Systemair AB
INTERIM REPORT Q3
1 May 2013 - 31 January 2014

Net sales Q3

SEK 1,298 m.

EBIT Q3

SEK 49 m.

Third quarter, November 2013 – January 2014

- Net sales increased by 16 percent to SEK 1,298 million (1,121).
- Operating profit (EBIT) totalled SEK 49 million (90).
- Operating margin was 3.7 percent (8.0).
- Profit after tax amounted to SEK 20 million (55).
- Earnings per share totalled SEK 0.38 (1.06).
- Cash flow from operating activities totalled SEK 99 million (125).

Nine months, May 2013 – January 2014

- Net sales increased by 18 percent to SEK 4,037 million (3,427).
- Operating profit (EBIT) totalled SEK 292 million (329).
- Operating margin was 7.2 percent (9.6).
- Profit after tax fell to SEK 172 million (217).
- Earnings per share totalled SEK 3.30 (4.18).
- Cash flow from operating activities amounted to SEK 298 million (328).

Significant events during the period under review

- Menerga GmbH, Germany, was acquired in May. Menerga is a market-leading producer of extra high-efficiency air handling units for comfort and process ventilation equipment, as well as air handling units for swimming baths.
- The Norwegian company Reftec AS was acquired in May. Reftec supplies commercial chillers and heat pumps to the Norwegian market.
- In July, an agreement to acquire Menerga GmbH, Austria, was signed. The company sells and services Menerga's products.

	2013/14 Nov–Jan 3 mths	2012/13 Nov–Jan 3 mths	2013/14 May–Jan 9 mths	2012/13 May–Jan 9 mths
Net sales, SEK m.	1,298.1	1,120.6	4,037.2	3,427.3
Growth, %	15.8	8.7	17.8	15.7
Operating profit, SEK m.	48.5	89.8	292.3	329.2
Operating margin, %	3.7	8.0	7.2	9.6
Profit after tax, SEK million	19.6	55.3	171.5	217.2
Earnings per share, SEK	0.38	1.06	3.30	4.18
Operating cash flow per share, SEK	1.91	2.40	5.74	6.32

Organic growth despite weak market

We can again report organic growth, for the 16th successive quarter. However, the period was considerably weaker than anticipated. Restructuring of the recent acquisition Menerga and its sales companies burdened earnings for the period. In addition, profitability in the important Russian market was lower than in the preceding year. The mild winter had negative impact on Frico's sales of heating products. Weaker currencies in, above all, Norway, Russia, Turkey and India affected both sales and profits.

The market

The market was clearly weaker during the third quarter than we had anticipated. The Nordic market remained buoyant and Systemair's sales were also strong in Eastern Europe, although the Russian market weakened during the quarter. North America as well as the region other markets were slightly weaker than in the preceding year.

Companies acquired

Intensive work is in progress with the restructuring of Menerga in Germany. We have also acquired Menerga's sales company in Austria and its sales offices in Hamburg, Berlin and Hanover. We are focusing on boosting sales both via existing Menerga companies and via Systemair companies. We are training Systemair personnel in the expertise needed to sell Menerga's products, especially in ventilation for swimming baths. In many cases, this type of project takes a long time to sell to customers. A normal selling period can be anything from six months to two years. In Italy, we have unfortunately continued low volumes at our production plant for production of refrigeration equipment. There too we are engaged in a program to develop sales via Systemair's sales companies. We can see that we will obtain a good return from the expanded product range by being able to offer comprehensive systems of ventilation equipment, with cooling capacity, for major projects. Through the acquisitions we have completed, we have also established a base for expanding service and aftermarket sales.

Investments

Operations at our new air handling unit factory near Istanbul, Turkey, where we have made substantial investments, have developed satisfactorily. Our new development centre in Germany, along with enlarged production facilities, will increase our opportunities to be involved in major tunnel ventilation projects. In India, our factory building was completed some time ago and our new offices and development centre for air distribution products will be inaugurated in March. In Malaysia, work is under way on construction of a new 16,000 m2 factory and the initial stages of operations have begun. The factory will manufacture fans, products for air distribution and air handling units. The plant will also serve as a central warehousing facility for South-East Asia.

Outlook

With a global presence comprising our own sales companies in 45 countries and regular deliveries to well in excess of 100 countries, we believe in continued growth. Despite volatile conditions in many markets, Systemair can again report organic growth, for the 16th successive quarter. Our profitability is considerably lower than last year and not in line with our expectations. We are clear about the reasons for this and are focusing intensively on actions to improve profitability. We can affect most of the factors apart from the weather.

After the close of the period we sold our shares in Lindab. The sale amounted to SEK 650 million with a capital gain of SEK 250 million. The transaction strengthens our balance sheet and gives us better possibilities to further develop Systemair. We identify that there are still several attractive candidates for acquisitions. We are also continuing to invest in production facilities, product development and marketing.

Gerald Engström
President

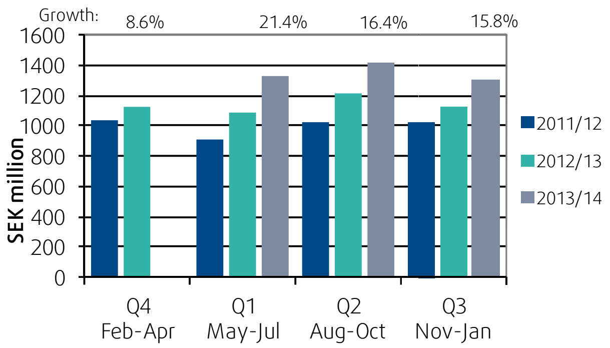
Sales and markets

Group sales for the third quarter of 2013/14 totalled SEK 1,298.1 million (1,120.6), up 15.8 percent from the same period in the preceding year.

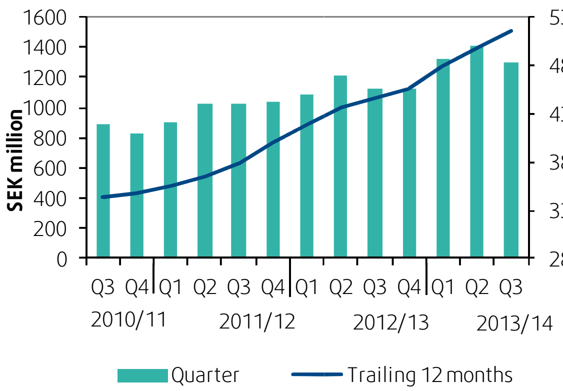
Adjusted for both foreign exchange effects and acquisitions, net sales grew 5.3 percent. This is the 16th successive quarter of organic growth, despite a weak market. Growth in acquired operations was 13.0 percent, while foreign exchange effects reduced sales by 2.5 percent during the period.

Net sales for the interim report period of May-January 2013/14 totalled SEK 4,037.2 (3,427.3), 17.8 percent higher than in the same period in the preceding year. Adjusted for both foreign exchange effects and acquisitions, net sales grew 4.7 percent. Growth in acquired operations was 16.0 percent, while foreign exchange effects reduced sales by 2.9 percent during the period.

Net sales per quarter compared with same period previous years



Net sales



Geographic breakdown of Q3 sales

Nordic region

During the third quarter, sales in the Nordic region were up 11 percent on the same period in the preceding year. Sales in Sweden increased by 20 percent and in Denmark by 27 percent. Deliveries to the New Karolinska Hospital, Stockholm, account for a large share of the increase in Sweden. The acquisitions of Reftec and Menerga, which deliver to the region, were factors in the increase. Adjusted for acquisitions and foreign exchange effects, growth was 10 percent for the region.

Western Europe

Sales in the West European market grew 34 percent during the quarter, compared with the corresponding period in the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales declined 4 percent. Markets that performed strongly in the region include Germany and the Netherlands.

	2013/14 Nov–Jan 3 mths	2012/13 Nov–Jan 3 mths	Sales – change	Of which Organic *)	2013/14 May–Jan 9 mths	2012/13 May–Jan 9 mths
Nordic region	325.5	294.0	11%	10%	944.5	849.3
Western Europe	460.0	342.6	34%	-4%	1,448.9	1,085.3
Eastern Europe & CIS	315.6	274.3	15%	16%	973.0	881.7
North America	74.8	76.3	-2%	1%	266.8	277.1
Other markets	122.2	133.4	-8%	-2%	404.0	333.9
Total	**1,298.1**	**1,120.6**	**16%**	**5%**	**4,037.2**	**3,427.3**

*) Change in sales adjusted for acquisitions and effects of foreign exchange.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS increased by 15 percent during the quarter. Adjusted for acquisitions and foreign exchange effects, sales rose 16 percent. During the period Russia showed a slowing growth, but markets such as Estonia, Latvia and Poland performed well. Furthermore, a major project in Kazakhstan contributed SEK 23 million in the quarter.

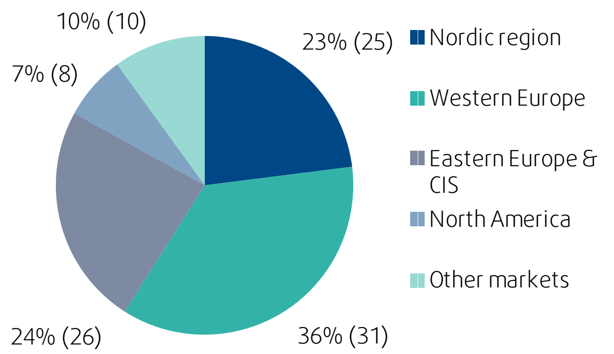
North America

Sales in the North American market during the quarter were 2 percent lower than in the same period in the preceding year. Adjusted for foreign exchange effects and acquisitions, sales increased by 1 percent.

Other markets

Sales in Other markets declined 8 percent during the quarter compared to the same period the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales declined 2 percent. In several of the countries in the region, the currency has weakened, which has had a negative impact on the value of sales in Swedish currency.

Sales by market 9 months 2013/14 (9 months 2012/13)



Profit in the third quarter

The gross profit for the third quarter amounted to SEK 426.8 million (415.0), an increase of 2.9 percent over the same period in the preceding year. The gross margin fell to 32.9 percent (37.0) as a result mainly of acquisitions of companies showing lower margins caused by low capacity utilization.

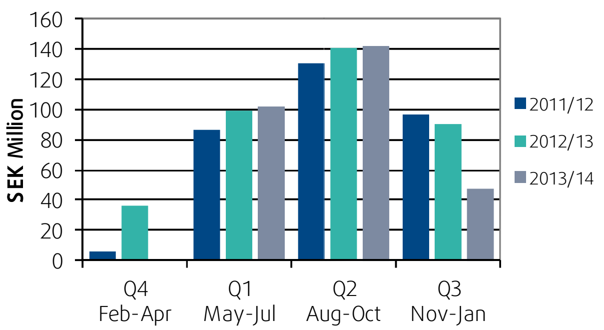
Operating profit for the third quarter totalled SEK 48.5 million (89.8), down 46.0 percent from the same period in the preceding year. The operating margin was 3.7 percent (8.0). The decline is above all a consequence of acquired companies with lower profitability.

Selling and administration expenses for the quarter totalled SEK 379.1 million (322.7), a rise of SEK 56.4 million. Selling and administration expenses at acquired companies accounted for SEK 41.0 million of the increase for the quarter.

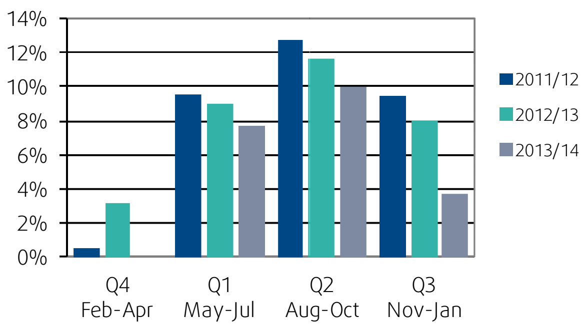
Selling expenses were charged with SEK 5.9 million (0.2) for anticipated bad debts and confirmed losses on trade receivables. During the quarter, costs related to acquisitions totalled SEK 0.0 million (0.6).

Net financial items ended the third quarter at SEK -21.2 million (-11.1). The effects of foreign exchange on long-term receivables, loans and bank balances totalled SEK -12.2 million net (-3.1). Interest expense for the quarter increased to SEK -9.0 million (-8.1).

Operating profit per quarter, relative to the same period in previous years



Operating margin per quarter, relative to the same period in previous years



Tax expense

Estimated tax for the quarter totalled SEK -7.8 million (-23.4), corresponding to an effective tax rate of 28.3 percent (29.7) based on profit after net financial items.

Acquisitions and new operations

In May 2013, Systemair completed the acquisition of Menerga GmbH, Germany, a leading European producer of air handling units for swimming baths. The company also makes extra high-efficiency comfort and ventilation equipment. Under the agreement, Systemair immediately acquired 97 percent of the company's shares and the remaining 3 percent will be acquired no later than in December 2014. Established in 1981, Menerga has its headquarters and production facilities in Mülheim an der Ruhr, just outside Düsseldorf. Sales in 2012 totalled EUR 56.7 million, 53 percent in

Germany. The company currently employs approximately 400 people.

In May 2013, Systemair entered into an agreement to acquire Reftec AS, a supplier of commercial chillers and heat pumps to the Norwegian market. Reftec, founded in 2007, has its headquarters in Trondheim and a sales office in Oslo. The company has 11 employees. The company recorded sales of NOK 34 million in 2012 and sales growth of more than 30 percent. Reftec was formerly a reseller of Systemair refrigeration products in the Norwegian market.

In September 2013, Systemair finalised the acquisition of Menerga GmbH, Austria, the reseller of Menerga's products in that country. The company with its headquarters in Salzburg has 10 employees and they had sales of SEK 20 million in 2012. The company both sells and services Menerga's products.

In January 2014, Menerga's sales companies in Hamburg, Hanover and Berlin were acquired. The companies, which bring 10 employees into the Group, sell Menerga products to a value of around EUR 3.5 million annually.

Menerga, Germany, and Reftec, Norway, were consolidated on 1 May 2013, inclusive. Menerga Austria was consolidated on 1 September 2013 and Menerga's three German sales companies as of 1 January 2014. If Menerga Austria, and the German sales companies had been consolidated as of 1 May 2013, net sales for the period May 2013 through January 2014 would have totalled approximately SEK 4,048 million. Operating profit for that period would have been approximately SEK 292 million.

Note 1 in this report contains an acquisition analysis and an account of the effects of the acquisitions on the Group's cash and cash equivalents.

Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 53.7 million (29.7), including SEK 49.2 million (27.4) in new construction and machinery. The investments consisted for the most part construction of a new facility in Malaysia and other capacity and replacement investments in production equipment. Considerations paid for subsidiaries acquired totalled SEK 3.3 million (-) for the quarter. Depreciation of non-current assets amounted to SEK 39.2 million (29.0).

Personnel

The average number of employees in the Group was 3,901 (3,309). At the end of the period, Systemair had 4,164 employees (3,430), 734 more than one year previous. New employees were recruited chiefly in Russia (59), Lithuania (52), Germany (25) and Slovakia (21). Through acquisitions, 552 employees joined the Group, including 384 at Menerga, Germany, 138 at Holland Heating, the Netherlands, 11 at Reftec, Norway, 10 at Menerga, Austria, and 10 at Menerga's German sales companies.

Changes in Group Management.

In January, a number of changes took place in Systemair's Group Management. Fredrik Andersson was appointed as new Vice President Marketing, to replace Svein Nilsen, who will retire over a period. CFO Glen Nilsson will also retire and will be replaced by Anders Ulff, who has previously served as a member of Group Management. Following these changes, the new Group Management consists of Gerald Engström, Anders Ulff, Fredrik Andersson, Roland Kasper, Mats Lund and Kurt Maurer.

Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 48.8 million (92.8) for the quarter. Changes in working capital, mainly consisting of a decrease in accounts receivable, had a positive impact of SEK 50.5 million (31.8) on cash flow. Net cash flow from financing activities was SEK -52.3 million (-110.1), as a result of the repayment of loans. At the end of the period, the Group's net indebtedness was SEK 1,514.2 million (1,166.2). The consolidated equity/assets ratio was 40.2 percent (41.4) at the end of the period.

Events after the close of the period

Menerga AG, Switzerland, was acquired in February. The company, which sells and services Menerga's products in the Swiss market, reported sales of around SEK 50 million in 2013 and currently has 15 employees.

In 2012 Systemair acquired 9,150,000 shares in Lindab AB (publ). The holding represents 11.2 percent of the shares and votes in Lindab. On 3 March a limited group of institutional investors acquired the entire equity stake and subsequently Systemair has no shareholding in Lindab. The shares were sold at a price of 72 SEK, corresponding to 30 day volume weighted price. For Systemair and its shareholders, it seems rational that when an opportunity arises that is good for Lindab and Systemair leave ownership ahead and use the incoming payment to further develop the business in Systemair. Systemair makes a capital gain of approximately SEK 250 million on the sales of the shares.

Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risk factors include the international nature of the Company's operations, tough competition and the construction industry's sensitivity to the business cycle. The financial risks that Systemair has identified in its business consist of foreign exchange risk, borrowing and interest rate risk, credit risk and liquidity risk and share price risk in long-term holdings of securities. The material risks and uncertainty affecting Systemair are described in more detail in the Company's 2012/13 Annual Report. No significant change occurred in the risk situation during the period.

Related party transactions

Systemair's significant transactions with related parties concern ebmpapst AB and ebmpapst Mulfingen GmbH & Co. KG. Transactions with related parties are described in detail in Note 37 to the accounts in the Annual Report for the 2012/13 financial year. During the period, no change worthy of mention occurred in the scale of these transactions.

Parent Company

The Parent Company's sales for the quarter totalled SEK 268.6 million (231.4). Its operating profit was SEK -2.8 million (3.9).

The average number of employees in the Parent Company was 431 (412).

Financial calendar

The report for Q4 and full year 2013/14 will be published at 8.00 a.m. on 11 June 2014.

About Systemair

The Company established operations in 1974 with a product concept, the circular duct fan, a design that considerably simplified the process of installation. We adopted the motto "the straight way", and this has been developed from a product concept into a business philosophy. Our product range has expanded strongly to span a broad range of fans, air handling units, products for air distribution, air curtains, heating products and refrigeration equipment.

Mission statement

Operating from the core values of simplicity and reliability, our business concept is to develop, manufacture and market high-quality ventilation products. On the basis of our business concept and with our customers in focus, our aim is to be seen as a company to rely on, with the emphasis on delivery reliability, availability and quality.

Business model

Availability is an important parameter in terms of our competitiveness, and we ensure effective control of our flow of goods, with owned production units, centralised warehouse facilities and an efficient ERP system. With modern production plants and our own sales companies around the world, we reach out directly to our customers. The business model supports stability and development, and today we are a leading producer and supplier of ventilation products with our own production and own sales companies.

Strategies

The following strategies create major strengths and competitive advantages that help us to achieve our goals.

- Innovative product development and a broad product range focusing on energy-efficient air handling products.
- High product availability and fast delivery via an efficient production, logistics and IT organisation.
- Development and expansion of Systemair's own sales organisation.
- Good relationships with ventilation contractors, distributors and consultants.
- A highly diversified customer base reduces our vulnerability to fluctuations in the economy.
- Early presence in growth markets.
- Strategy of acquisition and establishment to expand market shares.

Miscellaneous

The information in this Interim Report is information that Systemair is required to disclose in accordance with the Swedish Securities Markets Act (lagen om värdepappersmarknaden) and/or the Swedish Financial Instruments Trading Act (lagen om handel med finansiella instrument). This information will be submitted for publication at 08.00 a.m. on 6 March 2014.

This interim report has not been reviewed by the Company's auditors.

Skinnskatteberg, 6 March 2014
Systemair AB (publ)

Board of Directors

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Systemair in Brief
Systemair is a leading ventilation company with operations in 45 countries in Europe, North America, South America, the Middle East, Asia and South Africa. The Company had sales of approximately SEK 4.55 billion in the 2012/13 financial year and approximately 4,150 employees. Systemair has reported an operating profit every year since 1974, when the Company was founded. During the past 15 years, the Company's growth rate has averaged about 13 percent.

Systemair has well-established operations in growth markets. The Group's products are marketed under the Systemair, Frico, VEAB, Fantech, Menerga and Holland Heating brands. Systemair shares have been quoted on the Mid Cap List of the OMX Nordic Exchange in Stockholm since October 2007. The Group comprises about 60 companies.

Consolidated Income Statement

SEK m.	2013/14 Nov–Jan 3 mths	2012/13 Nov–Jan 3 mths	2013/14 May–Jan 9 mths	2012/13 May–Jan 9 mths	2013/14 Feb-Jan trailing 12	2012/13 May-Apr 12 mths
Net sales	1,298.1	1,120.6	4,037.2	3,427.3	5,160.9	4,551.0
Cost of goods sold	-871.3	-705.6	-2,663.4	-2,178.2	-3,408.8	-2,923.6
Gross profit	**426.8**	**415.0**	**1,373.8**	**1,249.1**	**1,752.1**	**1,627.4**
Other operating income	21.1	12.0	57.4	39.9	79.0	61.5
Selling expenses	-305.4	-266.4	-868.0	-752.6	-1,156.8	-1,041.4
Administration expenses	-73.7	-56.3	-207.8	-164.1	-269.8	-226.1
Other operating expenses	-20.3	-14.5	-63.1	-43.1	-76.2	-56.2
Operating profit	**48.5**	**89.8**	**292.3**	**329.2**	**328.3**	**365.2**
Net financial items	-21.1	-11.1	-54.2	-29.2	-59.6	-34.6
Profit after financial items	**27.4**	**78.7**	**238.1**	**300.0**	**268.7**	**330.6**
Tax on profit for the period	-7.8	-23.4	-66.6	-82.8	-73.4	-89.6
Profit for the period	**19.6**	**55.3**	**171.5**	**217.2**	**195.3**	**241.0**
Attributable to:						
Parent Company shareholders	19.6	55.3	171.5	217.2	195.3	241.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0
Earnings per share, SEK[1]	0.38	1.06	3.30	4.18	3.76	4.63
Average number of shares[1]	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

1 At present, Systemair does not have any option programme in operation and so no dilution effect is to be taken into account.

Consolidated Statement of Comprehensive Income

	2013/14 Nov–Jan 3 mths	2012/13 Nov–Jan 3 mths	2013/14 May–Jan 9 mths	2012/13 May–Jan 9 mths	2013/14 Feb-Jan trailing 12	2012/13 May-Apr 12 mths
Profit for the period	19.6	55.3	171.5	217.2	195.3	241.0
Other comprehensive income, net of tax						
Items that may later be transferred to profit for the period:						
Translation differences, foreign operations	-21.1	-14.9	-34.5	-55.2	-35.3	-56.1
Hedging of net assets in foreign operations, net of tax	-	-0.2	-	-0.4	-0.2	-0.6
Change in fair value, financial assets available for sale	30.2	-43.1	143.7	5.2	196.2	57.7
Other comprehensive income, net after tax	**9.1**	**-58.2**	**109.2**	**-50.4**	**160.7**	**1.0**
Total comprehensive income for the period	28.7	-2.9	280.7	166.8	356.0	242.0
Attributable to:						
Parent Company shareholders	28.7	-2.9	280.7	166.8	356.0	242.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0

Consolidated Balance Sheet

SEK m.	31/01/2014	31/01/2013	30/04/2013
ASSETS			
Goodwill	514.8	439.6	457.7
Other intangible assets	250.4	155.2	171.7
Property, plant and equipment	1,037.3	769.3	813.4
Financial and other assets	704.5	523.4	550.9
Total non-current assets	**2,507.0**	**1,887.5**	**1,993.7**
Inventory	842.3	773.3	790.0
Current receivables	925.5	877.7	992.6
Cash and cash equivalents	140.1	86.7	98.4
Total current assets	**1,907.9**	**1,737.7**	**1,881.0**
TOTAL ASSETS	**4,414.9**	**3,625.2**	**3,874.7**
EQUITY AND LIABILITIES			
Equity	**1,773.3**	**1,500.9**	**1,576.0**
Non-current liabilities, provisions	195.8	155.7	154.5
Non-current liabilities, interest-bearing	640.4	544.2	586.3
Total non-current liabilities	**836.2**	**699.9**	**740.8**
Current liabilities, interest-bearing	974.8	678.3	724.0
Current liabilities, non-interest-bearing	830.6	746.1	833.9
Total current liabilities	**1,805.4**	**1,424.4**	**1,557.9**
TOTAL EQUITY AND LIABILITIES	**4,414.9**	**3,625.2**	**3,874.7**

Consolidated Cash Flow Statement

SEK m.	2013/14 Nov–Jan 3 mths	2012/13 Nov–Jan 3 mths	2013/14 May–Jan 9 mths	2012/13 May–Jan 9 mths	2012/13 May-Apr 12 mths
Operating profit	48.5	89.8	292.3	329.2	365.2
Adjustment for non-cash items	46.1	38.8	124.1	114.1	147.3
Financial items	-9.2	-8.1	-28.3	-19.6	-27.4
Income tax paid	-36.6	-27.7	-63.7	-59.7	-76.9
Cash flow from operating activities before changes in working capital	**48.8**	**92.8**	**324.4**	**364.0**	**408.2**
Changes in working capital	50.5	31.8	-26.0	-35.5	-64.3
Cash flow from operating activities	**99.3**	**124.6**	**298.4**	**328.5**	**343.9**
Cash flow from investing activities	-52.8	-29.1	-414.6	-590.4	-692.5
Cash flow from financing activities	-52.3	-110.1	167.0	264.5	364.5
Cash flow for the period	**-5.8**	**-14.6**	**50.8**	**2.6**	**15.9**
Cash and cash equivalents at start of period	151.2	102.6	98.4	91.6	91.6
Translation differences, cash and cash equivalents	-5.3	-1.3	-9.1	-7.5	-9.1
Cash and cash equivalents at close of period	**140.1**	**86.7**	**140.1**	**86.7**	**98.4**

Statement of Changes in Equity – Group

	2013/14 May–Jan			2012/13 May–Jan		
SEK m.	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Amount at beginning of year	**1,576.0**	**0.0**	**1,576.0**	**1,399.0**	**0.1**	**1,399.1**
Impact of change in accounting policy IAS 19R (net)	-5.4	-	-5.4	-	-	-
Adjusted amount at beginning of year	**1,570.6**	**0.0**	**1,570.6**	**1,399.0**	**0.1**	**1,399.1**
Dividend	-78.0	-	-78.0	-65.0	-	-65.0
Comprehensive income	280.7	-	280.7	166.8	0.0	166.8
Amount at end of period	**1,773.3**	**0.0**	**1,773.3**	**1,500.8**	**0.1**	**1,500.9**

Key Ratios for the Group

		2013/14 Nov–Jan 3 mths	2012/13 Nov–Jan 3 mths	2013/14 May–Jan 9 mths	2012/13 May–Jan 9 mths	2012/13 May–Apr 12 mths
Net sales	SEK m.	1,298.1	1,120.6	4,037.2	3,427.3	4,551.0
Growth	%	15.8	8.7	17.8	15.7	13.9
Operating profit	SEK m.	48.5	89.8	292.3	329.2	365.2
Operating margin	%	3.7	8.0	7.2	9.6	8.0
Profit after net fin. items	SEK m.	27.4	78.7	238.1	300.0	330.6
Profit margin	%	2.1	7.0	5.9	8.8	7.3
Return on capital employed	%	10.3	13.1	10.3	13.1	13.8
Return on equity	%	11.5	14.6	11,5	14.6	16.1
Equity/assets ratio	%	40.2	41.4	40.2	41.4	40.7
Investments	SEK m.	52.8	29.1	414.6	590.4	692.5
Depreciation/Amortisation	SEK m.	39.2	29.0	115.0	85.7	116.6
Per share ratios						
Basic earnings per share	SEK	0.38	1.06	3.30	4.18	4.63
Diluted earnings per share	SEK	0.38	1.06	3.30	4.18	4.63
Basic equity per share	SEK	34.10	28.86	34.10	28.86	30.31
Diluted equity per share	SEK	34.10	28.86	34.10	28.86	30.31
Basic operating cash flow per share	SEK	1.91	2.40	5.74	6.32	6.61
Diluted operating cash flow per share	SEK	1.91	2.40	5.74	6.32	6.61
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

Quarterly Key Ratios – Group

		2013/14			2012/13				2011/12	
		Nov–Jan Q3	Aug–Oct Q2	May–Jul Q1	Feb–Apr Q4	Nov–Jan Q3	Aug–Oct Q2	May–Jul Q1	Feb–Apr Q4	Nov–Jan Q3
Net sales	SEK m.	1,298.1	1,414.5	1,324.7	1,123.7	1,120.6	1,215.7	1,091.0	1,034.9	1,030.6
Growth	%	15.8	16.4	21.4	8.6	8.7	18.4	20.6	25.0	15.4
Gross margin	%	32.9	35.9	33.2	33.7	37.0	36.5	35.8	35.9	37.5
Operating profit	SEK m.	48.5	141.8	102.0	36.0	89.8	140.9	98.5	5.6	97.3
Operating margin	%	3.7	10.0	7.7	3.2	8.0	11.6	9.0	0.5	9.4
Return on capital employed	%	10.3	12.2	12.7	13.8	13.1	13.9	14.3	14.7	18.7
Return on equity	%	11.5	14.2	14.5	16.1	14.6	15.9	16.8	15.7	18.9
Equity/assets ratio	%	40.2	37.8	38.6	40.7	41.4	39.1	45.2	45.1	45.3
Basic equity per share	SEK	34.10	33.55	32.47	30.31	28.86	28.92	26.97	26.90	27.02
Basic earnings per share	SEK	0.38	1.78	1.14	0.46	1.06	1.71	1.40	-0.09	1.35

Parent Company Income Statement

SEK m.	2013/14 Nov–Jan 3 mths	2012/13 Nov–Jan 3 mths	2013/14 May–Jan 9 mths	2012/13 May–Jan 9 mths	2012/13 May-Apr 12 mths
Net sales	268.6	231.4	810.2	719.1	946.8
Cost of goods sold	-205.2	-175.6	-598.9	-543.8	-716.9
Gross profit	**63.4**	**55.8**	**211.3**	**175.3**	**229.9**
Other operating income	11.8	7.8	33.9	27.1	47.7
Selling expenses	-48.0	-42.0	-131.3	-117.1	-165.3
Administration expenses	-17.9	-15.2	-47.8	-44.8	-62.3
Other operating expenses	-12.1	-2.5	-34.8	-7.3	-15.5
Operating profit	**-2.8**	**3.9**	**31.3**	**33.2**	**34.5**
Net financial items	-7.1	37.0	246.8	160.7	148.2
Profit after financial items	**-9.9**	**40.9**	**278.1**	**193.9**	**182.7**
Appropriations[1]	7.0	9.8	21.3	23.6	-20.7
Pre-tax profit	**-2.9**	**50.7**	**299.4**	**217.5**	**162.0**
Tax on profit for the period	0.5	-2.2	-8.2	-12.0	-0.1
Profit for the period	**-2.4**	**48.5**	**291.2**	**205.5**	**161.9**

1) Accelerated depreciation, tax allocation reserve and Group contributions.

2) The relatively low effective tax rate for the Parent Company is because a large share of net financial items consists of tax-free income such as dividends from subsidiaries.

Parent Company Balance Sheet

SEK m.	31/01/2014	31/01/2013	30/04/2013
ASSETS			
Other intangible assets	6.4	5.9	4.8
Property, plant and equipment	124.7	100.8	129.9
Financial and other assets	2,383.2	1,840.7	2,004.7
Total non-current assets	**2,514.3**	**1,947.4**	**2,139.4**
Inventory	167.3	119.5	127.8
Current receivables	712.0	611.0	560.9
Cash and cash equivalents	-	-	-
Total current assets	**879.3**	**730.5**	**688.7**
TOTAL ASSETS	**3,393.6**	**2,677.9**	**2,828.1**
EQUITY AND LIABILITIES			
Equity	1,249.1	883.2	892.4
Untaxed reserves	42.0	69.0	63.3
Non-current liabilities, provisions	2.4	1.7	2.8
Non-current liabilities, interest-bearing	457.8	600.5	743.3
Total non-current liabilities	**460.2**	**602.2**	**746.1**
Current liabilities, interest-bearing	1,201.7	980.2	664.5
Current liabilities, non-interest-bearing	440.6	143.3	461.8
Total current liabilities	**1,642.3**	**1,123.5**	**1,126.3**
TOTAL EQUITY AND LIABILITIES	**3,393.6**	**2,677.9**	**2,828.1**

General accounting policies and principles

Systemair applies International Financial Reporting Standards (IFRS). This interim report was prepared for the Group in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and RFR 2. The accounting policies and methods of calculation applied for the Group and Parent Company accord with those used in preparing the most recent Annual Report, with the exception of application of IAS 19 Employee benefits - amendments, and IAS 1 Presentation of Financial Statements. However, these have not had any major impact on the Group's financial reporting.

Note 1 – Acquisition analysis

The price paid to acquire 100 percent of the shares outstanding in Menerga, Germany, Reftec, Norway, Menerga, Austria and Menerga's three German sales companies was provisionally made up as follows:

Total historical cost, less transaction costs SEK 141.9 million

Identifiable net assets	Total
Goodwill	76.1
Brands and customer relationships	111.9
Buildings and land	29.9
Machinery and equipment	10.9
Financial and other assets	0.4
Inventory	48.4
Other current assets	72.6
Cash and cash equivalents	15.5
Non-interest-bearing liabilities (incl. deferred tax liability)	-27.8
Interest-bearing liabilities	-38.5
Other operating liabilities	-157.5
	141.9

Transaction costs in the acquisition of subsidiaries totalled SEK 5.1 million, the major share of which was charged to Q4 earnings in 2012/13.

The total effect on cash flow from the acquisitions, including payment of a formerly withheld additional purchase consideration for prior years' acquisitions, amounted to SEK -123.1 million.

Brands and customer relationships have been measured at the net present value of future payment flows. The useful life of these assets has been estimated at 5-10 years.

The goodwill upon acquisition is attributable to the strong market position of the companies acquired, synergy effects expected to arise after the acquisitions and the company's estimated future earning capacity.

Note 2 – Financial instruments

Systemair's financial instruments consist of derivatives, trade accounts receivable, cash and cash equivalents, available-for-sale financial assets, trade accounts payable, accrued supplier costs and interest-bearing liabilities. Liabilities to credit institutions carry variable interest rates or, in certain cases, fixed rates for a short period. Derivatives are recognised at fair value via the income statement, based on input data corresponding to level 2 in IFRS 7. Available-for-sale financial assets are recognised at fair value based on input data corresponding to level 1 in IFRS 7. Other financial assets and liabilities are short term. For that reason, the fair values of all financial instruments are considered to equate approximately to the carrying amounts. Systemair has not recognised any financial assets and liabilities net.

Definitions of key ratios

Operating profit (EBIT)
Earnings before financial items and tax.

Growth
Growth is defined as the change in net sales, relative to net sales for the preceding period.

Operating margin
Operating profit divided by net sales.

Profit margin
Profit after financial items divided by net sales.

Return on capital employed
Profit after financial income, for the trailing 12 months (TTM), divided by average capital employed.

Capital employed
Total assets less non-interest-bearing liabilities.

Return on equity
Profit after tax before non-controlling interest, for the trailing 12 months (TTM), divided by average equity excluding non-controlling interest.

Number of employees
The number of employees at the end of the accounting period. New employees, appointments terminated, part-time employees and paid overtime are converted into full-time equivalents.

Earnings per share
Profit for the period attributable to Parent Company shareholders, divided by the average number of shares during the period.

Operating cash flow per share
Cash flow from operating activities for the period, divided by the average number of shares during the period.

Equity/assets ratio
Adjusted equity divided by total assets.

Equity per share
Equity divided by the number of shares at the end of the period.