

## YEAR-END REPORT 2014

- The order intake was MSEK 3,790.0 (3,241.7), which is an increase of 7 per cent adjusted for currency effects and acquired units.
- Net sales were MSEK 3,735.8 (3,095.2), which is an increase of 10 per cent adjusted for currency effects and acquired units.
- The operating profit was MSEK 378.7 (277.5), representing an operating margin of 10.1 (9.0) per cent.
- The profit after tax was MSEK 261.2 (182.6).
- Earnings per share were SEK 6.90 (4.83).
- A dividend of SEK 3.00 (2.42) is proposed.

Comments from CEO Johan Hjertonsson:

- 2014 was the Group's best year ever in terms of sales, operating profit and operating cash flow.
- Despite very strong sales, our order book is larger at the end of 2014 than at the beginning of the year.
- A strong fourth quarter resulted in an operating profit of MSEK 86.6 (83.6).
- Very strong cash flow from operating activities during the period, MSEK 199.4 (102.4).
- Sales for the three-month period grew by 9 per cent year-on-year, which is unchanged after adjusting for currency and acquisitions.
- The quarterly order intake expanded by 3 per cent, which is a decrease of 4 per cent adjusted for currency and acquisitions.
- Our strong offering in energy efficient LED lighting solutions and control systems has increased the Group's market share over the last few quarters.
- Net sales of LED lighting solutions has continued to grow and in the quarter it was slightly less than half of the total sales
- Investments to develop our offering in LED Lighting and control systems is further accelerated.

## GROUP

JANUARY-DECEMBER

The market for lighting solutions recovered gradually over the year compared with the previous year. Growth varies across geographic markets.

The UK is the fastest growing market among the Group's major markets. Market growth is expected to have been lower in the second half than in the first.

The Group's order intake totalled MSEK 3,790.0 (3,241.4), which is an increase of 17 per cent. The order intake from acquired units accounted for 6 per cent of sales while changes in exchange rates added 4 per cent. Adjusted for currency effects and acquisitions, the order intake expanded by 7 per cent on the same period last year. Management's assessment is that the Group's market shares increased over the year in most of our markets. Organic growth in the order intake was high primarily in the UK, Middle East and Australia.

Consolidated net sales were MSEK 3,735.8 (3,095.2), representing an increase of 21 per cent, of which 11 per cent refers to currency effects and acquisitions. Sales grew mainly in the UK, Australia, Sweden and Norway.

The operating profit was MSEK 378.7 (277.5), an increase of MSEK 101.2, which makes 2014 the Group's best year to date in terms of operating profits. Changes in exchange rates had a positive impact on the profit for the year of MSEK 24.6 while acquired units added MSEK 20.3, including acquisition costs.

The improvement in earnings compared with 2013 was primarily a result of the increase in sales, which has also resulted in increased capacity use at the Group's production facilities. Our strong product offering in LED has been a prime reason behind the increase in market shares and higher sales. The share of LED sales has continued to grow and accounted for slightly less than 50 % of total sales in the fourth quarter, resulting in an LED share of ca 40 per cent for the year as a whole. The Group has continued to invest in product development during the technological shift to LED and these investments will be further accelerated.

Gross margins improved slightly over the year. The Group's selling and administrative expenses increased by MSEK 112, of which MSEK 70 was due to acquisitions and changes in exchange rate. A large part of the increase was also due to initiatives aimed at further strengthening our sales organisation and to inflation.

The positive currency effect on the consolidated operating profit came chiefly from a stronger British pound, which affects the Group partly through the translation of subsidiary company earnings and partly through the increased value of exports to the UK. A stronger euro also has a positive effect, although the impact is significantly smaller in absolute terms due to a lower net exposure. A stronger Chinese yuan and weaker Norwegian krone had a negative impact on earnings. The Group has a low exposure to the US dollar.

The relocation of the Group's operation in Sutton in the UK to a newly built factory resulted in a MSEK 10 charge to earnings for the year.

Financial items were MSEK -30.7 (-30.5). The interest expense was MSEK 2.4 higher during the period due to a larger net debt following the acquisitions of the Turkish company Arlight and I-Valo in Finland.

Earnings per share were SEK 6.90 (4.83).

In the second half of 2014 a 3:1 stock split was carried out. All per share key performance indicators have been restated.

Organic growth compared with 2013 is more or less evenly spread across the Group's product areas. Sales in Indoor Lighting are up by 11 per cent while Retail Lighting saw growth of 9 per cent and Outdoor Lighting increased sales by 10 per cent. All changes have been adjusted for acquisitions and currency effects.

Net sales by product area				
	Q4		Q1-Q4	
	2014	2013	2014	2013
Indoor Lighting	650.1	552.0	2 504.0	2 012.0
Retail Lighting	213.4	241.8	1 003.7	881.5
Outdoor Lighting	67.7	61.9	228.1	201.7
	<b>931.2</b>	<b>855.7</b>	<b>3 735.8</b>	<b>3 095.2</b>

#### FOURTH QUARTER

The order intake in the fourth quarter was MSEK 925.5 (895.9), which is an increase of 3 per cent. Excluding acquisitions and currency effects, the order intake was 4 per cent lower than in the strong fourth quarter of 2013.

Net sales for the fourth quarter were MSEK 931.2 (855.7), which was unchanged compared with the previous year after adjusting for acquisitions and currency effects. The UK and Sweden saw brisk sales growth during the period while sales in most eurozone countries and Russia were lower than in the fourth quarter of 2013.

The operating profit improved slightly compared with the same quarter last year, to MSEK 86.6 (83.8). The operating margin for the quarter was 9.3 (9.8) per cent.

Currency movements during the three-month period, primarily the stronger British pound, added MSEK 11.6 to the operating profit compared with the previous year.

#### BUSINESS AREAS

NET SALES AND OPERATING PROFIT BY BUSINESS AREA												
	Net sales				Operating profit				Operating margin, %			
	Q4		Q1-Q4		Q4		Q1-Q4		Q4		Q1-Q4	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Northern Europe	462.9	478.0	1 848.8	1 716.2	40.3	41.8	165.9	121.2	8.7	8.7	9.0	7.1
UK and Ireland <sup>1)</sup>	257.9	219.7	1 117.6	795.6	34.8	25.9	139.2	85.5	13.5	11.8	12.5	10.7
Rest of Europe	174.9	202.2	745.7	737.1	13.7	15.3	62.2	73.4	7.8	7.6	8.3	10.0
Middle East, Asia and Australia <sup>1)</sup>	131.9	74.1	443.5	252.5	19.7	7.0	55.2	24.3	14.9	9.4	12.4	9.6
Other markets	-	-	-	-	-21.9	-6.2	-43.8	-26.9	-	-	-	-
Eliminations	-96.4	-118.3	-419.8	-406.42	-	-	-	-	-	-	-	-
<b>Total</b>	<b>931.2</b>	<b>855.7</b>	<b>3 735.8</b>	<b>3 095.2</b>	<b>86.6</b>	<b>83.8</b>	<b>378.7</b>	<b>277.5</b>	<b>9.3</b>	<b>9.8</b>	<b>10.1</b>	<b>9.0</b>
Financial, unallocated items					-4.9	-7.4	-30.7	-30.5				
<b>Profit before tax</b>					<b>81.7</b>	<b>76.4</b>	<b>348.0</b>	<b>247.0</b>				

<sup>1)</sup> The Group's operations in the United Arab Emirates, which were previously reported together with the UK and Ireland, are now included in the Middle East, Asia and Australia segment, which also includes Arlight, a recently acquired company. The comparative figures have been adjusted accordingly.

## NORTHERN EUROPE

The business area comprises the Group's units and companies in the Nordic and Baltic countries and Russia. The Group's plant in China, including manufacturing and purchasing, is also part of the business area. I-Valo Oy, a company acquired in 2013, has been consolidated in the Northern Europe segment. In Sweden and Finland the Group conducts development, manufacturing and sales activities while operations in other markets, with the exception of China, refer only to sales.

Net sales were MSEK 1,848.8, up from MSEK 1,716.2 in the preceding year. Adjusted for currency effects and acquired units, the increase was 6 per cent, with particularly strong annual improvements in Sweden, Norway and Russia. The operating profit for the period was MSEK 165.9 (121.2) and the operating margin 9.0 (7.1) per cent.

The improved operating profit was primarily due to increased sales. The segment includes four of the Group's production plants, which means that an increase in sales and capacity use has a significant impact on segment earnings. An improved gross margin and lower costs also added to earnings. Finally, currency changes had a positive impact of MSEK 9 compared with the previous year.

Northern Europe	Q4		Q1-Q4	
	2014	2013	2014	2013
	Net sales	462.9	478.0	1 848.8
<i>(of which, intercompany sales)</i>	<i>(80.3)</i>	<i>(101.7)</i>	<i>(363.2)</i>	<i>(351.6)</i>
Operating profit	40.3	41.8	165.9	121.2
Operating margin, %	8.7	8.7	9.0	7.1
Sales growth, %	-3.2	12.4	7.7	1.8
Sales growth, adjusted for currency effects %	-3.2	13.4	7.4	2.9
Growth in operating profit, %	-3.6	32.3	36.9	22.1

## UK AND IRELAND

The business area comprises our companies in the United Kingdom and Ireland. The dominant unit is Whitecroft Lighting, which develops, manufactures and sells lighting systems.

Net sales in 2014 were MSEK 1,117.6 compared with MSEK 795.6 in 2013. Adjusted for currency effects, this represented a 27 per cent growth rate.

In 2014 two major projects accounted for MSEK 130 of net sales. Both projects refer to the switch to LED lighting, which, coupled with control systems, has created significant energy efficiencies. Even excluding these two projects, the segment performed very well, thanks to a combination of increased market shares and a strong performance for the lighting market in the UK.

The operating profit for the period was MSEK 139.2 (85.5) and the operating margin 12.5 (10.7) per cent.

In 2014 our Designplan subsidiary in Sutton in the UK moved to a new factory. The move resulted in a charge to earnings of MSEK 10. The newly built factory will have a positive impact on productivity in the business.

Currency movements contributed MSEK 13 to the operating profit compared with the previous year.

<b>UK and Ireland</b>				
	<b>Q4</b>		<b>Q1-Q4</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net sales	257.9	219.7	1 117.6	795.6
<i>(of which, intercompany sales)</i>	<i>(9.7)</i>	<i>(13.9)</i>	<i>(38.2)</i>	<i>(43.0)</i>
Operating profit	34.8	25.9	139.2	85.5
Operating margin, %	13.5	11.8	12.5	10.7
Sales growth, %	17.4	10.2	40.5	0.2
Sales growth, adjusted for currency effects %	5.4	12.0	26.9	5.4
Growth in operating profit, %	34.4	54.2	62.8	18.1

#### REST OF EUROPE

The business area comprises our operations in Germany, the Netherlands, France, Spain, Slovakia and Poland. The largest operation is LTS Licht & Leuchten GmbH in Germany, which develops, manufactures and sells lighting systems.

Cumulative net sales for the year were MSEK 745.7, up from MSEK 737.1 in the previous year. Excluding acquisitions and currency effects, this represents growth of 1 per cent. The operating profit for the same period was MSEK 62.2 (73.4). The lower operating profit was largely due to price pressures in several markets and costs for the Light and Building and Euroshop expos in Germany. Currency effects had a positive impact on earnings of MSEK 3.

<b>Rest of Europe</b>				
	<b>Q4</b>		<b>Q1-Q4</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net sales	174.9	202.2	745.7	737.1
<i>(of which, intercompany sales)</i>	<i>(4.5)</i>	<i>(2.9)</i>	<i>(16.5)</i>	<i>(11.7)</i>
Operating profit	13.7	15.3	62.2	73.4
Operating margin, %	7.8	7.6	8.3	10.0
Sales growth, %	-13.5	34.5	1.2	13.3
Sales growth, adjusted for currency effects %	-17.2	31.5	-3.8	14.3
Growth in operating profit, %	-10.5	93.7	-15.3	19.7

#### MIDDLE EAST, ASIA AND AUSTRALIA

The business area comprises our operations in Turkey, the United Arab Emirates, Australia and New Zealand. Arlight, which has its registered office in Ankara, Turkey was consolidated in the segment during the period. The Australian and Turkish operations develop, manufacture and sell lighting systems while the operation in the UAE and New Zealand refers to sales.

Net sales for the period were MSEK 443.5, compared with MSEK 252,5 in the preceding year. Most of the increase was due to the acquisition of Arlight. Adjusted for currency effects and acquired units, sales grew by 14 per cent, which was primarily attributable to Australia and New Zealand.

The operating profit was MSEK 55.2 (24.3) and the operating margin 12.4 (9.6) per cent. Arlight contributed MSEK 20, including acquisition costs, to the operating profit for the period. Currency changes had no appreciable impact on the operating profit for the segment compared with 2013.

<b>Middle East, Asia and Australia</b>				
	<b>Q4</b>		<b>Q1-Q4</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net sales	131.9	74.1	443.5	252.5
<i>(of which, intercompany sales)</i>	<i>(1.8)</i>	<i>(0.0)</i>	<i>(1.8)</i>	<i>(0.0)</i>
Operating profit	19.7	7.0	55.2	24.3
Operating margin, %	14.9	9.4	12.4	9.6
Sales growth, %	78.0	-1.9	75.6	-12.9
Sales growth, adjusted for currency effects %	69.9	7.2	81.1	-6.0
Growth in operating profit, %	181.4	-5.4	127.2	-25.5

#### ADDITIONAL INFORMATION

The business area mainly comprises central Group functions and the Parent Company, AB Fagerhult.

#### FINANCIAL POSITION

The Group's equity/assets ratio at the end of the quarter was 38 (37) per cent. Cash and bank balances at the end of the period were MSEK 353 (249) and consolidated equity was MSEK 1,329 (1,030). Net debt was MSEK 1,040 (885). The increase in net debt is attributable to the acquisition of Arlight.

The growth in earnings and cash flow in 2014 resulted in a decrease in the net debt/equity ratio to 78 per cent (86), despite a higher net debt.

Cash flow from operating activities was MSEK 391 (221). The MSEK 170 improvement was largely an effect of an increase in the operating profit by MSEK 101. Tax paid increased by MSEK 40, mainly due to the improved result. The cash flow from change in working capital was MSEK 71 higher than in the prior year, despite robust growth. Pledged assets and contingent liabilities were MSEK 7.3 (7.1) and MSEK 1.7 (1.7), respectively.

#### INVESTMENTS

The Group's gross investments in non-current assets were MSEK 110.2 (65.1). The figure does not include investments in subsidiaries, which totalled MSEK 281.3 (84.0).

#### ACQUISITIONS

##### Arlight

With the aim of further strengthening the Fagerhult Group's position in the European market and to gain access to the Turkish market, Fagerhult concluded an agreement on 20 December 2013 for the acquisition of 100 per cent of the shares of Arlight, a company with registered office in Ankara, Turkey. The acquisition, which was completed on 12 February 2014, also gives Fagerhult access to a modern plant for low-cost production close to our existing major markets.

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Arlight has 160 employees and produces light fixtures and lighting systems principally for indoor applications such as offices, schools, hospitals, shopping centres and airports.

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

Fagerhult is paying a price of MEUR 28 (cash- and debt-free) for 100 per cent of the shares of Arlight. An additional consideration of MEUR 7 may be payable up until 2015 depending on Arlight's earnings performance. The transaction was funded using existing credit facilities.

Goodwill and other intangible assets with an indefinite useful life total approximately MSEK 250 and are accounted for in the Middle East, Asia and Australia business area. The company has been consolidated in Fagerhult as of the first quarter of 2014.

## **EMPLOYEES**

The average number of employees during the period was 2,370 (2,204).

## **PARENT COMPANY**

AB Fagerhult's operations comprise corporate management, financing and coordination of marketing, production and business development activities. The profit after financial items was MSEK 112.3 (38.1).

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

## **DIVIDEND**

The Board of Directors will be proposing that the Annual General Meeting approve a dividend of SEK 3.00 (2.42) per share.

## **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.

## **NOMINATING COMMITTEE**

At the Annual General Meeting Gustaf Douglas (Chairman), Jan Svensson and Björn Karlsson were appointed to the Nominating Committee. Göran Espelund has now joined the Committee as an additional member.

## SHARE BUYBACKS

At the Annual General Meeting on 24 April 2014 the Board of Directors was authorised to decide on share buybacks. No share buybacks have been made. The Company holds 714,000 treasury shares.

The Board of Directors of AB Fagerhult has today resolved to propose that the Annual General Meeting on 21 April 2015 authorise the Board to decide on share buybacks during the period until the next AGM.

## OUTLOOK FOR 2015

Over the past year the Group has seen strong sales and earnings growth through acquisitions as well as organic growth. By developing our brands and our product portfolio, the Group has established a strong position in all major markets. In 2014 the lighting market continued to recover and the Group also increased its market shares, significantly outperforming the market.

Management expects the market to continue to expand in 2015, although at a slower pace than in 2014.

The outlook varies across the geographic markets in which the Group operates. Growth is good in the UK but lower across large parts of the eurozone and Scandinavia.

The Group intends to continue to invest significant resources in product development and marketing, and in increased internationalisation. Management's ambition is to continue to strengthen the Group's market shares.

Habo, 11 February 2015

AB Fagerhult (publ)

Johan Hjertonsson

President and CEO

The report has not been the subject of a special examination by the Company's auditors.

Interim reports for 2015 will be released on 21 April 2015, 20 August 2015 and 22 October 2015. The Annual General Meeting will be held on 21 April 2015.

Information can be obtained from Johan Hjertonsson, CEO, or Håkan Gabrielsson, CFO, tel. +46 (0)36-10 85 00.

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**GROUP**

CONSOLIDATED INCOME STATEMENT	2014 Oct-Dec 3 months	2013 Oct-Dec 3 months	2014 Jan-Dec 12 months	2013 Jan-Dec 12 months
Net sales	931.2	855.7	3 735.8	3 095.2
(of which, outside Sweden)	(716.5)	(656.4)	(2930.1)	(2 369.0)
Cost of goods sold	-625.0	-568.1	-2524.4	-2 086.9
<b>Gross profit</b>	<b>306.2</b>	<b>287.6</b>	<b>1211.4</b>	<b>1 008.3</b>
Selling expenses	-165.1	-151.9	-636.5	-560.4
Administrative expenses	-65.7	-56.1	-219.7	-184.2
Other operating income	11.2	4.2	23.5	13.8
<b>Operating profit</b>	<b>86.6</b>	<b>83.8</b>	<b>378.7</b>	<b>277.5</b>
Financial items	-4.9	-7.4	-30.7	-30.5
<b>Profit after financial items</b>	<b>81.7</b>	<b>76.4</b>	<b>348.0</b>	<b>247.0</b>
Tax	-14.6	-18.3	-86.8	-64.4
<b>Net profit for the period</b>	<b>67.1</b>	<b>58.1</b>	<b>261.2</b>	<b>182.6</b>
Net profit for the period attributable shareholders of the Parent Company	<b>67.1</b>	<b>58.1</b>	<b>261.2</b>	<b>182.6</b>
<b>Earnings per share, based on earnings attributable to shareholders of the parent during the year</b>				
Earnings per share before dilution, SEK	1.77	1.54	6.90	4.83
Earnings per share after dilution, SEK	1.77	1.54	6.90	4.83
Average number of outstanding shares before dilution	37,836	37,836	37,836	37,836
Average number of outstanding shares after dilution	37,836	37,836	37,836	37,836
Number of outstanding shares, thousands	37,836	37,836	37,836	37,836
Statement of comprehensive income				
<b>Net profit for the period</b>	<b>67.1</b>	<b>58.1</b>	<b>261.2</b>	<b>182.6</b>
Other comprehensive income				
Items which are not reversed in the income statement:				
Revaluation of pension plans	3.5	-1.6	2.9	-1.0
Items which may be reversed in the income statement:				
Translation differences	39.1	18.3	123.8	0.6
Other comprehensive income for the period, net after tax	<b>42.6</b>	<b>16.7</b>	<b>126.7</b>	<b>-0.4</b>
Total comprehensive income for the period	<b>109.7</b>	<b>74.8</b>	<b>387.9</b>	<b>182.2</b>
Comprehensive income attributable to shareholders of the Parent Company	109.7	74.8	387.9	182.2

CONSOLIDATED BALANCE SHEET	31 Dec 2014	31 Dec 2013
Intangible assets	1425.0	1 047.8
Property, plant and equipment	387.0	333.0
Financial assets	48.5	23.2
Inventories etc.	574.3	525.1
Trade receivables	676.4	577.4
Other non-interest-bearing receivables	67.4	65.7
Cash and cash equivalents	353.1	248.6
<b>Total assets</b>	<b>3 531.7</b>	<b>2 820.8</b>
Equity	1 329.2	1 029.8
Non-current interest-bearing liabilities	1 333.0	1 074.4
Non-current non-interest-bearing liabilities	101.5	63.7
Current interest-bearing liabilities	60.4	59.0
Current non-interest-bearing liabilities	707.6	593.9
<b>Total equity and liabilities</b>	<b>3 531.7</b>	<b>2 820.8</b>

CONSOLIDATED CASH FLOW STATEMENT	2014 Oct-Dec 3 months	2013 Oct-Dec 3 months	2014 Jan-Dec 12 months	2013 Jan-Dec 12 months
<b>Operating profit</b>	<b>86.6</b>	<b>83.8</b>	<b>378.7</b>	<b>277.5</b>
Adjustments for non-cash items	32.6	10.3	114.2	71.5
Financial items	-8.5	-7.4	-29.9	-24.9
Tax paid	-11.2	-7.8	-60.9	-21.4
<b>Funds contributed from operating activities</b>	<b>99.5</b>	<b>78.9</b>	<b>402.1</b>	<b>302.7</b>
Change in working capital	99.9	23.5	-11.1	-81.6
<b>Cash flow from operating activities</b>	<b>199.4</b>	<b>102.4</b>	<b>391.0</b>	<b>221.1</b>
Cash flow from investing activities	-77.8	-25.3	-428.3	-154.0
Cash flow from financing activities	-57.9	-62.9	119.4	-76.4
<b>Cash flow for the period</b>	<b>63.7</b>	<b>14.2</b>	<b>82.1</b>	<b>-9.3</b>
Cash and cash equivalents at beginning of period	282.4	229.5	248.6	256.8
Translation differences in cash and cash equivalents	7.0	4.9	22.4	1.1
<b>Cash and cash equivalents at end of period</b>	<b>353.1</b>	<b>248.6</b>	<b>353.1</b>	<b>248.6</b>

KEY PERFORMANCE INDICATORS AND DATA PER SHARE, GROUP	2014	2013	2014	2013
	Oct-Dec 3 months	Oct-Dec 3 months	Jan-Dec 12 months	Jan-Dec 12 months
Sales growth, %	8.8	11.0	20.7	0.3
Growth in operating profit, %	3.3	44.2	36.5	10.3
Growth in profit after financial items, %	6.9	35.9	40.9	15.5
Operating margin, %	9.3	9.8	10.1	9.0
Profit margin, %	8.8	8.9	9.3	8.0
Cash liquidity, %	46	38	46	38
Net debt/equity ratio, %	78	86	78	86
Equity/assets ratio, %	38	37	38	37
Capital employed, MSEK	2,723	2,163	2,723	2,163
Return on capital employed, %	12.7	15.5	15.6	13.3
Return on equity, %	20.2	22.6	22.1	18.7
Net debt, MSEK	1040	885	1040	885
Gross investment in non-current assets, MSEK	39.3	16.7	110.2	65.1
Net investment in non-current assets, MSEK	39.3	16.7	110.2	65.1
Depreciation/amortisation of non-current assets, MSEK	26.2	23.5	95.1	88.5
Number of employees	2,361	2,177	2,370	2,204
Equity per share, SEK	35.13	27.22	35.13	27.22
Number of outstanding shares, thousands	37,836	37,836	37,836	37,836

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent Company

	Share capital	Other contributed capital	Translation differences	Retained earnings	Total equity
<b>Equity at 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				182.6	182.6
Other comprehensive income			0.6	-1.0	-0.4
Total comprehensive income for the period			0.6	181.6	182.2
Performance share plan				1.7	1.7
Dividend, SEK 2.17 per share (after split)				-82.0	-82.0
<b>Equity at 31 December 2013</b>	<b>65.5</b>	<b>159.4</b>	<b>-86.6</b>	<b>891.5</b>	<b>1 029.8</b>
<b>Equity at 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				261.2	261.2
Other comprehensive income			123.8	2.9	126.7
Total comprehensive income for the period			123.8	264.1	387.9
Performance share plan				2.9	2.9
Dividend, SEK 2.42 per share (after split)				-91.4	-91.4
<b>Equity at 31 December 2014</b>	<b>65.5</b>	<b>159.4</b>	<b>37.2</b>	<b>1 067.1</b>	<b>1.329.2</b>

**PARENT COMPANY****PARENT COMPANY INCOME STATEMENT**

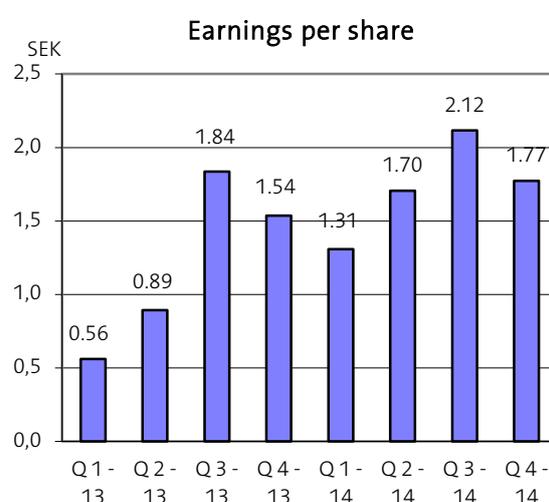
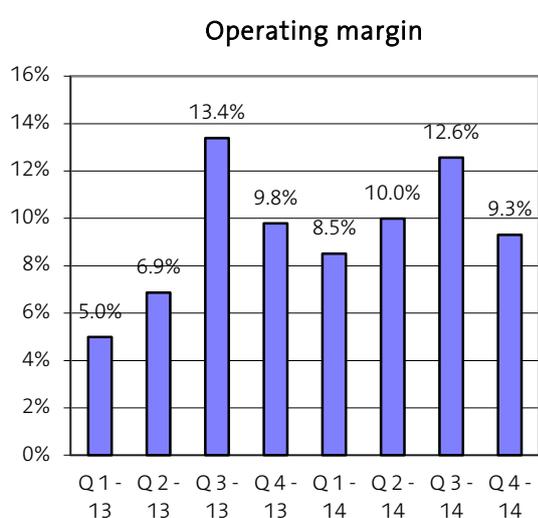
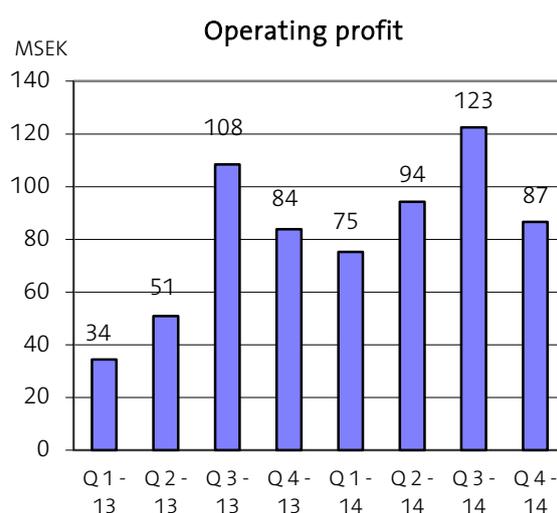
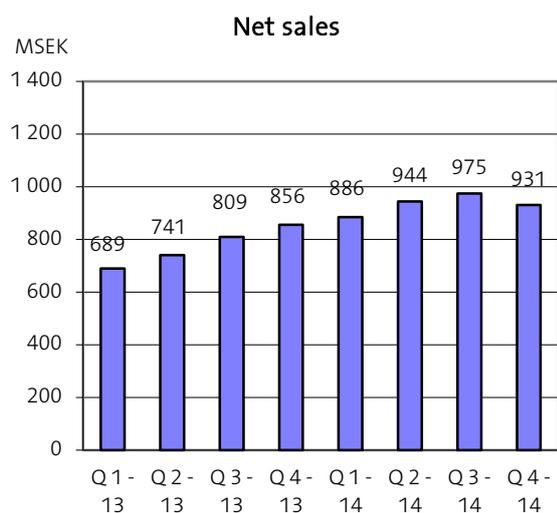
	2014 Oct-Dec 3 months	2013 Oct-Dec 3 months	2014 Jan-Dec 12 months	2013 Jan-Dec 12 months
Net sales	14.2	6.9	16.4	8.7
Selling expenses	-1.3	-0.6	-4.3	-2.4
Administrative expenses	-20.8	-16.4	-41.9	-33.2
<b>Operating profit</b>	<b>-7.9</b>	<b>-10.1</b>	<b>-29.8</b>	<b>-26.9</b>
Income from shares in subsidiaries	120.0	-	146.5	74.5
Financial items	-3.1	-2.2	-4.4	-9.5
<b>Profit after financial items</b>	<b>109.0</b>	<b>-12.3</b>	<b>112.3</b>	<b>38.1</b>
Tax allocation reserve	21.4	-	21.4	-
Group contributions received	120.0	95.0	120.0	95.0
Tax	-	-13.1	-24.0	-13.1
<b>Net profit</b>	<b>250.4</b>	<b>69.6</b>	<b>229.7</b>	<b>120.0</b>

**PARENT COMPANY BALANCE SHEET**

	31 Dec 2014	31 Dec 2013
Financial assets	2,028.6	1,512.1
Other non-interest-bearing receivables	14.6	3.6
Cash and bank balances	23.7	122.9
<b>Total assets</b>	<b>2,066.9</b>	<b>1,638.6</b>
Equity	554.6	413.4
Untaxed reserves	8.6	30.0
Non-current interest-bearing liabilities	1,246.7	1,008.8
Non-current non-interest-bearing liabilities	1.7	1.7
Current interest-bearing liabilities	213.7	161.0
Current non-interest-bearing liabilities	41.6	23.7
<b>Total equity and liabilities</b>	<b>2,066.9</b>	<b>1,638.6</b>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**

	Share capital	Statutory reserve	Retained earnings	Total equity
Equity at 1 January 2013	65.5	159.4	148.8	373.7
Performance share plan			1.7	1.7
Net profit for the period			120.0	120.0
Dividend, SEK 2.17 per share (after split)			-82.0	-82.0
<b>Equity at 31 December 2013</b>	<b>65.5</b>	<b>159.4</b>	<b>188.5</b>	<b>413.4</b>
Performance share plan			2.9	2.9
Net profit for the period			229.7	229.7
Dividend, SEK 2.42 per share (after split)			-91.4	-91.4
<b>Equity at 31 December 2014</b>	<b>65.5</b>	<b>159.4</b>	<b>329.7</b>	<b>554.6</b>



#### KEY PERFORMANCE INDICATORS AND DATA PER SHARE,

	2010 <sup>1)</sup>	2011	2012	2013	2014
Net sales, MSEK	2 506	3 023	3 085	3 095	3 736
Operating profit, MSEK	153	318	252	278	379
Profit after financial items, MSEK	135	286	214	247	348
Earnings per share, SEK	2.50	5.51	4.20	4.83	6.90
Sales growth, %	2.8	20.6	2.1	0.3	20.7
Growth in operating profit, %	46.7	107.7	-20.8	10.3	36.5
Growth in profit after financial items, %	28.6	112.8	-25.3	15.5	40.9
Operating margin, %	6.1	10.5	8.2	9.0	10.1
Net debt/equity ratio, %	132	113	94	86	78
Equity/assets ratio, %	29	31	35	37	38
Capital employed, MSEK	1,885	2,145	2,058	2,163	2,723
Return on capital employed, %	11.0	16.2	12.2	13.3	15.6
Return on equity, %	13.1	26.6	17.8	18.7	22.1
Net debt, MSEK	955	975	874	885	1,040
Net investment in non-current assets, MSEK	83	66	92	65	110
Depreciation/amortisation of non-current assets, MSEK	84	89	85	89	95
Number of employees	1,926	2,228	2,192	2,204	2,370

<sup>1)</sup> KPIs for 2010 have not been adjusted in consequence of the change of accounting principle relating to IAS 19, 2012.