

Interim report, January – March 2012

- Orders received MSEK 798 (680). After adjustments for acquired operations and currency effects, orders received have increased by 12 % compared with the previous year
- Net sales MSEK 775 (693). After adjustments for acquired operations and currency effects, sales have increased by 6 %
- Operating profit MSEK 60.3 (52.7), an operating margin of 7.8 (7.6)%
- Profit after tax MSEK 32.6 (31.2)
- Earnings per share SEK 2.58 (2.47)

Comments by CEO Johan Hjertonsson:

- High level of orders received during the first quarter
- Positive cash flow from operating activities
- Slight weakening in the market for Retail lighting
- Red Dot Design Award for the Domino series in LTS Licht & Leuchten

THE GROUP

JANUARY-MARCH

The Group's net sales amounted to MSEK 775 (693), which is an improvement of 12%. After adjustments for acquired operations and currency effects, sales have increased by 6 %. Compared with the first quarter of 2011, the areas which displayed the most positive growth were Northern Europe, Australia and Spain, while Germany experienced a weaker first quarter than during 2011. Sales outside Sweden amounted to MSEK 582 (505) constitute an increasing proportion of the Group's net sales, 75 (73) %.

Operating profit increased by MSEK 7.6 compared with the previous year. This improvement was largely attributable to the acquisition of Designplan, which had not been consolidated as of the first quarter of 2011. The higher level of sales also contributed to the improvement in operating profit. The weaker development in Germany during the quarter was compensated for by improved profit in Australia, Spain and the Middle East.

The Group's orders received were MSEK 23 higher than sales and amounted to MSEK 798 (680), representing an increase of 17 %. Adjusted for the acquisition of Designplan and currency effects, orders received increased by 12 % compared with the previous year. This increase is primarily attributable to the Nordic countries, the UK and Spain. However, the Retail market has softened somewhat during the first quarter.

Earnings per share amounted to SEK 2.58, which was an increase of SEK 0.11.

Sales from Indoor Lighting have developed well compared with the previous year. After adjustments for acquired operations and currency effects, growth was 7 %. Retail Lighting has stabilised during the quarter and sales increased by 3 % during the period. Sales from Outdoor Lighting increased by 34 %, resulting in sales figures of MSEK 39 for the first quarter.

Exchange rate fluctuations in the translation of foreign subsidiaries have had only a marginal effect on operating profit.

BUSINESS AREAS

NET SALES AND OPERATING PROFIT PER BUSINESS AREA						
	Net Sales		Operating profit		Operating margin, %	
	Q 1		Q 1		Q 1	
	2012	2011	2012	2011	2012	2011
Northern Europe	436.6	387.9	18.8	17.3	4.3	4.5
UK, Ireland and the Middle East	181.9	144.7	15.4	10.0	8.5	6.9
Other Europe	184.2	181.1	23.3	28.0	12.6	15.5
Asia and the Pacific	62.8	46.1	7.5	3.8	11.9	8.2
Other			-4.7	-6.4	-	-
Elimination	-90.3	-66.6	-	-		
Total	775.2	693.2	60.3	52.7	7.8	7.6
Financial unallocated items			-15.5	-8.3		
Profit before tax			44.8	44.4		

Net sales per product area		
	Q 1	
	2012	2011
Indoor Lighting	519.0	452.8
Retail Lighting	216.7	210.7
Outdoor Lighting	39.5	29.7
	775.2	693.2

NORTHERN EUROPE

This business area comprises our units and companies in the Nordic countries, the Baltic countries and Russia. The Group also includes the factory in China, including manufacturing and purchases. In Sweden, operations are comprised of development, manufacture and sales, while operations in other markets, with the exception of China, consist only of sales.

Net sales in the first quarter amounted to MSEK 437, compared with MSEK 388 in the previous year. After adjustments for currency effects, this represents an increase of 12 %. Operating profit for the same period amounted to MSEK 18.8 (17.3) and the operating margin amounted to 4.3 % (4.5 %). The downturn in the operating margin was an effect of changes in sales mix. Orders received and sales have increased on all markets.

Northern Europe		
	Q 1	
	2012	2011
Net Sales	436.6	387.9
<i>(of which to group companies)</i>	<i>(88.5)</i>	<i>(65.4)</i>
Operating profit	18.8	17.3
Operating margin, %	4.3	4.5
Sales growth, %	12.6	2.2
Sales growth, adjusted for exchange rate differences, %	11.8	5.5
Growth in Operating profit, %	8.7	1 135.7

UK, IRELAND AND THE MIDDLE EAST

This business area comprises our companies in England and Ireland and operations in the Middle East. The dominant unit is Whitecroft Lighting, which engages in the development, manufacture and sale of lighting systems. During 2011, Designplan was added to this business area. Other units are engaged in sales activities.

Net sales in the first quarter amounted to MSEK 182, compared with MSEK 145 in 2011. Operating profit for the same period amounted to MSEK 15.4 (10.0) and the operating margin to 8.5 % (6.9 %). Sales for the period January-December amounted to MSEK 744 (631). Adjusted for currency effects and the acquisition of Designplan, sales remain at the same level as during the previous year. Orders received were very positive during the quarter.

UK, Ireland and the Middle East	Q 1	
	2012	2011
Net Sales	181.9	144.7
<i>(of which to group companies)</i>	<i>(1.4)</i>	<i>(1.1)</i>
Operating profit	15.4	10.0
Operating margin, %	8.5	6.9
Sales growth, %	25.7	-1.0
Sales growth, adjusted for exchange rate differences, %	23.8	7.3
Growth in Operating profit, %	54.0	11.1

OTHER EUROPE

This business area includes operations in Germany, Holland, France, Spain, Austria and Poland. The largest operations are LTS Licht & Leuchten GmbH in Germany, which engages in the development, manufacture and sale of lighting systems.

Net sales in the first quarter amounted to MSEK 184, compared with MSEK 181 in the previous year, representing growth of 1 % after adjustments for currency affects. Operating profit for the same period amounted to MSEK 23.3 (28.0). Sales in Germany were lower than during the previous year, although this was compensated for by the positive development of sales in Spain. Operating profit was negatively impacted by changes in the market mix

LTS Licht & Leuchten won the Red Dot Design Award for the Domino series during the quarter.

Other Europe	Q 1	
	2012	2011
Net Sales	184.2	181.1
<i>(of which to group companies)</i>	<i>(0.4)</i>	<i>(0.1)</i>
Operating profit	23.3	28.0
Operating margin, %	12.6	15.5
Sales growth, %	1.7	138.6
Sales growth, adjusted for exchange rate differences, %	1.3	167.7
Growth in Operating profit, %	-16.8	3 400.0

ASIA AND THE PACIFIC

This business area is mainly comprised of operations in Australia, where, in addition to sales, a certain amount of production takes place. Operations in China refer to sales on the Chinese market.

Net sales in the first quarter amounted to MSEK 63, compared with MSEK 46 in the previous year, representing growth of 27 % after adjustments for currency affects. Operating profit for the period amounted to MSEK 7.5 (3.8) and the operating margin to 11.9 % (8.2 %).

Asia and the Pacific	Q 1	
	2012	2011
Net Sales	62.8	46.1
<i>(of which to group companies)</i>	<i>(0.0)</i>	<i>(0.0)</i>
Operating profit	7.5	3.8
Operating margin, %	11.9	8.2
Sales growth, %	36.2	21.3
Sales growth, adjusted for exchange rate differences, %	26.9	21.3
Growth in Operating profit, %	97.4	11.8

OTHER

This business area is mainly comprised of corporate functions and the Parent Company, AB Fagerhult.

FINANCIAL POSITION

The Group's equity/assets ratio was 33 % (29 %). Cash and bank funds at the end of the period amounted to MSEK 295 (155) and the Group's equity totalled MSEK 914 (732). Net debt amounted to MSEK 924.

Cash flow from operating activities amounted to MSEK 23.3 (-9.2) due to an increased operating profit and an improved development of the working capital. Working capital has, since the beginning of the year, increased by MSEK 21 (52), which is primarily attributable to accounts receivable.

Pledged assets and contingent liabilities amounted to MSEK 4.1 (4.7) and MSEK 3.9 (1.4), respectively.

INVESTMENTS

The Group's gross investments in fixed assets amounted to MSEK 9 (16). Additionally, investments in subsidiaries were made amounting to MSEK 0 (117).

PERSONNEL

The average number of employees during the period was 2,215 (2,115). The acquisition of Designplan increased the workforce by approximately 150 individuals.

PARENT COMPANY

AB Fagerhult's operations consist of corporate management, financing and coordination of marketing, production and business development. The Company has reported no sales during the period. Profit after financial items amounted to MSEK 10.1 (-9.2).

The number of employees during the period was 6 (6).

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim report of the Parent Company has been prepared in accordance with the Annual Accounts Act and the recommendations of the Financial Reporting Council RFR 2. The principles applied are unchanged compared to previous years.

For further information on the accounting policies applied, see AB Fagerhult's website under Financial Information.

RISKS AND UNCERTAINTIES

The Group's significant risks and factors of uncertainty consist primarily of business risks and financial risks relating to currency and interest rates. Through the company's international operations, the Fagerhult Group is subject to financial exposure related to currency fluctuations. Most prominent are the currency risks associated with export sales and the import of raw materials and components. This exposure is reduced through the flow of sensitive currencies being hedged after individual assessment. Currency risks also exist when translating net foreign assets and income. Additional information about the Company's risks can be found in the annual financial statements for 2011. In addition to the risks described in the Company's annual financial statements, no further significant risks have arisen.

PROSPECTS FOR 2012

The Group has, in recent years, had a strong sales and earnings trend through good organic growth, but also through acquisitions. The Group will continue with significant efforts in the areas of product development and marketing, as well as increased internationalisation.

The international financial turmoil makes it difficult to predict the business cycle in the construction sector. However, Fagerhult's operations within Indoor and Outdoor take are late in the business cycle, which in the short-term means that the market prospects are positive. Retail operations are positioned earlier in the business cycle and are, therefore, affected sooner by a downturn in the economic cycle. The Retail market has shown signs of weakening during the beginning of the year.

Habo, 24 April 2012

AB Fagerhult (publ)

Johan Hjertonsson

Group President and CEO

The Interim Reports for 2012 will be presented on 16 August 2012 and 22 October 2012.

Disclosures can be provided by Johan Hjertonsson, CEO or Håkan Gabrielsson, CFO,
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THE GROUP

INCOME STATEMENT	2012 Jan - Mar 3 months	2011 Jan - Mar 3 months	2011/12 Apr - Mar 12 months	2011 Jan- Dec 12 months
Net sales	775.2	693.2	3 104.8	3 022.8
(of which outside Sweden)	(582.1)	(505.5)	(2 370.4)	(2 293.8)
Cost of goods sold	-529.3	-477.7	-2064.8	-2013.2
Gross profit	245.9	215.5	1 040.0	1 009.6
Selling expenses	-145.5	-130.0	-549.7	-534.2
Administrative expenses	-43.7	-37.9	-190.5	-184.7
Other operating income	3.6	5.1	25.0	26.5
Operating profit/loss	60.3	52.7	324.8	317.2
Financial items	-15.5	-8.3	-39.4	-32.2
Profit after financial items	44.8	44.4	285.4	285.0
Tax	-12.2	-13.2	-76.8	-77.8
Net profit for the period	32.6	31.2	208.6	207.2
Profit attributed to owners of the parent company	32.6	31.2	208.6	207.2
Earnings per share, calculated on profit attributed to owner of the parent company:				
Earnings per share before dilution, SEK	2.58	2.47	16.54	16.43
Earnings per share after dilution, SEK	2.58	2.47	16.54	16.43
Average no, of outstanding shares before dilution	12 612	12 612	12 612	12 612
Average no, of outstanding shares after dilution	12 612	12 612	12 612	12 612
No, of outstanding shares, thousands	12 612	12 612	12 612	12 612
Report of the comprehensive income for the period				
Net profit for the period	32.6	31.2	208.6	207.2
Other comprehensive income:				
Exchange differences on translation foreign operations	-11.4	-21.4	16.9	6.9
Other comprehensive income for the period, net of tax	-11.4	-21.4	16.9	6.9
Total comprehensive profit for the period	21.2	9.8	225.5	214.1
Total comprehensive profit for the period attributed to the owners of the parent company	21.2	9.8	225.5	214.1

BALANCE SHEET	31 Mar 2012	31 Mar 2011	31 Dec 2011
Intangible fixed assets	997.2	974.9	1 007.8
Tangible fixed assets	331.8	344.0	343.7
Financial fixed assets	19.5	22.4	20.9
Inventories, etc.	445.6	464.1	453.3
Accounts receivable - trade	570.1	505.1	539.6
Other non interest-bearing current assets	106.3	80.4	105.6
Liquid funds	294.8	155.2	305.7
Total assets	2 765.3	2 546.1	2 776.6
Equity	913.6	732.2	892.4
Long-term interest-bearing liabilities	1 206.3	1 207.2	1 215.4
Long-term non interest-bearing liabilities	63.9	60.8	65.0
Short-term interest-bearing liabilities	12.5	44.8	29.2
Short-term non interest-bearing liabilities	569.0	501.1	574.6
Total equity and liabilities	2 765.3	2 546.1	2 776.6

CASH FLOW STATEMENT	2012 Jan - Mar 3 months	2011 Jan - Mar 3 months	2011/12 Apr - Mar 12 months	2011 Jan - Dec 12 months
Operating profit	60.3	52.7	324.8	317.2
Adjustment for items not included in the cash flow	13.8	19.1	79.6	84.9
Financial items	-6.9	-0.8	-31.5	-25.4
Paid tax	-22.9	-28.2	-60.0	-65.3
Cash flow generated by operations	44.3	42.8	312.9	311.4
Changes in working capital	-21.0	-52.0	-29.6	-60.6
Cash flow from continuing operations	23.3	-9.2	283.3	250.8
Cash flow from investing activities	-12.2	-127.6	-64.5	-179.9
Cash flow from financing activities	-19.0	89.1	-81.6	26.5
Cash flow for the period	-7.9	-47.7	137.2	97.4
Liquid funds at the beginning of the period	305.7	207.5	155.2	207.5
Translation differences in liquid funds	-3.0	-4.6	2.4	0.8
Liquid funds at the end of the period	294.8	155.2	294.8	305.7

KEY RATIOS AND DATA PER SHARE	2012	2011	2011/12	2011
	Jan - Mar 3 months	Jan - Mar 3 months	Apr - Mar 12 months	Jan- Dec 12 months
Sales growth, %	11.8	22.3	2.7	20.6
Growth in operating profit, %	14.4	308.5	2.4	107.5
Growth in profit after financial items, %	0.9	204.1	0.1	111.7
Operating margin, %	7.8	7.6	10.5	10.5
Profit margin, %	5.8	6.4	9.2	9.4
Liquid ratio, %	51	28	51	51
Net debt/equity ratio, % ¹⁾	101	150	101	105
Equity/assets ratio, %	33	29	33	32
Capital employed, MSEK	2 132	1 984	2 132	2 137
Return on capital employed, %	11.3	12.5	15.9	16.3
Return on equity, %	14.4	17.2	25.3	25.7
Net liability, MSEK	924	1097	924	939
Gross investments in fixed assets, MSEK	9.2	15.5	70.2	76.5
Net investments in fixed assets, MSEK	9.2	15.5	59.6	65.9
Depreciation of fixed assets, MSEK	22.9	21.9	90.1	89.1
Number of employees	2 215	2 115	2 241	2 228
Equity per share, SEK	72.44	58.06	72.44	70.76
No. of outstanding shares, thousands	12 612	12 612	12 612	12 612

¹⁾ New definition, Net debt as a percentage of equity

CHANGE IN EQUITY

Attributed to the owners of the parent company

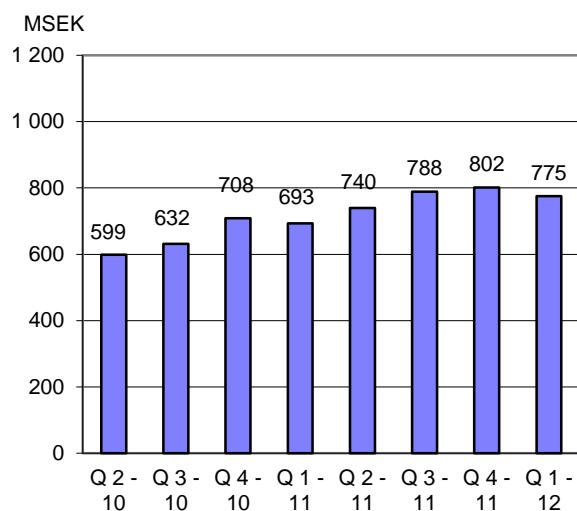
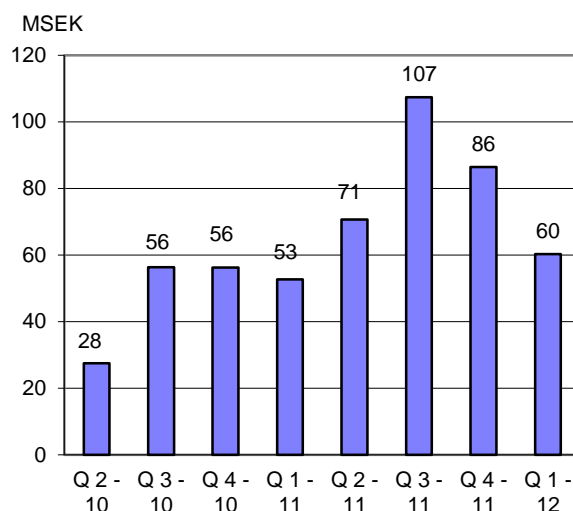
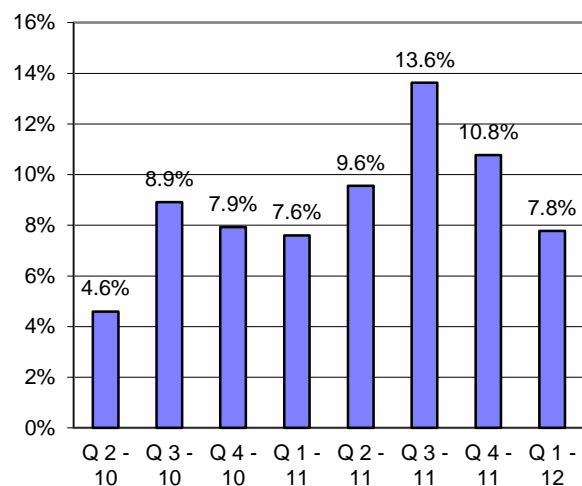
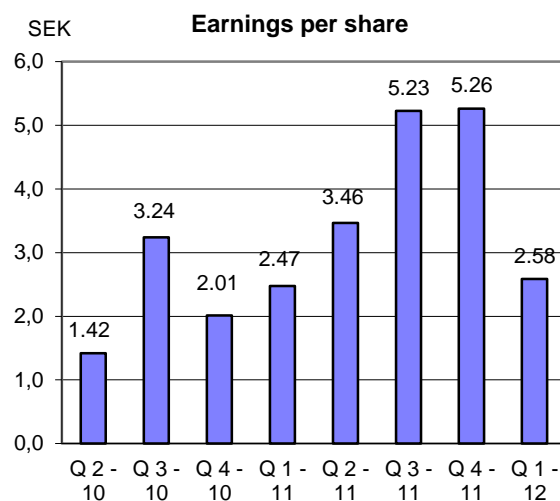
	Share capital	Other contributed capital	Difference on translation	Profit carried forward	Total equity
Equity as at 1 January 2011	65.5	159.4	-67.7	565.2	722.4
Change in differences on translation			-21.4		-21.4
Net profit for the period				31.2	31.2
Total comprehensive profit for the period			-21.4	31.2	9.8
Equity as at 31 March 2011	65.5	159.4	-89.1	596.4	732.2
Equity as at 1 January 2012	65.5	159.4	-60.8	728.3	892.4
Change in differences on translation			-11.4		-11.4
Net profit for the period				32.6	32.6
Total comprehensive profit for the period			-11.4	32.6	21.2
Equity as at 31 March 2012	65.5	159.4	-72.2	760.9	913.6

PARENT COMPANY

INCOME STATEMENT	2012 Jan - Mar 3 months	2011 Jan - Mar 3 months	2011/12 Apr - Mar 12 months	2011 Jan- Dec 12 months
Net sales	1.0	-	11.5	10.5
Selling expenses	-2.3	-1.9	-8.8	-8.4
Administrative expenses	-5.3	-5.2	-21.0	-20.9
Operating profit	-6.6	-7.1	-18.3	-18.8
Income from shares in subsidiaries	21.1	-	136.5	115.4
Financial items	-4.4	-2.1	-20.8	-18.5
Profit after financial items	10.1	-9.2	97.4	78.1
Tax	-	-	-14.0	-14.0
Net profit	10.1	-9.2	83.4	64.1

BALANCE SHEET	31 Mar 2012	31 Mar 2011	31 Dec 2011
Financial fixed assets	1 698.9	1 653.0	1 708.0
Other non interest-bearing current assets	22.7	33.3	14.2
Total assets	1 721.6	1 686.3	1 722.2
Equity	425.6	386.3	415.5
Untaxed reserves	21.4	21.4	21.4
Long-term interest-bearing liabilities	1 164.4	1 166.4	1 168.9
Long-term non interest-bearing liabilities	-	-	1.7
Short-term interest-bearing liabilities	103.3	106.2	102.3
Short-term non interest-bearing liabilities	6.9	6.0	12.4
Total equity and liabilities	1 721.6	1 686.3	1 722.2

CHANGE IN EQUITY	Share capital	Statutory reserve	Profit brought forward	Total equity
Equity as at 1 January 2011	65.5	159.4	170.6	395.5
Net profit for the period			64.1	64.1
Dividend paid, SEK 3.50 per share			-44.1	-44.1
Equity as at 31 December 2011	65.5	159.4	190.6	415.5
Net profit for the period			10.1	10.1
Equity as at 31 March 2012	65.5	159.4	200.7	425.6

Net sales**Operating profit****Operating margin****Earnings per share****KEY RATIOS AND DATA PER SHARE**

	2008	2009	2010	2011	2011/12 Apr -Mar 12 Months
Net sales	2 770	2 436	2 506	3 023	3 105
Operating profit	272	104	153	317	325
Profit after financial items	260	105	135	285	285
Earnings per share, SEK	14.62	5.87	7.49	16.43	16.54
Sales growth, %	9.6	-12.1	2.8	20.6	2.7
Growth in operating profit, %	37.9	-61.7	46.7	107.5	2.4
Growth in profit after financial items, %	36.7	-59.7	28.6	111.7	0.1
Operating margin, %	9.8	4.3	6.1	10.5	10.5
Net debt/equity ratio, % ¹⁾	46	43	132	105	101
Equity/assets ratio, %	41	42	29	32	33
Capital employed, MSEK	1 228	1 220	1 885	2 137	2 132
Return on capital employed, %	25.7	9.8	11.0	16.3	15.9
Return on equity, %	28.2	10.4	13.1	25.7	25.3
Net liability, MSEK	322	305	955	939	924
Net investments in fixed assets, MSEK	104	90	83	66	60
Depreciation of fixed assets, MSEK	63	75	84	89	90
Number of employees	1 978	1 881	1 926	2 228	2 228

¹⁾ New definition, Net debt as a percentage of equity