

ÅF Interim report Jan - Mar 2014

Press release 5 May 2014



Innovation by experience



First quarter 2014

- Net sales amounted to SEK 2,276 million (2,125)
- Operating profit totalled SEK 200 million (166)
- Operating margin was 8.8 percent (7.8)
- Operating profit, excluding non-recurring items, totalled SEK 200 million (183)
- Operating margin, excluding non-recurring items, was 8.8 percent (8.6)
- Profit after tax totalled SEK 149 million (121)
- Earnings per share, before dilution: SEK 3.83 (3.04)

A few words from the President

ÅF's operating profit rose to SEK 200 million (166) in the first quarter 2014. This is the highest first-quarter result ÅF has reported to date, even taking into account the fact that last year's first quarter was affected negatively by SEK 17 million in restructuring costs. The operating margin climbed to 8.8 percent (7.8) in the quarter. The improved profit is chiefly attributable to slightly higher capacity utilisation and synergies from completed acquisitions.

Growth for the ÅF Group amounted to 7 percent in the first quarter, of which 3 percent was organic. Adjusted for ÅF Russia, which saw sales volumes continue to diminish, ÅF grew by just over 12 percent in the first quarter, of which 8 percent was organic. ÅF now has a workforce of 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 around 20,000 engineers as part of a unique network.

With the exception of Russia and Spain, ÅF's market continued to experience a gradual improvement during the first quarter. The highest levels of profit were delivered by the Infrastructure and Industry divisions, with operating margins of 11.9 (13.9) and 10.1 (8.0) percent respectively. Industry stood out for its ability to combine rising profit with growth of over 20 percent in Q1. The Technology Division delivered a stable margin of 8.6 (8.6) percent, which was nevertheless an increase compared to the fourth quarter last year. International's margin climbed to 4.0 percent (2.4). However, growth in the International Division was negative due to persistently weak levels of demand in Russia and Spain.

Market prospects for the rest of 2014 remain cautiously optimistic. The market for infrastructure is deemed to be persistently strong, while 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 for the markets in Asia and South America.

Interest in ÅF as an employer remains very strong. At the beginning of April, ÅF was on Randstad Award's list of Sweden's 20 most attractive employers – all industry categories. The Randstad Award is the world's largest independent employer branding survey. For ÅF, as a knowledge-intensive company, being able to recruit the top engineers is a key success factor. In order to further consolidate ÅF's position as an attractive employer we are launching a strategic investment and process, Even Odds, to continue to increase the proportion of female managers and employees in the company.

ÅF's ultimate goal is to be the most profitable company among its closest comparable competitors in the industry and achieve an operating margin of at least 10 percent over a business cycle. This shall be combined with growth – both organic and through corporate acquisitions. At the end of the first quarter, at ÅF's Capital Markets Day, the company presented new long-term goals including sales of at least EUR 2 billion by the year 2020.

Stockholm, Sweden – 5 May, 2014

Jonas Wiström
President and CEO

Net sales and earnings, January – March 2014

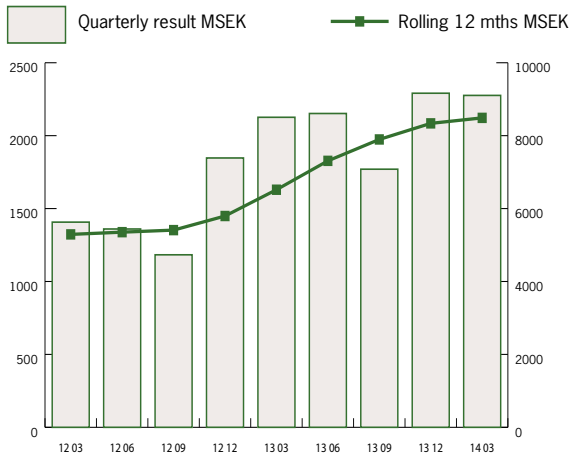
Net sales for the period totalled SEK 2,276 million (2,125). Of the 7.1 percent increase, 3 percentage points was attributable to organic growth. Adjusted for the Russian business, which continues to be affected by low levels of investment in the energy sector, growth was 12.4 percentage points, 7.8 percent of which was organic.

Operating profit rose to SEK 200 million (166). The operating margin was 8.8 percent (7.8). The previous year's earnings were affected by integration costs amounting to SEK 17 million. The Industry and Infrastructure divisions continued to report operating margins exceeding 10 percent, and the Technology Division reported a margin of 8.6 percent (8.6).

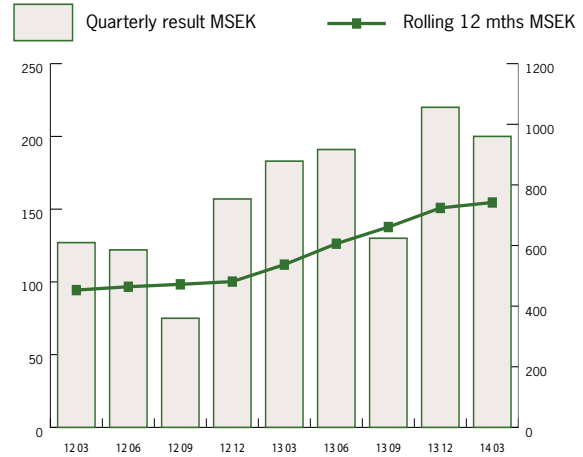
The International Division reported a margin of 4.0 percent (2.4), which has been negatively affected by the Russian and Spanish operations. The number of working days was the same as for the previous year. Capacity utilisation was 75.0 percent (74.8). A change to segment reporting came into effect on 1 January 2014, see additional information on page 9. This change means that certain income and cost items related to acquisitions are now reported under "Group-wide", instead of under the division concerned. This change reduces the result under Group-wide by SEK 5.7 million (2.2). The 2013 figures have been adjusted pro forma in the segment reporting section, page 13, and under each division section on pages 5-8.

KEY RATIOS	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net sales, MSEK	2,275.7	2,125.0	8,337.0
Operating profit, MSEK	200.3	165.8	722.5
Operating margin, %	8.8	7.8	8.7
Operating profit excl non-recurring items, MSEK	200.3	182.8	724.4
Operating margin excl non-recurring items, %	8.8	8.6	8.7
Profit after financial items, MSEK	191.9	153.9	677.3
Profit after tax, MSEK	148.7	120.6	525.5
Earnings per share, before dilution, SEK	3.83	3.04	13.41
Return on equity, %	15.5	13.3	15.0
Return on capital employed, %	15.9	15.0	15.4
Average number of full-time employees, FTEs	7,023	6,554	6,666
Capacity utilisation rate, %	75.0	74.8	75.1

Net sales



Operating profit *)



*) excl non-recurring items

Important events during Q1 2014 and after the reporting date

Important events during Q1 2014 and after the reporting date
 ÅF acquired the Swedish technical consulting firm ES-KONSULT Energi och Säkerhet AB, which provides expert services to Swedish and international nuclear power customers within areas such as safety analysis, safety reporting, human factors, training and project management. ES had sales totalling roughly SEK 70 million in 2013, with healthy profitability.

ÅF acquired the Norwegian technical consulting firm Xact Consultance AS, which provides engineering services to the Norwegian oil and gas market focusing on topside, subsea and maintenance and upgrading of equipment and rigs for oil extraction. Xact had sales totalling roughly NOK 85 million in 2013, with healthy profitability.

ÅF signed a significant 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 technical disciplines, including product engineering, design, embedded systems, technical documentation and advanced calculations.

ÅF won a significant order from Volvo Car Corporation relating 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. Briefly, ÅF's project involves the development and rebuilding of an automated production line at Volvo's engine plant in Skövde in the south of Sweden. ÅF signed an agreement with Uppsala County Council services to plan a new healthcare and treatment centre. The value of ÅF's order amounted to approximately SEK 56 million. The healthcare centre is part of the project "Framtidens Akademiska", ÅF's undertaking covers the planning of electrical and telecommunication installations, transport, HVAC, control and monitoring, and sound and vibrations

Acquisitions

Six businesses have been acquired since the start of the year, which are expected to contribute sales of SEK 224 million over a full-year. The acquired companies bring 141 employees and an additional 45 sub-consultants.

Cash flow and financial position

Cash flow from operating activities totalled SEK 37 million (43) during the first quarter. The slightly weaker cash flow is attributable to increased capital tied up in a few major projects and lower customer advances within the International Division. Cash flow from investing activities includes corporate acquisitions and contingent considerations paid amounting to SEK 60 million (23), as well as disbursements totalling SEK 15 million related to the new office in Gothenburg. The net of borrowing and amortisation of loans amounted to SEK 100 million (-230). Total cash flow was SEK 44 million (-220).

Group liquid assets totalled SEK 231 million (268) at the end of the reporting period. The Group's net debt totalled SEK 912 million (867). The Group has unutilised credit facilities amounting to SEK 654 million.

Equity per share was SEK 98.85 (88.97). The equity/assets ratio was 51.9 percent (48.5). Equity totalled SEK 3,840 million (3,487).

Number of employees

The average number of FTEs was 7,023 (6,554). The total number of employees at the end of the reporting period was 7,300 (6,930): 5,529 (5,292) in Sweden and 1,771 (1,638) outside Sweden.

Parent company

Parent company operating income for the period January–March amounted to SEK 125 million (96) and relates chiefly to internal services within the Group. Profit after net financial items was SEK 111 million (-16). Cash and cash equivalents totalled SEK 45 million (16) and gross investment in non-current assets was SEK 22 million (4).



Industry Division

The Industry Division operated on a market that displayed persistent, steady improvement. The division's operating margin climbed to 10.1 percent (8.0). The signs of economic improvement that were noted in Q4 2013 have gradually continued into the first three months of this year. Higher levels of demand were most notable from the oil, mining, forest and automotive industries. There was a general increase in demand for project assignments within all sectors.

Earnings rose by more than 50 percent in the first quarter, largely as a consequence of higher capacity utilisation, healthy organic and acquired growth and a persistently good project economy. The division's project portfolio continues to grow overall, 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 period.

Organic growth was just over 13 percent in the first quarter. More than 100 new consultants were recruited during the first three months of the year as part of a strategic focus on organic growth. Recruitment is mainly taking place in energy and process optimisation, as well as within the technical areas electric power and automation.

New contracts were signed with LKAB, Ringhals, OKG (Oskarshamns Kraftgrupp) and Volvo Cars. The division also

continues to win many international assignments and is involved in projects in over 50 different countries. For example, in the first quarter, Industry won an agreement with pulp and paper company Sappi in South Africa. The focus on the Oil & Gas market is also progressing according to plan and several new contracts were signed in the Norwegian market.

In the first quarter, the division integrated the acquired Swedish technical consulting firm ES-Konsult, a company that provides expert services to Swedish and international nuclear power customers within areas such as project management, safety analysis and safety reporting. ES complements and reinforces Industry's offering to the nuclear power industry. Following the acquisition of ES, Industry has approximately 500 consultants with specific expertise within nuclear power.

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

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net sales, MSEK	698.0	575.4	2,353.5
Operating profit, MSEK	70.5	46.0	241.6
Operating margin, %	10.1	8.0	10.3
Average number of full-time employees, FTEs	2,030	1,821	1,857

The historical figures above are adjusted based on the organisational changes implemented on 1 July, 2013 as well as changes to segment reporting, see page 9.



Infrastructure Division

The Infrastructure Division operated on a persistently strong market in Q1. Public investment is still at high levels in Sweden and Norway, where the majority of the division's business originates. The primary drivers for the division's business today are extensive investment in new and existing infrastructure and energy-efficient buildings.

Growth amounted to 15 percent in Q1. The operating margin was 11.9 percent (13.9). The lower margin is due to the recruitment of several consultants at the start of the year. The highest levels of profitability were seen in the areas Project Management, Buildings and Norway. In Norway, the integration of the acquired companies Advansia and Kåre Hagen has been successful. Today the business has a strong service offering and is winning new market share. The ambition is to continue to grow and become one of the country's leading companies.

Infrastructure continues to win new assignments related to intelligent infrastructure and smart buildings. For example, in the first quarter ÅF won new assignments from the Swedish Transport Administration, Stockholm County Council and the Norwegian Public Roads Administration. The division's geographic focus on northern Sweden has evidently paid off, and since September 2013, businesses have been established in Umeå and Luleå. Agreements were signed in the first quarter for two significant railway projects in northern Sweden, as well as for several new assignments together with ÅF's industrial consultants.

The largest business area, Buildings, with a total of approximately 750 consultants in Sweden and Norway, continues to perform well. As a result of our leading expertise and references within smart medical buildings, ÅF won an assignment in March from Uppsala County Council services to carry out the technical installations for a new healthcare and treatment centre at Uppsala University Hospital. The value of ÅF's order was SEK 56 million.

The Infrastructure Division continues to take a significant lead 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

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net sales, MSEK	689.9	595.6	2,406.4
Operating profit, MSEK	81.8	82.6	295.7
Operating margin, %	11.9	13.9	12.3
Average number of full-time employees, FTEs	1,892	1,602	1,720

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



International Division

Demand for energy projects in the International Division's domestic markets remained weak in the first quarter. This is largely down to declining electricity consumption in Europe and uncertainty regarding future energy solutions. The weak situation in Europe was compensated for in part by healthy order levels in South-East Asia and the Middle East. In terms of the division's areas of expertise, demand continued to be strongest within hydropower and renewable energy.

The International Division was able to report an increase in profitability for the first quarter, largely thanks to improvements in earnings in Switzerland and the Czech Republic, which account for a third of the division's revenues. The division's operating margin rose to 4.0 percent (2.4). The improved earnings in Switzerland and the Czech Republic were attributable to higher capacity utilisation within the thermal and nuclear power areas, where utilisation was relatively weak in 2013.

Operations in Russia and Spain had a negative effect on profitability in the first quarter. The inflow of orders continued to be weak for these two businesses. Management is fully focused on increasing the pace of sales activities and various measures to boost efficiency. In the middle of the first quar-

ter, a new management team was appointed for the Spanish business. Order levels for the International Division were on the whole satisfactory. In the first quarter, ÅF was appointed to act as owner's engineer for a new thermal power plant in Morocco and for a significant modernisation project on one of Macedonia's largest thermal plants. International also signed an additional order in Myanmar for an ongoing hydropower project. In Finland, ÅF signed an agreement with Stora Enso within the area of operational optimisation.

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

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net sales, MSEK	249.1	331.1	1,224.9
Operating profit, MSEK	10.0	8.0	73.5
Operating margin, %	4.0	2.4	6.0
Average number of full-time employees, FTEs	1,140	1,132	1,123

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



Technology Division

The Technology Division is active in what continued to be a varying market for advanced product development and IT. Sales rose by 6 percent, while the operating margin remained unchanged at 8.6 percent (8.6). It is satisfying to see a positive margin trend.

As far as each business area is concerned, the clearest increase in demand was noted in Embedded Systems, primarily in Mälardalen. Embedded Systems provides customers with a unique combination of turnkey projects and resources, and several customers recognise the advantages of ÅF making their businesses more efficient in various ways. Significant customers within Embedded Systems include Volvo, Scania and Ericsson.

The largest business area, Product Engineering, which experienced a tougher market during the latter part of 2013, saw no major change in market conditions but despite this managed to deliver satisfactory growth. In the first quarter, the business area won a framework agreement with e.g. GKN Aerospace (formerly Volvo Aero).

The new business area, IT Solutions, which was established on 1 January, gives Technology the potential to develop IT relationships with a large section of the ÅF Group's customer

base. The business area is growing and winning market share. In the first quarter, new framework agreements were signed with Uppsala County Council, the Swedish Post and Telecom Authority (PTS) and the National Police Board.

From 1 January, the Defence & Security business area and the Telecom market area have been merged to form the Systems Management business area. The ambition is to generate greater synergies and business opportunities via shared customers and projects. The largest customers within the business area are the Swedish Defence Materiel Administration, Saab and TeliaSonera. Profitability dropped slightly in the first quarter – mainly due to the internal work required to implement organisational changes, which was completed at the end of the quarter.

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

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net sales, MSEK	689.8	650.3	2,522.6
Operating profit, MSEK	59.2	55.9	190.4
Operating margin, %	8.6	8.6	7.5
Average number of full-time employees, FTEs	1,861	1,911	1,882

The historical figures above are adjusted based on the organisational changes implemented on 1 July, 2013 as well as changes to segment reporting, see page 9.

Risks and uncertainty factors

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

Changes to segment reporting

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

Accounting policies

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

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

ÅF shares

The ÅF share price at the end of the reporting period was SEK 240; this represents an increase in value of 6.7 percent since the start of the year. The OMXSPI index rose by 3.9 percent during the same period.

Stockholm, Sweden - 5 May, 2014

Jonas Wiström
President and CEO
ÅF AB (publ)

Financial reports – 2014

11 July Interim Report January–June 2014
21 October Interim Report January–September 2014

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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 11.00 a.m. on 5 May.

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)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013	Apr 2013- Mar 2014
Net sales	2,275.7	2,125.0	8,337.0	8,487.7
Personnel costs	-1,265.1	-1,166.7	-4,458.8	-4,557.2
Purchase of services and goods	-603.2	-600.1	-2,327.7	-2,330.8
Other costs	-187.3	-174.7	-802.6	-818.8
Other income	1.0	0.9	147.8	151.5
Depreciations and amortisations	-20.7	-18.7	-174.1	-176.0
Share of associated companies' profit/loss	0.0	0.1	0.7	0.6
Operating profit	200.3	165.8	722.5	757.0
Net financial items	-8.4	-11.9	-45.2	-41.7
Profit after financial items	191.9	153.9	677.3	715.2
Tax	-43.2	-33.3	-151.8	-161.8
Profit after tax	148.7	120.6	525.5	553.5
<i>Attributable to:</i>				
Shareholders in parent company	148.4	118.8	522.8	552.3
Non-controlling interest	0.3	1.8	2.7	1.1
Profit after tax	148.7	120.6	525.5	553.5
Operating margin, %	8.8	7.8	8.7	8.9
Capacity utilisation rate (invoiced time ratio), %	75.0	74.8	75.1	75.1
Earnings per share before dilution, SEK	3.83	3.04	13.41	-
Earnings per share after dilution, SEK	3.76	3.00	13.20	-
Number of shares outstanding	38,729,271	39,022,135	38,678,697	
Average number of outstanding shares before dilution	38,694,912	39,022,135	38,985,682	
Average number of outstanding shares after dilution	39,920,189	39,914,743	40,019,034	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of SEK)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Items which will be reclassified subsequently to profit or loss			
Change in translation reserve for the period	12.8	-65.6	-40.1
Cash flow hedging	-0.2	0.3	-0.4
Tax	0.1	-0.1	0.3
Items which will not be reclassified to profit or loss			
Pensions	-0.1	8.4	62.7
Tax	0.0	-1.7	-12.7
Total other comprehensive income for the period	12.6	-58.6	9.7
Profit for the period	148.7	120.6	525.5
Total comprehensive income for the period	161.3	62.0	535.2
<i>Total comprehensive income attributable to:</i>			
Shareholders in parent company	161.7	60.5	533.3
Non-controlling interest	-0.4	1.5	1.8
Total	161.3	62.0	535.2

CONSOLIDATED BALANCE SHEET

(in millions of SEK)

	31 Mar 2014	31 Mar 2013	31 Dec 2013
Assets			
Non-current assets			
Intangible assets	4,240.4	4,246.5	4,144.2
Tangible assets	313.4	269.2	289.7
Other non-current assets	64.0	20.9	65.4
Total non-current assets	4,617.8	4,536.6	4,499.3
Current assets			
Current receivables	2,554.0	2,390.5	2,386.9
Cash and cash equivalents	231.0	267.6	187.7
Total current assets	2,785.0	2,658.0	2,574.6
Total assets	7,402.9	7,194.6	7,073.9
Equity and liabilities			
Equity			
Attributable to shareholders in parent company	3,828.4	3,471.8	3,661.5
Attributable to non-controlling interest	11.6	15.0	12.7
Total equity	3,840.0	3,486.7	3,674.2
Non-current liabilities			
Provisions	230.9	258.1	230.3
Non-current liabilities	950.2	1,300.9	939.9
Total non-current liabilities	1,181.1	1,559.0	1,170.2
Current liabilities			
Provisions	11.9	5.2	21.9
Current liabilities	2,369.8	2,143.7	2,207.6
Total current liabilities	2,381.8	2,148.9	2,229.5
Total equity and liabilities	7,402.9	7,194.6	7,073.9

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

CHANGES IN EQUITY

(in millions of SEK)

	31 Mar 2014	31 Mar 2013	31 Dec 2013
Equity at start of period	3,674.2	3,421.5	3,421.5
Total comprehensive income for the period	161.3	62.0	535.2
Dividends	-0.8	-	-217.2
Share buy-backs/sales	2.5	-	-80.6
Value of conversion right	-	-	7.5
Divestment of non-controlling interest	-	-0.8	-0.8
Share savings programmes	2.8	4.0	8.7
Equity at end of period	3,840.0	3,486.7	3,674.2
<i>Attributable to:</i>			
Shareholders in the parent company	3,828.4	3,471.8	3,661.5
Non-controlling interest	11.6	15.0	12.7
Total	3,840.0	3,486.7	3,674.2

CASH FLOW ANALYSIS

(in millions of SEK)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Profit after financial items	191.9	153.9	677.3
Adjustment for items not included in cash flow and other	16.5	24.0	48.6
Income tax paid	-64.5	-35.9	-117.3
Cash flow from operating activities before change in working capital	143.9	142.1	608.6
Cash flow from change in working capital	-106.9	-98.7	-183.5
Cash flow from operating activities	37.0	43.4	425.1
Cash flow from investing activities	-94.6	-33.3	-198.5
Cash flow from financing activities	101.5	-229.7	-529.1
Cash flow for the period	43.9	-219.6	-302.6
Cash and cash equivalents brought forward	187.7	497.7	497.7
Exchange rate difference in cash/cash equivalents	-0.6	-10.6	-7.5
Cash and cash equivalents carried forward	231.0	267.6	187.7

KEY RATIOS

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Return on equity, %	15.5	13.3	15.0
Return on capital employed, %	15.9	15.0	15.4
Equity ratio, %	51.9	48.5	51.9
Equity per share, SEK	98.85	88.97	94.66
Net debt, MSEK	-911.8	-866.8	-853.3
Net debt/EBITDA	1.0	1.5	1.0
Interest-bearing liabilities, MSEK	1,191.1	1,134.4	1,089.0
Average number of employees (FTEs) excl. associated companies	7,023	6,554	6,666

QUARTERLY INFORMATION BY DIVISION

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

¹⁾ Calculated weighted average.

The historical figures above are adjusted based on the organisational changes implemented on 1 July 2013 as well as changes to segment reporting, see page 9.

ACQUIRED COMPANIES' NET ASSETS AT TIME OF ACQUISITION

(in millions of SEK)

Date of acquisition	Jan-Mar 2014
Intangible non-current assets	0.1
Tangible non-current assets	0.9
Accounts receivable and other receivables	40.0
Cash equivalents	28.6
Accounts payable and other liabilities	-40.5
Net identifiable assets and liabilities	29.1
Goodwill	79.3
Fair value adjustment intangible assets	4.9
Fair value adjustment non-current provisions	-1.1
Purchase price incl estimated additional consideration	112.2
Transaction costs	-
Deduct:	
Cash (acquired)	28.6
Estimated additional consideration	38.5
Net outflow of cash	45.1

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

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

INCOME STATEMENT PARENT COMPANY

(in millions of SEK)

	Jan-Mar 2014	Jan-Mar 2013	Full year 2013
Net sales	83.6	61.9	301.5
Other operating income	41.2	34.0	156.3
Operating income	124.7	95.9	457.7
Personnel costs	-29.2	-20.5	-97.2
Other costs	-104.2	-89.4	-414.8
Depreciation	-4.8	-3.7	-16.4
Operating profit/loss	-13.4	-17.7	-70.7
Net financial items	124.9	2.1	-14.5
Profit/loss after financial items	111.4	-15.6	-85.2
Appropriations	-	-	609.4
Pre-tax profit/loss	111.4	-15.6	524.1
Tax	4.7	6.2	-109.0
Profit/loss after tax	116.1	-9.4	415.1
Other comprehensive income	0.0	-	0.6
Total comprehensive income for the period	116.1	-9.4	415.7

BALANCE SHEET PARENT COMPANY

(in millions of SEK)

	31 Mar 2014	31 Mar 2013	31 Dec 2013
Assets			
Non-current assets			
Intangible assets	13.9	10.3	15.4
Tangible assets	77.0	53.1	59.7
Financial assets	4,904.3	5,241.4	4,904.2
Total non-current assets	4,995.2	5,304.8	4,979.3
Current assets			
Current receivables	390.9	282.4	802.5
Cash and cash equivalents	44.5	16.3	29.1
Total current assets	435.4	298.8	831.6
Total assets	5,430.6	5,603.5	5,810.9
Equity and liabilities			
Equity			
Share Capital	195.5	197.4	197.4
Statutory reserve	46.9	46.9	46.9
Non-restricted equity	3,258.4	3,117.4	2,838.8
Profit/loss for the period	116.1	-9.4	415.1
Total equity	3,616.9	3,352.4	3,498.3
Untaxed reserves	122.5	126.4	122.5
Provisions	304.7	665.0	302.6
Non-current liabilities	565.9	643.1	603.3
Current liabilities	820.6	816.6	1,284.1
Total equity and liabilities	5,430.6	5,603.5	5,810.9