

## In the third quarter, Byggmax increased net sales by 7.5 percent

### July 1 - September 30

- Net sales amounted to SEK 1,175.2 M (1,093.1) up 7.5 percent
- Net sales for comparable stores rose 1.1 percent (declined 5.7)
- Gross margin was 31.2 percent (30.6)
- EBIT totaled SEK 170.0 M (161.5)
- EBIT margin was 14.5 percent (14.8)
- Profit after tax amounted to SEK 130.8 M (113.5)
- Earnings per share totaled SEK 2.2 (1.9)

### Significant events during the quarter

- Five (two) new stores were opened: two in Norway and three in Finland.
- The company announced an increase in the number of stores to be opened in existing markets from 155 to 180.
- A decision was taken to convert additional 33 stores to Byggmax 2.0, until December 2014.
- On July 3, 2013, the Romell Förvaltning AB property company was sold, which contained the property in Karlskoga. The divestment generated a positive earnings effect, which is not significant for the Group.

### January 1 - September 30

- Net sales amounted to SEK 2,583.2 M (2,502.5) up 3.2 percent
- Net sales for comparable stores declined 2.1 percent (declined 1.0)
- Gross margin was 30.3 percent (29.6)
- EBIT totaled SEK 212.4 M (216.4)
- EBIT margin was 8.2 percent (8.6)
- Profit after tax amounted to SEK 158.1 M (143.5)
- Earnings per share totaled SEK 2.6 (2.4)

### Significant events during the first nine months

- Eleven (eight) new stores were opened: five in Sweden, three in Norway and three in Finland.
- The first store under the new Byggmax 2.0 concept was completed during the first quarter of 2013.
- During the quarter, a number of key persons subscribed for warrants in accordance with the incentive program resolved on by the Annual General Meeting.

Earnings overview	July-September		January - September		12 months	Full year
	2013	2012	2013	2012	Oct 1, 2012 - Sep 30, 2013	2012
Net sales, SEK M	1,175.2	1,093.1	2,583.2	2,502.5	3,171.1	3,090.4
Gross margin, percent	31.2	30.6	30.3	29.6	30.7	30.2
EBIT, SEK M	170.0	161.5	212.4	216.4	248.2	252.2
EBIT margin, percent	14.5	14.8	8.2	8.6	7.8	8.2
Profit after tax, SEK M	130.8	113.5	158.1	143.5	194.3	179.8
Earnings per share, SEK	2.2	1.9	2.6	2.4	3.2	3.0
Return on equity, percent	14.8	13.8	17.0	16.7	24.6	20.4
Cash flow from operating activities per share, SEK	0.6	-0.9	5.9	5.8	3.8	3.6
Shareholders' equity per share, SEK	15.6	14.4	15.6	14.4	13.5	15.1
Numbers of stores at the end of the period	105	94	105	94	105	94
New stores opened during the period	5	2	11	8	11	8

## President's comments on results

Total sales increased nearly 8 percent year-on-year. Sales from new and existing stores contributed to growth. The strongest month of the quarter was September.

The gross margin for the quarter was higher than the year-earlier period, which was primarily attributable to an enhanced product mix. During the quarter, costs increased as a consequence of an increase in the number of stores.

### Strategic business decisions

During the quarter, Byggmax opened five new stores and a total of eleven for the year. No additional store openings are planned for this year.

Byggmax plans to open 7-13 stores in 2014. We see a total potential for 180 stores in the three countries in which we operate, which is 25 more than previously announced. We have identified potential for more stores in major cities and the potential to locate to slightly smaller areas based on the sales from our existing store network. The store potential in Sweden is 95 (+10), Norway 60 (+15) and Finland 25.

In the third quarter, Byggmax launched a trial for providing building services in Stockholm. Via the Byggmax website our customers can purchase floor-laying and painting services at fixed prices per square meter. The idea is to expand the test geographically and in terms of building services if the results are favorable. The concept has considerable potential, since we will be reaching an entirely new target group – those who want to renovate but are unable to or do not wish to do it themselves.

### Byggmax upgrades the store concept and increases the in-store product range – Byggmax 2.0

The four pilot stores in Byggmax 2.0 have been evaluated and, on average, sales from these four stores outperformed other comparable stores by a total of almost 7 percent during the quarter and by 8 percent in September. Achieving such favorable results with limited marketing activities in such a short period of time is extremely satisfying and we can see significant potential in the new format. About 60 percent of the increase was attributable to the new products, which have a margin about 8 percentage points higher than average, based on the outcome in September.

Moving forward, total investment for a store conversion is expected to be about SEK 1.6 M per store. This comprises an increase in tied-up inventory of about SEK 0.6 M per store, which is partly financed by an increase in accounts payable. In the businessmodel for Byggmax 2.0 we have approximately fifty percent variable costs and fifty percent fixed costs.

Based on this positive outcome, the Board has decided to proceed with the roll-out of Byggmax 2.0. The decision is to convert three stores in the fourth quarter of 2013, followed by an additional 30 in 2014

## Outlook

Uncertainty regarding the economic trend in Byggmax's markets remains, although the Swedish market is showing signs of greater stability. The fact that we are continuing to capture market shares in our categories demonstrates the strength of the Byggmax concept. With an extended network of stores, we are reaching increasing numbers of consumers in Sweden, Norway and Finland and as a result of considerable cost-consciousness, we remain on the side of the customer, with an attractive range at very low prices.

Magnus Agervald  
President, Byggmax Group AB (publ)

## BYGGmax in brief

### Business concept

Byggmax's business concept is to sell high-quality building supplies at the lowest price possible.

### Business model and key factors for success

Byggmax offers affordable high-quality products for the most common maintenance and DIY projects. Since the start in 1993, the organization has been characterized by the so called "Byggmax concept" which has been decisive for the company's development. The concept is built on a limited product range, a resource efficient administration, strong company culture and competitive and effective pricing strategy as well as the stores distinguished shape and design.

### Goals

Byggmax has determined it's long term goals for the Group as follows:

- organic growth to exceed 15 percent per year in net sales through expansion of the chain of stores and increased sales in comparable stores
- attain an EBIT margin in relation to net sales that exceeds 11 percent

### Strategies

Byggmax's strategy for achieving its financial goals is to expand the chain of stores in existing markets, to improve operating activities and to maintain continuous focus on business development.



## Consolidated sales and earnings

### July 1 - September 30

#### Revenues

The operation's net sales totaled SEK 1,175.2 M (1,093.1), up 7.5 percent. Operating revenue was SEK 1,176.8 M (1,095.6), up 7.4 percent. Net sales for comparable stores<sup>1</sup> rose 1.1 percent in local currency. Net sales amounted to SEK 856.1 (799.1) in Sweden and SEK 319.2 M (294.0) in the other Nordic markets.

The sales increase of 7.5 percent was divided according to the following:	
Comparable stores, local currency, percent	1.1
Non-comparable units, percent	7.3
Exchange-rate effects, percent	-0.9
Total, percent	7.5

The Group opened five (two) new stores during the quarter. Accordingly, the total number of stores in the Group at September 30, 2013 was 105 (94).

#### EBIT

EBIT amounted to SEK 170.0 M (161.5) and the EBIT margin was 14.5 percent (14.8). The gross margin amounted to 31.2 percent compared with 30.6 percent in the year-earlier period.

Personnel and other external costs increased by a total of SEK 20.8 M. The increased costs compared with the year-earlier quarter are mainly attributable to costs relating to new stores opened after the third quarter of 2012, amounting to SEK 16.3 M. Byggmax has also increased staffing at its head office, mainly due to the e-commerce and web marketing activities.

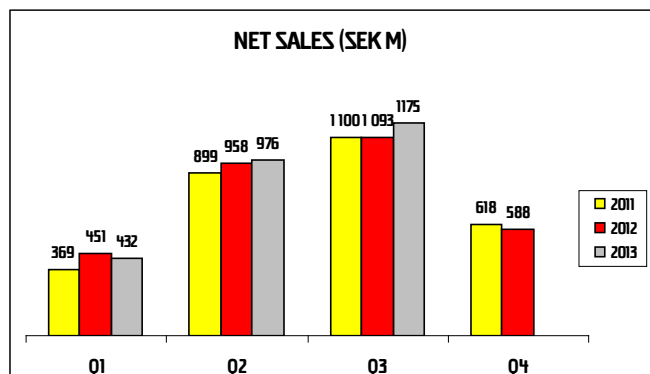
Costs for Byggmax 2.0 amounted to SEK 1.2 M during the third quarter. Cost are attributable to both conversions of stores and general project costs. Byggmax now has 15 2.0 stores, four converted stores and eleven new stores opened in 2013.

#### Profit before tax

Profit before tax amounted to SEK 171.5 M (157.2). Net financial items amounted to an profit of SEK 1.5 M (loss:4.3). Net financial items were impacted by exchange-rate differences.

#### Taxes

The tax expense for the third quarter of 2013 was SEK 40.7 M (43.7).



## Consolidated sales and earnings

### January 1 - September 30

#### Revenues

The operation's net sales totaled SEK 2,583.2 M (2,502.5), rose 3.2 percent. Operating revenue was SEK 2,588.1 M (2,507.8), up 3.2 percent. Net sales for comparable stores<sup>1</sup> declined 2.1 percent in local currency. Net sales amounted to SEK 1,905.6 (1,841.4) in Sweden and SEK 677.6 M (661.0) in the other Nordic markets.

The sales increase of 3.2 percent was divided according to the following:	
Comparable stores, local currency, percent	-2.1
Non-comparable units, percent	6.3
Exchange-rate effects, percent	-1.0
Total, percent	3.2

The Group opened eleven (eight) new stores during the first three quarters. Accordingly, the total number of stores in the Group at September 30, 2013 was 105 (94).

#### EBIT

EBIT amounted to SEK 212.4 M (216.4) and the EBIT margin was 8.2 percent (8.6). The gross margin amounted to 30.3 percent compared with 29.6 percent in the year-earlier period.

Personnel and other external costs increased by a total of SEK 40.1 M. The increased costs compared with the year-earlier period are mainly attributable to costs relating to new stores opened after the first nine months of 2012, amounting to SEK 36.3 M. Byggmax has also increased staffing at its head office, mainly due to the e-commerce and web marketing activities.

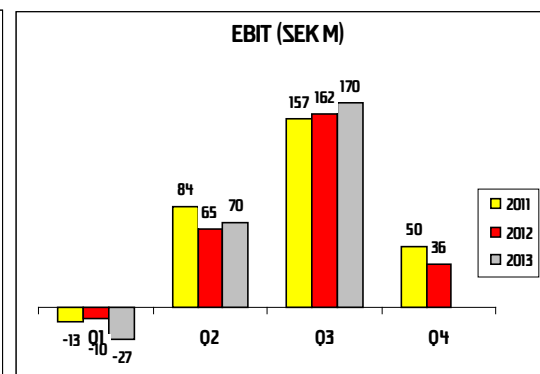
Costs for Byggmax 2.0 amounted to SEK 4.2 M during the first nine months of the year. Cost are attributable to both conversions of stores and general project costs.

#### Profit before tax

Profit before tax amounted to SEK 207.4 M (199.4). Net financial items amounted to an expense of SEK 5.1 M (expense: 17.0). Net financial items were impacted by exchange-rate differences.

#### Taxes

The tax expense for the third quarter of 2013 was SEK 49.3 M (55.9).



<sup>1</sup>A store is classified as comparable as of the second year-end after the store was opened. Stores that are relocated to new premises in existing locations are handled in the same manner.

### Cash flow and financial position

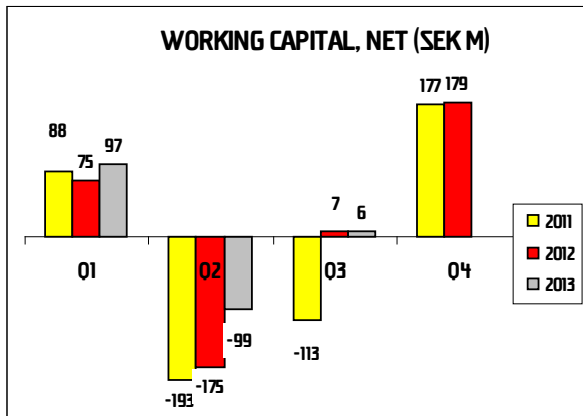
Cash flow from operating activities for the period July to September amounted to SEK 38.1 M (neg: 57.0), up SEK 95.1 M year-on-year. At the end of the period, inventory amounted to SEK 552.2 M (491.1). Compared with the end of the year-earlier period, 11 new stores were added and associated inventory amounted to SEK 50.8 M. Distribution inventory was SEK 1.0 million higher than in the year-earlier period.

At September 30, 2013, consolidated shareholders' equity amounted to SEK 945.4 M (876.5). The net debt of the Group was SEK 295.2 M (301.3), down SEK 6.1 M year-on-year. The equity/assets ratio amounted to 48.1 percent (46.2). Unutilized credit facilities totaled SEK 256.7 M (246.0).

Investments (excluding financial leasing) during the third quarter amounted to SEK 15.6 M (14.9), of which SEK 10.1 M (1.6) comprised investments in new stores, SEK 2.2 M (2.0) related to IT equipment.

Investments (excluding financial leasing) during the first nine months amounted to SEK 79.8 M (56.6), of which SEK 45.0 M (22.1) comprised investments in new stores, SEK 9.3 M (10.2) related to IT equipment and SEK 4.4 M investments in Byggmax 2.0.

Swedish Customs decided to levy an additional charge on Byggmax with respect to customs and anti-dumping duties for 2010. During the spring of 2013, Swedish customs reviewed the decision on additional charges for customs and anti-dumping tolls and reduced the overall amount by SEK 3.2 M. Following the review, the total amount is SEK 29.3 M. Byggmax has appealed parts of this decision. Byggmax has agreed future compensation in a corresponding amount with the supplier that sold the products in question to Byggmax. Byggmax paid a total of SEK 23.2 M in customs and anti-dumping duties and exposure to the supplier amounts to a total of SEK 21.8 M at September 30, 2013.



### Acquisitions and establishments

During the period January to September 2013, Arvika, Härnösand, Karlskoga, Sandviken and Torslanda in Sweden, Askøy, Haugenstua and Larvik in Norway and Esbo, Kangasala and Seinäjoki in Finland.

The following stores have been announced and will open in 2014; Värmdö in Sweden, and Pirkalla (Tammerfors) in Finland.

On July 3, 2013, the Romell Förvaltning AB property company was sold, which contained the property in Karlskoga. The divestment generated a positive earnings effect, which is not significant for the Group.

### The Byggmax workforce

The number of employees (converted to full-time equivalents) rose to 1,000 (984) at the end of the period.

### Risks and uncertainties

A number of factors can impact Byggmax's earnings and operations. Most of these factors can be managed through internal procedures, while certain factors are largely governed by external circumstances. For a more detailed description of the Group's risks and risk management, refer to the Annual Report for 2012. Apart from the risks described in the Annual Report, no material risks arose during the period.

### Seasonal fluctuations

The company's operations are affected by strong seasonal variations controlled by consumer demand for basic building supplies. Due to the weather's impact on demand, Byggmax's sales and cash flow are generally higher in the second and third quarters, when about two thirds of the company's sales are generated, while these usually decline in the fourth and first quarters. Although seasonal variations do not normally affect Byggmax's earnings and cash flow from year to year, earnings and cash flow may be impacted during the year by unusually harsh or mild weather conditions, or by excessive or insufficient precipitation. Byggmax endeavors to balance the seasonal effects by launching new products that are not as susceptible to seasonal variations.

### Parent Company

The Parent Company comprises a holding company. The Parent Company's sales during the third quarter amounted to SEK 0.1 M (0.1) and SEK 0.2 million (0.2) for the first nine months of the year. Income after net financial items was negative in an amount of SEK 3.1 M (neg: 3.3) for the third quarter and negative SEK 11.5 M (neg: 11.1) for the first nine months the year.

### Events after the close of the reporting period

No significant events have occurred since the end of the reporting period.



## Ownership structure

Ownership	Number of shares	Holding (%)
ALTOR 2003 Sarl	21,720,908	35.76
Lannebo fonder	4,254,945	7.01
Norges Bank Investment Management	3,075,312	5.06
Öresund, Investment AB	2,441,261	4.02
Schroder Investment Management North America, Inc.	2,400,000	3.95
Jarton Management (Göran Peterson)	2,381,296	3.92
Zamgate Investments (Stig Notlöv)	1,804,613	2.97
Ulslane Holdings (Lars Lindberg)	1,715,000	2.82
Nordea Investments Funds	1,320,815	2.17
Swedbank Robur fonder	1,308,745	2.15
<b>Total of the ten major shareholders</b>	<b>42,422,895</b>	<b>69.85</b>
Total other shareholders	18,314,150	30.15
Total at June 30, 2013	60,737,045	100.00

### Value drivers

Byggmax's ability to create value through its business is impacted in the long and short term by various external and internal factors. These are listed below.

#### Value drivers – short-term factors

- *Trends in cost prices* – cost prices impact Byggmax's margins. Historically, the market has passed on adjustments in cost prices to the end consumer.
- *Competitors' pricing* – Byggmax prices products based on the prices of the competition with the objective of always being the cheapest. Therefore, the pricing of competitors affects margins.
- *Short-term trends in the DIY market* – Byggmax operates in the DIY market and, accordingly, its trends impact the company.
- *Weather* – Byggmax sells many items for outdoor use and, accordingly, sales are impacted by the weather. Seasonal variations are clearly visible and the company has significantly higher turnover in spring, summer and early autumn.
- *Availability of attractive store locations* – The establishment of new stores is a key element of Byggmax's strategy in both the long and the short-term, thus making attractive store locations of key importance.

#### Value drivers – long-term factors

- *The ability to maintain the strong corporate culture* – The Byggmax culture plays a key role in the company's success and its retention is a key factor for continued success.
- *The ability to execute the Group's strategy and business concept* – Maintaining stringency levels in the product range and pricing as well as continuing to trim the organization through

continuous improvements comprise a few of the key elements for success.

- *The ability to renew the concept and strategies when needed* – The Byggmax concept has remained much the same since it was founded in 1993. However, the concept has developed over time and new ideas have been tested and incorporated or discarded.
- *Long-term development of the DIY market* – Byggmax operates in the DIY market and its long-term trend is important.
- *Trends in the attractiveness of the low-price segment in the DIY market* – Byggmax's strategy is to become the largest operator in the low-price segment in the Nordic region. Long-term trends are therefore important.
- *The competition's strategies and their execution* – Byggmax operates in a competitive market and the actions of the competition affect the Group.

### Accounting policies

Byggmax Group AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting policies were applied for the Parent Company as for the Group, except in the cases stated under Parent Company accounting policies in Note 2.16 of the Annual Report for 2012.

For a more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report, refer to Notes 1-4 of the Annual Report for the 2012 fiscal year.

All of the figures listed above and below in parentheses refer to the corresponding period or date in the preceding year.

Stockholm, October 22, 2013

Magnus Agervald  
President of Byggmax Group AB (publ)

### Financial calendar

Year-end report 2013      January 24, 2014

Annual General Meeting  
The 2013 Annual General Meeting will be held on May 8, 2014 in Stockholm.

## Report of Review of Interim Financial Information

### Introduction

We have reviewed this report for the period 1 January - 30 September 2013 for Byggmax Group AB (publ). The Board of directors and the CEO are responsible for the preparation and presentation of this interim report 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 Swedish Standard on Review Engagements SÖG 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, October 22, 2013

Öhrling PricewaterhouseCoopers

Anna-Carin Bjelkeby

Authorised Public Accountant

## Consolidated summary of comprehensive income

Amount in SEK M		Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	12 months	Jan - Dec
	Note	2013	2012	2013	2012	Oct 2012 - Sep 2013	2012
<b>Operating income</b>							
Net Sales	1	1,175.2	1,093.1	2,583.2	2,502.5	3,171.1	3,090.4
Other operating income		1.5	2.5	4.9	5.3	6.8	7.2
<b>Total operating income</b>		<b>1,176.8</b>	<b>1,095.6</b>	<b>2,588.1</b>	<b>2,507.8</b>	<b>3,177.9</b>	<b>3,097.6</b>
<b>Operating expenses</b>							
Goods for sale		-808.8	-758.6	-1,800.8	-1,761.2	-2,198.2	-2,158.6
Other external costs and operating expenses		-97.3	-87.2	-302.4	-287.2	-376.1	-360.9
Personnel costs		-85.2	-74.4	-229.0	-204.2	-297.4	-272.6
Depreciation, amortization of tangible and intangible fixed assets		-15.5	-13.8	-43.4	-38.8	-57.9	-53.4
<b>Total operating expenses</b>		<b>-1,006.8</b>	<b>-934.1</b>	<b>-2,375.6</b>	<b>-2,291.3</b>	<b>-2,929.7</b>	<b>-2,845.4</b>
<b>EBIT</b>		<b>170.0</b>	<b>161.5</b>	<b>212.4</b>	<b>216.4</b>	<b>248.2</b>	<b>252.2</b>
Profit/Loss from financial items		1.5	-4.3	-5.1	-17.0	-8.7	-20.7
<b>Profit before tax</b>		<b>171.5</b>	<b>157.2</b>	<b>207.4</b>	<b>199.4</b>	<b>239.5</b>	<b>231.5</b>
Income tax		-40.7	-43.7	-49.3	-55.9	-45.1	-51.7
<b>Profit/loss for the period</b>		<b>130.8</b>	<b>113.5</b>	<b>158.1</b>	<b>143.5</b>	<b>194.3</b>	<b>179.8</b>
<b>Other comprehensive income for the period</b>							
Items that will not be reversed in profit or loss		0.0	0.0	0.0	0.0	0.0	0.0
Items that can later be reversed in profit or loss		0.0	0.0	0.0	0.0	0.0	0.0
Translation differences		-3.7	-1.3	-5.4	-2.1	-3.9	-0.7
<b>Other comprehensive income for the period</b>		<b>-3.7</b>	<b>-1.3</b>	<b>-5.4</b>	<b>-2.1</b>	<b>-3.9</b>	<b>-0.7</b>
<b>Total comprehensive income for the period</b>		<b>127.1</b>	<b>112.2</b>	<b>152.7</b>	<b>141.4</b>	<b>190.4</b>	<b>179.1</b>
Earnings per share before dilution, SEK		2.2	1.9	2.6	2.4	3.2	3.0
Earnings per share after dilution, SEK		2.1	1.9	2.6	2.3	3.2	2.9
Average number of shares, (thousands)		60,737	60,737	60,737	60,737	60,737	60,737
Number of shares at the end of the period, (thousands)		60,737	60,737	60,737	60,737	60,737	60,737

**Consolidated summary of statement of financial position**

Amounts in SEK M	Note	Sep 2013	Sep 2012	Dec 2012
<b>ASSETS</b>				
Fixed assets				
Intangible fixed assets		1,081.4	1,077.7	1,078.9
Tangible fixed assets		193.3	153.1	174.8
Financial fixed assets		23.5	5.5	12.8
<b>Total fixed assets</b>		<b>1,298.2</b>	<b>1,236.3</b>	<b>1,266.5</b>
<b>Current assets</b>				
Inventories		552.2	491.1	465.8
Derivatives		2.2	0.0	0.5
Current receivables		72.2	99.3	86.8
Cash and cash equivalents		41.1	69.5	33.9
<b>Total current assets</b>		<b>667.6</b>	<b>659.9</b>	<b>587.0</b>
<b>TOTAL ASSETS</b>		<b>1,965.9</b>	<b>1,896.2</b>	<b>1,853.5</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		945.4	876.5	914.2
<b>LIABILITIES</b>				
Borrowing from credit institutions		7.4	21.1	17.2
Deferred tax liabilities		65.3	64.8	65.2
Long-term liabilities		72.8	85.9	82.4
Borrowing from credit institutions		328.8	349.7	483.5
Accounts payable		492.3	454.4	278.7
Current tax liabilities		9.0	17.9	3.8
Derivatives		0.0	0.8	0.0
Other liabilities		42.3	43.8	20.7
Accrued expenses and prepaid income		75.2	67.3	70.3
<b>Current liabilities</b>		<b>947.6</b>	<b>933.8</b>	<b>856.9</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,965.9</b>	<b>1,896.2</b>	<b>1,853.5</b>
Pledged assets - Shares in subsidiaries		1,184.6	995.2	1,022.9
Pledged assets - Chattel mortgages		120.0	120.0	120.0
Pledged assets - Blocked funds		8.4	12.3	10.3
Contingent liabilities		None	Inga	None

**Consolidated statement of changes in shareholders' equity**

Amounts in SEK M	Note	Sep 2013	Sep 2012	Dec 2012
Opening balance at the beginning of the period		914.2	844.4	844.4
<b>COMPREHENSIVE INCOME</b>				
Translation differences		-5.4	-2.1	-0.7
Profit for the period		158.1	143.5	179.8
<b>Total comprehensive income</b>		<b>152.7</b>	<b>141.4</b>	<b>179.1</b>
<b>TRANSACTIONS WITH SHAREHOLDERS</b>				
Dividend to shareholders		-121.5	-109.3	-109.3
New share issue/share premium reserve		0.0	0.0	0.0
<b>Total transactions with shareholders</b>		<b>-121.5</b>	<b>-109.3</b>	<b>-109.3</b>
<b>Shareholders' equity at the end of the period</b>		<b>945.4</b>	<b>876.5</b>	<b>914.2</b>



## Consolidated cash flow statement

Amounts in SEK M	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	12 months	Jan - Dec
	2013	2012	2013	2012	Oct, 2012 - Sep 2013	2012
Cash flow from operating activities						
EBIT	170.0	161.5	212.4	216.4	248.2	252.2
Non-cash items						
- Depreciation/amortization of tangible and intangible fixed assets	15.5	13.8	43.4	38.4	55.9	50.9
- Other non-cash items	-1.7	-1.0	-1.5	-0.7	1.6	2.4
Interest received	5.3	2.7	8.7	7.0	10.9	9.2
Interest paid	-5.8	-7.9	-15.8	-22.6	-22.9	-29.8
Tax paid	-31.0	-25.7	-43.1	-42.7	-49.8	-49.4
Cash flow from operating activities before changes in working capital	152.3	143.4	204.1	195.8	243.8	235.5
Changes in working capital						
Increase/decrease in inventories and work in process	19.1	35.2	-87.3	-67.9	-60.3	-41.0
Increase/decrease in other current receivables	22.3	8.5	3.0	1.6	3.6	2.2
Increase/decrease in other current liabilities	-155.6	-244.1	240.2	223.4	40.6	23.8
Cash flow from operating activities	38.1	-57.0	360.0	352.8	227.8	220.5
Cash flow from investing activities						
Investment in intangible fixed assets	-2.3	-2.1	-9.8	-10.9	-13.2	-14.3
Investment in tangible fixed assets	-13.2	-12.8	-69.9	-45.7	-74.9	-50.6
Divestment of tangible fixed assets	0.0	0.0	0.0	-0.1	0.0	-0.1
Investment in other financial fixed assets	0.1	0.1	1.8	0.0	3.9	2.0
Investment in subsidiaries	0.0	0.0	0.0	0.0	-22.3	-22.3
Proceeds from sale of subsidiaries	10.7	0.0	10.7	0.0	10.7	0.0
Cash flow from investing activities	-4.8	-14.9	-67.3	-56.7	-95.9	-85.3
Cash flow from financing activities						
Change in overdraft facilities	-69.0	254.8	-146.7	50.2	-10.7	186.2
Dividend to shareholders	0.0	0.0	-121.5	-109.3	-121.5	-109.3
Amortization of loans	-4.3	-176.1	-15.5	-190.3	-24.2	-199.0
Cash flow from financing activities	73.3	-78.7	-283.6	-249.4	-156.4	-122.2
Cash flow for the period	-40.0	6.9	9.1	46.7	-24.5	13.1
Cash and cash equivalents at the beginning of the period <sup>1</sup>	72.7	50.3	23.6	10.5	57.2	10.5
Cash and cash equivalents at the end of the period <sup>1</sup>	32.7	57.2	32.7	57.2	32.7	23.6

<sup>1</sup> Note that cash and cash equivalents in the cash flow are adjusted for restricted bank funds

**Parent Company income statement**

Amounts in SEK M	Note	Jul - Sep 2013	Jul - Sep 2012	Jan - Sep 2013	Jan - Sep 2012	12 months Oct 2012 - Sep 2013	Jan - Dec 2012
Operating income							
Operating income		0.1	0.1	0.2	0.2	0.3	0.3
Total operating income		0.1	0.1	0.2	0.2	0.3	0.3
Operating expenses							
Other external expenses		-0.8	-1.3	-2.8	-3.2	-3.9	-4.2
Personnel costs		-0.1	-0.1	-0.3	-0.3	-0.4	-0.4
Total operating expenses		-0.9	-1.4	-3.1	-3.5	-4.3	-4.6
EBIT		-0.8	-1.4	-2.9	-3.3	-4.0	-4.3
Profit from financial items		-2.2	-2.0	-8.6	-7.8	5.4	6.2
Profit/loss before tax		-3.1	-3.3	-11.5	-11.1	1.4	1.9
Tax on profit/loss		0.7	0.9	2.5	2.9	-0.4	0.0
Profit for the period		-2.4	-2.5	-9.0	-8.2	1.1	1.9

The profit for the period corresponds with the comprehensive income for the period. The comprehensive income for the period corresponds with the profit for the period.

**Parent Company balance sheet**

Amounts in SEK M	Note	Sep 2013	Sep 2012	Dec 2012
<b>ASSETS</b>				
Fixed assets				
Financial fixed assets		712.1	712.1	712.1
Total fixed assets		712.1	712.1	712.1
Current assets		4.5	5.4	18.7
Total current assets		4.5	5.4	18.7
<b>TOTAL ASSETS</b>		<b>716.6</b>	<b>717.5</b>	<b>730.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		118.9	239.3	249.3
Current liabilities		597.6	478.2	481.4
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>716.6</b>	<b>717.5</b>	<b>730.8</b>
Pledge assets		358.0	320.1	358.0
Contingent liabilities		None	None	None

## Notes to the interim report

### Note 1 Segments

Amounts in SEK M	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	12 months	Jan - Dec
	2013	2012	2013	2012	Oct 2012 - Sep 2013	2012
Nordic region	1,175.2	1,093.1	2,583.2	2,502.5	3,171.1	3,090.4

The Group has only one identified operating segment, which is the Nordic segment.

### Note 2 Disclosures about transactions with related parties

Related parties to Byggmax comprise Senzum AB and Dustin Financial Services AB. Transactions carried out during the period did not amount to any significant amounts. The transactions were conducted on market-based terms.

The 2013 Annual General Meeting resolved to introduce a warrants program for about 27 senior executives and other key persons at Byggmax. The duration for the warrants will be 4.5 years and redemption is possible during the final six months. A total of 600,000 warrants have been subscribed for, nearly 1 percent in dilution. The price of the warrants corresponded to the market value (SEK 2.24 per warrant) and the valuation was conducted by an independent party. Each warrant will provide entitlement to subscribe for one share in the company at a rate of SEK 42.80. Participants in the warrants program have signed a post-sale purchase rights agreement.

### Note 3 Income per quarter

	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
	2011	2011	2011	2011	2012	2012	2012	2012	2013	2013	2013
Net Sales, SEK M	369.5	899.3	1,100.0	618.3	451.4	958.0	1,093.1	587.9	431.9	976.0	1,175.2
Gross margin, percent	29.1	29.1	30.4	31.6	29.3	28.7	30.6	32.4	29.9	29.4	31.2
EBIT, SEK M	-13.1	83.7	156.6	50.3	-9.6	64.6	161.5	35.8	-27.4	69.9	170.0
EBIT margin, percent	-3.5	9.3	14.2	8.1	-2.1	6.7	14.8	6.1	-6.4	7.2	14.5
Working capital, SEK M	87.7	-192.7	-112.5	177.4	74.5	-175.5	7.0	179.2	96.5	-98.5	5.6
Return on equity, percent	-2.0	7.3	14.8	4.0	-1.6	5.4	13.8	4.0	-2.6	5.9	14.8
Cash flow from operating activities per share, SEK	-1.0	5.6	0.6	-3.6	1.7	5.0	-0.9	-2.2	0.9	4.4	0.6
Shareholders' equity per share <sup>3</sup> , SEK	12.1	11.5	13.4	13.9	13.7	12.6	14.4	15.1	14.6	13.5	15.6
Number of stores	76	81	86	86	88	92	94	94	95	100	105

### Note 4 Fair value disclosures pertaining to financial instruments

The fair value of financial liabilities and assets is estimated as equal to their carrying amounts. All external loans have an interest period of three months, meaning that the carrying amount closely corresponds to fair value.

### Note 5 Financial instruments

Byggmax only holds derivative instruments measured at fair value in its financial statements. These instruments are measured at fair value in profit or loss. The value of the derivative instruments is based on observable data for the asset or liability, i.e. level 2. No reclassifications between the various levels took place during the fiscal year.

The information contained in this interim report is disclosed by Byggmax in compliance with the Swedish Securities Market Act (2007:528). The information was released for publication at 8.00 (CET) on October 23, 2013

## Definition of key ratios and figures

<b>Ratios</b>	<b>Definition</b>
Cash flow from operating activities per share:	Cash flow from operations in relation to the number of shares outstanding at the balance-sheet date
Earnings per share:	Profit after tax in relation to the number of shares outstanding at the end of the accounting period
EBIT margin:	EBIT/net sales
Equity/assets ratio:	Shareholders' equity/total assets
Return on equity	Earnings after tax divided by average equity
Shareholders' equity per share:	Shareholders' equity divided by the number of shares on the balance-sheet date
Working capital:	Working capital assets (inventories, current receivables) less working capital liabilities (accounts payable, current tax liabilities, other liabilities, accrued expenses and prepaid income)

## Definition of market specific ratios and figures

<b>Ratios</b>	<b>Definition</b>
Comparable stores:	A store is classified as comparable as of the second year-end after the store was opened. Stores that are relocated to new premises in existing locations are handled in the same manner.
Gross margin:	(Net sales less goods for sale) in relation to net sales

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