

## Interim Report January - September 2014

- The order intake was MSEK 2,864.5 (2,345.5), an increase of 11 % adjusted for exchange rate effects and acquired operations.
- Net sales were MSEK 2,804.6 (2,239.5), an increase of 15 % adjusted for exchange rate effects and acquired operations.
- Operating profit was MSEK 292.1 (193.7), representing an operating margin of 10.4 (8.6) %.
- Profit after tax was MSEK 194.1 (124.5).
- Earnings per share were SEK 5.13 (3.29).

### Comments by CEO Johan Hjertzonsson:

- The third quarter was the best quarter ever with an operating profit of MSEK 122.5 (108.4).
- Sales for the quarter, adjusted for exchange rate effects and acquisitions, increased by 10% compared with the previous year.
- The order intake for the quarter increased by 2 % adjusted for exchange rate effects and acquisitions.
- Our strong offering within indoor LED lighting solutions has increased the Group's market shares during recent quarters.
- LED sales accounted for 41 % during the quarter, and the Group's focus on LED is being further intensified.
- The results for the quarter include non-recurring expenses of MSEK 10 tied to the relocation of the Group's operations in Sutton, UK, to a new factory facility.

### THE GROUP

#### JANUARY-SEPTEMBER

During the period, the market for lighting solutions has gradually improved compared with the previous year. Market growth varies between the geographical markets with good development in, amongst other regions, the UK. Improvements can be seen in all of our market segments, with somewhat higher growth within Retail Lighting, especially in Western Europe. It has been assessed that the market growth during the third quarter has been at a somewhat lower level than during the first six months of the year.

The Group's order intake amounted to MSEK 2,864.5 (2,345.5) corresponding to an increase of 22 %. The order intake from acquired operations accounted for 6 % of the total increase, while exchange rate effects have also contributed positively, in an amount of 5 %. Adjusted for exchange rate effects and acquisitions, the order intake increased by 11% compared with the same period last year. Management's assessment is that market shares have increased in the majority of the Group's markets over the last five quarters.

The UK, France, Spain and Poland have experienced a high level of growth during the year. Order intake for the year includes two major projects within Indoor Lighting in the UK totalling MSEK 130. Both projects were completed during the summer.

The Group's net sales amounted to MSEK 2,804.6 (2,239.5), an increase of 25 %, of which exchange rate effects and acquisitions accounted for 10 %. The increase in net sales is primarily attributable to the UK, Australia and Sweden, but the majority of the markets show an improvement compared with 2013.

Operating profit amounted to MSEK 292.1 (193.7), i.e. an increase of MSEK 98. Changes in exchange rates positively impacted profit for the period by MSEK 13 and the acquired operations also contributed positively with MSEK 17, including acquisition costs.

The improvement to profit compared with 2013 was primarily a result of higher net sales and a more optimised use of capacity in the Group's production facilities. Investments in product development in the context of the technological shift to LED are continuing to make progress and will be further accelerated. The strong product offering within LED has been an important factor behind the increased market shares and higher volumes. The share of LED sales during the quarter amounted to 41 %.

Financial items amounted to MSEK -25.8 (-23.1). Interest expenses were MSEK 2.1 higher than during the period as a result of increased net debt following the acquisition of Arlight and I-Valo. In general, the increase in financial expenses is attributable to exchange rate effects on the Group's loans. Earnings per share amounted to SEK 5.13 (3.29).

During the second quarter 2014, a 3:1 share split was completed. All key ratios per share have been adjusted accordingly.

Sales within all product areas have increased compared with the previous year. Sales within Indoor Lighting increased by 14 % compared with the previous year, while Retail Lighting experienced growth of 18 % and Outdoor Lighting showed a 12 % improvement. All of these percentages are stated after adjustments for acquisitions and exchange rate effects.

Net sales per product area	Q 3		Q 1-3	
	2014	2013	2014	2013
Indoor Lighting	639.6	501.6	1 853.9	1 460.0
Retail Lighting	276.1	249.1	790.3	639.7
Outdoor Lighting	59.1	58.7	160.4	139.8
	<b>974.8</b>	<b>809.4</b>	<b>2 804.6</b>	<b>2 239.5</b>

## THE THIRD QUARTER

In the third quarter, the order intake amounted to MSEK 912.7 (791.1), an increase of 15 %. Excluding acquisitions and exchange rate effects, the order intake was 2 % higher than in the strong third quarter of 2013.

Net sales for the third quarter amounted to MSEK 974.8 (809.4). Adjusted for acquisitions and exchange rate effects, net sales increased by 10 %. During the quarter, net sales showed good growth in Australia and the UK.

Operating profit improved compared with the same quarter last year and amounted to MSEK 122.5 (108.4). This is the Group's best quarterly result ever. The improved result was primarily an effect of higher net sales. The operating margin for the quarter was 12.6 (13.4) %.

The results for the quarter include non-recurring expenses of MSEK 10 attributable to the relocation of the Group's operations in the UK into a newly-built factory facility. The underlying operating profit for the quarter was, consequently, MSEK 132.5, which is equivalent to an operating margin of 13.6%.

## BUSINESS AREAS

NET SALES AND OPERATING PROFIT PER BUSINESS AREA												
	Net sales				Operating profit				Operating margin,%			
	Q 3		Q 1-3		Q 3		Q 1-3		Q 3		Q 1-3	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Northern Europe	452.6	452.4	1 385.9	1 238.2	60.5	54.1	125.6	79.4	13.4	12.0	9.1	6.4
UK and Ireland <sup>1)</sup>	302.8	215.6	859.7	575.9	29.4	29.3	104.4	59.6	9.7	13.6	12.1	10.3
Other Europe	205.0	210.8	570.8	534.9	25.1	27.2	48.5	58.1	12.2	12.9	8.5	10.9
Middle East, Asia and the Pacific <sup>1)</sup>	125.9	58.3	311.6	178.4	14.8	7.1	35.5	17.3	11.8	12.2	11.4	9.7
Other	-	-	-	-	-7.3	-9.3	-21.9	-20.7	-	-	-	-
Elimination	-111.5	-127.7	-323.4	-287.9	-	-	-	-	-	-	-	-
<b>Total</b>	<b>974.8</b>	<b>809.4</b>	<b>2 804.6</b>	<b>2 239.5</b>	<b>122.5</b>	<b>108.4</b>	<b>292.1</b>	<b>193.7</b>	<b>12.6</b>	<b>13.4</b>	<b>10.4</b>	<b>8.6</b>
Financial unallocated items					-10.4	-13.3	-25.8	-23.1				
<b>Profit before tax</b>					<b>112.1</b>	<b>95.1</b>	<b>266.3</b>	<b>170.6</b>				

<sup>1)</sup> The operations in the UAE, which were previously reported together with the UK and Ireland, are now reported in the segment Middle East, Asia and Australia, together with the newly acquired company, Arlight. In conjunction with this development, the comparative figures have been adjusted accordingly.

### NORTHERN EUROPE

This business area is comprised of the Group's units and companies in the Nordic countries, the Baltic countries and Russia. This area also includes the factory in China, which involves manufacturing and purchases. The company, I-Valo Oy, which was acquired during 2013, is included in the Northern Europe segment. In Sweden and Finland, operations are comprised of development work, manufacturing and sales, while operations in other markets, with the exception of China, comprise only of sales.

Net sales amounted to MSEK 1,385.9, compared with MSEK 1,238.2 in the previous year. Adjusted for exchange rate effects and acquisitions, the increase was 9 %, with good growth seen in Sweden, Norway and Russia. Operating profit for the period amounted to MSEK 125.6 (79.4) and the operating margin to 9.1 (6.4) %. A better utilisation of capacity in the production facilities improved the gross margin, while a lower level of expenses also contributed positively.

Northern Europe				
	Q 3		Q 1-3	
	2014	2013	2014	2013
Net Sales	452.6	452.4	1 385.9	1 238.2
<i>(of which to group companies)</i>	<i>(95.0)</i>	<i>(106.8)</i>	<i>(282.9)</i>	<i>(249.9)</i>
Operating profit	60.5	54.1	125.6	79.4
Operating margin, %	13.4	12.0	9.1	6.4
Sales growth, %	0.0	11.1	11.9	-1.8
Sales growth, adjusted for exchange rate differences, %	-1.7	11.6	11.5	-0.7
Growth in Operating profit, %	11.8	41.6	58.2	17.3

## UK AND IRELAND

This business area comprises our companies in England and Ireland. The dominant unit is Whitecroft Lighting, which engages in the development, manufacture and sale of lighting systems.

Net sales in the first three quarters of the year amounted to MSEK 859.7, compared with MSEK 575.9 during 2013. Adjusted for exchange rate effects, this represents a growth of 35 %.

During the period, two large LED lighting projects have accounted for sales of MSEK 130. These two projects were completed during the summer. Even when excluding these two projects, the segment has displayed very positive development, which is the result of a combination of increased market shares and the good performance of the lighting market in the UK.

Operating profit for the period amounted to MSEK 104.4 (59.6) and the operating margin to 12.1 (10.3) %.

Designplan, based in Sutton, UK, relocated to a new factory facility during the quarter. This relocation has had a negative impact of MSEK 10 on the operating profit for the quarter. The newly-built factory will have a positive effect on productivity in the operations going forward.

Exchange rate effects have had a positive impact on operating profit of MSEK 11 compared with the previous year.

UK and Ireland	Q 3		Q 1-3	
	2014	2013	2014	2013
Net Sales	302.8	215.6	859.7	575.9
<i>(of which to group companies)</i>	<i>(11.8)</i>	<i>(14.6)</i>	<i>(28.5)</i>	<i>(29.1)</i>
Operating profit	29.4	29.3	104.4	59.6
Operating margin, %	9.7	13.6	12.1	10.3
Sales growth, %	40.4	4.9	49.3	-3.2
Sales growth, adjusted for exchange rate differences, %	23.2	10.3	35.1	3.1
Growth in Operating profit, %	0.3	42.2	75.2	7.2

## OTHER EUROPE

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

Accumulated net sales for the year amounted to MSEK 570.8, compared with MSEK 534.9 in the previous year. Adjusted for exchange rate effects and acquired operations, growth was 1 %. Operating profit for the same period amounted to MSEK 48.5 (58.1). The decrease in operating profit was caused by lower margins resulting from price competition on the German market, changes to the sales mix and expenses attributable to the "Light and Building" and "Euroshop" trade fairs in Germany. Exchange rate effects have had a positive impact on operating profit of MSEK 1.

<b>Other Europe</b>				
	<b>Q 3</b>		<b>Q 1-3</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net Sales	205.0	210.8	570.8	534.9
<i>(of which to group companies)</i>	<i>(4.6)</i>	<i>(6.2)</i>	<i>(12.0)</i>	<i>(8.8)</i>
Operating profit	25.1	27.2	48.5	58.1
Operating margin, %	12.2	12.9	8.5	10.9
Sales growth, %	-2.8	29.6	6.7	6.9
Sales growth, adjusted for exchange rate differences, %	-8.3	27.6	1.3	9.2
Growth in Operating profit, %	-7.7	22.0	-16.5	8.8

### MIDDLE EAST, ASIA AND THE PACIFIC

This business area is comprised of our operations in Turkey, the United Arab Emirates and Australia. The company acquired during the period, Arlight, with its registered offices in Ankara, has been consolidated in the segment. Operations in Australia and Turkey consist of the development, manufacture and sale of lighting systems, while operations in the United Arab Emirates consist purely of sales.

Net sales during the period amounted to MSEK 311.6, compared with MSEK 178.4 in the previous year. The majority of the increase can be derived from the acquisition of Arlight. After adjustments for exchange rate effects and acquisitions, sales have increased by 17 %, primarily attributable to Australia.

Operating profit amounted to MSEK 35.5 (17.3) and the operating margin to 11.4 (9.7) %. During the period, Arlight contributed operating profit of MSEK 13, including acquisition-related expenses. Exchange rate effects had a negative impact on operating profit of MSEK 3.

<b>Middle East, Asia and the Pacific</b>				
	<b>Q 3</b>		<b>Q 1-3</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net Sales	125.9	58.3	311.6	178.4
<i>(of which to group companies)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>
Operating profit	14.8	7.1	35.5	17.3
Operating margin, %	11.8	12.2	11.4	9.7
Sales growth, %	116.0	-13.2	74.7	-16.8
Sales growth, adjusted for exchange rate differences, %	133.6	-3.3	85.8	-10.6
Growth in Operating profit, %	108.5	-5.3	105.2	-31.3

### OTHER

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

## FINANCIAL POSITION

The Group's equity/assets ratio at the end of the quarter was 35 (34) %. Cash and bank balances at the end of the period amounted to MSEK 282 (230) and the Group's equity totalled MSEK 1,219 (955). Net debt was MSEK 1,154 (968). The increase to net debt is attributable to the acquisitions of Arlight and I-Valo. The positive earnings trend entails that, despite the higher net debt, the equity ratio has increased by one percentage point. The dividends of MSEK 91.4 approved by the Annual General Meeting were paid out during the period.

Cash flow from operating activities amounted to MSEK 192 (119). The improvement, a total of MSEK 73, is mainly due to the MSEK 98 improvement in operating profit. However, the improvement has also implied that tax paid increased by MSEK 36. Cash flow from changes in working capital was MSEK 6 lower than in the previous year, in spite of substantial growth.

Pledged assets and contingent liabilities amounted to MSEK 7.1 (7.1) and MSEK 1.7 (3.6), respectively.

## INVESTMENTS

The Group's gross investments in fixed assets amounted to MSEK 71 (48). In addition, investments in subsidiaries were undertaken amounting to MSEK 259 (84).

## ACQUISITION

### Arlight

In order to further strengthen the Fagerhult Group's position in the European market, and to gain access to the Turkish market, Fagerhult signed an agreement on 20 December 2013 to acquire 100 % of the shares in Arlight, with its registered offices in Ankara, Turkey. The acquisition was finalised on 12 February 2014. This acquisition gives us access to a modern factory affording low-cost production in the vicinity of our large, existing markets.

Arlight has 160 employees and manufactures light fixtures and lighting systems, primarily intended for outdoor use. Examples of suitable areas of application include offices, schools, hospitals, shopping malls and airports.

In 2013, the company reported sales of MEUR 19.2 and operating profit of MEUR 3.5.

Fagerhult paid a price of MEUR 28 (debt free and cash free basis) for 100 % of the shares in Arlight. An additional maximum amount of MEUR 7 may be payable as supplementary purchase price at some point up until 2015, depending on Arlight's earnings trend. The transaction is being financed through existing credit facilities.

Goodwill and other intangible assets with an indefinite useful life amount to around MSEK 250 and are reported under the business area Middle East, Asia and Australia. The company has been consolidated in the Fagerhult Group from the first quarter of 2014.

## PERSONNEL

The average number of employees during the period was 2,353 (2,150).

## **PARENT COMPANY**

AB Fagerhult's operations consist of corporate management, financing and coordination of marketing, production and business development. The Company reported no sales during the period. Profit after financial items amounted to MSEK 3.3 (50.4).

The number of employees during the period was 6 (5).

## **ACCOUNTING PRINCIPLES**

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

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. The applied accounting principles have not changed since the previous year.

For more information on the applied accounting principles, see the "Financial information" section on AB Fagerhult's website.

## **RISKS AND UNCERTAINTIES**

The Group's significant risks and uncertainties mainly consist of commercial risks and financial risks relating to currencies and interest rates. Through the company's international operations the Fagerhult Group has financial exposure to currency fluctuations. The most significant are currency risks in connection with export sales and imports of raw materials and components. This exposure is reduced through hedging of flows in sensitive currencies, subject to individual assessments. Currency risks also arise upon translation of the net assets and results of foreign operations. Further information on the company's risks is provided in the annual report for 2013. Other than the risks described in the annual report, no further significant risks are deemed to have arisen.

## **NOMINATION COMMITTEE**

The Annual General Meeting appointed Gustaf Douglas (Chairman), Jan Svensson and Björn Karlsson to the Nomination Committee. The Committee has, since that time, expanded to include Göran Espelund.

## **PROSPECTS FOR 2014**

In recent years, the Group has had a strong sales and earnings trend through good organic growth, but also through acquisitions. During the second half of 2013, the lighting market began to show signs of a recovery, which has continue throughout 2014. In addition, the Group has increased its market shares during the last year and has grown at a pace that is significantly higher than the market.

In spite of the current uncertainty, management is of the opinion that the market will continue its recovery during the remainder of 2014 and into next year, although with a lower growth rate than was seen during the first half of 2014. The pace of the recovery varies between the Group's geographical markets.

The Group intends to continue with its significant investments in product development and marketing, as well as to continue its focus on increased internationalisation. The Group has a very competitive offering within LED lighting and management has the ambition to continue to increase the market share.

The acquisitions of Arlight, completed in February 2014, will have a positive effect on the Company's earnings per share during 2014.

## ASSURANCE

The Board of Directors and Managing Director hereby confirm that this interim report provides a true and fair view of the Company's and the Group's operations, results and financial position, and describes significant risks and factors of uncertainty to which the Group is exposed.

Habo, 21 October 2014

AB Fagerhult (publ)

Johan Hjertonsson  
CEO and Managing Director

The Year-End Report will be published on 11 February 2015. The Interim Reports for 2015 will be published on 21 April 2015, 20 August 2015 and 22 October 2015. The Annual General Meeting will be held on 21 April 2015.

Further information can be obtained from Johan Hjertonsson, CEO or Håkan Gabrielsson, CFO, tel 036-10 85 00.

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# **Auditor's report regarding the review of condensed interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act**

## **Introduction**

We have reviewed the interim report of AB Fagerhult (publ) for the period 1 January to 30 September 2014. The Board of Directors and Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

## **Focus and scope of the review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards. 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. Therefore, an opinion expressed on the basis of a review does not provide the level of assurance of an opinion expressed on the basis of an audit.

## **Conclusion**

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

Habo, 21 October 2014

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson

Authorised Public Accountant

Auditor-in-Charge

## THE GROUP

### INCOME STATEMENT

	2014 Jul-Sep 3 months	2013 Jul-Sep 3 months	2014 Jan - Sep 9 months	2013 Jan - Sep 9 months	2013/14 Oct - Sep 12 months	2013 Jan- Dec 12 months
Net sales	974.8	809.4	2 804.6	2 239.5	3 660.3	3 095.2
(of which outside Sweden)	(796.1)	(637.2)	(2 213.6)	(1 712.6)	(2 870.0)	(2 369.0)
Cost of goods sold	-651.2	-529.0	-1 899.4	-1 518.8	-2 467.5	-2 086.9
<b>Gross profit</b>	<b>323.6</b>	<b>280.4</b>	<b>905.2</b>	<b>720.7</b>	<b>1 192.8</b>	<b>1 008.3</b>
Selling expenses	-154.0	-133.6	-471.4	-408.5	-623.3	-560.4
Administrative expenses	-50.1	-40.6	-154.0	-128.1	-210.1	-184.2
Other operating income	3.0	2.2	12.3	9.6	16.5	13.8
<b>Operating profit</b>	<b>122.5</b>	<b>108.4</b>	<b>292.1</b>	<b>193.7</b>	<b>375.9</b>	<b>277.5</b>
Financial items	-10.4	-13.3	-25.8	-23.1	-33.2	-30.5
<b>Profit after financial items</b>	<b>112.1</b>	<b>95.1</b>	<b>266.3</b>	<b>170.6</b>	<b>342.7</b>	<b>247.0</b>
Tax	-32.0	-25.6	-72.2	-46.1	-90.5	-64.4
<b>Net profit for the period</b>	<b>80.1</b>	<b>69.5</b>	<b>194.1</b>	<b>124.5</b>	<b>252.2</b>	<b>182.6</b>
Profit attributed to owners of the parent company	80.1	69.5	194.1	124.5	252.2	182.6
<b>Earnings per share, calculated on profit attributed to owners of the parent company:</b>						
Earnings per share before dilution, SEK	2.12	1.84	5.13	3.29	6.67	4.83
Earnings per share after dilution, SEK	2.12	1.84	5.13	3.29	6.67	4.83
Average no. of outstanding shares before dilution	37 836	37 836	37 836	37 836	37 836	37 836
Average no. of outstanding shares after dilution	37 836	37 836	37 836	37 836	37 836	37 836
No. of outstanding shares, thousands	37 836	37 836	37 836	37 836	37 836	37 836
<b>Profit and other comprehensive income for the period</b>						
<b>Net profit for the period</b>	<b>80.1</b>	<b>69.5</b>	<b>194.1</b>	<b>124.5</b>	<b>252.2</b>	<b>182.6</b>
Other comprehensive income						
Items which are not reversed in the income statement:						
Revaluation of pension plans	-0.2	0.2	-0.6	0.6	-2.2	-1.0
Items which may be reversed in the income statement:						
Exchange differences on translation foreign operations	19.0	-2.6	84.7	-17.7	103.0	0.6
Other comprehensive income for the period, net of tax	<b>18.8</b>	<b>-2.4</b>	<b>84.1</b>	<b>-17.1</b>	<b>100.8</b>	<b>-0.4</b>
<b>Total comprehensive profit for the period</b>	<b>98.9</b>	<b>67.1</b>	<b>278.2</b>	<b>107.4</b>	<b>353.0</b>	<b>182.2</b>
Total comprehensive profit for the period attributed to owners of the Parent Company	98.9	67.1	278.2	107.4	353.0	182.2

BALANCE SHEET	30 Sep 2014	30 Sep 2013	31 Dec 2013
Intangible fixed assets	1370.5	1 022.7	1 047.8
Tangible fixed assets	351.0	326.7	333.0
Financial fixed assets	44.5	27.0	23.2
Inventories, etc.	581.4	503.8	525.1
Accounts receivable - trade	754.7	611.8	577.4
Other non interest-bearing current assets	95.2	55.5	65.7
Liquid funds	282.4	229.5	248.6
<b>Total assets</b>	<b>3 479.7</b>	<b>2 777.0</b>	<b>2 820.8</b>
Equity	1 218.8	954.6	1 029.8
Long-term interest-bearing liabilities	1 377.4	1 112.8	1 074.4
Long-term non interest-bearing liabilities	100.1	61.5	63.7
Short-term interest-bearing liabilities	58.5	84.2	59.0
Short-term non interest-bearing liabilities	724.9	563.9	593.9
<b>Total equity and liabilities</b>	<b>3 479.7</b>	<b>2 777.0</b>	<b>2 820.8</b>

CASH FLOW STATEMENT	2014 Jul-Sep 3 months	2013 Jul-Sep 3 months	2014 Jan - Sep 9 months	2013 Jan - Sep 9 months	2013/14 Oct - Sep 12 months	2013 Jan- Dec 12 months
<b>Operating profit</b>	<b>122.5</b>	<b>108.4</b>	<b>292.1</b>	<b>193.7</b>	<b>375.9</b>	<b>277.5</b>
Adjustment for items not included in the cash flow	34.2	23.0	81.6	61.2	91.9	71.5
Financial items	-7.4	-4.8	-21.4	-17.5	-28.8	-24.9
Paid tax	-15.2	-10.0	-49.7	-13.6	-57.5	-21.4
<b>Cash flow generated by operations</b>	<b>134.1</b>	<b>116.6</b>	<b>302.6</b>	<b>223.8</b>	<b>381.5</b>	<b>302.7</b>
Changes in working capital	-56.1	-65.0	-111.0	-105.1	-87.5	-81.6
<b>Cash flow from continuing operations</b>	<b>78.0</b>	<b>51.6</b>	<b>191.6</b>	<b>118.7</b>	<b>294.0</b>	<b>221.1</b>
Cash flow from investing activities	-19.9	-20.3	-350.5	-128.7	-375.8	-154.0
Cash flow from financing activities	-51.8	0.7	177.3	-13.5	114.4	-76.4
<b>Cash flow for the period</b>	<b>6.3</b>	<b>32.0</b>	<b>18.4</b>	<b>-23.5</b>	<b>32.6</b>	<b>-9.3</b>
Liquid funds at the beginning of the period	272.8	198.9	248.6	256.8	229.5	256.8
Translation differences in liquid funds	3.3	-1.4	15.4	-3.8	20.3	1.1
<b>Liquid funds at the end of the period</b>	<b>282.4</b>	<b>229.5</b>	<b>282.4</b>	<b>229.5</b>	<b>282.4</b>	<b>248.6</b>

## KEY RATIOS AND DATA PER SHARE

	2014 Jul-Sep 3 months	2013 Jul-Sep 3 months	2014 Jan - Sep 9 months	2013 Jan - Sep 9 months	2013/14 Oct - Sep 12 months	2013 Jan- Dec 12 months
Sales growth, %	20.4	4.5	25.2	-3.2	18.3	0.3
Growth in operating profit, %	13.0	22.6	50.8	0.2	35.5	10.3
Growth in profit after financial items, %	17.9	25.3	56.1	8.2	38.7	15.5
Operating margin, %	12.6	13.4	10.4	8.6	10.3	9.0
Profit margin, %	11.5	11.7	9.5	7.6	9.4	8.0
Liquid ratio, %	36	35	36	35	36	38
Net debt/equity ratio, %	95	101	95	101	95	86
Equity/assets ratio, %	35	34	35	34	35	37
Capital employed, MSEK	2655	2152	2655	2152	2655	2 163
Return on capital employed, %	18.7	20.0	16.3	12.4	15.8	13.3
Return on equity, %	26.3	29.1	23.0	17.6	23.2	18.7
Net debt, MSEK	1 154	968	1 154	968	1 154	885
Gross investments in fixed assets, MSEK	18.8	19.4	70.9	48.4	87.6	65.1
Net investments in fixed assets, MSEK	18.8	19.8	70.9	48.4	87.6	65.1
Depreciation of fixed assets, MSEK	22.1	22.2	68.9	65.0	92.4	88.5
Number of employees	2 340	2 138	2 353	2 150	2 278	2 204
Equity per share, SEK	32.21	25.23	32.21	25.23	32.21	27.22
No. of outstanding shares, thousands	37 836	37 836	37 836	37 836	37 836	37 836

## CHANGE IN EQUITY

Attributable to the owners of the parent company

	Share capital	Other contributed capital	Difference on translation	Profit carried forward	Total equity
<b>Equity as per 1 January 2013</b>	<b>65.5</b>	<b>159.4</b>	<b>-87.2</b>	<b>790.2</b>	<b>927.9</b>
Net profit for the period				124.5	124.5
Other comprehensive income for the period			-17.7	0.6	-17.1
<b>Total comprehensive profit for the period</b>			<b>-17.7</b>	<b>125.1</b>	<b>107.4</b>
Performance share program				1.3	1.3
Dividend paid, SEK 2.17 per share (after split)				-82.0	-82.0
<b>Equity as per 30 September 2013</b>	<b>65.5</b>	<b>159.4</b>	<b>-104.9</b>	<b>834.6</b>	<b>954.6</b>
<b>Equity as per 1 January 2014</b>	<b>65.5</b>	<b>159.4</b>	<b>-86.6</b>	<b>891.5</b>	<b>1 029.8</b>
Net profit for the period				194.1	194.1
Other comprehensive income for the period			84.7	-0.6	84.1
<b>Total comprehensive profit for the period</b>			<b>84.7</b>	<b>193.5</b>	<b>278.2</b>
Performance share program				2.2	2.2
Dividend paid, SEK 2.42 per share (after split)				-91.4	-91.4
<b>Equity as per 30 September 2014</b>	<b>65.5</b>	<b>159.4</b>	<b>-1.9</b>	<b>995.8</b>	<b>1 218.8</b>

## PARENT COMPANY

### INCOME STATEMENT

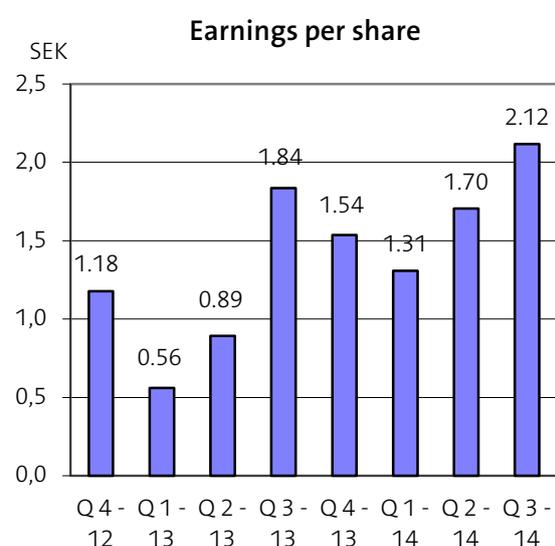
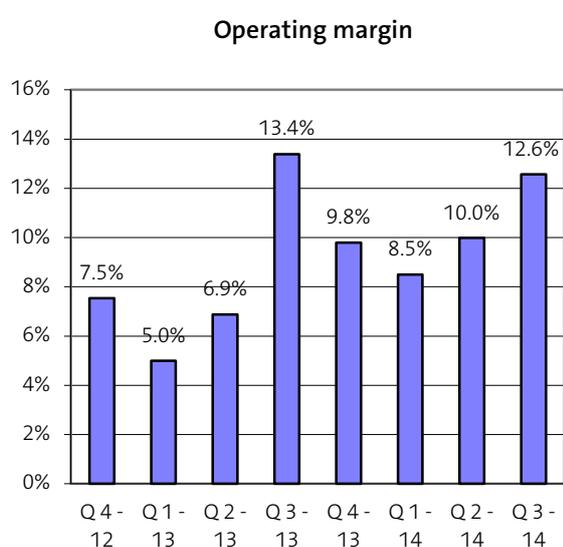
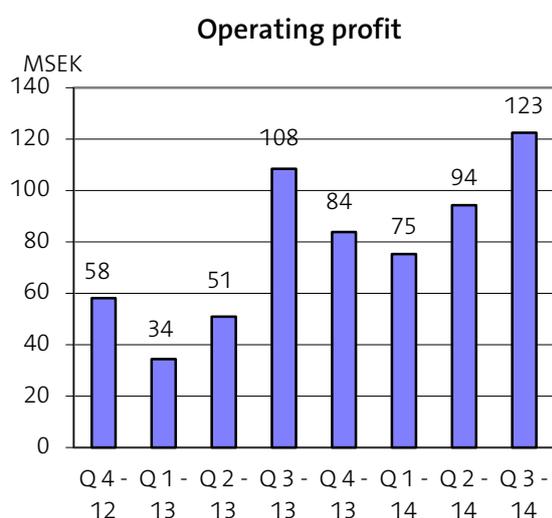
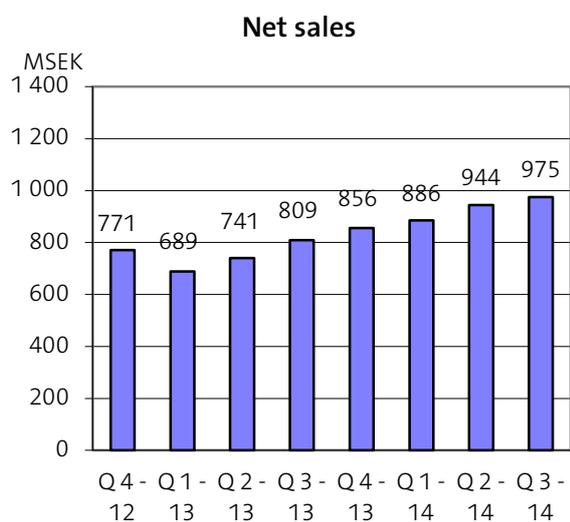
	2014 Jul-Sep 3 months	2013 Jul-Sep 3 months	2014 Jan - Sep 9 months	2013 Jan - Sep 9 months	2013/14 Oct - Sep 12 months	2013 Jan- Dec 12 months
Net sales	0.4	0.5	2.2	1.8	9.1	8.7
Selling expenses	-0.6	-0.5	-3.0	-1.8	-3.6	-2.4
Administrative expenses	-7.1	-5.4	-21.1	-16.8	-37.5	-33.2
<b>Operating profit</b>	<b>-7.3</b>	<b>-5.4</b>	<b>-21.9</b>	<b>-16.8</b>	<b>-32.0</b>	<b>-26.9</b>
Income from shares in subsidiaries	-	-	26.5	74.5	121.5	169.5
Financial items	-0.2	-2.5	-1.3	-7.3	-3.5	-9.5
<b>Profit after financial items</b>	<b>-7.5</b>	<b>-7.9</b>	<b>3.3</b>	<b>50.4</b>	<b>86.0</b>	<b>133.1</b>
Tax	-	-	-	-	-13.1	-13.1
<b>Net profit</b>	<b>-7.5</b>	<b>-7.9</b>	<b>3.3</b>	<b>50.4</b>	<b>72.9</b>	<b>120.0</b>

### BALANCE SHEET

	30 Sep 2014	30 Sep 2013	31 Dec 2013
Financial fixed assets	1 754.0	1 526.5	1 512.1
Other non interest-bearing current assets	4.7	13.1	3.6
Cash and bank balances	60.7	55.3	122.9
<b>Total assets</b>	<b>1 819.4</b>	<b>1 594.9</b>	<b>1 638.6</b>
Equity	327.5	343.4	413.4
Untaxed reserves	30.0	30.0	30.0
Long-term interest-bearing liabilities	1 292.7	1 053.2	1 008.8
Long-term non interest-bearing liabilities	1.7	1.7	1.7
Short-term interest-bearing liabilities	156.1	157.3	55.3
Short-term non interest-bearing liabilities	11.4	9.3	129.4
<b>Total equity and liabilities</b>	<b>1 819.4</b>	<b>1 594.9</b>	<b>1 638.6</b>

### CHANGE IN EQUITY

	Share capital	Statutory reserve	Profit carried forward	Total equity
<b>Equity as at 1 January 2013</b>	<b>65.5</b>	<b>159.4</b>	<b>148.8</b>	<b>373.7</b>
Performance share program			1.7	1.7
Net profit for the period			120.0	120.0
Dividend paid, SEK 2.17 per share (after split)			-82.0	-82.0
<b>Equity as at 31 December 2013</b>	<b>65.5</b>	<b>159.4</b>	<b>188.5</b>	<b>413.4</b>
Performance share program			2.2	2.2
Net profit for the period			3.3	3.3
Dividend paid, SEK 2.42 per share (after split)			-91.4	-91.4
<b>Equity as at 30 September 2014</b>	<b>65.5</b>	<b>159.4</b>	<b>102.6</b>	<b>327.5</b>



## KEY RATIOS AND DATA PER SHARE

	2010 <sup>1)</sup>	2011	2012	2013	2013/14 Oct-Sep 12 months
Net sales, MSEK	2 506	3 023	3 085	3 095	3 660
Operating profit, MSEK	153	318	252	278	376
Profit after financial items, MSEK	135	286	214	247	343
Earnings per share, SEK	2.50	5.51	4.20	4.83	6.67
Sales growth, %	2.8	20.6	2.1	0.3	18.3
Growth in operating profit, %	46.7	107.7	-20.8	10.3	35.5
Growth in profit after financial items, %	28.6	112.8	-25.3	15.5	38.7
Operating margin, %	6.1	10.5	8.2	9.0	10.3
Net debt/equity ratio, %	132	113	94	86	95
Equity/assets ratio, %	29	31	35	37	35
Capital employed, MSEK	1 885	2 145	2 058	2 163	2 655
Return on capital employed, %	11.0	16.2	12.2	13.3	15.8
Return on equity, %	13.1	26.6	17.8	18.7	23.2
Net debt, MSEK	955	975	874	885	1 154
Net investments in fixed assets, MSEK	83	66	92	65	88
Depreciation of fixed assets, MSEK	84	89	85	89	92
Number of employees	1 926	2 228	2 192	2 204	2 278

<sup>1)</sup> Key ratios for 2010 has not been adjusted due to changed accounting principles