10	New issue		1,121,527	804,438	12,241,373	13,045,811	130,458
2006	10	New issue		3,232,164	804,438	15,473,537	16,277,975	162,780
2007	10	New issue		90,951	804,438	15,564,488	16,368,926	163,689
2007	10	Conversion of staff convertibles from 2005/2008		566,307	804,438	16,130,795	16,935,233	169,352
2008	10	Conversion of staff convertibles from 2005/2008		94,268	804,438	16,225,063	17,029,501	170,295
2010	5	Split 2:1	804,438	16,225,063	1,608,876	32,450,126	34,059,002	170,295
2012	5	Non-cash issue		5,985,915	1,608,876	38,436,041	40,044,917	200,225
2013	5	Cancellation		-558,782	1,608,876	37,877,259	39,486,135	197,431
2014	5	Cancellation		-383,650	1,608,876	37,493,609	39,102,485	195,513
2014	2.5	Split 2:1	1,608,876	37,493,609	3,217,752	74,987,218	78,204,970	195,513
2015	2.5	Cancellation		-967,869	3,217,752	74,019,349	77,237,101	193,093
2015	2.5	Conversion of staff convertibles from 2012/2015		828,192	3,217,752	74,847,541	78,065,293 ¹⁾	195,163

¹⁾ Of which 476,971 custodial shares

Calendar 2016

8 Feb

Year-end report
2015

27 Apr

Interim Report
January-March 2016

27 Apr

Annual General Meeting

13 Jul

Interim Report
January-June 2016

21 Oct

Interim Report
January-September 2016



Definitions

Average number of FTEs – Average number of FTEs during the year converted to the equivalent number of year-long, full-time positions. The actual number of employees is higher, owing to part-time employment and the fact that some employees work for only part of the year.

Capacity utilisation – Time invoiced to clients as a percentage of total time all employees are present at work.

Cash flow per share – Cash flow from operating activities in relation to average number of outstanding shares.

Current ratio – Current assets in relation to current liabilities.

Earnings per share – Earnings attributable to parent's shareholders relative to average number of outstanding shares. ÅF custodial shares are not regarded as outstanding shares.

EBITDA – Operating profit/loss before interest rates, tax, impairment and depreciation/amortisation.

Equity per share – Equity attributable to the parent's shareholders relative to total number of outstanding shares.

Equity ratio – Equity including non-controlling interests in relation to the balance sheet total.

Interest cover – Profit after financial items with add-back of financial expenses, in relation to financial expenses.

Net debt/equity ratio – Net debt divided by equity including non-controlling interests.

Net debt/net cash – Interest-bearing liabilities (excluding contingent consideration) and provisions less cash, cash equivalents and interest-bearing receivables.

Number of employees – Total number of employees at end of reporting period.

Operating margin – Operating profit in relation to net sales.

Profit margin – Profit/loss after financial items, in relation to net sales.

Return on capital employed – Profit/loss after financial items and add-back of financial expenses in relation to average balance sheet total, less non-interest-bearing liabilities and net deferred tax.

Return on equity – Profit/loss after tax in relation to average shareholders' equity including non-controlling interests.

Return on total capital – Profit/loss after financial items and add-back of financial expenses, in relation to average balance sheet total.

Yield – Dividend per share in relation to year-end share price.

Group Head Office ÅF AB

Street address: Frösundaleden 2, Solna
Postal address: SE-169 99 Stockholm,
Sweden
Tel: +46 10 505 00 00

info@afconsult.com

For further information on addresses,
see www.afconsult.com

Production: Hallvarsson & Halvarsson. Translation: Fluid Translation AB. Print: Göteborgstryckeriet, Gothenburg, April 2016.
Photo: Olaf Holdar, Tomasz Majewski (pages 17, 38, 66), Peter Bartholdsson (page 18), Lars B Nyland (page 21), OKG (page 25), Nordic Office of Architecture (page 39), and others.





INNOVATION
BY EXPERIENCE

ÅF is an engineering and consulting company with assignments in the energy, industrial and infrastructure sectors, creating progress for our clients since 1895.

By connecting technologies we provide profitable, innovative, and sustainable solutions to shape the future and improve people's lives.

Building on our strong base in Europe, our business and clients are found all over the world.

ÅF – Innovation by experience.

