

ÅF Year-end report Jan - Dec 2013

Press release 11 February 2014



Innovation by experience



Fourth quarter 2013

- Net sales amounted to SEK 2,291 million (1,847)
- Operating profit totalled SEK 274 million (156)
- Operating profit, excluding non-recurring items, totalled SEK 220 million (156)
- Operating margin, excluding non-recurring items, was 9.6 percent (8.5)
- Profit after tax totalled SEK 207 million (117)
- Earnings per share, before dilution: SEK 5.37 (3.23)

January – December 2013

- Net sales amounted to SEK 8,337 million (5,796)
- Operating profit totalled SEK 722 million (481)
- Operating profit, excluding non-recurring items, totalled SEK 724 million (481)
- Operating margin, excluding non-recurring items, was 8.7 percent (8.3)
- Profit after tax totalled SEK 525 million (353)
- Earnings per share, before dilution: SEK 13.41 (10.13)
- The Board proposes a dividend per share for 2013 of SEK 6.50 (5.50)
- The Board proposes a 2:1 share split

A few words from the President

ÅF's operating profit for the fourth quarter was the highest in the company's history, both including and excluding non-recurring items. Excluding non-recurring items, profit totalled SEK 220 million (156). The operating margin, excluding non-recurring items, was 9.6 percent (8.5). The higher margin is in part due to lower central costs compared with the year-earlier period.

Growth amounted to 24 percent in the fourth quarter, mainly due to the acquisitions of Epsilon and Advansia. ÅF now has a workforce of just over 7,000 highly qualified employees, with a stronger and more comprehensive range of engineering services to offer our customers than ever before. On top of that, ÅF offers access to over 20,000 engineers as part of a unique network.

ÅF's overall market saw some improvement in Q4, with heightened activity within a number of key customer segments. Project assignments are growing and now account for roughly 60 percent, which is a consequence of our strategy of creating added value for our customers via long-term and close partnerships.

The Industry and Infrastructure divisions displayed the highest levels of profitability and growth, and both achieved operating margins approaching 12 percent in the fourth quarter. Technology has shown gradual improvement during the autumn both in terms of profit and capacity utilisation rate. The division's operating margin was 8.3 percent (10.7). International maintained its positive profit trend, despite a deterioration in levels of demand in Russia and the rest of Europe. The division's operating margin climbed to 6.6 percent (5.9).

The financial statements for full-year 2013 include substantial non-recurring items. These items include costs of SEK 55 million relating to the integration of the Epsilon acquisition, which impacted on profit for the first six months of the year. In addition, accounting adjustments detailed under "Net sales and profit" gave rise to a positive effect of SEK 53 million in the fourth quarter.

The market forecast for 2014 is cautiously optimistic. The market for Infrastructure is expected to remain strong. There are several indications that the market outlook for Industry is a positive improvement on a year ago. The energy market continues to be characterised by low levels of investment in Europe, with a more encouraging outlook on the markets in Asia and South America. All in all, the general assessment is that ÅF's total market will see gradual improvement in 2014, compared with 2013.

ÅF's most important objective is to continue to generate levels of profitability that place us among the very best performers in our industry – regardless of the state of the economy. Our ambition is to continue to grow, both organically and through acquisitions, without compromising profitability. New long-term financial objectives for the ÅF Group, Vision 2020, will be presented at the end of the first quarter.

Stockholm, Sweden – 11 February, 2014

Jonas Wiström
President and CEO

Net sales and earnings, October – December 2013

Net sales for the period totalled SEK 2,291 million (1,847), an increase of 24 percent. Growth through acquisitions amounted to 27 percent, while organic growth was negative. The reason is the low level of investment in the Russian energy sector, which has caused a decline in sales for ÅF's Russian company. Excluding Russia, organic growth was 2 percent.

Operating profit rose to SEK 274 million (156). During the quarter, the preliminary provision for contingent consideration relating to the Epsilon acquisition was revalued, which gave rise to a positive effect of SEK 136 million. The provision decreased by SEK 362 million, whereof SEK 226 million relates to an adjustment to the preliminary acquisition analysis, reducing goodwill by the equivalent amount, and SEK 136 million relates to an amended assessment of the outcome, which is recognised in the income statement. A provision has also been reversed for contingent consideration relating to an acquisition in the Czech Republic, which resulted in a positive effect of SEK 7 million.

Other items recognised in the quarter include a writedown of SEK 95 million relating to goodwill in Russia and Spain and of SEK 25 million regarding other operating assets in Russia, as well as a positive non-recurring effect in Switzerland totalling SEK 30 million, resulting from the divestment of portions of the pension obligation and associated plan assets. The writedown in Russia and Spain is primarily attributable to an enduring weaker market for energy projects.

The above-mentioned items total SEK 53 million, which has a positive impact on profit for the quarter. The items are only accounting adjustments and do not have any effect on consolidated cash flow. The effect of the items is recognised under "Other" so as not to impact on the analysis of profit for the operating divisions.

Excluding the above-mentioned items, operating profit amounted to SEK 220 million (156), a rise of 41 percent, and the

operating margin rose to 9.6 percent (8.5).

The negative effect of fewer hours available for work in the period translated into a decrease in earnings of approximately SEK 6 million. The capacity utilisation rate in the fourth quarter was 75.4 percent (74.8).

Profit after financial items was SEK 264 million (154). Profit after tax totalled SEK 207 million (117). Earnings per share were SEK 5.37 (3.23).

Net sales and earnings, January – December 2013

Net sales for the period totalled SEK 8,337 million (5,796), an increase of 44 percent (13) compared with the same period the previous year. Organic growth was 2 percent (6). Organic growth in Scandinavia was 5 percent.

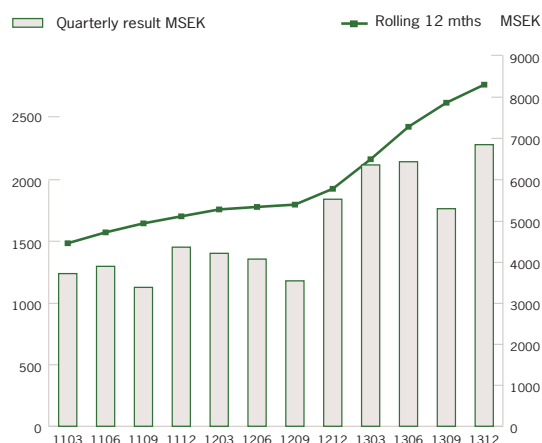
The acquisitions that have contributed the most to growth through acquisitions are Epsilon AB and Advansia AS.

Operating profit rose by 50 percent (13) to SEK 722 million (481) compared with the previous year. Non-recurring items have had a negative effect of SEK 2 million net on operating profit for the year. These items include those detailed above, along with integration costs relating to the acquisition of Epsilon, totalling SEK 55 million.

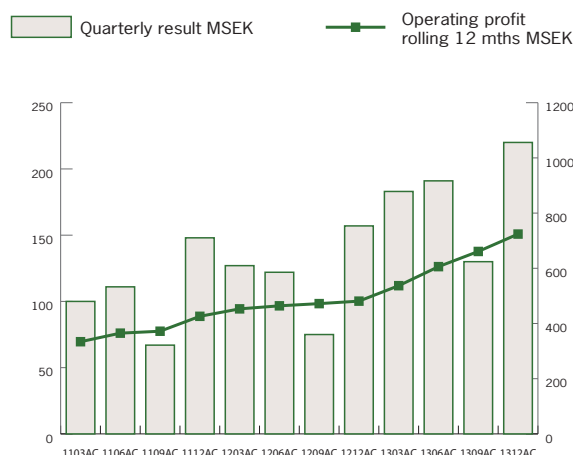
The operating margin was 8.7 percent (8.3). The capacity utilisation rate was 75.1 percent (74.2). There was one less working day in the period compared with the previous year. Profit after financial items was SEK 677 million (477). Net financial expense was SEK -45 million (-4). The increase on the previous year is mainly attributable to expenses incurred with regard to the financing of the acquisitions of Epsilon AB and Advansia AS at the end of 2012. Profit after tax totalled SEK 525 million (353). Earnings per share were SEK 13.41 (10.13).

KEY RATIOS	Oct-Dec	Oct-Dec	Full year	Full year
	2013	2012	2013	2012
Net sales, MSEK	2 290,7	1 847,3	8 337,0	5 796,4
Operating profit, MSEK	273.6	156.5	722.5	480.5
Operating margin, %	11.9	8.5	8.7	8.3
Operating profit excl non-recurring items, MSEK	220.0	156.5	724.4	480.5
Operating margin excl non-recurring items, %	9.6	8.5	8.7	8.3
Profit after financial items, MSEK	263.5	154.2	677.3	476.6
Profit after tax, MSEK	206.6	117.2	525.5	353.3
Earnings per share, before dilution, SEK	5.37	3.23	13.41	10.13
Return on equity, %	-	-	15.0	13.3
Return on capital employed, %	-	-	15.4	15.7
Average number of full-time employees, FTEs	6,825	5,369	6,666	4,808
Capacity utilisation rate, %	75.4	74.8	75.1	74.2

Net sales, MSEK



Operating profit, MSEK *)



*) excl non-recurring items

Important events during Q4 2013 and after the reporting date

ÅF signed a significant agreement with Volvo Car Corporation. The order relates to design and build within industrial automation and robotics, which is one of the areas of technical expertise in which ÅF excels in the automotive industry. For ÅF the project involves the development and rebuilding of an automated production line at Volvo Car Corporation's engine plant in Skövde in the south of Sweden. The project, which will continue for a period of two years, will in the main be carried out from ÅF's division in Skövde, but will also to a great extent involve ÅF's operations in Olofström and Laxå.

ÅF signed a framework agreement with AB Volvo, which will involve the provision of engineering services over the next three years. The agreement extends to all AB Volvo's units in Sweden. ÅF's commitment covers development work within most disciplines, including product engineering, design, embedded systems, technical documentation and advanced calculations.

Two major acquisitions have been completed to date in 2014. ÅF acquired Norwegian Xact Consultance AS, which provides engineering services to the Norwegian oil and gas market. Xact's customers are mainly equipment suppliers and subcontractors to oil exploration firms and oil companies. Around 90 consultants operate within Xact and in 2013 the company had sales of NOK 85 million, with healthy profitability. Norway is a priority market for ÅF, and following the acquisition of Xact ÅF now has close to 500 consultants in Norway.

ÅF acquired ES-KONSULT Energi och Säkerhet AB, which provides expert services to Swedish and international nuclear power customers. ES employs approximately 60 people and the company has offices in Stockholm and Gothenburg. ES had sales totalling roughly SEK 70 million in 2013, with healthy profitability. Prior to the acquisition, ÅF had over 500 consultants and experts working with nuclear power customers in Sweden and abroad. ÅF and ES have worked together successfully over the years, including at Ringhals, within ÅF Nuclear Academy and on a nuclear power project in Brazil.

Acquisitions

Since the start of 2013, 13 businesses have been acquired with a total of 167 employees. It is anticipated that these acquisitions will contribute sales of SEK 228 million over a full-year.

Cash flow and financial position

Cash flow from operating activities totalled SEK 251 million (186) in the fourth quarter. Corporate acquisitions and additional considerations paid totalled SEK 64 million (1,157).

The net of borrowing and amortisation of loans amounted to SEK -136 million (1,104). Total cash flow was SEK -39 million (30).

Cash flow from operating activities for the full-year was SEK 425 million (483). The reduced cash flow is largely a result of higher interest expenses and integration costs relating to the major acquisitions completed at the end of 2012, combined with lower customer advances linked to a lower level of activity in major project business in Russia. Corporate acquisitions and additional considerations paid totalled SEK 142 million (1,193), chiefly relating to the acquisition of Kåre Hagen AS. The net of borrowing and amortisation of loans had an effect on cash flow of SEK -231 million (1,175). Total cash flow was SEK -302 million (159).

Group liquid assets totalled SEK 188 million (498) at the end of the reporting period. The Group's net debt totalled SEK 853 million (877). ÅF AB has unutilised credit facilities amounting to SEK 789 million.

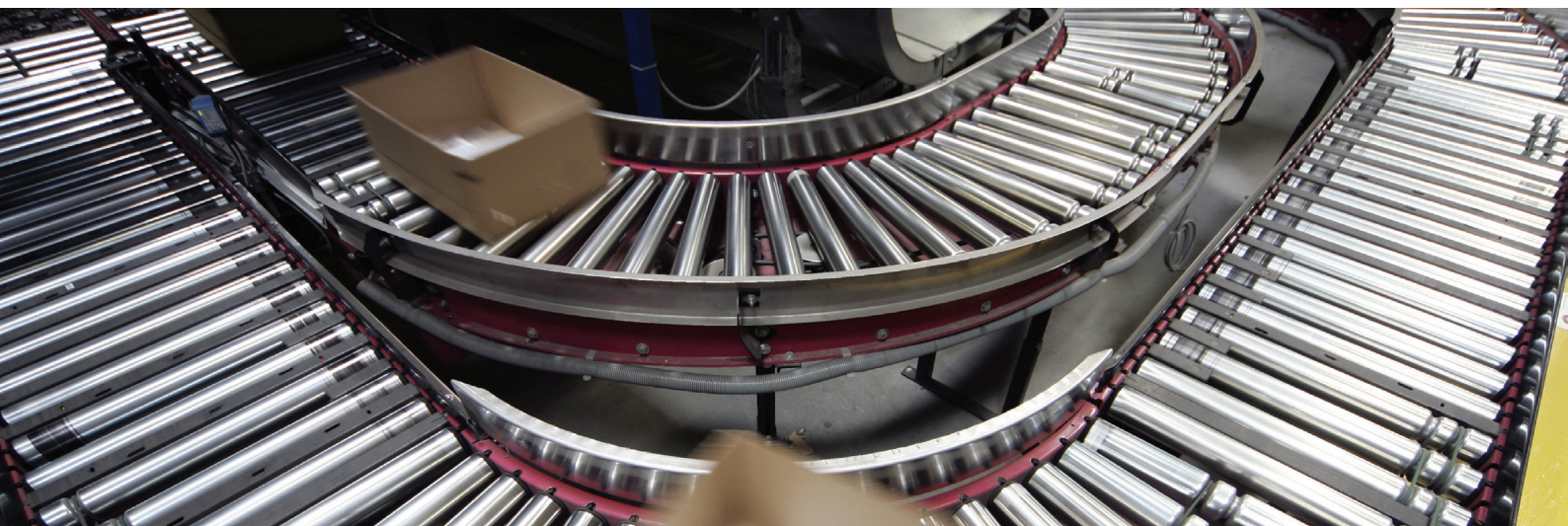
Equity per share was SEK 94.66 (87.32). The equity/assets ratio was 51.9 percent (45.5). Equity totalled SEK 3,674 (3,422).

Number of employees

The average number of full-time equivalents was 6,666 (4,808). The total number of employees at the end of the reporting period was 7,043 (6,867): of these 5,428 (5,258) were employed in Sweden and 1,615 (1,609) outside Sweden.

Parent company

Parent company operating income for the period January–December totalled SEK 458 million (374) and relates chiefly to internal services within the Group. Profit/loss after net financial items was SEK -85 million (75). Cash and cash equivalents totalled SEK 29 million (39) and gross investment in non-current assets was SEK 34 million (15).



Industry Division

The Industry Division noted a slight improvement in demand from industry in the fourth quarter, particularly in Swedish industry. Combined with good project control and an increased focus on costs, this enabled the division to maintain profitability at satisfactory levels. The division's operating margin in the fourth quarter was 11.8 percent (13.0).

Organic growth totalled almost 12 percent in the fourth quarter. Around 300 consultants were recruited during the full-year as a consequence of a strategic focus on organic growth.

Towards the end of the year, efforts were stepped up in relation to ÅF's focus on the oil and gas market in Norway, resulting in several new assignments. New offices were established in Kristiansand, Stavanger and Bergen.

The economy strengthened somewhat towards the end of 2013. New contracts were signed with Billerud Korsnäs, LKAB and Ringhals. Industry also won a contract with Alfa Laval at the end of the fourth quarter. The project relates to automated equipment for handling components for Alfa Laval's separators. The equipment will be designed and built at ÅF in Laxå during the spring, to then be deployed at Alfa Laval's production unit in Eskilstuna in the summer. Industry also signed a significant two-year contract with Volvo Car Corporation. The order relates to design and build within industrial automation and robotics,

which is one of the division's strong areas of technical expertise in the automotive industry.

The division's project portfolio increased overall during the year, which is in line with the strategy of becoming more of a partner to our customers. The total value of orders in fixed-price projects for the Industry Division exceeded SEK 1 billion at the end of the year.

It is also worth noting that Industry currently holds a leading market position within the field of advanced calculations in Sweden. Industry has approximately 200 consultants within advanced calculations with extensive international experience from the automotive, aviation, energy, steel, food, life science and other industries.

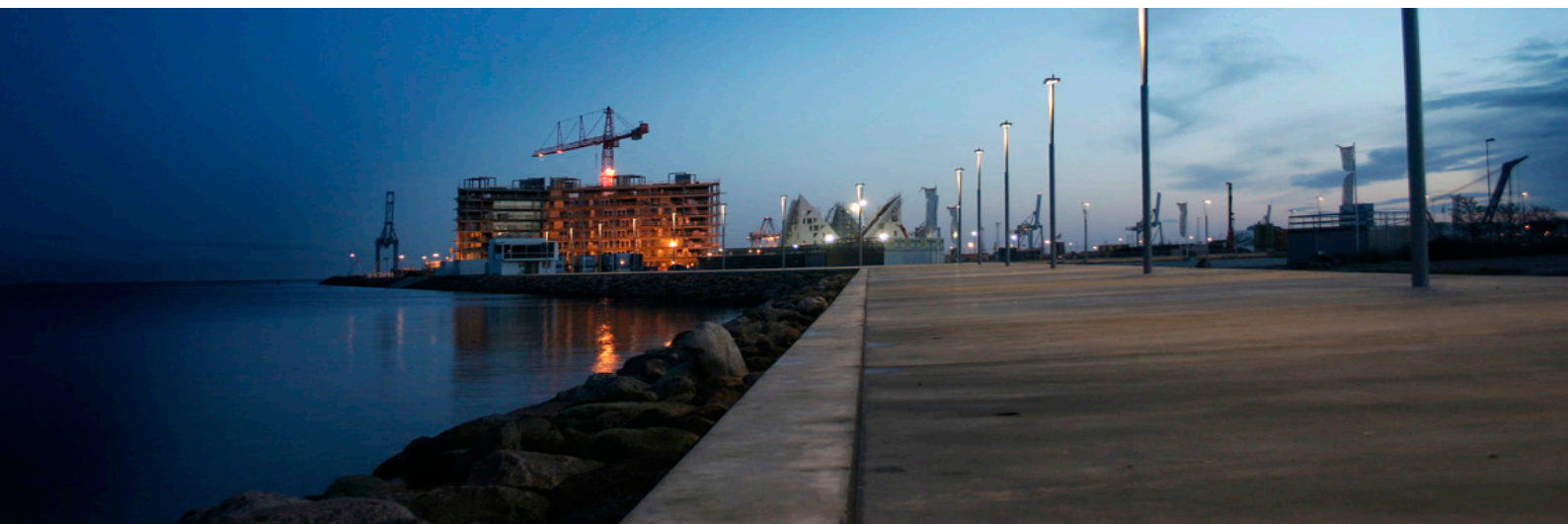
About the Industry Division:

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

Key ratios - Industry

	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Net sales, MSEK	672.4	460.3	2,353.5	1,653.3
Operating profit, MSEK	79.6	60.0	238.0	195.0
Operating margin, %	11.8	13.0	10.1	11.8
Average number of full-time employees, FTEs	1,901	1,377	1,857	1,334

The historical figures above are adjusted based on the organisational changes implemented on 1 July, 2013.



Infrastructure Division

The Infrastructure Division operated on a persistently strong market in Q4. The primary drivers for the division's business today are significant investment in new and existing infrastructure, along with interest in energy-efficient buildings. The Infrastructure Division enjoys a prominent position in all three of Sweden's major metropolitan regions, and in Norway.

Operating profit climbed 8 percent and growth in Q4 was 13 percent, of which 4 percent was organic growth. The division's operating margin was 11.7 percent (12.3). All business areas displayed a positive trend, but growth and profit saw the highest lift in the Infrastructure Planning and Project Management areas.

An initiative was launched to boost organic growth, which is expected to produce results continually throughout 2014.

Infrastructure continued to build on its long-term order portfolio and in Q4 won new assignments for the Swedish Transport Administration and the City of Copenhagen. ÅF has also embarked upon a significant energy partnership with Scandic, aimed at reducing energy consumption in the hotel chain's properties in the Nordic region. Infrastructure is responsible for project managing the assignment for Scandic and providing other resources with respect to inventory management, optimisation and implementation. The division also

won a number of new road project engineering assignments in Gothenburg and subprojects in the planning of the Nyköping public transport hub, and part of the Götaland rail link, where new tracks and platforms will boost the station's capacity for handling more regional traffic.

The Infrastructure Division continues to be heavily involved in a number of large projects, including the expansion of Oslo Gardermoen Airport in Norway, the Stockholm Bypass, the City Line tunnel in Stockholm, the West Link rail tunnel in Gothenburg, and the New Karolinska University Hospital in Solna for Skanska Healthcare.

About the Infrastructure Division:

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

Key ratios - Infrastructure

	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Net sales, MSEK	703.9	622.5	2,405.9	1,892.1
Operating profit, MSEK	82.5	76.5	289.7	207.2
Operating margin, %	11.7	12.3	12.0	10.9
Average number of full-time employees, FTEs	1,843	1,587	1,720	1,435



International Division

The market for energy projects on the International Division's domestic markets remained relatively weak in the fourth quarter. This is largely down to declining electricity consumption in Europe and uncertainty regarding future energy solutions. The situation in Europe was compensated for in part by healthy order levels in South-East Asia, the Middle East and Latin America.

Looking at the division's various areas of expertise, demand continued to be strongest within hydropower and renewable energy. Activity within thermal power remained relatively low, while the market for nuclear power showed signs of improvement. International won orders, including a new nuclear power order in Vietnam towards the end of the period. All in all the level of orders was healthy and exceeds sales during the year.

The division's operating margin was 6.6 percent (5.9) for Q4. Profit for ÅF's businesses in Finland and the Czech Republic rose steadily over the three-month period. The quarterly result also received a boost from the introduction of a new pension plan in ÅF Switzerland, which meant the reversal of approximately SEK 10 million from previous years' pension costs.

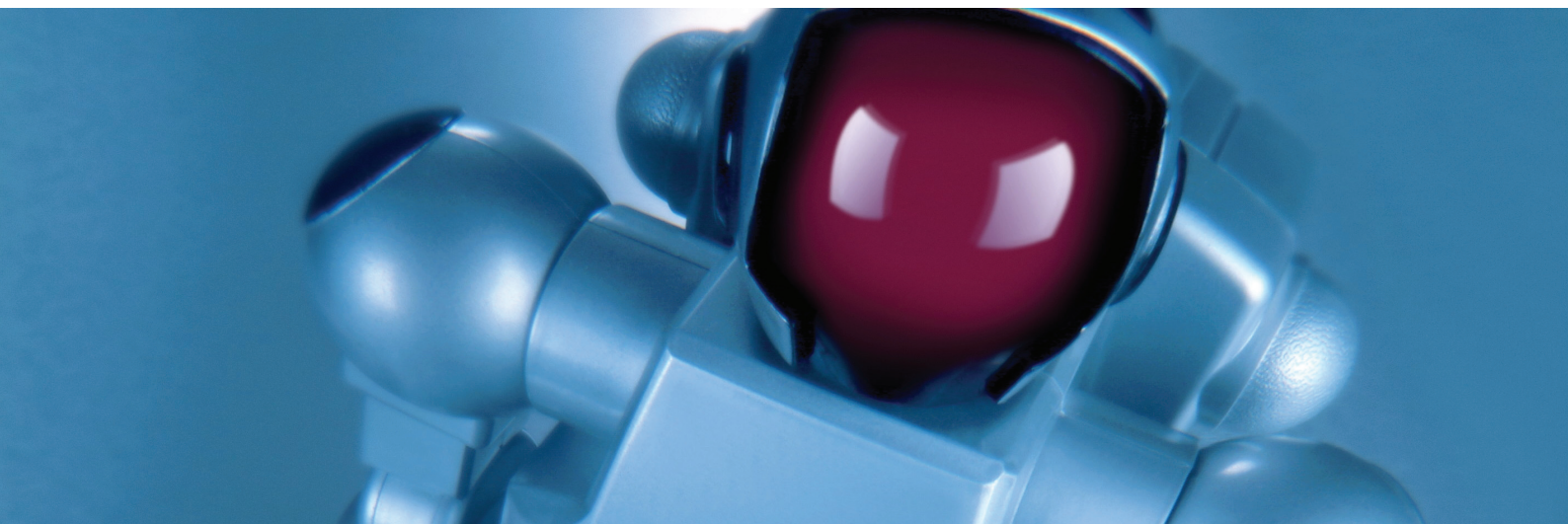
The market for energy projects in Europe was weaker than anticipated in 2013 and this trend is expected to continue. This gives rise to a writedown of goodwill relating to ÅF's operations in Russia and Spain (further details on page 3). The management focus is on measures to streamline operations and heightened sales-related activities.

About the International Division:

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

Key ratios - International

	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Net sales, MSEK	297.8	387.8	1,224.9	1,307.1
Operating profit, MSEK	19.8	23.0	74.6	54.6
Operating margin, %	6.6	5.9	6.1	4.2
Average number of full-time employees, FTEs	1,115	1,141	1,123	1,138



Technology Division

The market for advanced product development and IT was largely unchanged in the fourth quarter compared with both the second and third quarters in 2013. Technology's capacity utilisation rate gradually increased during the second half of the year.

Volumes were in line with the previous year, adjusted for acquisitions. The division's operating margin was 8.3 percent (10.7). Lower profitability was the result of a weaker trend in the south of Sweden and a general decline in demand from the telecom sector. Operations within Product Engineering saw positive development with healthy profitability in the fourth quarter.

Technology signed additional significant orders from the Swedish Defence Materiel Administration (FMV). Furthermore, there was greater demand from the automotive industry, where ÅF is gradually increasing its share of projects. The division won several new assignments from customers including Scania, AB Volvo and Volvo Car Corporation. ÅF's position within IT received a boost from new framework agreements with authorities and the public sector, for example with the Swedish Association of Local Authorities and Regions and the Legal, Financial and Administrative Services Agency (Kammarkollegiet).

As of 1 January 2014, the business area Embedded & IT is being separated into two business areas in order to strengthen ÅF's commercial focus. To create further synergies between the defence sector and telecom industry and pool the Technology Division's expertise in the early stages and during procurement processes, the Defence & Security business area will also be merged with the Telecom market area to form the business area Systems Management.

About the Technology Division:

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

Key ratios - Technology

	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Net sales, MSEK	694.0	252.9	2,522.6	907.7
Operating profit, MSEK	57.5	27.1	179.3	84.4
Operating margin, %	8.3	10.7	7.1	9.3
Average number of full-time employees, FTEs	1,886	725	1,882	711

The historical figures above are adjusted based on the organisational changes implemented on 1 July, 2013.

Risks and uncertainty factors

The significant risks and uncertainty factors to which the ÅF Group is exposed include business risks linked to the general economic situation and willingness to invest on various markets, the ability to recruit and retain qualified co-workers, and the potential impact of political decisions. In addition, the Group is exposed to writedowns in fixed-price contracts as well as to a number of financial risks, including currency risks, interest-rate risks and credit risks. The risks to which the Group is exposed are described in detail in ÅF's Annual Report for 2012. No significant risks are considered to have arisen since the publication of the annual report.

Accounting policies

This report has been prepared in accordance with IAS 34, "Interim Financial Reporting". The accounting policies conform with International Financial Reporting Standards (IFRS), as well as with the EU approved interpretations of the relevant standards, the International Financial Reporting Interpretations Committee (IFRIC) and Chapter 9 of the Swedish Annual Accounts Act. The report has been drawn up using the same accounting policies and methods of calculation as those in the Annual Report for 2012 (see Note 1, page 73), with the exception of the changes described below.

Amendment to IAS 19, "Employee benefits". For ÅF, this amendment means first and foremost that returns on plan assets are to be based on the discount rate used for calculating pension obligations. The difference between real and calculated return on plan assets is recognised in 'Other comprehensive income'. The effect of this is insignificant.

Amendment to IAS 1, "Presentation of financial statements". This amendment involves a change in the grouping of transactions in 'Other comprehensive income'. Items that may be reclassified to profit or loss are to be presented separately from items that will not. This does not alter the actual content of 'Other comprehensive income', but solely the presentation.

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

ÅF shares

The ÅF share rose by 45 percent in 2013, compared with the OMXSPI index, which increased by 23 percent in the same period. The ÅF share price at the end of the reporting period was SEK 225 (155.50).

ÅF holds a total of 423,788 (464,000) of the company's own class B shares related to the Performance Share Plan for 2010, 2011, 2012 and 2013, and 383,650 (558,782) of the company's own class B shares related to the Staff Convertible Programmes for 2012 and 2013. In 2013, a total of 383,650 (638,782) ÅF shares were repurchased. 558,782 of the shares that ÅF holds were cancelled during the year and 40,212 have been used to match the sPerformance Share Plan from 2010.

In order to offset the possible dilution effect of the 2013 Staff Convertible Programme, share capital was reduced through the

cancellation on 14 January 2014 of shares, in accordance with the resolution of the 2013 Annual General Meeting.

Prior to this, the number of shares in the company had totalled 39,486,135, which corresponded to 53,966,019 votes. The number of shares and votes has now been reduced by 383,650. Following the reduction the number of shares totals 39,102,485 and the number of votes is 53,582,369.

Dividend

The Board proposes a dividend per share for 2013 of SEK 6.50 (5.50).

Share split

The Board proposes a 2:1 share split.

Stockholm, Sweden - 11 February, 2014

Jonas Wiström
President and CEO
ÅF AB (publ)

Financial reports – 2014

5 May	Interim Report January–March 2014
11 July	Interim Report January–June 2014
21 October	Interim Report January–September 2014

Capital Markets Day - 2014

4 March	Capital Markets Day
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This report has not been subject to review by the company's auditors.

The information in this interim report fulfils ÅF AB's disclosure requirements under the provisions of the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was released for publication at 8:30 a.m. on 11 February.

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

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

CONSOLIDATED INCOME STATEMENT

(in millions of SEK)

	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Net sales	2,290.7	1,847.3	8,337.0	5,796.4
Personnel costs	-1,158.5	-967.8	-4,458.8	-3,250.2
Purchase of services and goods	-644.6	-520.5	-2,327.7	-1,375.6
Other costs	-241.7	-186.4	-802.6	-635.7
Other income	143.2	0.3	147.8	2.4
Depreciations and amortisations	-115.9	-17.1	-174.1	-57.6
Share of associated companies' profit/loss	0.3	0.8	0.7	0.7
Operating profit	273.6	156.5	722.5	480.5
Net financial items	-10.1	-2.3	-45.2	-3.9
Profit after financial items	263.5	154.2	677.3	476.6
Tax	-56.9	-37.0	-151.8	-123.3
Profit after tax	206.6	117.2	525.5	353.3
<i>Attributable to:</i>				
Shareholders in parent company	208.8	114.2	522.8	345.0
Non-controlling interest	-2.1	3.0	2.7	8.3
Profit after tax	206.6	117.2	525.5	353.3
Operating margin, %	11.9	8.5	8.7	8.3
Capacity utilisation rate (invoiced time ratio), %	75.4	74.8	75.1	74.2
Earnings per share before dilution, SEK	5.37	3.23	13.41	10.13
Earnings per share after dilution, SEK	5.25	3.18	13.20	10.02
Number of shares outstanding	38,678,697	39,022,135	38,678,697	39,022,135
Average number of outstanding shares before dilution	38,880,051	35,418,109	38,985,682	34,065,811
Average number of outstanding shares after dilution	40,140,467	36,319,697	40,019,034	34,610,208

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of SEK)

	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Items that may be reclassified subsequently to profit or loss				
Change in translation reserve for the period	16.7	29.3	-40.1	-25.9
Cash flow hedging	-0.1	-0.8	-0.4	0.8
Tax	0.2	0.3	0.3	-0.2
Items that will not be reclassified to profit or loss				
Pensions	49.4	22.4	62.7	22.4
Tax	-10.0	-4.4	-12.7	-4.4
Total other comprehensive income for the period	56.2	46.7	9.7	-7.2
Profit for the period	206.6	117.2	525.5	353.3
Total comprehensive income for the period	262.8	163.9	535.2	346.1
<i>Total comprehensive income attributable to:</i>				
Shareholders in parent company	264.8	160.9	533.3	338.0
Non-controlling interest	-2.0	3.1	1.8	8.1
Total	262.8	163.9	535.2	346.1

CONSOLIDATED BALANCE SHEET

(in millions of SEK)

	31 Dec 2013	31 Dec 2012
Assets		
Non-current assets		
Intangible assets	4,144.2	4,263.4
Tangible assets	289.7	279.3
Other non-current assets	65.4	23.7
Total non-current assets	4,499.3	4,566.3
Current assets		
Current receivables	2,386.9	2,452.1
Cash and cash equivalents	187.7	497.7
Total current assets	2,574.6	2,949.6
Total assets	7,073.9	7,515.9
Equity and liabilities		
Equity		
Attributable to shareholders in parent company	3,661.5	3,407.3
Attributable to non-controlling interest	12.7	14.3
Total equity	3,674.2	3,421.5
Non-current liabilities		
Provisions	230.3	267.6
Non-current liabilities	939.9	1,431.8
Total non-current liabilities	1,170.2	1,699.4
Current liabilities		
Provisions	21.9	4.6
Current liabilities	2,207.6	2,390.3
Total current liabilities	2,229.5	2,394.9
Total equity and liabilities	7,073.9	7,515.9

Pledged assets and Contingent liabilities are essentially the same as in the annual accounts for 2012.

CHANGES IN EQUITY

(in millions of SEK)

	31 Dec 2013	31 Dec 2012
Equity at start of period	3,421.5	2,450.2
Total comprehensive income for the period	535.2	346.1
Dividends	-217.2	-173.6
Share buy-backs	-80.6	-94.4
Non-cash issue	-	879.9
Issue cost	-	-5.5
Value of conversion right	7.5	7.1
Acquisition of non-controlling interest	-	-0.9
Divestment of non-controlling interest	-0.8	-
Share savings programmes	8.7	12.5
Equity at end of period	3,674.2	3,421.5
<i>Attributable to:</i>		
Shareholders in the parent company	3,661.5	3,407.3
Non-controlling interest	12.7	14.3
Total	3,674.2	3,421.5

CASH FLOW ANALYSIS

(in millions of SEK)

	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Profit after financial items	263.5	154.2	677.3	476.6
Adjustment for items not included in cash flow and other	-35.1	34.8	48.6	81.0
Income tax paid	-7.3	-31.8	-117.3	-128.2
Cash flow from operating activities before change in working capital	221.1	157.2	608.6	429.3
Cash flow from change in working capital	30.1	28.4	-183.5	53.4
Cash flow from operating activities	251.2	185.5	425.1	482.7
Cash flow from investing activities	-78.7	-1,166.7	-198.5	-1,225.6
Cash flow from financing activities	-211.1	1,011.2	-529.1	901.8
Cash flow for the period	-38.6	30.0	-302.6	158.9
Cash and cash equivalents brought forward	224.8	461.4	497.7	345.3
Exchange rate difference in cash/cash equivalents	1.5	6.3	-7.5	-6.6
Cash and cash equivalents carried forward	187.7	497.7	187.7	497.7

KEY RATIOS

	Full year 2013	Full year 2012
Return on equity, %	15.0	13.3
Return on capital employed, %	15.4	15.7
Equity ratio, %	51.9	45.5
Equity per share, SEK	94.66	87.32
Net debt (-) /Net cash (+), MSEK	-853.3	-876.9
Net debt-equity ratio, %	23.2	25.6
Interest-bearing liabilities, MSEK	1,089.0	1,374.6
Average number of employees (FTEs) excl. associated companies	6,666	4,808

QUARTERLY INFORMATION BY DIVISION

Net sales		2012					2013				
(in millions of SEK)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	
Industry	428.8	406.3	357.9	460.3	1,653.3	575.4	605.7	500.0	672.4	2,353.5	
Infrastructure	451.2	451.7	366.7	622.5	1,892.1	595.6	615.0	491.3	703.9	2,405.9	
International	330.3	289.2	299.8	387.8	1,307.1	331.1	302.0	293.9	297.8	1,224.9	
Technology	241.1	237.2	176.4	252.9	907.7	650.3	652.1	526.1	694.0	2,522.6	
Other/eliminations	-44.1	-25.8	-18.0	123,9 ¹⁾	36.3	-27.5	-23.3	-41.8	-77.2	-169.8	
Total	1,407.2	1,358.7	1,182.8	1,847.3	5,796.4	2,125.0	2,151.6	1,769.6	2,290.7	8,337.0	
Operating profit/loss		2012					2013				
(in millions of SEK)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	
Industry	47.9	49.6	37.6	60.0	195.0	45.2	67.7	45.4	79.6	238.0	
Infrastructure	55.0	49.0	26.7	76.5	207.2	82.2	79.9	45.1	82.5	289.7	
International	6.7	14.8	10.0	23.0	54.6	10.2	22.7	21.9	19.8	74.6	
Technology	28.6	18.7	9.9	27.1	84.4	52.7	42.3	26.8	57.5	179.3	
Other/eliminations	-11.5	-9.6	-9.4	-30,1 ¹⁾	-60.6	-24.5	-59.7	-9.1	34.2	-59.1	
Total	126.8	122.4	74.8	156.5	480.5	165.8	152.9	130.1	273.6	722.5	
Operating margin		2012					2013				
(%)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	
Industry	11.2	12.2	10.5	13.0	11.8	7.8	11.2	9.1	11.8	10.1	
Infrastructure	12.2	10.8	7.3	12.3	10.9	13.8	13.0	9.2	11.7	12.0	
International	2.0	5.1	3.3	5.9	4.2	3.1	7.5	7.5	6.6	6.1	
Technology	11.9	7.9	5.6	10.7	9.3	8.1	6.5	5.1	8.3	7.1	
Total	9.0	9.0	6.3	8.5	8.3	7.8	7.1	7.4	11.9	8.7	
Employees		2012					2013				
(FTEs)	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	
Industry	1,302	1,332	1,327	1,377	1,334	1,821	1,878	1,832	1,901	1,857	
Infrastructure	1,331	1,400	1,426	1,587	1,435	1,602	1,712	1,726	1,843	1,720	
International	1,149	1,153	1,115	1,141	1,138	1,132	1,141	1,105	1,115	1,123	
Technology	711	713	695	725	711	1,911	1,883	1,851	1,886	1,882	
ÅF AB	64	71	78	539 ¹⁾	190	87	77	83	81	83	
Total	4,557	4,668	4,642	5,369	4,808	6,554	6,691	6,598	6,825	6,666	
Number of working days		2012					2013				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	
Sweden only	64	59	65	62	250	62	60	66	61	249	
All countries	63	59	65	63	250	61	60	66	61	248	

¹⁾ Epsilon is included in figures for Q4 2012. With effect from January 2013 Epsilon is included in Technology Division and Industry Division.

The historical figures above are adjusted based on the organisational changes implemented on 1 July, 2013.

ACQUIRED COMPANIES' NET ASSETS AT TIME OF ACQUISITION

(in millions of SEK)

Date of acquisition	Full year 2013
Tangible non-current assets	1.2
Accounts receivable and other receivables	39.2
Cash equivalents	27.2
Accounts payable and other liabilities	-42.6
Net identifiable assets and liabilities	25.1
Goodwill	197.6
Fair value adjustment intangible assets	10.9
Fair value adjustment non-current provisions	-2.7
Purchase price incl estimated additional consideration	230.8
Transaction costs	3.9
Deduct:	
Cash (acquired)	27.2
Estimated additional consideration	100.6
Net outflow of cash	107.0

The acquisition analyses are preliminary as the assets in the companies acquired have not been definitively analysed. In the case of the above acquisitions, the purchase price has been greater than the assets recognised in the companies acquired and, as a result, the acquisition analyses have created intangible assets. As the acquisition of a consulting business involves, in the first instance, the acquisition of human capital in the form of the skills and expertise of the workforce, the greater part of the intangible assets in the companies acquired is attributable to goodwill. Acquisitions relate to Hjertnes Byggrådgivning AS in Norway, Kåre Hagen AS, Konfem AB, Teknogram AB, Connect Konsult AB and Ljusarkitektur Sweden AB. A number of other small businesses have been taken over in Sweden and Norway. The acquisitions have had an impact on sales for the ÅF Group totalling SEK 104 million. Had all acquisitions been completed on 1 January 2013, the impact on sales would have amounted to SEK 228 million.

In 2014, agreements were signed regarding the acquisition of ES-KONSULT Energi och Säkerhet AB in Sweden and Xact Consultance AS in Norway, along with a number of small business combinations in Sweden. The start date is 1 January 2014. Acquisition analyses for these have yet to be prepared.

The preliminary acquisition analyses for Epsilon Holding AB and Advansia AS were finalised in the fourth quarter. This resulted in a SEK 168 million reduction in goodwill. Contingent consideration decreased by an equivalent amount as a result of changes to assessments regarding the size of the contingent consideration, linked to conditions that existed at the time the preliminary acquisition analyses were prepared. In addition, a revaluation of the contingent consideration for Epsilon with regard to changed conditions following the acquisition has generated operating income of SEK 136 million and an equivalent further reduction to the estimated contingent consideration.

SEK million	Epsilon Holding AB	Advansia AS
Estimated contingent consideration before the finalisation of PPA	500	74
Estimated contingent consideration as at 31 Dec	138	132
Adjustment of contingent consideration	-362	58
Of which adjustment of goodwill	-226	58
Of which adjustment in income statement (income)	-136	0

INCOME STATEMENT PARENT COMPANY

(in millions of SEK)	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Net sales	84.8	64.3	301.5	246.2
Other operating income	41.8	33.6	156.3	127.5
Operating income	126.5	97.9	457.7	373.7
Personnel costs	-30.4	-29.5	-97.2	-83.6
Other costs	-109.7	-88.5	-414.8	-325.2
Depreciation	-4.3	-3.7	-16.4	-13.6
Operating profit/loss	-17.8	-23.8	-70.7	-48.7
Net financial items	-127.6	16.5	-14.5	123.8
Profit/loss after financial items	-145.4	-7.3	-85.2	75.1
Appropriations	609.4	335.7	609.4	335.7
Pre-tax profit/loss	464.0	328.4	524.1	410.8
Tax	-127.2	-79.7	-109.0	-67.0
Profit/loss after tax	336.8	248.7	415.1	343.8

BALANCE SHEET PARENT COMPANY

(in millions of SEK)	31 Dec 2013	31 Dec 2012
Assets		
Non-current assets		
Intangible assets	15.4	9.4
Tangible assets	59.7	53.8
Financial assets	4,904.2	5,248.0
Total non-current assets	4,979.3	5,311.2
Current assets		
Current receivables	802.5	659.8
Cash and cash equivalents	29.1	39.3
Total current assets	831.6	699.1
Total assets	5,810.9	6,010.3
Equity and liabilities		
Equity		
Share Capital	197.4	200.2
Statutory reserve	46.9	46.9
Non-restricted equity	2,838.8	2,770.8
Profit/loss for the period	415.1	343.8
Total equity	3,498.3	3,361.8
Untaxed reserves	122.5	126.4
Provisions	302.6	672.2
Non-current liabilities	603.3	779.8
Current liabilities	1,284.1	1,070.1
Total equity and liabilities	5,810.9	6,010.3