First nine months of 2013: Underlying margins maintained on lower sales y-o-y

- **Sales for first nine months MSEK 1,477 (1,698), down 11% year-on-year in constant currency, after adjusting for the acquisition of LICOS Trucktec GmbH ("Licos")**
- **EBIT and EBIT margins for first nine months MSEK 209 (249) and 14.1% (14.7) respectively** [1)]
- **Earnings after tax for first nine months MSEK 130 (155) – EPS before & after dilution: SEK 2.95 (3.52)** [1)]
- **Net cash outflow for first nine months MSEK 152 (inflow 31), including the dividend payout of MSEK 110 (88) and the acquisition of Licos of MSEK 105**
- **Group's net debt and gearing ratio for Q3 MSEK 590 (471) and 96% (71) respectively – restated for IAS 19 unrecognised pension liabilities and associated deferred tax asset** [1)]

Key Figures – Group, 1)	**Jul-Sep**			**Jan-Sep**			**Oct-Sep**	**Jan-Dec**
Amounts in MSEK	**2013**	**2012**	**Change**	**2013**	**2012**	**Change**	**2012/13**	**2012**
Net sales	526	492	7%	1,477	1,698	-13%	1,908	2,129
Operating income before items affecting comparability	76	64	20%	209	239	-13%	266	297
Operating income	76	74	4%	209	249	-16%	241	281
Earnings before tax	67	67	0%	185	222	-17%	206	243
Net income for the period	49	49	-1%	130	155	-16%	146	171
Operating margin before items affecting comparability, %	14.5	13.0	1.5	14.1	14.1	0.0	14.0	13.9
Operating margin, %	14.5	14.9	-0.4	14.1	14.7	-0.6	12.6	13.2
Return on Equity, % 2)	23.5	n/a	n/a	23.5	n/a	n/a	23.5	26.5
EPS before items affecting comparability, SEK	1.10	0.95	0.15	2.95	3.37	-0.42	3.57	4.13
EPS before and after dilution, SEK	1.10	1.10	0.00	2.95	3.52	-0.57	3.32	3.88

Third quarter of 2013: Sales and operating income increases y-o-y

- **Sales for Q3 MSEK 526 (492), up 3% year-on-year in constant currency, after adjusting for the acquisition of Licos**
- **EBIT and EBIT margins for Q3 MSEK 76 (74) and 14.5% (14.9) respectively** [1)]
- **Earnings after tax for Q3 MSEK 49 (49) – EPS before & after dilution SEK 1.10 (1.10)** [1)]
- **Cash flow for Q3 from operating activities of MSEK 55 (61)**

1) *The 2012 comparative figures for EBIT, Earnings before tax and Net income for the period have all been adjusted for the amendments to IAS 19, Employee benefits (see Appendix 1 for restated income statements). In addition, the 2012 comparative figures for net debt and equity have also been adjusted for the amendments to IAS 19, Employee benefits (see Appendix 3 for restated balance sheets).*

2) *As Return on equity is calculated on a rolling 12 months basis and 2011 has not been restated, no comparable figure has been provided.*

President and CEO, David Woolley, comments on interim report for Q3 2013:

"Concentric delivered a solid performance with sales for the third quarter ahead year-on-year for the first time during 2013, up 3% on the same quarter as last year after adjusting for the acquisition of Licos (6%) and the impact of currency (-2%).

However, looking at the sequential development during 2013, there now seems to be a clear polarisation between our two main geographical markets. Europe has continued to show steady signs of improvement with this being the third consequtive quarter of sequential growth. On the other hand, weakening US demand, primarily in the medium/heavy trucks and heavy construction and mining equipment, has resulted in a sequential sales drop of 6% and a year-on-year sales drop of 10% for the third quarter. Whilst our sales experience appears contrary to the latest market indices, we are confident that we have maintained our relative competitive position in all our North American end-markets.

We continue to flex our operations in response to the prevailing uncertain market conditions, underpinned by the Concentric Business Excellence programme. As a result, I am pleased to say that our EBIT margin for the third quarter was maintained at 14.5%.

Looking forward, the orders received this quarter were slightly below sales, even after making seasonal adjustments for the fewer working days planned in the fourth quarter. This reversal of the recent order trend seems to be driven by a weakening of confidence within our hydraulic customer mix for North America, most noticeably at Caterpillar.

We have made good progress in the quarter on the ongoing projects to consolidate our European hydraulics business and integrate the Licos acquisition into the wider Concentric group and, as such, we remain optimistic about the future long-term benefits that will be derived from these initiatives.

We continue to strive to outperform the market through our leading technology addressed at the key market drivers, such as tougher emissions legislation and increased demand for fuel efficient solutions."

Key business events announced during 2013:

29-Jan-13 Martin Bradford was promoted to Senior Vice President of Americas at Concentric, with responsibility for the group's operations at the Rockford and Itasca facilities in Illinois, USA.

21-Feb-13 Concentric's Birmingham factory awarded certification to Investors in Excellence (IiE) standard, designed to enable organisations to excel through effective and efficient leadership, resourcing and delivery. The award forms part of Concentric's Business Excellence programme to deliver continuous improvement.

17-Apr-13 Variable flow oil and water pumps developed by Concentric have made a significant contribution to the US-funded "Supertruck" program to develop a new generation of fuel-efficient heavy-duty trucks.

28-Jun-13 Concentric announces the completion of the acquisition of LICOS Trucktec GmbH, a leading producer of water pumps and electromagnetic fan clutches for the truck industry, which broadens Concentric's product portfolio in a growing niche, the semi-variable water pump, and presents an opportunity to leverage Concentric's position in the USA for Licos electromagnetic fan clutches.

15-Jul-13 Concentric has opened a new plant in Hof, Bavaria, consolidating all its European hydraulics manufacturing operations into a single site. The inauguration of the new 9,000 m² Hof facility is the culmination of the restructuring programme previously announced in October last year to create one centre of excellence for Concentric's hydraulics technology and manufacturing in Europe. It involves the closure of the existing older plants in Hof and Skånes Fagerhult, Sweden and the gradual transfer of all production lines into the new facility during 2013.

6-Sep-13 Dermot Sterne was appointed as Senior Vice President of Europe and Rest of World at Concentric, with responsibility for the group's operations in the UK, Sweden, Germany, China and India, as well as the sales operations in France, Italy and Korea.

17-Oct-13 Concentric to supply oil and coolant pumps for JCB's new 7.2 litre Dieselmax 672, the largest engine in the company's range which will be used in high-horsepower JCB excavators.

Net sales and operating income - Group

Concentric – Group, 1)	**Jul-Sep**			**Jan-Sep**			**Oct-Sep**	**Jan-Dec**
Amounts in MSEK	**2013**	**2012**	**Change**	**2013**	**2012**	**Change**	**2012/13**	**2012**
Net sales	526	492	7%	1,477	1,698	-13%	1,908	2,129
Operating income before items affecting comparability	76	64	20%	209	239	-13%	266	297
Operating income	76	74	4%	209	249	-16%	241	281
Earnings before tax	67	67	0%	185	222	-17%	206	243
Net income for the period	49	49	-1%	130	155	-16%	146	171
Operating margin before items affecting comparability, %	14.5	13.0	1.5	14.1	14.1	0.0	14.0	13.9
Operating margin, %	14.5	14.9	-0.4	14.1	14.7	-0.6	12.6	13.2
ROCE before items affecting comparability, % 2)	23.6	n/a	n/a	23.6	n/a	n/a	23.6	26.7
ROCE, % 2)	22.2	n/a	n/a	22.2	n/a	n/a	22.2	25.3

1) *The 2012 comparative figures for EBIT, Earnings before tax, Net income for the period and EPS have been adjusted for the amendments to IAS 19, Employee benefits (see Appendix 1 for restated income statements).*

2) *As Return on capital employed is calculated on a rolling 12 months basis and 2011 has not been restated no comparable figures have been provided.*

Sales for the first nine months were MSEK 1,477 (1,698), down 13% year-on-year in absolute terms, driven primarily by the lower demand experienced across most end-markets and regions during the first nine months. Adjusting for the acquisition of Licos (+2%) and the impact of currency (-4%), the underlying year-on-year drop in sales for the first nine months was 11%. As a result, the Group's average sales per working day in the first nine months fell year-on-year to MSEK 7.9 (9.0).

Operating income for the first nine months amounted to MSEK 209 (249). The comparative period in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby removing the amortisation of previously unrecognised actuarial losses and increasing the reported operating income by MSEK 22. Adjusting for one-off pension curtailment gains recognised during the third quarter of last year, the underlying operating margin was maintained at 14.1% (14.1), despite the lower sales. The underlying reduction in operating income for the first nine months of 2013 equated to a drop through rate of 14%.

After two consecutive quarters of sequential growth in the first half of the year, sales for the third quarter were down 2% on the second quarter of 2013 in constant currency, after adjusting for the acquisition of Licos. This decline was primarily driven by the continued weakening of demand for hydraulics products in our North American operations.

Sales for the third quarter were MSEK 526 (492), up 7% year-on-year in absolute terms. Adjusting for the acquisition of Licos (+6) and the impact of currency (-2%), the underlying year-on-year increase in sales for the quarter was 3%. As a result, the Group's average sales per working day in the third quarter rose year-on-year to MSEK 8.4 (7.9).Operating income for the third quarter amounted to MSEK 76 (74).

The comparative quarter in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby removing the amortisation of previously unrecognised actuarial losses and increasing the reported operating income by MSEK 8. Adjusting for one-off pension curtailment gains recognised during the third quarter of last year, the underlying operating margin actually increased to 14.5% (13.0).

Net financial items

Net financial expenses incurred for the first nine months amounted to MSEK 24 (27), comprising interest on loans and commission relating to commitments of unutilized credit facilities and other interest payable of MSEK 7 (10) and net financial expenses in respect of net pension liabilities of MSEK 17 (17). The comparative period in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby lowering the expected reurn on plan assets and increasing the reported net financial expenses in respect of net pension liabilities by MSEK 5.

Accordingly, consolidated income before taxation amounted to MSEK 185 (222) for the first nine months.

Net financial expenses incurred for the third quarter amounted to MSEK 9 (7), comprising interest on loans and commission relating to commitments of unutilized credit facilities and other interest payable of MSEK 3 (3) and net financial expenses in respect of net pension liabilities of MSEK 6 (4). The comparative quarter in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby lowering the expected reurn on plan assets and increasing the reported net financial expenses in respect of net pension liabilities by MSEK 2.

Accordingly, consolidated income before taxation amounted to MSEK 67 (67) for the third quarter.

Taxes

Tax expenses for the first nine months amounted to MSEK 55 (67), which is an effective annual tax rate of 30% (30%). The comparative period in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby increasing the reported net tax expenses by MSEK 5.

Tax expenses for the third quarter amounted to MSEK 18 (18), which is an effective annual tax rate of 27% (27%). The comparative quarter in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby increasing the reported net tax expenses by MSEK 2.

Any movement in the group’s effective rate largely reflects the change in mix of taxable earnings across the various tax jurisdictions in which the group operates.

Net income and Earnings per share

Earnings after taxation for the first nine months amounted to MSEK 130 (155). Earnings per share before and after dilution amounted to SEK 2.95 (3.52). The comparative period in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby increasing the reported net income by MSEK 12.

Earnings after taxation for the third quarter amounted to MSEK 49 (49). Earnings per share before and after dilution amounted to SEK 1.10 (1.10). The comparative period in 2012 has been restated for the amendments to IAS 19, Employee benefits, thereby increasing the reported net income by MSEK 4.

Segment reporting

The Americas segment comprises the Group's operations in the USA. As our operations in India and China remain relatively small in comparison to our Western facilities, Europe & RoW continues to be reported as a single combined segment, in line with our management structure, comprising the Group's operations in Europe, India and China.

The evaluation of an operating segment's earnings is based on operating income or EBIT. Assets and liabilities not allocated to segments are financial assets and liabilities.

Net sales and operating income - Americas

Americas, 1)	**Jul-Sep**			**Jan-Sep**			**Oct-Sep**	**Jan-Dec**
Amounts in MSEK	**2013**	**2012**	**Change**	**2013**	**2012**	**Change**	**2012/13**	**2012**
Net sales - external	251	287	-13%	743	973	-24%	982	1,212
Net sales - total	253	289	-12%	751	980	-23%	992	1,221
Operating income before items affecting comparability	35	34	3%	99	122	-19%	130	153
Operating income	35	35	1%	99	123	-20%	130	154
Operating margin before items affecting comparability, % 2)	13.9	11.8	2.1	13.1	12.4	0.7	13.1	12.5
Operating margin, % 2)	13.9	12.1	1.9	13.1	12.5	0.6	13.1	12.6
ROCE before items affecting comparability, % 3)	38.0	n/a	n/a	38.0	n/a	n/a	38.0	40.3
ROCE, % 3)	38.3	n/a	n/a	38.3	n/a	n/a	38.3	40.5

1) *The 2012 comparative figures for EBIT have been adjusted for the amendments to IAS 19, Employee benefits. For the third quarter of 2012 this adjustment amounted to an increase in operating income of MSEK 1 and YTD of MSEK 4.*

2) *Operating margins are based on total sales.*

3) *As Return on capital employed is calculated on a rolling 12 months basis and 2011 has not been restated no comparable figure have been provided.*

Total sales in constant currency were 20% lower in the first nine months of 2013 when compared with the same period last year. Demand was down across the board with the sharpest declines experienced in medium/heavy trucks and heavy construction and mining equipment. As a result, average total sales per working day fell year-on-year to MSEK 4.0 (5.2) for the first nine months.

Operating income for the first nine months amounted to MSEK 99 (123). Adjusting for the profit arising from the disposal of the vacant freehold property in Statesville, North Carolina, USA of MSEK 1 (nil) recognised in the third quarter last year, the underlying operating margin based on total sales increased to 13.1% (12.4). The underlying reduction in operating income for the first nine months of 2013 equated to a drop through rate of 10%.

After two consecutive quarters of sequential growth in the first half of the year, total sales for the third quarter were down 6% on the second quarter of 2013 in constant currency, primarily driven by the continued weakening of demand for hydraulics products within the region.

Total sales in constant currency were 10% lower in the third quarter of 2013 when compared with the same quarter last year. As a result, average total sales per working day fell year-on-year to MSEK 4.2 (4.7) for the third quarter.

Operating income for the third quarter amounted to MSEK 35 (35). Adjusting for the profit arising from the disposal of the vacant freehold property in Statesville, North Carolina, USA of MSEK 1 (nil) recognised in the third quarter last year, the underlying operating margin based on total sales increased to 13.9% (11.8).

Net sales and operating income – Europe & RoW

Europe & RoW, 1)	**Jul-Oct**			**Jan-Sep**			**Oct-Sep**	**Jan-Dec**
Amounts in MSEK	**2013**	**2012**	**Change**	**2013**	**2012**	**Change**	**2012/13**	**2012**
Net sales - external	275	205	34%	734	725	1%	926	917
Net sales - total	299	228	31%	810	814	-1%	1,023	1,027
Operating income before items affecting comparability	41	29	38%	110	117	-6%	137	144
Operating income	41	38	7%	110	126	-13%	111	127
Operating margin before items affecting comparability, % 2)	13.7	13.0	0.7	13.6	14.4	-0.8	13.4	14.0
Operating margin, % 2)	13.7	16.8	-3.1	13.6	15.5	-1.9	10.9	12.4
ROCE before items affecting comparability, % 3)	16.8	n/a	n/a	16.8	n/a	n/a	16.8	19.6
ROCE, % 3)	14.7	n/a	n/a	14.7	n/a	n/a	14.7	17.3

1) *The 2012 comparative figures for EBIT have been adjusted for the amendments to IAS 19, Employee benefits. For the third quarter of 2012 this adjustment amounted to an increase in operating income of MSEK 5 and YTD of MSEK 17.*

2) *Operating margins are based on total sales.*

3) *As Return on capital employed is calculated on a rolling 12 months basis and 2011 has not been restated no comparable figure have been provided.*

Total sales in constant currency were down 1% in the first nine months when compared with the same period last year, after adjusting for the acquisition of Licos. The year on year shortfall has been driven by the relatively weak demand experienced across all end-markets for the first nine months. As a result, average total sales per working day fell year-on-year to MSEK 4.3 (4.4) for the first nine months.

Operating income for the first nine months amounted to MSEK 110 (126), including acquisition-related legal and advisory costs of MSEK 1. Adjusting for one-off pension curtailment gains recognised during the third quarter of last year, the underlying operating margin based on total sales actually decreased to 13.6% (14.4).

For the third consecutive quarter the region recorded sequential growth, with total sales for the third quarter up 1% on the second quarter of 2013 in constant currency, after adjusting for the acquisition of Licos.

Total sales in constant currency were up 20% in the third quarter when compared with the same quarter last year, after adjusting for the acquisition of Licos. As a result, average total sales per working day rose year-on-year to MSEK 4.7 (3.7) for the third quarter.

Operating income for the third quarter amounted to MSEK 41 (38), including acquisition-related legal and advisory costs of MSEK 1. Adjusting for one-off pension curtailment gains recognised during the third quarter of last year, the underlying operating margin based on total sales actually increased to 13.7% (13.0).

Market development

End-markets & Regions	Q3-13 vs. Q3-12			YTD-13 vs. YTD-12			FY-13 vs. FY-12		
	North America	Europe	China/ India	North America	Europe	China/ India	North America	Europe	China/ India
Agricultural machinery									
Diesel engines	3%	5%	16%	-1%	-2%	7%	3%	2%	11%
Construction equipment									
Diesel engines	6%	7%	-16%	0%	-1%	-15%	5%	3%	7%
Hydraulic equipment	14%	6%	n/a	10%	-7%	n/a	5%	-14%	n/a
Trucks									
Light vehicles	-3%	n/a	n/a	-6%	n/a	n/a	-3%	n/a	n/a
Medium/Heavy vehicles	0%	1%	6%	-5%	-7%	-4%	-1%	-6%	-1%
Industrial Applications									
Other Off-highway	6%	8%	14%	0%	0%	5%	5%	4%	9%
Hydraulic lift trucks	9%	-7%	n/a	6%	-1%	n/a	2%	-5%	n/a

Based on Q3 2013 updates received from Power Systems Research, Off-Highway Research and the International Truck Association for lift trucks

The market information pertaining to diesel engines detailed above is based on statistics from Power Systems Research. The market information pertaining to hydraulics products detailed below is based on statistics from Off-Highway Research for construction equipment and the International Truck Association for lift trucks.

The latest external market indices are now more in line with Concentric's recent sales orders of the last four quarters, namely that most end-markets are down significantly year-on-year. However, the market indices still anticipate activity levels to pick up in the last quarter of 2013, such that modest year-on-year growth for the full year 2013 is predicted in both North America and China.

North American end-markets

- The latest external market indices report diesel engines flat or slightly down across the board in all four end-markets year-on-year for the first nine months of 2013. However, with the exception of light trucks, the market trend in the third quarter looks more positive.
- The market indices for hydraulic products used later in the production cycle for Construction equipment and Lift trucks continued to indicate improvements, up year-on-year for both the first nine months and the third quarter. This is in stark contrast with Concentric's actual sales experience during this period which remained depressed. We believe this discrepancy is partly explained by the time lag for market indices, but also reflects the relative performance of our hydraulic customer mix, most noticeably Caterpillar.

European end-markets

- With the exception of hydraulic lift trucks, market indices for all European end-markets improved during the third quarter which is consistent with Concentric's actual sales experience.
- However, the market indices still look comparatively weak for the first nine months with all European end-markets flat/down year-on year.

Emerging end-markets

- With the exception of Construction equipment, market indices for the third quarter were up in all end-markets year-on-year.

Seasonality

Each end-market will have its own seasonality profile based on the end-users, e.g. sales of Agricultural machinery will be linked to harvest periods in the Northern and Southern hemispheres. However, there is no significant seasonality in the demand profile of Concentric's customers and, therefore, the most significant driver is actually the number of working days in the period.

The weighted average number of working days in the third quarter was 62 (62) for the Group, with an average of 61 (63) working days for the Americas region and 64 (61) working days for the Europe & RoW region.

Consolidated sales development	**Q3-13 vs. Q3-12**			**YTD-13 vs. YTD-12**			**FY-13 vs. FY-12**		
	America	**Europe & RoW**	**Group**	**America**	**Europe & RoW**	**Group**	**America**	**Europe & RoW**	**Group**
Blended market rates 1)	5%	3%	**4%**	1%	-3%	**-1%**	2%	-2%	**1%**
Concentric actual rates 2)	-10%	20%	**3%**	-20%	-1%	**-11%**			

1) Based on latest market indices blended to Concentric's mix of end-markets and locations

2) Based on actual sales in constant currency, after adjusting for acquisitions

Overall, market indices suggest a year-on-year decrease in production rates for the first nine months, blended to the Group's end-market and regions, of approximately 1%. This continues to be less than the reduction in actual sales experienced by Concentric, down 11% for the first nine months in constant currency, after adjusting for the acquisition of Licos.

For the third quarter, market indices suggest a year-on-year increase in production rates, blended to the Group's end-market and regions, of approximately 4%. This is more in line with the increase in actual sales experienced by Concentric, up 3% for the third quarter in constant currency, after adjusting for the acquisition of Licos.

Market indices suggest that sales for full year 2013, blended to the Group's end-markets and regions, will be up 1% year on year, based on stronger demand in the last quarter of 2013. However, the current schedules of Concentric's customers do not indicate any significant improvement in order levels.

Cash flow

The cash flow from operating activities for the first nine months was MSEK 126 (190), which represents SEK 2.86 (4.29) per share. The year-on-year reduction in cash flow for the first nine months may be attributed to the following factors:

- lower operating income for the first nine months amounting to MSEK 209 (249);
- cash payments in the first nine months of MSEK 20 (nil) in respect of the closure reserves booked for the Skånes Fagerhult facility during the fourth quarter of 2012; and
- a negative working capital impact arising from the stronger than usual cash flow achieved in the fourth quarter of 2012.

The cash flow from operating activities for the third quarter was MSEK 55 (61), which represents SEK 1.24 (1.38) per share.

Net investments in fixed assets

The Group's net investments in tangible fixed assets for the first nine months and the third quarter were MSEK 25 (31) and MSEK 15 (9) respectively.

On 28 June 2013, Concentric completed the acquisition of LICOS Trucktec GmbH, further details of which are provided below.

Financial position

The carrying amount of financial assets and financial liabilities are considered reasonable approximations of fair value. Financial instruments carried at fair value on the balance sheet consists of derivative instruments. As of 30 September, 2013 the fair value of derivative instruments that were assets was MSEK 1 (1), and the fair value of derivative instruments that were liabilities was MSEK 6 (0). These fair value measurements belong to level 2 in the fair value hierarchy.

As of 1 January, 2013, amendments to IAS 19, Employee benefits, became effective. As a result, the Group's balance sheet was restated as of 1 January 2012 onwards to reflect previously unrecognised pension liabilities, together with a corresponding deferred tax asset. Accordingly, as at 30 September, the Group's net debt was MSEK 590 (471), comprising loans and corporate bonds of MSEK 184 (187) and full recognition of the Group's net pension liabilities of MSEK 537 (495), net of cash amounting to MSEK 131 (212).

Shareholders' equity was also restated to MSEK 617 (662), resulting in a gearing ratio of 96% (71).

Employees

The average number of full-time equivalents employed by the group during the first nine months and the third quarter was 1,072 (1,157) and 1,116 (1,117) respectively.

Related-party transactions

No transactions have been carried out between Concentric AB and its subsidiary undertakings and any related parties that had a material impact on either the company's or the group's financial position and results.

Acquisitions

On 28 June 2013, Concentric completed the acquisition of the entire share capital of LICOS Trucktec GmbH ("Licos"), a leading producer of water pumps and electromagnetic fan clutches for the truck industry based in Markdorf, Germany. The primary purpose of the acquisition was to broaden Concentric's current product portfolio in the growing niche market of variable flow pumps.

The fair values of the identifiable assets acquired and the liabilities assumed were determined as follows:

Fair values - Licos acquisition *Amounts in MSEK*	**Book values**	**Adjustments**	**Fair values**
Cash	77	-	77
Shares in Concentric AB (64,308 ordinary shares) 1)	4	-	4
Total purchase consideration for Licos shares	**81**	**-**	**81**
Other intangible fixed assets	0	42	42
Tangible fixed assets	12	3	15
Total fixed assets acquired	**12**	**45**	**57**
Inventories	12	-	12
Current receivables	32	-9	23
Cash and cash equivalents	3	-	3
Total current assets acquired	**47**	**-9**	**38**
Short-term interest-bearing liabilities	30	3	33
Other current liabilities	20	4	24
Total current liabilities assumed	**50**	**7**	**57**
Net assets acquired	**9**	**28**	**37**
Goodwill arising on acquisition	**72**	**-28**	**44**

1) The settlement rate used to calculate the number of shares was based on the weighted average share price for the last 5 days trading that proceeded the contract signing date.

Fair value adjustments

The principal fair value adjustments identified were in respect of other intangible fixed assets. These assets may be summarised as follows:

- MSEK 14 for Product development – expected useful lives of between 10 and 15 years,
- MSEK 7 for Brands, licences and patents – expected useful lives of 10 years, and
- MSEK 21 for Customer relations – expected useful lives of 8 years.

Accordingly, an associated deferred tax liability of MSEK 12 was also recognised within other current liabilities.

The only other significant change from the book values, as previously presented, related to a netting down of MSEK 9 between current receivables and other current liabilities.

Acquisition costs

In addition to the total purchase consideration for Licos shares shown above, acquisition-related legal and advisory costs of MSEK 1 were incurred and expensed in the income statement for the second quarter.

2013 Trading results for Licos

The net sales, EBIT margin and net income of Licos for the first six months of 2013 (which have not been included in the consolidated results for Concentric AB) were MSEK 59, 9.3% and MSEK 5 respectively.

The net sales, EBIT margin and net income of Licos for the third quarter of 2013 (which have been included in the consolidated results for Concentric AB) were MSEK 32, 9.0% and MSEK 3 respectively. In addition, an amortisation charge of MSEK 1 has also been included in the consolidated results of Concentric AB in respect of those identifiable intangible assets recognised as part of the acquisition accounting.

Business overview

Descriptions of Concentric's Vision, Mission and Values, Business targets and strategies, Driving forces, Products, Value chain and Business model are all presented on pages 6-23 of the 2012 Annual Report (http://www.concentricab.com/_downloads/AGM-2013/Concentric%20AR%202012.pdf).

Significant risks and uncertainties

All business operations involve risk – managed risk-taking is a condition of maintaining a sustainable profitable business. Risks may arise due to events in the world and can affect a given industry or market or can be specific to a single company or group. Concentric works continuously to identify, measure and manage risk, and in some cases Concentric is able to influence the likelihood that a risk-related event will occur. In cases in which such events are beyond Concentric's control, the aim is to minimise the consequences. The risks to which Concentric are exposed may be classified into four main categories:

- Industry and market risks – external related risks such as the cyclical nature of our end-markets, intense competition, customer relationships and the availability and prices of raw materials;
- Legal risks – such as changes in legislation and regulations including environmental matters, the protection and maintenance of intellectual property rights, prevailing tax laws where Concentric operations are based and potential disputes arising from third parties;
- Operational risks – such as constraints on the capacity and flexibility of our production facilities and human capital, product development and new product introductions, customer complaints, product recalls and product liability; and
- Financial risks – such as liquidity risk, interest rate fluctuations, currency fluctuations, credit risk, management of pension obligations and the group's capital structure.

Concentric's Board of Directors and Senior management team have reviewed the development of these significant risks and uncertainties since the publication of the 2012 Annual Report and confirm that there have been no changes other than those comments made above in respect of the improving market development.

For further details, please refer to the Risk and Risk Management section on pages 30-33 of the 2012 Annual Report (http://www.concentricab.com/_downloads/AGM-2013/Concentric%20AR%202012.pdf).

Parent Company

Net sales and operating income for the first nine months amounted to MSEK 17 (16) and an operating income of MSEK 7 (7) respectively.

The company received dividends during the first nine months from its wholly owned US subsidiary undertaking, Concentric Americas, Inc. and its 50% ownership in the joint-venture company, Alfdex AB, of MSEK 817 (nil) and MSEK 12 (10) respectively.

The cumulative net exchange rate gains for the first nine months were MSEK 4 (7). Net interest expenses have been reduced during the first nine months to MSEK 2 (5).

Net sales and operating income for the third quarter amounted to MSEK 6 (6) and an operating income of MSEK 2 (4) respectively.

The cumulative net exchange rate gains for the third quarter were MSEK 13 (11). Net interest income/expenses for the third quarter amounted to MSEK income 1 (expense 1).

Events after the balance-sheet date

There were no significant post balance sheet events to report.

Basis of Preparation and Accounting policies

This interim report for the Concentric AB group is prepared in accordance with IAS 34 *Interim Financial Reporting* and applicable rules in the Annual Accounts Act. The report for the Parent Company is prepared in accordance with the Annual Accounts Act, Chapter 9 and applicable rules in RFR2 *Accounting for legal entities*.

The basis of accounting and the accounting policies adopted in preparing this interim report are consistent for all periods presented and comply with those policies stated in the 2012 Annual Report, except as described below.

Impact of new accounting principles

As of 1 January, 2013, amendments to IAS 19, Employee benefits became effective thereby removing the option to use the corridor method. As such, actuarial gains and losses are recognised in full in other comprehensive income. Accordingly, the Group's balance sheet has been restated as of 1 January 2012 onwards to reflect previously unrecognised pension liabilities, together with a corresponding deferred tax asset. In addition, the service cost and net interest recognized in respect of pensions in the income statement have also been restated for the changes.

As at 30 September 2012, the restatements in the balance sheet amounted to an increase in net debt of MSEK 392 and a net reduction in equity of MSEK 282. For the first nine months of 2012 the restatements in the income statement amounted to an increase in operating income of MSEK 22, an increase in earnings before tax of MSEK 17 and an increase in net income for the period of MSEK 12, resulting in an increase to the reported EPS of SEK 0.27.

See Appendices 1, 2 and 3 to this interim report for full details of the restated consolidated income statements, other comprehensive income and balance sheets for 2012 by quarter, in summary.

Purpose of report and forward-looking information

Concentric AB (publ) is listed on NASDAQ OMX Stockholm, Mid Cap. The information in this report is of the type that Concentric is required to disclose under the Swedish Securities Market Act. The information was submitted for publication at 8.00am on 24 October, 2013. This report contains forward-looking information in the form of statements concerning the outlook for Concentric's operations. This information is based on the current expectations of Concentric's management, as well as estimates and forecasts. The actual future outcome could vary significantly compared with the information provided in this report, which is forward-looking, due to such considerations as changed conditions concerning the economy, market and competition.

Future reporting dates

Interim Report January-December 2013	13 February, 2014
Annual Report January-December 2013	9 April, 2014
AGM & Interim Report January-March 2014	30 April, 2014
Interim Report January-June 2014	24 July, 2014

Stockholm, 24 October, 2013

Concentric AB (publ)

David Woolley
President and CEO

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Corporate Registration Number 556828-4995

Consolidated Income Statement, in summary 1)

Amounts in MSEK	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Oct 2012 - Sep 2013	Full year 2012
Net sales	526	492	1,477	1,698	1,908	2,129
Cost of goods sold	-383	-360	-1,072	-1,233	-1,404	-1,565
Gross income	**143**	**132**	**405**	**465**	**504**	**564**
Selling expenses	-18	-16	-52	-56	-65	-69
Administrative expenses	-28	-32	-84	-102	-107	-125
Product development expenses	-18	-16	-51	-55	-72	-76
Other operating income and expenses	-3	6	-9	-3	-19	-13
Operating income	**76**	**74**	**209**	**249**	**241**	**281**
Financial income and expense	-9	-7	-24	-27	-35	-38
Earnings before tax	**67**	**67**	**185**	**222**	**206**	**243**
Taxes	-18	-18	-55	-67	-60	-72
Net income for the period	**49**	**49**	**130**	**155**	**146**	**171**
Earnings per share before and after dilution, SEK	1.10	1.10	2.95	3.52	3.32	3.88
Average number of shares after dilution (000)	43,945	44,036	43,910	44,156	43,910	44,094

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

Consolidated statement of comprehensive income 1)

Amounts in MSEK	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Oct 2012 - Sep 2013	Full year 2012
Net income for the period	**49**	**49**	**130**	**155**	**146**	**171**
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Actuarial Gains/Losses	-	2	-	5	-63	-58
Tax on actuarial losses	-	0	-	-1	9	8
Items that may be reclassified subsequently to profit or loss:						
Net investment hedging	14	11	4	8	4	8
Cash-flow hedging	8	-	6	-	6	-
Other foreign currency translation difference	-40	-42	-32	-38	-37	-43
Total other comprehensive income	***-18***	***-29***	***-22***	***-26***	***-81***	***-85***
Total comprehensive income	**31**	**20**	**108**	**129**	**65**	**86**

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

Consolidated Balance Sheet, in summary 1,2)

Amounts in MSEK	**30 Sep 2013**	**30 Sep 2012**	**31 Dec 2012**
Goodwill	507	485	481
Other intangible fixed assets	344	351	336
Tangible fixed assets	184	178	181
Deferred tax assets	184	134	156
Long-term receivables	5	5	5
Total fixed assets	**1,224**	**1,153**	**1,159**
Inventories	203	176	167
Current receivables	297	279	204
Cash and cash equivalents	131	212	288
Total current assets	**631**	**667**	**659**
Total assets	**1,855**	**1,820**	**1,818**
Total Shareholders' equity	**617**	**662**	**615**
Pensions and similar obligations	537	495	547
Deferred tax liabilities	81	85	71
Long-term interest-bearing liabilities	178	175	175
Other long-term liabilities	4	7	4
Total long-term liabilities	**800**	**762**	**797**
Short-term interest-bearing liabilities	6	12	13
Other current liabilities	432	384	393
Total current liabilities	**438**	**396**	**406**
Total liabilities and shareholders' equity	**1,855**	**1,820**	**1,818**

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

2) The carrying amount of financial assets and financial liabilities are considered reasonable approximations of fair value. Financial instruments carried at fair value on the balance sheet consists of derivative instruments. As of 30 September, 2013 the fair value of derivative instruments that were assets was MSEK 1 (1), and the fair value of derivative instruments that were liabilities was MSEK 6 (0). These fair value measurements belong in level 2 in the fair value hierarchy.

Consolidated changes in shareholders' equity, in summary 1)

Amounts in MSEK	**30 Sep 2013**	**30 Sep 2012**	**31 Dec 2012**
Opening balance	943	936	936
Effect due to changes in accounting principles:			
Actuarial gains/losses	-444	-419	-419
Special payroll tax in Sweden on pensions	-2	-2	-2
Changes in deferred taxes	118	118	118
Total effect due to changes in accounting principles	**-328**	**-303**	**-303**
Restated opening balance	**615**	**633**	**633**
Net income for the period	130	155	171
Other comprehensive income	-22	-26	-85
Total comprehensive income	**108**	**129**	**86**
Dividend	-110	-88	-88
Sale of own shares for aquisition of subsidiary	4	-	
Buy-back own shares	-	-12	-16
Closing balance	**617**	**662**	**615**

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

Consolidated cash flow statement, in summary 1)

Amounts in MSEK	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Oct 2012 - Sep 2013	Full year 2012
Operating income	76	74	209	249	241	281
Reversal of depreciation, amortization and write-down of fixed assets	23	22	65	69	96	100
Reversal of other non-cash items	-5	-11	-13	-13	-27	-27
Interest paid	-4	-3	-8	-10	-11	-13
Taxes paid	-22	-31	-73	-86	-74	-87
Cash flow from operating activities before changes in working capital	*68*	*51*	*180*	*209*	*225*	*254*
Change in working capital	-13	10	-54	-19	9	44
Cash flow from operating activities	***55***	***61***	***126***	***190***	***234***	***298***
Investments in subsidiaries 2)	-	-	-105	-	-105	-
Other net investments in fixed assets	-15	-9	-25	-31	-45	-51
Cash flow from investing activities	***-15***	***-9***	***-130***	***-31***	***-150***	***-51***
Dividend	-	-	-110	-88	-110	-88
Buy-Back Own Shares	-	-12	-	-12	-16	-16
New loans	-	-	47	-	47	-
Repayment of loans	-55	-1	-59	-5	-59	-5
Other financing activities	-2	-9	-26	-23	-32	-29
Cash flow from financing activities	***-57***	***-22***	***-148***	***-128***	***-170***	***-138***
Cash flow for the period	**-17**	**30**	**-152**	**31**	**-86**	**109**
Cash and bank assets, opening balance	152	183	288	183	212	183
Exchange-rate difference in cash and bank assets	-4	-1	-5	-2	-7	-4
Cash and bank assets, closing balance	**131**	**212**	**131**	**212**	**119**	**288**

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

2) Total cash flow relating to the investment in Licos, comprising cash consideration MSEK -77, short-term loans repaid on acquisition MSEK -30, cash balances acquired MSEK 3 and acquisition-related expenses MSEK -1

Data per Share

	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Oct 2012 - Sep 2013	Full year 2012
Earnings per share before items affecting comparability, SEK	1.10	0.95	2.95	3.37	3.57	4.13
Earnings per share before and after dilution, SEK	1.10	1.10	2.95	3.52	3.32	3.88
Equity per share, SEK	14.04	15.04	14.04	15.04	14.04	14.00
Cash-flow from current operations per share, SEK	1.24	1.38	2.86	4.29	5.33	6.76
Average No. of shares after dilution (000's)	43,945	44,036	43,910	44,156	43,910	44,094
Number of shares at period-end (000's)	43,957	43,966	43,957	43,966	43,957	43,892

Key figures

	Jul-Sep		Jan-Sep		Oct 2012 -	Full year
	2013	**2012**	**2013**	**2012**	**Sep 2013**	**2012**
Sales growth, constant currency, %	3	-18	-11	-4	n/a	-9
Sales growth, %	7	-17	-13	0	-16	-7
EBITDA margin before items affecting comparability, %	18.8	19.5	18.5	18.7	18.1	18.3
EBITDA margin, %	18.8	19.5	18.5	18.7	17.7	17.9
Operating margin before items affecting comparability, %	14.5	14.9	14.1	14.7	13.5	13.9
Operating margin, %	14.5	14.9	14.1	14.7	12.6	13.2
Capital Employed, SEK m	1,148	1,098	1,148	1,098	1,148	1,019
ROCE before items affecting comparability, % 2)	23.6	n/a	23.6	n/a	23.6	26.7
ROCE, % 2)	22.2	n/a	22.2	n/a	22.2	25.3
ROE, % 2)	23.5	n/a	23.5	n/a	23.5	26.5
Working Capital, SEK m	68	72	68	72	68	-23
Working capital as a % of annual sales 1)	3.6	3.1	3.6	3.1	3.6	-1.1
Net Debt, SEK m	590	471	590	471	590	446
Gearing ratio, %	96	71	96	71	96	73
Investments	15	9	25	31	45	51
R&D, %	3.4	3.2	3.5	3.2	3.7	3.5
Number of employees, average	1,116	1,117	1,072	1,157	1,070	1,131

1) Annual sales calculated on a rolling 12 months basis.

2) As Return on capital employed and Return on equity are calculated on a rolling 12 months basis and 2011 has not been restated, no comparable figure have been provided.

Consolidated income statement in summary, by type of cost 1)

	Jul-Sep		Jan-Sep		Oct 2012 -	Full year
Amounts in MSEK	**2013**	**2012**	**2013**	**2012**	**Sep 2013**	**2012**
Net sales	526	492	1,477	1,698	1,908	2,129
Direct material costs	-272	-251	-756	-876	-991	-1,111
Personnel costs	-103	-105	-303	-353	-393	-443
Depreciation, amortization and impairment losses	-23	-23	-65	-69	-96	-100
Other operating income and expenses	-52	-39	-144	-151	-187	-194
Operating income	**76**	**74**	**209**	**249**	**241**	**281**
Financial income and expence	-9	-7	-24	-27	-35	-38
Earnings before tax	**67**	**67**	**185**	**222**	**206**	**243**
Taxes	-18	-18	-55	-67	-60	-72
Net income for the period	**49**	**49**	**130**	**155**	**146**	**171**

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

Consolidated Income Statement in summary, per quarter 1)

Amounts in MSEK	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Net sales	526	502	449	431	492	596	610	577	593	559	554
Cost of goods sold	-383	-359	-330	-332	-360	-431	-442	-410	-428	-405	-410
Gross income	**143**	**143**	**119**	**99**	**132**	**165**	**168**	**167**	**165**	**154**	**144**
Selling expenses	-18	-18	-16	-13	-16	-20	-20	-25	-23	-24	-19
Administrative expenses	-28	-28	-28	-22	-33	-35	-35	-34	-33	-42	-42
Product development expenses	-18	-17	-16	-21	-16	-19	-20	-26	-23	-13	-14
Other operating income and expenses	-3	-6	-	-10	6	-4	-5	-2	-3	-15	-10
Operating income	**76**	**74**	**59**	**33**	**73**	**87**	**88**	**80**	**83**	**60**	**58**
Financial income and expense	-9	-7	-8	-12	-6	-11	-9	-3	-4	-11	-12
Earnings before tax	**67**	**67**	**51**	**21**	**67**	**76**	**79**	**77**	**79**	**49**	**46**
Taxes	-18	-23	-14	-5	-18	-25	-24	-17	-27	-16	-15
Net income for the period	**49**	**44**	**37**	**16**	**49**	**51**	**55**	**60**	**52**	**33**	**31**

1) Figures for 2012 have been restated. No quarters for 2011 have been restated. See "Basis of preparation and Accounting Policies" section.

Key figures by quarter 1)

	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Earnings per share before and after dilution, SEK	1.10	1.01	0.84	0.37	1.10	1.16	1.25	1.35	1.19	0.74	0.70
Operating margin, %	14.5	14.8	13.0	7.5	14.9	14.5	14.6	13.9	14.1	10.8	10.4
ROCE, %	22.2	21.9	23.1	25.3	26.7	28.1	26.9	24.9	22.9	19.7	15.7
ROE, %	23.5	23.2	23.6	26.5	21.7	23.5	23.1	22.1	22.2	17.7	14.0
Equity per share, SEK	14.04	13.27	14.37	14.00	15.04	14.82	15.18	21.16	19.80	17.09	16.32
Cash-flow from current operations per share, SEK	1.24	1.51	0.11	2.46	1.39	1.20	1.72	2.37	1.24	0.84	0.68
Investments	15	7	3	20	9	13	9	15	10	12	13
R&D, %	3.4	3.4	3.6	4.7	3.3	3.2	3.3	4.5	3.8	2.5	2.6
Number of employees, average	1,116	1,089	1,018	1,054	1,117	1,180	1,184	1,189	1,202	1,183	1,152

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

Segment reporting 1)

Amounts in MSEK	**2013 Q3**	**2013 Q2**	**2013 Q1**	**2012 Q4**	**2012 Q3**	**2012 Q2**	**2012 Q1**	**2011 Q4**	**2011 Q3**	**2011 Q2**	**2011 Q1**
Americas											
Net sales - external	251	266	226	239	287	344	342	314	329	305	290
Net sales - total 2)	253	270	228	241	289	346	345	317	331	308	293
Operating income	35	39	25	31	36	43	44	33	36	32	30
Operating margin on total sales, %	13.9	14.3	10.9	12.8	12.1	12.6	12.8	10.5	11.1	10.5	10.1
Assets 4)	529	563	524	514	575	649	627	660	681	636	687
Liabilities 4)	297	320	271	265	287	312	324	337	281	280	270
Capital employed	310	338	349	332	364	405	389	408	451	430	392
ROCE, % 3)	38.3	36.2	36.5	40.5	37.3	36.8	34.7	31.0	29.7	23.8	22.5
Net investments	3	-	-	-	-4	4	-	3	3	4	2
Depreciation, amortization and impairment losses	6	6	6	13	12	12	11	17	15	7	7
Number of employees, average	336	338	300	340	380	402	416	417	426	419	404
Europe & RoW											
Net sales - external	275	236	223	192	205	252	268	263	264	254	264
Net sales - total 2)	299	264	247	213	228	286	300	293	299	290	293
Operating income	41	35	34	1	38	43	45	47	47	40	33
Operating margin on total sales, %	13.7	13.3	13.6	0.7	16.8	14.9	14.9	16.0	15.7	13.7	11.2
Assets 4)	1,245	1,248	1,053	1,069	1,080	1,123	1,131	1,130	1,058	999	1,126
Liabilities 4)	695	720	685	718	675	735	743	744	451	421	438
Capital employed	852	826	679	707	742	752	733	737	747	689	689
ROCE, % 3)	14.7	14.9	16.0	17.3	21.1	23.4	24.2	23.5	20.5	20.1	13.5
Net investments	12	7	3	20	13	9	9	12	7	8	11
Depreciation, amortization and impairment losses	17	15	15	18	11	11	12	11	11	11	11
Number of employees, average	779	751	718	715	737	778	768	772	776	764	747
Not broken down by segments											
Elimination of inter-segmental sales	-26	-32	-26	-23	-25	-36	-35	-33	-37	-39	-32
Operating loss	-	-	-	-	-	-	-	-	-	-12	-5
Assets 4)	81	104	226	235	165	123	172	114	73	81	4
Liabilities 4)	246	291	217	220	196	194	191	190	204	259	387
Group											
Net sales	526	502	449	431	492	596	610	577	593	559	554
Operating income	76	74	59	32	74	86	89	80	83	60	58
Operating margin, %	14.5	14.8	13.0	7.5	14.9	14.5	14.6	13.9	14.1	10.8	10.4
Assets 4)	1,855	1,914	1,803	1,818	1,820	1,895	1,930	1,904	1,812	1,716	1,817
Liabilities 4)	1,238	1,332	1,173	1,203	1,158	1,241	1,258	1,271	936	960	1,095
Capital employed	1,148	1,150	1,016	1,019	1,098	1,165	1,130	1,151	1,204	1,135	1,064
ROCE, % 3)	22.2	21.9	23.1	25.3	26.7	28.1	26.9	24.9	22.9	19.7	15.7
Net investments in fixed assets	15	7	3	20	9	13	9	15	10	12	13
Depreciation, amortization and impairment losses	23	21	21	31	23	23	23	28	26	18	18
Number of employees, average	1,116	1,089	1,018	1,054	1,117	1,180	1,184	1,189	1,202	1,183	1,152

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

2) Total Net sales, includes both external and internal net sales.

3) As 2011 is not restated the comparable figures for previous quarters are calculated on operating income and capital employed before restatement.

4) Assets and Liabilities for Q1-Q3 2011 have not been restated.

Operating income per operating segment 1)

Amounts in MSEK	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Americas	35	39	25	31	35	44	44	33	36	32	30
Europe & RoW	41	35	34	1	39	42	45	47	47	40	33
Unallocated 2)	0	0	0	0	0	0	0	-	0	-12	-5
Total operating income	**76**	**74**	**59**	**32**	**74**	**86**	**89**	**80**	**83**	**60**	**58**
Financial net	-9	-7	-8	-11	-7	-10	-10	-3	-4	-11	-12
Earnings before tax	**67**	**67**	**51**	**21**	**67**	**76**	**79**	**77**	**79**	**49**	**46**

1) Figures for 2012 have been restated. See "Basis of preparation and Accounting Policies" section.

2) Unallocated costs incurred during 2011 in the amount of MSEK 17 relate to one-off advisor costs associated with the de-merger from Haldex AB.

Sales by customer location - geographic area

Amounts in MSEK	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
USA	220	259	222	234	272	327	330	308	323	291	288
Germany	102	72	74	63	70	82	83	86	80	77	85
UK	38	38	34	29	38	49	53	55	53	47	52
Sweden	30	34	33	25	25	34	37	28	28	38	37
Other	136	99	86	80	87	104	107	100	109	106	92
Total Group	**526**	**502**	**449**	**431**	**492**	**596**	**610**	**577**	**593**	**559**	**554**

Tangible assets by operating location

Amounts in MSEK	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
USA	51	54	56	59	62	69	66	73	83	78	78
Germany	51	41	31	34	33	36	35	36	36	43	38
UK	48	45	43	46	38	33	32	31	32	31	31
Sweden	10	13	12	12	15	15	16	16	15	14	14
Other	24	27	28	30	30	29	30	29	27	19	23
Total Group	**184**	**180**	**170**	**181**	**178**	**182**	**179**	**185**	**193**	**185**	**184**

Parent Company's income statement, in summary

Amounts in MSEK	Jul-Sep 2013	Jul-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Oct 2012 - Sep 2013	Full year 2012
Net sales	6	6	17	16	22	21
Operating costs	-4	-2	-10	-9	-16	-15
Operating income/loss	**2**	**4**	**7**	**7**	**6**	**6**
Income from shares in subsidiaries	0	-	817	-	822	5
Income from shares in associated companies	0	-	12	10	12	10
Net foreign exchange rate differences	13	11	4	7	5	8
Other financial income and expense	1	-1	-2	-5	-4	-7
Earnings/loss before tax	**16**	**14**	**838**	**19**	**841**	**22**
Taxes	-4	-1	-2	-2	-4	-4
Net income/loss for the period 1)	**12**	**13**	**836**	**17**	**837**	**18**

1) Total Comprehensive income for the Parent Company is the same as Net income/loss for the period.

Parent Company's balance sheet, in summary

Amounts in MSEK	30 Sep 2013	30 Sep 2012	31 Dec 2012
Shares in subsidiaries	1,753	937	937
Shares in associated companies	10	10	10
Long-term loans receivable from subsidiaries	221	101	80
Deferred tax assets	1	4	2
Total fixed assets	**1,985**	**1,052**	**1,029**
Current receivables	1	1	2
Short-term receivables from subsidiaries	38	16	36
Cash and cash equivalents	75	158	230
Total current assets	**114**	**175**	**268**
Total assets	**2,099**	**1,227**	**1,297**
Total Shareholders' equity	**1,306**	**579**	**576**
Long-term loans	175	175	175
Total long-term liabilities	**175**	**175**	**175**
Short-term loans payable to associated companies	5	-	10
Short-term loans payable to subsidiaries	606	466	530
Other current liabilities	7	7	6
Total current liabilities	**618**	**473**	**546**
Total liabilities and shareholders' equity	**2,099**	**1,227**	**1,297**

Parent Company's changes in shareholders' equity, in summary

Amounts in MSEK	**30 Sep 2013**	**30 Sep 2012**	**31 Dec 2012**
Opening balance	576	662	662
Total comprehensive income 1)	836	17	18
Dividend	-110	-88	-88
Sale of own shares for aquisition of subsidiary	4	-	-
Buy-back own shares	-	-12	-16
Closing balance	**1,306**	**579**	**576**

1) Total Comprehensive income for the Parent Company is the same as Net income/loss for the period.

Definitions

Americas	Americas operating segment comprising the Group's USA operations
Capital employed	Total assets less interest bearing financial assets and cash and cash equivalents and non-interest bearing liabilities, excluding any tax assets and tax liabilities
Dividend yield	Dividend divided by market price at year end
Drop through rate	Change in operating income as a percentage of any change in net sales between two comparable periods
EBIT or Operating income	Earnings before interest and taxes
EBIT multiple	Market value at year end plus net debt divided by EBIT
EBIT or Operating margin	Operating income as a percentage of net sales
EPS	Earnings per share, net income divided by the average number of shares
EPS before items affecting comparability	EPS adjusted for post tax impact of restructuring costs and other 'one-off' items
Europe & RoW	Europe and the rest of the world operating segment comprising the Group's operations in Europe, India and China
Gearing ratio	Ratio of net debt to shareholders' equity
Gross margin	Net sales less cost of goods sold, as a percentage of net sales
Net debt	Total interest-bearing liabilities less liquid finds
Net investments in fixed assets	Fixed asset additions net of fixed asset disposals and retirements
OEMs	Original Equipment Manufacturers
P/E ratio	Market value at year-end divided by net earnings
Payout ratio	Dividend divided by EPS
R&D	Research and development expenditure
ROCE	Return on capital employed; EBIT or Operating income as a percentage of the average capital employed over a rolling 12 months
ROE	Return on equity; net income as a percentage of the average shareholders' equity over a rolling 12 months
Sales growth, constant currency	Growth rate based on sales restated at prior year foreign exchange rates
"Underlying" or "before items affecting comparability"	Adjusted for restructuring costs and other 'one-off' items
Working capital	Current assets excluding cash, less non-interest-bearing current liabilities

Appendix 1 - Restated Consolidated Income Statement for 2012 by quarter, in summary

Year-to-date *Amounts in MSEK*	**Reported Income Statement** 2012 Jan-Mar	2012 Jan-Jun	2012 Jan-Sep	2012 Jan-Dec	**Adjustments** 2012 Jan-Mar	2012 Jan-Jun	2012 Jan-Sep	2012 Jan-Dec	**Restated Income Statement** 2012 Jan-Mar	2012 Jan-Jun	2012 Jan-Sep	2012 Jan-Dec
Net sales	610	1,206	1,698	2,129	-	-	-	-	610	1,206	1,698	2,129
Cost of goods sold	-443	-875	-1,237	-1,570	1	2	4	5	-442	-873	-1,233	-1,565
Gross income	**167**	**331**	**461**	**559**	**1**	**2**	**4**	**5**	**168**	**333**	**465**	**564**
Selling expenses	-20	-41	-57	-70	-	1	1	1	-20	-40	-56	-69
Administrative expenses	-40	-81	-119	-147	6	11	17	22	-34	-70	-102	-125
Product development expenses	-20	-39	-55	-76	-	-	-	-	-20	-39	-55	-76
Other operating income and expenses	-5	-9	-3	-13	-	-	-	-	-5	-9	-3	-13
Operating income	**82**	**161**	**227**	**253**	**7**	**14**	**22**	**28**	**89**	**175**	**249**	**281**
Financial income and expense	-8	-17	-22	-32	-2	-3	-5	-6	-10	-20	-27	-38
Earnings before tax	**74**	**144**	**205**	**221**	**5**	**11**	**17**	**22**	**79**	**155**	**222**	**243**
Taxes	-23	-46	-62	-66	-1	-3	-5	-6	-24	-49	-67	-72
Net income for the period	**51**	**98**	**143**	**155**	**4**	**8**	**12**	**16**	**55**	**106**	**155**	**171**

Quarterly *Amounts in MSEK*	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Net sales	610	596	492	431	-	-	-	-	610	596	492	431
Cost of goods sold	-443	-432	-362	-333	1	1	2	1	-442	-431	-360	-332
Gross income	**167**	**164**	**130**	**98**	**1**	**1**	**2**	**1**	**168**	**165**	**132**	**99**
Selling expenses	-20	-21	-16	-13	-	1	-	-	-20	-20	-16	-13
Administrative expenses	-40	-41	-38	-28	6	5	6	5	-34	-36	-32	-23
Product development expenses	-20	-19	-16	-21	-	-	-	-	-20	-19	-16	-21
Other operating income and expenses	-5	-4	6	-10	-	-	-	-	-5	-4	6	-10
Operating income	**82**	**79**	**66**	**26**	**7**	**7**	**8**	**6**	**89**	**86**	**74**	**32**
Financial income and expense	-8	-9	-5	-10	-2	-1	-2	-1	-10	-10	-7	-11
Earnings before tax	**74**	**70**	**61**	**16**	**5**	**6**	**6**	**5**	**79**	**76**	**67**	**21**
Taxes	-23	-23	-16	-4	-1	-2	-2	-1	-24	-25	-18	-5
Net income for the period	**51**	**47**	**45**	**12**	**4**	**4**	**4**	**4**	**55**	**51**	**49**	**16**

Appendix 2 - Restated Other Comprehensive Income for 2012 by quarter, in summary

Year-to-date	Reported OCI				Adjustments				Restated OCI			
Amounts in MSEK	**2012 Jan-Mar**	**2012 Jan-Jun**	**2012 Jan-Sep**	**2012 Jan-Dec**	**2012 Jan-Mar**	**2012 Jan-Jun**	**2012 Jan-Sep**	**2012 Jan-Dec**	**2012 Jan-Mar**	**2012 Jan-Jun**	**2012 Jan-Sep**	**2012 Jan-Dec**
Net income for the period	**51**	**98**	**143**	**155**	**4**	**8**	**12**	**16**	**55**	**106**	**155**	**171**
Other comprehensive income												
Items not be reclassified to P&L:												
Actuarial Gains/Losses	-	-	-	-	2	3	5	-58	2	3	5	-58
Tax on actuarial losses	-	-	-	-	-1	-1	-1	8	-1	-1	-1	8
Items that may be reclassified subsequently to P&L:												
Net investment hedging	6	-3	8	8	-	-	-	-	6	-3	8	8
Cash-flow hedging	-	-	-	-	-	-	-	-	-	-	-	-
Other foreign currency translation difference	-28	9	-43	-52	5	-5	5	9	-23	4	-38	-43
Total other comprehensive income	**-22**	**6**	**-35**	**-44**	**6**	**-3**	**9**	**-41**	**-16**	**3**	**-26**	**-85**
Total comprehensive income	**29**	**104**	**108**	**111**	**10**	**5**	**21**	**-25**	**39**	**109**	**129**	**86**

Quarterly	Reported OCI				Adjustments				Restated OCI			
Amounts in MSEK	**2012 Q1**	**2012 Q2**	**2012 Q3**	**2012 Q4**	**2012 Q1**	**2012 Q2**	**2012 Q3**	**2012 Q4**	**2012 Q1**	**2012 Q2**	**2012 Q3**	**2012 Q4**
Net income for the period	**51**	**47**	**45**	**12**	**4**	**4**	**4**	**4**	**55**	**51**	**49**	**16**
Other comprehensive income												
Items not be reclassified to P&L:												
Actuarial Gains/Losses	-	-	-	-	2	1	2	-63	2	1	2	-63
Tax on actuarial losses	-	-	-	-	-1	0	0	9	-1	0	0	9
Items that may be reclassified subsequently to P&L:												
Net investment hedging	6	-9	11	0	-	-	-	-	6	-9	11	0
Cash-flow hedging	-	-	-	-	-	-	-	-	-	-	-	-
Other foreign currency translation difference	-28	37	-52	-9	5	-10	10	4	-23	27	-42	-5
Total other comprehensive income	**-22**	**28**	**-41**	**-9**	**6**	**-9**	**12**	**-50**	**-16**	**19**	**-29**	**-59**
Total comprehensive income	**29**	**75**	**4**	**3**	**10**	**-5**	**16**	**-46**	**39**	**70**	**20**	**-43**

Appendix 3 - Restated Consolidated Balance Sheet for 2012 by quarter, in summary

	Reported Balance Sheet				Adjustments				Restated Balance Sheet			
Amounts in MSEK	**31 Mar 2012**	**30 Jun 2012**	**30 Sep 2012**	**31 Dec 2012**	**31 Mar 2012**	**30 Jun 2012**	**30 Sep 2012**	**31 Dec 2012**	**31 Mar 2012**	**30 Jun 2012**	**30 Sep 2012**	**31 Dec 2012**
Goodwill	491	505	485	481	-	-	-	-	491	505	485	481
Other intangible fixed assets	370	376	351	336	-	-	-	-	370	376	351	336
Tangible fixed assets	179	182	178	181	-	-	-	-	179	182	178	181
Deferred tax assets	23	26	24	38	115	115	110	118	138	141	134	156
Long-term receivables	6	5	5	5	-	-	-	-	6	5	5	5
Total fixed assets	**1,069**	**1,094**	**1,043**	**1,041**	**115**	**115**	**110**	**118**	**1,184**	**1,209**	**1,153**	**1,159**
Inventories	193	185	176	167	-	-	-	-	193	185	176	167
Current receivables	318	318	279	204	-	-	-	-	318	318	279	204
Cash and cash equivalents	235	183	212	288	-	-	-	-	235	183	212	288
Total current assets	**746**	**686**	**667**	**659**	**-**	**-**	**-**	**-**	**746**	**686**	**667**	**659**
Total assets	**1,815**	**1,780**	**1,710**	**1,700**	**115**	**115**	**110**	**118**	**1,930**	**1,895**	**1,820**	**1,818**
Total Shareholders' equity	**965**	**952**	**944**	**943**	**-293**	**-298**	**-282**	**-328**	**672**	**654**	**662**	**615**
Pensions and similar obligations	103	113	103	101	408	413	392	446	511	526	495	547
Deferred tax liabilities	90	90	85	71	-	-	-	-	90	90	85	71
Long-term interest-bearing liabilities	175	175	175	175	-	-	-	-	175	175	175	175
Other long-term liabilities	8	8	7	4	-	-	-	-	8	8	7	4
Total long-term liabilities	**376**	**386**	**370**	**351**	**408**	**413**	**392**	**446**	**784**	**799**	**762**	**797**
Short-term interest-bearing liabilities	14	14	12	13	-	-	-	-	14	14	12	13
Other current liabilities	460	428	384	393	-	-	-	-	460	428	384	393
Total current liabilities	**474**	**442**	**396**	**406**	**-**	**-**	**-**	**-**	**474**	**442**	**396**	**406**
Total liabilities and shareholders' equity	**1,815**	**1,780**	**1,710**	**1,700**	**115**	**115**	**110**	**118**	**1,930**	**1,895**	**1,820**	**1,818**