YEAR-END REPORT

FOURTH QUARTER OCTOBER 1 – DECEMBER 31, 2014

> Net sales of SEK 620 m (405)

> Operating profit before goodwill impairment and nonrecurring items was SEK 52 m (33), corresponding to an operating margin of 8.4% (8.3)

> The operating profit after nonrecurring items was SEK 35 m (33)

> Profit after tax was SEK 26 m (26)

> Earnings per share were SEK 0.25 (0.37)

ACCUMULATED JANUARY 1 – DECEMBER 31, 2014

> Net sales of SEK 1,856 m (1,438)

> Operating profit before goodwill impairment and nonrecurring items was SEK 118 m (66), corresponding to an operating margin of 6.4% (4.6)

> The operating profit after nonrecurring items was SEK 43 m (66)

> Profit after tax was SEK 30 m (50)

> Earnings per share were SEK 0.35 (0.71)

> Cash and cash equivalents totaled SEK 76 m (99)

> The Board of Directors intends to propose that the Annual General Meeting resolve on a dividend of SEK 1.00 per share, corresponding to a total of approximately SEK 103 m (71).

Statement by Carl-Magnus Månsson, CEO

When we closed the books on 2014, we had completed a high-paced business integration and faced, probably, one of the most exciting years in Acando's history. During the autumn, we grew at many of our most important and largest customers in Sweden through expansion of existing assignments and new, challenging projects, often because of our collective, broader offering and delivery capacity. In parallel, our clear positioning and size in the market creates new possibilities with, both major global customers and smaller rapidly growing companies. Operations in our other countries trended favorably toward the end of the year, which provides new possibilities for cross-border deliveries and the exchange of both solutions and experience. Our capacity to combine strategic insight with acceleration in implementation makes us unique, and was manifested in a number of our assignments during the quarter.

In terms of results, our operations in Norway and Germany trended strongly during the quarter, and despite a positive trend in Sweden over the year, we assess that scope exists for continued improvements when the integrated organization reaches full effect in terms of both costs and revenue synergies. It is equally important that we create an offering that engages our employees, and I am proud to note that, in the fourth quarter, employee turnover was lower than it was for Acando during the same period in the preceding year.

Here are a few concrete examples of what we helped our customers with during the quarter: Together with a telecoms operator, we defined a strategic position and an initial implementation for e-health, we went live with a large retail solution based on MS Dynamics AX, we created solutions for managing data from automated electricity-meter reading, we are participating in a major modernization program in the bank sector, we were entrusted with rolling out a global AX solution for a telecom equipment supplier, we are accelerating growth at a small tech start-up, we went live with a global SAP solution for the paper industry and we are leading one of the largest e-commerce projects in Sweden.

In the fourth quarter, we completed the integration of Connecta and Acando and, thereby creating the launch pad under our new brand platform ahead of 2015. Our strategic change initiatives continue at full speed. We secured cost synergies of SEK 52 m linked to the integration. We are capturing an ever increasing share of projects and major assignments at increasingly large customers. We work consistently with increasing the proportion of off-shore and junior consultants using measures including clear incentives and targeted recruitment, for example, through new trainee programs. We have successfully packaged solutions in several areas, such as Portals and Analytics, which enables us to reuse solutions at new customers.

Through the merger of Connecta and Acando, we have laid the foundation to continue building Sweden and northern Europe's most modern consulting company. Our journey together under a new flag has only just started.

Significant events

Fourth quarter, 2014

During the fourth quarter, integration was completed of Acando and Connecta AB, which was acquired July 23, 2014. During the quarter, work with coordinating the two operations was completed and a further SEK 6 m was recognized as an expense in the fourth quarter. Altogether, restructuring costs totaled SEK 65 m and the management estimate that this will generate annual savings of about SEK 52 m in Sweden. The restructuring costs pertain primarily to termination costs for former management and administrative personnel at Connecta as well as costs for co-locating operations. The new merged unit now has a clear position as the leading consulting company in the Nordic region with operations in Sweden, Norway and Finland as well as favorable expansion opportunities in Germany.

During the fourth quarter, on Microsoft Partner Day for 2014, Acando was again named Dynamics AX Partner of the Year on the grounds that Acando recorded outstanding performance and posted fantastic growth for AX license business as well as its delivery capacity through a clear sector focus and strong emphasis on new sales. Through its successfully packaging of Dynamics together with Microsoft Surface, Acando has become a source of inspiration for other partners.

Significant events after the end of the period

On February 1, 2015, Acando launched its updated brand profile, which is expected to lead to clearer positioning vis-à-vis competitors and increased attractiveness for employees.

At the end of January 2015, Acando divested its operations in the UK with the new owners taking over on February 1. In the fourth quarter, the surplus value of SEK 7.3 m was written off through goodwill impairment, since the purchase consideration is expected to correspond to the net assets of the business. The operations are not of significant importance to the Group and the divesture increases possibilities for focusing on the geographic markets with favorable conditions for delivering Acando's entire offering.

On February 5, Acando received the Partner of the Year Award for Middleware, which is presented at an annual event for Oracle's partners in Sweden. Acando was awarded the distinction with the following commendation: "This partner has been part of numerous major transactions during the year. Successful projects were brought to fruition through solid competence and continued investment in Oracle MW." Acando Norway received the corresponding award with the commendation: "Acando is a Norwegian powerhouse in Middleware and service-oriented architecture (SOA) and the initiative has now become Nordic. During the year, major breakthroughs have been made into the energy market." The merger between Acando and Connecta in autumn 2014, doubled the size of operations and, accordingly, the collective Oracle skills were strengthened in several areas. Connecta has received the Fusion Middleware Partner of the Year award, for three consecutive years, while Acando Norway, (formerly E-vita) received the award in 2011 and 2013.

Business activities

Market development

In the fourth quarter, demand posted a slight positive change in both Sweden and Germany. The situation in Norway is stable, though a degree of concern exists regarding the effect of the oil-price trend. The market in Finland shows unchanged restraint and all inquiries are characterized by intense competition. For 2015, demand is expected to continue in line with the end of 2014.

Long-term demand is expected to remain favorable across Acando's markets, driven by accelerating digital transformation and completely new application areas for technology in business processes. Accordingly, it will become crucial to create clear links between strategy, implementation and technology.

Customers and offering

The market is developing in the field of Telecommunications, Information Technology, new Media and Entertainment (TIME) and Acando's position is positive, primarily in telecoms with regard to customers among suppliers and operators. Focus is on operating efficiency, the use of technology in new business models and the establishment of entirely new services. In the fourth quarter, new assignments were initiated in the gaming and media area, which reflects it being one of Acando's investment areas ahead of 2015.

Increasing demand was also noted in the banking, finance and insurance sectors in the form of major modernization programs and assignments regarding digital end-user services.

Retail remains one of Acando's strongest segments, with continued expansion at major customers linked to strategies, implementation and support processes for effective digitization.

Demand is stable in the public sector, with both extended and new assignments spanning several of Acando's products and services.

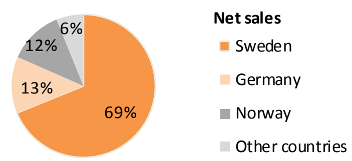
Net sales and earnings

Fourth quarter October – December 2014

Net sales and operating profit before goodwill impairment for the fourth quarter 2014 are shown in the table below:

	October- December					
SEK m	2014 Net sales	2013 Net sales	2014 Operating profit*	2013 Operating profit*	2014 Operating margin	2013 Operating margin
Sweden	442.6	215.7	39.6	22.1	8.9%	10.2%
Germany	82.3	76.3	11.9	6.4	14.4%	8.3%
Norway	78.9	73.9	10.6	6.1	13.4%	8.3%
Other countries	39.3	41.5	0.5	4.0	1.2%	9.7%
Group adjustments	-22.9	-2.6	-10.8	-5.2	-	-
Total operational	**620.2**	**404.9**	**51.7**	**33.4**	**8.4%**	**8.3%**
Items affecting comparabili	-	-	-9.0	-	-	-
Total	**620.2**	**404.9**	**42.7**	**33.4**	**6.9%**	**8.3%**

*Excluding goodwill impairment



Consolidated net sales for the quarter amounted to SEK 620 m (405), with growth of 53 percent compared with the year-earlier period.

Operating profit was SEK 52 m (33) before nonrecurring items and goodwill impairment of the UK operations, corresponding to an operating margin of 8.4 percent (8.3). In Germany, earnings were positively impacted by SEK 5 m linked to project closeout. The restructuring carried out in the second quarter in Norway has had an impact in parallel with a favorable utilization rate in the fourth quarter.

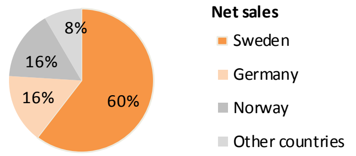
Nonrecurring items include final costs totaling SEK 9.0 m connected to the integration of Connecta and Acando, more details are available in Note 5 on page 23-24. Consolidated profit after tax totaled SEK 26 m (26).

Accumulated, January – December 2014

Net sales and operating profit before goodwill impairment for the full-year 2014 are shown in the table below:

	January - December					
SEK m	2014 Net sales	2013 Net sales	2014 Operating profit*	2013 Operating profit*	2014 Operating margin	2013 Operating margin
Sweden	1 142.1	774.0	93.8	48.5	8.2%	6.3%
Germany	294.7	290.6	23.8	11.6	8.1%	4.0%
Norway	295.5	224.0	21.5	11.7	7.3%	5.2%
Other countries	158.4	159.3	3.9	11.0	2.4%	6.9%
Group adjustments	-34.3	-10.2	-24.8	-17.2	-	-
Total operational	**1 856.5**	**1 437.7**	**118.1**	**65.7**	**6.4%**	**4.6%**
Items affecting comparabili	-	-	-67.9	-	-	-
Total	**1 856.5**	**1 437.7**	**50.2**	**65.7**	**2.7%**	**4.6%**

*Excluding goodwill impairment



Consolidated net sales amounted to SEK 1,856 m (1,438), with growth of 29 percent compared with the year-earlier period. Connecta's figures are included for five of the twelve months in the above figures, since its operations were consolidated into the Acando Group from August 1. For Acando's previous operations, growth adjusted for currency effects was 3.8 percent for the full year.

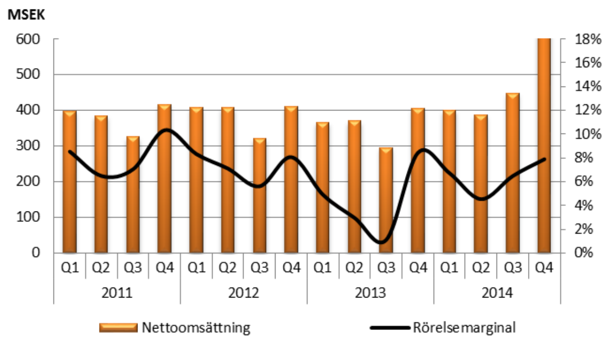
Operating profit was SEK 118 m (66) before nonrecurring items and goodwill impairment of the UK operations, corresponding to an operating margin of 6.4 percent (4.6). Nonrecurring items included costs totaling SEK 63.5 m connected to the acquisition of Connecta, as well as restructuring costs of SEK 4.4 m in Norway. The measures are expected to generate annualized savings of about SEK 52 m in Sweden and, in Norway, the annualized savings are estimated at about SEK 8 m. Consolidated profit after tax totaled SEK 30 m (50).

Profit trend per quarter

The graph on the right shows net sales and operating profit for the past four years.

In terms of work, the fourth quarter is the most work intensive with the highest number of working days. The third quarter is always lower due to vacation.

The industry in which Acando operates is late-cyclical and a weak market impacts with a delay of about one quarter. The same applies when the market turns.



Development of operations by geographic market

Introduction

Acando is a consulting company that in partnership with its customers identifies and implements sustainable business enhancements through information technology. Acando provides a balance between high customer value, short project times and low total cost. Acando creates measurable improvements through the development of processes, organizations and IT systems, ensuring that these support the client's operations. It is Acando's task to acquire an overall view of the client's business and to ensure that each assignment yields a rapid impact and measurable results. The Group has approximately 1,800 employees allocated over four countries in Europe and delivery centers in India and Latvia.

Sweden

During the quarter, work with integrating Acando and Connecta has been completed and the collective operations in Sweden now operate under a renewed brand platform and through shared processes and support systems. All regions have posted positive trends for the fourth quarter, with the strongest performance from the Malmö region through expansion with established customers.

Of all the business areas, IT Management Consulting developed most strongly, with high utilization rates driven by public sector projects and expansion in the banking and finance sectors. Customers' needs for strategic management in more open IT environments are becoming increasingly clear as more and more modernization programs require advanced change management. The area is expected to trend positively and there is considerable need for recruitment.

Management Consulting continues to trend positively through a mix of major change assignments in the retail sector and numerous assignments in the public and private sectors. The size of assignments is growing continuously through focused processing of selected key customers. Several assignments in growth areas such as e-health and e-commerce with continuing opportunities for expansion were won during the quarter. Expansion at existing customers was also noted in the Operational Excellence and Strategy and Transformation areas. Several of the projects are being conducted in close partnership with Digital Consulting and Solutions based on digital transformation agendas or with support from solutions to analyze large quantities of data.

Enterprise Consulting and Solutions posted a continued healthy trend with several projects successfully delivered in the fourth quarter. In parallel, new projects were initiated, primarily in Microsoft Dynamics, with a global roll-out at a telecoms operator as the prime example. Several AM assignments were won in both MS Dyn AX and SAP, which is a key part of the strategy to increase the share of long assignments. SAP volumes are primarily built on several smaller roll-outs and projects.

In Digital Consulting and Solutions, demand is driven by an increasingly strong digitalization agenda at several of Acando's customers. Acando has the skills and experience to lead major projects in areas from digital strategies to implementation and administration, thereby creating possibilities at larger customers. Initial Digital Strategy projects are often converted into larger realization assignments and, during the quarter, several such examples were noted in the insurance, service and industrial sectors. In Analytics, Acando has successfully packaged solutions for fast and efficient implementation based on both Microsoft and Qlicktech technology. This leads to increasing assignments at larger customers in parallel with providing possibilities for more efficient implementation at smaller organizations.

During the quarter, the IT Infrastructure Consulting and Solutions (Acando ITICS) business area was established (formerly as a wholly owned subsidiary under the Techta brand) with the aim achieving an integrated delivery capacity together with other business areas. The business area's main focus is to exploit the possibilities provided by modern infrastructure linked to deployed, flexible and cloud-based IT infrastructures, an online community (internet of things) and related security aspects.

Norway

Acando's operations in Norway continue to trend healthily in all geographies and business areas. Together with the efficiency enhancements implemented during the year, this doubled fourth-quarter earnings.

In the fourth quarter, in particular, operations focused on the public sector in Norway continued to operate with increasing utilization rates based on call-offs against existing framework agreements. Operations in Trondheim also recovered strongly driven by investments in smaller technology companies in the region.

Within the Microsoft-based solutions area, several smaller projects based on packaged solutions for collaborations and portals (Acando Collaboration Platform) and in the CRM area were won during the quarter. With a fully integrated delivery organization together with Acando Sweden for business systems, smaller assignments were also won at new customers in the Dynamics AX area.

Germany

The year ended with healthy utilization rates and favorable percentage-of-completion effects on completion of a larger fixed-price project. Altogether, the full-year earnings doubled compared with the preceding year and a degree of organic growth was noted.

In the second half of the year, the market stabilized and these conditions are expected to continue for the first half of 2015. All geographies trended positively with expanded volumes at the largest customers. The telecom and automotive industries developed favorably with several new projects at existing customers.

The investment in content management solutions (CMS) based on the e-spirit solution platform posted continued success with projects in several business areas.

Other countries

Finland:

The fiscal year ended strongly with increasing utilization rates, primarily in SAP, driven by several projects at the final delivery phase and with accompanying go-live phases. However, the market remains weak and utilization is expected to decline slightly at the start of the year compared with the fourth quarter. To maximize resource utilization across national borders, closer integration with the Enterprise Solutions and Consulting business area in Sweden will be established in the first quarter.

The UK:

In the fourth quarter, operations in the UK were impacted by costs related to the sale of the operations. The UK operations are entirely autonomous and have limited connection with the remainder of the Group's offering nor do they have any cross-border customer synergies. Acando's strategic focus is in the geographic markets with the conditions for delivering Acando's entire offering and, therefore, the UK operations were divested at the start of 2015.

Financial information

Financial position

Acando has a continued strong financial position with an equity/assets ratio of 59 percent (66). Consolidated cash and cash equivalents amounted to SEK 76 m (99) at December 31, 2014. In addition, the Group has unutilized overdraft facilities of SEK 164 m (84), most of which are in SEK. Of the short-term credit facilities, SEK 73 m had been utilized as of December 31, 2014.

After the end of the period in the first quarter of 2015, agreements were signed to further increase the Group's loans as part of changing the capital structure. In conjunction with this, the Board has decided to add to the financial targets with an additional target linked to indebtedness, see Acando's financial targets and dividend policy on page 12.

SEK m	Dec 31 2014	Dec 31 2013	Change
Cash & cash equivalents	76	99	-23
Interest-bearing long-term debt 1)	-36	-42	6
Net cash	40	57	-17
Unutilized overdraft facility	91	67	24
Equity/assets ratio	59%	66%	-7%

1) Interest-bearing debt applies to pension commitments SEK 26 m and long-term acquisition credit SEK 10 m.

Cash flow

Total cash flow in 2014 was a negative SEK 32 m (neg: 12). Cash flow from operating activities a positive cash flow from operations of SEK 97 m (65) and a negative change in working capital of SEK 13 m (5).

MSEK		Jan-Dec 2014
Profit after financial items		43
Amortization and depreciation		21
Provisions		9
Items affecting comparability		40
Income tax paid		-16
Cashflow from operation activities		**97**
Change in receivables		-64
Change in liabilities		91
Debt of Items affecting comparability		-40
Cashflow from operation after changes in working capita		**84**
Acquisition of Cloudstep	Investment	-3
Investments in Assets	Investment	-13
Issue costs	Financing	-12
Change in Debt	Financing	-17
Dividends	Financing	-71
Cashflow for the period		**-32**

Cash flow from investment activities amounted to a negative SEK 16 m (neg: 39), of which an expense of SEK 3 m pertained to the acquisition of Cloudstep AS in Norway that was completed in January and the remainder under the item Investments pertained mainly to customary IT and office equipment. In the corresponding period in 2013, e-vita AS in Norway was acquired, which negatively impacted cash flow by SEK 31 m.

Cash flow from financing activities amounted to a negative SEK 100 m (neg: 43), of which a negative SEK 71 m (neg: 71) pertained to dividends and a negative SEK 13 m comprised amortization of acquisition financing as well as credit facilities change of SEK negative 4 m and issue costs of SEK 12 m. The comparative period in 2013 included liquidity totaling SEK 7 m for the buyback of the company's shares.

Tax

At the start of 2014, the Group had unutilized loss carry-forwards totaling approximately SEK 202 m. It is expected that it will be possible to utilize the loss carry-forwards attributable to operations in Sweden, SEK 179 m, in the next few years. For this reason, a deferred tax asset of SEK 39 m was recognized in the balance sheet at the start of the year.

During 2014, SEK 30 m (41) of the loss carry-forwards in Sweden was utilized in the operation in Sweden in parallel with the addition of SEK 71 m in loss carry-forwards from the acquisition of Connecta. Accordingly, the value of the unutilized loss carry-forwards for Sweden amounted to SEK 220 m (202) at the end of the period.

Investments

The Group's net investment in assets in 2014 was SEK 468 m (58). At the start of the year, Cloudstep AS in Norway was acquired for a purchase consideration of SEK 6 m and, in July 2014, Connecta AB was acquired for a purchase consideration of SEK 448 m. The acquisition of Connecta was financed through the issue of shares in Acando AB and, accordingly, does not impact liquidity.

The share

Share capital and shares

The Extraordinary General Meeting on July 2 resolved to issue not more than 34,624,516 new Series B shares in Acando as payment in the Offering to shareholders in Connecta. Of these, 27,616,250 and 4,609,740 shares were issued in July to shareholders in Connecta before the acceptance date expired. The number of Acando shares totaled 104,407,419 on December 31, 2014, of which 1,542,000 Series B shares were treasury shares.

Buyback of shares

Acando's Board was authorized by the 2014 Annual General Meeting (AGM) to buy back the company's shares to the extent that the company's total holding does not exceed 10 percent of all shares in the company with the aim of adjusting the capital structure to suit the company's capital requirements and to create the opportunity for the company to pay for any acquisitions of companies and businesses, wholly or partly, with these treasury shares. The authorization is valid until the 2015 AGM.

On December 31, the total holding of treasury shares amounted to 1,542,000 shares and comprised 1.5 percent of the total number of shares outstanding. No buyback of treasury shares was implemented in 2014.

Share-savings program

The 2014 AGM resolved to implement a new share-savings program for a maximum of 50 senior executives and other key personnel employed by the Acando Group. The 2014/2017 share-savings program is structured similarly to the share-savings programs that were adopted by the 2012 and 2013 AGMs. Based on the fulfillment of specific performance criteria related to Acando's earnings per share after tax and after dilution for the 2014-2016 fiscal years, participants will have the option of receiving, without compensation, additional Acando shares, the number of which depends on the number of Acando shares in their own investment and on the fulfillment of certain performance requirements.

An Extraordinary General Meeting on July 2, 2014, resolved to implement an additional share-savings program for a maximum of 30 senior executives and other key personnel employed by the Acando Group. This was primarily directed at employees of Connecta with holdings in Connecta AB's previous share-savings program. The 2014/2017 share-savings program II is structured similarly to Acando's share-savings program that was adopted by the 2014 AGM. Based on the fulfillment of specific performance criteria related to Acando's earnings per share after tax and after dilution for the 2014-2016 fiscal years, participants will have the option of receiving, without compensation, additional Acando shares, the number of which depends on the number of Acando shares in their own investment and on the fulfillment of certain performance requirements.

Employees

The number of employees at the end of the quarter was 1,826 (1,087). Of these, 1,303 (566) were in Sweden, 273 (273) in Germany, 176 (161) in Norway and 74 (87) in Other countries. The average number of employees during the fourth quarter of 2014 was 1,831 (1,061). The acquisition of Connecta resulted in an increase in the number of employees of 720.

Parent Company

The Parent Company provides certain Group-wide functions to other companies in the Group. Essentially, the risks faced by the Parent Company consist of operations conducted in the subsidiaries (see the description below for the Group).
The Parent Company's financial position is stated on page 22.

Proposed dividend

The Board of Directors intends to propose that the AGM resolve on a dividend of SEK 1.00 per share, corresponding to a total of approximately SEK 103 m.

Acando's financial targets and dividend policy

Acando's financial targets are divided into four parts:

- Growth

In the markets in which it operates, Acando will outgrow the market for management and IT consulting services, primarily through organic growth complemented by strategic acquisitions.

- Margins

Acando's margin target is to reach a sustainable operating margin in excess of 10 percent, measured as operating profit before amortization of intangible assets (EBITA) as a percentage of net sales.

- Earnings per share

Acando's principal financial target is to increase earnings per share (EPS) by at least 10 percent per year.

- Indebtedness

Net debt as a percentage of EBITDA should maintain a value of less than 1.5.

Acando's dividend policy is as follows:
Not less than half of profit after tax is to be distributed to shareholders by way of dividends, share buy-backs or other corresponding measures.

Outlook

Acando will continue to develop as a company in pace with its customers and their demands. The company is expected to capture a clear position in Sweden and, from that position, accelerate growth in Sweden and in relevant geographies outside of Sweden. The objective of the acquisition is to create the leading consulting company based in the Nordic region. The merger of Connecta and Acando is estimated to unlock substantial market potential and create a key force in the Nordic consulting market in parallel with creating attractive values for both companies' customers, employees and shareholders.

Acando does not provide earnings or sales forecasts.

Risks and uncertainties

Acando's business risks include price levels, customer undertakings, changed customer requirements, weaker demand for consulting services, customer concentration and changes in the behavior of competitors, as well as currency, credit and interest-rate risks. Continued growth will depend on Acando's ability to develop, retain and recruit qualified employees and maintain personnel costs at a reasonable level in relation to prices offered to customers. A strong economy entails intensified competition for qualified employees. Acando's general view of business risks has not changed, compared with the detailed statement contained in the "Risks and Opportunities" section in the Directors' Report under the 2013 Annual Report. However, through the acquisition of Connecta in 2014, risks have arisen in conjunction with the integration of the operations in Sweden including increased dependence on the Swedish market trend and a risk of increased employee turnover.

Estimates and assessments

In preparing the financial reports, the Board of Directors and company management make assessments and assumptions that affect the company's earnings and financial position, as well as published information in other respects.
Estimates and assessments are continuously evaluated and are based on historical experience and other factors, including expectations regarding future events deemed reasonable under prevailing conditions. Actual outcomes may differ from the assessments made.

The areas in which estimates and assumptions could involve significant risk of adjustments of carrying amounts for earnings and financial position in future reporting periods are primarily assessments of market conditions, assessment of the useful lives of the Group's intangible and tangible assets, impairment testing of goodwill, measurement of deferred tax assets, measurement of accounts receivable and revenue recognition for fixed-price projects.
For a complete account of the important estimates and assessments affecting the Group, refer to the 2013 Annual Report.

Accounting policies

Group

The Group’s interim report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. Application of IFRS complies with the accounting policies set out in Acando’s 2013 Annual Report.

Parent Company

This year-end report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The application of RFR 2 means that the Parent Company, in the year-end report for a legal entity, applies all IFRS and statements approved by the EU as far as possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, with consideration taken to the relationship between accounting and taxation. The same accounting and calculation policies were applied as in the 2013 Annual Report.

Review report

This report was not audited.

Assurance by the Board of Directors

The Board of Directors and the President provide their assurance that the year-end report for January – December 2014 provides a fair and accurate view of the Parent Company's and the Group's operations, financial position and earnings, and describes the material risks and uncertainties faced by the Parent Company and other companies in the Group.

Stockholm, February 12, 2015

Acando AB (publ.)

Ulf J Johansson *Chairman*	Carl-Magnus Månsson *President and CEO*
Magnus Groth *Board member*	Birgitta Klasén *Board member*
Susanne Lithander *Board member*	Mats O Paulsson *Board member*
Anders Skarin *Board member*	Alf Svedulf *Board member*
Mija Jelonek *Employee representative*	Lennart Karlsson *Employee representative*

Additional information

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Upcoming reporting dates

Annual report

The Annual Report for 2014 will be published in April 2015 and will be available on the company's website, www.acando.com, and at the company's office at Malmskillnadsgatan 32, in Stockholm.

Annual General Meeting

The Annual General Meeting will be held on Monday, May 4, 2015, at 4:00 p.m. in Stockholm.

Reporting dates

Annual General Meeting 2015	May 4, 2015
Interim report January – March 2015	May 4, 2015
Interim report January – June 2015	July 21, 2015
Interim report January – September 2015	November 11, 2015

Note

This is information that Acando AB (publ) is obligated to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. This information was submitted for publication on February 12, 2015.

www.acando.com Ticker: ACAN

Acando is a consulting company whose business concept is, in partnership with its customers, to create business value by enhancing and streamlining processes, organizations and digital solutions. We stand out due to our ability to combine skills in strategy and business operations with sound technical expertise and deep understanding of how organizations function. The Group has approximately 1,800 employees allocated over four countries. Acando had sales of close to SEK 2 billion in 2014 and is listed on the Nasdaq Stockholm.

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CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Oct - Dec 2014	Oct - Dec 2013	Jan - Dec 2014	Jan - Dec 2013
Net sales		620	405	1 856	1 438
Other operating income		2	2	3	4
Total income		**622**	**407**	**1 860**	**1 442**
Operating expenses					
Other external expenses		-177	-131	-528	-454
Personnel expenses		-389	-240	-1 200	-909
Items affecting comparability		-9	-	-68	-
Amortization and impairment of intangible assets and depreciation of tangible assets [1)]		-11	-3	-21	-13
Operating profit		**35**	**33**	**43**	**66**
Profit from financial items					
Financial income		0	1	4	2
Financial expenses		-1	0	-3	-2
Profit after financial items		**34**	**34**	**44**	**66**
Taxes on profit for the year		-8	-8	-14	-16
Net profit for the period		**26**	**26**	**30**	**50**
Of which, attributable to shareholders of Acando AB (publ.)		26	26	30	50
Earnings per share					
Before dilution, SEK		0.25	0.37	0.35	0.71
After dilution, SEK		0.25	0.37	0.35	0.71
Average number of shares before dilution		102 865 419	70 639 429	84 147 858	70 750 758
Average number of shares after dilution		102 865 419	70 639 429	84 147 858	70 750 758
Number of shares outstanding at end of period before dilution		102 865 419	70 639 429	102 865 419	70 639 429
Number of shares outstanding at end of period after dilution		102 865 419	70 639 429	102 865 419	70 639 429

Treasury shares are not included in the number of shares above. At December 31, 2014, 1,542,000 shares are owned by Acando.

1) Of which, SEK 7.3 m in impairment of goodwill

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Note	Oct - Dec 2014	Oct - Dec 2013	Jan - Dec 2014	Jan - Dec 2013
Net profit for the period		26	26	30	50
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Pension liabilities, actuarial gains on liabilities		-5	4	-5	4
Income tax pertaining to items in other comprehensive income		1	-1	1	-1
Total items that will not be reclassified subsequently to profit or loss		**-4**	**3**	**-4**	**3**
Items that may be reclassified subsequently to profit or loss					
Change in accumulated translation differences		-3	1	7	-9
Total items that may be reclassified subsequently to profit or loss		**-3**	**4**	**7**	**-9**
Other comprehensive income for the period, net after tax		**-7**	**30**	**3**	**-6**
Total comprehensive income for the period		**19**	**30**	**33**	**44**
Total comprehensive income attributable to:					
Parent Company's shareholders		19	30	33	44

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Dec 2014	31 Dec 2013
Non-current assets			
Intangible assets			
Goodwill	1	940	500
Other intangible assets		4	3
Tangible assets			
Tangible assets		17	13
Financial assets			
Deferred tax assets [1)]		52	42
Other non-current financial assets		6	4
Total non-current assets		**1 019**	**562**
Current assets			
Accounts receivable		554	348
Other receivables		9	4
Current tax assets		16	3
Prepaid expenses and accrued income		116	37
Cash and cash equivalents		76	99
Total current assets		**771**	**491**
Total assets		**1 790**	**1 053**
Equity			
Share capital	2	144	99
Other capital contributions		739	368
Reserves		-25	-32
Retained earnings including profit for the period		205	262
Total equity		**1 063**	**697**
Liabilities			
Non-current liabilities	3	67	47
Current liabilities	3	661	309
Total liabilites		**727**	**356**
Total equity and liabilities		**1 790**	**1 053**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK m)	Note	Share capital	Other capital contr.	Reserves	Retained earnings	Total
		Attributable to Parent company shareholders				
Opening balance at January 1, 2013		**99**	**368**	**-23**	**290**	**734**
Profit for the period		-	-	-	50	50
Other comprehensive income for the period		-	-	-9	3	-6
Total comprehensive income for the period		**-**	**-**	**-9**	**53**	**44**
Dividend paid to Parent Company shareholders		-	-	-	-71	-71
Incentive programs		-	-	-	-3	-3
Buyback of treasury shares		-	-	-	-7	-7
Closing balance at December 31, 2013		**99**	**368**	**-32**	**262**	**697**
Profit for the period		-	-	-	30	30
Other comprehensive income for the period		-	-	7	-4	3
Total comprehensive income		**-**	**-**	**7**	**26**	**33**
Dividend paid to Parent Company shareholders		-	-	-	-71	-71
New share issue		45	371	-	-	416
Issue expenses		-	-	-	-12	-12
Closing balance at December 31, 2014		**144**	**739**	**-25**	**205**	**1 063**

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Note	Jan - Dec 2014	Jan - Dec 2013
Operating activities			
Profit after financial items		44	66
Adjustment for items not included in the cash flow		69	10
Income tax paid		-16	-11
Cash flow from operating activities			
before changes in working capital		**97**	**65**
Net change in working capital		-13	5
Cash flow from operating activities		**84**	**70**
Cash flow from investment activities		**-16**	**-39**
Cash flow from financing activities		**-100**	**-43**
Cash flow for the period		**-32**	**-12**
Cash and cash equivalents at the beginning of the period		99	115
Exchange-rate differences in cash and cash equivalents		9	-4
Cash and cash equivalents at the end of the period		**76**	**99**

OPERATING SEGMENTS

(SEK m)	Note	Sweden	Germany	Norway	Other countries	Total	Group adjustment	Group total
Oct - Dec 2014								
Net sales		**443**	**82**	**79**	**39**	**643**	**-23**	**620**
Operating profit[1)]		**40**	**12**	**10**	**1**	**63**	**-20**	**43**
Financial income								0
Financial expenses								-1
Profit after financial items								**42**
Taxes								-8
Net profit for the period								**34**
Oct - Dec 2013								
Net sales		**216**	**76**	**74**	**42**	**408**	**-3**	**405**
Operating profit		**22**	**6**	**6**	**4**	**38**	**-5**	**33**
Financial income								1
Financial expenses								0
Profit after financial items								**34**
Taxes								-8
Net profit for the period								**26**
Jan - Dec 2014								
Net sales		**1 142**	**295**	**295**	**158**	**1 890**	**-34**	**1 856**
Operating profit[1)]		**94**	**24**	**22**	**4**	**144**	**-93**	**51**
Financial income								4
Financial expenses								-3
Profit after financial items								**52**
Taxes								-14
Net profit for the period								**38**
Jan - Dec 2013								
Net sales		**774**	**291**	**224**	**159**	**1 448**	**-10**	**1 438**
Operating profit		**48**	**12**	**12**	**11**	**83**	**-17**	**66**
Financial income								2
Financial expenses								-2
Profit after financial items								**66**
Taxes								-16
Net profit for the period								**50**

1) Excluding goodwill impairment of SEK 7.3 m

KEY RATIOS

(SEK m)	Note	Oct - Dec 2014	Oct - Dec 2013	Jan - Dec 2014	Jan - Dec 2013
Result					
Net sales		620	405	1 856	1 438
Operating profit (EBIT)		35	33	43	66
Net profit for the period		26	26	30	50
Margins					
Operating margin (EBIT), %		5.7	8.3	2.3	4.6
Profit margin, %		5.5	8.3	2.3	4.6
Profitability					
Return on capital employed, %		3	5	5	9
Return on equity, %		2	4	3	7
Financial position					
Equity/assets ratio, %		59	66	59	66
Interest coverage ratio, multiple		38	57	18	46
Per share					
Equity per share, SEK		10.33	9.87	10.33	9.87
Cash flow per share, SEK		0.30	0.25	-0.39	-0.17
Earnings per share after dilution, SEK		0.25	0.37	0.35	0.71
Employees					
Number of employees at end of the period		1 826	1 087	1 826	1 087
Average number of employees		1 831	1 061	1 377	1 070
Net sales per employee, SEK thousands		339	382	1 348	1 344
Net investments	5	**8**	**54**	**468**	**58**

PARENT COMPANY INCOME STATEMENT

(SEK m)	Note	Oct - Dec 2014	Oct - Dec 2013	Jan - Dec 2014	Jan - Dec 2013
Net sales		18	10	53	45
Total income		**18**	**10**	**53**	**45**
Operating expenses					
Other external expenses		-9	-5	-31	-22
Personnel expenses		-9	-2	-15	-8
Amortization and impairment of intangible assets and depreciation of tangible assets		-1	-2	-7	-8
Operating profit		**-1**	**1**	**1**	**7**
Profit from financial items					
Other interest income and similar items	4	0	0	76	132
Interest expenses and similar items	4	-1	-1	-2	-3
Profit after financial items		**-3**	**0**	**75**	**136**
Taxes on profit for the year		1	0	-1	-2
Net profit for the period		**-2**	**0**	**74**	**134**

Net profit for the period corresponds to comprehensive income for the period.

PARENT COMPANY BALANCE SHEET

(SEK m)	Note	31 Dec 2014	31 Dec 2013
Non-current assets			
Intangible assets			
Other intangible assets		4	3
Tangible assets			
Tangible assets		10	7
Financial assets			
Financial assets		1 379	924
Total non-current assets		**1 393**	**934**
Current assets			
Receivables from Group companies		61	64
Other receivables		0	0
Prepaid expenses and accrued income		3	2
Cash and cash equivalents		16	10
Total current assets		**80**	**76**
Total assets		**1 473**	**1 010**
Equity			
Share capital	2	144	99
Statutory reserve		110	110
Share premium reserve		632	261
Retained earnings including profit for the period		374	383
Total equity		**1 260**	**853**
Libilities			
Long-term liabilities		10	22
Liabilities to Group companies		110	112
Current liabilities		94	23
Total liabilities		**214**	**157**
Total equity and liabilities		**1 473**	**1 010**

Notes

Note 1 Goodwill

Compared with December 31, 2013, goodwill increased by a total of SEK 440 m. The acquisition of Cloudstep AS in the first quarter of 2014 generated a goodwill effect of SEK 6 m and the acquisition of Connecta in the third quarter of 2014 generated acquired but unappropriated intangible assets of SEK 441 m, which were treated as goodwill in the quarter, this also includes the goodwill recognized in the Connecta Group prior to the acquisition of SEK 70 m. In the fourth quarter, a SEK 7 m impairment of goodwill was carried out for Acando's UK operations based on the valuation conducted in conjunction with the sale which was completed after the end of the period. The remainder of the change pertained to currency effects.

Note 2 Equity

At December 31, 2014, the total number of shares in the company amounted to 104,407,419, of which 100,767,429 were Series B shares and 3,639,990 were Series A shares.

No buybacks have taken place in 2014. The total number of treasury shares thus amounted to 1,542,000 Series B shares as of December 31, 2014.

Note 3 Long-term liabilities

Long-term liabilities

Long-term liabilities primarily comprise deferred tax and pension liabilities in Sweden and the long-term portion of acquisition financing.

Current liabilities

Of the current liabilities of SEK 661 m, SEK 85 m represents interest-bearing current liabilities.

Note 4 Financial income and financial expenses

Financial income in the Parent Company primarily pertains to dividends from subsidiaries. Financial expenses in the Parent Company primarily pertain to currency fluctuations.

Note 5 Acquisitions

Connecta

On July 10, Acando acquired 90.3 percent of the shares in Connecta AB and on July 23, a further 2.8 percent was acquired. The objective of the acquisition is to create the leading consulting company based in the Nordic region. The merger of Connecta and Acando is estimated to unlock substantial market potential and create a key force in the Nordic consulting market in parallel with creating attractive values for both companies' customers, employees and shareholders.

The merged units are expected to assume a defined position in Sweden and, from that position, be able to accelerate growth in Sweden and in the geographies outside Sweden where Acando already operates. In the third quarter, work started on integrating the operations and has now been completed. As part of restructuring the new unified Group, an expense of SEK 63,5 m was recognized in 2014, the management estimate that this will generate annual savings totaling about SEK 52 m each year. The restructuring costs pertain primarily to termination costs for former management and administrative personnel at Connecta as well as costs for co-locating operations.

The estimated value of the non-cash consideration corresponds to a subscription price of SEK 13.00 per Series B share in Acando, which corresponds to the volume-weighted average price for the Acando share over the last 20 trading days immediately preceding the announcement of the acquisition on July 10 and a subscription price of SEK 12.30 per Series B share in Acando before July 23, 2014 respectively using the same method. In this estimate, the last shares outstanding in Connecta, which are subject to compulsory redemption, have been valued at SEK 13.50 per Series B share. Even in if the acquisition date is set as July 10, when the first 90.3 percent were acquired, Connecta has been consolidated as part of the Acando Group as if the acquisition took place on July 31, 2014. As a result of the ongoing compulsory redemption process for the 6.9 percent of shares outstanding, the consolidated financial statements have been prepared as if 100 percent had been acquired.

All assets and liabilities were measured at market value in the acquisition. The fair value of the acquired but unappropriated intangible assets was SEK 441 m, of which SEK 70 m comprised goodwill recognized in the Connecta Group at the acquisition date. This is a preliminary figure and it cannot be ruled out that certain valuations do not fully reflect the fair value since the measurement of goodwill attributable to items including future profit generating ability based on employees' skills and access to new markets, project assignments, customer contracts and the effect of further synergies require extensive analysis, which is ongoing. Accordingly, the acquisition balance sheet was adjusted by SEK 9 m in the fourth quarter and may be subject to further adjustment in future quarters. Therefore, the acquisition balance sheet is deemed preliminary.

A preliminary acquisition analysis of the acquisition follows:

Purchase consideration	448

Assets acquired and liabilities taken over	Carrying amount
Unappropriated identified intangible assets	441
Non-current assets	6
Current assets	250
Cash and cash equivalents	-
Total assets acquired	697
Current liabilities	249
Long-term liabilities	-
Total liabilities acquired	249
Total identifiable net assets	448

Total purchase consideration	448
Cash and cash equivalents in acquired operations	-
Total cash flow attributable to investment in the subsidiary	0

In the August to December period, the acquired operations contributed SEK 345 m to sales and SEK 39 m to operating profit before restructuring costs of SEK 48 m.

Cloudstep

At the start of the year, 100 percent of the shares outstanding in the consulting firm Cloudstep AS in Norway were acquired. The purchase consideration paid was SEK 6 m, of which SEK 3 m was paid in cash. The remaining SEK 3 m comprises a liability for a performance-based additional purchase consideration based on expected performance in the fiscal years 2014 and 2015, for which a provision was made in the first quarter of 2014.

The goodwill that arose from the acquisition was attributable to Cloudstep's know-how and market presence. Goodwill is recognized as an intangible asset and comprises the amount by which the cost exceeds the fair value of the identifiable net assets at the date of acquisition.

E-vita AS, 2013

In the fourth quarter of 2013, the Group acquired 100 percent of the shares in E-vita AS. The total values of acquired assets and liabilities, the purchase consideration and the effects of the acquisition on the Group's cash and cash equivalents are detailed in Note 34 of the 2013 Annual Report.

Purchase consideration	50
Fair value of net assets acquired	4
Goodwill	46

Goodwill is attributable to the estimated future profit generating ability based on employees' skills and access to new markets.

Definitions

Return on equity

Profit after tax divided by average equity. Average equity is calculated as the sum of equity on the opening and closing dates, divided by two.

Return on capital employed

Profit after financial items with reversal of interest expenses, divided by average capital employed.

Equity per share

Equity on the balance-sheet date divided by the number of shares at year-end after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

Cash flow per share

Cash flow for the year divided by the weighted average number of shares during the period after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

Earnings per share

Net profit for the period for continuing operations divided by the weighted average number of shares during the period after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

Indebtedness

Interest-bearing net debt as a percentage of EBITDA, calculated on a rolling 12 month operating profit before depreciation and amortization, the profit is to be adjusted for extraordinary items.

Interest-coverage ratio

Profit after financial items, with reversal of interest expenses, divided by interest expenses.

Operating margin

Operating profit divided by net sales.

Equity/assets ratio

Equity on the closing date divided by total assets.

Capital employed

Equity plus interest-bearing liabilities. Average capital employed has been calculated as opening plus closing capital employed divided by two.

Profit margin

Profit before tax divided by net sales.