INTERIM REPORT

THIRD QUARTER, JULY 1 – SEPTEMBER 30, 2014

> Net sales of SEK 447 m (296)

> Operating profit before nonrecurring items was SEK 27 m (3), corresponding to an operating margin of 6.1% (1.0)

> The operating loss after nonrecurring items was SEK 25 m (profit: 3)

> The loss after tax was SEK 22 m (profit: 2)

> Earnings per share were negative in an amount of SEK 0.24 (positive: 0.03)

ACCUMULATED, JANUARY 1 – SEPTEMBER 30, 2014

> Net sales of SEK 1,236 m (1,033)

> Operating profit before nonrecurring items was SEK 67 m (32), corresponding to an operating margin of 5.4% (3.1)

> The operating profit after nonrecurring items was SEK 8 m (32)

> Profit after tax was SEK 4 m (24)

> Earnings per share were SEK 0.05 (0.34)

> Cash and cash equivalents totaled SEK 41 m (81)

Statement by Carl-Magnus Månsson, CEO

The last quarter was one of the most exciting in Acando's history. We have worked zealously with the integration of Connecta into Acando and I am pleased to note that we have received a positive response from our shared customers and succeeded in creating new customer dialogs that have, already, resulted in winning projects that neither Connecta nor Acando could have done on their own. Our combined strength in the areas of Management Consulting, Strategic IT, Business Systems, both SAP and Microsoft Dynamics, as well as a completely new opportunity to assume responsibility for customers' digital transformation, from strategy to solution development and implementation, creates entirely new possibilities. Our aim of becoming northern Europe's leading consulting company is within reach.

During the quarter, we established a new integrated and shared organization driven by a customer and delivery-focused integration process, and set high, shared goals moving forward. As part of this, we have implemented our planned efficiency and structural measures, which generate annualized savings of SEK 46 m compared with the 25 million previously estimated. In addition, we have identified further potential for enhancing efficiency and will continue efforts to realize these in the fourth quarter. I am impressed by how our consultants have already taken the initiative of offering our customers new skills and possibilities together with new colleagues.

The merger has strengthened our position as a Microsoft partner, which can be seen not only in the many interesting ongoing procurements in which we are participating but also in the fact that Acando was chosen as Dynamics AX Partner of the Year. We also won the implementation partner assignment from Moelven. We will continue to capitalize on our position in Sweden, and our position using Sweden as a base for expansion and acceleration in our other countries. We have already split the offering between Norway and Sweden and are currently further strengthening this through closer integration of our operations as well as through supplementing the offering with additional infrastructure and cloud-based services in both Norway and Sweden. Similarly, we have initiated an establishment of Microsoft-based solution deliveries in Finland based on our position in Sweden.

We are continuing to drive our change efforts to accelerate our journey toward improved profitability. In brief, this means ensuring that cost synergies are realized, increasing the structural utilization rate through a higher share of large assignments and administration assignments, improving the cost mix through an increased proportion of offshore and junior consultants, as well as higher prices through packaging and solution-based sales.

We have now established the foundations for the next step in our journey. The energy that is being generated now that Sweden's best consultants are meeting and being challenged in ongoing and new assignments is our strength. The market for our services is characterized by ever larger projects with rising requirements for both operational and technological insight thus raising requirements for us to be sensitive in driving and accelerating changes jointly with our customers. Access to new technology is generating new solution potential and completely new opportunities in business modeling and process development. We are uniquely positioned to meet these opportunities.

Significant events

Third quarter, 2014

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. During the quarter, work started on integrating the operations. As part of restructuring the Group, an expense of SEK 52 m was recognized in the third quarter, the management estimate that this will generate annual savings totaling about SEK 46 m. The restructuring costs pertain primarily to termination costs for former management and administrative personnel at Connecta as well as costs for co-locating operations.

In the third quarter, Acando signed a framework agreement with Moelven Industrier regarding Microsoft Dynamics implementation and administration services for the Moelven group companies. Acando won the assignment due to its high level of skills in enterprise resource planning (ERP) assignments, strong focus on processes and its ability to support Moelven with local resources in both Sweden and Norway.

Significant events after the end of the period

Microsoft chose Acando as Dynamics AX Partner of the Year on the grounds that the company recorded outstanding growth 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. In addition, Acando has successfully packaged Dynamics with Microsoft Surface, which has become a source of inspiration for other partners.

Business activities

Market development

Demand in the third quarter was in line with the first six months of 2014, though with geographic variations. I Sweden, Norway and Germany, demand continued at normal levels even if a certain degree of caution was noted regarding larger investments. The trend in Germany is less reliable, while Sweden and Norway are assessed as maintaining the same level of demand in the fourth quarter as in the first three quarters. The market in Finland shows unchanged restraint and all inquiries are characterized by intense competition.

Long-term demand remained 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

Demand in the industrial sector and utilities continued unchanged with a focus on streamlining and cost efficiency, while retail, Telecommunications, Information Technology, new Media and Entertainment (TIME) and the public sector posted increased demand with a focus on digital interaction. Several larger streamlining and modernization programs were noted in the banking, finance and insurance industries

Demand for SAP and MS Dynamics remain favorable, in terms of new implementations, upgrades and continued expansion of application.

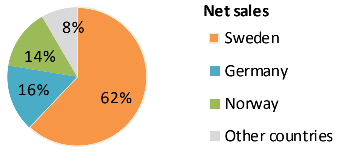
Integration, cloud-based solutions and component-based architecture are driving an increasing need for control and management of more open IT architectures. Demand is substantial in these areas. An increasing number of sectors are becoming receptive to clear dialog about digital transformation. The need for suppliers who can articulate strategy and who have the capacity to implement it is growing.

Net sales and earnings

Third quarter July – September 2014

Net sales and operating profit for the third quarter of 2014 are shown in the table below:

	July-September					
SEK m	2014 Net sales	2013 Net sales	2014 Operating profit	2013 Operating profit	2014 Operating margin	2013 Operating margin
Sweden	280.5	153.4	20.4	4.4	7.3%	2.9%
Germany	70.2	69.9	4.8	2.2	6.9%	3.2%
Norway	63.3	40.8	4.9	0.2	7.7%	0.5%
Other countries	38.0	34.5	0.9	0.7	2.3%	2.1%
Group adjustments	-4.6	-2.5	-4.1	-4.5	-	-
Total operational	**447.4**	**296.0**	**26.8**	**3.0**	**6.1%**	**1.0%**
Items affecting comparabili	-	-	-52.2	-	-	-
Total	**447.4**	**296.0**	**-25.4**	**3.0**	**neg.**	**1.0%**



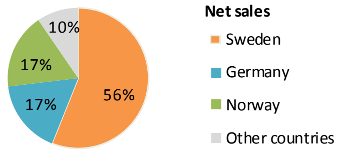
Consolidated net sales for the quarter amounted to SEK 447 m (296). Connecta's figures for two of the three months in the third quarter are included in the above figures, since its operations were consolidated into the Acando Group from August 1.

Operating profit was SEK 27 m (3), corresponding to an operating margin of 6.1 percent (1.0) before nonrecurring items. Nonrecurring items include costs totaling SEK 52.2 m connected to the acquisition of Connecta, more details are available in Note 5 on page 22. Consolidated loss after tax was SEK 22 m (2). Earnings per share after dilution amounted to negative SEK 0.24 (positive: 0.03).

Accumulated, January – September 2014

Net sales and operating profit for the January to September 2014 period are shown in the table below:

	January-September					
SEK m	2014 Net sales	2013 Net sales	2014 Operating profit	2013 Operating profit	2014 Operating margin	2013 Operating margin
Sweden	699.5	558.3	54.3	26.4	7.8%	4.7%
Germany	212.4	214.3	11.9	5.2	5.6%	2.4%
Norway	216.6	150.1	10.9	5.6	5.0%	3.7%
Other countries	119.1	117.8	3.4	7.0	2.8%	6.0%
Group adjustments	-11.4	-7.6	-14.0	-12.0	-	-
Total operational	**1 236.3**	**1 032.9**	**66.4**	**32.3**	**5.4%**	**3.1%**
Items affecting comparabili	-	-	-58.9	-	-	-
Total	**1 236.3**	**1 032.9**	**7.5**	**32.3**	**0.6%**	**3.1%**



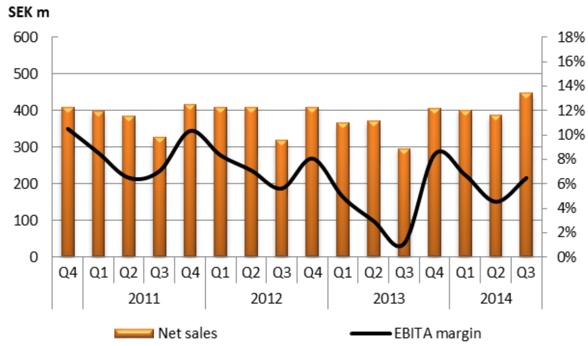
Consolidated net sales amounted to SEK 1,236 m (1,033), with growth of 20 percent compared with the year-earlier period. Operating profit was SEK 66 m (32) before nonrecurring items, corresponding to an operating margin of 5.4 percent (3.1). Nonrecurring items include costs totaling SEK 54.5 m connected 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 45 m in Sweden and, in Norway, the annualized savings are estimated at about SEK 8 m.
Consolidated profit after tax was SEK 4 m (24). Earnings per share after dilution amounted to SEK 0.05 (0.34).

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 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 seven countries.

Sweden

The merger and integration activities dominated the quarter in Sweden. A harmonized offering has been defined and a matching customer relationship management (CRM) process has been implemented. To some extent, integration efforts have been impacted by utilization rates since the quarter made a weak start before recovering as CRM efforts intensified again. Despite the weak start, operations in Sweden delivered a clear improvement in earnings across all geographies and business areas. The geographies with the clearest improvement were Malmö and Stockholm.

Management Consulting trended positively during the quarter through the expansion of existing customers as well as through a number of new public-sector assignments. IT Management Consulting also trended favorably with new assignments in several sectors. Demand grew primarily in the banking and finance sector, which has led to new assignments with possibilities for further expansion.

Business Systems posted a strong trend in both SAP and MS Dynamics. The merger of the operations makes Acando a leading company, which was confirmed by the Dynamics AX Partner of the Year award from Microsoft. Major ongoing projects drive utilization rates in parallel with new possibilities providing a secure foundation moving forward. Margins will be strengthened through integrating delivery components from our offshore operations in both administration and projects, which will also provide increased resource flexibility, something that is demanded by increasing numbers of customers.

In Digital Consulting and Solutions, the quarter made a weak start but posted a rising trend for utilization rates during the quarter. There is a growing need for qualified solutions in Analytics and several new customers were brought on board during the quarter. Projects are increasingly about driving solutions linked to immediate needs. Acando's way of working with a high level of integration between Management Consulting and Analytics creates the right conditions for meeting that need. In parallel, an ever increasing trend toward digital transformation and the utilization of new technology in previously inconceivable applications was noted. Acando's offering now encompasses a span from digital strategy and transformation to implementation. A key component of this strategy comprises packaged solutions, of which solutions for rapid implementation of collaborative intranets, packaged solutions for the administration of member organizations and a platform for municipalities to control operations are just a few examples. This enables rapid implementation at a lower cost.

To facilitate continued integration, the offices in Stockholm will be consolidated at one new address in central Stockholm in the first quarter of 2015. In the third quarter, on the whole, employee turnover was lower than for the year-earlier period. A recruitment need exists in all skills areas.

Norway

The efficiency measures implemented in the second quarter, together with several projects won and extensions of existing assignments contributed to improved earnings in the third quarter. The utilization rate trended favorably, primarily driven by framework agreement-based deliveries to the public sector and project deliveries based on E-vita's Oracle-based platform.

The Oslo region developed well with new assignments and healthy demand from the public sector. The trend in the Trondheim region was positive, with an increased utilization rate, however, a continued adjustment of the customer base is required for posting satisfactory results in the long term.
The trend in the Microsoft area is positive, even if several steps remain in the establishment of a complete portfolio to be able to take the next steps. A more integrated offering has been established between Sweden and Norway to meet demand from major customers for more complex business system solutions. The confidence given by Moelven to Acando as its implementation partner is one such example. In conjunction with this, an SAP offering has been established based on joint delivery with the Swedish organization.

Germany

Profits and margins doubled compared with the year-earlier period, primarily driven by higher utilization rates and the expansion of major customers in all geographies.

Services in business development, project management and test management are driving utilization. In the business systems area, specialization in SAP's new platform components has generated results and several new assignments were won during the quarter. During the quarter, a contract was signed for the implementation of Microsoft Dynamics CRM at a media group in southern Germany.

In the technology consulting area, successes continue based on mobile solutions. One example, is the mobilization of distributed service processes for Wenco and a sales support application that was designed for Telefonica.

Other countries

Finland:

The market remains soft and the workforce was adjusted to manage a weaker market during the quarter. This was primarily managed through a reduction in administrative resources but also by reducing the number of consultants in skills areas with lower demand. In parallel, an initiative was started in the area of Microsoft Dynamics, primarily through use of the existing skills and experience in Sweden with the Finnish market.

The UK:

The customer base in the London area continues to increase and now generates half of UK sales. Demand from AstraZeneca trended slightly below expectations, which means that the volume of sub-consultants engaged is expected to decline in the fourth quarter. All in all, continued growth requires intensified efforts to cultivate new customers and expansion of the existing customer base in the London area.

Financial information

Financial position

Acando has a continued strong financial position with an equity/assets ratio of 61 percent (71). Consolidated cash and cash equivalents amounted to SEK 41 m (81) at September 30, 2014. In addition, the Group has unutilized overdraft facilities of SEK 56 m (67), most of which are in SEK. The total overdraft facility increased SEK 20 m during the year.

SEK m	Sep 30 2014	Sep 30 2013	Change	Dec 31 2013
Cash & cash equivalents	41	81	-40	99
Interest-bearing long-term debt 1)	-34	-24	-10	-42
Net cash	7	57	-50	57
Unutilized overdraft facility	56	67	-11	67
Equity/assets ratio	61%	71%	-10%	66%

1) Interest-bearing debt applies to pension commitments SEK 21 m and long-term acquisition credit SEK 13 m.

Cash flow

Total cash flow during the January – September period was a negative SEK 64 m (neg: 30). Cash flow from operating activities was negative SEK 10 m (positive: 52) and comprised positive cash flow from operations of SEK 48 m (30) and a negative change in working capital of SEK 58 m (22).

Cash flow from investment activities amounted to a negative SEK 9 m (neg: 4), of which 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.

Cash flow from financing activities amounted to a negative SEK 45 m (neg: 78), of which a negative SEK 71 m (neg: 71) pertained to dividends and a negative SEK 9 m comprised amortization of acquisition financing as well as credit facilities utilized of SEK 27 m and issue expences of SEK 8 m. The comparative period of 2013 included liquidity totaling SEK 7 m for the buyback of the company's shares.

SEK m	Jan-Sep 2014	Jan-Sep 2013	Change	Full year 2013
Cash flow from:				
Operating activities	-10	52	-62	70
Investment activities	-9	-4	-5	-39
Financing activities	-45	-78	33	-43
Total cash flow	**-64**	**-30**	**-34**	**-12**
Cash and cash equivalents at the beginning of the period	99	115	-16	115
Translation difference in cash and cash equivalents	6	-4	10	-4
Cash and cash equivalents at the the end of period	**41**	**81**	**-40**	**99**

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 the January – September 2014 period, SEK 32 m (22) of the loss carry-forwards was utilized in the operation in Sweden in parallel with the addition of SEK 97 m in loss carry-forwards from the acquisition of Connecta. Accordingly, the value of the unutilized loss carry-forwards for Sweden amounted to SEK 244 m (199) at the end of the period.

Investments

The Group's net investment in assets in the January – September 2014 period was SEK 460 m (4). 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 September 30, 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 September 30, 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 criteria.

Employees

The number of employees at the end of the quarter was 1,836 (1,035). Of these, 1,308 (564) were in Sweden, 271 (286) in Germany, 174 (102) in Norway and 83 (83) in Other countries. The average number of employees during the third quarter of 2014 was 1,477 (1,046). 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 20.

Acando's financial targets and dividend policy

Acando's financial targets are divided into three 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. In addition, certain restrictions apply with respect to the maximum debt/equity ratio and minimum available cash and cash equivalents.

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. With Acando's strong financial position and differentiated offering, the company can continue to deliver services to a broad spectrum of customers. It is Acando's assessment that demand in the markets in which it operates is favorable, but that the current business climate means continued uncertainty.

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 interim 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 interim 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.

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Acando AB (publ) as of September 30, 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, November 11, 2014

Öhrlings PricewaterhouseCoopers AB

Magnus Brändström
Authorized Public Accountant

Assurance by the Board of Directors

The Board of Directors and the President provide their assurance that the interim report for January – September 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, November 11, 2014

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

For further information, please contact:

Carl-Magnus Månsson, President and CEO
+46 (0)8 699 73 77

Anneli Lindblom, CFO
+46 (0)8 699 73 09

Upcoming reporting dates

REPORTING DATES

Year-end report 2014	February 12, 2015
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 November 11, 2014.

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 seven countries. Acando is expected to have sales of SEK 2.1 billion in 2014 and is listed on the NASDAQ Stockholm.

Acando AB (publ.)
Klarabergsviadukten 63
Box 199
SE-101 23 STOCKHOLM
Tel: +46 (0)8 699 70 00
Fax: +46 (0)8 699 79 99
Corp. Reg. No. 556272-5092
www.acando.com

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jul - Sep 2014	Jul - Sep 2013	Jan - Sep 2014	Jan - Sep 2013	Oct 2013 - Sep 2014	Jan - Dec 2013
Net sales		447	296	1 236	1 033	1 641	1 438
Other operating income		1	0	2	2	4	4
Total income		**448**	**296**	**1 238**	**1 035**	**1 645**	**1 442**
Operating expenses							
Other external expenses		-123	-100	-351	-325	-480	-454
Personnel expenses		-295	-190	-812	-669	-1 052	-909
Items affecting comparability		-52	-	-59	-	-59	-
Amortization and impairment of intangible assets and depreciation of tangible assets		-3	-3	-9	-9	-13	-13
Operating profit		**-25**	**3**	**8**	**32**	**42**	**66**
Profit from financial items							
Financial income		1	0	5	2	5	2
Financial expenses		-1	0	-3	-2	-2	-2
Profit after financial items		**-25**	**3**	**10**	**32**	**44**	**66**
Taxes on profit for the year		3	-1	-6	-8	-14	-16
Net profit for the period		**-22**	**2**	**4**	**24**	**30**	**50**
Of which, attributable to shareholders of Acando AB (publ.)		-22	2	4	24	30	50
Earnings per share							
Before dilution, SEK		-0.24	0.03	0.05	0.34	0.40	0.71
After dilution, SEK		-0.24	0.03	0.05	0.34	0.40	0.71
Average number of shares before dilution		92 006 662	70 639 429	77 840 108	70 788 275	74 912 876	70 750 758
Average number of shares after dilution		92 006 662	70 639 429	77 840 108	70 788 275	74 912 876	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	77 084 627	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	77 084 627	70 639 429

Treasury shares are not included in the number of shares above. At September 30, 2014, 1,542,000 shares are owned by Acando.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Note	Jul - Sep 2014	Jul - Sep 2013	Jan - Sep 2014	Jan - Sep 2013	Oct 2013 - Sep 2014	Jan - Dec 2013
Net profit for the period		-22	2	4	24	30	50
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Pension liabilities, actuarial gains on liabilities		-	-	1	-	5	4
Income tax pertaining to items in other comprehensive income		-	-	-0	-	-1	-1
Total items that will not be reclassified subsequently to profit or los		**-**	**-**	**1**	**-**	**4**	**3**
Items that may be reclassified subsequently to profit or loss							
Change in accumulated translation differences		3	-4	10	-10	11	-9
Total items that may be reclassified subsequently to profit or loss		**3**	**-4**	**10**	**-10**	**11**	**-9**
Other comprehensive income for the period, net after tax		**3**	**-4**	**11**	**-10**	**15**	**-6**
Total comprehensive income for the period		**-19**	**-2**	**15**	**14**	**45**	**44**
Total comprehensive income attributable to:							
Parent Company's shareholders		-19	-2	15	14	45	44

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Sep 2014	30 Sep 2013	31 Dec 2013
Non-current assets				
Intangible assets				
Goodwill	1	946	454	500
Other intangible assets		4	2	3
Tangible assets				
Tangible assets		14	14	13
Financial assets				
Deferred tax assets [1)]		54	47	42
Other non-current financial assets		7	4	4
Total non-current assets		**1 024**	**521**	**562**
Current assets				
Accounts receivable		442	282	348
Other receivables		26	4	4
Current tax assets		29	6	3
Prepaid expenses and accrued income		162	52	37
Cash and cash equivalents		41	81	99
Total current assets		**700**	**425**	**491**
Total assets		**1 725**	**946**	**1 053**
Equity				
Share capital	2	143	99	99
Other capital contributions		739	368	368
Reserves		-22	-33	-32
Retained earnings including profit for the period		189	233	262
Total equity		**1 049**	**667**	**697**
Liabilities				
Non-current liabilities	3	46	32	47
Current liabilities	3	629	247	309
Total liabilites		**675**	**279**	**356**
Total equity and liabilities		**1 725**	**946**	**1 053**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to Parent company shareholders				
(SEK m)	Note	Share capital	Other capital contr.	Reserves	Retained earnings	Total
Opening balance at January 1, 2013		**99**	**368**	**-23**	**290**	**734**
Profit for the period		-	-	-	24	24
Other comprehensive income for the period		-	-	-10	-	-10
Total comprehensive income for the period		**99**	**368**	**-33**	**314**	**748**
Dividend paid to Parent Company shareholders		-	-	-	-71	-71
Incentive programs		-	-	-	-3	-3
Buyback of treasury shares		-	-	-	-7	-7
Closing balance at September 30, 2013		**99**	**368**	**-33**	**233**	**667**
Profit for the period		-	-	-	26	26
Other comprehensive income for the period		-	-	1	3	4
Total comprehensive income		**-**	**-**	**1**	**29**	**30**
Closing balance at December 31, 2013		**99**	**368**	**-32**	**262**	**697**
Profit for the period		-	-	-	**4**	4
Other comprehensive income for the period		-	-	10	1	11
Total comprehensive income		**-**	**-**	**10**	**5**	**15**
Dividend paid to Parent Company shareholders		-	-	-	-71	-71
New share issue		44	371	-	-	416
Issue expenses		-	-	-	-8	-8
Closing balance at September 30, 2014		**143**	**739**	**-22**	**189**	**1 049**

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Note	Jan - Sep 2014	Jan - Sep 2013	Jan - Dec 2013
Operating activities				
Profit after financial items		10	32	66
Adjustment for items not included in the cash flow		53	7	10
Income tax paid		-15	-9	-11
Cash flow from operating activities				
before changes in working capital		**48**	**30**	**65**
Net change in working capital		-58	22	5
Cash flow from operating activities		**-10**	**52**	**70**
Cash flow from investment activities		**-9**	**-4**	**-39**
Cash flow from financing activities		**-45**	**-78**	**-43**
Cash flow for the period		**-64**	**-30**	**-12**
Cash and cash equivalents at the beginning of the period		99	115	115
Exchange-rate differences in cash and cash equivalents		6	-4	-4
Cash and cash equivalents at the end of the period		**41**	**81**	**99**

OPERATING SEGMENTS

(SEK m)	Note	Sweden	Germany	Norway	Other countries	Total	Group adjustment	Group total
Jul - Sep 2014								
Net sales		**281**	**70**	**63**	**38**	**452**	**-5**	**447**
Operating profit		**20**	**5**	**5**	**1**	**31**	**-56**	**-25**
Financial income								1
Financial expenses								-1
Profit after financial items								**-25**
Taxes								3
Net profit for the period								**-22**
Jul - Sep 2013								
Net sales		**153**	**70**	**41**	**34**	**298**	**-2**	**296**
Operating profit		**5**	**2**	**0**	**1**	**8**	**-5**	**3**
Financial income								0
Financial expenses								0
Profit after financial items								**3**
Taxes								-1
Net profit for the period								**2**
Jan - Sep 2014								
Net sales		**700**	**212**	**217**	**119**	**1 248**	**-12**	**1 236**
Operating profit		**54**	**12**	**11**	**3**	**80**	**-72**	**8**
Financial income								5
Financial expenses								-3
Profit after financial items								**10**
Taxes								-6
Net profit for the period								**4**
Jan - Sep 2013								
Net sales		**558**	**214**	**151**	**118**	**1 041**	**-8**	**1 033**
Operating profit		**26**	**5**	**6**	**7**	**44**	**-12**	**32**
Financial income								2
Financial expenses								-2
Profit after financial items								**32**
Taxes								-8
Net profit for the period								**24**
Oct - Sep 2014								
Net sales		**916**	**289**	**290**	**160**	**1 655**	**-14**	**1 641**
Operating profit		**76**	**19**	**17**	**7**	**119**	**-77**	**42**
Financial income								5
Financial expenses								-2
Profit after financial items								**44**
Taxes								-14
Net profit for the period								**30**
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**

KEY RATIOS

(SEK m)	Note	Jul - Sep 2014	Jul - Sep 2013	Jan - Sep 2014	Jan - Sep 2013	Oct 2013 - Sep 2014	Jan - Dec 2013
Result							
Net sales		447	296	1 236	1 033	1 641	1 438
Operating profit (EBIT)		-25	3	8	32	42	66
Net profit for the period		-22	2	4	24	30	50
Margins							
Operating margin (EBIT), %		neg.	1.0	0.6	3.1	2.5	4.6
Profit margin, %		neg.	1.0	0.8	3.1	2.6	4.6
Profitability							
Return on capital employed, %		neg.	1	1	5	5	9
Return on equity, %		neg.	0	0	3	3	7
Financial position							
Equity/assets ratio, %		61	71	61	71	61	66
Interest coverage ratio, multiple		neg.	8	5	25	17	46
Per share							
Equity per share, SEK		10.20	9.45	10.20	9.45	13.61	9.87
Cash flow per share, SEK		neg.	0.43	neg.	neg.	neg.	-0.17
Earnings per share after dilution, SEK		-0.24	0.03	0.05	0.34	0.40	0.71
Employees							
Number of employees at end of the period		1 836	1 035	1 836	1 035	1 836	1 087
Average number of employees		1 477	1 046	1 294	1 072	1 188	1 070
Net sales per employee, SEK thousands		303	283	955	963	1 381	1 344
Net investments	5	**450**	**1**	**460**	**4**	**514**	**58**

PARENT COMPANY INCOME STATEMENT

(SEK m)	Note	Jul - Sep 2014	Jul - Sep 2013	Jan - Sep 2014	Jan - Sep 2013	Oct 2013 - Sep 2014	Jan - Dec 2013
Net sales		9	11	35	34	46	45
Total income		**9**	**11**	**35**	**34**	**46**	**45**
Operating expenses							
Other external expenses		-9	-6	-21	-16	-27	-22
Personnel expenses		-2	-2	-7	-6	-8	-8
Amortization and impairment of intangible assets and depreciation of tangible assets		-2	-2	-5	-6	-7	-8
Operating profit		**-4**	**1**	**2**	**6**	**3**	**7**
Profit from financial items							
Other interest income and similar items	4	2	0	76	132	77	132
Interest expenses and similar items	4	0	0	-1	-2	-3	-3
Profit after financial items		**-3**	**1**	**77**	**136**	**77**	**136**
Taxes on profit for the year		1	0	-1	-1	-2	-2
Net profit for the period		**-2**	**1**	**76**	**135**	**76**	**134**

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

PARENT COMPANY BALANCE SHEET

(SEK m)	Not	30 Sep 2014	30 Sep 2013	31 Dec 2013
Non-current assets				
Intangible assets				
Other intangible assets		3	3	3
Tangible assets				
Tangible assets		6	7	7
Financial assets				
Financial assets		1 379	924	924
Total non-current assets		**1 388**	**934**	**934**
Current assets				
Receivables from Group companies		76	12	64
Other receivables		0	0	0
Prepaid expenses and accrued income		3	3	2
Cash and cash equivalents		0	18	10
Total current assets		**79**	**33**	**76**
Total assets		**1 467**	**967**	**1 010**
Equity				
Share capital	2	144	99	99
Statutory reserve		110	110	110
Share premium reserve		632	261	261
Retained earnings including profit for the period		380	382	383
Total equity		**1 266**	**852**	**853**
Lilibities				
Long-term liabilities		13	-	22
Liabilities to Group companies		99	106	112
Current liabilities		90	9	23
Total liabilities		**201**	**115**	**157**
Total equity and liabilities		**1 467**	**967**	**1 010**

Notes

Note 1 Goodwill

Compared with September 30, 2013, goodwill increased by a total of SEK 492 m. The acquisition of E-vita AS in the fourth quarter of 2013 generated a goodwill effect of SEK 46 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 432 m, which were treated as goodwill in the quarter, and the remainder of the change pertained to currency effects.

Note 2 Equity

At September 30, 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.

In 2013, Acando bought back 473,000 Series B shares for a total of SEK 7 m, no buybacks have taken place in 2014. The total number of treasury shares thus amounted to 1,542,000 Series B shares as of September 30, 2014.

Note 3 Liabilities

Long-term liabilities

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

Short-term liabilities

Of the current liabilities of SEK 629 m represents SEK 99 m 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. During the quarter, work started on integrating the operations. As part of restructuring the Group, an expense of SEK 52 m was recognized in the quarter, the management estimate that this will generate annual savings totaling about SEK 46 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 432 m. 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 may be adjusted in future quarters. Therefore, the acquisition balance sheet is deemed preliminary.

A preliminary acquisition analysis of the acquisition follows:

Purchase consideration	448
Fair value of net assets acquired	448

Assets acquired and liabilities taken over	**Carrying amount**
Unappropriated identified intangible assets	432
Non-current assets	6
Current assets	250
Cash and cash equivalents	-
Total assets acquired	688
Current liabilities	240
Long-term liabilities	-
Total liabilities acquired	240
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 September period, the acquired operations contributed SEK 124 m to sales and SEK 10 m to operating profit before restructuring costs of SEK 46 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.

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.