

# ANNUAL REPORT 2009



Innovation by experience



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## ÅF – leading the way in technical consulting

Our work focuses on energy and the environment, investments in infrastructure and projects for industry.

Our base is in Europe, but our business and clients extend right across the globe.

What makes us unique is our co-workers and the technical consulting industry's greatest bank of experience.

It's all summed up in our corporate motto:

“ÅF – innovation by experience.”



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



# THE YEAR AT A GLANCE

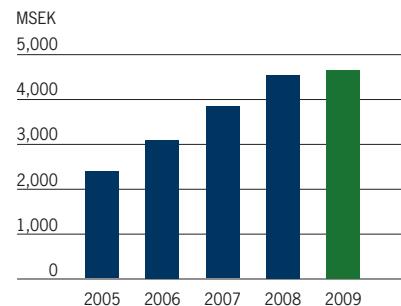
- Operating income totalled SEK 4,692 million (2008: SEK 4,570 million)
- Operating profit totalled SEK 388 million (SEK 479 million)
- Profit after tax amounted to SEK 275 million (SEK 328 million)
- Earnings per share before dilution: SEK 15.86 (SEK 19.08)

## Financial summary

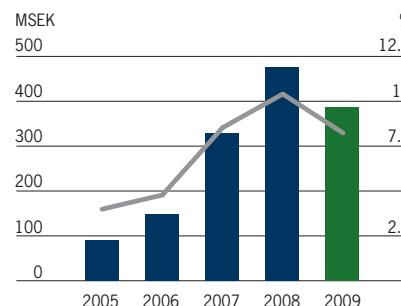
	2009	2008
Operating income, in millions of SEK (MSEK)	4,692.0	4,569.7
Operating profit, MSEK	388.3	478.7
Operating margin, percent	8.3	10.5
Capacity utilisation, percent	71.3	74.1
Profit after net financial items, MSEK	377.0	460.9
Profit margin, percent	8.0	10.1
Employees (FTEs)	4,182	3,948
Equity per share, SEK	107.36	99.46
Equity/assets ratio, percent	51.0	47.1
Return on equity, percent	15.8	22.1
Earnings per share after tax, SEK	15.86	19.08
Dividend per share, SEK	8.00*	6.50

\* Proposed dividend

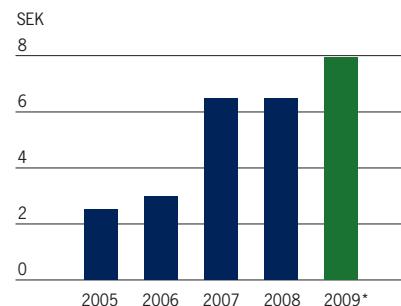
## Group operating income (in millions of SEK)



## Group operating profit and operating margin



## Dividend per share



\* Proposed dividend

# THIS IS ÅF

## Division

### Energy

The Energy Division offers technical and financial consulting services for the energy sector and is a world leader in the field of nuclear power.

## ÅF offices



### Engineering

The Engineering Division is a leader in consulting services in the fields of process technology, energy efficiency, environmental engineering, industrial IT, automation, electrical power systems and mechanical engineering.



### Infrastructure

The Infrastructure Division is a significant player in the field of consulting services for infrastructure development in Scandinavia.



### Inspection

The Inspection Division is an independent third-party inspection body that inspects, tests and certifies plant, products and systems for clients in both industry and infrastructure.



Clients	Operating income	Operating profit	Employees (FTEs)	Operating profit per FTE
<ul style="list-style-type: none"> <li>• Power industry and energy companies</li> <li>• Government bodies</li> <li>• Financial institutions</li> </ul>	 MSEK 1,290	 MSEK 124.5	 879	SEK 142,000
<ul style="list-style-type: none"> <li>• All sectors of industry, including energy and nuclear power</li> </ul>	 MSEK 1,316	 MSEK 126.3	 1,210	SEK 104,000
<ul style="list-style-type: none"> <li>• Road and rail</li> <li>• Property sector</li> <li>• Defence sector</li> <li>• Industry</li> </ul>	 MSEK 1,774	 MSEK 141.2	 1,573	SEK 90,000
<ul style="list-style-type: none"> <li>• All industries and sectors</li> </ul>	 MSEK 407	 MSEK 28.5	 448	SEK 64,000
<b>Total, all divisions</b>	<b>MSEK 4,787</b>	<b>MSEK 420.6</b>	<b>4,110</b>	<b>SEK 102,000</b>
<b>Other/Eliminations</b>	<b>MSEK -95</b>	<b>MSEK -32.3</b>	<b>72</b>	<b>—</b>
<b>Total including eliminations</b>	<b>MSEK 4,692</b>	<b>MSEK 388.3</b>	<b>4,182</b>	<b>SEK 93,000</b>

Divisional contributions to Group totals for 2009 are shown as a percentage.

# ECONOMIC DOWN- TURN REVEALS ÅF's STRENGTH

**Meet Jonas Wiström, who talks about a year when ÅF managed to advance its position despite bleak economic conditions. Sights are now set on growth and increased market share.**

## **Jonas Wiström, how would you summarise 2009?**

"2009 was a challenging year, yet in many ways it was one of our best ever. Despite the harsh economic climate, we managed to increase our market share and reinforce our position in the market. We also improved productivity and strengthened the ÅF brand. ÅF's business is well diversified across various sectors, which serves to limit the effects of cyclical fluctuations. Above all, however, we are skilled at systematising our experience and expertise. This means that we can always respond quickly to meet our clients' needs with tried-and-tested methods and technology – a strength that was very much in evidence in 2009."

## **What's your view of the performance of the divisions in 2009?**

"The Energy Division continued to make progress, with particularly good results in Switzerland and Finland. The best performance was in hydropower and nuclear power. The markets in Russia and Eastern Europe remained low, on the whole, but we see good potential in these markets once the economy recovers.

"The Engineering Division's year featured an intensive and successful drive to increase productivity, as well as improvement programmes to maintain profitability in a tough market. A couple of minor acquisitions bolstered our expertise in industrial automation.

"For the Infrastructure Division it was very much a mixed market in 2009. Pure IT-related projects made a slow start to the year, although the situation did gradually improve. In contrast, infrastructure planning and energy-efficiency projects enjoyed significant growth.

"The Inspection Division has reported solid and stable growth for many years, though here, too, 2009 was something of a mixed bag: the response to the division's investments in development projects was more sluggish than anticipated, but productivity improved across the board in other areas of the business.

"Overall the divisions won many important new assignments. However, there were no major acquisitions during 2009, largely due to the wait-and-see tactics we adopted at the beginning of the year to weather the effects of the economic downturn."

## **Name three things that you were particularly pleased about during the year?**

"One was the fact that green issues really started to take off in our industry. We expanded our portfolio of sustainability-related offers and recruited key personnel to help us take the next step forward.

"We continued our focus on energy. This included the launch of a trainee programme in nuclear power, an area where ÅF has solid expertise and where we see a great deal of potential in many markets.

"I'm also very proud that we climbed to the number two spot in Universum's annual ranking of Sweden's best employers, based on a nationwide survey of professional engineers. Among consulting companies, we were again ranked number one. This recognition matters because it's crucial for us always to be able to attract the very best engineers the market has to offer."

## **What part can ÅF play in making the world more sustainable?**

"The world is facing enormous challenges, particularly in terms of energy and infrastructure planning. Let me give you a few examples: more of the world's transport must become carbon-neutral; the use of fossil fuels must be reduced; we need to find new solutions for light railways and electric cars; and with each day that passes people are less and less prepared to put up with poor environments and noise. The list of what needs to be changed could go on and on. All in all it paints a very clear picture – engineers will have a key role to play in tomorrow's society. And that means that ÅF is perfectly placed to tackle tomorrow's challenges. We are needed, and we can deliver results."

**Around six years ago ÅF set a target: to achieve sales of SEK 5 billion by 2010. With this now within reach, what are ÅF's new long-term goals? What can you tell us about the Group's plans for growth and its new vision?**

“By 2015 ÅF aims to raise its earnings from consulting services to 1 billion euros. Our sights are set on becoming the most profitable among Europe's leading technical consulting companies. We will achieve this through a combination of organic growth and strategic acquisitions. We will also draw on the strengths we have gained from previous growth, and become even stronger in fields such as energy and the environment, infrastructure and industry.”

**After sponsoring the ÅF Golden League, ÅF is now taking a new step. Tell us more.**

“ÅF will be working as an Olympic Green Advisor and, as such, will be associated with the world's strongest brand. In concrete terms, this means that we will be working with the national Olympic Committees in Finland, Norway, Sweden and Switzerland, advising them on sustainability issues in everything from the education of athletes to the design of arenas. It's a big investment for us, but we're doing this because we are convinced that we can make a difference. Our partnership with these Olympic committees also gives us unique opportunities to communicate to our most important markets what ÅF stands for.”

**What's top of your agenda for 2010?**

“When the market picks up, we must be ready to continue growing our market share. We will be prioritising organic growth and will continue to expand in green technology. However, our healthy cash flow and stable balance sheet also mean that we're in a strong position to make strategic acquisitions of companies with operations that tie in well with our direction and corporate culture.”

**A status report to round off with?**

“Given the state of the economy, I am happier with 2009 than with any other year so far. We strengthened our position in terms of our clients, potential employees and competitors. As far as our own employees are concerned, an in-house survey revealed that pride in ÅF and confidence in the future are greater than ever. Looking



**“ÅF is perfectly placed to tackle tomorrow's challenges. We are needed, and we can deliver results.”**

**Jonas Wiström, President and CEO**

ahead, it feels extremely satisfying to be able to say that ÅF is stronger than ever, that we have honed our skills in combining experience with innovation to ensure that clients are offered the right solutions quickly, and that we are in a strong position in areas of technology where the world will have considerable need of our expertise in the future. It all adds up to a very stable platform for creating value – for shareholders, clients and employees alike.”

Stockholm, Sweden – March 2010

Jonas Wiström  
President and CEO

# MISSION

**ÅF's joint pool of expertise and experience creates solutions that are profitable, safe and sustainable.**

ÅF contributes to the sustainable development of industry and society as a whole. More than 100 years' experience in the business has taught us to raise our sights.

Our collective experience places ÅF firmly in the front rank of technological progress. Even so, the solution ÅF delivers is not necessarily the most technically sophisticated – but it's always the best! ÅF never experiments with its clients or their businesses, especially when their interests are best served by tried and tested technology.

Our total independence from suppliers and other partners is every client's guarantee of an optimum solution.

That's why ÅF creates solutions that are profitable, safe and sustainable for its clients.

## **ÅF's core values**

- Great people
- Teamwork
- Indisputable independence

## **Our motto**

Innovation by experience

# VISION

## **The best partner for the best clients**

- ÅF meets every technical challenge
- ÅF's business model outperforms all competitors
- ÅF sales will total 1 billion euros by 2015

## **ÅF meets every technical challenge**

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

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

## **ÅF's business model outperforms all competitors**

ÅF does not charge for its time, but for the value it creates. That increases the productivity in our projects and reduces costs for the clients. Partnership plays a central role in our assignments, because it is as a partner that ÅF can deliver real value – the right quality at the lowest overall cost.

Our outstanding co-workers are one step ahead in terms of technical expertise, business acumen and total independence.

For our clients and competitors it is clear that here at ÅF we demand more of ourselves. We have the will to win.

## **ÅF sales will total 1 billion euros by 2015**

ÅF will become Europe's leading technical consultant. For us, that means becoming the most profitable company among our biggest competitors in the business.

Our rate of growth will be high. We will grow both organically and through corporate acquisitions, but we will also be careful to ensure that the companies we acquire make a positive contribution to our profitability and to the ÅF culture.

## Strategies

Operations will be decentralised

- under one and the same brand,
- with common processes and systems,
- with shared values and a common corporate culture in order to concert efforts and fully exploit the potential of all the experience that is represented within the ÅF Group.

**ONE ÅF** is a huge, shared bank of knowledge available to all ÅF co-workers that enables ÅF to improve profitability for its clients by proposing safe, sustainable solutions to a wide variety of challenges.

**ONE ÅF** is a common workplace where co-workers are encouraged to pursue their career within ÅF, for example in a different country or with new, technical challenges.

**ONE ÅF** is a joint sales organisation through which clients are offered the entire range of ÅF's services.

**ONE ÅF** is the firm base for the corporate culture and shared values of ÅF.

## Acquisitions strategy

ÅF's acquisitions policy is based on the above. Every effort will be made to develop the business when the right opportunities arise, but expansion will not take place at the expense of profitability.

## Business support and shared processes

ÅF is constantly developing its consulting business and its capacity to carry out assignments in the best possible way. The ambition is to assure successful, sustainable, long-term development for both clients and ÅF.

One example of this is ONE, ÅF's recently developed IT platform. At the same time as it acts as a driving force for collaboration within ÅF and with clients and subcontracted suppliers, ONE also guarantees a modern approach to working with processes, projects and knowledge retrieval at ÅF, freeing up time for development and innovation in client assignments.

ONE is a web-based tool, mostly in English, that is accessible to employees throughout the ÅF Group.

ONE also serves as ÅF's business support system, a central operational control system that makes ÅF's business operations considerably more cost-effective while assuring quality and consistency in the company's approach. The system includes tools for shared processes, project documentation and a searchable database of engineering and business experience that pinpoints any similarities between the many assignments undertaken by ÅF. When a client commissions ÅF to perform an assignment, the chances are great that ÅF has already successfully completed a similar assignment elsewhere.

ONE enables ÅF management to control and support operations and meet the criteria for certification for environmental and quality management in accordance with ISO 14001:2004 and ISO 9001: 2000.

**Did you know** that the ÅF share has developed 36% better than the all-share index over the past five years?

## Long-term objectives

### Financial objectives

ÅF shall be the most profitable company among its closest comparable competitors in the industry and achieve an operating margin (EBIT) of at least 10 percent over a business cycle.

ÅF shall have net debt over a period of time, but net indebtedness shall not exceed 40 percent of equity.

### Growth objective

Sales of 1 billion euros by 2015.

### Market objective

Client surveys to show that at least 90 percent of clients perceive that the service provided by ÅF exceeds their expectations.

### Human resources objectives

Better balance in the gender ratio. An initial target is for at least 25 percent of the company's consultants and managers to be women.

Staff turnover to be 7–13 percent.

All employees to take part in a personal development interview each year.

## Sustainability objectives

In the autumn of 2009 ÅF conducted a sustainability review of its operations. This included environmental objectives for 2009 relating to electricity consumption in ÅF's offices, reduced environmental impact from business travel, and the indirect effect that ÅF has through the projects it performs for its clients. The result formed the basis of "The ÅF Green Advisor Plan", which sets sustainability targets for the period 2010–2015 that incorporate the Group's previous environmental objectives. The plan was presented to and approved by ÅF senior management in December 2009.

### By the year 2015 ÅF aims to:

- have halved its direct climate impact (baseline year 2009, calculated per individual)
- include a proposal in every offer or tender that ÅF submits, to enhance the sustainability aspect of the project
- be perceived as the technical consulting firm that, from a sustainability perspective, best solves the technical challenges that its clients are faced with.

For further details, please refer to pages 21–25.

## ÅF's Blue Book points the way forward

In 2009 ÅF published a new version of the ÅF Blue Book, which provides a concise, easy-to-read summary of the ÅF mission, values and corporate culture, and explains where the focus will lie in the years to come. The book is intended to give all ÅF employees a clear understanding of the part they play in the work of ÅF as a whole, what is expected of them and what common goals they need to embrace.

The ÅF Blue Book was launched in conjunction with a management conference and then released throughout the organisation. Each manager gave a personally signed copy to his or her co-workers to underline the importance of people within the same organisation sharing the same corporate visions. For new employees the book is a key element in the information package that they receive on joining ÅF.





## Malmö

**Agata Andersson** is an environmental consultant. "The best thing about working for ÅF is that the job is so varied and so stimulating. You learn something new every day. And it feels so safe at ÅF to tell clients 'We'll sort it out'. Even if you yourself don't have what's needed, you know that there's always someone with the right expertise somewhere in ÅF."

# MARKET TRENDS AND BUSINESS REVIEW

## ÅF's services – a summary

ÅF's operational activities comprise four divisions offering technical consulting services for industry (approximately 70 percent of revenue) and infrastructure projects (approximately 30 percent).

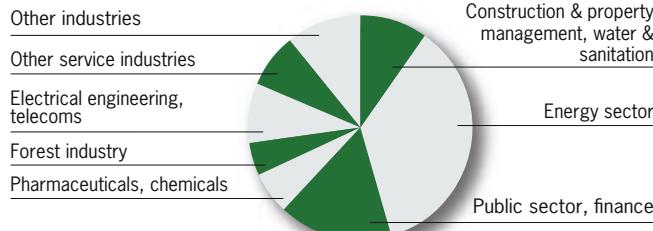
The Energy Division focuses on technical and financial consulting for the energy sector, from advice in connection with business models to implementing investments in power plants and all manner of environmental considerations associated with this. The division possesses world-class expertise in nuclear power.

The Engineering Division is Northern Europe's leading industrial consultant offering services in process technology, energy efficiency, environmental engineering, automation, industrial IT, electrical power systems and mechanical engineering.

The Infrastructure Division is a major player in the consulting industry for infrastructure development in Scandinavia and has clients in industry, the public sector, defence and the property sector.

The Inspection Division is an independent third-party inspection body that inspects, tests and certifies plant, products and systems for clients in both industry and infrastructure. Sweden, the Czech Republic and Lithuania are the division's domestic markets.

## Business areas – contribution to Group sales 2009



## Clients

Each year ÅF performs more than 61,000 assignments for some 25,000 clients. The size of the assignments varies from just a few hours to hundreds of thousands.

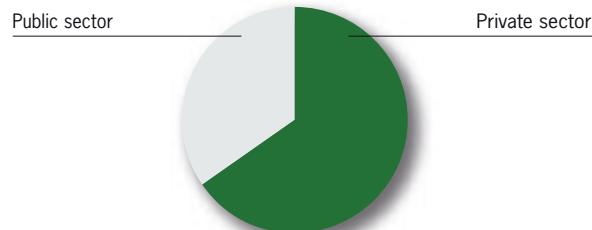
ÅF's ten largest clients in 2009 were Alpiq, Banverket (the Swedish National Rail Administration), Ericsson, FMV (the Swedish Defence Materiel Administration), Fortum, Power Machines Company, Vattenfall, Siemens, Stockholm's regional transport authority (SL) and Westinghouse. Together these clients accounted for 23 percent of total invoiced sales.

## Market

Demand for ÅF's services was good in 2009 despite the steep downturn in the economy. However, assignments tended to be slightly shorter in duration and the main emphasis was on rationalising existing facilities rather than major new investments, although the market did begin to stabilise as the year drew to a close.

The Energy Division started the year with well-filled order books, which ensured good capacity utilisation despite the weak state of the economy. Uncertainty was greatest in Russia, the Baltic countries, Finland and South-East Asia, but the markets there stabilised towards the end of the year and even showed some signs of an upswing.

## Client base – sales by customer segment 2009



The market for the Engineering Division's services contracted as the year wore on, although demand remained good from the food processing and pharmaceutical industries, as well as in energy and nuclear power. Demand from industry is chiefly driven by the need for efficiency improvements in manufacturing plants, environmental engineering projects, the development of alternative fuels and conversion to efficient energy management.

For the Infrastructure Division the market was mixed in 2009. Business began slowly for product development activities, but gathered speed towards the end of the year. Infrastructure planning, on the other hand, continued to go from strength to strength. Other business areas showed steady development, but clients and investors do still remain cautious.

Demand for the services of the Inspection Division remained relatively stable in all business areas, with the strongest performance coming from testing-related services for the nuclear power industry.

### Outlook – Nordic countries

Growth in the Nordic energy market will be driven mainly by investments in nuclear power in Finland and preparations for the expansion of Sweden's nuclear power facilities and renewable

energy sources in the other Nordic countries. Alongside major new investments that have already been approved, there will also be a need for a large number of efficiency improvement projects, upgrades, capacity increases and environmental improvements in existing plants, in both the power industry and other industries.

It is anticipated that demand will remain high from industries such as mining, petrochemicals, energy, food technology and pharmaceuticals, whereas manufacturing industries, particularly the automotive industry, are expected to continue to struggle in the wake of the general economic downturn.

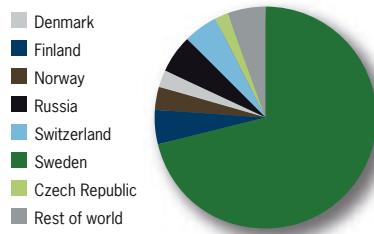
The shift to more efficient energy use, the advent of new sources of energy and increased competition within the energy sector have many ramifications that should have a positive effect on the demand for consulting services for many years to come.

Alongside these developments, the forest industry continues to expand the scope of its activities to include biofuels and electricity in addition to its core business of pulp and paper.

Nordic industry is at the forefront of environmentally related technology, and it is widely believed that this will pave the way for future export successes and sustained demand for technical consulting services.

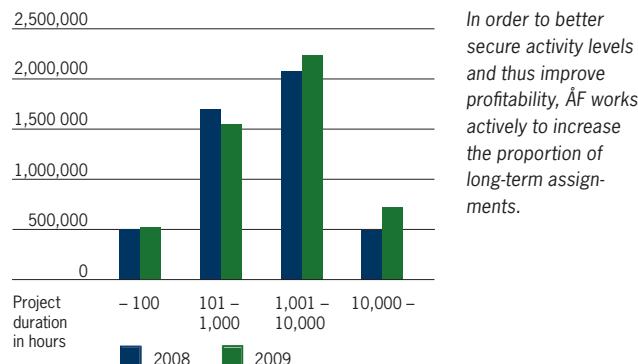
### Geographical spread of ÅF business

Number of employees per country, December 2009



ÅF's domestic markets are the Nordic countries, the Baltic countries and Switzerland, but the company is becoming increasingly international. It has offices in more than 20 countries, but conducts business activities and attracts clients throughout the world.

### Size of ÅF projects, in number of hours



The Nordic countries also have strong state finances, which suggests that infrastructure investments, especially road and rail projects, will remain well-funded. At municipal level, however, lower tax revenues and the cost of rising unemployment are expected to delay investments, while private investors are also expected to remain cautious as they wait for clearer signs of economic recovery. One exception is the area of energy-efficiency improvements, for which demand seems set to remain robust throughout the entire Nordic region.

The Nordic market for technical consulting services is gradually being deregulated, and it is expected that these services as a whole will increase in importance, not least as preventive measures to safeguard good levels of productivity.

### Outlook – Europe and beyond

Europe's energy needs continue to grow, driving demand for services in both power generation and distribution. In Western and Central Europe expansion is in the form of new nuclear power facilities and biofuel plants, but there is also a pressing need to improve the efficiency and environmental performance of the continent's old coal-fired plants. In Eastern Europe and South-East Asia the markets appear to be picking themselves up again after the knockout blow delivered by the financial crisis.

It is expected that demand for projects that aim to make better use of energy and reduce industry's environmental impact will remain good in all markets.

As before, growth for pulp and paper is expected to come from Africa, Asia and South America, while in Europe the shift from new production plants to a greater focus on facilities for managing paper for recycling will continue, parallel with work to modernise and improve efficiency in existing mills.

There is still plenty of potential for technical inspection services in Eastern and Central Europe as deregulation and the process of EU harmonisation continue. For ÅF, establishing subsidiaries in the Czech Republic and Lithuania has provided important spring-boards for expanding these services in neighbouring markets.

### Increased internationalisation

Over a number of years ÅF has expanded through acquisitions and organic growth, becoming increasingly international. A great deal of effort has been made to standardise the structure of our competence development work, internal information banks, intranet and brand identity, and to establish an understanding within the organisation of our shared corporate values and aims. Each part of ÅF enjoys considerable autonomy which helps secure strong local roots while the company's global structure contributes strength and stability.

## Innovation means daring to challenge old ideas

Each year, together with the Swedish business magazine *Veckans Affärer*, ÅF presents "The Swedish Innovation Award". The prize for 2009 went to SKF for its "Beyond Zero" vision, which bolsters the company's product offer with cutting-edge research and technology to meet the new demands of a market that is thirsting for climate change adaptation and energy-efficiency improvements. The SEK 100,000 prize was awarded at a ceremony in the Grünewald Auditorium at Stockholm Concert Hall.



# OUTSTANDING CO-WORKERS AND AN INTERNATIONAL CORPORATE CULTURE

**A strong corporate culture is a key factor for any company that aims to be an industry leader in Europe and that ranks outstanding co-workers as its prime asset. ÅF has many years' experience of solving technical challenges, and both the technical and commercial aspects of its consultants' work are constantly being developed so that each and every employee can contribute to building the ÅF brand.**

## ÅF's Blue Book 2.0

The ÅF corporate culture is one of the keys to the company's success. In 2009 ÅF published the second edition of its Blue Book, which explains how co-workers can work together to create a strong culture and a successful ÅF. The book provides a picture of ÅF and describes the company's ways of working.

## Core values

The core values of ÅF – great people, teamwork and indisputable independence – describe everyday working life for the company's co-workers and their attitudes to both colleagues and clients. An ÅF employee is a person who exceeds the client's expectations with his or her solutions, technical expertise and business-

mindedness. But ÅF employees are also good communicators, good team players and good listeners. They are positive in their outlook, deliver on their promises and show respect in their dealings with clients.

## ÅF – Sweden's favourite technical consulting company

In the 2009 Career Barometer survey of professional engineers, ÅF was ranked as the second most popular company to work for in Sweden – proof of the fact that Sweden's engineers understand what ÅF stands for and what ÅF has to offer as an employer.

The Career Barometer is an annual attitude survey conducted by Universum Communications. All respondents are "young professionals", no older than 40 and with an engineering degree from a university or college plus two to eight years of working experience in their specialist area. Some 5,600 engineers took part in the 2009 survey.

## Employer branding

ÅF works actively to strengthen its image among potential employees through a number of strategic activities and its participation in career fairs at universities and colleges each year. In the spring of 2009 ÅF embarked on a "Talent Tour" to four educational institutions that sparked media interest by focusing attention on female students. The theme of the tour was "Life Balance" and both Jonas Wiström, ÅF's President/CEO, and Susanna Kallur, an ÅF co-worker and world-class Swedish track athlete, were present on all four occasions to meet and answer questions from hundreds of students.

- ÅF is an international workplace with its own offices and units in more than 20 countries.
- ÅF currently employs a total of some 4,500 co-workers.
- In 2009 ÅF co-workers performed in projects in more than 70 countries.

## A workplace where you can feel at home

ÅF wants employees to take pride in their work and the company, to feel confidence in their managers and to enjoy working alongside their colleagues. To meet the demands made on a modern employer, ÅF supports focused, long-term human resources work at all levels within the company, which includes various co-worker surveys that regularly assess the prevailing mood within the Group.

To make clear its position on a number of employee-related issues, ÅF has formulated policies in key areas such as human resources, salaries, equal opportunities and the work environment.

HR activities differ from country to country, but the aim remains the same: to foster a sense of togetherness and create a pleasant atmosphere at work.

ÅF works hard to create a good gender balance, an ambition that is also reflected in the company's recruitment activities. The first step towards a more even male-female ratio is to raise the proportion of female consultants and managers to 25 percent by 2015. Whenever a managerial post becomes vacant, at least one woman must be selected as a possible candidate. If the recruitment companies used are unable to provide suitable candidates according to this model, they will be replaced by others that can. The proportion of female consultants was 17 percent at the end of 2009 (2008: 17 percent). The proportion of female senior consultants was 15 (12) percent, while female employees made up 21 (21) percent of the total workforce. Three of the eight ÅF directors elected by the

Annual General Meeting are women: this corresponds to a 37 percent representation on the board.

## ÅF Recruiter – a fast track for candidates with the right profile

ÅF has a web-based recruitment tool that enables both external and internal candidates to register their interest in a searchable database that is used by ÅF managers who are recruiting new members to their team. The system handles the entire chain of administrative routines for recruitment, from the job advert to the contract of employment. Simple interfaces mean that the tool can be used both with ÅF's own homepage and by external recruitment agencies.

## Career paths

ÅF aims to have 10,000 employees by 2015. But growth places great demands on the need to offer an attractive working environment and good opportunities for development.

ÅF has identified three distinct career paths within the company: as project manager, specialist/expert and manager. Within each of these pathways to development there are various levels and stages. Career paths provide support for setting individual targets and action plans, not least as part of the annual personal development interviews between a manager and his or her co-workers. In practice, there may be far more development routes than these: co-workers can, for example, switch between roles within the com-

## Universum's Career Barometer 2009

### Position

IKEA	1
ÅF	2
ABB	3
Vattenfall	4
Google	5
Ericsson	6
Volvo Group	7

## ÅF runner-up in Universum's survey to find Sweden's best career opportunities

In the 2009 Career Barometer survey of some 5,600 professional engineers, ÅF was ranked as Sweden's second most popular employer overall, strengthening its position as the country's most attractive consulting company.

The Career Barometer is an annual attitude survey conducted by Universum Communications. All respondents are "young professionals", with an engineering degree from a university or college plus two to eight years of working experience in their specialist area.

pany, acting either as project leader or specialist depending on the circumstances.

### ÅF Academy

The ÅF Academy is ÅF's own training facility which provides support for the ÅF career paths and the development of the consultant's role. This includes comprehensive foundation courses for new consultants as well as highly specialised advanced courses and training tailored to individual requirements, all of which are firmly founded on ÅF's views on business acumen and entrepreneurial skills. The curriculum for 2009 included courses in leadership skills, project management, sales training and commercial skills.

### Managerial training

ÅF's Business Executive Leadership Programme is a joint venture with IFL Executive Education that is aimed at senior managers within the ÅF Group. Training is spread over a 12-month period during which participants gain a deeper insight into the long-term forces that drive the industry internationally. Among the topics covered are strategic planning, international leadership and communication skills.

### Education and training in nuclear power

The ÅF Nuclear Academy is an initiative designed to raise levels of competence to meet the increasingly stringent requirements of the nuclear power industry and its regulatory bodies. Courses lead to certification at four levels. The initiative has met with considerable interest from the industry and it gives individual employees exciting opportunities for professional development. Courses are also open to clients and other stakeholders in the industry: 125 individuals received certification in 2009.

For younger co-workers, ÅF offers a Nuclear Trainee Programme, which is described in more detail on page 19.

### Certification

At the ÅF Academy, ÅF project managers undergo training to obtain certification in accordance with the European accreditation standard, IPMA. There are four levels of certification: A, B, C and D. For project managers involved in international projects, the certification process is conducted in English. Around 20 consultants were accredited in 2009.

### Variable salaries and Group bonus

ÅF's four divisions have adopted a number of systems for variable remuneration packages, based either on the results of the division as a whole, or linked directly to the performance of the individual.

To underline the relationship between the efforts made by each individual co-worker and the profitability of the ÅF Group in the short term and the long term, a bonus model has been introduced. Under the current system, part of profit that is generated at Group level is shared out in the form of bonus payments that are the same for co-workers across the company.

### Other benefits

Other benefits open to ÅF employees vary from country to country depending, for example, on the local tax regime. In Sweden, benefits include occupational pensions, attractive insurance offers, the option of a company car and various discounts.

All ÅF Group employees are entitled to rent one of the cottages or apartments that are owned, managed or leased by the Staff Foundation. A couple of hundred families take advantage of this opportunity every year.

### Sick leave and holidays

Sick leave among ÅF employees was 2.2 percent in 2009 (2008: 2.4 percent).

Total absenteeism, including holidays, was 16.4 (15.7) percent of normal working hours. Holidays accounted for 9.7 (10.3) percent, and leave of absence for 4.5 (3.6) percent.

**Did you know** that hurdler and women's world record-holder Susanna Kallur works for ÅF's Corporate Information department?

# MEET A COUPLE OF ÅF CO-WORKERS

## 24 hours with Marco Conrad at a dam construction site in Vietnam

Marco Conrad leads the work of a hydropower unit stationed in Baden, Switzerland. Marco is a graduate engineer with a doctorate in hydroelectric dams from the technical university in Munich, Germany.

**Day One: 15.15.** Arrives at the Son La dam construction site after a seven-hour car journey from Hanoi. Assesses construction progress and carries out an on-site qualitative study of the facility. Meets representatives for the client and owner to deal with design and engineering matters.

**19.00.** Dinner with the team leader. Discusses cultural differences and plans how to handle the questions raised and any problems that may arise.

**Day Two: 08.20.** Back to the dam for a site visit with the consultant responsible for engineering inspections. Performs careful checks and status reviews. Assesses any need for change and improvement.

**11.20.** Lunch with the client at the site's local canteen. Excellent Vietnamese cuisine! Good, frank discussions with the client about technical and scheduling matters.

**14.35.** Drives back to Hanoi and reviews the various options with a colleague en route. Thinks about the upcoming inspection report and improvements that might be worth suggesting. Already looking forward to the next visit after a stint back in the Hanoi office.

## A day with Ingeborg Grötterud at Ringhals nuclear power station, Sweden

Ingeborg Grötterud is a graduate engineer and section leader in Gothenburg, Sweden. She spends most of her time working as a "hands-on" project manager at Ringhals nuclear power station, around 60 kilometres south of Gothenburg.

**06.30.** Meets colleagues to share a car to Ringhals.

**09.00.** Conference call. Checks capacity with section leaders and other key personnel. Discusses resource requirements. Holds weekly meeting with the project group: design engineers, installation managers, technical coordinators and project administrator.

**11.00.** Weekly "girls' lunch" in the staff canteen with the other project managers in the department.

**11.45.** Back in the office. Checks in-tray. Answers a question about holiday leave. Tip-off from the boss about a good consulting candidate. Phones the project principal. Writes up minutes from the weekly meeting.

**13.45.** Installation inspection. Meets others at the water-intake building with hard hat, rubber boots, diary and pen, to inspect pipes in one of the cooling-water channels. The channel has been emptied of water. Climbs seven metres down a ladder to take a look. It looks fine and matches the drawings.

**15.00.** Back to the office. Sends comments on the inspection to the supervisor. Deals with a few other matters before it is time to car-share back home.

**21.00.** Checks her e-mail again. Reads the CV from the applicant the boss mentioned. Looks interesting. Decides to arrange a meeting and jots down a few questions.



**Age distribution**

Age group, yrs	Percentage		
	2007	2008	2009
-29	12	14	14
30–39	30	30	29
40–49	28	27	27
50–59	20	19	19
60+ yrs	10	10	11

Average age: 43.4 years (2008: 43.1 years).

**Length of employment**

Length of employment, yrs	Percentage		
	2007	2008	2009
-2	31	34	26
3–5	18	21	27
6–10	22	19	19
11–20	18	16	17
21–	11	10	11

For co-workers in companies acquired, length of employment includes service years in the company acquired.

Average length of employment: 7.9 years (7.8 years).

**Financial data**

	SEK '000/year/FTE		
	2007	2008	2009
Net sales*	1,066	1,157	1,119
Profit**	90	120	89
Personnel costs	611	616	639
Value added***	701	736	728

\*) Revenue excluding other operating income.

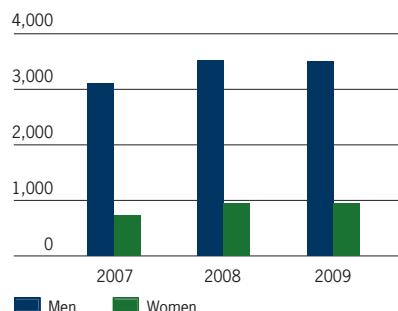
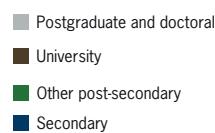
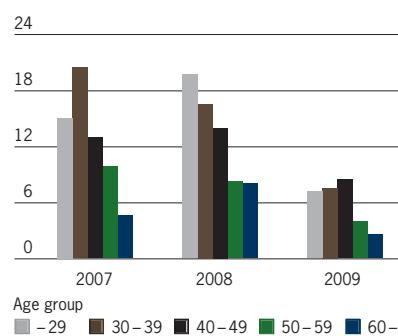
\*\*) Operating profit before net financial items, excluding participation in profit/loss of associates and other operating income.

\*\*\*) Personnel costs including profit/loss before net financial items excluding other operating income.

**Training and R&D**

	SEK '000/year/FTE		
	2007	2008	2009
Training	17	23	20
Research & development	7	9	10
Total per FTE	24	32	30

Each employee received an average of 37 hours of training in 2009 (2008: 39 hours).

**Number of employees****Education****Staff turnover, %**

Staff turnover based on resignations

Total 2009: 6.3 percent (2008: 13.1 percent).

# THE ÅF NUCLEAR TRAINEE PROGRAMME

As the world's appetite for energy continues to grow, nuclear power is one area where demand is increasing and where progress is rapid. Maximum security and greater efficiency are the top priorities for ÅF's services in this field. The ÅF Nuclear Trainee Programme lays a firm foundation for employees who intend to work in nuclear power in the future.

- Open to young European engineers, preferably with some years' experience.
- One year's training at various ÅF sites around Europe.
- Covers everything from history and technical design to operational matters and safety.
- Training alongside some of the world's leading technical consultants in the field.
- After the programme, participants will have a broad knowledge of the technological, cultural and safety aspects of nuclear power, and access to a broad network of nuclear power experts.

**Marcus Feltzin Bergöö has a degree in engineering physics and materials science from Uppsala University. He has previously worked as a development engineer at Scania and is now a project engineer at ÅF in Västerås.**

## Why did you apply to the ÅF Nuclear Trainee Programme?

"As I see it, solving the world's energy problems is our single most important issue, and nuclear power will be an essential part of that solution for the foreseeable future. I like the idea of helping to develop tomorrow's energy technology, and getting to know the industry through the ÅF trainee programme seemed like a really good place to start."

## What will you benefit from most in your work?

"Being new to ÅF and the nuclear power sector, I've found the inside knowledge I gained from the programme really useful. The programme has given me the opportunity to get to know colleagues throughout ÅF in a very short time and provided a solid foundation for my future work at ÅF."

## How will you use the network you've built during the year?

"I've met many wonderful people through the programme that I'm eager to keep in touch with. It's a big advantage meeting so many people in Sweden and in Europe who have skills that are invaluable in the nuclear power sector. The network I've built up will act as a door-opener, so I can always get hold

of people with the expertise I need. I hope we'll have lots of opportunities to work together in the future. I'm really looking forward to it!"

## What's the best thing about being an ÅF consultant?

"ÅF's a great company. There's a real drive here. Despite the economic slowdown, ÅF never stops looking for opportunities and investing in the future."

**Rasa Alkauskaitė-Kokoskina has a degree in environmental technology and a masters in business management from Vilnius Gediminas Technical University. An ÅF project manager in environmental engineering in Lithuania, she works on various infrastructure projects in the fields of energy, district heating, waste management and biogas.**

## Why did you apply to the ÅF Nuclear Trainee Programme?

"I'd been working as an environmental consultant for seven years and saw the programme as a good way to build up expertise in the field of nuclear power. Now maybe I can work in this field in the future. It's also a great opportunity to meet more ÅF colleagues."

## What will you benefit from most in your work?

"I now have a good grounding in the facts and insights into the key issues in nuclear power. Understanding the processes and relationships involved is important for identifying and assessing the impact on the environment. It's also been exciting to meet so many interesting people."

## How will you use the network you've built during the year?

"I've met other trainees, nuclear experts and lecturers. We've already identified ways of working together, so I'm sure that these contacts will be a big benefit to me in my future work. For example, I'm involved with various tenders where we need experts in different fields. In my experience, once you know a person, interesting things start to happen and new projects take shape."

## What's the best thing about being an ÅF consultant?

"The very best thing is my colleagues! I've lots of really professional colleagues in Vilnius. I appreciate always being able to find people and units with the right skills in the ÅF Group. Together we can offer clients the very best solutions."





**Baden** Roman Pfund works with hydropower and dams. "The best thing about my job is the responsibility that goes with it – and the challenge of solving complex problems that are relevant to everyday life. The best things about ÅF are the networking, the international corporate culture and the huge variety of projects we work on."

# SUSTAINABLE DEVELOPMENT IS ÅF'S CORE BUSINESS

**ÅF works on a broad front for long-term sustainable development. Of greatest significance in this respect is the work ÅF performs on assignments to improve its clients' enterprises and performance. But, in order to raise awareness, increase understanding and reinforce the credibility of its message, it is equally important that the company sets its sights high, too, for its own internal work on sustainability.**

## Background

Sustainable development and sustainability are concepts that were first widely adopted following the UN's "Report of the World Commission on Environment and Development: Our Common Future" published in 1987. This is frequently referred to as the "Brundtland Report" after the politician Gro Harlem Brundtland, who chaired the commission. Sustainability is a very broad concept that embraces three overlapping spheres: economic,

social and ecological sustainability. The report emphasises that the right conditions for sustainable development can only be achieved by creating a balance between these three elements that leads to "development that satisfies the needs of the present generations without compromising the capability of future generations to satisfy their own needs".

Over the past ten years the concept of sustainability has become firmly entrenched in the world of trade and industry. "Sustainable business" is business that is conducted in a way that maintains a balance between, and makes use of, the synergies in all three spheres of sustainability.

## Sustainability is and will remain the core of ÅF

Sustainability is part of ÅF's business strategy and a prerequisite for all aspects of ÅF's operational activities. For ÅF, sustainable business is about generating long-term economic, social and ecological values for all of the company's stakeholders. When ÅF was founded back in 1895, the company was conceived out of a desire to develop more sustainable forms of entrepreneurship. Today, more than a century later, ÅF's ambition remains the same, even if the conditions and the world in which we live have changed.

**Did you know** that ÅF's headquarters in Solna are the first commercial premises in Sweden to be certified as a "Green Building"? This means that the building's energy consumption does not exceed 75 percent of that prescribed in national standards for premises of the same size.

ÅF is convinced that technology and technical solutions will play a decisive role in solving many of the challenges the world is now facing – especially when it comes to the future of energy production. ÅF is also convinced that the company's experience and core values are the key to making things happen.

### ÅF makes a difference

The greatest difference that ÅF can make in terms of underpinning sustainable future development is through the projects it performs for its clients. Sustainability is part of every assignment that ÅF carries out. But more than that, sustainability is even written into the company's corporate mission: "ÅF's joint pool of expertise creates solutions that are profitable, safe and sustainable."

It is a mission that brings with it a commitment to responsibility. ÅF does more than merely satisfy its clients' needs. Every day in their work on thousands of projects worldwide, 4,500 ÅF consultants are also tirelessly seeking to achieve the right balance between environmental, social and economic factors.

Technology, knowledge and experience are all needed to foresee and tackle the issues of climate change. ÅF wants to be a positive force behind the creation of a sustainable future. ÅF wants to make a difference.

### ÅF Green Advisor Plan

Seen from the perspective of the environment and sustainability, 2009 marked the start of a new era for ÅF. In spring the senior management group made the strategically significant decision to increase efforts to promote ÅF's credentials and image as a "green business". A new position and new areas of responsibility were created for a Director for Sustainability and CSR, extending and superseding that of the Group's former Environmental Director.

"The ÅF Green Advisor Plan" is an action plan for sustainable business. ÅF has its sights set on becoming Europe's leading technical consulting company. A major step on the road to this target is to establish some of the most demanding sustainability goals among European technical consulting companies.

## Sustainability is part of all ÅF's processes

As part of the ÅF mission statement itself, sustainability permeates thinking in all of ÅF's processes. Systematically analysing each and every process from the three perspectives of sustainability – economic, ecological and social – strengthens ÅF as a whole and paves the way for even more and better business opportunities.



### By the year 2015 ÅF aims to:

- have halved its direct climate impact (baseline year 2009, calculated per individual).
- include a proposal in every offer or tender that ÅF submits, to enhance the sustainability aspect of the project.
- be perceived as the technical consulting firm that, from a sustainability perspective, best solves the technical challenges that its clients are faced with.

“The ÅF Green Advisor Plan” is the strategic sustainability tool that ÅF works with. By following and systematically implementing the plan in the markets where the company operates, ÅF can improve the opportunities for generating more business. Alongside this, thanks mostly to the difference that its solutions make to its clients’ operations, ÅF can also contribute to a more sustainable pattern of development in society as a whole.

### ÅF Olympic Green Advisor

ÅF is extremely proud to have been appointed Green Advisor to the Olympic Committees in Finland, Norway, Sweden and Switzerland. The Olympic Games provide a stage for the ultimate achievements in the world of sport. But the games also present a unique opportunity to raise environmental awareness and implement a raft of highly visible green initiatives. Collaboration between ÅF and the national Olympic committees centres on strategic sustainability studies and on educating employees and athletes in sustainability-related issues.

### ÅF Green Advisor Reports and Seminars

As part of its commitment to achieve its sustainability targets, from 2010 onwards ÅF will publish reports on projects, technological progress and challenges within the fields of energy, buildings, infrastructure and industry. The purpose of these reports is to present a clear picture of how technology and technical expertise can be applied and adapted to meet the many different needs of clients. An “ÅF Green Advisor Report Seminar” will be held to coincide with the publication of each report, focusing on areas of topical interest and giving invited experts within the area an opportunity to share their thoughts on the current situation and what the future holds.

### Work environment at ÅF

ÅF does all it can to ensure co-workers of an unbeatable environment in which to work. For further details about ÅF as an employer, the educational opportunities the company offers, its shared values and incentive programmes, please see pages 14–20.

### Sustainable ownership

Ångpanneföreningen’s Foundation for Research and Development is one of the company’s largest shareholders. It uses some of its earnings as an owner to offer support in the form of research grants and scholarships to projects at Sweden’s universities, colleges and research institutes in fields that include energy, environmental engineering, security and industrial processes.

**Did you know that ÅF recruited its first environmental consultant in 1901?**

# CODE OF CONDUCT

**The Code of Conduct is a summary of the rules and principles that describe how ÅF conducts its operations and what it expects of all its partners, regardless of geographical location or cultural background. The code is an integral part of the way ÅF does business and applies equally to all of the company's directors and to all employees.**

The code is based on the OECD's guidelines for multinational corporations, the UN's declarations of Human Rights and the Rights of the Child, and the ILO's central conventions.

## General principles

ÅF is to comply with the laws and regulations and to respect the culture and traditions in the countries where ÅF operates.

ÅF shall not offer clients or business partners any benefits in violation of laws or accepted business practices.

ÅF employees shall observe good business practice and conduct themselves ethically in all operations and relations with stakeholders. ÅF employees shall not accept payments or other kinds of reimbursement from a third party that could affect their objectivity in their business decisions.

All financial transactions must be reported in accordance with generally accepted accounting practices, and accounting records must show the nature of all transactions in a correct and transparent manner.

Employees and members of the board of directors shall conduct their private and external financial interests in a manner that is not in conflict or can be perceived to be in conflict with the interests of the group.

ÅF observes neutrality with regard to political parties and candidates.

ÅF encourages an ongoing dialogue with its stakeholders.

## Human rights and labour standards

ÅF supports and respects the protection of internationally proclaimed human rights.

ÅF hires and treats its employees in a manner that does not discriminate with regard to gender, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation, and social or ethnic origin. ÅF encourages diversity in the workplace.

No form of forced labour or child labour is tolerated.

Freedom of association shall be respected in all operations.

A safe and healthy work environment shall be provided for all employees.

## Sustainability

ÅF assignments and operations must be carried out in a way that contributes to sustainable development and makes efficient and effective use of energy and raw materials.

**Did you know that ÅF has doubled its workforce over the past five years?**

# ÅF'S SUSTAINABILITY WORK AIMS HIGH

In September 2009 Alice Bah Kuhnke took up her new position as Director of Sustainability and CSR at ÅF. Behind her, Alice has a career as a presenter and features producer for Swedish Radio and the Swedish television companies SVT and TV4, as operations manager in the "Ideas for Life" department at Skandia insurance, and as secretary-general for Rättvisemärkt, the Swedish Fairtrade organisation. Her most recent position was at Sektor3, a think-tank for civil society. In her new role at ÅF Alice has a clear message: sustainability is profitability.

## What does sustainability mean to you?

"Sustainability is so much more than traditional environmental work. It involves addressing business operations from three angles – economic, ecological and social. This broad approach gives the scope to make a real difference. You can no longer focus on just one of the areas if you want to run a business sustainably."

## How can ÅF help to make the world more sustainable?

"Sustainability is a feature of every ÅF assignment. ÅF employees contribute daily to making our world more sustainable. Many of the major challenges facing the business community and the world around us today are – crass as it may sound – business opportunities for us. That's why we need to profile ourselves more clearly and demonstrate that our know-how is something on which our clients can build a sustainable future."

## What can a client expect from an ÅF consultant?

"Our clients are always offered the best solution based on the criteria laid down. But we will also propose a second option for our clients – one that is the very best from a sustainability perspective. This gives clients even greater choice. Our clients are our most important asset and the constant focus of our attention, particularly in terms of our insights into where and how we make the biggest difference."

## How does ÅF tackle the fact that there are big differences between some markets?

"It's a big challenge – but one that we relish. The key is to handle the differences with respect for different cultures and traditions. I tend to start by assuming that everyone is well-intentioned and that you can achieve a great deal through information and mutual respect. That's why communication is crucial for achieving the high goals we've set ourselves. We must be clear in our communication with shareholders, co-workers, clients, suppliers and all our other stakeholders."

## What is at the top of your agenda for the next two years?

"There are big changes on the horizon and there's no time to be lost. We've set our sights high for ÅF's sustainability work and we've taken the first steps. While patience is essential, the key to success is not talk, but action."



## ÅF – OLYMPIC GREEN ADVISOR

ÅF has embarked on an important joint venture with the Olympic Committees in Finland, Norway, Sweden and Switzerland, assuming the role of Olympic partner and Green Advisor to all four of these national organisations.

ÅF will act as a consultant and advisor on green issues and play an active part in developing Olympic sporting activities from a sustainability perspective. Sustainability is an issue that is rapidly growing in importance in the Olympic movement, particularly when it comes to choosing host cities for future Olympic events. The focus will be on policies, strategies and action programmes, and on the education of staff, coaches and the athletes themselves.

ÅF is also a sponsor for these four national Olympic Committees. A sponsorship agreement has been signed for the period 2010–2014 that will cover three

Olympic Games. ÅF will educate the Olympic teams of all four countries in green issues.

The Olympic rings and the exclusive title of Green Advisor have been integrated into ÅF's external communications. The Olympic rings and the Olympic Association are the world's strongest and most fiercely protected non-commercial brand.





## Malmö

Ola Palm is a project leader and product developer.

"The best thing about my job is the variation – meeting lots of different clients and constantly being faced with new challenges. ÅF has experts in virtually every field of technology."

# ENERGY

## TOP INTERNATIONAL CONSULTANT IN A GROWTH SECTOR

**The Energy Division offers technical consulting services for the energy sector. It has operations in large parts of the world, and is a market leader in the Nordic region, Switzerland and the Baltic countries. It enjoys a strong standing in many areas of expertise, particularly nuclear power, where it is a world leader.**

### Energy – international growth business

The Energy Division offers technical and financial consulting services for the energy sector, with the emphasis on power generation and district heating. Services include everything from advice on investments to the implementation of power plant new-builds, which involves various aspects from operation to environmental adaptation.

As one of the largest independent international consulting companies in its field, the division is a world leader in nuclear power and one of the leading names in Europe and Russia in conventional power generation. Business is also expanding rapidly in India and South-East Asia, where ÅF has already established a strong position in some segments.

The division's specialist expertise, breadth of experience and ability to take projects from the drawing board to implementation are some of the key factors behind its success.

### Energy Division – facts at a glance

- Consulting services for all types of energy.
- Global operations.
- 900 co-workers in Estonia, Finland, India, Lithuania, Nigeria, Russia, Switzerland, Thailand, Ukraine and Vietnam.
- Contribution to total Group sales: 27 percent.
- Approximately 90 percent of assignments are conducted outside Sweden.

Key figures	Proforma*		
	2009	2008	2008
Operating income (in millions of SEK)	<b>1,290</b>	1,051	1,268
Operating profit (in millions of SEK)	<b>124.5</b>	130.0	124.3
Operating margin, %	<b>9.7</b>	12.4	9.8
Contribution to Group sales, %	<b>27</b>	23	27
Number of co-workers (FTEs)	<b>879</b>	697	841
Operating profit per FTE (in thousands of SEK)	<b>142</b>	186	148

\*Adjustments made per 1 October 2008 following restructuring.

## MEET EERO AURANNE PRESIDENT, ENERGY DIVISION

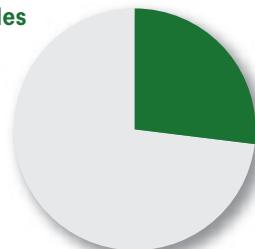
### The offer – consulting services for the entire investment cycle

The Energy Division offers a broad spectrum of services that includes expertise relating to technology, financing, management and energy consulting. While many assignments are connected to major investment projects, the division also regularly takes on projects to increase efficiency and capacity in existing plants. It also carries out environmental and safety investigations.

Energy offers services throughout the entire life cycle of an investment: analyses and feasibility studies in the initial stages, pre-engineering and engineering once the investment decision has been made, and project management during the implementation phase. This includes services such as project management/project control, the basic design of process solutions, procurement negotiations, manufacturing, design and installation inspections, and functionality testing. Once the plant is fully operational, the division can also assist with a range of other services, from troubleshooting to maintenance planning.

### Contribution to Group sales

**27%**



### What were you happiest about in 2009?

“Although the financial crisis hit the Russian economy extremely hard, our new acquisition, Lonas, reported good profits and won several prestigious new projects in Russia. At the same time, the company managed to integrate exceptionally well with the rest of the ÅF Group. I’m delighted about that.”

### What's top of your agenda for 2010?

“Above all we want to achieve higher volumes so we can grow organically. We need to become even better at using our combined expertise and our brand to increase the scope of our activities in countries where we already have a presence. We’ll also be continuing to identify possible candidates for future acquisitions in sectors or markets that are strategically important for us.”

### What's your motto in life?

“Integrity.”



## **“Client relationships are long-term and often characterised by a sense of partnership.”**

### **Clients – large-scale projects and partnerships**

The Energy Division's clients are private and publicly owned energy companies, energy-intensive industries, public institutions and financial institutions. These clients' investments are usually large-scale and extend over many years. As such, client relationships are long-term and often characterised by a sense of partnership. Thanks to the fact that the division has established a presence in many different locations, geographical proximity to clients is good.

- The division currently has several hundred clients.
- A large proportion of clients come back with repeat business.
- The ten largest clients account for 38 percent of the division's sales.
- Clients include Alpiq, Fortum, GUP TEK Saint Petersburg, Intekhpronenergy, Jyväskylän Voima, Kuopion Energia, Lietuvos Elektrine, the Ministry of Energy in Myanmar, Power Machines Company and Remnergomontash.

### **Market and trends – healthy order books**

#### **despite weak market**

The division began 2009 with well-filled order books, which ensured a good level of capacity utilisation despite the sluggish state of the economy. Economic uncertainty was greatest in Russia, the Baltic countries, Finland and South-East Asia. Towards the end of the year the markets stabilised and there were even signs of a slight upturn.

Despite the financial turmoil and rapid economic slowdown, the world still has a fundamental need for energy. Electricity consumption is increasing in many countries, driving a relentless quest for additional capacity that must be met by both conventional and renewable forms of energy. Furthermore, existing plant needs to be made more efficient in order to increase capacity and improve environmental performance. Sustainability issues relating to energy consumption have become a natural part of companies' business opportunities in more and more markets.

On balance, it seems fair to assume that the energy sector is likely to remain a growth area with considerable potential.

**Did you know** that in 2009 ÅF had between 600 and 700 consultants with the special skills required for nuclear power assignments? This makes ÅF the world's largest independent consulting company to the nuclear power industry.

## IMPORTANT EVENTS IN 2009

### Successful acquisition of Lonas

At the end of 2008 ÅF acquired a 75 percent stake in ZAO Lonas Technologia, a Russian technical consulting company headquartered in St Petersburg. Lonas was successfully integrated into the ÅF Group during the course of 2009. Despite the adverse business climate that currently prevails in the region, the company reported well-filled order books and earnings that exceeded expectations.

### New hydropower plant in Switzerland

In September, through its Swiss subsidiary ÅF-Colenco, ÅF was appointed principal consultant for a new hydropower plant in Switzerland. The plant is due to become operational in 2015. The client is NdD SA, a joint venture between Switzerland's largest energy producer, Alpiq, Swiss Federal Railways (SBB) and the regional electricity company, FMV. The assignment comprises project management and construction services.

### Power project in India

The division has been active in India for several years, working mainly on hydropower and dam projects. In 2009 operations expanded to include conventional power plants, and in August ÅF was appointed principal supplier of technical consulting services for the construction of a new 1,000 MW gas-fired power station. Tuff Energy, an Indian industrial conglomerate, owns the plant. During the autumn the division also won several medium-sized consulting assignments in the field of thermal power production.

# ÅF promotes environmental adaptation in India

"The Swedish Embassy in India is working to help transfer Swedish environmental expertise to India and to strengthen relations between the business communities in the two countries. Swedish companies that outsource production to India want to be certain that their Indian partners deal with environmental issues in an appropriate manner. By working together with the embassy, ÅF has won the opportunity to share its environmental expertise with Indian environmental companies, organisations and other industry stakeholders. India has well-developed environmental legislation, but implementation of the law remains weak in many areas. As part of its project remit, ÅF has also reviewed the Indian exporters' subcontractors. Here we have found a number of shortcomings and have initiated a process that attempts to encourage these companies to work seriously on green issues. This is a strategically important project for ÅF, as it provides a firm foundation for any environmental activities of our own that we may wish to set up in India at a later date."

**Hans Hargbäck,  
Senior Environmental  
Consultant – Stockholm**



ENERGY



# Improving the environment on the Kola Peninsula

"Apatity and Kirovsk are towns in the fragile wilderness north of the Arctic Circle on the Kola Peninsula in north-west Russia. The nearby Hibini Mountains are a popular skiing destination. Unfortunately, the region is polluted.

A joint venture between TGC-1 and Apatit OAO is investing substantial amounts to modernise the region's district-heating plant and heating system. This will impact positively on the environment in several ways: the operational safety of the heating system will improve, overall fuel consumption will drop, emissions will be reduced and energy prices can be stabilised. ÅF's Russian subsidiary, Lonas, won the commission to produce plans for a 12-kilometre district-heating pipeline that passes through some very difficult terrain.

A key element was to produce environmental impact assessments in line with national and regional ecological requirements, and to ensure that all the right permits were obtained. ÅF also worked on the redesign of the district-heating plant to increase heat output."

**Nadezhda Poletaeva,  
Chief Engineer, Thermal Engineering  
– St Petersburg**



# ENGINEERING

## ENGINEERING SERVICES CLOSE AT HAND FOR ALL SECTORS OF INDUSTRY

**The Engineering 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.**

### **The offer – from project start-up to full-scale operation**

In the Nordic region the Engineering Division is the largest independent consultant in its field and offers services for all types of industrial production companies. The division's consultants can work as an integral part of the client's own organisation or, in accordance with a model that is becoming increasingly popular, the division can assume total overall responsibility for the delivery of a specific function or even an entire project. Assignments can include everything from initial conceptualisation through feasibility studies, calculations and project engineering, to construction, programming, commissioning and inspection. In certain instances this involves new-builds of industrial facilities, but most of the contracts are undertakings to modernise existing production plants and processes or make them more efficient.

### **Engineering Division – facts at a glance**

- Engineering consulting services in all fields and in all sectors of industry.
- 1,400 co-workers in some 50 offices in Denmark, Germany, Norway, South Africa, Spain and Sweden.
- Contribution to total Group sales: 27 percent.
- Approximately 20 percent of assignments are conducted outside Sweden.

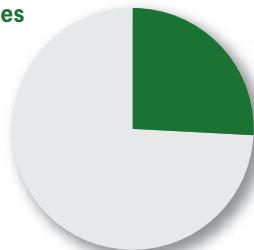
<b>Key figures</b>	<b>Proforma*</b>		
	<b>2009</b>	<b>2008</b>	<b>2008</b>
Operating income (in millions of SEK)	<b>1,316</b>	1,452	1,210
Operating profit (in millions of SEK)	<b>126.3</b>	160.1	162.1
Operating margin, %	<b>9.6</b>	11.0	13.4
Contribution to Group sales, %	<b>27</b>	32	26
Number of co-workers (FTEs)	<b>1,210</b>	1,273	1,103
Operating profit per FTE (in thousands of SEK)	<b>104</b>	126	147

\*Adjustments made per 1 October 2008 following restructuring.

Engineering has access to specialist competence in process technology, energy efficiency, environmental engineering, industrial IT, automation, electrical power systems, mechanical engineering, piping design, inspections, and design and analysis calculations. Typical assignments include technology, cost and environmental impact assessments in which process engineers produce the documentation that clients need to reach decisions on future investments, new control technology for production lines in manufacturing facilities, the integration of production systems and business management systems, investigations into plugging wind-farm power into the national grid, and design engineering for biofuel furnaces or nuclear power plants.

**Contribution to Group sales**

**27%**



## MEET PER MAGNUSSON PRESIDENT, ENGINEERING DIVISION

### What were you happiest about in 2009?

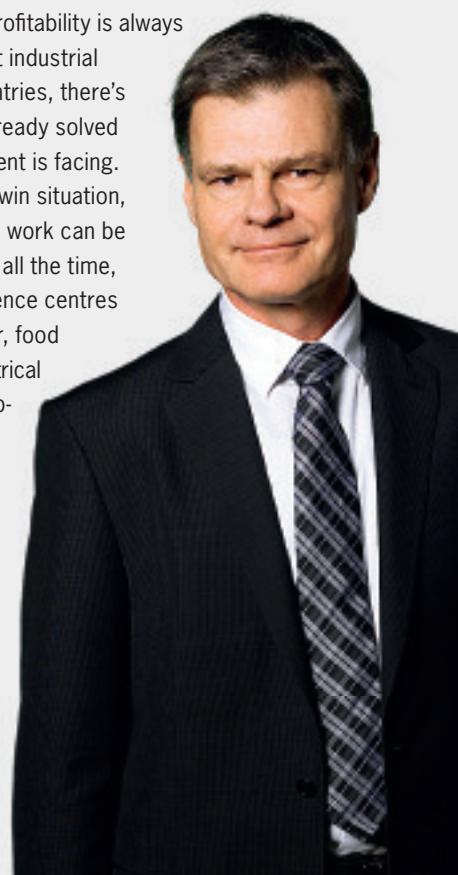
“Despite difficult market conditions, we managed to redeploy our resources between different projects, clients and sectors. It’s been a tough challenge for many managers and co-workers, and everyone has really had to pull together. Looking back on the year and across the division as a whole, I’m proud of the fact that we managed to stay busy and profitable.”

### What's top of your agenda for 2010?

“Helping to improve our clients’ profitability is always top of our agenda. As the biggest industrial consulting firm in the Nordic countries, there’s a very good chance that we’ve already solved a problem similar to the one a client is facing. Hiring ÅF should always be a win-win situation, where the value of every minute’s work can be measured. We’re also developing all the time, for example through our competence centres for nuclear power, pulp and paper, food technology, pharmaceuticals, electrical power and industrial IT. These provide a forum where people from all of the division’s units can share experience and develop expertise that can quickly be used to help clients. And then, of course, we also have our ‘re-use concept’, which means that clients can benefit from previous projects.”

### What's your motto in life?

“I have two: Honesty and Do it now.”



## “The division works close to its clients, geographically and in terms of collaboration.”

### Clients – a broad cross-section of industry

The Engineering Division offers services to all sectors of industry, but it enjoys a particularly strong standing in nuclear power, energy, pulp and paper, food technology, pharmaceuticals and other process industries. Not only does this strong and diverse client base leave the division relatively unscathed by ups and downs in the business cycle, but the services the division offers are attractive whatever the health of the economy: industry has a constant need for productivity improvements, environmental adaptations and measures to save energy and improve safety.

The division works close to its clients, geographically and in terms of collaboration. The strategy is for around 80 percent of the division's business to be generated by local clients, while the remaining 20 percent derives from joint projects with other units within the division or with other ÅF divisions. This creates flexibility within the organisation and the ability to accommodate clients' expansion ambitions. One clear trend is that the division's relationships with clients are increasingly assuming the character of partnerships, where Engineering is entrusted with extensive responsibility for the delivery of the projects. Some recent examples are described under the heading of "Important events in 2009".

- The division has more than 3,100 active clients.
- The ten largest clients account for 34 percent of the division's earnings.

- The largest single client accounts for nine percent of earnings
- Major clients include ABB, Alstom, Billerud, Fortum, Hjordnära, Korsnäs, LKAB, Novo Nordisk, Shell, Siemens, Sweden's nuclear power plants at Forsmark, Oskarshamn (OKG) and Ringhals, the Swedish Nuclear Fuel and Waste Management Company (SKB) and Westinghouse.

### Market and trends – efficiency improvements and redeployment of resources

The most important forces driving the market today are the need to make production facilities more efficient, environmentally related projects, the development of alternative fuels and conversions to make more efficient use of energy.

The economic slowdown that culminated in the autumn of 2008 continued to affect business in spring 2009, with manufacturing industry and the automotive industry suffering particularly badly. As the year drew to a close, however, the situation began to stabilise. Orders from the mining and steel industries began to pick up, as did those from pulp and paper. Demand remained good throughout the year from the food technology, pharmaceutical, energy and nuclear power industries.

The division has been able to offset the effects of the weak development in the market thanks to a more profitable range of services, better control over its fixed-price projects, continued success in cutting costs and the redeployment of resources to areas where demand has remained good.

ÅF's Engineering Division is a market leader in the Nordic countries with a market share of approximately nine percent.

**Did you know** that in 2009 ÅF opened new premises for 250 ÅF consultants in Malmö's rejuvenated docklands area. This makes ÅF one of the leading names in technical consulting in the expansive Öresund region. The ÅF building in Malmö was officially opened on 2 November 2009 by ÅF co-worker and world-class athlete Susanna Kallur.

# IMPORTANT EVENTS IN 2009

## Vattenfall

In February ÅF signed a new four-year framework agreement with Vattenfall, in which ÅF was appointed strategic partner in the areas of nuclear power, hydro-power and wind power. The agreement covers services ranging from project management, fact-finding and analysis to technical calculations and mechanical construction and design in all technical disciplines.

## Øresundsbro Consortium

In May the Øresundsbro Consortium chose ÅF as a principal supplier by signing a two-year agreement for technical consulting services in five out of six areas of technology for the Øresund Bridge that links Malmö in Sweden with Copenhagen in Denmark. The areas of expertise covered by the contract are heating, ventilation, air-conditioning and sanitation, electricity and automation, construction, and road and rail.

## Hydropower

In the third quarter, the division won a major hydropower assignment in northern Sweden. The order is in line with ÅF's strategy for expansion within the field of hydropower.

## Acquisitions

In November ÅF acquired two companies with a total of 27 highly qualified consultants in Malmö and Gothenburg. Etteplan, based in Malmö, focuses on industrial automation and project management. Elektroautomatik in Gothenburg also specialises in industrial automation and project management. These acquisitions consolidate the Engineering Division's market position in these two key Swedish regions.

## ÅF Nuclear Academy

A total of 125 engineers attended courses offered by the ÅF Nuclear Academy and were subsequently certified to work in the field of nuclear power.

## GreenLine

New software for improving energy efficiency was launched in the autumn. GreenLine CALC E+ optimises energy use from the earliest of design and construction phases, while GreenLine TAK E+ analyses energy use in existing facilities or production processes. Clients have shown keen interest in this concept.



# Project for locally produced organic milk

"Hjordnära Dairy on the outskirts of Hjo in southern Sweden is an exciting new project between seven local producers of organic milk and Skånemejerier Dairies. Hjordnära produces milk, cream, soured milk and yoghurt. All of the animals on the seven farms graze in the open, and the milk is transported only short distances as none of the cows live more than 25 kilometres from the dairy. The pastures where they graze are completely free from pesticides or artificial fertiliser. The small scale of the project, the organic farming methods and the short transport distances all contribute to a 'green' form of food production that shows concern for animals, consumers and the environment.

Hjordnära is located on the site of another, older dairy and ÅF was engaged to conduct a strategic study prior to start-up. As the project gradually took shape, the remit was extended to include total responsibility for purchasing, deliveries, project management, installation, training and commissioning. The result was a hi-tech dairy with a broad spectrum of processing techniques that include pasteurisation, homogenisation and separation. Only a short time after the initial study commenced, Hjordnära can now proudly claim that it is currently Sweden's only wholly organic dairy producing milk for the retail market."

**Magnus Andrén,  
Market Area Manager,  
Food Technology & Pharmaceuticals – Malmö**

A close-up photograph of two sunflowers. The flower in the foreground is in sharp focus, showing its bright yellow petals and dark brown, textured center. Behind it, another sunflower is partially visible, slightly out of focus. Both flowers are set against a white background.

# Sunny outlook in Norway

"The sun produces enough energy to meet the world's requirements more than 10,000 times over, but the technological challenges involved in converting this energy efficiently into cheap electricity on a large scale are enormous. REC Group in Norway is working to improve the processes, products and production levels needed to supply large volumes of cheap solar energy. The company is one of the world's largest manufacturers of silicon materials for photovoltaic cells, which are a key component of solar panels. REC needed to extend its Glomfjord factory in Norway to accommodate a new production line, and to replace old machinery. A brand new production system was also to be set up to boost efficiency.

ÅF won the commission to specify, configure and develop a solution that would integrate the entire production operation. Full production capacity was maintained throughout the project, and the quality of REC's end-products is now higher and more consistent, with manual handling strictly limited and full traceability. The manufacturing process involves around 200 state-of-the-art machines and robots. These are all integrated with one another as part of a complex solution developed by ÅF's specialists in industrial IT."

**Nico Dima,**  
**Section Leader and Project Manager – Malmö**

**RING**

# INFRASTRUCTURE

## GREEN, HI-TECH SOLUTIONS THAT LEAD THE MARKET

**The Infrastructure Division has a leading position in the Scandinavian market for technical solutions for infrastructure projects. The division's strengths include a strong sales organisation, sound commercial skills and a portfolio of services that offers clients sustainable, hi-tech solutions. Through its ability to develop innovative solutions that boost client profitability and target fulfilment, the division is continuously enhancing its market potential.**

### Infrastructure Division – facts at a glance

- Clients in telecommunications, the public sector, defence and the property market.
- Services include both one-off projects and full-service solutions, from initial conceptualisation to implementation.
- Infrastructure Planning and Energy Efficiency are growth areas that are given top priority.
- 1,600 members of staff at around 60 offices in Denmark, Norway and Sweden. Individual project activities are carried out all over the world, for example in Russia and China.
- Contribution to total Group sales: 37 percent.

### The offer – sustainability as an integral aspect of all services

The Infrastructure Division comprises five business areas: Communications & Defence, Infrastructure Planning, Installations, Product Development and Sound & Vibrations.

The division is Sweden's largest consulting company in the field of technical installations, offering qualified services related to the construction and modernisation of commercial, industrial and public-sector premises, where demand is frequently driven by an ambition to improve functionality, reduce operating costs or enhance environmental performance. Installations is also the largest of the division's business areas.

For assignments in Communications & Defence the division offers consulting services in fixed and mobile telephony, maintenance technology and integrated logistic support (ILS). Clients come from both the private and defence sectors.

Key figures	Proforma*		
	2009	2008	2008
Operating income (in millions of SEK)	<b>1,774</b>	1,859	1,894
Operating profit (in millions of SEK)	<b>141.2</b>	195.7	199.2
Operating margin, %	<b>8.0</b>	10.5	10.5
Contribution to Group sales, %	<b>37</b>	41	40
Number of co-workers (FTEs)	<b>1,573</b>	1,566	1,602
Operating profit per FTE (in thousands of SEK)	<b>90</b>	125	124

\*Adjustments made per 1 October 2008 following restructuring.

## MEET JOHAN OLSSON PRESIDENT, INFRASTRUCTURE DIVISION

The Sound and Vibrations business area possesses unique cutting-edge expertise in acoustics and vibrations to meet the needs of industry, infrastructure planners, architects, property management companies and product developers.

Product Development offers services related to product development and hi-tech IT applications that include embedded systems, mechanical engineering and programming. One area of operations that is attracting increasing attention is the ÅF EcoDesign Center, which offers clients an eco-friendly product development service to improve the environmental performance of their products and increase profitability.

The focus for Infrastructure Planning is firmly on road and rail traffic and public transport. Services here range from surveys and investigations to more technically oriented installations assignments. Current rail projects in Sweden include the new Bothnia Line railway, the Stockholm City Line rail link, the City Tunnel in Malmö, the Halland Ridge Tunnel and Uppsala marshalling yard.

### Share of Group sales

# 37%



### What were you happiest about in 2009?

"I'm happy that we managed to turn things around after a tough start to the year. We worked on a number of improvement programmes that proved successful and have made us stronger as we now head into 2010. At the same time, I'm pleased, of course, that we managed to win so much new business despite the financial crisis. And it was particularly encouraging to see such strong growth in Infrastructure Planning."

### What's top of your agenda for 2010?

"Growing our business – and doing so profitably. We'll continue to develop our portfolio of services to help clients improve their profitability, particularly in the field of energy efficiency where the market potential is huge. Just as importantly, we will continue to develop environmental thinking in all aspects of our offer and business. If we can tap the potential of all of our engineers, each of them contributing their own small green improvements, the world can look forward to a more sustainable future. That's good for our clients, for ÅF and for everyone."

### What's your motto in life?

"Who dares, wins. Fortune favours the brave."



## **“Clients are often large organisations and leading names in their field. Relations tend to be long-term with a high proportion of repeat business.”**

### **Clients – broad client base and limited sensitivity to the economic cycle**

The division's clients are often large organisations and leading names in their field, particularly within Infrastructure Planning, where projects often represent major investments that are funded by taxes or the public purse. Relations with clients tend to be long-term with a high proportion of repeat business.

As many major infrastructure projects extend beyond the horizon of a single economic cycle, the division's sensitivity to fluctuations in the economy is relatively limited. Other mitigating factors in this regard are the division's broad client base and the fact that many projects are driven by the need to improve efficiency, which always has a direct impact on clients' profitability regardless of the state of the economy.

- The division has approximately 5,000 clients.
- Approximately 60 percent of clients are from the public sector, and approximately 40 percent from the private sector.
- Between them the ten largest clients account for just under one third of the division's earnings.
- Important clients include Banverket (the Swedish Rail Administration), the Danish Road Directorate, Ericsson/Sony Ericsson, the Swedish Defence Materiel Administration (FMV), GE Healthcare, Saab AB, SkiStar, Statbygg (Norway), Stockholm's regional transport authority (SL), Volvohandelns Utvecklings AB and local and regional authorities.

### **Market and trends – strong market and shortage of capacity**

The market for the Infrastructure Division was mixed in 2009. For the Product Development business area things began slowly but improved towards the end of the year. In contrast, Infrastructure Planning continued to go from strength to strength. Other business areas showed steady development, but clients and investors do still remain cautious. The economic situation meant there were few new property projects for Installations, so there was a slight shift in the nature of the business area's assignments towards smaller-scale improvement projects.

As far as the economy is concerned, the outlook remains uncertain and the prospects mixed. It is assumed that interest in environmental investments and energy-efficiency projects will remain keen and, thanks to political decisions that have already earmarked funds for long-term investments in the Nordic road and rail network, demand here is also expected to be good. Additionally, the economic downturn has also led to a number of publicly funded stimulus packages that are currently driving demand for short-term improvement projects.

**Did you know that ÅF has more than  
130 consultants with Ph.Ds in technology?**

# IMPORTANT EVENTS IN 2009

## Railways

The division is a market leader in Sweden for services related to rail traffic. During the year, the division performed several assignments for the Swedish Rail Administration, including work on the Stockholm City Line project and Uppsala marshalling yard. Specialists from ÅF's Sound and Vibrations business area were also involved in these assignments. At the end of the year, ÅF won assignments that form part of the Fehmarn Belt bridge project in Denmark and signed contracts for these early in 2010.

## Defence

The division secured several new assignments from the Swedish Defence Materiel Administration (FMV), including work on electronic warfare measures, battle management systems and a new coastal radar system. The division also signed consulting contracts with major defence companies such as Saab, BAE Systems and Hägglunds.

## Telecoms

ÅF signed a new framework agreement with Ericsson, thus maintaining its status as a prioritised supplier. Ericsson is a key client, for whom ÅF develops and maintains test systems and performs various other services. The division won several international assignments during the year, including test systems for the

Asian telecom market. ÅF also signed contracts for 3G and 4G mobile network projects with TeliaSonera and secured other telecommunications assignments with Tele2, Telenor and Stockholm's regional transport authority (SL).

## EcoDesign

Since the division embarked on an EcoDesign venture in collaboration with the Royal Institute of Technology (KTH) in 2008, the joint undertaking has proved highly fruitful. EcoDesign is an innovative concept that paves the way for more environmentally friendly product development. Among new business generated in 2009 are assignments from clients that include Ericsson, GE Healthcare, Maquet and St Jude Medical.

## Energy efficiency

ÅF's new clients in the area of energy efficiency include Ahlsells, Akademiska Hus, Fabege, IKEA Russia, Vasakronan and Volvo.

A new "pay as you save" business concept for collaboration with companies in energy-efficiency measures means, in essence, that project fees are calculated in proportion to the energy saving that ÅF achieves for the client. Savings of 20–30 percent are not uncommon and can make a substantial contribution to boosting clients' profitability.



# Eco-screening for biotechnological instruments

"GE Healthcare turned to ÅF to conduct an eco-screening process on one of its products and to get the company's own eco-design work up and running. The product was Biacore™ T100, a research instrument for the development of pharmaceutical products: GE Healthcare wanted to know how it rated from an environmental perspective. We began by analysing and assessing the product's environmental impact from a life-cycle perspective. We produced documentation for internal eco-labelling of the product, and recommendations for future environmental work. We also identified the product's strengths from a green marketing perspective.

The project was a success, giving GE Healthcare better insights into how the product impacts on the environment, and how the company can minimise this impact in future development projects. Those of us who work with eco-design are extremely proud of having helped GE Healthcare to achieve its high environmental standards. We have now carried out eco-screening in a number of areas and it is very exciting to see the results from so many different products. Other eco-design work includes increasing the energy efficiency of radio base stations for telecom clients, supplying training in eco-design, and monitoring legislation."

**Jessica Lagerstedt Wadin,**  
**Section Leader, EcoDesign – Stockholm**

**INFRASTI**

# A technical challenge for body and soul

"SkiStar's spectacular Experium project is located in the Swedish skiing resort of Lindvallen. The brand new 'experience centre' includes a water park, children's play area, 3D cinema, bowling alley, spa treatments and cook-alongs in the restaurant. The technical arrangements are complex and extensive, and ÅF was commissioned to produce solutions for technical systems that required input from many different areas of expertise within the group – HVAC, electrical engineering, fire safety, acoustics, controls, testing and inspection. As this was the first centre of its kind in Sweden, we faced many challenges along the way. The energy issue was resolved by building an energy-efficient local district-heating station which runs on biofuels and serves not only Experium but other areas of the resort as well. In a bid to minimise energy consumption, the building was fitted with demand-controlled air treatment, a heat pump that recycles energy from the heater for the spa facilities and a wastewater recovery system. Experium also boasts spectacular lighting, which uses LED and low-energy options wherever possible. In addition, preparations have been made for 600 square metres of solar panelling. The end result? A resounding success – of course!"

**Anders Lundin,  
Regional Manager – Borlänge**



# INSPECTION

## TECHNICAL INSPECTIONS THAT MEET THE HIGHEST STANDARDS

**The Inspection Division is an accredited inspection body that offers third-party technical inspections, testing and certification.**

**The division's work aims to improve the operational reliability of clients' plant in the best interests of workers, the environment and production. Its services have a direct impact on client profitability.**

### Inspection – increased safety for workers, the environment and operations

In Sweden the Inspection Division is accredited by the Swedish Board for Accreditation and Conformity Assessment (SWEDAC). This accreditation guarantees that the division has the expertise required to carry out impartial inspections of clients' operations and facilities in order to verify compliance with ordinances and regulations issued by the various authorities. Inspection is also a "notified body" for inspections required by EU directives for pressure vessels, lifts/elevators, machinery, building machinery and railway systems.

As an independent third-party inspection body, the division works independently of other parts of the ÅF Group. Working relationships with clients are characterised by openness, with short turnaround times and clear, straightforward information to give clients an opportunity to detect problems quickly and identify measures to rectify them. The culture within the division ensures high levels of service, promotes an entrepreneurial spirit and fosters a sense of job satisfaction amongst employees.

### Inspection Division – facts at a glance

- Technical inspection, testing and certification services for all sectors, from the nuclear power industry to ski-lift operators.
- Services comprise inspection, testing, certification, environmental monitoring and training/education.
- 500 members of staff based in some 40 offices in the Czech Republic, Lithuania and Sweden.
- Contribution to total Group sales: 9 percent.
- 10 percent of assignments are conducted outside Sweden.

Key figures	Proforma*		
	2009	2008	2008
Operating income (in millions of SEK)	<b>407</b>	361	350
Operating profit (in millions of SEK)	<b>28.5</b>	43.9	43.9
Operating margin, %	<b>7.0</b>	12.1	12.5
Contribution to Group sales, %	<b>9</b>	8	7
Number of co-workers (FTEs)	<b>448</b>	351	341
Operating profit per FTE (in thousands of SEK)	<b>64</b>	125	129

\*Adjustments made per 1 October 2008 following restructuring.

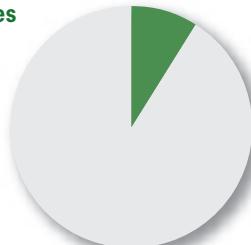
## MEET JÖRGEN BACKERSGÅRD PRESIDENT, INSPECTION DIVISION

Within its Swedish domestic market Inspection enjoys a very strong standing and is represented by local offices throughout the country. Offices in the Czech Republic and Lithuania act as a hub for work in neighbouring markets in Eastern Europe and the Baltic countries/Russia respectively. The Czech operation is a market leader in non-destructive testing, while the unit in Lithuania focuses on nuclear power and other test-intensive process industries.

Inspection, testing and certification activities dominate the work of the division. Inspection involves periodic independent checks of lifts/elevators, lifting devices, boilers, escalators, ski-lifts, fairground attractions, tanks, pressure vessels, etc. Testing involves examining components and devices using non-destructive techniques, such as radiography, ultrasound and visual checks. The division also offers advanced testing services, condition monitoring, status evaluations and certification services for its clients' products and staff. In addition Inspection serves as an accredited inspection body for Swedish nuclear power stations through its sister company, ÅF-TÜV Nord.

### Contribution to Group sales

**9%**



### What were you happiest about in 2009?

"We continued to build on our good, long-term relations with our clients. We realigned our operations, fine-tuned our range of services, and made our goals much clearer. As the economy didn't offer much in the way of growth opportunities in 2009, we devoted time to developing our expertise instead. Never before have we invested so much in training. Now we are better equipped than ever to grow."

### What's top of your agenda for 2010?

"Since we used 2009 to prepare ourselves, we intend to start to grow our business again in 2010 without compromising our profitability. There's a strong entrepreneurial spirit in the division, and we will do our utmost to market even more high-quality services to our clients, actively but not aggressively. We see it as a huge privilege to be able to introduce methods that lead to greater safety for our clients' employees and operations."

### What's your motto in life?

"Be honest and be yourself."



## **“Inspection offers services in all sectors and to a very large number of clients, so overall sensitivity to the business cycle is limited.”**

Inspection's services are continuously being developed: for example, documentation is becoming increasingly web-based, and some inspection and quality control systems are now fully automated.

The division also offers services and consulting in environmental inspection, emissions monitoring, special testing, CE-marking and the interpretation of various EU directives.

### **Clients – broad client base, low cyclical sensitivity**

Client needs for periodic technical inspections are relatively independent of the state of the economy. This, together with the fact that Inspection offers services in all sectors and to a very large number of clients, means that overall sensitivity to the business cycle is limited.

The division continued to broaden its client base in 2009, laying solid foundations for growth once the economy picks up. Clients are increasingly willing to adopt a preventive approach to the working environment, operational reliability and the environment. The sharper the focus on preventive inspections, the better maintenance planning will be, as this far-sightedness reduces the unplanned operational stoppages and unforeseen expenditure that otherwise impact directly on clients' profitability. Inspection can offer services to meet all needs as well as highly specialised services and long-term forms of cooperation.

- Inspection carries out almost 40,000 projects a year.
- The division has just over 20,000 clients, some 12,000 of whom come back each year.
- The 20 largest clients account for 40 percent of the division's sales.
- The largest client accounts for 9 percent of sales.
- Clients include Cramo, EuroMaint, Fortum Värme, PEAB, LKAB, Metso, Shell, Södra Cell, the Swedish nuclear power plants at Forsmark, Oskarshamn (OKG) and Ringhals, Tågå, Uddcomb, VEÅ, Volvo, Westinghouse Electric and YIT.

### **Market and trends – steady performance**

In 2009 the division's market share held steady at around 30 percent of the Swedish market. Demand was relatively constant in all areas of expertise and, despite the general economic slowdown, prices also remained stable. Demand was strongest for testing-related services in the nuclear power sector.

The harmonisation and deregulation of technical inspections in the EU is continuing to fuel growth. The market is becoming increasingly international, and the consolidation of the industry is expected to continue, particularly in the new member states. The division's operations in the Czech Republic and Lithuania are important platforms for ÅF's continued expansion in neighbouring markets.

The Inspection Division also has strategic alliances with other accredited inspection companies in Europe.

**Did you know** that ÅF has certified noses?  
The ÅF Olfactory Laboratory was established in 1985 to measure and assess odour quality using the human sense of smell.

# IMPORTANT EVENTS IN 2009

## Expansion in the Baltic region

In March ÅF established a presence in Lithuania. Its operation there, with around 25 highly qualified employees, will focus initially on testing and inspection services for the domestic nuclear power industry. As part of the start-up phase ÅF signed an important service contract with Ignalina Nuclear Power Plant. The portfolio of services will be expanded over time and offered to more companies in the region.

## Environmental inspection

A new operation for environmental monitoring was launched, focusing on areas such as monitoring flue gas emissions from combustion plants.

## Notified body for rail traffic

In 2009 ÅF was accredited as a notified body in accordance with EU directives in the rail sector. This enables ÅF's testing and inspection consultants to work both in the rapidly growing sector of high-speed trains and in the traditional rail sector.

## Broadening the nuclear power portfolio

Investments have been made to further develop highly advanced testing services in the nuclear power industry, in particular periodic inspections and mechanised inspections of reactor pressure vessels. This broadens ÅF's portfolio of services and, despite rather cautious reactions to the launch, the potential is expected to be great. It is envisaged that key future markets will include Central and Eastern Europe, as well as Finland.

## More important orders

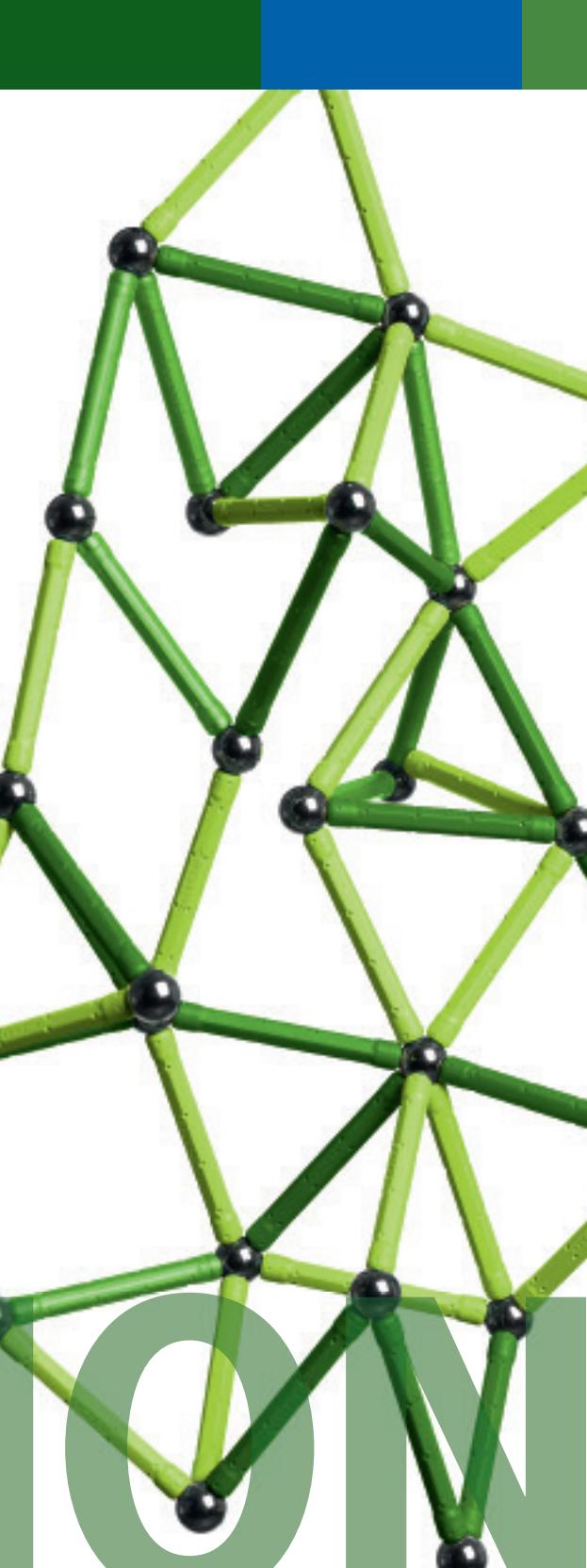
The Inspection Division won several key contracts in the nuclear power sector, including periodic inspection assignments using sophisticated testing systems for Forsmarks Kraftgrupp, and project engineering assignments relating to new testing equipment for OKG in Oskarshamn (part of the E.ON Group).



## Technical inspections on a very high level

"When Kalix Vindkraft bought a new wind turbine for its Axelsvik wind farm, the company sought independent third-party inspection to verify that the delivery accorded with the terms of the contract, and that the products met the technical specifications. When ÅF was asked to inspect the installation and ensure that the supplier followed the contractual obligations, we found a few minor deviations, which were then quickly put right. It can be difficult for a client to overview the very broad range of technology in a wind turbine: blades made from a hi-tech composite material, a tower in a welded steel construction, powerful gearboxes, mechanisms to gauge pitch and yaw, cast concrete foundations, power electronics, computerised monitoring systems, control systems, hydraulics systems, elevators, lifting equipment and safety equipment. It's a pretty tall order for any one inspector to possess all the expertise needed to check so much technology."

**Lars Gustafson,**  
**Technical Specialist – Linköping**



# Digital X-rays improve the environment in the Czech Republic

"Founded in 1862, Sandvik is now a world leader among hi-tech engineering companies. It manufactures state-of-the-art industrial tools, mining equipment and products made from high-alloy materials. One Sandvik plant in the Czech Republic manufactures stainless steel pipes used for instruments, hydraulics, compressed air, cables, etc. in the offshore sector. The 13–50 millimetre diameter pipes are welded together into long lengths that are then rolled up on cable drums for transportation and use. It is, of course, crucially important that the welding joints are of good quality. Over the years, ÅF's company in the Czech Republic has inspected around two million welded joints – and Sandvik hasn't registered a single complaint about any of them. Inspections are carried out using digital X-ray technology that has replaced the old-style X-ray films. This avoids the use of large amounts of lead and silver and means that the inspection of Sandvik pipes is now completely environmentally friendly. One thing is clear: in this and many other industries, the potential for more up-to-date, environmentally friendly inspection methods is immense."

**Martin Černík,  
Production Manager – Pardubice**

# ÅF SHARES

**ÅF's class B shares have been quoted on the Stockholm Stock Exchange since January 1986. Prior to this, ÅF traded as a cooperative association from 1895 until 1980, and as a joint-stock company from 1981. ÅF's B shares are traded in Stockholm on the Nasdaq OMX exchange's Mid Cap list under the 'AF B' ticker symbol. At the end of 2009 the combined market capitalisation of the company's shares, including class A shares, was SEK 3,329 million (2008: SEK 2,027 million).**

## Share movements and turnover

The quota value of the share is SEK 10. ÅF's class B shares traded at SEK 195.50 at the end of 2009, compared with SEK 119 at the beginning of the year, an increase in value of 64 percent. During the same period the Stockholm OMXS-PI all-share index rose by 47 percent. During the year a total of 12,418,178 shares were traded for an aggregate value of SEK 1,770 million (2008: 12,184,948 shares worth SEK 1,885 million). Turnover per trading day averaged SEK 7.05 million (SEK 7.32 million). The share was traded on 100 percent of trading days in both 2009 and 2008.

## ÅF rewarded for its work with Investor Relations

In 2009 Viktor Svensson, ÅF's Executive Vice President Corporate Information, was voted Sweden's Best IR Manager among medium-sized listed companies. The award was the result of a survey conducted by the Swedish business magazine *Affärsvärlden* in collaboration with Regi Research & Strategi that was based on analysts' rankings of companies' overall performance in investor relations issues.

## Dividend policy and dividend

The board has adopted a dividend policy according to which the dividend corresponds to approximately 50 percent of the consolidated profit after tax excluding capital gains. For the company's operations during 2009 the board proposes a dividend of SEK 8.00 per share (2008: SEK 6.50 per share).

## Share buy-backs

In accordance with the mandate given by the Annual General Meeting ÅF acquired a total of 105,000 of the company's shares in 2009. The purpose of the buy-backs is to safeguard the company's obligations with regard to the Performance-related Share Programme (PSP) approved by the AGM. ÅF owns a total of 142,000 of the company's class B shares relating to PSP 2008 and PSP 2009.

## Investor relations

ÅF's positive development is reflected by interest in the ÅF share. The company adopts a long-term approach to its communication with the capital market.

In September this included a Capital Market Day in Stockholm, which focused on the Energy Division, with Hans Blix, former Director General of the International Atomic Energy Agency (IAEA) as the guest speaker. The audience comprised around 40 analysts, institutional shareholders, asset managers and representatives of the media.

## Analysts who regularly monitor the progress of ÅF:

Stefan Wård, Handelsbanken Capital Markets

Johan Dahl, Swedbank Markets

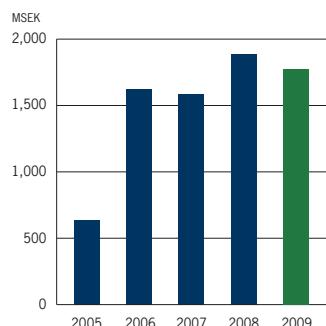
David Jacobsson, Öhman Fondkommission

Andreas Koski, HQ Bank

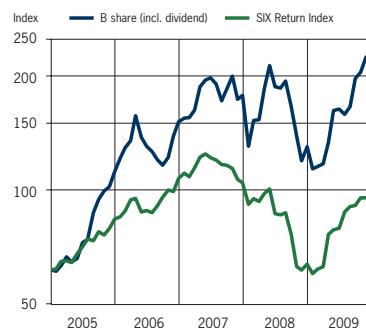
Daniel Djurberg, Nordea

Charlotte Widmark, Carnegie

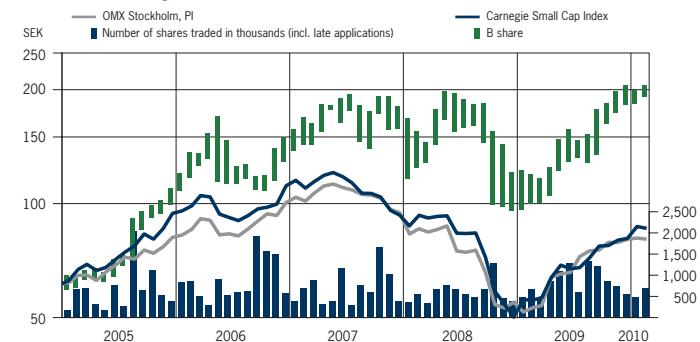
### Annual turnover in ÅF class B shares (in millions of SEK)



### Total yield – 5 years



### ÅF share – 5-year trend



### Daniel Djurberg is a stock market and financial analyst with Nordea, specialising in Swedish technical companies. He has been following ÅF since 2007.

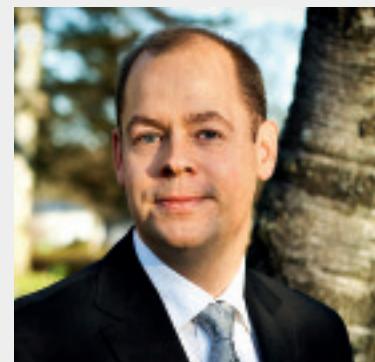
“ÅF has undergone a much-needed change in its operational activities since the new CEO took the helm. The work to build a strong, homogeneous and attractive company under the banner of the new ÅF brand has borne fruit both in terms of income and margins. I have seen the ÅF share as an attractive investment opportunity, particularly in view of the company’s stable client base with more than 40 percent of earnings deriving from the energy and infrastructure sectors.

“ÅF has performed well, given the conditions that have prevailed on the market and in comparison with its competitors. Even during the economic downturn ÅF has continued to work on its skills mix, client care, PR and the re-use of its own and its

clients’ experiences. This leaves the company in very good shape to meet what we hope will be a more buoyant market in 2010. I expect development to be more fragmented for a time, with caution and restraint remaining the watchwords, especially in manufacturing industry and construction-related services.

“Also, because of higher costs and shrinking revenues in the wake of rising unemployment, there are some big question marks around the investment capacity of municipal and regional government.

“Progress should be strongest in ÅF’s areas of core competence, such as energy and infrastructure planning.”



## Historical development of share capital

Year	Per value	Change	Change in number of shares		Number of shares		Share total	Share capital SEK '000
			A shares	B shares	A shares	B shares		
1984	50	ÅF issues convertible debentures to employees			727,460		727,460	36,373
1985	50	Redesignation	-42,600	42,600	684,860	42,600	727,460	36,373
1986	50	New issue and B share floated on A list		300,000	684,860	342,600	1,027,460	51,373
1987	20	Bonus issue and split	684,860	1,370,060	1,369,720	1,712,660	3,082,380	61,648
1990	20	Conversion of convertible debentures from 1984	269,420	480,580	1,639,140	2,193,240	3,832,380	76,648
1994	20	Redesignation	-810,475	810,475	828,665	3,003,715	3,832,380	76,648
1996	20	Bonus issue	414,332	1,501,857	1,242,997	4,505,572	5,748,569	114,971
1997	20	Redesignation	-840,778	840,778	402,219	5,346,350	5,748,569	114,971
2004	20	New issue		175,807	402,219	5,522,157	5,924,376	118,488
2005	20	New issue		37,766	402,219	5,559,923	5,962,142	119,243
2006	10	Split 1:2	402,219	5,559,923	804,438	11,119,846	11,924,284	119,243
2006	10	New issue		1,121,527	804,438	12,241,373	13,045,811	130,458
2006	10	New issue		3,232,164	804,438	15,473,537	16,277,975	162,780
2007	10	New issue		90,951	804,438	15,564,488	16,368,926	163,689
2007	10	Conversion of convertible debentures from 2005/2008		566,307	804,438	16,130,795	16,935,233	169,352
2008	10	Conversion of convertible debentures from 2005/2008		94,268	804,438	16,225,063	17,029,501*	170,295

\* Of which 142,000 are held by the company.

### Shareholders in Sweden and abroad

31 December 2009	Percent of capital
Sweden	65.1
Other Nordic countries	10.2
Rest of Europe	15.8
USA	8.0
Others	0.9

The number of shareholders rose by 703 during 2009 to a total of 6,082.

### Shareholder categories

31 December 2009	Percent of capital
Foreign owners	35
Swedish owners	65
of which:	
Institutions	92
Private individuals (incl. close companies)	8

### Size of shareholding

31 December 2009	Percent of capital	
Number of shares	Shareholders	Percentage of shares
<500	4,858	4.3
500–5,000	1,028	8.7
>5,000–	196	87.0
<b>Total</b>	<b>6,082</b>	<b>100.0</b>

### The ten largest owners on 31 December 2009

Owner	A shares	B shares	Holding, %	Votes, %
Ångpanneföreningen's Foundation for Research & Development	801,438	1,916,288	15.96	40.92
Swedbank Robur investment funds	0	1,376,043	8.08	5.67
JP Morgan Chase Bank	0	1,091,309	6.41	4.50
Nordea investment funds – Sweden	0	836,704	4.91	3.45
Åfond Foundation (ÅF Group Trust)	0	704,839	4.14	2.90
Handelsbanken investment funds – incl. XACT	0	599,498	3.52	2.47
Nordea investment funds – Finland	0	527,559	3.10	2.17
Fourth National Swedish Pension Fund (AP4)	0	477,506	2.80	1.97
SSB CL Omnibus AC OM09	0	390,392	2.29	1.61
JP Morgan Bank	0	341,217	2.00	1.41
<b>Total, 10 largest owners</b>	<b>801,438</b>	<b>8,261,355</b>	<b>53.22</b>	<b>67.06</b>
<b>Total, other owners</b>	<b>3,000</b>	<b>7,963,708</b>	<b>46.78</b>	<b>32.94</b>
<b>Total 31 Dec 2009</b>	<b>804,438</b>	<b>16,225,063</b>	<b>100.00</b>	<b>100.00</b>

### Key ratios per share (SEK), before dilution

SEK	2005	2006	2007	2008	2009
Share price, 31 Dec.	118	146	169	119	195.50
Pre-tax profit	17.33	10.81	19.26	26.83	21.74
Profit after tax	15.96	7.38	13.15	19.08	15.86
Profit after tax, after dilution	15.63	7.16	13.11	19.08	15.81
Equity, excluding non-controlling interests	46	67	79	99	107
Yield, percent	2.1	2.1	3.8	5.5	4.1 <sup>1)</sup>
Dividend	2.50	3.00	6.50	6.50	8.00 <sup>2)</sup>
Annual turnover rate, times	65.3	95.3	59.7	75.0	76.0
Market capitalisation (MSEK)	699.1	2,376.6	2,862.1	2,026.5	3,329.3

<sup>1)</sup> Based on proposed dividend for 2009

<sup>2)</sup> Proposed dividend



## Pilzen

**Pavel Hort** is a design engineer in the power generating industry. "The best thing about my job is the opportunities I get to work on different projects all over the world. You learn something new every day. The best thing about ÅF is the huge variety of interesting projects and all the career opportunities the company offers."

# CONTROLLED RISKS – A WINNING WAY FORWARD

## Operational risks

### *Business-cycle dependence*

The Nordic region is ÅF's largest market, where clients operate in a number of industries, including the energy sector, the public sector, industry, property and construction. This means that ÅF is dependent on reasonably stable trends in these areas to achieve its targets. The general economic situation and propensity to invest are also highly significant, but ÅF's diversification over a number of markets and in areas that experience different business cycles reduces any risk.

To reduce dependence on the Nordic market and take advantage of growth opportunities, ÅF is expanding outside the Nordic region. ÅF's strategy is to grow in the segments in which the Group is already a Nordic market leader. Increasing the geographical spread will help to offset the effect of local business cycles.

### **Capacity utilisation and hourly rates**

A consulting firm's capacity utilisation rate is a key factor behind its ability to generate a profit. Every percentage point difference in this invoiced-time ratio equates to a rise or fall of around SEK 50 million in ÅF's annual earnings. The hourly rate itself is also, of course, another essential component for the profitability of a consulting company. Increasing the hourly rate by SEK 10 would, if all other factors remained unchanged, also improve profits for ÅF by some SEK 50 million a year.

Various approaches are adopted to reduce sensitivity, including employing contracted consultants and personnel on fixed-term contracts, increasing the variable component in salaries, broadening expertise and markets, and packaging services to increase competitiveness and reduce clients' sensitivity to pricing. ÅF is also increasingly taking over the management of large-scale projects for its clients and liaising directly with subcontractors with regard to the detailed project planning services that are necessary during the various phases of the project.

### **Fixed-price contracts**

Fixed-price contracts for carefully specified consulting services can be beneficial to both parties. Often consultants are able to make use of past experience to serve their clients more efficiently and are well placed to make an accurate assessment of the time and resources required. A fixed-price contract may, however, involve an increased risk for client and consultant alike, if the time required to complete the assignment is not correctly estimated. In the event that the fixed price is exceeded, ÅF suffers a write-down in its fee. Training and tuition in factors such as project management and the formulation of appropriate terms and conditions is the key to reducing the risks associated with this kind of agreement. Continuous monitoring and evaluation of the amount of work remaining in fixed-price contracts also reduce this risk. Major fixed-price assignments may be led only by assignment managers who have received the requisite training.

**Did you know** that ÅF is expanding rapidly in India? ÅF has 40 employees in Noida on the outskirts of Delhi and is already one of India's biggest hydropower consultants.

### Acquisition risks

Over the past decade or so the technical consulting sector has undergone a process of consolidation and this process continues unabated. Failure to follow this industry trend could result in the gradual erosion of competitive strength. While ÅF remains committed to taking an active part in this process, it also recognises that growth and the takeover of other consulting companies is not risk-free.

To minimise the risks, ÅF has adopted a systematic approach to acquisitions with strict criteria for obligatory documentation and thorough reviews. The ÅF board conducts an annual evaluation of any companies that have been taken over, and a special Acquisitions Unit has been set up to ensure a proactive and systematic approach to corporate acquisitions and expansion into new geographical markets.

### Employees

To achieve the targets that have been set, it is crucial that employees in a consulting company are motivated and possess the relevant skills and knowledge. There is always a risk that highly competent employees may join competitors or clients, or set up their own businesses. The risk is exacerbated if these people are able to use their inside knowledge of the company to cherry-pick the best of their skilled colleagues. A situation like this could make it difficult for ÅF to deliver the services it is contracted to supply and lead to extra costs for the company.

In order to attract and retain co-workers of the right calibre, ÅF invests (for example via the ÅF Academy) in continuous professional development, skills development and management training. It is highly unusual for large numbers of key employees to leave the ÅF Group, and annual co-worker surveys show that

employees are largely happy in their work. ÅF is able to offer the opportunity to work on large and highly sophisticated international projects, which is attractive to potential employees. Competition for qualified members of staff at all levels is increasing, and with it the pressure on ÅF to present itself as an attractive employer. For this reason ÅF invests large sums each year in recruitment and induction activities.

### Competitors

Competition in the technical consulting industry comes from a number of major international companies and various small local competitors in each individual market. Competition is fierce, both for projects and for the best personnel, and consulting companies in countries with significantly lower cost structures are also attracting certain clients. However, thanks to the company's breadth and depth of skills, ÅF's own competitive appeal is steadily increasing.

### Business support system

ÅF has its own business support system, ONE, for managing, following up, controlling and documenting both fixed-price and open-account assignments. ONE has been certified in accordance with ISO 9001:2000 (quality) and ISO 14001:2004 (environment). Today more than 85 percent of ÅF's consultants work with ONE, which safeguards cost-control for both fixed-price assignments and those invoiced by the hour.

### Environmental risks

Under the provisions of current environmental legislation the ÅF Group does not require any environmental permits nor does it have any obligations to report on its activities. The business's

environmental risks are restricted to the possible consequences of contravening existing environmental legislation. However, ÅF has sophisticated follow-up procedures built into its certified business support system to ensure that all units within the Group comply with environmental law. ÅF is not involved in any environmental disputes or incidents.

### Legal risks

ÅF's business activities do involve a risk of dispute. Disputes may arise if ÅF disagrees with a client about the conditions that apply to a certain assignment. Disputes can also arise in conjunction with takeovers. Drawing up contracts for all assignments with terms appropriate to the project in hand reduce the risk. When taking over another company's business operations, ÅF has a tried-and-tested body of rules and regulations that is used to guide the process. For more complex transactions, legal advice is always sought.

### Insurance

In order to reduce risk in its business activities, ÅF has a high level of insurance protection that covers ÅF for the liability involved in any given project. ÅF is covered for loss of contribution and for additional costs in the event that its premises are damaged or its equipment is stolen.

### IT risks

The majority of ÅF's IT support has been outsourced to highly reputable suppliers. Although agreement has been reached with these service providers on response and action times, there

can be no cast-iron guarantees that unplanned interruptions will not lead to loss of income at one or more of the Group's offices.

### Financial risks

#### *Finance policy*

Through its operations the ÅF Group is exposed to various types of financial risk in the form of fluctuations in the company's earnings and cash flow as a consequence of changes in exchange rates, interest rates and credit risks. Responsibility for the Group's financial transactions and risks is handled centrally by the parent company's accounting and reporting department in accordance with policies laid down by the Board of Directors. The overall goal is to provide cost-effective financing and to minimise the negative effects of market fluctuations on the Group's earnings. Seen as a whole, the financial risks within the Group are relatively low.

#### *Currency risk*

Currency risk comprises the risk that fluctuations in exchange rates will have a negative impact on the consolidated income statement, balance sheet and cash flow. Currency risk can be split into transaction exposure and translation exposure. Transaction exposure is the net of operating and financial inflows and outflows in foreign currencies. Currency risks related to changes in expected and contracted payment flows are relatively limited for ÅF, as the majority of sales and expenses are invoiced in local currencies. In accordance with current policy, payment flows in foreign currencies are hedged only when it is possible to determine the amount and time of the transaction with a

great degree of certainty. In the event of an incoming payment in foreign currency that involves a net exposure in excess of 100,000 euros the risk is hedged through derivatives. The risk is also hedged through derivatives in the event of an outgoing payment in foreign currency that involves a net exposure in excess of 50,000 euros.

Translation exposure comprises foreign subsidiaries' net assets and profits/losses in foreign currency. In line with established policy ÅF does not hedge translation exposure.

#### *Interest rate risk*

Interest rate risk comprises the risk that changes in interest rates will affect the Group's net interest income/expense and/or cash flow. The Group's financing expense is affected by changes in market interest rates. For the purpose of reducing the effect of changes in interest rates on the Group's performance, ÅF's policy is that the average fixed-rate period on loans taken out must be between three and twelve months. During 2009 the fixed-rate period for the company's borrowing averaged one month. With current borrowing requirements, the effect on the Group's profit/loss of a change of 1 percent in interest rates would be in the region of SEK 4 million. ÅF's policy is for cash and cash equivalents to be deposited in bank accounts with local banks. Loans from credit institutions consist largely of overdraft facilities.

#### **Credit risks**

##### *Financial credit risk*

ÅF's financial transactions give rise to credit risks in relation to financial counterparties. The risk of a counterparty being unable to fulfil its obligations is reduced through the careful selection of creditworthy counterparties and the capping of involvement with each counterparty.

##### *Bad debt risk*

This form of credit risk relates to the outstanding accounts receivable at any given time: in other words, the credit extended to ÅF's clients. This risk is limited through ÅF's highly effective credit policy, which specifies how the company's credit management procedures are to be implemented to avoid any uncontrolled assumption of risks and prevent any unnecessary bad debt losses. This includes, for example, rules on advance payments and advice on how to avoid clients who are likely to have payment problems. Historically, the Group has reported only very limited credit losses. ÅF's ten largest clients, who account for a total of 23 percent of the Group's sales, are all large listed companies or publicly owned institutions. There are, therefore, no exceptional credit risks in relation to any one major client.

#### **Sensitivity analysis**

Factor	Change (all other factors unchanged)	Effect on earnings SEK/share (after tax)
Capacity utilisation	±1 %	±2.15
Hourly rate	±1 %	±1.53
Payroll costs	±1 %	±1.12
Overheads	±1 %	±0.37
Number of co-workers (FTEs)	±1 %	±0.17



## **Baden** Paola Fumagalli is an assistant in the unit for Water and Environment.

"The best thing about my job is the opportunity to work flexibly and independently in an open and supportive working environment. What I like best about ÅF is the team spirit – people from different culture and countries working together and pooling their ideas to find solutions to energy and environmental challenges."

# DEFINITIONS

## **Operating margin**

Operating profit/loss in relation to operating income.

## **Profit margin**

Profit/loss after net financial items, in relation to operating income.

## **Equity ratio**

Equity including non-controlling interests in relation to the balance sheet total.

## **Current ratio**

Current assets in relation to current liabilities and current provisions.

## **Return on equity**

Profit/loss after tax in relation to average shareholders' equity including non-controlling interests.

## **Return on total capital**

Profit/loss after net financial items and restoration of interest expense, in relation to the average balance sheet total.

## **Return on capital employed**

Profit/loss after net financial items and restoration of interest expense in relation to the average balance sheet total, minus non interest-bearing liabilities and net deferred tax.

## **Interest cover**

Profit/loss after net financial items and restoration of interest expenses, in relation to interest expense.

## **Earnings per share**

Earnings attributable to the parent company's shareholders relative to the average number of shares.

## **Dividend yield**

Dividend per share in relation to the year-end share price.

## **Equity per share**

Equity attributable to the parent company's shareholders relative to the total number of shares.

## **Cash flow per share**

Cash flow from operating activities in relation to the average number of shares.

## **Invoiced-time ratio**

The time invoiced to clients as a percentage of the total time all employees are present at work.

## **Full-time equivalents (FTEs)**

Number of employees during the year converted to the equivalent number of year-long, full-time positions. The actual number of employees is higher, owing to part-time employment and the fact that some employees work only part of the year.

## FIVE-YEAR FINANCIAL SUMMARY, SEK

Values in millions of SEK unless otherwise stated	2009	2008	2007	2006	2005
<b>Operating income and profit</b>					
Operating income	4,692	4,570	3,862	3,134	2,405
Operating profit	388	479	332	168	226
Operating profit excluding other operating income	374	478	331	148	90
Profit after net financial items	377	461	322	158	222
Profit for the year	275	328	220	108	204
<b>Capital structure</b>					
Non-current assets	1,733	1,728	1,320	997	254
Current assets	1,850	1,882	1,476	1,303	966
Equity including non-controlling interests	1,827	1,699	1,339	1,091	581
Non-current provisions	120	190	90	97	90
Non-current liabilities, excluding provisions	41	183	186	118	63
Current provisions	31	8	10	1	2
Current liabilities, excluding provisions	1,564	1,530	1,171	993	484
Balance sheet total	3,583	3,610	2,796	2,300	1,220
Equity (average)	1,740	1,482	1,200	820	445
Total capital (average)	3,518	3,090	2,487	1,860	1,217
Capital employed (average)	2,192	1,921	1,579	1,161	691
<b>Key figures</b>					
Operating margin, percent	8.3	10.5	8.6	5.4	9.4
Operating margin excluding other operating income, percent	8.0	10.5	8.6	4.8	4.0
Profit margin, percent	8.0	10.1	8.3	5.0	9.2
Equity ratio, percent	51.0	47.1	47.9	47.5	47.6
Current ratio, times	1.2	1.2	1.2	1.3	2.0
Return on equity, percent	15.8	22.1	18.3	13.1	45.9
Return on total capital, percent	11.1	15.6	13.8	9.7	18.8
Return on capital employed, percent	17.8	25.2	21.8	15.6	33.1
Interest cover, times	30.0	21.5	19.9	9.3	32.8
<b>ÅF share</b>					
Earnings per share, SEK	15.86	19.08	13.15	7.38	15.96
Earnings per share after dilution, SEK	15.81	19.08	13.11	7.16	15.63
Yield, percent	4.1	5.5	3.8	2.1	2.1
Equity per share, SEK	107.36	99.46	78.82	67.12	45.63
Equity per share after dilution, SEK	107.05	99.30	78.80	67.72	47.41
Cash flow from operating activities per share, SEK	18.04	18.91	18.93	8.31	-4.71
Cash flow from operating activities per share after dilution, SEK	17.99	18.87	18.84	8.04	-4.42
Buying rate 31 December, SEK	195.50	119	169	146	118
Market capitalisation	3,329	2,027	2,862	2,377	699
Ordinary dividend per share, SEK	8.00*	6.50	6.50	3.00	2.50
<b>Other</b>					
Invoiced-time ratio, percent	71.3	74.1	75.1	72.9	71.5
Investment in equipment, excluding leasing	40	96	54	52	42
Investment in property	3	38	102	—	—
Investment in intangible assets	68	196	253	738	34
FTEs excluding associates	4,182	3,948	3,623	3,167	2,538

\* Proposed dividend

## FIVE-YEAR FINANCIAL SUMMARY, EUR

Values in millions of EUR unless otherwise stated	2009	2008	2007	2006	2005
Exchange rate at the end of the reporting period	10.35	10.94	9.47	9.05	9.43
Average exchange rate	10.62	9.61	9.25	9.25	9.28
<b>Operating income and profit</b>					
Operating income	442	476	418	339	259
Operating profit	37	50	36	18	24
Operating profit excluding other operating income	35	50	36	16	10
Profit after net financial items	35	48	35	17	24
Profit for the year	26	34	24	12	22
<b>Capital structure</b>					
Non-current assets	167	158	139	110	27
Current assets	179	172	156	144	102
Equity including non-controlling interests	176	155	141	120	61
Non-current provisions	12	17	9	11	10
Non-current liabilities, excluding provisions	4	17	20	13	7
Current provisions	3	1	1	0	0
Current liabilities, excluding provisions	151	140	124	110	51
Balance sheet total	346	330	295	254	129
Equity (average)	164	154	130	89	48
Total capital (average)	331	322	269	201	131
Capital employed (average)	206	200	171	125	74
<b>Key figures</b>					
Operating margin, percent	8.3	10.5	8.6	5.4	9.4
Operating margin excluding other operating income, percent	8.0	10.5	8.6	4.8	4.0
Profit margin, percent	8.0	10.1	8.3	5.0	9.2
Equity ratio, percent	51.0	47.1	47.9	47.5	47.6
Current ratio, times	1.2	1.2	1.2	1.3	2.0
Return on equity, percent	15.8	22.1	18.3	13.1	45.9
Return on total capital, percent	11.1	15.6	13.8	9.7	18.8
Return on capital employed, percent	17.8	25.2	21.8	15.6	33.1
Interest cover, times	30.0	21.5	19.9	9.3	32.8
<b>ÅF share</b>					
Earnings per share, EUR	1.50	1.99	1.42	0.80	1.72
Earnings per share after dilution, EUR	1.49	1.99	1.42	0.78	1.68
Yield, percent	4.1	5.5	3.8	2.1	2.1
Equity per share, EUR	10.37	9.10	8.32	7.42	4.84
Equity per share after dilution, EUR	10.30	9.08	8.32	7.48	5.03
Cash flow from operating activities per share, EUR	1.70	1.97	2.05	0.90	-0.51
Cash flow from operating activities per share after dilution, EUR	1.69	1.96	2.04	0.87	-0.51
Buying rate 31 December, EUR	18.88	10.88	17.84	16.13	12.51
Market capitalisation	322	185	302	263	74
Ordinary dividend per share, EUR	0.77*	0.59	0.69	0.33	0.27
<b>Other</b>					
Invoiced-time ratio, percent	71.3	74.1	75.1	72.9	71.5
Investment in equipment, excluding leasing	4	10	6	6	5
Investment in property	0	4	11	—	—
Investment in intangible assets	6	20	27	80	4
FTEs excluding associates	4,182	3,948	3,623	3,167	2,538

\* Proposed dividend

# ADMINISTRATION REPORT

## ÅF AB (publ)

Corporate identity number 556120-6474

The Board of Directors and the President of ÅF AB (publ) herewith submit their annual report for the year 2009. ÅF AB, which has its registered office in Stockholm, is the parent company of the ÅF Group.

### Group and parent company

ÅF is a leading company in the technical consulting industry, with expertise founded on more than a century of experience. ÅF offers highly qualified services and solutions in fields of expertise that include energy and environment, industrial processes, infrastructure projects and the development of products and IT systems. ÅF is also one of the leading names in testing and inspection. The Group's operational base is in the Nordic region, but its business and clients are found all over the world.

ÅF bases its consulting business on the development of systems and products, and on investments, maintenance measures and ongoing modification work relating to its clients' plant, processes, machinery and buildings. The majority of projects originate in Swedish and international industrial companies, service companies and the real estate sector.

### Sales and earnings

Given the relative difficulty of the market situation in the wake of the global financial crisis ÅF performed well in 2009, strengthening its market positions during the year, particularly in energy, environment and infrastructure planning.

Operating income totalled SEK 4,692 million (2008: SEK 4,570 million), an increase of 3 percent. Organic growth was negative at minus 4 percent.

Operating profit totalled SEK 388 million (SEK 479 million) and the operating margin was 8.3 (10.5) percent.

The capacity utilisation rate was 71 (74) percent.

Profit after tax was SEK 275 million (SEK 328 million).

Earnings per share, before dilution, totalled SEK 15.86 (SEK 19.08).

The reduction in occupational pension premiums introduced by Alecta had a positive effect on ÅF's operating profit of SEK 40 million in 2008.

### Divisional Performance

#### Energy

**Operating income SEK 1,290 million (2008: SEK 1,051 m)**

**Operating margin 9.7% (12.4%)**

The Energy Division is a leading international energy consultant and a world leader in nuclear power consulting.

After a dip in the first six months of the year, the market for energy consulting picked up during the second half, with improvements in the credit market and a more stable situation in the global economy helping to fuel increased activity. At the same time, the urgency of the climate issue is a major influence on the modernisation of energy production worldwide.

Well-filled order books and the improved market situation in the second half combined to help Energy report a satisfactory level of profitability given the weak state of the market in the first six months of 2009.

$$(k_i/\lambda^s) \cdot d\lambda / (e^{k_i/\lambda^s} - 1) \cdot d\lambda = (k_i/\lambda^s) \cdot d\lambda / (e^{k_i/\lambda^s} - 1)$$

Profitability for the final quarter of 2009 was highest in the units in Finland and Switzerland, both of which are involved in major international project management assignments in Europe and Asia. These two units, with a total of almost 500 employees, reported operating margins of around 12 percent. The Energy Division's operations in Russia also continued to report a good level of profitability. Profits were lowest in Sweden, but this can be attributed mainly to a strategic focus on rapid organic expansion to strengthen the division's position on its domestic market.

#### Engineering

**Operating income: SEK 1,316 million (2008: SEK 1,452 m)**

**Operating margin: 9.6% (11.0%)**

The Engineering Division is Northern Europe's leading technical consultant for industry. Engineering's performance was adversely affected by weaker demand at the same time as a number of major projects were brought to a conclusion during the year. This led to a fall in capacity utilisation and, consequently, lower profits. Although the economic situation stabilised as the year drew to a close, several sectors of industry remain cautious about making major new investments.

Earnings were buoyed up, however, thanks to the combination of reduced costs and the positive effects of transferring unoccupied consultants to business areas and regions where the outlook is brighter. Demand was strongest within the mining, nuclear power, food processing and pharmaceutical industries. Clients' investments relate mainly to measures to rationalise production facilities, projects related to environmental improvements, the development of alternative fuels and managed transitions to more efficient energy use.

It is worth noting that the market for consulting services in the pulp and paper industry showed signs of a recovery towards the end of 2009 after several years of low levels of activity. In December the division won new contracts with SCA, Mondi and the Swedish Forest Industries Federation (Skogsindustrierna), the trade and employers' organisation for the pulp and paper industries.

#### Infrastructure

**Operating income: SEK 1,774 million (2008: SEK 1,859 m)**

**Operating margin: 8.0% (10.5%)**

The Infrastructure Division holds a leading position in consulting services for infrastructure development in Scandinavia.

With the exception of the business areas for Infrastructure Planning and Energy Efficiency, there was a dip in the market for qualified consulting services in the infrastructure sector as a whole in 2009. Among the measures initiated to combat this were an increase in sales activities, internal transfers of consultants to areas where demand remained brisk, lay-offs and a general review of costs.

The division's largest business area, Installations, with 650 consultants in Sweden and Norway, reported satisfactory results, especially in view of the fact that the market for construction-related services remained depressed. The market segment that once again showed the most rapid growth was energy efficiency conversions in existing properties, where demand for efficient solutions in commercial, industrial and public sector properties remained as strong as ever.

Infrastructure Planning continued to report strong organic growth and rising profits in a market that is now driven by large-scale investments in the Nordic countries' road and rail networks.

## Inspection

**Operating income: SEK 407 million (2008: SEK 361 m)**

**Operating margin: 7.0% (12.1%)**

The Inspection Division works with technical inspections, chiefly in the form of periodic inspections, testing and certification.

Earnings for the Inspection Division were disappointing. The division's core business developed by and large according to expectations, but profits were eroded by high investment costs for developing testing equipment and specialist expertise for the nuclear power industry. These costs are running far in excess of those budgeted for this initiative, so an action programme was initiated towards the end of the year to reduce development costs and raise income. It is anticipated that the projects within this action programme will begin to break even during the second quarter of 2010, after which they should start to generate a profit.

The market for technical inspections remained positive, although growth was lower than in the corresponding period for 2008. Demand remains good from the nuclear power industry. The Inspection Division has long-term contracts with all three Swedish nuclear power plants and with a handful of plants outside Sweden. Demand also rose from the rail industry.

## Acquisitions, disposals and alliances

Through its Inspection Division (ÅF-Kontroll), ÅF established a new, wholly-owned subsidiary in Lithuania in the first quarter of 2009. Operations focus on testing and inspection within the nuclear power industry. The company was initially staffed by 30 employees, all of them transferred as part of an agreement with the state-owned Ignalina Nuclear Power Plant (INPP) that also included a service contract to supply INPP with inspection and testing services.

In the fourth quarter, through its Engineering Division, ÅF took over the operations of two businesses in Malmö and Gothenburg (Sweden) with a total of 27 consultants. The first acquisition was of Etteplan in Malmö with 14 members of staff; the second was of Elektroautomatik with 13 consultants in Gothenburg.

## Research and development

The divisions carry out research and development work in conjunction with universities and trade organisations, but also internationally with EU funding. In-house method development also forms part of this R&D work. For the Group as a whole, R&D costs during the year totalled SEK 41 million (2008: SEK 36 million), mostly in the form of the costs for time spent on R&D projects by ÅF's own salaried employees. In addition to this, ÅF's divisions work with R&D and product development in certain of their client assignments. Revenue from these assignments totalled approximately SEK 455 million.

## Cash flow and financial status

Operating cash flow for the year as a whole totalled SEK 306 million (2008: SEK 321 million). The vigorous efforts to reduce capital tied-up have borne fruit. Total cash flow for the year was SEK 66 million (SEK -54 million). Acquisitions completed and additional considerations paid amounted to a total of SEK 40 million (SEK 145 million).

The Group's liquid assets totalled SEK 345 million (SEK 290 million), and the net loan debt at the end of the year amounted to SEK 44 million (SEK 174 million).

Equity per share was SEK 107.36 and the equity/assets ratio was 51.0 percent. At the beginning of 2009 equity per share was SEK 99.46 and the equity/assets ratio was 47.1 percent.

Equity on 31 December 2009 totalled SEK 1,827 million (SEK 1,699 million).

ÅF AB has credit facilities amounting to SEK 750 million.

## Investments

Gross investment in property, plant and equipment for 2009 as a whole totalled SEK 43 million (2008: SEK 124 million). In 2008 SEK 32 million were invested in land and buildings to meet the growth in business for ÅF's Swiss operations, ÅF Colenco, and SEK 43 million were invested in ÅF's new headquarters in Solna.

## Parent company

Parent company sales, primarily for various intra-group services, totalled SEK 294 million for the period January–December 2009 (2008: SEK 253 million). The parent company reported a loss of SEK 4 million (SEK -39 million) after net financial items. For 2009, SEK 15 million relating to the incentive programme, which, in previous years, has been recognised in the parent company's profit or loss, has been charged to the appropriate subsidiaries. Cash and cash equivalents totalled SEK 4 million (SEK 4 million), and gross investment in machinery and equipment for the year amounted to SEK 10 million (SEK 51 million). In 2008 a total of SEK 43 million was invested in ÅF's new headquarters.

The parent company has increased its participations in Group companies and associates to SEK 2,117 million (SEK 1,019 million) as a result of restructuring of shareholdings.

## Environmental work

Together with its stakeholders and society in general, ÅF has an important duty to work towards sustainable development. In many instances, ÅF is tasked with introducing new and better technology, implementing rationalisation measures and reducing emissions. With more than a century's experience as an established name in technical consulting, ÅF adopts a long-term perspective to business and has its sights firmly set on making a positive contribution to sustainable development.

ÅF frequently participates in collaboration between different players in trade and industry, the public sector and the world of research. Its role as a consultant is to act as a bridge by facilitating understanding and the exchange of knowledge among those involved. ÅF also acts as an expert resource for ISO in the development of international guidelines for Corporate Social Responsibility, ISO 26000. For details of ÅF's environmental and sustainability work, please see pages 21–25.

A new sustainability plan for ÅF will be implemented during the course of 2010.

## Employees

The number of FTEs was 4,182 (2008: 3,948).

The total number of employees at the end of the reporting period was 4,428 (4,448): 3,161 in Sweden and 1,267 outside Sweden.

ÅF adopts an active, long-term perspective to attract and retain skilled employees. This approach involves marketing ÅF as an employer externally, but also providing clear information to both current and potential employees about the various career paths and opportunities for development available at ÅF.

ÅF improved its appeal as an attractive employer. In Universum's annual Career Barometer survey of 5,620 engineers, ÅF moved up to second place overall among Swedish companies in the league table of the most popular employers for 2009–2010. ÅF received awards from Universum for its ranking as runner-up overall and as "Best in Industry".

The internal "Five of Five Thousand" project has identified and defined three main career paths within ÅF: specialist/expert, project manager and manager. At the same time the ÅF Academy has also been established to support these career paths and the development of co-workers in their specific professional role within the company, and to assist managers in this development work. All the courses that are offered by this internal training organisation include modules on entrepreneurial skills. For further details about ÅF's work with human resources, please see pages 14–20.

### Sensitivity and risk analysis

The capacity utilisation rate of a consulting company is crucial to its ability to generate a profit. Every percentage point change in this figure affects ÅF's results by plus/minus approximately SEK 50 million. The hourly rate, of course, is also a key component in the results of a consulting company. An increase in the hourly rate of SEK 10 would, if all other factors remained unchanged, improve profits for ÅF by around SEK 50 million. Methods of reducing sensitivity include the use of sub-consultants, fixed-term employment contracts and increases in the variable salary component, along with measures to broaden expertise and markets and to productise services, which involves packaging a number of services to improve competitiveness and reduce price sensitivity.

While most ÅF assignments are carried out on an open-account basis, fixed price contracts are also agreed in a number of cases. This does, of course, represent a financial risk if the costs involved in a project are miscalculated. Careful estimates of costs and follow-ups of fixed-price assignments are carried out to minimise the risk of impairment.

If the set targets are to be reached, it is absolutely crucial for a consulting company that staff are motivated and possess the relevant skills and expertise. There is always a risk that skilled employees may leave ÅF and set up their own company or be headhunted by the competition. In order to attract and retain staff, ÅF invests in continual training, skills development and leadership development. ÅF's ambition is to make every employee perceive some form of added value in working for ÅF.

ÅF's business activities involve a risk of dispute. Drawing up contracts for all assignments and specifying in detail the terms of the agreement reduces the risk. In most instances, ÅF's Swedish contracts are carried out in accordance with ÅF's General Conditions (based on ABK96: "General Conditions for Consulting Assignments for Architects and Engineers, 1996").

ÅF's ambition is to augment growth by acquiring other consulting companies. The increased risk that this involves is minimised by adopting a systematic approach to acquisitions and insisting on the relevant documentation and reviews. An annual evaluation of recent acquisitions is carried out by the ÅF Board.

Through its operations, ÅF is exposed to various financial risks, such as currency risk, interest rate risk, financial credit risk and client credit risk. Responsibility for the Group's financial transactions and risks is held centrally by the parent company's accounting and reporting department in accordance with the policies adopted by the board. The overriding goal is to provide cost-effective financing and to minimise the negative impact of market fluctuations on the Group's earnings. To minimise the currency risk in contracted payment flows in foreign currencies, large contracts are hedged using derivatives. For a more detailed description of risk management and sensitivity analysis, please refer to Note 25 and to pages 56–60 in this annual report.

### Shares

ÅF's B shares have been quoted on the Nasdaq OMX exchange (Mid Cap) in Stockholm since January 1986. Prior to that, ÅF traded as a cooperative association (Ångpanneföreningen) from 1895 until 1980 and as a joint-stock company from 1981.

ÅF shares traded at SEK 195.50 at the end of 2009, an appreciation of 64 percent in value over the year. The Stockholm OMXS-PI all-share index rose by 47 percent during the same period.

ÅF's market capitalisation as at 31 December 2009 was SEK 3,329 million (31 Dec 2008: SEK 2,027 million).

During the year there was a turnover of 12,418,178 (12,184,948) shares, valued at a total of SEK 1,770 million (SEK 1,885 million). The average turnover per trading day was SEK 7.05 million (SEK 7.32 million). Shares were traded on 100 (100) percent of trading days.

The total number of ÅF shares on 31 December 2009 amounted to 17,029,501, of which 804,438 were class A shares and 16,225,063 were class B shares. ÅF AB held 142,000 of its own class B shares on 31 December 2009.

The ten largest shareholders in ÅF are listed on page 54 of this annual report.

### Performance-related Share Programme 2009

At the Annual General Meeting held on 5 May 2009 shareholders in ÅF AB resolved to implement a new performance-related share savings programme (PSP) for up to 150 key individuals in the company, including the President/CEO.

Employees who participate in the programme can reserve a sum corresponding to a maximum of 5 percent of their gross salary for the purchase of ÅF shares on the Nasdaq OMX stock exchange in Stockholm over a 12-month period from the date of implementation of the programme. On expiry of the application period, 110 ÅF employees in key positions had expressed an interest in purchasing approximately 23,400 shares for the entire 2009 programme, based on the share price at the end of the application period.

In the event that the preset performance targets are met in full, some 99,000 shares will be transferred to these employees without consideration during 2012 and 2013. This can lead to dilution of a maximum 0.6 percent of earnings per share.

The share programmes for 2008 and 2009 can together result in a maximum dilution of earnings per share equivalent to 1.1 percent.

### Share buy-backs

In accordance with the mandate given by the Annual General Meeting, ÅF acquired a total of 105,000 of the company's shares in 2009. The purpose of the buy-backs is to safeguard the company's obligations with regard to the Performance-related Share Programme (PSP) approved by the AGM. ÅF owns a total of 142,000 of the company's class B shares relating to PSP 2008 and PSP 2009.

### Board of Directors

Following the recommendation of the Nomination Committee eight directors (without deputies) were elected by the Annual General Meeting to serve in 2009: Ulf Dinkelpiel, Patrik Enblad, Tor Ericson, Eva-Lotta Kraft, Jon Risfelt, Helena Skåntorp and Lena Treschow Torell were re-elected, and Anders Snell was elected to serve a first term as a director of the company. Anders Snell is Chairman of Ångpanneföreningen's Foundation for Research and Development.

Patrik Tillack and Fredrik Sundin were appointed as employee representatives on the board. Bo G Andersson and Anders Toll are deputy employee representatives.

Ulf Dinkelspiel was re-elected as Chairman of the Board. At its inaugural meeting following the AGM, the board elected Lena Treschow Torell as its Deputy Chair. Please turn to pages 128–129 for a more detailed presentation of board members and directors.

### Work of the Board of Directors

During the 2009 financial year, the board held six meetings in addition to the inaugural meeting. The work of the board focuses chiefly on strategic issues, business plans, financial statements, major investments and takeovers and other decisions which, according to the written rules of procedure, are to be dealt with by the board. A presentation of developments with regard to the company's business operations and financial position is a standing item on the agenda. In conjunction with each ordinary meeting of the board, one business area within the company is also scrutinised in greater detail. At the board meeting in August a strategy seminar was arranged with a special review of each division.

Other ÅF employees have participated in board meetings to present reports. Viktor Svensson, ÅF's Executive Vice President, Corporate Information, has served as secretary to the board.

An evaluation of the board's work during the year has been carried out.

ÅF's Corporate Governance Report is presented separately on pages 121–126.

### Senior management

In 2009 the ÅF Group's senior management team comprised Jonas Wiström (President and CEO), Jonas Ågrup (CFO), Viktor Svensson (Executive Vice President, Corporate Information), Charlotte Witt (Director, Human Resources), Jacob Landén (General Counsel) and the Divisional Presidents, Eero Auranne, Jörgen Backersgård, Per Magnusson and Johan Olsson. Gunilla Fladvad is the secretary to the senior management group.

Please turn to pages 130–131 for a presentation of the senior executives in the company.

### Guidelines for the remuneration of the senior executives of the Company

The 2009 Annual General Meeting resolved that the principles below relating to remuneration and other conditions of employment for senior executives of the company will apply for contracts of employment signed or amended after the Annual General Meeting. By "senior executives of the company" is meant the President/CEO and other members of the senior management group.

ÅF Group policy is that remuneration should be on competitive market terms, to enable the Group to recruit and retain senior executives with the requisite skills and experience. ÅF applies the "grandfather principle", according to which remuneration terms must always be approved by each manager's immediate superior.

The remuneration package of senior executives consists of basic salary, a variable salary element, pension, the use of a company car, other remuneration and eligibility for the share-related incentive programme.

Remuneration is based on factors such as duties, expertise, experience, position and performance. The apportionment between basic salary and variable remuneration is also related to the executive's position and duties. The variable element for

the CEO is a maximum of 75 percent of the fixed annual salary, and for other executives, 60 percent. The fixed annual salary is the current monthly salary multiplied by 12.2. The variable remuneration paid is the amount after the deduction of social security contributions. The variable element is based on outcomes in relation to targets. The targets and salary for the CEO are determined by the Board of Directors. Targets and salary for other senior executives are set by the CEO in consultation with the Remuneration Committee.

Senior executives have defined-contribution pension plans with market contributions. All pension benefits are transferable, and are not, therefore, dependent on future employment. The retirement age for the CEO is 60, and for other senior executives, 65 (with the exception of contracts signed before 2002).

The 2009 Annual General Meeting authorised the board to deviate from the guidelines for remuneration drawn up by the Annual General Meeting, if there are special reasons for doing so in individual instances.

For information regarding previously approved remuneration which has not become due for payment, please refer to Note 8 in this annual report.

The Board of Directors proposes that the 2010 Annual General Meeting resolves that the principles for remuneration and other conditions of employment for senior management for 2010 shall be in line with the principles that have been applied during 2009.

### Prospects for 2010

The economic situation deteriorated in 2009 in the wake of the financial crisis and ÅF is therefore bracing itself for another relatively tough year in a very challenging marketplace. However, it is anticipated that the state of the economy in 2010 as a whole will be better than in 2009.

The majority of ÅF's operations are concentrated on industries such as energy, environmental engineering, infrastructure and inspection, where the prospects for long-term expansion remain excellent. ÅF is in a favourable financial position with long-term client relations and a strong brand, all of which bodes well for the future.

### Proposed appropriation of profits

Non-restricted profits of SEK 1,175,876,022 are at the disposal of the Annual General Meeting.

The Board of Directors and CEO propose that these profits be appropriated as follows:

To the shareholders:

a dividend of SEK 8.00 per share	135,100,008
To be carried forward	1,040,776,014
<b>Total, SEK</b>	<b>1,175,876,022</b>

The board's explanation of the proposed appropriation of profits will be posted on the company's website, [www.afconsult.com](http://www.afconsult.com). It can also be ordered from the company.

## CONSOLIDATED INCOME STATEMENT

1 January – 31 December (in thousands of SEK)	Note	2009	2008
<b>Operating income</b>			
Net sales	2	4,677,909	4,568,835
Other operating income	5	14,093	820
		<b>4,692,002</b>	<b>4,569,655</b>
<b>Operating expenses</b>	6		
Other external costs	7, 26	-1,564,221	-1,488,979
Personnel costs	8	-2,671,945	-2,540,421
Depreciation/amortisation and impairment of tangible and intangible assets	13, 14	-61,641	-54,060
Other operating expenses	9	-7,574	-11,098
Share of associates' profit/loss	15	1,631	3,566
<b>Operating profit/loss</b>	2	<b>388,252</b>	<b>478,663</b>
<b>Result from financial investments</b>			
Financial income		12,211	12,903
Financial expenses		-23,501	-30,686
Net financial items	10	<b>-11,290</b>	<b>-17,783</b>
<b>Profit after financial items</b>		<b>376,962</b>	<b>460,880</b>
Tax	22	-101,625	-133,129
<b>Profit for the year</b>		<b>275,337</b>	<b>327,751</b>
Attributable to:			
Shareholders in the parent company		268,747	324,184
Non-controlling interest		6,590	3,567
		<b>275,337</b>	<b>327,751</b>
<b>Earnings per share with regard to profit attributable to shareholders in the parent company</b>	12		
before dilution, SEK		15.86	19.08
after dilution, SEK		15.81	19.08

## STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

1 January – 31 December (in thousands of SEK)	Note	2009	2008
Change in translation reserve for the year	18	–56,714	171,755
Cash flow hedging		–370	576
Fair value, adjustment securities		—	–7
Pensions, (actuarial gains and losses)		44,147	–44,603
Tax		–8,730	9,965
Effect of change in tax rate		—	–85
<b>Other comprehensive income</b>		<b>–21,667</b>	<b>137,601</b>
<b>Profit for the year</b>		<b>275,337</b>	<b>327,751</b>
<b>Total comprehensive income for the period</b>		<b>253,670</b>	<b>465,352</b>
Attributable to:			
Shareholders in parent company		247,366	460,875
Non-controlling interest		6,304	4,477
		<b>253,670</b>	<b>465,352</b>

## CONSOLIDATED BALANCE SHEET

As per 31 December (in thousands of SEK)	Note	2009	2008
<b>Assets</b>	3, 4		
Intangible assets	13	1,369,761	1,357,067
Tangible assets	14	332,925	338,638
Participations in associates	15	12,447	13,426
Financial investments	16	1,169	1,269
Non-current receivables		5,673	2,104
Deferred tax asset	22	10,908	14,805
<b>Total non-current assets</b>		<b>1,732,883</b>	<b>1,727,309</b>
Accounts receivable	24	881,762	978,706
Revenue generated but not invoiced		457,084	423,634
Current tax assets	22	15,101	—
Other receivables		92,038	132,897
Prepaid expenses and accrued income	17	58,984	56,643
Cash and cash equivalents		344,660	290,338
<b>Total current assets</b>		<b>1,849,629</b>	<b>1,882,218</b>
<b>Total assets</b>		<b>3,582,512</b>	<b>3,609,527</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

As per 31 December (in thousands of SEK)	Note	2009	2008
<b>Equity and liabilities</b>			
<b>Equity</b>	18		
Share capital		170,295	170,295
Other contributed capital		467,705	482,011
Reserves		122,438	179,142
Retained earnings including profit for the year		1,052,557	858,646
<b>Equity attributable to shareholders in parent company</b>		<b>1,812,995</b>	<b>1,690,094</b>
Non-controlling interest		13,559	8,548
<b>Total equity</b>		<b>1,826,554</b>	<b>1,698,642</b>
<b>Liabilities</b>	3,4		
Liabilities to credit institutions	19, 25	39,729	95,716
Provisions for pensions	20	62,354	103,823
Other provisions	21	27,323	66,286
Deferred tax liabilities	22	29,951	19,675
Other liabilities		1,649	87,500
<b>Total non-current liabilities</b>		<b>161,006</b>	<b>373,000</b>
Liabilities to credit institutions	19, 25	289,422	264,999
Work invoiced but not yet carried out		256,648	298,440
Accounts payable – trade		264,858	231,337
Current tax liability	22	31,753	79,010
Other liabilities		310,916	183,767
Accrued expenses and prepaid income	23	410,624	472,023
Provisions	21	30,731	8,309
<b>Total current liabilities</b>		<b>1,594,952</b>	<b>1,537,885</b>
<b>Total liabilities</b>		<b>1,755,958</b>	<b>1,910,885</b>
<b>Total equity and liabilities</b>		<b>3,582,512</b>	<b>3,609,527</b>

For information about the Group's pledged assets and contingent liabilities, please refer to Note 27.

## STATEMENT OF CHANGE IN EQUITY FOR THE GROUP

In thousands of SEK	Equity attributable to shareholders in parent company						Non-controlling interest	Total equity
	Share capital	Other contributed capital	Reserves	Profits brought forward incl. profit for the year	Total			
Equity brought forward 1 Jan 2008	169,352	478,599	7,883	679,110	1,334,944	4,220	1,339,164	
<b>Other comprehensive income</b>	—	—	<b>171,259</b>	<b>-34,569</b>	<b>136,690</b>	<b>911</b>	<b>137,601</b>	
Profit for the year				324,184	324,184	3,567	327,751	
<b>Total comprehensive income for the period</b>	—	—	<b>171,259</b>	<b>289,615</b>	<b>460,874</b>	<b>4,478</b>	<b>465,352</b>	
Dividends				-110,079	-110,079	-2,084	-112,163	
New issue (convertible)	943	6,665			7,608		7,608	
Share buy-backs		-4,456			-4,456		-4,456	
Share savings programme 2008		1,203			1,203		1,203	
Non-controlling interest in acquired companies					—	1,934	1,934	
<b>Equity carried forward 31 Dec 2008</b>	<b>170,295</b>	<b>482,011</b>	<b>179,142</b>	<b>858,646</b>	<b>1,690,094</b>	<b>8,548</b>	<b>1,698,642</b>	
Equity brought forward 1 Jan 2009	170,295	482,011	179,142	858,646	1,690,094	8,548	1,698,642	
<b>Other comprehensive income</b>	—	—	<b>-56,704</b>	<b>35,323</b>	<b>-21,381</b>	<b>-286</b>	<b>-21,667</b>	
Profit for the year				268,747	268,747	6,590	275,337	
<b>Total comprehensive income for the period</b>	—	—	<b>-56,704</b>	<b>304,070</b>	<b>247,366</b>	<b>6,304</b>	<b>253,670</b>	
Dividends				-110,159	-110,159	-1,293	-111,452	
Share buy-backs		-16,140			-16,140		-16,140	
Share savings programme 2008		575			575		575	
Share savings programme 2009		1,259			1,259		1,259	
<b>Equity carried forward 31 Dec 2009</b>	<b>170,295</b>	<b>467,705</b>	<b>122,438</b>	<b>1,052,557</b>	<b>1,812,995</b>	<b>13,559</b>	<b>1,826,554</b>	

For supplementary information, please see Note 18.

## STATEMENT OF CASH FLOWS FOR THE GROUP

1 January – 31 December (in thousands of SEK)	Note	2009	2008
<b>Operating activities</b>	31		
Profit after financial items		376,962	460,880
Adjustment for items not included in cash flow		48,998	66,040
Income tax paid		-150,203	-135,907
<b>Cash flow from operating activities before changes in working capital</b>		<b>275,757</b>	<b>391,013</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables		51,794	-103,202
Change in operating liabilities		-21,713	33,380
<b>Cash flow from operating activities</b>		<b>305,838</b>	<b>321,191</b>
<b>Investing activities</b>			
Acquisition of tangible assets		-42,635	-124,115
Acquisition of intangible assets		-15,658	-2,300
Acquisition of business operations	4	-2,160	-142,056
Additional considerations paid		-37,773	-3,421
Disposal of business operations	3	19,920	—
Acquisition of financial assets		-750	-526
<b>Cash flow from investing activities</b>		<b>-79,056</b>	<b>-272,418</b>
<b>Financing activities</b>			
Proceeds from borrowing		6,813	29,156
Amortisation of loans		-40,219	-15,384
Dividend paid to parent company shareholders and non-controlling shareholders		-111,452	-112,163
Share buy-backs		-16,140	-4,456
<b>Cash flow from financing activities</b>		<b>-160,998</b>	<b>-102,847</b>
<b>Cash flow for the year</b>		<b>65,784</b>	<b>-54,074</b>
Cash and cash equivalents brought forward		290,338	310,382
Exchange difference in cash/cash equivalents		-11,462	34,030
<b>Cash and cash equivalents carried forward</b>		<b>344,660</b>	<b>290,338</b>

## PARENT COMPANY INCOME STATEMENT

1 January – 31 December (in thousands of SEK)	Note	2009	2008
<b>Operating income</b>			
Net sales		207,358	179,392
Other operating income		86,760	73,599
		<b>294,118</b>	<b>252,991</b>
<b>Operating expenses</b>			
Other external costs	7, 26	-127,007	-135,176
Personnel costs	8	-71,653	-81,460
Depreciation and impairment of tangible and intangible assets	13, 14	-9,260	-5,090
Other operating expenses		-91,943	-80,567
		<b>-5,745</b>	<b>-49,302</b>
<b>Result from financial investments</b>			
Result from shares in Group companies	10	3,721	173
Interest income and similar profit/loss items	10	8,144	28,623
Interest expense and similar profit/loss items	10	-10,442	-18,657
		<b>1,423</b>	<b>10,139</b>
<b>Loss after financial items</b>		<b>-4,322</b>	<b>-39,163</b>
Appropriations	11	-13,244	-10,881
<b>Pre-tax profit/loss</b>		<b>-17,566</b>	<b>-50,044</b>
Tax	22	5,494	13,846
<b>Loss for the year</b>		<b>-12,072</b>	<b>-36,198</b>

## PARENT COMPANY BALANCE SHEET

As per 31 December (in thousands of SEK)

Note

2009

2008

### Assets

#### Non-current assets

Intangible assets	13	3,268	—
Tangible assets	14	57,547	56,473
Participations in Group companies	29	2,109,530	1,018,464
Investments in associates	15	7,952	613
Receivables from Group companies	28	2,100	3,114
Non-current receivables		1,280	—
Deferred tax asset	22	—	4,810
<b>Total non-current assets</b>		<b>2,181,677</b>	<b>1,083,474</b>

#### Current assets

Accounts receivable		1,865	2,760
Receivables from Group companies	28	192,653	889,507
Receivables from associates	28	106	129
Revenue generated but not invoiced		3,505	2,607
Current tax assets	22	13,556	—
Other receivables		9,362	18,920
Prepaid expenses and accrued income	17	31,451	26,903
Total current receivables		252,498	940,826

Cash and bank balances		3,887	3,869
<b>Total current assets</b>		<b>256,385</b>	<b>944,695</b>

<b>Total assets</b>		<b>2,438,062</b>	<b>2,028,169</b>
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## PARENT COMPANY BALANCE SHEET (CONTINUED)

As per 31 December (in thousands of SEK)	Note	2009	2008
<b>Equity and liabilities</b>			
<b>Equity</b>	18		
<b>Restricted equity</b>			
Share capital (804,438 class A shares and 16,225,063 class B shares: total 17,029,501 shares with a quota value of SEK 10)		170,295	170,295
Statutory reserve		46,948	46,948
<b>Non-restricted equity</b>			
Fair value reserve		—	433
Share premium reserve		441,043	457,183
Profit brought forward		746,905	717,518
Profit/loss for the year		-12,072	-36,198
<b>Total equity</b>		<b>1,393,119</b>	<b>1,356,179</b>
<b>Untaxed reserves</b>	30	25,762	12,518
<b>Provisions</b>			
Provisions for pensions and similar obligations	20	27,114	27,185
Deferred tax liabilities	22	—	154
Other provisions	21	24,351	17,086
<b>Total provisions</b>		<b>51,465</b>	<b>44,425</b>
<b>Non-current liabilities</b>			
Liabilities to Group companies	28	156	156
<b>Total non-current liabilities</b>		<b>156</b>	<b>156</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	19, 25	211,559	240,785
Accounts payable – trade		53,842	55,195
Liabilities to Group companies	28	555,565	241,392
Current tax liabilities	22	—	53,123
Other liabilities		122,524	2,612
Accrued expenses and prepaid income	23	24,070	21,784
<b>Total current liabilities</b>		<b>967,560</b>	<b>614,891</b>
<b>Total equity and liabilities</b>		<b>2,438,062</b>	<b>2,028,169</b>
<b>Pledged assets and contingent liabilities for the parent company</b>			
Pledged assets	27	None	None
Contingent liabilities	27	237,645	176,447

## STATEMENT OF CASH FLOWS FOR THE PARENT COMPANY

1 January – 31 December (in thousands of SEK)	Note	2009	2008
<b>Operating activities</b>	31		
Loss after financial items		-4,322	-39,163
Adjustment for items not included in the cash flow		-6,674	13,656
Income tax paid		-120,541	-98,372
<b>Cash flow from operating activities before changes in working capital</b>		<b>-131,537</b>	<b>-123,879</b>
<b>Cash flow from changes in working capital</b>			
Change in operating receivables		818,080	190,793
Change in operating liabilities		367,862	125,996
<b>Cash flow from operating activities</b>		<b>1,054,405</b>	<b>192,910</b>
<b>Investing activities</b>			
Acquisition of tangible assets		-9,933	-50,784
Acquisition of intangible assets		-3,669	—
Acquisition of financial assets		-885,260	-23,727
<b>Cash flow from investing activities</b>		<b>-898,862</b>	<b>-74,511</b>
<b>Financing activities</b>			
Amortisation of loans		-29,226	-2,410
Dividends paid		-110,159	-110,079
Share buy-backs		-16,140	-4,456
<b>Cash flow from financing activities</b>		<b>-155,525</b>	<b>-116,945</b>
<b>Cash flow for the year</b>		<b>18</b>	<b>1,454</b>
Cash and cash equivalents brought forward		3,869	2,415
<b>Cash and cash equivalents carried forward</b>		<b>3,887</b>	<b>3,869</b>

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**Västerås** Fredrik Malmgren works with developing and testing software. "The best thing about my job is all the people I meet and everything I learn from the assignments I perform. Far and away the best thing about ÅF is the workforce. There are so many highly skilled people working here, people who are in inspiration to me and who are happy to share the knowledge and contacts they have across a broad spectrum of business."

# NOTES WITH ACCOUNTING PRINCIPLES AND COMMENTS

Financial values in the tables of accounts are in thousands of SEK unless otherwise stated.

## 1 Accounting principles

### 1.1 Compliance with standards and legislation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations published by the International Financial Reporting Interpretations Committee (IFRIC) approved by the European Commission for application in the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1.2 (Supplementary Accounting Rules for Groups) has been applied.

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

### 1.2 Basis of preparation of the parent company and consolidated financial statements

The parent company's functional currency is the Swedish Krona (SEK), which is also the reporting currency for the parent company and the Group. This means that the financial statements are presented in SEK. All amounts are rounded to the nearest thousand unless otherwise stated.

Assets and liabilities are reported at historical cost, with the exception of various financial assets and liabilities which are carried at fair value. The financial assets and liabilities which are carried at fair value are derivative instruments and financial assets classified as available for sale. Non-current assets held for sale are carried at the lower of previous carrying amount and fair value less costs to sell.

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

Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made if the change affects only that period, or in both the period in which the change is made and future periods if the change affects both the current and future periods.

Judgements made by management in applying IFRS which have a significant effect on the financial statements, and estimates made which could result in material adjustments in subsequent years' financial statements are described in more detail in Note 33.

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

The annual report and consolidated financial statements were approved for release by the Board of Directors on 11 March 2010. The consolidated income statement and balance sheet and the parent company income statement and balance sheet will be put forward for adoption at the Annual General Meeting on 5 May 2010.

### 1.3 Amended accounting policies and disclosure requirements

#### 1.3.1 Amended and new accounting policies for the year

##### IFRS 8 Operating Segments

This standard contains disclosure requirements in respect of the Group's operating segments, and replaces the requirement to define primary and secondary segments for the Group based on lines of business and geographical areas according to IAS 14. The new standard requires that segment information is presented from the perspective of the "chief operating decision maker", which means that it is presented in the manner used for internal reports. IFRS 8 is effective for annual periods beginning on or after 1 January 2009. The Group has concluded that the operating segments determined on the basis of IFRS 8 are identical to the segment reports previously identified on the basis of IAS 14.

##### Revised IAS 1 Presentation of Financial Statements

The standard divides changes in equity into those arising from transactions with owners and other changes. The statement of changes in equity now contains details in respect of transactions with owners only. Changes in equity other than those resulting from transactions with owners are presented in a line in the statement of changes in equity. In addition, the standard introduces the concept of "Comprehensive income", which shows all items relating to income and expense, either in a single statement or in two separate statements. The Group has chosen to adopt two statements for this purpose.

##### IFRS 7, Financial Instruments: Disclosures

Amendments to IFRS 7 require additional disclosures on financial instruments.

Note 1 continued

### 1.3.2 Future amendments of accounting policies

#### IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements

The revised standards were issued in January 2008 and will apply to financial years beginning on or after 1 July 2009. IFRS 3 introduces a number of changes in accounting for business acquisitions made after this date, which will affect the amount of recognised goodwill, recognised profit/loss in the period in which the acquisition was made and future recognised profit/loss.

IAS 27R requires that changes in a parent company's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. In consequence of this change, these transactions will no longer give rise to goodwill, or lead to gains or losses. In addition, IAS 27R changes the accounting for losses arising in a subsidiary, as well as loss of control of a subsidiary. These changes have also led to consequential changes being made in IAS 7 (Statement of Cash Flows), IAS 12 (Income Taxes), IAS 21 (The Effects of Changes in Foreign Exchange Rates), IAS 28 (Investments in Associates) and IAS 31 (Interests in Joint Ventures).

The changes in IFRS 3R and IAS 27R will affect the accounting for future acquisitions, loss of control and transactions with non-controlling shareholders. Early application of the revised standards is permitted, but the Group has chosen not to avail itself of this option.

### 1.4 Segment reporting

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

### 1.5 Classification, etc.

In the financial statements for both the parent company and the ÅF Group, non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or settled more than 12 months after the end of the reporting period. Current assets and liabilities consist essentially of amounts expected to be recovered or settled within 12 months of the end of the reporting period.

### 1.6 Basis of consolidation

#### 1.6.1 Subsidiaries

Subsidiaries are companies over which ÅF AB has a controlling influence. A controlling influence means, directly or indirectly, the power to govern a company's financial and operating policies with a view to deriving economic benefits. Potential voting rights which are currently exercisable or convertible are taken into account when assessing whether a controlling influence is held.

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

The difference between the cost of the shares in the subsidiary and the fair value of the assets acquired on the one hand, and liabilities and contingent liabilities assumed on the other, is treated as goodwill.

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

### 1.6.2 Associates

Associates are companies over whose operational and financial management the Group exercises a significant but not controlling influence, generally through a holding of 20–50 percent of the votes. Investments in associates are accounted for in the consolidated financial statements using the equity method from the time significant influence is obtained. This means that the carrying amount of the shares in the associate recognised in the consolidated financial statements consists of the Group's share of the associate's equity plus goodwill and any other remaining fair value adjustments. The Group's share of the associate's profit/loss after tax and non-controlling interests, adjusted for any amortisation, impairment or reversal of fair value adjustments, is recognised in the consolidated income statement under "Share of associates' profit/loss". Any dividends received from the associate reduce the carrying amount of the investment.

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

If the Group's interest in the recognised losses of an associate exceeds the carrying amount of the shares in the consolidated balance sheet, the carrying amount of the shares is reduced to zero. Losses are also allocated against unsecured non-current financial balances which effectively form part of the investor's net investment in the associate. Further losses are not recognised unless the Group has issued guarantees to cover losses arising at the associate. The equity method is applied until such time as significant influence is relinquished.

### Note 1 continued

#### 1.6.3 Transactions eliminated on consolidation

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

Unrealised gains arising on transactions with associates and joint ventures are eliminated in proportion to the Group's interests in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

### 1.7 Foreign currency

#### 1.7.1 Transactions in foreign currency

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

The functional currency is the currency of the primary economic environments in which the companies in the ÅF Group operate. The parent company's functional currency and reporting currency is the Swedish Krona (SEK). The ÅF Group's reporting currency is SEK.

#### 1.7.2 Financial statements of foreign operations

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

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

### 1.8 Revenue

Revenue from services rendered is recognised in accordance with IAS 18.

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

### 1.9 Operating expenses and financial income and expenses

#### 1.9.1 Operating lease agreements

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

#### 1.9.2 Finance lease agreements

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

#### 1.9.3 Financial income and expenses

Financial income and expenses consist of interest receivable on bank balances and receivables, interest payable on loans, dividend income and exchange differences on loans.

Interest receivable on receivables and interest payable on liabilities are calculated using the effective interest rate method. The effective interest rate is the rate of interest that makes the present value of all future inflows and outflows over the life of the receivable or liability equal to its carrying amount. The interest component of finance lease payments is recognised in profit or loss by applying the effective interest rate method. Interest receivable includes accrued transaction costs and any discounts, premiums or other differences between the original value of the receivable and the amount received at maturity.

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

Note 1 continued

### 1.10 Financial instruments

Financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, trade receivables, shares and other equity instruments, and derivatives. Included in equity and liabilities are trade payables, issued debt and equity instruments, borrowings and derivatives.

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

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

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

The fair value of quoted financial assets is the asset's quoted bid price at the end of the reporting period. For further information, see Note 24.

#### 1.10.1 Classification and valuation

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

Derivative instruments are recognised initially at fair value, indicating that transaction costs are charged to profit or loss for the period. Subsequent to the initial recognition, derivative instruments are recognised in the manner described below. If a derivative instrument is used for hedging, to the extent that this is effective, changes in value of the derivative instrument are recognised on the same line in the income statement as the hedged item. Even if hedge accounting is not applied, increases or decreases in the value of the derivative are recognised as income or expense in the operating profit/loss or in net financial income/expense depending on the intention behind the use of the derivative and whether the use relates to an operating item or a financial item. With hedge accounting, the ineffective part of the hedge is recognised in the same way as changes in the value of a derivative which is not used for hedge accounting.

#### 1.10.2 Loans and receivables

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

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

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

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

#### 1.10.3 Available-for-sale financial assets

The category of assets described as "available-for-sale financial assets" includes financial assets that are not classified in any other category or financial assets that the company initially chose to designate in this category. Holdings of shares and participations that are not recognised as subsidiaries, associates or joint ventures are recognised here. Assets in this category are valued at fair value, with changes in value recognised in other comprehensive income, except for those due to impairment, interest on debt instruments and dividend income, as well as exchange differences on monetary items, which are recognised in profit or loss. On derecognition of the asset, accumulated gains/losses previously recognised in other comprehensive income are recognised in profit or loss.

Financial investments constitute, depending on the intention with which they are held, either non-current assets if the holding period is longer than one year or current assets if the holding period is less than one year.

#### 1.10.4 Other financial liabilities

Loans and other financial liabilities, e.g. accounts payable, are included in this category. The liabilities are valued at amortised acquisition value. Accounts payable have a short expected term and are valued without discounting at their nominal amount.

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

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

Note 1 continued

### 1.11 Derivative instruments and hedging

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

To meet the requirements for hedge accounting under IAS 39, there must be an unequivocal link to the hedged item. In addition, the hedging of the item must be effective, hedging documentation must have been prepared and it must be possible for effectiveness to be measured. Gains and losses on hedging are recognised in profit or loss on the same date as gains and losses on the hedged items are recognised.

### 1.12 Tangible assets

#### 1.12.1 Owned assets

Tangible assets are recognised as assets in the balance sheet if it is probable that future economic benefits will flow to the company, and that the cost of the item can be measured reliably. Tangible assets are recognised in the consolidated financial statements at cost less accumulated depreciation and any impairment losses. Cost is defined as the purchase price plus any additional expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. Examples of directly attributable additional expenses included in cost are the costs of delivery and handling, installation, title deeds, consulting services and legal services. The accounting policies for impairment are set out below.

Tangible assets which consist of parts with different useful lives are treated as separate components of tangible assets.

The carrying amount of an asset is derecognised from the balance sheet on retirement or disposal or when no future economic benefits are expected to flow from the use or retirement/disposal of the asset. The gain or loss arising on the disposal or retirement of an asset is the difference between the disposal proceeds and the carrying amount less direct costs to sell. The gain or loss is recognised under other operating income/expenses.

#### Future expenditure

Future expenditure is added to the acquisition value only if it is probable that future economic benefits that are attributable to the asset will flow to the company, and the acquisition value can be measured reliably. All other future expenditure is recognised as an expense in the period in which it arises. In determining when an additional expenditure is to be added to the acquisition value, the decisive factor is whether the expenditure relates to the replacement of identified components, or parts of such components, in which case the expenditure is capitalised. In instances where a new component has been created, the expenditure is also added to the acquisition value. Any undepreciated carrying amount on replaced components or parts of components is retired and recognised as an expense when the replacement is carried out. Repairs are recognised as an expense as they are carried out.

#### Depreciation principles

Linear depreciation is applied over the estimated useful life of the asset. Land is not depreciated. The ÅF Group applies component depreciation, which means that the estimated useful life of the components forms the basis for depreciation.

#### 1.12.2 Leased assets

Leased assets are accounted for in accordance with IAS 17. Leases are classified as either finance leases or operating leases in the consolidated financial statements. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Otherwise it is classified as an operating lease.

Assets held under finance leases are recognised as assets in the consolidated balance sheet. The liability to make future lease payments is recognised under non-current and current liabilities. The leased assets are depreciated on a straight-line basis, while the lease payments are recognised as a finance charge and a reduction in the liability.

With operating leases, the lease payments are recognised as expense over the lease term on a straight-line basis.

#### 1.12.3 Depreciation

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

Estimated useful lives are:

IT equipment	3 years
Vehicles	5 years
Office equipment	5 years
Office furnishings	10 years
Buildings (business premises)	40–100 years

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

The following main groups of components have been identified, which form the basis for depreciation of buildings:

Structure and foundations	100 years
Outer surface finish; facades, roofs, etc.	67 years
Floors, doors and electrical installations	67 years
Installations; heating, water, sanitation, ventilation, lifts, etc.	40 years

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

Note 1 continued

### 1.13 Intangible assets

#### 1.13.1 Goodwill

Goodwill is the difference between the cost of a business combination (i.e. corporate acquisition, takeover, etc.) and the fair value of the assets acquired and liabilities and contingent liabilities assumed.

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

Goodwill is apportioned between cash-generating units and groups of cash-generating units, and is instead tested annually for impairment (see §1.14 below). Thus goodwill is carried at cost less accumulated impairment losses. Goodwill arising on the acquisition of associates is included in the carrying amount of the investment in the associate.

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

#### 1.13.2 Research and development

Expenditure on research aimed at obtaining new scientific or technical knowledge is recognised as an expense as it is incurred.

Expenditure on development where research results or other knowledge is applied to achieve new or improved products or processes is recognised as an asset in the balance sheet if the product or process is technically and commercially feasible and the company has sufficient resources to complete its development and then use or sell the intangible asset. The carrying amount includes the cost of materials, direct payroll costs and indirect costs which can reasonably and consistently be attributed to the asset. Other development expenditure is recognised in profit or loss as expense as it is incurred. Development expenditure recognised in the balance sheet is carried at cost less accumulated amortisation and impairment losses.

#### 1.13.3 Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation (see below) and impairment losses (see §1.14 below).

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

#### 1.13.4 Subsequent expenditure

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

#### 1.13.5 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the asset, unless its useful life is indefinite. Goodwill and intangible assets with an indefinite life are tested for impairment annually or as soon as there are indications that the asset in question has diminished in value. Amortisable intangible assets are amortised from the date they become available for use. The estimated useful lives are as follows:

Capitalised development expenditure	1–3 years
Acquired intangible assets:	1–5 years

### 1.14 Impairment

The carrying amounts of the Group's assets – with the exception of assets held for sale recognised in accordance with IFRS 5 and deferred tax assets – are tested at the end of each reporting period to assess whether there is any indication of impairment. If there is any such indication, the asset's recoverable amount is determined. The carrying amounts of the exceptions stated above are tested in accordance with the relevant standard.

#### 1.14.1 Impairment tests for tangible and intangible assets and participations in subsidiaries and associates

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

In the case of goodwill, other intangible assets with an indefinite life and intangible assets not yet ready for use, the recoverable amount is calculated annually.

#### 1.14.2 Impairment tests for financial assets

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

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

### Note 1 continued

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

#### 1.14.3 Reversal of an impairment loss

An impairment loss is reversed if there are indications that the impairment requirement no longer exists and there has been a change in the assumptions which formed the basis for the measurement of the recoverable amount. Impairment of goodwill is never reversed. A reversal is made only to the extent that the carrying amount due to reversal should not be more than the depreciated historical cost would have been if the impairment had not been recognised.

Impairment of loans and receivables that has been recognised at amortised cost is reversed if a subsequent increase in the recoverable amount can be attributed objectively to an event occurring after the impairment had been made.

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

### 1.15 Dividends

Dividends are recognised as a liability once they have been approved by the general meeting.

### 1.16 Employee benefits

#### 1.16.1 Defined-contribution retirement benefit plans

Obligations to contribute to defined-contribution plans are recognised as an expense in the income statement as they arise.

#### 1.16.2 Defined-benefit retirement benefit plans

The ÅF Group's obligations under defined-benefit plans are calculated separately for each plan by estimating the future benefits earned by employees through their employment in both the current and prior periods. These benefits are discounted to present value. The discount rate is the market yield at the end of the reporting period on a first-class corporate bond with a maturity corresponding to that of the Group's retirement benefit obligations. Where there is no active market for such corporate bonds, the market yield on government bonds with a corresponding maturity is used instead. The calculations are performed by a qualified actuary using the projected unit credit method.

Actuarial assumptions represent the company's best assessment of the different variables which determine the costs involved in providing the benefits. Since actuarial assumptions are used, the actual outcome may differ from the estimated outcome, and the actuarial assumptions may change from one period to another. These differences constitute actuarial gains and losses. They may be caused, for example, by a change in expected lifespans, changes in salaries, changes in the discount rate and differences between actual and estimated returns on pension fund assets. Actuarial gains and losses are recognised in other comprehensive income for the period in which they arise. The Group's net liability, as shown in the balance sheet, for each defined-benefit plan is the present value of the obligations minus the fair value of the pension fund assets. If the value of the fund assets exceeds the amount of the obligations, a surplus arises, which is recorded as an asset under other non-current receivables.

When the benefits in a plan are improved, the proportion of the increased benefits attributable to the employees' service in previous periods is recognised as an expense in profit or loss, allocated on a straight-line basis over the average period until the benefits are fully vested. If the benefits are fully vested, the expense is recognised immediately in profit or loss.

When there is a difference between how retirement benefit costs are determined in the Group and in its constituent companies, a provision or receivable is recognised in respect of special employer's contribution to reflect this difference. The provision or receivable is not discounted to present value.

#### 1.16.3 Share-related remuneration

Under the share savings programme adopted by the AGM, employees are eligible to receive matching shares for shares which they have themselves purchased under the programme. The total number of matching shares issued for each share purchased is dependent on the employee remaining with the Group for three years after the investment date, the shares concerned not being sold and the achievement of other parameters stipulated in advance. For these share programmes, salary expenses for matching shares are recognised during the vesting period (3 years) based on the fair value of the shares on the date on which the employee purchased shares under the programme. When the shares are matched, social security contributions will be paid in certain countries on the value of the benefit to the employee. During the vesting period, provisions are made for these estimated social security contributions. The buy-back of shares to meet obligations under outstanding share programmes is recognised in equity.

#### 1.16.4 Termination benefits

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

Note 1 continued

#### 1.17 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and when it is probable that an outflow of economic resources will be required to meet this obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of the point in time when payment takes place is significant, provisions are calculated by discounting expected future cash flows at a rate of interest before tax that reflects current market assessments of the time value of money and, where appropriate, the risks associated with the liability.

Provisions for restructuring are recognised once the Group has adopted a detailed and formal restructuring plan, and the work of restructuring has either begun or been publicly announced. No provisions are made for future operating expenses.

#### 1.18 Tax

Income taxes comprise current tax and deferred tax. Income taxes are recognised in profit or loss except where the underlying transaction is recognised in other comprehensive income, in which case the associated tax effect is also recognised in other comprehensive income.

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

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

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

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

#### 1.19 Non-current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered primarily through sale and not through use.

When first classified as held for sale, non-current assets are recognised at the lower of carrying amount and fair value less costs to sell.

#### 1.20 Contingent liabilities

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

#### 1.21 Earnings per share

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

#### 1.22 Parent company accounting policies

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2.2 (Accounting for Legal Entities). RFR 2.2 requires that the parent company's annual report applies all IFRS standards and interpretations approved by the EU as far as is possible within the constraints of the Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), and while taking into account the relationship between reporting and taxation. The recommendation specifies which exceptions and supplements are to be made with respect to IFRS. The differences between the accounting policies of the Group and parent company are presented below.

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

#### Differences between accounting policies for the Group and the parent company

##### 1.22.1 Subsidiaries and associates

Shares in subsidiaries and associates are recognised in the parent company using the acquisition method. Dividends received are recognised as income.

**Note 1 continued****1.22.2 Tangible non-current assets****Leased assets**

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

**1.22.3 Intangible assets****Research and development**

The parent company recognises all development expenditure as an expense in the income statement.

**1.22.4 Non-current assets held for sale**

The parent company applies IFRS 5 with the exceptions set out in RFR 2.2, 8–9. Under the provisions of IFRS 5, assets held for sale are recognised separately in the balance sheet, and discontinued operations are recognised separately in the income statement. This does not, however, correspond to the layout in the Swedish Annual Accounts Act. The information referred to, along with other information which must be disclosed under IFRS 5, is, therefore, presented in the form of notes. In addition, the rules in IFRS 5 which prescribe that non-current assets held for sale are not to be depreciated are not applied. Depreciation is calculated in accordance with the Swedish Annual Accounts Act.

**1.22.5 Financial guarantees**

The parent company's financial guarantee contracts consist primarily of guarantees for the benefit of subsidiaries and associates. Financial guarantees mean that the company has an obligation to recompense the holder of a debt instrument for losses incurred due to the failure of a specified debtor to make full payment on the due date in accordance with the terms of the contract. For the recognition of financial guarantee contracts, the parent company applies RFR 2.2, 72, which involves a relief compared with the provisions of IAS 39 in respect of financial guarantee contracts issued for the benefit of subsidiaries and associates. The parent company recognises financial guarantee contracts as a provision in the balance sheet when the company has an obligation for which payment will probably be required to settle the obligation.

**1.22.6 Employee benefits****Defined-benefit retirement benefit plans**

The parent company applies a different basis for the calculation of defined-benefit plans to that set out in IAS 19. The parent company complies instead with the provisions of the Pension Obligations Vesting Act (Tryggandelagen) and the regulations of Finansinspektionen, the Swedish financial supervisory authority, as this is a requirement for tax deductibility. The most important differences relative to the provisions of IAS 19 are the way in which the discount rate is determined, the calculation of defined-benefit obligations on the basis of current salary levels without making assumptions about future wage growth, and the recognition of all actuarial gains and losses in the income statement as they arise.

**1.22.7 Taxes**

The parent company reports untaxed reserves inclusive of deferred tax liabilities. In the consolidated financial statements, untaxed reserves are apportioned between a deferred tax liability and equity.

**1.22.8 Group contributions and shareholder contributions for legal entities**

The company reports Group contributions and shareholder contributions in accordance with the statement issued by the Swedish Financial Reporting Board. Shareholder contributions are recognised by the recipient in equity and capitalised under shares and participations by the contributor net of impairment losses.

Group contributions are reported on a substance over form basis. This means that Group contributions paid in order to minimise the Group's overall tax liability are recognised in retained earnings net of their current tax effect. Group contributions comparable with dividends are treated as dividends. This means that Group contributions received and their current tax effect are recognised in profit or loss. Group contributions paid and their current tax effect are recognised in retained earnings. Group contributions comparable with shareholder contributions are recognised by the recipient in retained earnings taking account of the current tax effect. Where appropriate, the contributor reports the Group contribution and its current tax effect under "Participations in Group companies" net of impairment losses.

## 2 Segment reporting

(in millions of Swedish kronor, MSEK)

	Energy		Engineering		Infrastructure		Inspection		Others & elim.		Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Income</b>												
Sales to external clients	1,273	1,027	1,280	1,382	1,717	1,801	402	359	7	—	4,678	4,569
Other operating income	3	—	1	—	10	—	0	—	—	1	14	1
Sales between segments	14	24	35	69	48	58	5	3	-102	-154	—	—
Total income	1,290	1,051	1,316	1,452	1,774	1,859	407	361	-95	-153	4,692	4,570
Operating expenses	-1,150	-908	-1,185	-1,286	-1,621	-1,647	-368	-310	81	115	-4,242	-4,037
Depreciation and impairment of intangible assets	-4	-3	-2	-2	-2	-4	-2	-2	0	—	-10	-10
Depreciation and impairment of tangible assets	-11	-9	-3	-4	-10	-12	-8	-6	-20	-13	-52	-44
Operating profit/loss	125	130	126	160	141	196	29	44	-33	-51	388	479
Operating margin, %	9.7	12.4	9.6	11.0	8.0	10.5	7.0	12.1	34.0	33.3	8.3	10.5
<b>Assets and liabilities</b>												
Intangible assets	559	555	515	501	209	227	85	74	2	—	1,370	1,357
Tangible assets	173	183	12	14	26	33	32	26	90	83	333	339
Other assets	1,153	1,144	400	444	776	715	112	110	-561	-499	1,880	1,914
Total assets	1,885	1,882	927	959	1,011	975	229	210	-469	-416	3,583	3,610
Equity	518	439	529	442	434	388	89	89	257	341	1,827	1,699
Total liabilities	1,367	1,443	398	517	577	587	140	121	-726	-757	1,756	1,911

### Operating segments

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

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

By geographical area (in millions of Swedish kronor, MSEK)

	Sweden		Outside Sweden		Total	
	2009	2008	2009	2008	2009	2008
Total revenue	3,069	3,202	1,623	1,368	4,692	4,570
Assets	2,440	2,480	1,143	1,130	3,583	3,610

### 3 Sale of business operations

Net assets of companies disposed of on date of disposal	2009	2008
Tangible assets	985	—
Accounts receivable and other receivables	11,110	—
Cash and cash equivalents	1,929	—
Accounts payable and other liabilities	-6,633	—
<b>Net identifiable assets and liabilities</b>	<b>7,391</b>	<b>—</b>
Consolidated goodwill	9,699	—
Adjustment for capital gain or loss	7,265	—
Adjustment for realised translation differences	-935	—
<b>Selling price</b>	<b>23,420</b>	<b>—</b>
Deduct:		
Cash balance (disposed)	1,929	—
Selling expenses	1,571	—
<b>Net cash inflow</b>	<b>19,920</b>	<b>—</b>

Disposals in 2009 refer to ÅF-Brekke & Strand Akustikk AS and ITP-Infra Trans Projekt Ltd.

### 4 Acquisition of business operations

#### Acquisitions 2009

Through line of business acquisitions during 2009, ÅF acquired industrial consulting operations in Gothenburg from Industrikonsult i Göteborg AB, as well as engineering operations in Malmö from Etteplan Industry AB.

#### Acquisitions 2008

#### Total of net assets of acquired companies as per acquisition date

	Recognised value of total acquired companies	Fair value adjustment	Fair value recognised in Group
Intangible assets	400	12,506	12,906
Tangible assets	9,302	—	9,302
Financial assets	3,952	—	3,952
Accounts receivable and other receivables	154,321	—	154,321
Cash and cash equivalents	23,470	—	23,470
Non-current provisions	—	—	—
Interest-bearing liabilities	-250	—	-250
Accounts payable and other liabilities	-164,271	-2,561	-166,832
<b>Net identifiable assets and liabilities</b>	<b>26,924</b>	<b>9,945</b>	<b>36,869</b>
Consolidated goodwill			177,812
Liability to non-controlling shareholders			-1,934
<b>Consideration paid, cash</b>			<b>212,747</b>
Deduct:			
Cash (acquired)			23,470
Liability to sellers			47,221
<b>Net cash outflow</b>			<b>142,056</b>

## 5 Other operating income

Group	2009	2008
Gain on disposal of business operations	7,769	—
Other	6,324	820
	<b>14,093</b>	<b>820</b>

## 6 Research and development

The ÅF Group's costs for research and development totalled SEK 41,460,000 (2008: SEK 36,447,000). The amount comprises mostly costs for time spent on research and development projects by ÅF's own salaried employees.

## 7 Fees and remuneration of auditors

	Group		Parent company	
	2009	2008	2009	2008
<i>Accountants Ernst &amp; Young</i>				
Audit assignments	3,550	3,174	655	625
Other assignments	1,723	1,381	215	901
	<b>5,273</b>	<b>4,555</b>	<b>870</b>	<b>1,526</b>
<i>Other accounting companies</i>				
Audit assignments	577	629	—	—
Other assignments	733	416	50	154
	<b>1,310</b>	<b>1,045</b>	<b>50</b>	<b>154</b>

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

## 8 Employees and personnel costs

Total remuneration is included in profit or loss under the heading "Personnel costs".

### Average number of employees by gender

	2009		2008	
	Women	Men	Women	Men
<b>Parent company</b>				
Sweden	50	22	42	19
<b>Subsidiaries</b>				
Sweden	457	2,488	446	2,464
Finland	41	190	53	223
Norway	28	112	28	129
Denmark	13	74	11	66
Switzerland	44	155	50	214
Czech Rep.	10	79	2	42
Germany	4	10	5	11
Russia	145	115	34	24
Estonia	7	29	8	29
Lithuania	12	32	8	12
Others	10	55	2	26
<b>Group total</b>	<b>821</b>	<b>3,361</b>	<b>689</b>	<b>3,259</b>
<b>Total average number of employees</b>	<b>4,182</b>		<b>3,948</b>	
Total for associates	54		72	
<b>Total average number of employees including associates</b>	<b>4,236</b>		<b>4,020</b>	

### Gender distribution – directors and senior management

Parent company	Women, %	
	2009	2008
Directors	37	37
Senior management	20	13

Note 8 continued

**Salaries, other remuneration and payroll overheads**

Group	2009		2008	
	Salaries and remunerations	Social costs	Salaries and remunerations	Social costs
The Board of Directors and senior executives	23,819	11,996	29,784	14,164
(of which annual variable remuneration)	5,590	—	7,121	—
(of which pension expenses)	—	4,591	—	3,646
Other employees	1,872,559	693,406	1,795,209	607,060
(of which annual variable remuneration)	49,510	—	70,493	—
(of which, pension expenses)	—	238,048	—	175,196
	<b>1,896,378</b>	<b>705,402</b>	<b>1,824,993</b>	<b>621,224</b>

Other personnel costs total SEK 70,165,000 (2008: SEK 94,204,000).

Parent company	2009		2008	
	Salaries and remunerations	Social costs	Salaries and remunerations	Social costs
Board & President/CEO	7,634	3,533	7,083	3,144
(of which annual variable remuneration)	2,454	—	2,088	—
(of which, pension expenses)	—	1,134	—	906
Other employees	35,482	18,951	30,253	17,740
(of which annual variable remuneration)	3,421	—	1,769	—
(of which, pension expenses)	—	8,832	—	4,624
	<b>43,116</b>	<b>22,484</b>	<b>37,336</b>	<b>20,884</b>

**Remuneration to senior executives***Remuneration to the Board approved by the 2009 AGM*

The AGM on 5 May 2009 approved remuneration totalling SEK 1,450,000 for the work of the board in 2009. The Chairman received SEK 400,000 and members of the board not employed in the Group received SEK 175,000 each.

In addition, it was resolved to pay fees for committee work of SEK 35,000 to each committee member who is not employed in the Group, and that a fee of SEK 75,000 be paid to the Chair of the Audit Committee and a fee of SEK 50,000 to be paid to the Chair of the Remuneration Committee. The total remuneration payable to the board is thus SEK 1,715,000, of which SEK 1,450,000 is for the ordinary work of the board and SEK 265,000 for committee work.

**Remuneration to the Board in 2009**

Remuneration to the board is payable quarterly. This means that the remuneration to the board was at the rate determined by the AGM in 2008 for the first two quarters and at the rate determined by the AGM in 2009 for the remaining two quarters of the year.

During 2009 a total of SEK 1,715,000 (2008: SEK 1,570,000) was recognised as an expense for remuneration to the board in the parent company accounts. In addition, the employee representatives on the board and the board member employed by the ÅF Group received a total of SEK 50,000 (SEK 50,000).

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

**Information relating to remuneration to members of the board in 2009**

## Remuneration in SEK

Director	Board	Committee	Total
Ulf Dinkelpiel	400,000	85,000	485,000
Patrik Enblad	175,000	—	175,000
Eva-Lotta Kraft	175,000	35,000	210,000
Jon Risfelt	175,000	17,500	192,500
Helena Skåntorp	175,000	75,000	250,000
Anders Snell	87,500	—	87,500
Lena Treschow Torell	175,000	35,000	210,000
Magnus Grill	87,500	17,500	105,000
<b>Total</b>	<b>1,450,000</b>	<b>265,000</b>	<b>1,715,000</b>

**Information relating to remuneration to members of the board in 2008**

## Remuneration in SEK

Director	Board	Committee	Total
Ulf Dinkelpiel	375,000	67,500	442,500
Patrik Enblad	162,500	—	162,500
Magnus Grill	162,500	30,000	192,500
Eva-Lotta Kraft	162,500	30,000	192,500
Jon Risfelt	162,500	—	162,500
Helena Skåntorp	162,500	62,500	225,000
Lena Treschow Torell	162,500	30,000	192,500
<b>Total</b>	<b>1,350,000</b>	<b>220,000</b>	<b>1,570,000</b>

**President/CEO**

Annual variable remuneration is based on the Group's results, as well as a number of preset targets, and may amount to a maximum of 75 percent of fixed basic salary. The fixed basic salary of the President/CEO for 2009 was SEK 3,294,000 (2008: 3,294,000). The President/CEO also has the use of a company car.

The period of notice for the President/CEO of the parent company is two years from the company's side. From the President/CEO's side, a period of 6 months' notice applies. The retirement age for the President/CEO is 60. The President/CEO's retirement benefit plan is defined-contribution, and an annual provision equivalent to 35 percent of the year's basic salary is made for this. Full salary continues to be payable during the period of notice. An obligation to work during the period of notice may apply for a maximum of one year.

## Note 8 continued

**ÅF Group senior management, excluding the President/CEO**

The ÅF Group senior management team consists of nine (seven) individuals excluding the President/CEO. During the first three months of the year, the senior management team consisted of nine (2008: seven) individuals excluding the President/CEO.

Annual variable remuneration may amount to a maximum of 60 percent of fixed basic salary. Members of the ÅF Group senior management team have the use of company cars. For members of the senior management team, the period of notice from the company's side is normally 12 months. Full salary continues to be payable during the period of notice. From the individual's side, a period of 6 months' notice applies.

**Cost of remuneration of the President/CEO and other senior management**

	2009			2008		
	President/CEO	Other senior management	<b>Total</b>	President/CEO	Other senior management	<b>Total</b>
Salaries	3,294	11,756	15,050	3,294	14,880	18,174
Provisions for annual variable remuneration earned during the current year	2,454	3,136	5,590	2,088	5,033	7,121
Provisions for non-current variable remuneration	121	1,293	1,414	81	2,788	2,869
Pension expenses	1,134	3,457	4,591	906	2,740	3,646
Social costs	1,845	5,006	6,851	1,755	8,254	10,009
<b>Total</b>	<b>8,848</b>	<b>24,648</b>	<b>33,496</b>	<b>8,124</b>	<b>33,695</b>	<b>41,819</b>

**Annual variable remuneration**

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

To demonstrate clearly the crucial importance of the efforts of co-workers to the Group's results in both the long and the short term, a Group bonus has been introduced. The model is based on part of profit that is generated at Group level being shared out in the form of bonus payments that are the same for co-workers in all parts of the Group.

**Non-current variable remuneration***Incentive programme 2007–2009*

At the beginning of 2007, the ÅF Board approved the establishment of a three-year reward system for some 30 key management personnel. The programme ran from 2007–2009 and aimed to retain the services of key individuals at ÅF. Payments were contingent on the profit trend for the company outperforming that of a number of competing firms, and on ÅF's share price reaching preset targets. Individuals participating in the three-year reward system are not entitled to take part in the 2008 and 2009 performance-related share savings programme at the same time. The cost of the programme during 2009 was SEK 4.5 million. The total provision at the end of 2009 was SEK 20.7 million, which is equivalent to the final outcome.

One of the members of the ÅF Group's senior management team has retirement benefit conditions in line with the ITP occupational pension plan. Others have defined-contribution retirement benefits, towards which an amount equivalent to 27.5 to 30 percent of basic salary is allocated annually.

*Determination of remuneration*

The level of remuneration paid to the President/CEO for financial year 2009 was set by the Board of Directors following a proposal drafted by the board's Remuneration Committee. Remuneration paid to other senior executives was set by the President/CEO in consultation with the Remuneration Committee.

*Performance-related Share Savings Programme 2008 and 2009*

A performance-related share savings programme was introduced for key members of staff in 2008. The Annual General Meeting of ÅF AB on 5 May 2009 voted to initiate a further performance-related share savings programme for 2009. The aim of both programmes is to encourage continued loyalty and excellent performance, and also to make the ÅF Group even more attractive as an employer. To participate in the programme, employees must invest their own money. Senior managers, including the ÅF Group's senior management team, have been selected and allocated four, five or six shares (matching shares) for every share they buy under the programme.

In the 2009 share savings programme, 102 business area managers, section managers and certain specialists may be given the right to performance-matching of up to four shares for every share they buy. Seven members of the senior management team may be given the right to performance matching of up to five shares for every share they buy, and the President may be given the right to performance matching of up to six shares for every share bought. In the 2008 share savings programme, 94 business area managers, section managers and certain specialists may be given the right to performance-matching of up to four shares for every share they buy. Five members of the senior management team may be given the right to performance matching of up to five shares for every share they buy, and the President may be given the right to performance matching of up to six shares for every share bought. Employees who participate in the Performance-related Share Programmes for 2008 and 2009 may save an amount equivalent to a maximum of 5 percent of their fixed salary.

## Note 8 continued

The total number of matching shares which may be issued under the Performance-related Share Programme for 2009 is approximately 99,000, based on the share price quoted at the end of the application period. The total number of matching shares which may be issued under the Performance-related Share Programme for 2008 is approximately 87,000, based on the share price quoted at the end of the application period.

Performance matching requires that certain set targets are achieved. The terms for performance matching are based on the company's operating margin before extraordinary items in relation to a basket of comparable companies, as well as to the company's growth in earnings per share over a three-year period. In addition, performance matching requires that the key individual in question has been employed throughout the entire three-year period, with effect from the date that the relevant programme commenced.

Before the number of performance shares for matching is finally determined, the Board of Directors will consider whether performance matching is reasonable with regard to the company's financial performance and position, and the situation on the stock market and in general. Should the board conclude that full matching is not appropriate, it may reduce the number of performance shares to a number it deems appropriate.

The performance targets may not be revised after the end of the three-year period. If the minimum performance has not been achieved, no performance matching shares will be issued.

In the financial statements for 2009, an expense of SEK 2.4 million (2008: SEK 1.6 million) has been charged against profits for the performance-based share savings programme. The expense is arrived at by periodising a straight-line estimated expense over three years. The maximum potential dilution of earnings per share under the two programmes together is equivalent to 1.1 percent.

## Absence from work due to illness

(Figures in percent)	Parent company	
	2009	2008
Total sick leave as a percentage of ordinary working time	2.3	1.3
Portion of total sick leave comprising absences of 60 consecutive days or more	0.7	—

## Sick leave as a percentage of total ordinary working time for each of the following groups:

By gender:		
Men	0.6	0.8
Women	3.1	1.5
By age:		
29 years old or below	0.7	1.0
30-49 years	3.0	0.5
50 years or above	2.0	2.4

## 9 Other operating expenses

Group	2009	2008
Overheads	—	829
Exchange gains/losses	7,574	10,269
<b>7,574</b>	<b>11,098</b>	

## 10 Net financial income/expense

Group	2009	2008
Interest income	4,830	12,903
Profit on sale of investments in securities, etc.	3	—
Exchange gains	7,378	—
<b>Financial income</b>	<b>12,211</b>	<b>12,903</b>
Interest expense*	-13,785	-23,421
Net loss on the disposal of financial assets held for sale	-54	-67
Exchange losses	-9,662	-7,198
<b>Financial expense</b>	<b>-23,501</b>	<b>-30,686</b>
<b>Net financial expense</b>	<b>-11,290</b>	<b>-17,783</b>

Parent company	2009	2008
Interest income, Group companies	7,680	28,237
Interest income	94	386
Exchange gains	370	—
Dividends	3,721	173
<b>Financial income</b>	<b>11,865</b>	<b>28,796</b>
Interest expense, Group companies	-2,502	-3,186
Interest expense*	-6,576	-15,471
Exchange losses	-1,364	—
<b>Financial expense</b>	<b>-10,442</b>	<b>-18,657</b>
<b>Net financial income</b>	<b>1,423</b>	<b>10,139</b>

\* Includes interest on pension provisions.

## 11 Appropriations

Parent company	2009	2008
Difference between recognised depreciation/amortisation and depreciation/amortisation according to plan	-13,244	-10,881
<b>-13,244</b>	<b>-10,881</b>	

## 12 Earnings per share

SEK	Before dilution		After dilution	
	2009	2008	2009	2008
Earnings per share	15.86	19.08	15.81	19.08

The calculation of the numerators and denominators used in the above calculations of earnings per share is explained below.

### Earnings per share before dilution

The calculation of earnings per share for 2009 is based on the profit for the year attributable to the parent company's ordinary shareholders amounting to SEK 268,747,000 (2008: SEK 324,184,000) and on a weighted average number of outstanding shares that amounted to 16,949,036 during 2009 (2008: 16,989,266).

### Weighted average number of outstanding ordinary shares, before dilution

	2009	2008
Total number of ordinary shares 1 January	16,992,501	16,935,233
Effect of conversion of conv. debentures to shares in March 2008	—	25,029
Effect of conversion of conv. debentures to shares in June 2008	—	34,013
Effect of share buy-backs in 2008	—	-5,009
Effect of share buy-backs in 2009	-43,465	—
<b>Weighted average number of ordinary shares during the year, before dilution</b>	<b>16,949,036</b>	<b>16,989,266</b>

### Earnings per share after dilution

In calculating earnings per share after dilution, the weighted number of outstanding ordinary shares is adjusted for the dilution effect of all outstanding potential ordinary shares. When calculating earnings per share after dilution, outstanding ordinary shares have been adjusted for a potential dilution effect for shares in the outstanding share savings programme.

### Profit attributable to the parent company's ordinary shareholders, after dilution

	2009	2008
Profit attributable to the parent company's ordinary shareholders	268,747	324,184
<b>Profit attributable to the parent company's ordinary shareholders, after dilution</b>	<b>268,747</b>	<b>324,184</b>

### Weighted average number of outstanding ordinary shares, after dilution

	2009	2008
Weighted average number of ordinary shares during the year, before dilution	16,949,036	16,989,266
Effect of outstanding share savings programme	47,143	2,272
<b>Weighted average number of ordinary shares during the year, after dilution</b>	<b>16,996,179</b>	<b>16,991,538</b>

## 13 Intangible assets

Group	Goodwill	Development expenditure	Other intangible assets	Total
<b>Accumulated acquisition cost</b>				
Balance brought fwd 1 Jan 2008	1,065,577	13,161	37,423	1,116,161
Corporate acquisitions	177,812	—	12,938	190,750
Additional consideration	2,607	—	—	2,607
Acquisitions	—	—	709	709
Assets developed in-house	—	1,591	—	1,591
Disposals and retirements	—	—	-1,508	-1,508
Exchange differences for the year	85,880	1,350	4,483	91,713
<b>Balance carried fwd 31 Dec 2008</b>	<b>1,331,876</b>	<b>16,102</b>	<b>54,045</b>	<b>1,402,023</b>
Balance brought fwd 1 Jan 2009	1,331,876	16,102	54,045	1,402,023
Corporate acquisitions	2,160	—	—	2,160
Additional consideration	50,187	—	—	50,187
Acquisitions	—	—	4,118	4,118
Assets developed in-house	—	11,539	—	11,539
Disposals and retirements	-9,370	-3,136	-2,845	-15,351
Exchange differences for the year	-34,460	-542	-1,883	-36,885
<b>Balance carried fwd 31 Dec 2009</b>	<b>1,340,393</b>	<b>23,963</b>	<b>53,435</b>	<b>1,417,791</b>
<b>Accumulated amortisation and impairment</b>				
Balance brought fwd 1 Jan 2008	-2,596	-12,916	-16,929	-32,441
Corporate acquisitions	—	—	-32	-32
Depreciation during the year	—	-156	-9,870	-10,026
Disposals and retirements	—	—	1,508	1,508
Exchange differences for the year	—	-1,342	-2,623	-3,965
<b>Balance carried fwd 31 Dec 2008</b>	<b>-2,596</b>	<b>-14,414</b>	<b>-27,946</b>	<b>-44,956</b>
Balance brought fwd 1 Jan 2009	-2,596	-14,414	-27,946	-44,956
Corporate acquisitions	—	—	—	—
Amortisation during the year	—	-278	-9,634	-9,912
Disposals and retirements	-133	3,087	2,333	5,287
Exchange differences for the year	—	538	1,013	1,551
<b>Balance carried fwd 31 Dec 2009</b>	<b>-2,729</b>	<b>-11,067</b>	<b>-34,234</b>	<b>-48,030</b>
<b>Carrying amounts</b>				
Per 1 Jan 2008	1,062,981	245	20,494	1,083,720
Per 31 Dec 2008	1,329,280	1,688	26,099	1,357,067
Per 1 Jan 2009	1,329,280	1,688	26,099	1,357,067
Per 31 Dec 2009	1,337,664	12,896	19,201	1,369,761

Note 13 continued

Parent company	Intangible assets
<b>Accumulated acquisition cost</b>	
Balance brought fwd 1 Jan 2008	—
Acquisitions	—
<b>Balance carried fwd 31 Dec 2008</b>	<b>—</b>
Balance brought fwd 1 Jan 2009	—
Acquisitions	3,669
<b>Balance carried fwd 31 Dec 2009</b>	<b>3,669</b>
<b>Accumulated amortisation and impairment</b>	
Balance brought fwd 1 Jan 2008	—
Amortisation during the year	—
<b>Balance carried fwd 31 Dec 2008</b>	<b>—</b>
Balance brought fwd 1 Jan 2009	—
Amortisation during the year	—401
<b>Balance carried fwd 31 Dec 2009</b>	<b>—401</b>
<b>Carrying amounts</b>	
Per 1 Jan 2008	—
Per 31 Dec 2008	—
Per 1 Jan 2009	—
Per 31 Dec 2009	3,268

**Goodwill**

Goodwill has been apportioned between cash-generating units, corresponding in the first instance to the Group's divisions, but also to major identifiable corporate investments within the respective divisions. Goodwill is tested annually for impairment, during the fourth quarter or when a need for impairment is indicated, by discounting the expected future cash flow by a weighted average cost of capital per cash-generating unit. The present value of cash flows, the value in use, is compared with the carrying amount including goodwill.

In calculating the value in use of the cash-generating units, a number of assumptions on future circumstances and estimates of parameters have been made. Changes in these assumptions and estimates would affect the carrying amount of goodwill.

The forecasts of future cash flows used are based on the forecast made by senior management for the next year, supplemented by an individual assessment of a further four years. From that point onwards the calculation is based on an annual growth rate of 2 percent. The net present values of forecast cash flows have been calculated using a discount rate of 11 percent (2008: 11 percent) before tax.

At the end of 2009, goodwill amounted to SEK 1,337,664,000 (2008: SEK 1,329,280,000).

The carrying amount of goodwill is allocated as follows:

Division	2009	2008
Energy	549,361	540,553
Engineering	512,602	497,633
Infrastructure	206,720	222,603
Inspection	68,981	68,491
<b>Total</b>	<b>1,337,664</b>	<b>1,329,280</b>

In assessing goodwill, the value in use exceeded the goodwill values. It is the view of senior management that no reasonably conceivable changes in the important assumptions for the cash-generating units would lead to an impairment need.

## 14 Tangible assets

Group	Equipment, tools, fixtures and fittings	Land and buildings	Total
<b>Acquisition costs</b>			
Balance brought fwd 1 Jan 2008	263,200	101,763	364,963
Corporate acquisitions	10,262	6,475	16,737
Acquisitions	105,508	32,359	137,867
Disposals and retirements	-47,795	—	-47,795
Exchange differences	8,634	36,621	45,255
<b>Balance carried fwd 31 Dec 2008</b>	<b>339,809</b>	<b>177,218</b>	<b>517,027</b>
Balance brought fwd 1 Jan 2009	339,809	177,218	517,027
Corporate acquisitions	—	—	—
Acquisitions	64,271	2,722	66,993
Disposals and retirements	-49,191	—	-49,191
Exchange differences	-2,445	-9,421	-11,866
<b>Balance carried fwd 31 Dec 2009</b>	<b>352,444</b>	<b>170,519</b>	<b>522,963</b>
<b>Depreciation and impairment</b>			
Balance brought fwd 1 Jan 2008	-153,054	-1,194	-154,248
Corporate acquisitions	-6,325	-1,110	-7,435
Depreciation during the year	-40,812	-3,222	-44,034
Disposals and retirements	34,223	—	34,223
Exchange differences	-6,011	-884	-6,895
<b>Balance carried fwd 31 Dec 2008</b>	<b>-171,979</b>	<b>-6,410</b>	<b>-178,389</b>
Balance brought fwd 1 Jan 2009	-171,979	-6,410	-178,389
Corporate acquisitions	—	—	—
Depreciation during the year	-47,410	-4,319	-51,729
Disposals and retirements	38,159	—	38,159
Exchange differences	1,538	383	1,921
<b>Balance carried fwd 31 Dec 2009</b>	<b>-179,692</b>	<b>-10,346</b>	<b>-190,038</b>
<b>Carrying amounts</b>			
Per 1 Jan 2008	110,146	100,569	210,715
Per 31 Dec 2008	167,830	170,808	338,638
Per 1 Jan 2009	167,830	170,808	338,638
Per 31 Dec 2009	172,752	160,173	332,925

### Group

#### Finance leases

Equipment held under finance leasing agreements is included in the Group at the carrying amount of SEK 33,211,000 (2008: SEK 26,195,000).

Current and non-current liabilities in the consolidated balance sheet include future payments in respect of leasing obligations entered as liabilities. See also Note 19 "Liabilities to credit institutions".

Group	Equipment, tools, fixtures and fittings
<b>Parent company</b>	

#### Acquisition costs

Balance brought fwd 1 Jan 2008	42,832
Acquisitions	50,784
Disposals and retirements	-5,417
<b>Balance carried fwd 31 Dec 2008</b>	<b>88,199</b>

Balance brought fwd 1 Jan 2009	88,199
Acquisitions	9,933
Disposals and retirements	—
<b>Balance carried fwd 31 Dec 2009</b>	<b>98,132</b>

#### Depreciation

Balance brought fwd 1 Jan 2008	-28,189
Depreciation during the year	-5,090
Disposals and retirements	1,553
<b>Balance carried fwd 31 Dec 2008</b>	<b>-31,726</b>

Balance brought fwd 1 Jan 2009	-31,726
Depreciation during the year	-8,859
Disposals and retirements	—
<b>Balance carried fwd 31 Dec 2009</b>	<b>-40,585</b>

#### Carrying amounts

Per 1 Jan 2008	14,643
Per 31 Dec 2008	56,473
Per 1 Jan 2009	56,473
Per 31 Dec 2009	57,547

## 15 Participations in associates

	Group		Parent company	
	2009	2008	2009	2008
Carrying amount at start of year	13,426	11,216	613	—
Acquisition of associates	—	—	7,339	613
Sale of associates	-396	—	—	—
Participations in the results of associates after tax	1,631	3,566	—	—
Dividend received and repayment of shareholders' contribution	-1,871	-2,549	—	—
Translation difference	-343	1,193	—	—
<b>Carrying amount at end of year</b>	<b>12,447</b>	<b>13,426</b>	<b>7,952</b>	<b>613</b>

The total earnings, profit, assets and liabilities of associates are specified in the tables below.

<b>Associates 2009</b>	Country	Earnings	Profit	Assets	Liabilities	Equity	Ownership %
ÅF-TÜV Nord AB	Sweden	42,275	3,890	15,036	7,617	7,419	50
ÅF-Incepal S.A	Spain	29,548	191	36,846	21,751	15,095	47
NDT Training Center AB	Sweden	15,531	807	7,854	3,636	4,218	33
		<b>87,354</b>	<b>4,888</b>	<b>59,736</b>	<b>33,004</b>	<b>26,732</b>	

<b>Associates 2008</b>	Country	Earnings	Profit	Assets	Liabilities	Equity	Ownership %
ÅF-TÜV Nord AB	Sweden	42,075	3,766	17,045	11,633	5,412	50
ÅF-Incepal S.A	Spain	33,974	1,825	61,238	45,492	15,746	47
NDT Training Center AB	Sweden	14,129	2,484	10,463	4,831	5,632	33
ITP-Infra Trans Project Ltd	Albania	0	0	2,401	2,481	-80	49
		<b>90,178</b>	<b>8,075</b>	<b>91,147</b>	<b>64,437</b>	<b>26,710</b>	

## 16 Financial investments

Group	2009	2008
<b>Financial assets which are non-current assets</b>		
Unlisted shares and participations	818	918
Tenant-owner property holdings	351	351
	<b>1,169</b>	<b>1,269</b>

### Specification of changes in carrying amounts for the year

	Group		Parent company	
	2009	2008	2009	2008
Carrying amount brought forward	1,269	946	—	—
Acquisitions	—	448	—	—
Disposals/impairments	-54	-174	—	—
Change in realisable value	—	-7	—	—
Translation difference	-46	56	—	—
<b>Carrying amount carried forward</b>	<b>1,169</b>	<b>1,269</b>	—	—

## 17 Prepaid expenses and accrued income

	Group		Parent company	
	2009	2008	2009	2008
Rent	25,889	26,747	21,990	20,768
Support and maintenance contracts	4,265	3,785	701	832
Other	28,830	26,111	8,760	5,303
	<b>58,984</b>	<b>56,643</b>	<b>31,451</b>	<b>26,903</b>

## 18 Equity

The total number of shares as at 31 December 2009 comprised 804,438 class A shares (10 votes per share) and 16,225,063 class B shares (1 vote per share). Holders of ordinary shares are entitled to dividends which are determined in due course. All shares have the same right to the company's remaining net assets. As a result of the share buy-back authorised by the Annual General Meeting, ÅF AB held 142,000 of the company's own class B shares on 31 December 2009. These shares do not participate in dividends. The dividends

paid out during 2009 and 2008 totalled SEK 110,159,000 (SEK 6.50 per share) and SEK 110,079,000 (SEK 6.50 per share) respectively. At the Annual General meeting on 5 May 2010, a dividend in respect of financial year 2009 of SEK 8.00 per share will be proposed, equivalent to a total pay-out of SEK 135,100,000. The proposed dividend has not been recognised in these financial reports.

The quota value of the share for 2009 was SEK 10 (2008: SEK 10).

### Reserves

Group	Translation reserve	Hedging reserve	Fair value reserve	Total reserves
<b>Balance brought forward as at 1 Jan 2008</b>	<b>8,022</b>	<b>-144</b>	<b>5</b>	<b>7,883</b>
Exchange differences for the year	170,844			170,844
Revaluations			-7	-7
Cash flow hedging	576			576
Tax	-152		2	-150
Effect of change in tax rate	-4			-4
<b>Balance carried forward as at 31 Dec 2008</b>	<b>178,866</b>	<b>276</b>	<b>—</b>	<b>179,142</b>
<b>Balance brought forward as at 1 Jan 2009</b>	<b>178,866</b>	<b>276</b>	<b>—</b>	<b>179,142</b>
Exchange differences for the year	-56,428			-56,428
Cash flow hedging	-370			-370
Tax	94			94
<b>Balance carried forward as at 31 Dec 2009</b>	<b>122,438</b>	<b>—</b>	<b>—</b>	<b>122,438</b>

#### Other contributed capital

This refers to equity which has been contributed by the shareholders. It includes premium reserve transferred to statutory reserve as at 31 December 2005. Transfers to the premium reserve on and after 1 January 2006 are also recognised as contributed capital.

#### Translation reserve

The translation reserve includes all exchange differences arising on the translation of financial reports from foreign operations which have prepared their financial reports in a currency other than that in which the consolidated financial reports are presented. The currency in which the parent company and the Group present their financial reports is the Swedish Krona (SEK).

#### Hedging reserve

The hedging reserve includes the effective portion of the accumulated net changes of fair value of a cash-flow hedging instrument attributable to hedging transactions which have not yet taken place.

#### Fair value reserve

The fair value reserve includes the accumulated net changes in fair value of financial assets which may be sold until such time as these assets are derecognised from the balance sheet.

#### Pensions

Pensions include actuarial gains and losses and the employer's contribution on these, which are recognised as other comprehensive income.

#### Convertible debentures

Convertible debentures which can be converted into shares by a counterparty exercising the option to convert the instrument into shares are recognised as a compound financial instrument comprising a liability component and an equity component.

#### Profits brought forward including net profit for the year

Profits brought forward including net profit for the year include profits earned by the parent company and its subsidiaries and associates. Previous transfers to the statutory reserve, excluding premium reserve transferred, are included in this equity item.

Note 18 continued

## Summary of changes in the parent company's equity

Parent company	Restricted equity		Non-restricted equity			Total equity
	Share capital	Statutory reserve	Fair value reserve	Premium reserve	Profit carried forward	
<b>Equity brought forward 1 Jan 2008</b>	<b>169,352</b>	<b>46,948</b>	—	<b>454,974</b>	<b>585,349</b>	— <b>1,256,623</b>
Change in hedge reserve for the year			587			587
Tax			-154			-154
<b>Other comprehensive income</b>	—	—	<b>433</b>	—	—	— <b>433</b>
Loss for the year					-36,198	-36,198
<b>Total comprehensive income for the period</b>	—	—	<b>433</b>	—	—	<b>-36,198</b> <b>-35,765</b>
Dividends					-110,079	-110,079
New issue (convertible)	943			6,665		7,608
Group contributions					334,785	334,785
Tax attributable to Group contribution					-93,740	-93,740
Share buy-backs				-4,456		-4,456
Share savings programme 2008					1,203	1,203
<b>Equity carried forward 31 Dec 2008</b>	<b>170,295</b>	<b>46,948</b>	<b>433</b>	<b>457,183</b>	<b>717,518</b>	<b>-36,198</b> <b>1,356,179</b>
<b>Equity brought forward 1 Jan 2009</b>	<b>170,295</b>	<b>46,948</b>	<b>433</b>	<b>457,183</b>	<b>681,320</b>	— <b>1,356,179</b>
Change in hedge reserve for the year			-587			-587
Tax			154			154
<b>Other comprehensive income</b>	—	—	<b>-433</b>	—	—	— <b>-433</b>
Loss for the year					-12,072	-12,072
<b>Total comprehensive income for the period</b>	—	—	<b>-433</b>	—	—	<b>-12,072</b> <b>-12,505</b>
Dividends					-110,159	-110,159
Group contributions					235,970	235,970
Tax attributable to Group contribution					-62,060	-62,060
Share buy-backs				-16,140		-16,140
Share savings programme 2008					575	575
Share savings programme 2009					1,259	1,259
<b>Equity carried forward 31 Dec 2009</b>	<b>170,295</b>	<b>46,948</b>	—	<b>441,043</b>	<b>746,905</b>	<b>-12,072</b> <b>1,393,119</b>

**Restricted reserves**

Restricted reserves must not be reduced through dividends.

**Statutory reserve**

The purpose of the statutory reserve is to block a portion of net profits, which are not to be used to cover losses brought forward. With effect from 2006, it is no longer obligatory to make transfers to the statutory reserve.

**Non-restricted equity****Fair value reserve**

The fair value reserve includes the effective proportion of the accumulated net changes in fair value of a cash-flow hedging instrument attributable to hedging transactions which have not yet been entered into.

**Premium reserve**

When shares are issued at a premium, i.e. when shareholders pay more than the quota value of the shares, an amount equivalent to the amount received in excess of the quota value of the shares is transferred to the premium reserve. Premium reserves attributable to transactions before 1 January 2006 have been transferred to the statutory reserve. Premium reserves which arise after that date are recognised as non-restricted equity.

**Profits brought forward**

These constitute non-restricted equity from previous years after any transfer to reserves and after the payment of any dividends. Along with net profit for the year and any reserve for fair value, these constitute total non-restricted equity, i.e. the amount available for dividends to shareholders.

## 19 Liabilities to credit institutions

The note includes information on the company's contractual terms in respect of interest-bearing liabilities.

Group		
Non-current liabilities	2009	2008
Bank loans	13,907	75,966
Finance leasing liabilities	25,822	19,750
	<b>39,729</b>	<b>95,716</b>
Current liabilities		
Short-term bank loans	280,115	256,935
Current portion of finance leasing liabilities	9,307	8,064
	<b>289,422</b>	<b>264,999</b>

### Conditions and amortisation periods

Group	Interest rate, %	Nom. amount in original currency	Carrying amount	Due, year	Fair value
Long-term bank loans					
Switzerland, CHF, fixed interest	3.3	2,000	13,907	2011	13,505
			<b>13,907</b>		<b>13,505</b>
Short-term bank loans					
Finland, EUR, floating interest	1.0	28	290	2010	290
Norway, NOK, floating interest	4.1	10,391	12,916	2010	12,916
Switzerland, CHF, fixed interest	3.4	4,960	34,489	2010	34,278
Switzerland, CHF, floating interest	2.5	3,000	20,861	2010	20,861
Sweden, SEK, floating interest	0.6	111,559	111,559	2010	111,559
Sweden, SEK, floating interest	0.7	50,000	50,000	2010	50,000
Sweden, SEK, floating interest	0.7	50,000	50,000	2010	50,000
			<b>280,115</b>		<b>279,904</b>

For the bank loans of SEK 211,559,000 taken out by the parent company, there are certain special obligations stemming from the credit agreement. There are limitations on changes in the company's activities, securities and equity/assets ratio, as well as on the debt/equity ratio and the interest coverage ratio.

### Finance leasing liabilities

Finance leasing liabilities fall due for payment as shown in the table below:

Group	2009			2008		
	Minimum leasing fees	Interest	Principal amount	Minimum leasing fees	Interest	Principal amount
Within one year	9,682	375	9,307	9,170	1,107	8,064
1-5 years	26,096	274	25,822	20,382	632	19,750
	<b>35,778</b>	<b>649</b>	<b>35,129</b>	<b>29,552</b>	<b>1,739</b>	<b>27,814</b>

For more information on the company's interest rate risk and exchange rate risk, please refer to Note 25.

Parent company	2009	2008
Non-current liabilities		
Bank loans <sup>1)</sup>	211,559	240,785
	<b>211,559</b>	<b>240,785</b>

<sup>1)</sup> Current liabilities have a maturity of between 3 and 12 months from the end of the reporting period. AF AB has credit facilities totalling SEK 750 million.

## 20 Retirement benefit obligations

### Defined-benefit plans

Group	2009	2008
Present value of funded obligations	678,200	374,613
Fair value of plan assets	-681,204	-333,405
	<b>-3,004</b>	<b>41,208</b>
Present value of unfunded obligations	62,354	62,615
<b>Net recognised in respect of defined-benefit plans</b>	<b>59,350</b>	<b>103,823</b>
Recognised as assets	3,004	—
Recognised as liabilities	62,354	103,823
<b>Net</b>	<b>59,350</b>	<b>103,823</b>

Defined-benefit plans exist in Sweden, Switzerland and Finland. The plan assets and retirement benefit obligations assumed during the year are attributable to the restructuring of the pension fund in Switzerland. The restructuring involved a shift to a higher proportion of shares, and this has led to an increase in the value of plan assets. This is the explanation for the majority of the actuarial gains of SEK 44 million recognised during the year.

### Changes in the fair value of plan assets during the year

Group	2009	2008
At start of year	333,405	270,126
Assets acquired	227,634	—
Expected return	13,112	11,014
Payments made	97,398	10,548
Payments disbursed	-20,256	-10,548
Actuarial gains (+) and losses (-) recognised in other comprehensive income	48,410	-28,148
Exchange differences	-18,499	80,413
<b>At close of year</b>	<b>681,204</b>	<b>333,405</b>

### Changes in present value of obligations during the year

Group	2009	2008
At start of year	437,228	330,261
Liabilities assumed	227,634	—
Payments made	84,283	—
Payments disbursed	-23,161	-13,063
Actuarial gains (-) and losses (+) recognised in other comprehensive income	4,214	14,607
Cost recognised in profit or loss	30,718	24,187
Exchange differences	-20,362	81,236
<b>At close of year</b>	<b>740,554</b>	<b>437,228</b>

### Actuarial gains (-) and losses (+) recognised in other comprehensive income

Group	2009	2008
Recognised in other comprehensive income as at 1 January	50,578	7,823
Recognised during the year	-44,196	42,755
Exchange differences	-1,689	—
<b>Recognised in other comprehensive income as at 31 December</b>	<b>4,693</b>	<b>50,578</b>

### Cost recognised in profit or loss

Group	2009	2008
Current service cost	15,328	10,548
Interest expense for the obligation, net	2,278	2,625
<b>Total net cost in the income statement</b>	<b>17,606</b>	<b>13,173</b>

The cost of defined-benefit plans is recognised in the income statement under Personnel costs, apart from SEK 2,278,000 (2008: SEK 2,625,000) which is recognised under Financial expenses. The cost for defined-benefit plans in 2010 is anticipated to be on a par with the cost recognised in 2009.

## Note 20 continued

**Assumptions for defined-benefit obligations**

The most significant actuarial assumptions as at the end of the reporting period

Group	2009	2008
<b>Sweden</b>		
Discount rate as at 31 December, %	4.0	4.0
Future increase in retirement benefits, %	2.0	2.0
Annual increase in paid-up policies, %	2.0	2.0
Anticipated remaining period of service, in years	—	—

Switzerland	2009	2008
Discount rate as at 31 December, %	3.25	3.25
Expected return on plan assets, %	3.66	3.66
Future increase in retirement benefits, %	0.0	0.0
Future increases in salaries, %	1.0	0.0
Expected remaining period of service, years	8.7	8.8

For some of the Group's employees, the obligations in respect of retirement pension and family pension for salaried staff in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board (UFR 3) this is a defined-benefit multi-employer plan. For financial year 2009, the company has not had access to the information required to recognise this plan as a defined-benefit plan. The ITP supplementary pensions plan for salaried employees' retirement benefits that is secured through insurance with Alecta is, therefore, recognised as a defined-contribution plan.

Contributions during the year for retirement benefit insurance with Alecta amounted to SEK 95,653,000 (2008: SEK 55,392,000). Alecta's surplus may be allocated to the insurance policy holder and/or the insured. At the close of 2009 Alecta's surplus in the form of the collective funding ratio was 141.0 percent (2008: 112.0 percent). The collective funding ratio is the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions, which are not in conformity with IAS 19.

**Parent company's retirement benefit obligations**

	2009	2008
Present value of unfunded obligations <sup>1)</sup>	27,114	27,185
<b>Net recognised in respect of defined-benefit plans</b>	<b>27,114</b>	<b>27,185</b>
Of which covered by a credit insurance through FPG/PRI	27,114	27,185

<sup>1)</sup> In accordance with Swedish principles for calculating pensions obligations.

**Net present value of pension obligations**

	2009	2008
Net present value of pension obligations at start of year	27,185	27,161
Cost excluding interest expense charged to profit	651	34
Interest expense	1,053	1,534
Pensions paid	-1,775	-1,544
<b>Net present value of pension obligations at end of year</b>	<b>27,114</b>	<b>27,185</b>

**Expense recognised in profit or loss**

	2009	2008
Revaluation of bonus supplement	848	—
Other	-197	34
Interest expense on obligations	1,053	1,534
<b>Total net expense in the income statement</b>	<b>1,704</b>	<b>1,568</b>

The discount rate for the parent company's pension obligations in 2009 is 3.8 percent (2008: 3.8 percent).

**Defined-contribution plans**

The Group has defined-contribution plans in Sweden and abroad. Contributions to these plans are made continuously in accordance with the regulations for each plan.

	Group		Parent company	
	2009	2008	2009	2008
Cost of defined-contribution plans	227,311	168,294	9,315	5,496

Of the Group's total expense for defined-contribution plans, SEK 95,653,000 (2008: SEK 55,392,000) refers to the ITP plan financed through Alecta, see above.

## 21 Provisions

### Group

Provisions which are non-current liabilities	2009	2008
Restructuring costs	—	691
Provision for additional consideration	25,275	45,099
Other	2,048	20,496
<b>Total</b>	<b>27,323</b>	<b>66,286</b>
 Provisions which are current liabilities		
Restructuring costs	153	3 300
Provision for additional consideration	9,707	—
Provisions for removal costs	—	501
Other	20,871	4,508
<b>Total</b>	<b>30,731</b>	<b>8,309</b>
 <b>Total provisions</b>	<b>58,054</b>	<b>74,595</b>
 <b>Restructuring</b>		
Carrying amount at start of period	3,991	546
Transfers during reporting period	—	3 445
Amount used during period	-3,838	—
<b>Carrying amount at end of period</b>	<b>153</b>	<b>3,991</b>
 <b>Additional consideration</b>		
Carrying amount at start of period	45,099	—
Transfers during reporting period	6,010	45,099
Amount used during period	-16,127	—
<b>Carrying amount at end of period</b>	<b>34,982</b>	<b>45,099</b>
 <b>Removal costs</b>		
Carrying amount at start of period	501	9,211
Amount used during period	-501	-8,710
<b>Carrying amount at end of period</b>	<b>—</b>	<b>501</b>
 <b>Other provisions</b>		
Carrying amount at start of period	25,004	8,725
Transfers during reporting period	5,965	16,385
Amount used during period	-665	-715
Amount reversed in the income statement	-7,385	—
Other	—	609
<b>Carrying amount at end of period</b>	<b>22,919</b>	<b>25,004</b>

Group's total provisions	2009	2008
Total carrying amount at start of period	74,595	18,482
Transfers during reporting period	11,975	64,929
Amount used during period	-21,131	-9,425
Amount reversed in the income statement	-7,385	—
Other	—	609
<b>Total carrying amount at end of period</b>	<b>58,054</b>	<b>74,595</b>

### Parent company

Provisions	2009	2008
Provisions for removal costs	—	501
Provisions for additional consideration	22,467	—
Provisions for incentive programme	1,884	16,585
<b>Total</b>	<b>24,351</b>	<b>17,086</b>

### Change in provisions

Carrying amount at start of period	17,086	13,611
Additional consideration acquired	16,457	—
Transfers during reporting period	6,674	12,185
Amount used during period	-501	-8,710
Amount reversed in the income statement	-15,365	—
<b>Carrying amount at end of period</b>	<b>24,351</b>	<b>17,086</b>

Amount reversed in ÅF AB (i.e. SEK -15,365,000) refers to the incentive programme. Provisions were made in ÅF AB in previous years, and the subsidiaries covered by the programme have been debited in 2009. In 2008, ÅF AB transferred its head office to Hagaporten, Solna. The reserve for future removal expenses was, therefore, utilised during 2008 and 2009.

During the period 2007 to 2009 provisions were also made for an incentive programme. (See also Note 8.)

It is anticipated that non-current provisions will be settled within the next three years.

## 22 Taxes

### Recognised in profit or loss

#### Group

Current tax	2009	2008
Tax expense for the period	-93,219	-130,105
Adjustment of tax attributable to previous years	-2,775	-1,889
<b>Deferred tax</b>		
Deferred tax expense	-5,631	-1,135
<b>Total recognised tax expense in the Group</b>	<b>-101,625</b>	<b>-133,129</b>

#### Parent company

Current tax	2009	2008
Tax expense for the period	-51,756	-80,958
Adjustment of tax attributable to previous years	—	60
Tax in respect of group contributions paid/received	62,060	93,740
<b>Deferred tax</b>		
Deferred tax in respect of temporary differences	-4,810	1,004
<b>Total recognised tax receipt/expense in the parent company</b>	<b>5,494</b>	<b>13,846</b>

### Reconciliation of effective tax

Group	2009 (%)	2009	2008 (%)	2008
Profit before tax		376,962		460,880
Tax in accordance with current tax rate for parent company	-26.30	-99,141	-28.00	-129,046
Effect of other tax rates for foreign subsidiaries	1.73	6,525	1.34	6,178
Non-deductible expenses	-1.30	-4,885	-1.19	-5,499
Non-taxable income	0.64	2,423	0.42	1,928
Increase in loss carry-forwards without the corresponding capitalisation of deferred tax	-0.53	-2,009	-0.24	-1,115
Tax attributable to previous years	-0.74	-2,775	-0.41	-1,889
Change in deferred tax rate to 26.3%	—	—	0.04	167
Other	-0.46	-1,763	-0.84	-3,853
<b>Recognised effective tax</b>	<b>-26.96</b>	<b>-101,625</b>	<b>-28.88</b>	<b>-133,129</b>

### Reconciliation of effective tax

Parent company	2009 (%)	2009	2008 (%)	2008
Loss before tax		-17,566		-50,044
Tax in accordance with current tax rate for the parent company	-26.30	4,620	-28.00	14,012
Non-deductible expenses	1.76	-310	1.21	-606
Non-taxable income	-6.74	1,184	-1.38	691
Tax attributable to previous years	—	—	-0.12	60
Change in deferred tax rate to 26.3%	—	—	0.62	-311
<b>Recognised effective tax</b>	<b>-31.28</b>	<b>5,494</b>	<b>-27.67</b>	<b>13,846</b>

### Recognised in the balance sheet

The current tax liability in the Group totals SEK 16,652,000 (2008: SEK 79,010,000). The parent company currently has tax assets amounting to SEK 13,556,000: in 2008 the parent company had a tax liability of SEK 53,123,000.

Note 22 continued

**Deferred tax assets and tax liabilities****Recognised deferred tax assets and tax liabilities**

Deferred tax assets and tax liabilities relate to the following:

<b>Group</b>	Deferred tax assets		Deferred tax liability		Net	
	2009	2008	2009	2008	2009	2008
Non-current assets	367	786	-16,453	-19,381	-16,086	-18,595
Current receivables and liabilities	3,043	9,112	-153	-1,143	2,890	7,969
Provisions	6,248	18,238	-7,150	-11,400	-902	6,838
Untaxed reserves	—	—	-10,660	-5,678	-10,660	-5,678
Loss carry-forwards	5,715	4,596	—	—	5,715	4,596
<b>Tax assets/tax liabilities</b>	<b>15,373</b>	<b>32,732</b>	<b>-34,416</b>	<b>-37,602</b>	<b>-19,043</b>	<b>-4,870</b>
Set-off	-4,465	-17,927	4,465	17,927	—	—
<b>Tax assets/tax liabilities, net</b>	<b>10,908</b>	<b>14,805</b>	<b>-29,951</b>	<b>-19,675</b>	<b>-19,043</b>	<b>-4,870</b>

<b>Parent company</b>	Deferred tax assets		Deferred tax liability		Net	
	2009	2008	2009	2008	2009	2008
Current receivables and liabilities	—	—	—	-154	—	-154
Provisions	—	4,810	—	—	—	4,810
<b>Tax assets/tax liabilities, net</b>	<b>—</b>	<b>4,810</b>	<b>—</b>	<b>-154</b>	<b>—</b>	<b>4,656</b>

**Unrecognised deferred tax assets**

Deductible temporary differences and loss carry-forwards for tax purposes for which deferred tax assets have not been recognised in the income statement and balance sheets:

<b>Group</b>	2009	2008
Loss for tax purposes	21,468	21,215
<b>21,468</b>	<b>21,215</b>	

Deferred tax assets have not been recognised in respect of these losses for tax purposes since it has not yet been deemed likely that the Group will be able to utilise them against future taxable profits. The losses are attributable to parts of the Group's Norwegian, German and Russian operations.

Note 22 continued

**Change in deferred tax on temporary differences and loss carry-forwards**

Group	Balance 1 January 2009	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2009
Non-current assets	-18,595	2,268	241	-16,086
Current receivables and liabilities	7,969	-4,670	-409	2,890
Provisions	6,838	98	-7,838	-902
Untaxed reserves	-5,678	-4,056	-926	-10,660
Utilisation of loss carry-forwards	4,596	729	390	5,715
	<b>-4,870</b>	<b>-5,631</b>	<b>-8,542</b>	<b>-19,043</b>

Parent company	Balance 1 January 2009	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2009
Current receivables and liabilities	-154	—	154	—
Provisions	4,810	-4,810	—	—
	<b>4,656</b>	<b>-4,810</b>	<b>154</b>	<b>—</b>

**23 Accrued expenses and prepaid income**

	Group		Parent company	
	2009	2008	2009	2008
Personnel-related liabilities	344,394	397,357	16,104	16,481
Accrued expenses, sub-consultants	19,826	20,212	—	—
Other	46,404	54,454	7,966	5,303
	<b>410,624</b>	<b>472,023</b>	<b>24,070</b>	<b>21,784</b>

## 24 Financial assets and liabilities

Fair value and carrying amount are reported in the balance sheet below:

	Group 2009					Group 2008						
	Derivatives used in hedge accounting	Financial assets valued at fair value via equity	Accounts receivable and loan receivables	Financial liabilities	Total carrying amount	Fair value	Derivatives used in hedge accounting	Financial assets valued at fair value via equity	Accounts receivable and loan receivables	Financial liabilities	Total carrying amount	Fair value
Financial investments	—	1,169	—	—	1,169	1,169	—	1,269	—	—	1,269	1,269
Non-current receivables	—	—	2,669	—	2,669	2,669	—	—	2,104	—	2,104	2,104
Accounts receivable	—	—	881,762	—	881,762	881,762	—	—	978,706	—	978,706	978,706
Other receivables	—	—	—	—	—	—	7,010	—	—	—	7,010	7,010
Cash and cash equivalents	—	—	344,660	—	344,660	344,660	—	—	290,338	—	290,338	290,338
<b>Total</b>	<b>—</b>	<b>1,169</b>	<b>1,229,091</b>	<b>—</b>	<b>1,230,260</b>	<b>1,230,260</b>	<b>7,010</b>	<b>1,269</b>	<b>1,271,148</b>	<b>—</b>	<b>1,279,427</b>	<b>1,279,427</b>
Liabilities to credit institutions	—	—	39,729	39,729	39,729	39,327	—	—	—	95,716	95,716	94,733
Other non-current liabilities	—	—	—	1,649	1,649	1,649	—	—	—	6,610	6,610	6,610
Current interest-bearing liabilities	—	—	—	289,422	289,422	289,211	—	—	—	264,999	264,999	264,999
Accounts payable – trade	—	—	—	264,858	264,858	264,858	—	—	—	231,337	231,337	231,337
Other liabilities	—	—	—	—	—	—	217	—	—	—	217	217
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>595,658</b>	<b>595,658</b>	<b>595,045</b>	<b>217</b>	<b>—</b>	<b>—</b>	<b>598,662</b>	<b>598,879</b>	<b>597,896</b>

	Parent company 2009					Parent company 2008						
	Derivatives used in hedge accounting	Financial assets valued at fair value via equity	Accounts receivable and loan receivables	Financial liabilities	Total carrying amount	Fair value	Derivatives used in hedge accounting	Financial assets valued at fair value via equity	Accounts receivable and loan receivables	Financial liabilities	Total carrying amount	Fair value
Accounts receivable	—	—	1,865	—	1,865	1,865	—	—	2,760	—	2,760	2,760
Other receivables	—	—	32,433	—	32,433	32,433	7,010	—	39,936	—	46,946	46,946
Cash and bank	—	—	3,887	—	3,887	3,887	—	—	3,869	—	3,869	3,869
<b>Total</b>	<b>—</b>	<b>—</b>	<b>38,185</b>	<b>—</b>	<b>38,185</b>	<b>38,185</b>	<b>7,010</b>	<b>—</b>	<b>46,565</b>	<b>—</b>	<b>53,575</b>	<b>53,575</b>
Liabilities to credit institutions	—	—	—	211,559	211,559	211,559	—	—	—	240,785	240,785	240,785
Accounts payable – trade	—	—	—	53,842	53,842	53,842	—	—	—	55,195	55,195	55,195
Other liabilities	—	—	—	2,515	2,515	2,515	—	—	—	2,434	2,434	2,434
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>267,916</b>	<b>267,916</b>	<b>267,916</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>298,414</b>	<b>298,414</b>	<b>298,414</b>

Note 24 continued

**Age analysis of portfolio assets past due but not impaired**

	Group		Parent company	
	2009	2008	2009	2008
< 30 days	68,270	311,604	—	1,633
30–90 days	54,575	52,762	67	365
91–180 days	31,024	33,554	96	—
> 180 days	52,071	22,812	—	28
<b>Total</b>	<b>205,940</b>	<b>420,732</b>	<b>163</b>	<b>2,026</b>

Vigorous efforts to reduce capital tied up in accounts receivable resulted in a significant reduction in accounts receivable that were overdue by 1–30 days during 2009.

**Change in doubtful receivables**

Provision for doubtful receivables	Group		Parent company	
	2009	2008	2009	2008
Provision at start of year	19,993	4,310	—	—
Provision for probable losses	8,509	16,471	—	—
Realised losses	-10,254	-172	—	—
Recovered losses	-3,030	-616	—	—
Exchange rate differences	356	—	—	—
<b>Provision at end of year</b>	<b>15,574</b>	<b>19,993</b>	<b>—</b>	<b>—</b>

**Calculation of fair value**

Fair value agrees in all essentials with recognised value, except in the case of certain fixed-interest non-current liabilities to credit institutions and the convertible debenture loan. (See Note 19).

The following provides a summary of the main methods and assumptions used to determine the fair value of the Group's financial instruments.

**Securities**

Fair value is based on the quoted market price at the end of the reporting period less transaction costs.

**Derivative instruments**

Forward contracts are valued at market value.

**Non-current liabilities**

Non-current liabilities are valued by adding to the loan the discounted interest rate difference between the agreed loan interest rate and the market rate up to maturity for equivalent loans.

## 25 Financial risks and financial policy

The Group's overall risk management policy is intended to reduce financial risks to a level which is reasonable for ÅF AB. The aim is to ensure cost-effective financing while minimising the negative effects of market fluctuations on the Group's earnings. Derivative instruments are used to hedge some risk exposure.

The Group's risk management is handled centrally by the parent company's accounting and reporting department on the basis of policies adopted by the Board of Directors. The accounting and reporting department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units.

The Group is exposed to many different kinds of financial risk through its operations, including exchange rate risk, interest rate risk, credit risk and financing risk.

### Exchange rate risk

Exchange rate risk covers future business transactions, recognised assets and liabilities in foreign currency, and net investments in foreign operations. Exchange rate risk is relatively limited in the ÅF Group.

Loans are raised, and investments made, in the functional currency.

### Translation exposure

Translation exposure consists of the net assets and profit/loss of foreign subsidiaries in foreign currency. In line with Group policy, ÅF does not hedge translation exposure.

### Transaction exposure

Exchange rate risks are relatively limited as most payments are made in the functional currency. Where this is not the case, large sums are hedged using derivatives. The Group classifies the forward contracts used for hedging forecast transactions as cash flow hedges. At the end of 2009, the Group had no forward contracts outstanding. In the financial statements for 2008, the fair value of net futures contracts was SEK 6,793,000. Assets amounted to SEK 7,010,000 and liabilities to SEK 217,000.

	2009		2008	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Receivables</b>				
EUR	—	—	2,388	2,388
USD	—	—	587	587
CHF	—	—	4,035	4,035
<b>Liabilities</b>				
EUR	—	—	217	217
<b>Net</b>	<b>—</b>	<b>—</b>	<b>6,793</b>	<b>6,793</b>

### Interest rate risk

In accordance with ÅF policy, the Group's cash and cash equivalents are deposited in bank accounts at local banks. There are no other material interest-bearing assets, and so income and cash flows from operating activities are essentially independent of changes in market interest rates.

Liabilities to credit institutions consist largely of bank loans at floating interest rates, but since indebtedness is not very great, the exposure to changes in market interest rates is not significant. Information about the terms of the loans, annual rates and maturity structure is provided in Note 19.

### Credit risk

Credit risk is a result of the company having at all times a substantial number of outstanding trade receivables, as well as fees earned but not invoiced, in other words the credit granted to clients. This risk is limited through the Group's well-established principles for ensuring that sales are made to clients with an appropriate payment history, and through advance payments. ÅF's ten largest clients, who together account for 23 percent of the Group's invoiced sales, are all large listed companies with good credit ratings or government institutions. There is, therefore, not deemed to be any significant credit risk with regard to any single major client. Counterparties for derivative contracts and cash transactions are limited to financial institutions with a high credit rating. Historically ÅF has suffered only very limited credit losses.

### Financing risk

Financing risk is the risk of not being able to obtain financing at all, or only at a greatly inflated price. For ÅF, prudent management of financing risk means having adequate cash and cash equivalents and committed credit lines. ÅF AB has credit facilities totalling SEK 750 million.

### Sensitivity analysis

#### Interest rate

84 percent of the Group's total borrowings at the close of the reporting period comprise loans at floating interest rates. A change of +/- 1 percent in the annual average interest rate on these loans affects interest expense by +/- SEK 2.5 million.

#### Foreign currency

40 percent of the Group's earnings arise from foreign units, with 10 percent deriving from units which have the euro (EUR) as their functional currency and 17 percent with the Swiss Franc (CHF) as the local currency. A change of +/- SEK 0.25 in the average exchange rate for the euro in 2009 would have affected pre-tax earnings by +/- SEK 0.9 million, and a change of +/- SEK 0.25 in the average exchange rate for CHF in 2009 would have affected pre-tax earnings by +/- SEK 2.3 million.

## 26 Operating leases

### Leasing agreements where the company is the lessee

Operating leases cover rental agreements for properties, leasing agreements for vehicles under which employees assume all the financial risks and benefits associated with the vehicles, and the lease of certain items of office equipment. Vehicles are generally leased for three years. The outstanding leasing stock is worth approximately SEK 36 million (2008: SEK 35 million).

### Non-revocable leasing payments

	Group		Parent company	
	2009	2008	2009	2008
Within one year	129,259	119,544	92,129	82,993
1–5 years	403,116	436,228	298,851	373,451
More than 5 years	438,550	444,261	430,392	416,906
	<b>970,925</b>	<b>1,000,033</b>	<b>821,372</b>	<b>873,350</b>

### Leasing payments during the year

	Group		Parent company	
	2009	2008	2009	2008
Premises	120,824	110,397	87,033	72,051
Other	20,396	23,086	324	724
	<b>141,220</b>	<b>133,483</b>	<b>87,357</b>	<b>72,775</b>

## 27 Pledged assets, contingent liabilities and contingent assets

	Group		Parent company	
	2009	2008	2009	2008
<b>Pledged assets</b>				
In the form of pledged assets for the Group's own liabilities and provisions				
Property mortgages	69,257	74,336	—	—
Floating charges	42,095	117,890	—	—
Blocked bank accounts	157	230	—	—
Pledged assets, others	217	2,207	—	—
<b>Total pledged assets</b>	<b>111,726</b>	<b>194,663</b>	<b>—</b>	<b>—</b>
<b>Contingent liabilities</b>				
Guarantees, FPG/PRI	1,070	1,074	543	544
Sureties given for the benefit of subsidiaries	—	—	145,931	53,954
Sureties given	352,971	319,240	91,171	121,949
<b>Total contingent liabilities</b>	<b>354,041</b>	<b>320,314</b>	<b>237,645</b>	<b>176,447</b>

Sureties refer primarily to performance guarantees for tenders and the completion of projects.

### Contingent assets

The Group does not anticipate that any contingent assets will arise.

## 28 Transactions with related parties

The parent company has a related party relationship with its subsidiaries, see Note 29.

### Summary of related party transactions

#### Group

The term "related parties" in the Group refers to Ångpanneföreningen's Foundation for Research and Development and associates. Transactions with these parties have taken place on market terms.

#### Related party relationships

	Year	Sale of services to related parties	Purchase of services from related parties	Liabilities to related parties: 31 Dec.	Receivables from related parties: 31 Dec.
Associates	2009	12,673	3,674	—	—
Associates	2008	13,811	4,289	—	1,259
Ångpanneföreningen's Foundation for R&D	2009	469	—	—	—
Ångpanneföreningen's Foundation for R&D	2008	373	—	—	—

During 2009, in addition to the above, the Group received grants from Ångpanneföreningen's Foundation for Research and Development amounting to SEK 3,866,000 (2008: SEK 3,392,000). These grants were for projects administered by the Group.

For details of remuneration to senior executives, please see Note 8.

#### Parent company Related party relationships

	Year	Sale of services to related parties	Purchase of services from related parties	Liabilities to related parties: 31 Dec.	Receivables from related parties: 31 Dec.
Subsidiaries	2009	287,202	8,633	555,721	194,753
Subsidiaries	2008	256,140	14,734	241,548	892,621
Associates	2009	1,079	—	—	106
Associates	2008	945	—	—	129
Ångpanneföreningen's Foundation for R&D	2009	150	—	—	—
Ångpanneföreningen's Foundation for R&D	2008	153	—	—	—

## 29 Group subsidiaries

### Companies owned directly by the parent company

	Corporate ID	Reg'd office	2009		2008	
			Number of shares	Interest, percent <sup>1)</sup>	Carrying amount	Interest, percent <sup>1)</sup>
AB Ångpanneföreningen	556158-1249	Stockholm	2,000	100	155	100
ÅF-Consult AB	556101-7384	Stockholm	50,000	100	171,417	100
ÅF-Engineering AB	556224-8012	Stockholm	2,000	100	516,175	—
ÅF-Funktionspartner AB	556099-8071	Malmö	4,000	100	595	—
ÅF-Infrastruktur AB	556185-2103	Stockholm	1,000	100	303,507	100
ÅF-Kontroll AB	556033-5977	Stockholm	20,000	100	73,923	100
ÅF-System AB	556092-4044	Stockholm	60,000	100	71,517	100
ÅF-Teknik & Miljö AB	556534-7423	Stockholm	3,076	100	10,494	100
ÅF-Brasil Consultoria Em Processos Industrias Ltda	08.164.752/0001-08	Brazil	10	1	1	1
ÅF A/S	21 007 994	Denmark	99,300	100	37,554	—
ÅF-Hansen & Henneberg A/S	13 59 08 85	Denmark	533,300	80	32,208	—
ÅF-Autamatikka OÜ	11 297 301	Estonia	1	100	8,873	—
ÅF-Consult Oy	FI18001896	Finland	1,000,000	100	264,618	—
ÅF-Engineering Oy	0725503-0	Finland	30	100	26,528	—
ÅF-Consult AS	955 021 037	Norway	20,000	100	28,465	—
ÅF-Engineering AS	936 097 367	Norway	136,615	100	30,365	—
AF-Colenco AG	CH-400.3.924.101-4	Switzerland	6,000	100	431,545	—
ÅF-Engineering s.r.o	263 66 550	Czech Rep.	20,000	100	10,611	10
ÅF-Qualitest s.r.o	474 72 448	Czech Rep.	42	10	0	10
ZAO AF Lonas Holding	1 089 847 318 923	Russia	100	100	90,979	—
					<b>2,109,530</b>	<b>1,018,464</b>

<sup>1)</sup> Participating interest refers to both the voting share and the proportion of the total number of shares.

### Specification of the change in carrying amounts during the year

	Parent company	
	2009	2008
Carrying amount brought forward	1,018,464	998,463
Acquisitions	971,066	1
Shareholders' contributions	120,000	20,000
<b>Value carried forward</b>	<b>2,109,530</b>	<b>1,018,464</b>

Note 29 continued

## Comprehensive list of Group subsidiaries

	Corporate ID	Reg'd office	Number of shares	Interest, percent <sup>1)</sup>	Carrying amount	2009	Interest, percent <sup>1)</sup>	Carrying amount	2008
AB Ångpanneföreningen	556158-1249	Stockholm	2,000	100	155		100	155	
ÅF-Teknik & Miljö AB	556534-7423	Stockholm	3,076	100	10,494		100	10,494	
ÅF Brasil Consultoria Em Processos Industrias Ltda	08.164.752/0001-08	Brazil	10	1	1		1	1	
ÅF-Qualitest s.r.o	474 72 448	Czech Rep.	42	10	0		10	0	
ÅF-Consult AB	556101-7384	Stockholm	50,000	100	171,417		100	582,798	
Benima AB	556212-3728	Mölndal	—	—	—		100	—	
ÅF Energi International AB	556317-6014	Gothenburg	—	—	—		100	—	
ÅF Brasil Consultoria Em Processos Industrias Ltda	08.164.752/0001-08	Brazil	—	99	—		99	—	
ÅF-Energi & Miljö AB	556329-2159	Stockholm	—	—	—		100	—	
ÅF-Process GmbH	218 403 818	Germany	—	90	—		90	—	
ÅF-Process b.v	09157996	Netherlands	—	100	—		100	—	
ZAO AF Lonas Holding	1 089 847 318 923	Russia	100	100	90,979		100	—	
ZAO Lonas Technologia	1 037 808 021 228	Russia	—	75	—		75	—	
LLC Lonas Technologia Ukraine	15 851 020 000 006 500	Ukraine	—	100	—		—	—	
AF-Colenco AG	CH-400.3.924.101-4	Switzerland	6,000	100	431,545		100	—	
International Power Design Ltd.	CH-400.3.025.445-4	Switzerland	—	100	—		100	—	
Colenco Engineering S.R.L.	17669779	Romania	—	51	—		51	—	
Colenco Italia S.r.l	MI-1808529	Italy	—	100	—		100	—	
Colenco Thailand Ltd.	3011879733	Thailand	—	100	—		100	—	
ÅF-Consult Oy	FI18001896	Finland	1,000,000	100	264,618		100	—	
LLC AF-Enprima	1037800096641	Russia	—	100	—		95	—	
ÅF-Estivo AS	10 449 422	Estonia	—	100	—		100	—	
UAB AF-Enprima	300 544 325	Lithuania	—	100	—		100	—	
UAB AF-TSP	135 744 077	Lithuania	—	100	—		100	—	
Elron Oy	FI21206454	Finland	—	50	—		50	—	
Elron Eastern Europe Oy	FI21856262	Finland	—	75	—		75	—	
Enprima Engineering Oy	FI04779402	Finland	—	100	—		100	—	
Enprima Engineering GmbH	24/388/00843	Germany	—	100	—		100	—	
Fortum Engineering S.r.l	R10224145	Romania	—	100	—		100	—	
Fortum Engineering UK	2 873 332	England	—	—	—		100	—	
ÅF-Engineering AB	556224-8012	Stockholm	2,000	100	516,175		100	—	
OrbiTec AB	556470-7015	Jönköping	—	100	—		100	—	
Industrial Vision Systems IVS AB	556447-3329	Jönköping	—	—	—		100	—	
ÅF A/S	21 007 994	Denmark	99,300	100	37,554		100	—	
ÅF-Automaatika OÜ	11 297 301	Estonia	—	100	8,873		100	—	
ÅF-Engineering AS	936 097 367	Norway	136,615	100	30,365		100	—	
ÅF-Engineering Oy	FI07255030	Finland	30	100	26,528		100	—	
ÅF-Engineering s.r.o	263 66 550	Czech Rep.	20,000	100	10,611		10	1,069	
ÅF-Funktionspartner AB	556099-8071	Malmö	4,000	100	595		100	—	

1) Participating interest refers to both the voting share and the proportion of the total number of shares.

Note 29 continued

## Comprehensive list of Group subsidiaries

	Corporate ID	Reg'd office	Number of shares	Interest, percent <sup>1)</sup>	Carrying amount	2009	Interest, percent <sup>1)</sup>	Carrying amount	2008
ÅF-Infrastruktur AB	556185-2103	Stockholm	1,000	100	303,507	100	100	278,507	
SwedRail AB	556209-1644	Stockholm	—	—	—	100	—	—	
ÅF-Installation AB	556070-5039	Stockholm	—	—	—	100	—	—	
JämtTeknik vid Storsjön AB	556601-0624	Östersund	—	—	—	100	—	—	
SIDUS Konsult AB	556371-7874	Stockholm	—	—	—	100	—	—	
ÅF-STIBI AB	556583-9973	Stockholm	—	—	—	100	—	—	
Nordblads VVS-Konstruktioner AB	556460-5797	Malmö	—	100	—	100	—	—	
ÅF-Berg Bygg Konsult Röshoff AB	556471-5976	Solna	—	100	—	100	—	—	
JTASS AB	556759-2851	Kungsbacka	—	—	—	100	—	—	
Igernta AB	556755-8175	Alingsås	—	—	—	100	—	—	
ÅF-Ingemansson AB	556067-5067	Malmö	—	100	—	100	—	—	
Brekke & Strand akustikk AS	959 138 923	Norway	—	—	—	100	—	—	
ÅF-Consult AS	955 021 037	Norway	20,000	100	28,465	100	—	—	
ÅF-Hansen & Henneberg A/S	13 59 08 85	Denmark	533,300	80	32,208	80	—	—	
ÅF-System AB	556092-4044	Stockholm	60,000	100	71,517	100	71,517	—	
Arjano Data AB	556257-0563	Stockholm	—	—	—	100	—	—	
ÅF-Combra AB	556562-3245	Sollentuna	—	—	—	100	—	—	
Combra Industriteknik AB	556498-6221	Sollentuna	—	—	—	100	—	—	
Combra Systemutveckling AB	556498-6239	Sollentuna	—	—	—	100	—	—	
Combra Syd AB	556662-7203	Lund	—	—	—	100	—	—	
ÅF-Kontroll AB	556033-5977	Stockholm	20,000	100	73,923	100	73,923	—	
Kvalitetsteknik NDT AB	556227-5874	Stenungssund	—	—	—	100	—	—	
ÅF-Kontroll AS	994 141 457	Norway	—	100	—	—	—	—	
ÅF-Qualitest s.r.o.	474 72 448	Czech Rep.	—	90	—	90	—	—	
UAB AF-Inspection	301 845 573	Lithuania	—	100	—	100	—	—	
					<b>2,109,530</b>		<b>1,018,464</b>		

1) Participating interest refers to both the voting share and the proportion of the total number of shares.

**30 Untaxed reserves**

## Parent company

Accumulated depreciation in excess of plan	2009	2008
Opening balance 1 January	12,518	1,638
Depreciation during the year, equipment & fittings	13,244	10,880
<b>Closing balance 31 December</b>	<b>25,762</b>	<b>12,518</b>

## 31 Statement of cash flows

### Interest paid and dividends received

	Group		Parent company	
	2009	2008	2009	2008
Dividends received	—	—	1,718	173
Interest received	4,057	12,976	7,774	29,227
Interest paid	-14,709	-19,626	-11,039	-16,728
	<b>-10,652</b>	<b>-6,650</b>	<b>-1,547</b>	<b>12,672</b>

### Adjustment for items not included in cash flow

	Group		Parent company	
	2009	2008	2009	2008
Depreciation/amortisation	61,641	54,060	9,260	5,090
Impairment/disposals	1,916	8,599	—	3,864
Result on disposal of business operations	-7,265	—	—	—
Other	-7,294	3,381	-15,934	4,702
	<b>48,998</b>	<b>66,040</b>	<b>-6,674</b>	<b>13,656</b>

### Transactions which have not led to payments

	Group		Parent company	
	2009	2008	2009	2008
Acquisition of assets through finance lease	24,358	13,791	—	—
Conversion of convertible loan	—	7,608	—	7,608

## 32 Events after the end of the reporting period

No significant events occurred after the end of the reporting period.

## 33 Critical estimates and assumptions

### Key sources of estimation uncertainty

The Group makes estimates and assumptions about the future. By definition, the resulting accounting estimates will rarely correspond to the actual outcome. Estimates and judgements are reviewed regularly and are based on historical experience and other factors, including the expected outcomes of future events that are considered reasonable under the circumstances.

Estimates and assumptions which, if they prove to be incorrect, can result in material adjustments to the carrying amounts of assets and liabilities during the coming financial year are presented below.

Note 33 continued

### Impairment of goodwill

When calculating the recoverable amount of cash-generating units, a number of assumptions about future circumstances and estimates of parameters have been made. Changes to these assumptions and estimates could have an effect on the carrying amount of goodwill (see Note 13).

Forecasts used in respect of future cash flows are based on the forecast made by senior management for the next year supplemented by an individual assessment of a further four years. From that point onwards the calculation is based on an annual growth rate of 2 percent. The forecast cash flows have been discounted to present value at a discount rate of 11 percent before tax.

The impairment test for the year did not give rise to any impairment.

A lower assumed rate of growth would result in a lower recoverable amount. The reverse applies if the calculation of the recoverable amount is based on a higher assumed growth rate. Were future cash flows to be discounted at a higher rate of interest, the recoverable amount would be lower; conversely, the recoverable amount would be higher with a lower discount rate.

### Retirement benefit obligations

The Group's net obligations under defined-benefit plans are calculated separately for each plan by estimating the future benefits earned by employees through their employment in prior periods. These benefits are discounted to present value. The calculation of the size of the Group's total retirement benefit obligations is based on a number of assumptions (see Note 20). The discount rate is the market yield at the end of the reporting period on government bonds with a maturity corresponding to that of the Group's estimated average retirement benefit obligations. The discount rate used is 4.0 percent in Sweden and 3.25 percent in Switzerland. The calculations have been performed by a qualified actuary using the projected unit credit method. Were a lower discount rate to be used, the obligations would increase and have a negative effect on the Group's equity. The reverse applies if a higher discount rate is used.

### Determination of final cost forecast and stage of completion of contracts

The percentage of completion method is applied to all assignments whose outcome can be measured reliably. The majority of assignments are performed on an open-account basis, and clients are normally invoiced the month after the work is carried out. Where assignments are carried out on a fixed-price basis, revenue is recognised in profit or loss on the basis of the stage of completion at the end of the reporting period. The stage of completion is determined by having an assignment manager make an assessment of the amount of work that has been completed in relation to the amount of work still remaining. In the event of significant uncertainty about its value, no revenue is recognised.

## 34 Information about the parent company

ÅF AB is registered in Sweden as a joint-stock company. The parent company's shares are listed on the Nasdaq OMX stock exchange in Stockholm. The company's registered office is Frösundaleden 2, SE-169 99 Stockholm, Sweden.

The Group consolidated accounts for the financial year 2009 comprise the accounts for the parent company and its subsidiaries, which together form "the Group". The Group also includes participations in associates.

The undersigned declare that the consolidated accounts and annual report have been drawn up in accordance with IFRS, as approved by the EU, and with generally accepted accounting practice, to give a faithful representation of the position and performance of the Group and the company, and that the Group administration report and the administration report give a faithful review of the progress of the Group's and the company's operations, position and performance, as well as describing the material risks and uncertainty factors to which the companies that are members of the Group are exposed.

Stockholm, Sweden – 11 March 2010

Ulf Dinkelpiel  
Chairman of the Board

Jonas Wiström  
President/CEO

Patrik Enblad  
Director

Tor Ericson  
Director

Eva-Lotta Kraft  
Director

Jon Risfelt  
Director

Helena Skåntorp  
Director

Anders Snell  
Director

Lena Treschow Torell  
Deputy Chair

Fredrik Sundin  
Employee representative

Patrik Tillack  
Employee representative

Our Audit Report was presented on 11 March 2010

Ernst & Young AB

Lars Träff  
Authorised Public Accountant

## AUDIT REPORT

To the Annual General Meeting of ÅF AB  
Corporate Identity Number 556120-6474

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President/CEO of ÅF AB (publ) for the financial year 2009. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 64–117. The Board of Directors and the President/CEO are responsible for these accounts and the administration of the company as well as for the application of the Swedish Annual Accounts Act when preparing the annual accounts and the application of international financing reporting standards (IFRS) as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President/CEO and significant estimates made by the Board of Directors and the President/CEO when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our

opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the President/CEO. We also examined whether any board member or the President/CEO has, in any other way, acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the company's Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financing reporting standards (IFRS) as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the Group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the President/CEO be discharged from liability for the financial year.

Stockholm, Sweden – 11 March 2010

Ernst & Young AB

Lars Träff  
Authorised Public Accountant



## Malmö

Anders Norén works with risk management in infrastructure planning and industry.

"At the moment, I'm involved in establishing ÅF in Russia. The best thing about my work is the opportunity to see the potential to make exceptional improvements for our clients and to be able to use ÅF's wide-ranging expertise to turn these into a reality."



## Malmö **Marina Ahlenblad Strandberg works with energy efficiency improvements to buildings.**

"The best thing about my job is being able to help clients save money. I think it's great that ÅF has such breadth. It makes me feel confident that we can help our clients solve more or less whatever technical challenge they're faced with."

# THE ÅF CORPORATE GOVERNANCE MODEL

## A word from the Chairman

As Chairman of the Board of ÅF, one of my main duties is to work with the other members of the board to ensure effective governance and control of the company's activities. This requires well-defined decision-making processes, a clear division of responsibility and effective control mechanisms. Equally important is that the board functions well and that the board and executive management work well together as a team.

The rules for listed Swedish companies are an obvious starting point for our work, and these have been supplemented with internal regulations developed and adapted in line with the particular circumstances that apply to ÅF.

The work of the board focuses on strategic matters. This involves working with senior management to produce guidelines for the company's development, and ensuring that the organisation follows these guidelines and works towards the company's business goals. The board also acts as a sounding board for the President/CEO in this process.

We have devoted special attention to matters relating to the company's social responsibility. Transparency has been another key issue, not least to enable shareholders to understand and follow the company's devel-



opment. All of this is intended to create long-term value for ÅF's shareholders.

The report that follows gives a more detailed account of corporate governance at ÅF.

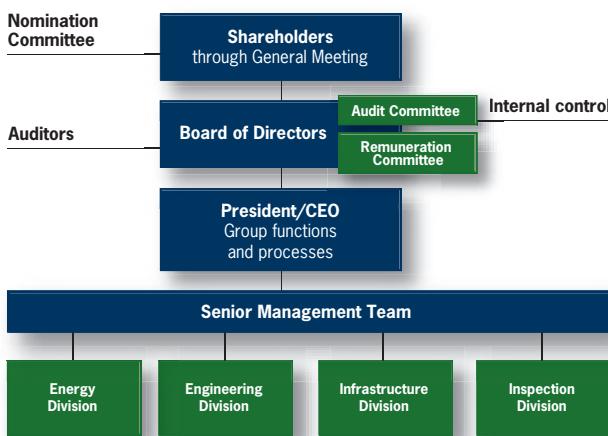
Ulf Dinkelpiel  
Chairman

## Corporate governance

ÅF AB is a Swedish public company with its registered office in Stockholm. The company's class B shares are listed on the Nasdaq OMX Stockholm exchange. ÅF is governed in accordance with the company's Articles of Association, the Swedish Companies Act, the Swedish Annual Accounts Act, the listing rules for the Nasdaq OMX Stockholm, the Swedish Code of Corporate Governance, and other relevant documents. ÅF did not depart from the Swedish Code of Corporate Governance in 2009. This corporate governance report has not been reviewed by the company's auditors.

Governance, management and control are divided between the shareholders at the AGM, the Board of Directors and the President/CEO in accordance with Swedish company law, the Swedish Code of Corporate Governance and the company's Articles of Association.

The Articles of Association adopted by the AGM are the most important instrument for the company's internal governance, followed by the board's formal work plan and the board's instructions for the President/CEO. In addition, ÅF has regularly introduced and developed processes and control systems to ensure effective and profitable growth.



## Shareholders

Please refer to pages 52–55 and ÅF's website for information on shareholders and the ÅF share.

## ÅF's Annual General Meeting for 2009

The AGM for 2009 was held at the ÅF Group's head office in Solna, Sweden, on 5 May. It was attended by 123 shareholders, representing 27.5 percent of the share capital and 48.9 percent of the total number of votes.

## Resolutions

The AGM resolved, among other things:

- to pay a dividend of SEK 6.50 per share for 2008 in accordance with the proposal of the Board of Directors (unchanged dividend).
- to pay fees totalling SEK 1,450,000 to the board, with the Chairman to receive SEK 400,000 and members of the board not employed by the Group to receive SEK 175,000 each. Auditors' fees are payable against invoices.
- to elect a board of eight directors: Ulf Dinkelpiel, Patrik Enblad, Tor Ericson, Eva-Lotta Kraft, Jon Risfält, Helena Skåntorp and Lena Treschow Torell were re-elected, while Anders Snell was elected as a new member. Ulf Dinkelpiel was appointed Chairman.
- to adopt the Performance Share Programme for 2009 in accordance with the proposal of the Board of Directors.

The minutes of the AGM are available in both Swedish and English on the ÅF website

## The principal external regulatory framework that shapes the governance of ÅF:

- The Swedish Companies Act
- Accounting legislation, including IFRS, the Swedish Bookkeeping Act and the Swedish Annual Accounts Act
- Listing Rules/agreement with Nasdaq OMX Stockholm AB
- Swedish Code of Corporate Governance

## Examples of internal documents that shape the governance of ÅF:

- Articles of Association
- Instructions, rules of procedure
- Policies and guidelines
- Process descriptions for each business area

## Nomination Committee

In accordance with a resolution passed at the AGM on 5 May 2009, the Nomination Committee shall, up until the time of the 2010 AGM, consist of the Chairman of the Board together with representatives for at least three and at most five of the shareholders with the largest number of votes in the company. The names of the members of the committee shall be announced no later than six months before the 2010 AGM. The composition of the Nomination Committee for the 2010 AGM was announced on 22 October 2009.

The Nomination Committee consists of Björn O Nilsson, Chair, representing Ångpanneföreningen's Foundation for Research & Development, Ulf Dinkelspiel, Chairman of the Board of ÅF, Åsa Nisell of Swedbank Robur, and Peter Rudman of Nordea Fonder

## The duties of the Nomination Committee

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

## The work of the Nomination Committee

Since the 2009 AGM the committee has held three minuted meetings and maintained contact between meetings. To assess how well the present Board of Directors meets the demands that will be placed on the board in consequence of the company's position and future focus, the committee has discussed the size and composition of the board in relation, for example, to experience in the industry and specialist expertise. As a basis for its work, the committee has also familiarised itself with the results of the evaluation of the board and its work.

No remuneration has been paid for work on the committee.

All shareholders are entitled to approach the committee with suggestions for board members. Such suggestions are to be addressed to the committee's Chairman.

The committee's proposals, the report on the committee's work prior to the 2010 AGM, and supplementary information on the proposed members of the board will be published in connection with the notice convening the 2010 AGM, and will be presented at the meeting.

## Board of Directors

The Board of Directors of ÅF shall consist of a minimum of six and a maximum of ten members, with a maximum of five deputies appointed by the AGM. The 2009 AGM appointed eight directors with no deputies. The President/CEO of ÅF is not a member of the board. The company's employees are, however, represented on the board.

Since the 2009 AGM the board has consisted of eight directors without deputies. Anders Snell was appointed as a new member in 2009. Magnus Grill declined re-election. Ulf Dinkelspiel, Patrik Enblad, Eva-Lotta Kraft, Jon Risfält, Helena Skåntorp, Lena Treschow Torell and Tor Ericson were re-elected. Ulf Dinkelspiel was elected by the AGM to serve as Chairman of the Board up until the next AGM. The board elected Lena Treschow Torell as its Deputy Chair. The President/CEO of ÅF, Jonas Wiström, is not a member, but participates in board meetings to present reports. The Group's CFO, Jonas Ågrup, also participates to present reports. Viktor Svensson, Executive Vice President, Corporate Information, serves as secretary to the board. For more information on the Board of Directors, please refer to pages 128–129.

## Independence of members of the board

The composition of the board of ÅF meets the requirements for independent directors laid down by Nasdaq OMX Stockholm and the Swedish Code of Corporate Governance. Anders Snell holds a position of dependence with regard to the largest shareholder, Ångpanneföreningen's Foundation for Research & Development. Tor Ericson holds a position of dependence with regard to the Åfond Foundation (the ÅF Group Trust) and the company itself.

## Work of the Board of Directors

Each year the board produces a written formal work plan which sets out the responsibilities of the board, and which governs the allocation of duties among board members, the rules for decision-making, dates and times of board meetings, notification, agenda and minutes for board meetings, and the board's work with accounting and auditing matters.

The ÅF board holds an inaugural meeting immediately after the AGM, after which it is required to meet at least four times per calendar year. Every ordinary board meeting follows the agenda set out in the board's formal work plan, which includes a report from the President/CEO, financial reports and various strategic matters.

The board has opted to appoint a Remuneration Committee and an Audit Committee.

### Work during the year

During 2009, in addition to the inaugural meeting, the board held six meetings, of which one was a telephone meeting for which the relevant documentation was sent out in advance. Four of the meetings were held in connection with the publication of the company's interim reports. In connection with the board meeting and strategy seminar in August, board members visited ÅF's subsidiary in Russia.

The work of the board revolves mostly around strategic issues, business plans, accounts, major investments and acquisitions, in addition to other decisions which, under the company's rules for decision-making, are dealt with by the board. Reports on the progress of the company's operational activities and finances are a standing item on the agenda. A strategy seminar was held at the meeting in August, and included a thorough review of each division. At every ordinary board meeting, there is a more in-depth presentation of one of ÅF's lines of business or divisions.

On one occasion each year the board discusses issues related to succession planning for senior executives within the company.

### Attendance at board/committee meetings in 2009

	Board	Remuneration Committee	Audit Committee
<b>Number of meetings</b>	<b>7</b>	<b>3</b>	<b>4</b>
Ulf Dinkelspiel	7	3	3
Patrik Enblad	7		
Tor Ericson	7		
Eva-Lotta Kraft	7		3
Jon Risfelt	7	3	
Helena Skåntorp	6		4
Anders Snell*	4		
Lena Treschow Torell	6	3	
Employee representatives:			
Fredrik Sundin*	4		
Patrik Tillack	7		
Bo G Andersson, deputy**	1 (inaug.)		
Anders Toll, deputy**	1 (inaug.)		

\* Joined the board on 5 May 2009

\*\* Deputies for the employee representatives do not normally attend board meetings

### Evaluation of the Board of Directors and President/CEO

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

The Board of Directors evaluates the work of the President/CEO on an ongoing basis, by monitoring the progress of the business against the targets that have been set.

A formal evaluation is carried out once a year, and the results are discussed with the President/CEO.

### Remuneration Committee

The Remuneration Committee is tasked with considering and making recommendations on salary, other terms of employment and incentive programmes for the President/CEO and other senior executives in the company. The committee reports to the board. Prior to the 2010 AGM the committee has met on three occasions. The committee consists of Ulf Dinkelspiel (Chair), Jon Risfelt and Lena Treschow Torell. The President/CEO attends as a co-opted member, as does the CFO and ÅF's Director for Human Resources. Remuneration has been paid for work on the committee.

### Audit Committee

The Audit Committee is a vital communications link between the board and the company's auditors, supporting the work of the board by safeguarding the quality of financial reports and following up the results of the reviews and audits carried out by the external auditors. The company's internal audit staff support the committee in its work. Since the 2009 AGM the committee has consisted of Helena Skåntorp (Chair), Ulf Dinkelspiel and Eva-Lotta Kraft. All members are independent of the shareholders and the company's management. The committee held four minuted meetings in 2009. The company's auditor has attended all meetings of the committee. The President/CEO attends as a co-opted member, as does the CFO and the manager responsible for the ÅF Group's financial reporting.

## Auditors

The Nomination Committee is tasked with proposing to the AGM auditors who will serve for a term of four years. The auditors work for and on behalf of the shareholders to audit the company's accounting records, the annual accounts and the administration of the Board of Directors and the President/CEO. The 2007 AGM appointed the accounting firm Ernst & Young AB, represented by Lars Träff as auditor in charge, as the company's auditors to serve to the end of the AGM in 2011.

Ernst & Young carries out the audit of ÅF AB and major units within the ÅF group. The auditors conduct a review of the reporting period ending on 30 September and a full audit of the annual accounts. At the same time, an audit of internal routines and control systems is carried out.

## CEO, senior management and specialist staffs

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

The CEO has appointed a senior management group with day-to-day responsibility for various aspects of the Group's operation. During 2009 ÅF's senior management group consisted of the CEO, the divisional Presidents, the CFO, the Director for Human Resources, the General Counsel and the Executive Vice President for Corporate Information. The secretary to the senior management group is the PA to the President. For further information about the members of the senior management group, please see pages 130–131.

ÅF's senior management group normally meets once a month, to discuss matters such as the Group's financial performance, acquisitions, group-wide development projects, succession planning and the availability of management resources and specialist expertise, together with various other strategic issues. Eleven minuted meetings were held during 2009.

Once a month the CEO and the CFO discuss each of the divisions' results and key figures with the relevant divisional management team and conduct a status review of any major projects.

## The board's description of internal controls

The board's responsibility for internal controls is regulated in the Swedish Companies Act and the Swedish Code of Corporate Govern-

ance, which set out requirements for annual external disclosures on how internal controls over financial reporting are organised.

Board members must keep themselves informed about the state of affairs in the company and evaluate the internal control system on a regular basis.

Internal controls at ÅF are designed to ensure that the company's operations are efficient and fit for purpose, that financial reporting is reliable, and that applicable laws and regulations are complied with.

ÅF divides its internal controls over financial reporting into the following components: control environment, risk assessment, control activities, information and communication, and follow-up.

### *Control environment*

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

A description of ÅF's internal control system is included in the company's process-orientated business management system (ONE) used for managing and supporting day-to-day business operations. This sets out the organisational structure, together with the authority and responsibility vested in the various roles in the business. The process orientation of the ONE management system guides users to the relevant routines and appropriate tools for the particular task in question, thus providing a sound basis for compliance with requirements and expectations. The management system is available to all employees via the ÅF intranet.

### *Risk assessment*

ÅF's risk assessment in respect of financial reporting aims to identify and evaluate the key risks affecting the internal control over financial reporting in the AF Group's companies, business areas, divisions and processes. Risk assessment results in control targets that help to ensure that the fundamental requirements of external financial reporting are met, and provide a basis for managing risk through a variety of control structures. The risks are considered, assessed and reported by ÅF centrally together with the divisions. Risks are also considered in specific constellations; for example, risks associated with fixed-price projects and acquisitions.

### *Control activities*

In order to ensure that the business is run efficiently and that the scheduled financial reports consistently provide a true and fair view of the situation, each process has a number of built-in control activities. These involve all levels of the organisation, from the board and management to other employees. Control activities aim to prevent, detect and rectify any errors and non-conformance. Risks are accepted, reduced or eliminated. ÅF's financial reports depend on the implementation of a number of control activities in all areas that affect financial reporting. At ÅF these activities comprise two elements: an organisation with clearly defined roles that facilitate an effective and, from an internal control perspective, appropriate division of responsibility; and specific activities that aim to identify or prevent the risk of reporting errors. In 2009 all accounting and reporting activities for ÅF's Swedish operations were centralised under ÅF Business Services (ÅBS) in Solna, where the processes were standardised and made more robust. Control activities at ÅBS include profit analyses and other controls in respect of revenue and receivables, payments, non-current assets, work in progress, wages and salaries, VAT/tax, book-keeping, consolidation and reporting as well as the maintenance of databases.

### *Information & communication*

Information about and the communication of policies, process descriptions, routines and tools applicable to financial reports are contained in the management system that is available to the relevant personnel via the ÅF intranet. Updates are carried out in the event of any changes in internal or external requirements or expectations with regard to financial reports. The ÅF Group uses a process where divisional management confirms compliance with group policies each year.

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

### *Follow-up*

Compliance and the efficacy of internal controls are followed up on an ongoing basis by both the board and management to guarantee the quality of the processes. The company's financial situation and strategy in respect of its financial position are considered at every board meeting. The board also receives detailed monthly reports on the company's financial position and the development of the business. The Audit Committee fulfils an important function by guaranteeing control activities for key risk areas in the financial reporting process. The Audit Committee, management and the internal audit function regularly follow up any reported non-conformances.

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

### **Social responsibility and sustainability**

Corporate Social Responsibility (CSR) means that the company involves itself in and takes responsibility for the development of society. The company's strategy for and handling of CSR issues come under corporate governance. At ÅF the concept of CSR includes a number of issues such as the environment, human rights and working conditions.

A plan for ÅF's sustainability activities forms the basis for the company's work in this area, which focuses chiefly on two different perspectives: what ÅF can offer its clients, and what impact ÅF's own business activities have on the environment.

For more information about ÅF's sustainability work, please see pages 21–25.



**Baden** **Sanja Stankovic** works as a project leader. "For me, the best thing about working at AF is the opportunities it gives me to combine working with people with working with figures. And I really appreciate the company's diverse, international culture."

# BOARD OF DIRECTORS


**Ulf Dinkelspiel**

Chairman of the Board since 2007  
Director of ÅF since 2004  
Born 1939

**Current position** Ambassador, E. Öhman J:or AB

**Other directorships** Chairman of the Board of Landshypotek AB, Sveriges Allmänna Hypoteksbank, Springtime AB, the Association for Swedes Worldwide, ICC Sverige. Director of E. Öhman J:or AB, Nordnet AB, Premiefinans AB, Bockholmen Hav och Restaurang AB. Member of the Royal Swedish Academy of Engineering Sciences, IVA

**Professional experience** Swedish Ministry for Foreign Affairs, Minister for Europe, Minister for Trade; President Swedish Trade Council

**Education** Graduate business administrator, Stockholm School of Economics

**Committee work** Chair of ÅF Remuneration Committee, member of ÅF Audit Committee

**Shares in ÅF** 30,000


**Patrik Enblad**

Director of ÅF since 2007  
Born 1966

**Current position**

President of Newsec AB

**Other directorships** Founder of and partner in Böös Enblad AB, Director of ORC Software AB, Royal Swedish Yacht Club (KSSS)

**Professional experience**

President HQ Bank; active in finance since 1986  
**Education** Economics course (not completed) at Stockholm University

**Shares in ÅF** 3,000


**Tor Ericson**

Director of ÅF since 2008  
Born 1968

**Current position**

Section leader for Electronics Design in ÅF's Product Development business area

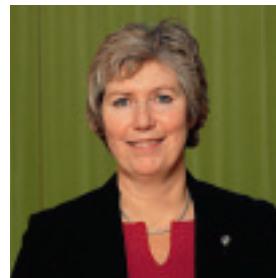
**Other directorships** Chairman of the Board of the Innovative Center of Embedded Systems (ICES) at the Royal Swedish Institute of Technology (KTH), Chairman of the Åfond Foundation

**Professional experience**

Programmer, electronic design engineer, systems developer and project leader in the fields of automotive technology, telecommunications, medical technology and industry

**Education** M.Sc. in Mechanical Engineering, Royal Swedish Institute of Technology (KTH)

**Shares in ÅF** 540


**Eva-Lotta Kraft**

Director of ÅF since 2002  
Born 1951

**Current position**

Various directorships and other positions

**Other directorships** Director of Munters AB, Samhall AB, Svolder AB, Siemens AB

**Professional experience** Strategy & Marketing Manager at the Swedish Defence Research Agency (FOI); Divisional Manager and Vice

President of Siemens-Elema AB; Regional Manager for Alfa Laval AB

**Education** M.Sc. Chemical Engineering, Royal Swedish Institute of Technology (KTH); MBA International Entrepreneurship, Uppsala University

**Committee work** Member ÅF Audit Committee

**Shares in ÅF** 3,500


**Jon Risfelt**

Director of ÅF since 2007  
Born 1961

**Current position** Various directorships and consultant/advisor.

**Other directorships** Listed companies: Chairman of the Board of Ortivus AB, Director of TeliaSonera AB, KaroBio AB, Bilia AB, ENEA AB. Private companies: Chairman of the Board of Mawell Oy, C3 Technologies AB. Senior Advisor to GAC, Capman

**Professional experience** President of Gambio Renal; President of Europolitan; President of Nyman & Schultz; leading managerial positions with American Express, Ericsson, SAS and others

**Education** M.Sc. Chemical Technology, Royal Swedish Institute of Technology (KTH)

**Committee work** Member ÅF Remuneration Committee

**Shares in ÅF** 1,125

**What's your motto in life?**

Look before you leap by all means – but make darn sure you leap!

**What's the best thing about ÅF?**  
That ÅF is increasingly emerging as one of Europe's leading technical consulting companies.

**How can you contribute to ÅF's development?** By getting the board and the President/CEO to work together to formulate guidelines and set up targets for ÅF's future development.

**What's your motto in life?**

Fun and profit.

**What's the best thing about ÅF?**  
ÅF combines knowledge, growth and profitability, in other words: fun and profit.

**How can you contribute to ÅF's development?** With common sense and a genuine interest.

**What's your motto in life?**

Curiosity leads to understanding.

**What's the best thing about ÅF?**  
All the fantastic people who work here, and the combination of expertise we represent.

**How can you contribute to ÅF's development?** By helping to develop strategies to channel ÅF's collective expertise into a force to make ÅF's clients and ÅF itself more profitable.

**What's your motto in life?**

Look at the big picture and dare to try new things!

**What's the best thing about ÅF?**  
Its ambition to change the world around us by breaking new ground in important areas.

**How can you contribute to ÅF's development?** Through my experience of business and management in international companies, combined with a process-based approach and integrity.

**What's your motto in life?**

I value qualities like honesty, integrity, curiosity – and playing hard and working hard!

**What's the best thing about ÅF?**  
The unique mix of technical expertise and experience, combined with a modern approach to business in today's global world.

**How can you contribute to ÅF's development?** By taking an active role on the board, asking questions, and contributing experience from other sectors, boards and roles.

**Helena Skåntorp**

Director of ÅF since 2002  
Born 1960

**Current position** President and CEO of Sveriges Bostadsrätscentrum AB

**Other directorships** Director of Mekonomen AB

**Professional experience**

President/CEO of Jarowskij Television AB; CFO of Arla AB; authorised public accountant

**Education** Economics programme, Stockholm University

**Committee work** Chair ÅF Audit Committee

**Shares in ÅF** 0

**Anders Snell**

Director of ÅF since 2009  
Born 1950

**Current position**

Senior Development Manager, Billerud AB

**Other directorships** Chairman of the Board of Ångpanneföreningen's Foundation for Research & Development, Director of Wibax AB, and the Swedish Forest Industries' Federation

**Professional experience** Plant manager of Billerud Gruvön and Billerud Skärblacka; Technical Director with Billerud AB and AssiDomän AB

**Education** M.Sc. Chemistry, Royal Swedish Institute of Technology (KTH)  
**Shares in ÅF** 0

**Fredrik Sundin**

Employee representative since 2009  
Born 1972

**Current position** Employed in ÅF's Infrastructure Division

**Professional experience** Signal processing consultant, wireless ticketing systems and project management

**Education** M.Sc. Engineering Physics, Umeå Institute of Technology

**Shares in ÅF** 400

**Patrik Tillack**

Employee representative since 2008  
Born 1967

**Current position** Contract Manager – Automation, ÅF Engineering Division

**Professional experience** Electrical engineer, electrical design engineer and contract/project manager in industry and public administration

**Education** Upper secondary school engineering studies (Electrical Engineering/Telecommunications)

**Shares in ÅF** 15

**Lena Treschow Torell**

Vice President since 2007  
Director of ÅF since 2006

Born 1946

**Current position** President of the Royal Swedish Academy of Engineering Sciences, IVA

**Other directorships** Chair of the Foundation for Strategic Environmental Research (MISTRA), Chair of Euro-CASE, an umbrella organisation for Europe's national academies of science and technology.

Vice President of Micronic Laser Systems AB; Director of SAAB AB, Investor AB, SKF AB, Dagens Industri AB, Chalmers University of Technology Foundation

**Education** Ph.D in Physics, University of Gothenburg; Research Fellowship in Physics, Chalmers University of Technology

**Committee work** Member ÅF Remuneration Committee

**Shares in ÅF** 2,000

**What's your motto in life?**

Take pleasure in the little things that every day brings.

**What's the best thing about ÅF?**

Employees who stand for genuine innovation and real expertise.

**How can you contribute to ÅF's development?**

With decisiveness, practical experience from different sectors and my background as an economist.

**What's your motto in life?**

You never fail – except when you don't try.

**What's the best thing about ÅF?**

The best thing about ÅF is its skilled, dynamic and highly committed workforce.

**How can you contribute to ÅF's development?**

Through the working experience I have in most of the areas in which ÅF operates.

**What's your motto in life?**

Think positive! It makes life easier.

**What's the best thing about ÅF?**

The scope of its activities and the will and ability to develop.

**How can you contribute to ÅF's development?**

Through my knowledge of the business and my commitment to making ÅF an even better employer and business partner.

**What's your motto in life?**

Moderation in all things.

**What's the best thing about ÅF?**

All my skilled and experienced colleagues.

**How can you contribute to ÅF's development?**

By introducing new experiences and developing existing ones.

**What's your motto in life?**

Quality first – whatever you're doing.

**What's the best thing about ÅF?**

Sound corporate values and the determination to be the best.

**How can you contribute to ÅF's development?**

Through my experience from the fields of research and technology, EU policies and business.

# SENIOR MANAGEMENT

## 1 **Johan Olsson**

President, Infrastructure Division since 2005

Member of senior management team since 2005

**Employed by ÅF since 2005**

**Born** 1956

**Directorships** Director of the Swedish Federation of Consulting Engineers and Architects (STD)

**Professional experience** President of HiQ Skåne AB; R&D Manager for Ericsson Canada

**Education** M.Sc., Royal Swedish Institute of Technology (KTH)

**Shares in ÅF** 5,753 shares

## 2 **Eero Auranne**

President, Energy Division since 2006

Member of senior management team since 2006

**Employed by ÅF since 2006**

**Born** 1959

**Professional experience** President Fortum Service; Vice President Fortum Power and Heat Oy

**Education** M.Sc., Helsinki University of Technology

**Shares in ÅF** 1,239

## 3 **Gunilla Fladvad**

PA to the President since 1979

Member of senior management team since 2002

**Employed by ÅF since 1979**

**Born** 1947

**Professional experience** PA to the President of AB Bofors Nobelpharma; Partner Motorsågar AB; Volvo Parts AB

**Education** Upper secondary school economics studies, DIHM Marketing & Communication

**Shares in ÅF** 285

## 4 **Per Magnusson**

President, Engineering Division since 2006

Member of senior management team since 2006

**Employed by ÅF since 2006**

**Born** 1954

**Professional experience** Plant engineer at ASEA AB; consultant Reijlers Ingenjörer AB, J&W AB, Sigma AB, Benima AB

**Education** Electrical Power Engineering, Polhem Technical Upper Secondary School, and advanced supplementary courses in economics, marketing and business development

**Shares in ÅF** 775

## 5 **Viktor Svensson**

Executive Vice President, Corporate Information since 2003

Member of senior management team since 2003

**Employed by ÅF since 2003**

**Born** 1975

**Professional experience** Stock market reporter with *Finanstidningen*

**Education** Graduate business administrator, Karlskrona/Ronneby University College

**Shares in ÅF** 4,000

## 6 **Jacob Landén**

General Counsel since 2008

Member of senior management team since 2009

**Employed by ÅF since 2008**

**Born** 1965

**Professional experience** Legal profession

**Education** LL.B., Uppsala University

**Shares in ÅF** 171

## 7 **Jonas Ågrup**

CFO since 2007

Member of senior management team since 2007

**Employed by ÅF since 2007**

**Born** 1960

**Professional experience** Vice President Finance Atlas Copco Tools & Assembly Systems; CFO Cardo Industrial Doors; Vice President WM-data Sweden

**Education** Graduate business administrator, Stockholm University

**Shares in ÅF** 1,716

## 8 **Jonas Wiström**

President and CEO since 2002

**Employed by ÅF since 2002**

**Born** 1960

**Directorships etc.** Director of Procure It Right AB  
Member of the Royal Swedish Academy of Engineering Sciences (IVA)

**Professional experience** Saab-Scania Combitech AB; President Sun Microsystems Sweden; Managing Direct (Northern Europe) Silicon Graphics; President/CEO Prevas AB

**Education** M.Sc., Royal Swedish Institute of Technology (KTH)

**Shares in ÅF** 11,046

## 9 **Charlotte Witt**

Director, Human Resources since 2001

Member of senior management team since 2009

**Employed by ÅF since 2001**

**Born** 1964

**Professional experience** Chief Negotiator for Almega (the employer and trade organisation for the Swedish service sector); ombudsman for Jusek (the Swedish trade union for graduates in the legal profession, business administration and economics)

**Education** B.A. in Economics, Örebro University

**Shares in ÅF** 395

## 10 **Jörgen Backersgård**

President, Inspection Division since 2003

Member of senior management team since 2003

**Employed by ÅF since 1998**

**Born** 1964

**Directorships** Director of SWETIC (Swedish Association for Testing, Inspection and Certification) and the Swedish Centre for Maintenance Management

**Professional experience** Technical Manager (Testing) at SAQ Kontroll AB

**Education** M.Sc., Chalmers University of Technology

**Shares in ÅF** 1,950





# ANNUAL GENERAL MEETING

**Shareholders in ÅF AB (publ) are invited to the Annual General Meeting that will commence at 17.00 (5.00 pm) on Wednesday 5 May 2010 at the company's head office (address: Frösundaleden 2, Solna, Sweden).**

## Entitlement to attend

Shareholders who wish to participate in the Annual General Meeting must:

- have their names entered in the shareholders' register maintained by Euroclear Sweden AB by Wednesday 28 April 2010 at the latest, and
- confirm their intention to participate to the company's head office by 16.00 (4.00 pm) on Thursday 29 April 2010 at the latest.

Shareholders who have elected to use a nominee for their shareholding must temporarily re-register their shares in their own name if they wish to exercise the right to participate in the Annual General Meeting. Shareholders who wish to do this must inform their nominee of their intention in good time before 28 April.

## Registration

Notice of an intention to participate in the Annual General Meeting may be made to:

ÅF AB

Legal

SE-169 99 Stockholm,  
Sweden

or via

[www.afconsult.com/arsstamma2010](http://www.afconsult.com/arsstamma2010)

Please specify your name, personal or corporate identity number, address, phone number and your registered shareholding. The notification of attendance must be accompanied by documentary proof of entitlement to attend the meeting (power of attorney, registration certificate, etc).

## Dividend

The Board of Directors proposes a dividend to shareholders of SEK 8.00 per share. It is proposed that Monday 10 May 2010 be made the record day for the right to receive this dividend. It is anticipated that payment will be made via Euroclear Sweden AB on Friday 14 May.

## Financial information – schedule for 2010

Interim report (3 months): 5 May

Interim report (6 months): 14 July

Interim report (9 months): 21 October

ÅF's annual Capital Market Day will be held in September.

The annual report is sent to shareholders who request information about the company. The annual report is published in a Swedish and an English version. Financial information about ÅF is also posted on the Group's website [www.afconsult.com](http://www.afconsult.com).

# ÅF OFFICES

BRAZIL	INDIA	SPAIN	Karlskrona	Oskarshamn	Söderhamn	Västra Frölunda	SWITZERLAND
Curitiba	Noida	San Sebastian	Karlstad	Piteå	Söderälje	Växjö	Baden
<b>CZECH REPUBLIC</b>	<b>INDONESIA</b>	<b>SWEDEN</b>	Kiruna	Skara	Tavelsjö	Åmål	<b>THAILAND</b>
Jakarta	Alingsås	Kristianstad	Skellefteå	Skövde	Trollhättan	Örebro	Bangkok
<b>LITHUANIA</b>	Arboga	Linköping	Ludvika	Sollefteå	Uddevalla	Örnsköldsvik	<b>UKRAINE</b>
Kaunas	Borlänge	Luleå	Luleå	Stenungsund	Umeå	Östersund	Kremenchuk
Vilnius	Borås	Lund	Lysekil	Stockholm/Solna	Uppsala	Varberg	<b>VIETNAM</b>
<b>DENMARK</b>	<b>NIGERIA</b>	Eskilstuna	Malmberget	Strömstad	Västerås	Västerås	Hanoi
Brøndby	Abuja	Fagersta	Malmö	Sundsvall			
Copenhagen		Falun	Mora				
Fredriksberg		Gothenburg	Mölnadal				
Kalundborg		Bodö	Mönsterås				
Randers		Lilleström	Halmstad				
<b>ESTONIA</b>	<b>RUSSIA</b>	Moss	Helsingborg				
Narva	Moscow	Oslo	Hudiksvall				
Tallinn	St Petersburg	Sandefjord	Hässleholm				
Viljandi			Jönköping				
Vöru			Kalmar				
<b>FINLAND</b>			Karlshamn				
Tampere			Karlskoga				
Vantaa							
<b>GERMANY</b>	<b>SOUTH AFRICA</b>	Edenvale					
Dresden	Johannesburg						

## Group Head Office

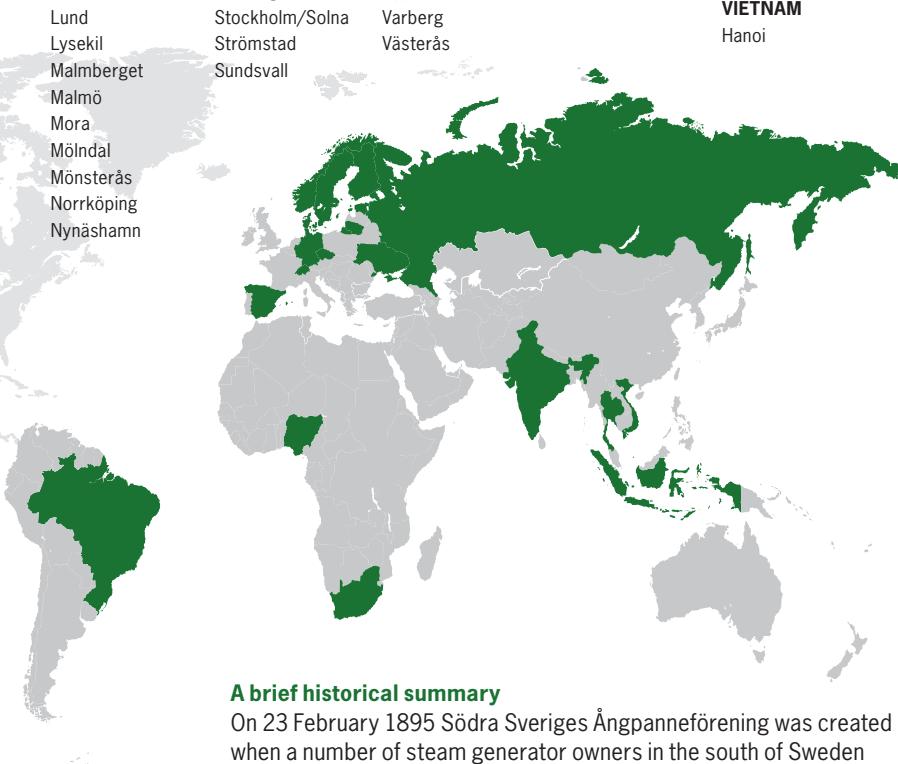
ÅF AB

Visitor's address: Frösundaleden 2, Solna  
 Post address: SE-169 99 Stockholm, Sweden  
 Tel +46 (0)10-505 00 00

Fax – Senior Management: +46 (0)8-653 56 13  
 Fax – Reception: Tel +46 (0)10-505 00 10

For further information about addresses,  
 please see [www.afconsult.com](http://www.afconsult.com)

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## A brief historical summary

On 23 February 1895 Södra Sveriges Ångpanneförening was created when a number of steam generator owners in the south of Sweden joined forces to prevent accidents and make more efficient use of steam power.

In the 115 years that have elapsed since then, ÅF has played a major role in the industrial developments that have revolutionised society.

The company has guided its clients through four huge technology changes – steam, electricity, nuclear power and computerisation – and remained at the forefront of technology both in the industrial era and in today's information society.

Since AB Ångpanneföreningen was first listed on the Stockholm Stock Exchange in January 1986, the company has grown to become one of Europe's largest technical consulting companies.

On 5 May 2008 AB Ångpanneföreningen changed its name to ÅF AB.

ÅF – leading the way in technical consulting.

Our work focuses on energy and the environment, investments in infrastructure and projects for industry.

Our base is in Europe, but our business and clients extend right across the globe.

What makes us unique is our co-workers and the technical consulting industry's greatest bank of experience.

It's all summed up in our corporate motto:

"ÅF – innovation by experience."

Tel. +46 (0)10-505 00 00

[www.afconsult.com](http://www.afconsult.com)



GREEN  
ADVISOR  
TO FOUR NATIONAL OLYMPIC COMMITTEES

