

# ÅF Year-end report Jan - Dec 2012

Press release  
5 February 2013

We have  
a burning  
passion for  
consulting and  
engineering.



Innovation by experience



## Fourth quarter 2012

- Net sales totalled SEK 1,847 million (1,457)
- Operating profit totalled SEK 156 million (148)
- Operating margin was 8.5 percent (10.2)
- Earnings per share, before dilution: SEK 3.23 (3.11)

## January-December 2012

- Net sales totalled SEK 5,796 million (5,124)
- Operating profit totalled SEK 481 million (426)
- Operating margin was 8.3 percent (8.3)
- Earnings per share, before dilution: SEK 10.13 (9.07)
- The Board proposes a dividend per share for 2012 of SEK 5.50 (5.00)

### A few words from the President, Jonas Wiström

ÅF's fourth quarter operating profit of SEK 156 million (148) was the highest so far in the history of the company.

The operating margin was 8.5 percent (10.2) for the quarter, and 8.3 percent (8.3) for the year as a whole. The lower margin in the fourth quarter was mainly a consequence of external transaction costs totalling approximately SEK 13 million for the acquisitions of Epsilon and Advansia, and a lower than anticipated result from one of the projects performed by the International Division.

It is particularly pleasing to note that, despite the increasingly challenging market conditions, ÅF's capacity utilisation rate has continued to rise and cash flow has remained strong. Overall growth in the fourth quarter rose to 27 percent and organic growth was 7 percent.

The highest level of profitability in the fourth quarter was reported by the Industry Division with an operating margin of 13.0 percent (14.0). The Infrastructure Division improved its earnings by 75 percent and reported an operating margin of 12.3 percent (10.3). Technology reported an operating margin of 10.7 percent (12.0) in the fourth quarter, while the figure for the International Division, which continues to work in what remains a relatively weak market in Europe, was 5.9 percent (6.4).

The fourth-quarter acquisitions of Epsilon (29 November) with just over 1,600 employees, and the Norwegian company Advansia (1 October) with more than 100 employees have contributed to significantly strengthening ÅF's position in the market. Both acquisitions support ÅF's strategy of being number one or two in its chosen markets. The acquisition of Epsilon means that ÅF is now one of the leading names in the market for advanced product development, while Advansia strengthens the Infrastructure Division's project management operations in both Norway and Sweden. The integration of both companies is proceeding according to plan.

The market prospects for ÅF in 2013 do not present a uniform picture. While the outlook would appear to remain very good for infrastructure projects, the prospects for investments in industry and energy are less certain.

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. The company now has some 6,900 highly qualified consultants and other members of staff, and our ambition is to continue to grow, both organically and through acquisitions, without compromising profitability.

Stockholm, Sweden – 5 February 2013  
Jonas Wiström  
President and CEO

## Net sales and earnings, October - December 2012

Net sales for the quarter totalled SEK 1,847 million, an increase of 27 percent compared with the figure of SEK 1,457 million for the corresponding quarter in the previous year. Organic growth totalled 7 percent, while acquisitions contributed growth of 20 percent.

The acquisition of Advansia was finalised on 1 October and that of Epsilon on 29 November, which means that these two companies' net sales were included in ÅF accounts for the final three months and the last month of the year respectively.

Once again we witnessed the same broad trends as in earlier reporting periods, with demand remaining strong for ÅF's services in Scandinavia but sluggish elsewhere. However, the international order books have picked up over the past six months and this will lead to a gradual improvement in invoiced sales.

Operating profit rose to SEK 156 million (148). The operating margin slipped somewhat compared with the previous year as a consequence of transaction costs of SEK 13 million for acquisitions and a lower than anticipated result from one of the projects in the International Division.

Capacity utilisation continued to improve, rising to 74.8 percent (72.9). The fourth quarter of 2012 included slightly more than one less working day than in the previous year.

Profit after net financial items was SEK 154 million (146). Profit after tax totalled SEK 117 million (106). Earnings per share were SEK 3.23 (3.11).

## Net sales and earnings January - December 2012

Net sales for the year totalled SEK 5,796 million, an increase of 13 (18) percent compared with the figure of SEK 5,124 million for 2011. Adjusted for the effect of the year's acquisitions, the increase in sales was 6 (10) percent.

Exchange rate fluctuations and less working days had a negative impact of 1.5 percent on net sales compared with the previous year.

Full-year operating profit rose by 13 percent from SEK 426 million to SEK 481 million. There were almost two fewer working days in 2012 compared with 2011, which had an estimated negative impact on earnings of approx 30 MSEK. The operating margin remained unchanged at 8.3 percent (8.3).

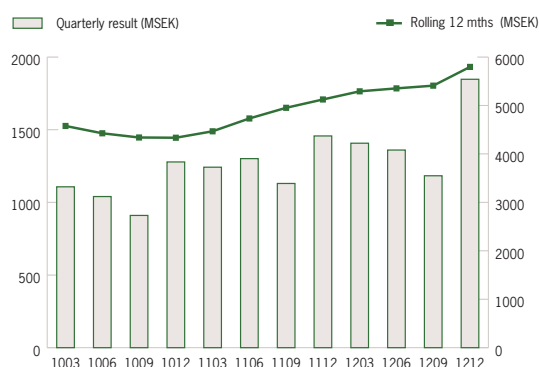
Capacity utilisation was 74.2 percent (73.1).

Profit after net financial items was SEK 477 million (426). Profit after tax totalled SEK 353 million (312). Earnings per share were SEK 10.13 (9.07).

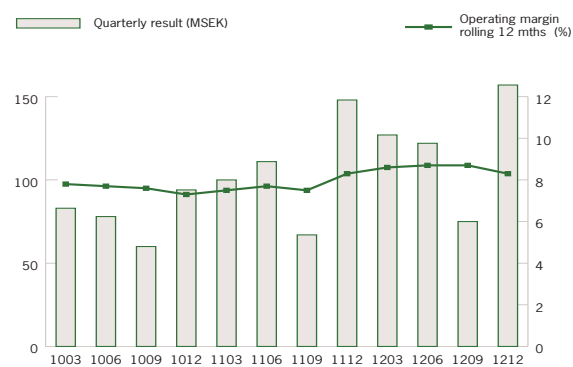
### KEY RATIOS

	Oct-Dec 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Net sales, MSEK	1,847.3	1,456.7	5,796.4	5,124.1
Operating income, MSEK	1,847.6	1,457.3	5,798.8	5,130.8
Operating profit, MSEK	156.5	148.2	480.5	426.5
Operating profit, %	8.5	10.2	8.3	8.3
Profit after financial items, MSEK	154.2	146.2	476.6	425.8
Profit after tax, MSEK	117.2	106.5	353.3	312.2
Earnings per share, before dilution, SEK	3.23	3.11	10.13	9.07
Return on equity, %			13.3	13.0
Return on capital employed, %			15.7	16.3
Average number of employees, FTEs	5,369	4,464	4,808	4,367
Capacity utilisation rate, %	74.8	72.9	74.2	73.1

### Net sales, MSEK



### Operating profit, MSEK / Operating margin <sup>\*)</sup>, %



<sup>\*)</sup> excl. capital gains from sales of business

## Important events during Q4 2012 and after the reporting date

ÅF signed a major framework agreement with the Swedish Defence Materiel Administration, FMV. Based on FMV's own assessments of the volumes of consulting services required, the agreement is estimated to be worth approximately a total of SEK 70 million over a seven-year period. As part of FMV's procurement of services in the field of Command & Control Systems, the framework agreement names ÅF as sole supplier of services in the area of Sensors. The agreement will run for an initial three years with an option to extend collaboration for a further four years. In the technical areas of Transmission and Verification/Validation, ÅF will act as a partner to Combitech.

ÅF was commissioned by Ringhals AB to serve as principal technical consultant with responsibility for an extensive cable replacement project in the containment building at Ringhals 1. ÅF's participation will consist chiefly of project management services and the provision of resources for analysis and constructional design. The order is worth approximately SEK 150 million for ÅF. The project is expected to extend over the next four years and the main aim is to ensure the stable operation of the reactor and good safety margins.

ÅF Finland signed an agreement with Tammervoima Oy for technical consulting services in conjunction with the construction of a new waste-to-energy CHP plant in Tampere, Finland. The contract is worth approximately EUR 5 million for ÅF including an option of EUR 1 million for commissioning services. ÅF will deliver a broad spectrum of technical consulting services from pre-engineering to support with strategic procurement services. The project is scheduled for completion by the end of 2015.

On 1 October ÅF amalgamated its International North and International South operations into a single new division, known simply as the International Division. The division's new President is Roberto Gerosa, who originally joined ÅF in 2007 following the acquisition of the Swiss energy consulting company Colenco, where he was CEO. The International Division comprises some 1,200 employees in 15 countries, but currently has operations in around 70 countries worldwide.

## Acquisitions and disposals

On 18 October the Boards of Directors of ÅF and Epsilon Holding AB announced that ÅF and Epsilon would merge to create one of Northern Europe's leading technology consulting companies. The decision made strong commercial common sense, since ÅF and Epsilon share a broadly similar corporate culture and complement each other well in terms of technical expertise, their offering to the market, customer base and geographical presence. Epsilon's invoiced sales total approximately SEK 2 billion a year.

The merger was effected through ÅF's acquisition of Epsilon. The consideration consisted of an initial purchase price of SEK 1,700 million (enterprise value) in the form of SEK 850 million in cash and 5,985,915 newly issued class B shares in ÅF. The agreement also paves the way for an additional consideration of up to SEK 1,100 million.

In connection with the transaction, Dan Olofsson and family, who were the sole owners of Epsilon, have become the second largest owner in ÅF in terms of voting rights with 11.0 per cent of the votes, and the largest owner in terms of capital with 14.9 per cent of the total capital.

The transaction was approved by an Extraordinary General Meeting of ÅF shareholders held on 19 November.

Epsilon was consolidated into ÅF accounts with effect from 29 November.

## Cash flow and financial position

Cash flow from operating activities in the fourth quarter was strong, totalling SEK 186 million (185). Costs for acquisitions and additional considerations totalled SEK 1,157 million (17). In connection with the acquisitions of the Norwegian company Advansia AS and the Swedish company Epsilon Holding AB, ÅF raised two loans for a total of SEK 1,100 million. At the end of December SEK 50 million was paid as an initial amortisation of these loans. The net of borrowing and amortisation of loans had an effect on cash flow of SEK 1,104 million (–87). The company has repurchased its own shares to a value of SEK 84 million (10).

Cash flow for the period January–December was SEK 483 million (414). The improvement in cash flow is due both to the positive development of earnings and to a reduction in operating capital, despite increased volumes. Tax payments rose during the year, mainly as a consequence of improved earnings. Corporate acquisitions and additional considerations paid totalled SEK 1,193 million (44), with the majority of these investments being made in the acquisitions of Advansia AS (Norway) and Epsilon Holding AB (Sweden). In connection with these acquisitions ÅF raised two loans for a total of SEK 1,100 million. A convertible programme for staff in Sweden attracted subscriptions of nominal SEK 88 million and the funds raised were used to buy back the company's own shares. The net of borrowing, including the convertible programme, and amortisation of loans had an effect on cash flow of SEK 1,175 million (–163). Dividends to ÅF shareholders totalled SEK 168 million (135).

Group liquid assets totalled SEK 498 million (345) at the end of the reporting period. The net loan debt was SEK –877 million (131). ÅF AB has unutilised credit facilities amounting to SEK 712 million.

Equity at the end of the year was SEK 3,422 million (2,450), equivalent to equity per share of SEK 87.32 (72.38). The equity/assets ratio was 45.5 percent (59.4).

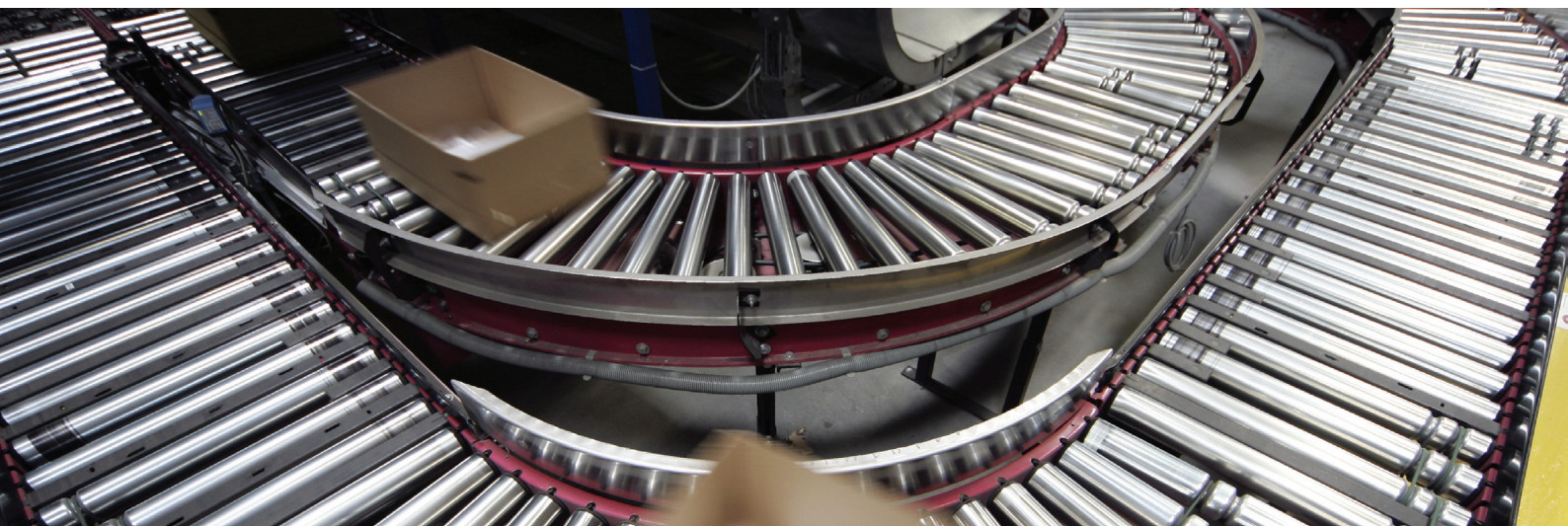
## Number of employees

The average number of full-time equivalents was 4,808 (4,367). The total number of employees at the end of the reporting period was 6,867 (4,649): of these 5,258 (3,235) were employed in Sweden and 1,609 (1,414) outside Sweden.

## Parent company

Parent company operating income for the period January–December totalled SEK 374 million (358) and relates chiefly to internal services within the Group. Profit after net financial items was SEK 75 million (10). Dividends from subsidiaries and associated companies totalled SEK 134 million (58.) Cash and cash equivalents totalled SEK 39 million (42). Gross investment in machinery and equipment amounted to SEK 6 million (12).





## Industry Division

The Industry Division continued to report relatively good levels of demand during the fourth quarter, particularly from Swedish industrial clients. This, together with good project economy and reduced costs, enabled the division to maintain a satisfactory level of profitability.

The operating margin for the fourth quarter was 13.0 percent (14.0). The previous year's earnings included significant levels of positive deviations from project costings.

While there are signs of a downturn in business in a few segments, such as the steel industry, demand as a whole remains relatively good, particularly from customers in the energy and mining industries.

Among the new agreements signed in the fourth quarter were important orders from LKAB and Ringhals. The division also won a contract with SunPine, a biofuels company in Piteå, Sweden, to conduct a pre-study aimed at providing the company with the information it needs to pave the way for a major expansion project.

Organic growth was almost 10 percent in the fourth quarter and, in what is a clear signal of its strategic commitment to long-term organic growth, the Industry Division recruited almost 300 new consultants over the course of 2012.

With effect from 1 January 2013 Industry's workforce has been strengthened by the addition of some 280 consultants from Epsilon. Following the merger, the Industry Division was joined by a large number of design and analysis engineers with extensive international experience of calculations, etc. in the automotive, aeronautics, energy, steel, food, life science and other industries. Together with Industry's own consultants, these now constitute the Nordic region's largest nucleus of consulting expertise for advanced calculations and simulations.

### About the Industry Division:

*The Industry Division is the leading industrial consultant in the Nordic countries. 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 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Operating income, MSEK	465.2	425.2	1,662.0	1,525.6
Operating profit, MSEK	60.7	59.4	194.8	178.4
Operating margin, %	13.0	14.0	11.7	11.7
Average number of employees, FTEs	1,394	1,282	1,342	1,263

*The historical figures above are adjusted, proforma values, based on the organisational changes implemented on 1 October, 2012.*



## Infrastructure Division

The market for Infrastructure's services remained strong in the fourth quarter, with growth for the quarter rising to just over 45 percent, around one third of which was organic.

The division's operating margin was 12.3 percent (10.3). The main forces driving the market are the continued willingness to make substantial investments in new public infrastructure and the sustained interest in making all types of premises more energy efficient. Capacity utilisation also rose in the fourth quarter.

The division continued to build on its long-term portfolio of orders. One example of these from 2012 is the contract with the Swedish Nuclear Fuel and Waste Management Company, SKB, for project engineering services in conjunction with the storage of spent nuclear fuel. The division's track record of expertise in technical installations played an important role in the procurement of this contract. The inflow of orders remained good in the fourth quarter, with new contracts from Skanska, Gardermoen Airport and the City of Copenhagen.

The greatest improvement in profitability was reported by Infrastructure Planning. This business area won several major new contracts in the fourth quarter relating to new investments in Sweden's road and rail systems that complemented other orders already secured earlier in the year. The Lighting and Environment business areas also posted clear improvements in earnings.

The scope of ÅF's involvement in planning the technical installations for the New Karolinska University Hospital in Stockholm continues to expand. This helped to ensure that the division's largest business

area, Buildings with some 750 employees, once again reported a high level of capacity utilisation and good profitability.

Among the year's acquisitions were the operations of Bygganalys and Demikon in Sweden, and Advansia in Norway. Bygganalys enjoys a strong market position in construction economics, project management and site supervision, all areas that both complement and reinforce the division's offering. The acquisition of Demikon has strengthened ÅF's resources in environmental consulting, particularly in the Malmö and Gothenburg regions, and propelled the division into a leading position in this field in the oil industry. The acquisition is in line with ÅF's ambition to become a leading name in the growing market for environmental consulting services.

The Norwegian project and construction management specialist, Advansia, with approximately 120 employees and annual sales of NOK 300 million, was consolidated into the Infrastructure Division on 1 October. Together with the competence in project management that we already possess in Sweden, this will ensure that we have a truly attractive offer for customers in the future. The integration of Advansia is proceeding smoothly according to plan.

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 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Operating income, MSEK	622.5	426.0	1,892.1	1,522.6
Operating profit, MSEK	76.5	43.8	207.2	115.8
Operating margin, %	12.3	10.3	10.9	7.6
Average number of employees, FTEs	1,587	1,292	1,435	1,284

*The historical figures above are adjusted, proforma values, based on the organisational changes implemented on 1 October, 2012.*





## International Division

Demand for energy projects in the International Division's domestic markets remained relatively weak in the fourth quarter. This was, in part at least, the result of a decline in energy consumption in Europe, difficulties in financing investments and the lack of any political clarity about future energy solutions.

Demand was strongest in the areas of Renewable energy and Hydropower, whereas the market for services in Nuclear power and Thermal power remained subdued.

The division's operating margin for the quarter was 5.9 percent (6.4). In addition to the effect on earnings of the sluggish market, the result for the quarter was dragged down by the outcome of one project in Finland that delivered less than anticipated.

Since 1 October 2012 the new divisional management team has implemented a number of measures to improve profitability. These include reducing staffing numbers in units that have performed poorly over a prolonged period of time, and appointing an international sales manager.

Operations in Switzerland, which account for approximately 30 percent of the division's sales, showed signs of a slight

improvement in business over the year. ÅF Switzerland's involvement in the division's largest single assignment, the construction of a new nuclear power reactor in Brazil, continues to expand in scope.

Early in January the International Division signed an agreement as lead technical consultant for the construction of a new hydropower plant in Vietnam, for which ÅF had previously produced the pre-study for the investment plans. The new contract will, in the first instance, generate income of approximately SEK 15 million for ÅF.

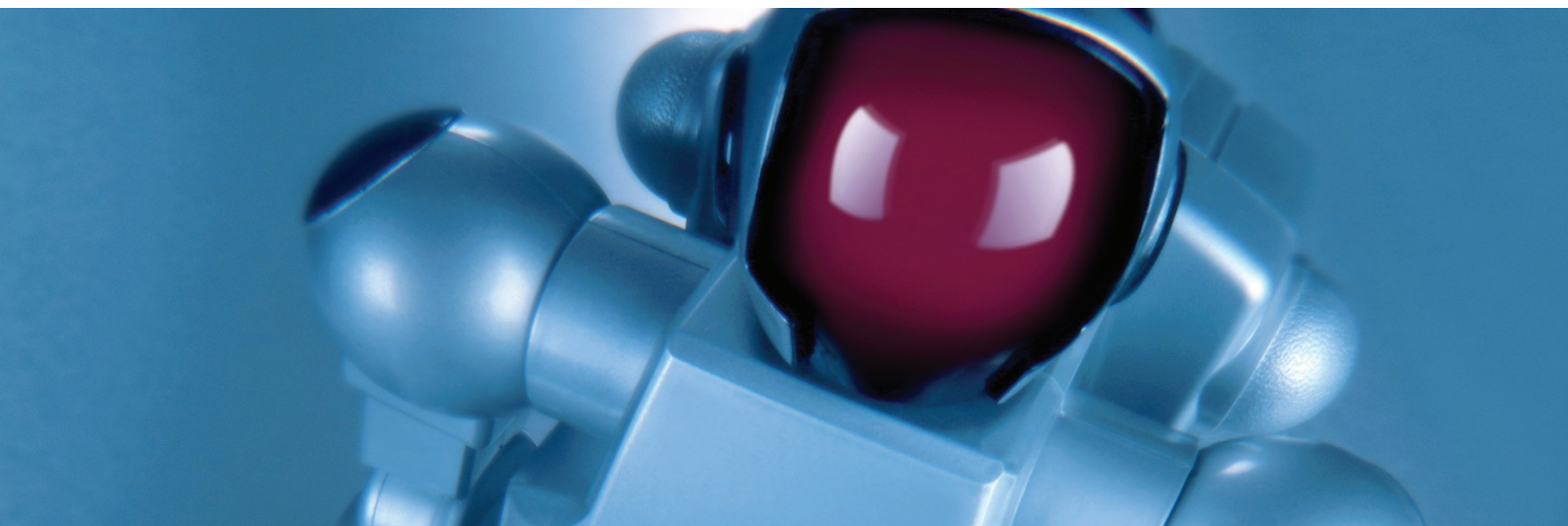
About the International Division:

*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 in many areas of technical expertise and is well established as a world-leader among independent consulting companies in the nuclear power sector.*

### Key ratios - International

	Oct-Dec 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Operating income, MSEK	387.8	392.6	1,307.1	1,308.9
Operating profit, MSEK	23.0	25.1	54.6	74.8
Operating margin, %	5.9	6.4	4.2	5.7
Average number of employees, FTEs	1,141	1,093	1,138	1,046

*The historical figures above are adjusted, proforma values, based on the organisational changes implemented on 1 October, 2012.*



## Technology Division

The Technology Division is active in what, overall, continues to be a good market for advanced product development and defence technology. However, a handful of industries, among them telecommunications, did reduce their purchases of consulting services in the second half of 2012, which led to a slight fall in capacity utilisation within the division. The fourth quarter operating margin was 10.7 percent (12.0).

Sales for the reporting period remained more or less unchanged after adjustments had been made to take account of the effect of the closure of two offices in northern Sweden in the first half of the year.

Defence-related activities again developed positively and the division continued to capture new shares of the defence industry market thanks to its in-depth knowledge of simulation technology, communications, etc. The growth in fourth-quarter sales was 25 percent and among the new contracts signed were orders with the Swedish Defence Materiel Administration (FMV) and Saab

Other new contracts signed in the fourth quarter included agreements with Electrolux and Scania.

On 1 January the Technology Division merged with some 1,400 consultants from Epsilon, bringing total staff numbers in the new division to approximately 2,100 and creating a market-leader in advanced product development in Sweden with a broad client base. (Epsilon is reported under "others" for the period 29 November - 31 December). Work on integrating operations is proceeding according to plan.

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 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Operating income, MSEK	247.8	252.5	898.8	891.0
Operating profit, MSEK	26.4	30.4	84.5	96.1
Operating margin, %	10.7	12.0	9.4	10.8
Average number of employees, FTEs	708	716	703	699



## 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 the propensity of various markets to invest, the ability to recruit and retain qualified co-workers, and the potential impact of political decisions. In addition, the Group is exposed to write-downs 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 2011. No significant risks are considered to have arisen since the publication of the annual report.

## Accounting principles

This report has been prepared in accordance with IAS 34 ("Interim Financial Reporting"). The accounting principles conform with International Financial Reporting Standards (IFRS), as well as with statements on interpretation from the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Commission for use in the EU, and with the relevant references to Chapter 9 of the Swedish Annual Accounts Act. The report has been drawn up using the same accounting principles and methods of calculation as those in the Annual Report for 2011 (see Note 1, page 82).

The parent company has implemented the Swedish Financial Reporting Board's Recommendation RFR 2, which means that the parent company in the legal entity shall apply all the IFRS and related statements approved by the EU 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 in the preparation of the legal entity's annual accounts.

## ÅF shares

The ÅF share price at the end of the reporting period was SEK 155.50; this represents an increase in value of 40.1 percent since the start of the year. During the same period the Stockholm Stock Exchange's OMXSPI Mid Cap index rose by 11.9 percent.

The number of shares on 31 December totalled 40,044,917, of which 39,022,135 shares were outstanding.

## Share buy-back 2012

On 31 December 2012 ÅF held a total of 464,000 of the company's class B shares relating to the Performance-related Share Programmes for 2010, 2011 and 2012, and 558,782 of the company's class B shares relating to the Staff Convertible Programme for 2012. A total of 638,782 ÅF shares were the subject of buy-backs in 2012.

In January 2013 a total of 558,782 of the company's class B shares were cancelled.

## Dividend

The Board of Directors proposes a dividend for 2012 of SEK 5.50 (5.00) per share.

Stockholm, Sweden – 5 February 2013.

Jonas Wiström  
President and CEO  
ÅF AB (publ)

## Financial reports – 2013

26 April	Interim Report January–March 2013
26 April	Report from the Annual General Meeting
12 July	Interim Report January–June 2013
21 October	Interim Report January–September 2013

The Annual General Meeting will commence at 14.00 (2 p.m.) C.E.T. on 26 April 2013 at ÅF's head office.

The 2012 annual report will be published on [www.afconsult.com](http://www.afconsult.com) during the week commencing March 25.

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This report has not been subjected to scrutiny by the company's auditors.

*The information in this year-end 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 11:00 CET on 5 February 2013.*

*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 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Net sales	1,847.3	1,456.7	5,796.4	5,124.1
Other operating income	0.3	0.5	2.4	6.7
Operating income	1,847.6	1,457.3	5,798.8	5,130.8
Personnel costs	-967.8	-779.5	-3,250.2	-2,890.1
Other costs	-706.9	-515.4	-2,011.3	-1,759.0
Depreciation	-17.1	-14.1	-57.6	-54.6
Share of associated companies' profit/loss	0.8	-0.1	0.7	-0.6
Operating profit	156.5	148.2	480.5	426.5
Net financial items	-2.3	-2.0	-3.9	-0.7
Profit after net financial items	154.2	146.2	476.6	425.8
Tax	-37.0	-39.8	-123.3	-113.6
Profit after tax	117.2	106.5	353.3	312.2
<i>Attributable to:</i>				
Shareholders in parent company	114.2	104.9	345.0	306.0
Non-controlling interest	3.0	1.5	8.3	6.1
Profit after tax	117.2	106.5	353.3	312.2
Operating margin, %	8.5	10.2	8.3	8.3
Capacity utilisation rate (invoiced time ratio), %	74.8	72.9	74.2	73.1
Earnings per share before dilution, SEK	3.23	3.11	10.13	9.07
Earnings per share after dilution, SEK	3.16	3.09	9.99	9.02
Number of shares outstanding	39,022,135	33,675,002	39,022,135	33,675,002
Average number of outstanding shares before dilution	35,418,109	33,704,484	34,065,811	33,757,373
Average number of outstanding shares after dilution	34,319,697	33,934,014	34,610,208	33,931,819

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of SEK)

	Oct-Dec 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Change in translation reserve for the period	29.3	-40.9	-25.9	-0.2
Cash flow hedging	-0.8	0.6	0.8	-1.8
Pensions	22.4	-16.0	22.4	-91.1
Tax	-4.1	3.7	-4.6	19.2
Total other comprehensive income for the period	46.7	-52.6	-7.2	-73.9
Profit for the period	117.2	106.5	353.3	312.2
Total comprehensive income for the period	163.9	53.8	346.1	238.3
<i>Total comprehensive income attributable to:</i>				
Shareholders in parent company	160.9	52.0	338.0	232.2
Non-controlling interest	3.1	1.9	8.1	6.0
Total	163.9	53.8	346.1	238.3

**CONSOLIDATED BALANCE SHEET**

(in millions of SEK)

	31 Dec 2012	31 Dec 2011
<b>Assets</b>		
Non-current assets		
Intangible assets	4,263.4	1,695.2
Tangible assets	279.3	285.9
Other non-current assets	23.7	59.0
Total non-current assets	4,566.3	2,040.1
Current assets		
Current receivables	2,451.9	1,738.0
Cash and cash equivalents	497.7	345.3
Total current assets	2,949.6	2,083.3
Total assets	7,515.9	4,123.4
<b>Equity and liabilities</b>		
Equity		
Attributable to shareholders in parent company	3,407.3	2,437.5
Attributable to non-controlling interest	14.3	12.7
Total equity	3,421.5	2,450.2
Non-current liabilities		
Provisions	881.2	246.0
Non-current liabilities	818.2	50.8
Total non-current liabilities	1,699.4	296.9
Current liabilities		
Provisions	64.7	15.8
Current liabilities	2,330.2	1,360.5
Total current liabilities	2,394.9	1,376.3
Total equity and liabilities	7,515.9	4,123.4

Pledged assets and Contingent liabilities are essentially the same as in the annual accounts for 2011.

**CHANGES IN EQUITY**

(in millions of SEK)

	31 Dec 2012	31 Dec 2011
Equity at start of period	2,450.2	2,360.7
Total comprehensive income for the period	346.1	238.3
Dividends	-173.6	-142.2
Share buy-backs	-94.4	-9.9
Non-cash issue	879.9	-
Issue cost	-5.5	-
Value of conversion right	7.1	-
Acquisition of non-controlling interest	-0.9	-6.1
Non-controlling interest in acquired companies	-	0.9
Share savings programmes	12.5	8.5
Equity at end of period	3,421.5	2,450.2
<i>Attributable to:</i>		
Shareholders in the parent company	3,407.3	2,437.5
Non-controlling interest	14.3	12.7
Total	3,421.5	2,450.2



## CASH FLOW ANALYSIS

(in millions of SEK)

	Oct-Dec 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Profit after financial items	154.2	146.2	476.6	425.8
Adjustment for items not included in cash flow and other	34.8	17.5	81.0	56.1
Income tax paid	-31.8	-2.7	-128.2	-78.1
Cash flow from operating activities before change in working capital	157.2	160.9	429.3	403.7
Cash flow from change in working capital	28.4	23.9	53.4	10.2
Cash flow from operating activities	185.5	184.9	482.7	413.9
Cash flow from investing activities	-1,166.7	-30.1	-1,225.6	-81.3
Cash flow from financing activities	1,011.2	-100.6	901.8	-315.0
Cash flow for the period	30.0	54.2	158.9	17.6
Cash and cash equivalents brought forward	461.4	296.1	345.3	327.9
Exchange rate difference in cash/cash equivalents	6.3	-5.1	-6.6	-0.2
Cash and cash equivalents carried forward	497.7	345.3	497.7	345.3

## KEY RATIOS

	Full year 2012	Full year 2011
Return on equity, %	13.3	13.0
Return on capital employed, %	15.7	16.3
Equity ratio, %	45.5	59.4
Equity per share, SEK	87.32	72.38
Net debt (-) /Net cash (+), MSEK	-876.9	130.9
Interest-bearing liabilities, MSEK	1,374.6	214.4
Average number of employees (FTEs) excl. associated companies	4,808	4,367

## QUARTERLY INFORMATION BY DIVISION

Operating income						2012				
(in millions of SEK)										
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	383.9	386.1	330.4	425.2	1,525.6	429.9	407.9	359.1	465.2	1,662.0
Infrastructure	402.0	384.3	310.4	426.0	1,522.6	451.2	451.7	366.7	622.5	1,892.1
International	254.6	330.2	331.5	392.6	1,308.9	330.3	289.2	299.8	387.8	1,307.1
Technology	227.1	227.9	183.5	252.5	891.0	240.0	235.7	175.3	247.8	898.8
Other/eliminations	-26.1	-27.2	-25.0	-39.0	-117.4	-43.7	-24.9	-16.9	124.3 <sup>1)</sup>	38.8
Total	1,241.6	1,301.2	1,130.7	1,457.3	5,130.8	1,407.7	1,359.6	1,184.0	1,847.6	5,798.8

Operating profit/loss						2012				
(in millions of SEK)										
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	39.1	44.7	35.3	59.4	178.4	47.5	49.4	37.3	60.7	194.8
Infrastructure	31.5	30.2	10.2	43.8	115.8	55.0	49.0	26.7	76.5	207.2
International	22.5	17.6	9.6	25.1	74.8	6.7	14.8	10.0	23.0	54.6
Technology	27.2	25.9	12.6	30.4	96.1	29.1	18.9	10.1	26.4	84.5
Other/eliminations	-20.1	-7.4	-0.6	-10.6	-38.7	-11.5	-9.6	-9.4	-30.1 <sup>1)</sup>	-60.6
Total	100.2	111.0	67.1	148.2	426.5	126.7	122.4	74.8	156.5	480.5

Operating margin						2012				
(%)										
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	10.2	11.6	10.7	14.0	11.7	11.0	12.1	10.4	13.0	11.7
Infrastructure	7.8	7.9	3.3	10.3	7.6	12.2	10.8	7.3	12.3	10.9
International	8.8	5.3	2.9	6.4	5.7	2.0	5.1	3.3	5.9	4.2
Technology	12.0	11.4	6.9	12.0	10.8	12.1	8.0	5.8	10.7	9.4
Total	8.1	8.5	5.9	10.2	8.3	9.0	9.0	6.3	8.5	8.3

Employees						2012				
(FTEs)										
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Industry	1,264	1,270	1,238	1,282	1,263	1,308	1,337	1,332	1,394	1,342
Infrastructure	1,303	1,273	1,267	1,292	1,284	1,331	1,400	1,426	1,587	1,435
International	1,016	1,031	1,041	1,093	1,046	1,149	1,153	1,115	1,141	1,138
Technology	678	702	700	716	699	705	708	690	708	703
ÅF AB and Epsilon <sup>1)</sup>	76	77	68	81	75	63	71	78	539 <sup>1)</sup>	190
Total	4,337	4,352	4,315	4,464	4,367	4,557	4,468	4,642	5,369	4,808

Number of working days						2012				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Sweden only	63	60	66	64	253	64	59	65	62	250
All countries	62	60	66	63	252	63	59	65	62	250

The historical figures above are adjusted, proforma values, based on the organisational changes implemented on 1 October, 2012.

<sup>1)</sup> Epsilon is included in figures for Q4

With effect from January 2013 segment reporting will reflect the new organisational structure.

## ACQUIRED COMPANIES' NET ASSETS AT TIME OF ACQUISITION

(in millions of SEK)	Advansia AS	Epsilon Holding AB	Other companies	Total
Date of acquisition	Oct 1 2012	Nov 29 2012	Jan - Dec 2012	
ÅF's stake	100%	100%	100%	
Intangible non-current assets	–	2.9	–	2.9
Tangible non-current assets	2.4	7.2	2.0	11.6
Accounts receivable and other receivables	66.4	699.2	25.7	791.3
Cash equivalents	66.7	31.9	8.5	107.1
Accounts payable and other liabilities	-76.6	-546.7	-26	-649.3
Net identifiable assets and liabilities	58.9	194.5	10.2	263.6
Goodwill	381.7	1,787.5	66.5	2,235.7
Fair value adjustment intangible assets	35.4	307.2	3.3	345.9 <sup>1)</sup>
Fair value adjustment non-current provisions	-9.9	-67.6	-0.8	-78.3
Purchase price incl estimated additional consideration	466.1	2,221.6	79.2	2,766.9
Transaction costs	1.8	11.0	0.1	12.9
Deduct:				
Cash (acquired)	66.7	31.9	8.5	107.1
Estimated additional consideration	80.4	500.0	29.7	610.1
Non cash issue	–	879.9	–	879.9 <sup>2)</sup>
Net outflow of cash	320.8	820.8	41.1	1,182.7

<sup>1)</sup> Of which, customer relations total 324.5 million SEK with an amortisation period of 10–20 years.

<sup>2)</sup> The non-cash issues is set at 5,985,915 shares at the value these shares had at the time of acquisition: SEK 147 per share.

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: as a result, the acquisition analysis has created intangible assets. 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: thus, the greater part of the intangible assets in the companies acquired is attributable to goodwill. The acquisitions refer to Sivilingeniörene Munthe-Kaas og Udnas AS and Advansia AS in Norway, VTB i Kristianstad AB, Bygganalys AB, Demikon D-Miljö AB and Epsilon Holding AB in Sweden and some smaller acquisitions of business operations in Sweden and Denmark.



## INCOME STATEMENT PARENT COMPANY

(in millions of SEK)

	Oct-Dec 2012	Oct-Dec 2011	Full year 2012	Full year 2011
Net sales	64.3	65.5	246.2	244.8
Other operating income	33.6	29.0	127.5	113.5
Operating income	97.9	94.5	373.7	358.3
Personnel costs	-29.5	-23.5	-83.6	-81.2
Other costs	-88.5	-73.4	-325.2	-303.9
Depreciation	-3.7	-3.7	-13.6	-12.7
Operating profit/loss	-23.8	-6.1	-48.7	-39.5
Net financial items	16.5	29.8	123.8	49.0
Profit/loss after net financial items	-7.3	23.7	75.1	9.5
Appropriations	335.7	391.0	335.7	391.0
Pre-tax profit/loss	328.4	414.7	410.8	400.5
Tax	-79.7	-100.3	-67.0	-89.7
Profit/loss after tax	248.7	314.4	343.8	310.8

## BALANCE SHEET PARENT COMPANY

(in millions of SEK)

	31 Dec 2012	31 Dec 2011
Assets		
Non-current assets		
Participations in Group and Associated companies	5,225.8	2,452.4
Intangible assets	9.4	4.9
Tangible assets	53.8	57.1
Financial assets	22.2	25.4
Total non-current assets	5,311.2	2,539.8
Current assets		
Current receivables	659.8	552.7
Cash and cash equivalents	39.3	41.7
Total current assets	699.1	594.5
Total assets	6,010.3	3,134.2
Equity and liabilities		
Equity		
Share Capital	200.2	170.3
Statutory reserve	46.9	46.9
Non-restricted equity	2,770.8	1,858.2
Profit/loss for the period	343.8	310.8
Total equity	3,361.8	2,386.2
Untaxed reserves	126.4	29.6
Non-current liabilities		
Provisions	618.0	86.7
Non-current liabilities	779.8	0.2
Total non-current liabilities	1,397.8	86.8
Current liabilities		
Provisions	54.2	11.0
Current liabilities	1,070.1	620.7
Total current liabilities	1,124.3	631.7
Total equity and liabilities	6,010.3	3,134.2