

# **Everything to do with our finances. And then some.**

**Report for the first quarter of 2014**



# Report for the first quarter of 2014

## First quarter

- Net turnover amounted to SEK 4,547 M (4,048).
- Operating profit amounted to SEK 94 M (45).
- Profit for the period was SEK 74 M (44) and earnings per share SEK 2.95 (1.80).
- Operating cash flow amounted to SEK 24 M (90).

In a comment on the first quarter, Bilia's Managing Director Per Avander says:

“Demand for cars and service was on a level with the fourth quarter of 2013, but better compared with the same quarter the previous year. The Service Business reported a higher turnover and much better earnings than last year. The Car Business also reported better earnings. The order backlog of new cars increased during the quarter and is higher compared with last year. The financial position of the Group continues to be strong. We believe that demand for cars and service during the second quarter of 2014 will be slightly better compared with the same quarter last year and unchanged compared with the first quarter of this year.”



Group	First quarter		April 13 -	Full year
	2014	2013	March 14	2013
Net turnover, SEK M	4,547	4,048	18,155	17,656
Operating profit excl. items affecting comparability, SEK M <sup>1)</sup>	94	45	444	395
Operating margin excl. items affecting comparability, %	2.1	1.1	2.4	2.2
Operating profit, SEK M	94	45	417	368
Operating margin, %	2.1	1.1	2.3	2.1
Profit before tax excl. items affecting comparability, SEK M <sup>1)</sup>	88	54	428	394
Profit before tax, SEK M	88	54	401	367
Net profit for the period / year, SEK M	74	44	320	290
Earnings per share, SEK <sup>2)</sup>	2.95	1.80	12.85	11.70

<sup>1)</sup> Items affecting comparability are shown in the table on page 4.

<sup>2)</sup> The number of shares used in the calculation is shown in the table on page 12.

## Notable events during 2014

- On 20 January 2014, Bilia concluded an agreement with Toyota Sweden Holding AB to acquire a property company and Toyota's operation in Malmö, Trelleborg and Lund. The date of possession was 1 March 2014. The operation has an annual turnover of SEK 350 M and 77 employees. The purchase consideration totalled SEK 77 M, of which the dealership operation accounted for SEK 43 M and the property company SEK 34 M. On the date of possession, an interest-bearing loan in the property of SEK 27 M was settled, which means that the Bilia Group's capital employed and net debt will increase by about SEK 104 M as an effect of the acquisition.

Further information on the above event and other press information is available at [www.bilia.com](http://www.bilia.com).

## First quarter 2014

Demand for cars and service was on a level with the fourth quarter of 2013, but better compared with the same quarter the previous year.

**Net turnover** amounted to SEK 4,547 M (4,048). For comparable operations and adjusted for exchange rate changes, net turnover increased by about SEK 580 M or 15 per cent. The increase is attributable to sales of both cars and service.

**Operating profit** amounted to SEK 94 M (45). The improvement is mainly attributable to the Service Business, which reported a profit that was SEK 28 M better than last year's. The Car Business also reported better earnings compared with last year. Underlying Group overheads increased by 4 per cent compared with last year. Overheads amounted to 13.5 per cent in relation to net turnover, which was 1.2 percentage points lower compared with last year. In view of the earnings level during the quarter, provision was made for employee bonuses of SEK 4 M (2).

**Net financial items** amounted to SEK -6 M (9). Last year included SEK 14 M more in earnings from associated companies due to a change in the income tax rate in Sweden to 22 per cent.

**Tax for the period** amounted to SEK -14 M (-10). The tax expense for the quarter was reduced by SEK 5 M due to a booked tax asset attributable to value increases on endowment policies. At the same time, operating profit has been charged with just over SEK 4 M in special payroll tax.


**Profit for the period** was SEK 74 M (44) and earnings per share SEK 2.95 (1.80). Exchange rate changes reduced the profit by SEK 2 M.

**Total assets** decreased by SEK 19 M to SEK 6,076 M. If the acquisition of Toyota is excluded, the decrease amounts to SEK 183 M and is mainly attributable to trade receivables and fewer used cars in stock.

**Equity** increased by SEK 82 M, amounting to SEK 1,905 M. The equity/assets ratio amounted to 31 per cent (30).

**Acquisition of non-current assets** amounted to SEK 92 M (33). Replacement investments represented SEK 16 M (12), expansion investments SEK 10 M (6), environmental investments SEK 0 M (0), investments in new construction and additions to properties SEK 65 M (11), and finance leases SEK 1 M (4).

**Operating cash flow** amounted to SEK 24 M (90). After acquisition of operations and change in interest-bearing receivables, cash flow amounted to SEK 26 M (99). The acquisition of the Toyota dealership reduced the cash flow by SEK 29 M. Net debt decreased by SEK 8 M during the quarter, amounting to SEK 401 M.



**Liquidity** remains good, and at the end of March a positive bank balance of SEK 69 M was reported. The combined credit limit with Nordea and DNB amounts to SEK 900 M.

**The number of employees** increased by 95 during the quarter and amounts to 3,496 persons. The acquisition of Toyota is included, accounting for 77 additional employees.

## Items affecting comparability

Group, SEK M	First quarter		April 13 - March 14	Full year 2013
	2014	2013		
<b>Operating profit excl. items affecting comparability</b>	<b>94</b>	45	444	395
<i>Items affecting comparability</i>				
- Gain from sale of operation, other	0	0	2	2
- Structural costs etc.	0	0	-25	-25
- Impairment of land	0	0	-4	-4
<b>Operating profit</b>	<b>94</b>	45	417	368
<b>Profit before tax excl. items affecting comparability</b>	<b>88</b>	54	428	394
<i>Items affecting comparability</i>				
- Gain from sale of operation, other	0	0	2	2
- Structural costs etc.	0	0	-25	-25
- Impairment of land	0	0	-4	-4
<b>Profit before tax</b>	<b>88</b>	54	401	367



## Group

No. of new cars	Deliveries				Order backlog	
	First quarter 2014	2013	April 13 - March 14	Full year 2013	31 March 2014	2013
Sweden <sup>1)</sup>	6,163	5,209	25,227	24,273	6,215	4,460
Norway	1,713	1,527	7,982	7,796	1,423	1,439
Denmark	852	705	3,705	3,558	485	668
<b>Total</b>	<b>8,728</b>	<b>7,441</b>	<b>36,914</b>	<b>35,627</b>	<b>8,123</b>	<b>6,567</b>

<sup>1)</sup> Toyota is included in deliveries during the quarter with 56 (-) and in order backlog with 146 (-).

SEK M	Net turnover				Operating profit/loss excl. items affecting comparability , operating margin							
	First quarter 2014	2013	April 13 - March 14	Full year 2013	2014	%	2013	%	April 13 - March 14	2013	%	
Sweden	3,033	2,683	11,917	11,567	81	2.7	52	1.9	371	342	3.0	
Norway	1,258	1,171	5,174	5,087	32	2.5	14	1.2	134	116	2.3	
Denmark	255	193	1,059	997	-7	-2.7	-8	-3.8	-19	-20	-2.0	
<b>Total Cars</b>	<b>4,546</b>	<b>4,047</b>	<b>18,150</b>	<b>17,651</b>	<b>106</b>	<b>2.3</b>	<b>58</b>	<b>1.4</b>	<b>486</b>	<b>438</b>	<b>2.5</b>	
Parent Company, other	1	1	5	5	-12	-	-13	-	-42	-43	-	
<b>Total</b>	<b>4,547</b>	<b>4,048</b>	<b>18,155</b>	<b>17,656</b>	<b>94</b>	<b>2.1</b>	<b>45</b>	<b>1.1</b>	<b>444</b>	<b>395</b>	<b>2.2</b>	

- Good start in Norway
- Higher order backlog

The market for new cars increased during the quarter by 21 per cent in Sweden, 8 per cent in Norway and 14 per cent in Denmark.

The Group reported an operating profit of SEK 94 M (45) and an operating margin of 2.1 per cent (1.1). The Service Business reported a profit that was SEK 28 M better than last year's, while the Car Business reported a profit that was SEK 21 M better than last year's. The order backlog increased by 2,100 cars during the quarter to 8,123 cars, of which 146 cars were attributable to the acquisition of Toyota in Malmö, Trelleborg and Lund.

The operation in Sweden reported an operating profit of SEK 81 M (52), with an operating margin of 2.7 per cent (1.9). The Service Business developed very positively and reported earnings that were SEK 18 M better compared with last year. The improvement is mainly attributable to higher sales and lower relative costs. The Car Business reported a profit that was SEK 12 M better than last year's. The increase is mainly attributable to higher sales of new cars and a higher gross profit margin on sales of used cars.

Operating profit in Bilia's Norwegian operation amounted to SEK 32 M (14) and the operating margin to 2.5 per cent (1.2). The quarter contained 2 more working days than last year, which contributed to the earnings improvement. The Service Business reported a profit that was SEK 9 M better than last year's, due mainly to higher turnover. The Car Business reported a profit that was SEK 9 M better than last year's. The improvement is attributable to higher turnover and lower relative costs in new car sales. Stocks of used cars, which were too high at the end of the year, were reduced during the quarter. The stock reduction was accomplished at the expense of a lower gross profit margin, which had a negative impact on quarterly earnings.

The Danish operation reported an operating loss of SEK 7 M (loss: 8). Earnings in the Service Business were slightly better than last year. Turnover decreased by 5 per cent, which was offset by lower costs and a slightly higher gross profit margin. The Car Business reported unchanged earnings, despite considerably higher sales of new cars during the quarter. Increased competition in the Copenhagen area is depressing the gross profit margin in new car sales. Further savings programmes will be implemented during the second quarter.

## Operations – divided into Service, Car and Fuel Businesses

- Growth and good earnings in the Service Business
- Increased deliveries of new and used cars

SEK M	Net turnover <sup>1)</sup>				Operating profit/loss, operating margin			
	First quarter 2014	2013	April 13 - March 14	Full year 2013	First quarter 2014	2013	April 13 - March 14	Full year 2013
Service Business	1,039	984	4,105	4,050	93	65	379	351
- margin, %					9.0	6.6	9.2	8.7
Car Business	3,450	2,979	13,725	13,254	8	-13	88	67
- margin, %					0.2	-0.4	0.6	0.5
Fuel Business	243	265	1,045	1,067	5	6	19	20
- margin, %					2.0	2.3	1.8	1.9

Service includes workshop services, spare parts and accessories.

The Car Business includes sales of new and used cars and customer financing.

<sup>1)</sup> Net turnover does not include eliminations for internal sales.

### Growth in the Service Business

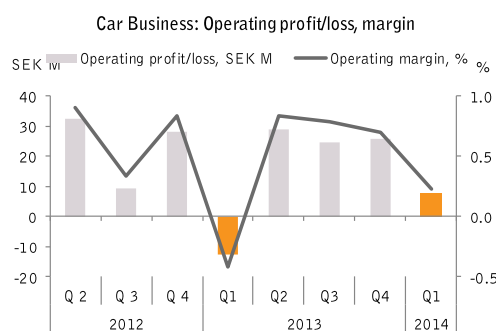
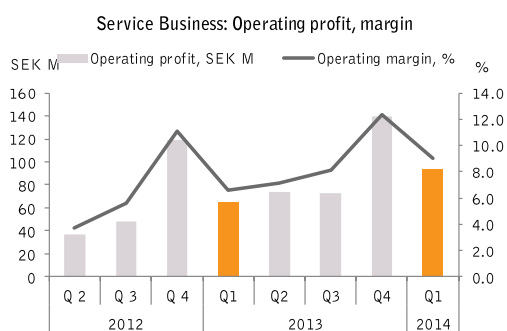
Per cent	First quarter			
	Sweden	Norway	Denmark	Total
<i>Change from last year</i>				
Underlying turnover	6.0	8.7	-4.9	6.0
Calendar effect	0.0	-3.3	-3.3	-1.0
<b>Adjusted turnover</b>	<b>6.0</b>	<b>5.4</b>	<b>-8.2</b>	<b>5.0</b>

The trend in the Service Business was positive during the past year, and this year also started well with a strong first quarter. Slightly improved demand, along with a focus on older cars, service agreements and add-on sales, as well as more new-car deliveries are reasons for the increase in Sweden and Norway. The decline in turnover in Denmark is mainly attributable to increased competition in the Copenhagen area. The quarter contained the same number of working days in Sweden, but 2 more working days in Norway and Denmark, compared with the first quarter 2013.

The Car Business's deliveries of new cars increased during the quarter by 16 per cent and deliveries of used cars by 7 per cent for comparable operations. Orders received for new cars increased by 16 per cent compared with last year. Earnings from sales of new cars improved by SEK 23 M, due mainly to higher sales. The operation in Norway has focused on reducing its stocks of used cars, which had a negative impact on the gross profit margin during the quarter. Used car sales reported a small loss.

Stocks of used cars decreased during the quarter and are now at good levels. The turnover rate for used cars increased slightly, amounting to 9.6 times per year.

The Fuel Business is concentrated to Sweden, and earnings amounted to SEK 5 M (6). The decline is mainly attributable to a slightly lower gross profit margin.



All values in the above graphs pertain to isolated quarters.

## Acquisition of operation 2014

### Toyota's dealership operation in Malmö, Trelleborg and Lund

On 1 March 2014, Bilja acquired Toyota's dealership operation in Malmö, Trelleborg and Lund. The business generates an annual turnover of about SEK 350 M a year, with an average operating margin of 1.1 per cent. The purchase consideration amounted to SEK 43 M. The entire purchase consideration was paid in cash. There is no contingent purchase consideration.

Through the acquisition Bilja can enlarge its offer with the Toyota brand, belonging to one of the world's most successful automakers. It is further hoped that the acquisition will create opportunities for Bilja to grow with Toyota in the countries where Bilja does business.

The acquisition is expected to give rise to synergies valued at about SEK 3 M per year, with full effect from 2015. The business has 77 employees and will continue to be operated from the present-day facilities.

There are no external transaction costs or acquisition-related expenses attributable to the acquisition.

### Effects of the acquisitions

The acquisition has the following effects on the Group's assets and liabilities.

#### The acquired operation's net assets at the acquisition date:

SEK M	Carrying amounts in Toyota's dealership operation	Fair value adjustment	Fair value recognised in Group
Intangible assets	13	-	13
Property, plant and equipment	11	27	38
Long-term investments	0	-	0
Deferred tax asset	-	0	0
Inventories	39	0	39
Trade receivables and other receivables	11	-	11
Cash and cash equivalents	1	-	1
Trade payables and other liabilities	32	27	59
<b>Net identifiable assets and liabilities</b>	<b>43</b>	<b>0</b>	<b>43</b>
Consolidated goodwill			0
Purchase consideration paid, cash			43
Less: Debt to the seller			13
Less: Cash and cash equivalents in acquired operation			1
<b>Net effect on cash and cash equivalents</b>			<b>29</b>

Acquired customer relations totalling SEK 13 M are recognized as intangible assets. These customer relations will be amortized over 10 years.





## **Parent Company**

Bilia AB is responsible for the Group's management, strategic planning, purchasing, public relations, business development, accounting and financing. Furthermore, Bilia AB conducts real estate and IT activities, mainly for companies in the Group.

The Parent Company's operating loss for the first quarter amounted to SEK -12 M (loss: 15).

## **Risks and uncertainties**

As a result of its operations, the Bilia Group is exposed to both operating risks and financial risks.

The operating risks include:

- Development of the market for new cars.
- Diminished demand for cars can also affect the value of stock in hand and guaranteed residual values.
- Reduced demand for service and repairs.
- Increased competition in the markets where Bilia is active.
- The ability of suppliers to offer competitive products.
- Automotive suppliers become insolvent or terminate retailer agreements with Bilia.
- Regulatory decisions that lead to changes in taxes and charges on the products Bilia sells can influence both demand for and the valuation of cars in stock and cars sold with guaranteed residual values.

The financial risks include liquidity risks, interest rate risks, credit risks and currency risks.

Bilia works continuously with risk identification and risk assessment. For further information about the risks that affect the Group, please refer to the 2013 Annual Report.

## **Accounting principles**

This interim report in summary for the Group has been prepared in accordance with IAS 34 "Interim Financial Reporting" and applicable provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, "Interim Reports". The same accounting policies and calculation methods have been applied for the Group and the Parent Company as in the most recent annual report. New IFRS's that became effective during the year have not had any significant effect on the Group's or the Parent Company's financial reports.

### **Events after the end of the report period**

No significant events have occurred after the end of the report period.

### **Audit**

This interim report has not been subjected to special examination by the auditors.

### **Next report**

The interim report for the second quarter of 2014 will be published on 24 July 2014.

Gothenburg, 29 April 2014  
Bilia AB (publ)  
Board of Directors

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## Group's operating segments

First quarter

SEK M	Service		Car		Fuel		Total Cars		Segment reconciliation		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Net turnover</b>												
External sales	853	803	3,450	2,979	243	265	4,546	4,047	1	1	4,547	4,048
Internal sales	186	181					186	181	-186	-181	-	-
<b>Total net turnover</b>	<b>1,039</b>	<b>984</b>	<b>3,450</b>	<b>2,979</b>	<b>243</b>	<b>265</b>	<b>4,732</b>	<b>4,228</b>	<b>-185</b>	<b>-180</b>	<b>4,547</b>	<b>4,048</b>
Depreciation/amortisation	-13	-17	-62	-62	-1	-1	-76	-80	-5	-4	-81	-84
Operating profit/loss	93	65	8	-13	5	6	106	58	-12	-13	94	45
Interest income											2	3
Interest expenses											-13	-13
Shares in profits of associated companies			5	19			5	19			5	19
Profit before tax											88	54
Tax expense for the period											-14	-10
<b>Net profit for the period</b>											<b>74</b>	<b>44</b>
<i>Material items of income and expense of a non-recurring nature recognised in the Statement of Income and Other Comprehensive Income:</i>												
<i>Items affecting comparability</i>												
Items of non-recurring nature	-	-	-	-	-	-	-	-	-	-	-	-
<i>Material items not affecting cash besides depreciation/amortisation:</i>												
- Other	-13	-10	-14	-23	0	0	-27	-33	-1	-1	-28	-34
<b>Total</b>	<b>-13</b>	<b>-10</b>	<b>-14</b>	<b>-23</b>	<b>0</b>	<b>0</b>	<b>-27</b>	<b>-33</b>	<b>-1</b>	<b>-1</b>	<b>-28</b>	<b>-34</b>
<b>Assets</b>												
Interests in associated companies			353	336			353	336			353	336
Deferred tax assets											76	74
Other assets											5,647	5,022
<b>Total assets</b>			<b>353</b>	<b>336</b>			<b>353</b>	<b>336</b>			<b>6,076</b>	<b>5,432</b>
Investments in non-current assets	53	16	185	180	1	0	239	196	4	12	243	208
<b>Liabilities</b>												
Equity											1,905	1,615
Liabilities											4,171	3,817
<b>Total liabilities and equity</b>											<b>6,076</b>	<b>5,432</b>

SEK M	Revenue from external customers		Non-current assets	
	2014	2013	2014	2013
<b>Geographical segments</b>				
Sweden	3,034	2,684	2,867	2,681
Norway	1,258	1,171	520	555
Denmark	255	193	85	69
Segment reconciliation	0	0	-750	-724
<b>Total</b>	<b>4,547</b>	<b>4,048</b>	<b>2,722</b>	<b>2,581</b>

## Group's operating segments con'd.

First quarter

SEK M	Sweden		Service Norway		Denmark		Sweden		Car Norway		Denmark	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net turnover												
External sales	590	557	213	195	50	51	2,200	1,872	1,045	965	205	142
Internal sales	116	107	54	58	16	16						
<b>Total net turnover</b>	<b>706</b>	<b>664</b>	<b>267</b>	<b>253</b>	<b>66</b>	<b>67</b>	<b>2,200</b>	<b>1,872</b>	<b>1,045</b>	<b>965</b>	<b>205</b>	<b>142</b>
Depreciation/amortisation	-10	-14	-2	-2	-1	-1	-55	-55	-6	-6	-1	-1
Operating profit/loss	71	53	21	12	1	0	5	-7	11	2	-8	-8
Shares in profits of associated companies							5	19				
<i>Material items of income and expense of a non-recurring nature recognised in the Statement of Income and Other Comprehensive Income:</i>												
<i>Items affecting comparability</i>												
Items of non-recurring nature	-	-	-	-	-	-	-	-	-	-	-	-
<i>Material items not affecting cash besides depreciation/amortisation:</i>												
- Other	-13	-10	0	0	0	0	-11	-10	3	-1	-6	-12
<b>Total</b>	<b>-13</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-11</b>	<b>-10</b>	<b>3</b>	<b>-1</b>	<b>-6</b>	<b>-12</b>
<b>Assets</b>												
Interests in associated companies							353	336				
Investments in non-current assets	49	9	4	7	0	0	142	162	5	-1	38	19



## Consolidated Statement of Income and Other Comprehensive Income

SEK M	First quarter		April 13 -	Full year
	2014	2013	March 14	2013
Net turnover	4,547	4,048	18,155	17,656
Costs of goods sold	-3,843	-3,413	-15,313	-14,883
<b>Gross profit</b>	<b>704</b>	<b>635</b>	<b>2,842</b>	<b>2,773</b>
Other operating income	2	4	9	11
Selling expenses	-496	-482	-1,972	-1,958
Administrative expenses	-116	-111	-433	-428
Other operating expenses	0	-1	-29	-30
<b>Operating profit<sup>1)</sup></b>	<b>94</b>	<b>45</b>	<b>417</b>	<b>368</b>
Financial income	2	3	33	34
Financial expenses	-13	-13	-70	-70
Shares in profits of associated companies	5	19	21	35
Net financial items	-6	9	-16	-1
<b>Profit before tax</b>	<b>88</b>	<b>54</b>	<b>401</b>	<b>367</b>
Tax	-14	-10	-81	-77
<b>Net profit for the period</b>	<b>74</b>	<b>44</b>	<b>320</b>	<b>290</b>
<b>Other comprehensive income/loss</b>				
<i>Items that cannot be reclassified to profit or loss</i>				
Revaluation of defined-benefit pension plans	0	0	75	75
Tax attributable to items that cannot be reclassified to profit or loss	0	0	-17	-17
	0	0	58	58
<i>Items that can be reclassified to profit or loss</i>				
Translation differences attributable to foreign operations	8	-15	-8	-31
Tax attributable to items that have been or may be reclassified to profit or loss	0	0	0	0
	8	-15	-8	-31
<b>Other comprehensive income/loss after tax</b>	<b>8</b>	<b>-15</b>	<b>50</b>	<b>27</b>
<b>Comprehensive income for the period</b>	<b>82</b>	<b>29</b>	<b>370</b>	<b>317</b>
<b>Net profit for the period attributable to:</b>				
Parent Company's shareholders	74	44	320	290
<b>Comprehensive income for the period attributable to:</b>				
Parent Company's shareholders	82	29	217	164
Weighted average number of shares, '000:				
- before dilution	25,141	24,663	24,883	24,765
- after dilution	25,459	25,003	25,209	25,096
Basic earnings/loss per share, SEK	2.95	1.80	12.85	11.70
Diluted earnings/loss per share, SEK	2.95	1.80	12.70	11.55
Weighted average number of own shares, '000	-	456	251	363
<sup>1)</sup> Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-10	-10	-38	-38
- Land and buildings	-3	-2	-18	-17
- Equipment, tools, fixtures and fittings	-16	-17	-60	-61
- Leased vehicles	-52	-55	-207	-210
Total	-81	-84	-323	-326

## Consolidated Statement of Financial Position, Summary

SEK M	31/3 2014	31/12 2013	31/3 2013
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	197	190	208
Goodwill	262	259	275
	459	449	483
<b>Property, plant and equipment</b>			
Land and buildings	148	94	114
Construction in progress	8	8	9
Equipment, tools, fixtures and fittings	312	297	308
Leased vehicles <sup>1)</sup>	1,396	1,389	1,275
	1,864	1,788	1,706
<b>Long-term investments</b>			
Financial investments	368	362	349
Long-term receivables <sup>2)</sup>	31	27	43
	399	389	392
Deferred tax assets	76	66	74
<b>Total non-current assets</b>	<b>2,798</b>	<b>2,692</b>	<b>2,655</b>
<b>Current assets</b>			
Inventories, merchandise	2,232	2,268	1,844
<b>Current receivables</b>			
Other receivables <sup>1)</sup>	942	980	841
Cash and cash equivalents <sup>2)</sup>	104	155	92
<b>Total current assets</b>	<b>3,278</b>	<b>3,403</b>	<b>2,777</b>
<b>Total assets</b>	<b>6,076</b>	<b>6,095</b>	<b>5,432</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	251	251	251
Other contributed capital	47	47	47
Reserves	-45	-53	-37
Retained earnings including net profit for the year	1,652	1,578	1,354
<b>Total equity</b>	<b>1,905</b>	<b>1,823</b>	<b>1,615</b>
<b>Non-current liabilities</b>			
Debenture loan <sup>3)</sup>	28	28	28
Interest-bearing liabilities <sup>3)</sup>	113	122	81
Other liabilities and provisions <sup>4)</sup>	1,317	1,261	1,365
	1,458	1,411	1,474
<b>Current liabilities</b>			
Interest-bearing liabilities <sup>3)</sup>	108	162	130
Other liabilities and provisions	2,605	2,699	2,213
	2,713	2,861	2,343
<b>Total equity and liabilities</b>	<b>6,076</b>	<b>6,095</b>	<b>5,432</b>
<b>Assets</b>			
<sup>1)</sup> Of which interest-bearing	236	228	184
<sup>2)</sup> Interest-bearing	135	182	135
<b>Liabilities</b>			
<sup>3)</sup> Interest-bearing	249	312	239
<sup>4)</sup> Of which interest-bearing	523	507	562

## Statement of Changes in Group Equity, Summary

SEK M	31/3 2014	31/12 2013	31/3 2013
Opening balance	1,823	1,586	1,586
Cash dividend to shareholders	-	-148	-
Exercised warrants	0	0	0
Disposal of own shares	-	68	-
Comprehensive income for the year	82	317	29
<b>Closing balance</b>	<b>1,905</b>	<b>1,823</b>	<b>1,615</b>

## Consolidated Statement of Cash Flows

SEK M	First quarter 2014	2013	April 13 - March 14	Full year 2013
<b>Operating activities</b>				
Profit before tax	88	54	401	367
Depreciation/amortisation and impairment losses	81	84	327	330
Other items not affecting cash	-6	-33	-3	-30
Tax paid	-54	10	-129	-65
Change in inventories	92	204	-398	-286
Change in operating receivables	61	106	-103	-58
Change in operating liabilities	-124	-301	292	115
<b>Cash flow from operating activities</b>	<b>138</b>	<b>124</b>	<b>387</b>	<b>373</b>
<b>Investing activities</b>				
Acquisition of non-current assets (intangible and tangible)	-92	-33	-164	-105
Disposal of non-current assets (intangible and tangible)	0	0	4	4
Acquisition of leased vehicles	-151	-175	-676	-700
Disposal of leased vehicles	129	174	466	511
<b>Operating cash flow</b>	<b>24</b>	<b>90</b>	<b>17</b>	<b>83</b>
Investment in financial assets	0	0	0	0
Disposal of financial assets	4	9	22	27
Acquisition of subsidiary/operation, net	-29	0	-56	-27
Disposal of subsidiary/operation, net	0	0	35	35
<b>Cash flow after net investments</b>	<b>-1</b>	<b>99</b>	<b>18</b>	<b>118</b>
<b>Financing activities</b>				
Borrowings	100	0	100	0
Repayment of loans	-100	0	-100	0
Change in overdraft facility	-50	-68	73	55
Exercised warrants	0	0	0	0
Disposal of own shares	0	0	68	68
Dividend paid to Parent Company's shareholders	0	0	-148	-148
<b>Cash flow from financing activities</b>	<b>-50</b>	<b>-68</b>	<b>-7</b>	<b>-25</b>
<b>Change in cash and cash equivalents, excl. translation differences</b>	<b>-51</b>	<b>31</b>	<b>11</b>	<b>93</b>
Exchange difference in cash and cash equivalents	0	-1	1	0
<b>Change in cash and cash equivalents</b>	<b>-51</b>	<b>30</b>	<b>12</b>	<b>93</b>
Cash and cash equivalents at start of period	155	62	92	62
Cash and cash equivalents at end of period	104	92	104	155

## Fair value of financial instruments

The carrying amount of financial instruments corresponds to the fair value, with the exception of debenture loans. The fair value of debenture loans amounts to SEK 28 M.

Fair value is determined on the basis of the following three levels:

Level 1: according to prices quoted on an active market for the same instrument.

Level 2: based on directly or indirectly observable market inputs other than those included in level 1.

Level 3: according to inputs not based on observable market data.

Currency derivatives that belong to financial assets and liabilities, valuation level 2, have per year-end been valued to fair value. The value of the currency derivatives is not material and does not constitute an significant item. Fair value measurement has not had any effect on the profit.

### Calculation of fair value

The fair value of currency derivatives is determined on the basis of market rates. If such rates are not available, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be obtained on the balance sheet date for the remaining contract period.





## Quarterly review

Group	2/12	3/12	4/12	1/13	2/13	3/13	4/13	1/14
Net turnover, SEK M	4,742	3,824	4,534	4,048	4,575	4,155	4,878	4,547
Operating profit excl. items affecting comparability, SEK M	62	53	139	45	95	96	159	94
Operating margin excl. items affecting comparability, %	1.3	1.4	3.0	1.1	2.1	2.3	3.2	2.1
Operating profit, SEK M	59	22	112	45	90	76	157	94
Operating margin, %	1.3	0.6	2.5	1.1	2.0	1.8	3.2	2.1
Profit before tax, SEK M	54	18	108	54	85	73	155	88
Profit/loss for the period, SEK M	38	-8	76	44	64	54	128	74
Rate of capital turnover, times <sup>1)</sup>	3.28	3.22	3.12	3.04	3.03	3.07	3.06	3.12
Return on capital employed, % <sup>1)</sup>	16.5	13.9	12.3	11.6	13.0	15.3	17.7	18.7
Return on equity, % <sup>1)</sup>	15.0	10.8	9.1	9.4	11.4	15.2	17.0	18.9
Net debt/equity, times	0.36	0.34	0.36	0.30	0.31	0.23	0.22	0.21
Equity/assets ratio, %	27	28	27	30	27	28	30	31
Interest coverage ratio, times <sup>1)</sup>	8.1	6.8	6.4	5.9	6.6	7.5	6.3	6.7
<b>Data per share (SEK)</b>								
Earnings/loss for the period	1.50 <sup>2)</sup>	-0.35 <sup>4)</sup>	3.10 <sup>6)</sup>	1.80 <sup>8)</sup>	2.60 <sup>10)</sup>	2.15 <sup>12)</sup>	5.15 <sup>14)</sup>	2.95 <sup>16)</sup>
Equity	61 <sup>3)</sup>	61 <sup>5)</sup>	64 <sup>7)</sup>	65 <sup>9)</sup>	62 <sup>11)</sup>	64 <sup>13)</sup>	72 <sup>15)</sup>	76 <sup>17)</sup>
Operating cash flow	3.20 <sup>2)</sup>	1.25 <sup>4)</sup>	-0.75 <sup>6)</sup>	3.65 <sup>8)</sup>	5.55 <sup>10)</sup>	1.20 <sup>12)</sup>	-7.05 <sup>14)</sup>	0.95 <sup>16)</sup>

<sup>1)</sup> Rolling 12 months.

<sup>2)</sup> Based on weighted average number of shares outstanding during second quarter, 25,013,960.

<sup>3)</sup> Based on number of shares outstanding at 30 June 2012, 24,752,901.

<sup>4)</sup> Based on weighted average number of shares outstanding during third quarter, 24,663,161.

<sup>5)</sup> Based on number of shares outstanding at 30 September 2012, 24,546,644.

<sup>6)</sup> Based on weighted average number of shares outstanding during fourth quarter, 24,566,868.

<sup>7)</sup> Based on number of shares outstanding at 31 December 2012, 24,657,606.

<sup>8)</sup> Based on weighted average number of shares outstanding during first quarter, 24,662,698.

<sup>9)</sup> Based on number of shares outstanding at 31 March 2013, 24,667,096.

<sup>10)</sup> Based on weighted average number of shares outstanding during second quarter, 24,670,763.

<sup>11)</sup> Based on number of shares outstanding at 30 June 2013, 24,671,552.

<sup>12)</sup> Based on weighted average number of shares outstanding during third quarter, 24,684,972.

<sup>13)</sup> Based on number of shares outstanding at 30 September 2013, 24,841,194.

<sup>14)</sup> Based on weighted average number of shares outstanding during fourth quarter, 25,036,534.

<sup>15)</sup> Based on number of shares outstanding at 31 December 2013, 25,139,592.

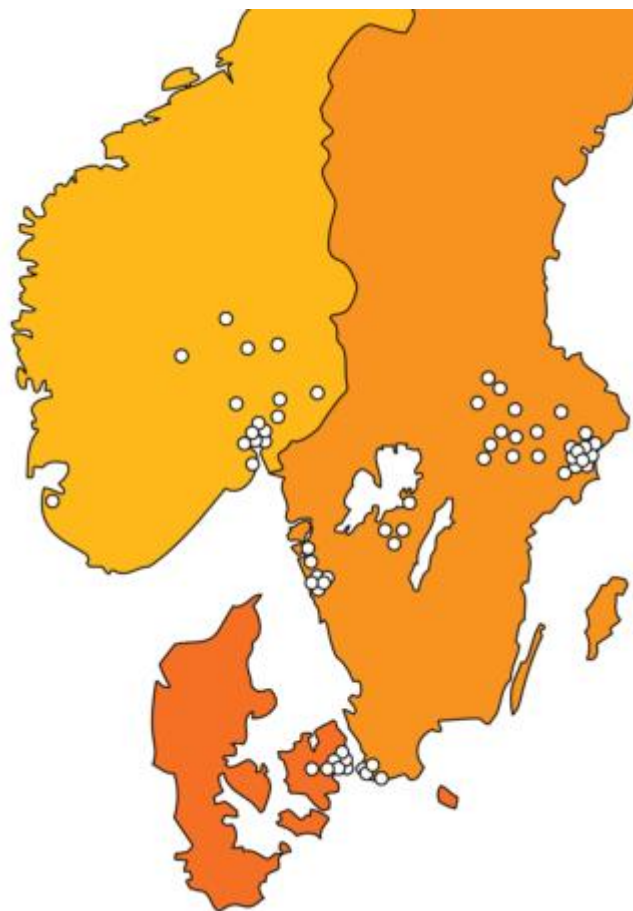
<sup>16)</sup> Based on weighted average number of shares outstanding during first quarter, 25,141,384.

<sup>17)</sup> Based on number of shares outstanding at 31 March 2014, 25,145,051.



## Income Statement for Parent Company

SEK M	First quarter		April 13 -	Full year
	2014	2013	March 14	2013
Net turnover	112	99	414	401
Administrative expenses	-124	-114	-456	-446
<b>Operating loss <sup>1)</sup></b>	<b>-12</b>	<b>-15</b>	<b>-42</b>	<b>-45</b>
<b>Result from financial items</b>				
Income from interests in Group companies	0	0	-41	-41
Interest income from Group companies	8	7	25	24
Other interest income and similar line items	1	2	28	29
Interest expenses to Group companies	0	0	0	0
Interest expenses and similar line items	-3	-5	-38	-40
<b>Loss after financial items</b>	<b>-6</b>	<b>-11</b>	<b>-68</b>	<b>-73</b>
Appropriations	0	0	272	272
<b>Profit/loss before tax</b>	<b>-6</b>	<b>-11</b>	<b>204</b>	<b>199</b>
Tax	5	2	-52	-55
<b>Net profit/loss for the period</b>	<b>-1</b>	<b>-9</b>	<b>152</b>	<b>144</b>
<sup>1)</sup> Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-3	-4	-11	-12
- Equipment, tools, fixtures and fittings	-1	0	-3	-2
<b>Total</b>	<b>-4</b>	<b>-4</b>	<b>-14</b>	<b>-14</b>



## Balance Sheet for Parent Company, Summary

SEK M	31/3 2014	31/12 2013	31/3 2013
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Intellectual property	46	46	45
	46	46	45
<b>Property, plant and equipment</b>			
Buildings	12	11	3
Construction in progress	8	8	8
Equipment, tools, fixtures and fittings	8	9	8
	28	28	19
<b>Long-term investments</b>			
Interests in Group companies	750	716	724
Other securities held as non-current assets	0	0	0
Other non-current receivables	25	20	29
Deferred tax asset	29	24	22
	804	760	775
<b>Total non-current assets</b>	<b>878</b>	<b>834</b>	<b>839</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies	30	715	101
Other receivables	100	94	86
Cash on hand and accrued deposits	630	83	480
<b>Total current assets</b>	<b>760</b>	<b>892</b>	<b>667</b>
<b>Total assets</b>	<b>1,638</b>	<b>1,726</b>	<b>1,506</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	251	251	251
Statutory reserve	47	47	47
	298	298	298
<b>Non-restricted equity</b>			
Share premium reserve	47	47	47
Retained earnings including net profit for the year	828	829	756
	875	876	803
<b>Total equity</b>	<b>1,173</b>	<b>1,174</b>	<b>1,101</b>
<b>Untaxed reserves</b>	<b>277</b>	<b>277</b>	<b>227</b>
<b>Provisions</b>			
Provisions for pensions and similar obligations	21	19	18
Deferred tax liability	1	1	0
	22	20	18
<b>Non-current liabilities</b>			
Debenture loan	28	28	28
Other liabilities	5	5	5
	33	33	33
<b>Current liabilities</b>			
Liabilities to credit institutes	-	32	-
Liabilities to Group companies	-	24	-
Other liabilities	133	166	127
	133	222	127
<b>Total equity and liabilities</b>	<b>1,638</b>	<b>1,726</b>	<b>1,506</b>
<b>Pledged assets and contingent liabilities for Parent Company</b>			
Pledged assets	552	534	447
Contingent liabilities	1,230	1,356	934