

# Financial Report

1 April 2013 – 31 March 2014

## Financial year (1 April 2013–31 March 2014)

- Revenue amounted to MSEK 7,648 (7,666).
- Operating profit *excluding* non-recurring items increased by 43 percent to MSEK 340 (238).
- Operating profit *including* non-recurring items rose by 18 percent to MSEK 340 (289), of which non-recurring items amounted to MSEK 0 (+51).
- Profit after net financial items increased by 32 percent to MSEK 286 (216) and was impacted by non-recurring items in a net amount of MSEK 0 (+51).
- Profit after taxes amounted to MSEK 214 (222).
- Earnings per share totalled SEK 7.60 (7.90).
- The return on equity was 10 percent (11).
- The equity/assets ratio at end of the financial year was 43 percent (39).
- A dividend of SEK 3.50 (3.00) per share is proposed.



*B&B TOOLS provides the industrial and construction sectors in northern Europe with industrial consumables, industrial components and related services. The Group has annual revenue of approximately SEK 7.6 billion and approximately 2,700 employees.*

## Fourth quarter (1 January–31 March 2014)

- Revenue for comparable units, measured in local currency, increased by approximately 7 percent during the fourth quarter.
- Operating profit rose by 51 percent to MSEK 103 (68) during the quarter.

## B&B TOOLS in summary

	3 months ending			12 months ending		
	31 Mar 2014	31 Mar 2013	Change	31 Mar 2014	31 Mar 2013	Change
Revenue, MSEK	1,960	1,851	+6%	7,648	7,666	-0%
Operating profit, MSEK	103	68	+51%	340	289	+18%
<i>of which non-recurring items</i>	-	0		-	+51	
Profit after net financial items, MSEK	90	54	+67%	286	216	+32%
Profit for the period (after taxes), MSEK	69	34	+103%	214	222	-4%
Earnings per share, SEK	2.45	1.20	+104%	7.60	7.90	-4%
Operating margin	5.3%	3.7%		4.4%	3.8%	
Profit margin	4.6%	2.9%		3.7%	2.8%	
Return on equity				10%	11%	
Equity per share, SEK				78.40	73.50	+7%
Equity/assets ratio				43%	39%	
Number of employees at the end of the period				2,655	2,780	-4%

## President's statement

It was an eventful and important year for B&B TOOLS that ended on 31 March. The past financial year provided us with an opportunity to focus more intently on our customers, as well as on growth, profitability and development. During the year, we established clear guidelines for the future, which together serve as a framework for all of our operations and their decentralised responsibility for achieving our business objective of P/WC > 45 percent.

The market situation for our units varied depending on geography and customer segment. Overall, the Group delivered improved earnings as a result of growth in certain areas of operation, efficiency enhancement and reduced costs.

Our goal is to continue focusing on growth and efficiency in all operating areas. Cooperation between various areas of the Group will improve both profitability and cash flow for B&B TOOLS. I look forward to an exciting new financial year in 2014/2015, and I would also like to express my gratitude to all our employees for the excellent efforts during the past year!

Stockholm, May 2014

**Ulf Lilius**

President & CEO

## Profit and revenue

### Profit

The B&B TOOLS Group's operating profit for the financial year increased by 18 percent to MSEK 340 (289). Non-recurring items had an impact of MSEK 0 (+51) on profit. Operating profit was charged with depreciation and impairment losses of MSEK -40 (-42) on tangible non-current assets and amortisation and impairment losses of MSEK -5 (-24) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK -8 (+1) on recognised operating profit for the year.

The operating margin for the year rose to 4.4 percent (3.8). The operating margin *excluding* non-recurring items was 4.4 percent (3.1).

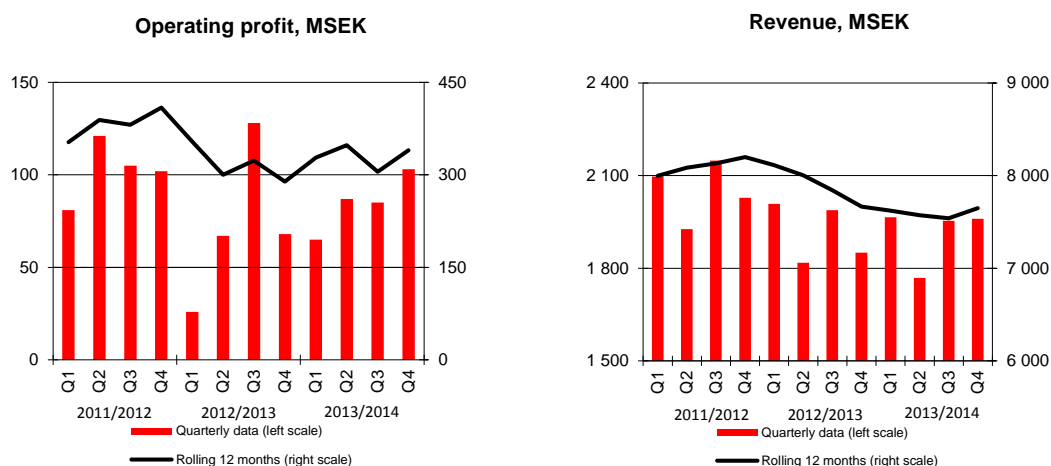
Profit after net financial items totalled MSEK 286 (216). Net financial items totalled MSEK -54 (-73). The profit margin was 3.7 percent (2.8).

Profit after taxes amounted to MSEK 214 (222). Earnings per share totalled SEK 7.60 (7.90).

### Revenue

Revenue amounted to MSEK 7,648 (7,666). Exchange-rate translation effects had a negative impact of MSEK -128 (-67) on revenue.

Revenue for comparable units, measured in local currency, increased by approximately 1 percent during the financial year. Revenue for comparable units for the fourth quarter (January to March), measured in local currency, increased by approximately 7 percent. Adjusted for both currency effects and the number of trading days, revenue increased by approximately 6 percent during the fourth quarter.



## Operations

Group MSEK	3 months ending		Full-year	
	31 Mar 2014	31 Mar 2013	2013/2014	2012/2013
Revenue	1,960	1,851	7,648	7,666
Operating profit	103	68	340	289
Operating margin, %	5.3	3.7	4.4	3.8
Adjusted for non-recurring items	–	0	–	–51
Adjusted operating profit	103	68	340	238
Adjusted operating margin, %	5.3	3.7	4.4	3.1

## TOOLS

*TOOLS is the B&B TOOLS Group's market channel for industrial consumables and industrial components for Nordic industry. Via TOOLS, the Group has a presence in some 200 locations in Sweden, Norway and Finland.*

TOOLS MSEK	3 months ending		Full-year	
	31 Mar 2014	31 Mar 2013	2013/2014	2012/2013
Revenue	1,277	1,264	5,098	5,205
Operating profit	36	32	145	27
Operating margin, %	2.8	2.5	2.8	0.5
Adjusted for non-recurring items	–	–3	–	+97
Adjusted operating profit	36	29	145	124
Adjusted operating margin, %	2.8	2.3	2.8	2.4

Revenue for comparable units within TOOLS, measured in local currency, increased by a total of 2 percent during the fourth quarter. Revenue for the full financial year remained unchanged.

The earnings trend for *TOOLS Momentum* remained positive, with strong operating margins for both the fourth quarter and the full financial year, and largely unchanged revenue. Revenue for *TOOLS Norway*, measured in local currency, increased by approximately 8 percent during the financial year and 11 percent during the quarter. The fact that Easter occurred in April this year had a positive impact on revenue. The operating margin for *TOOLS Norway* increased to 4.2 percent for the year. The weak economic situation experienced by Finnish industry during the financial year had a negative impact on *TOOLS Finland's* sales and earnings performance, and revenue, measured in local currency, declined by –5 percent during the year. At the same time, improvements to the customer and product mix combined with previously implemented cost-saving measures impacted the unit's earnings performance, and operating profit remained unchanged compared with the preceding year at MSEK 2.

Revenue for *TOOLS Sweden* decreased by –3 percent during the fourth quarter and –5 percent during the year. The unit's ongoing efforts to increase its efficiency and reduce its costs using its new joint IT and logistics solutions had a positive impact on the earnings trend, and the operating loss, excluding non-recurring items, improved to MSEK –45 (–52).

Refer also to the specification of TOOLS, *including* and *excluding* non-recurring items in Appendix B and C on pages 14–15.

## Business Areas

*The Group's four Business Areas – Luna (Tools & Machinery), Skydda (Personal Protective Equipment), Essve (Fastening Elements) and Gigant & Grunda (Work Environment & Consumables) supply TOOLS and other market channels with industrial consumables and related services.*

Business Areas MSEK	3 months ending		Full-year	
	31 Mar 2014	31 Mar 2013	2013/2014	2012/2013
Revenue	1,021	898	3,871	3,698
Operating profit	78	55	223	152
Operating margin, %	7.6	6.1	5.8	4.1
Adjusted for non-recurring items	–	–3	–	+7
Adjusted operating profit	78	52	223	159
Adjusted operating margin, %	7.6	5.8	5.8	4.3

Revenue for comparable units, measured in local currency, for the Group's Business Areas increased by a total of 15 percent during the fourth quarter. Revenue for the full financial year rose by 6 percent.

Revenue for the Business Areas *Essve* and *Skydda*, measured in local currency, increased by 29 percent and 23 percent, respectively, during the fourth quarter – with strong growth attributable to a number of key customers, particularly in the area of construction materials. For the full financial year, operating profit for *Essve* and *Skydda* increased sharply to MSEK 43 (+760 percent compared with the preceding year) and MSEK 86 (+34 percent), respectively. The Business Area *Luna* continued to report stable earnings, with an operating margin of 7.8 percent for the year and a particularly strong trend for proprietary product brands such as *TengTools*. The Business Area *Gigant & Grunda* reported favourable sales and earnings trends and the operating profit for the full financial year increased by 175 percent to MSEK 11 (4). Efforts to reduce the Business Areas' inventories (working capital) yielded positive results during the year.

On 1 April 2014, the Business Area *Gigant & Grunda* (formerly *Work Environment & Consumables*) was divided into two units, which in the future reports will be reported as two separate Business Areas.

Refer also to the specification of Business Areas, *including* and *excluding* non-recurring items in Appendix B and C on pages 14-15.

### Group-wide and eliminations

An operating profit/loss of MSEK –14 (116) was reported for "Group-wide" for the financial year, of which non-recurring items had an impact of MSEK 0 (+155) on profit.

The Parent Company's revenue amounted to MSEK 35 (48) and profit after net financial items to MSEK 513 (32). These results include Group contributions, intra-Group dividends and other corresponding items totalling MSEK 417 (38).

Eliminations for intra-Group inventory gains had an impact of MSEK –14 (–6) on earnings during the year.

## Corporate acquisitions

No corporate acquisitions were implemented during the financial year.

## Profitability, cash flow and financial position

The Group's profitability, measured as the return on working capital, P/WC (operating profit in relation to working capital\*), increased to 20 percent (15) for the financial year. The return on capital employed was 10 percent (8) and the return on equity 10 percent (11).

Cash flow from operating activities before changes in working capital for the financial year amounted to MSEK 170 (156). Funds tied up in working capital decreased by MSEK 40 (106). During the year, the Group's inventories decreased by MSEK 69 (175), while operating receivables increased by MSEK 96 (–18). Operating liabilities increased by MSEK 67 (–87). Accordingly, cash flow from operating activities for the year amounted to MSEK 210 (262).

Cash flow for the financial year was adversely impacted in a net amount of MSEK –47 (–41) by the acquisition and sale of tangible non-current assets. Eight Group properties in Sweden and Finland were disposed of during the year through a conveyance of shares in the subsidiaries that in turn owned the properties. These property sales had a marginal impact on earnings per share and the disposals had a positive impact of MSEK 42 (375) on cash flow.

The Group's operational net loan liability at the end of the financial year amounted to MSEK 819 (914). Interest-bearing liabilities totalled MSEK 875 (1,132), excluding expensed pension commitments of MSEK 451 (465). Liabilities to credit institutions amounted to MSEK 822 (918), net. Combined cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 489 (514).

The equity/assets ratio at the end of the financial year was 43 percent, compared with 39 percent at the beginning of the year.

Equity per share totalled SEK 78.40 at the end of the financial year, compared with SEK 73.50 at the beginning of the year.

The Swedish tax rate, which also applies to the Parent Company, was 22 percent during the financial year. The Group's normalised tax rate, with its current geographic mix, is approximately 25 percent.

\* Working capital = Inventories + Accounts Receivable – Accounts Payable.

## Employees

The number of employees in the Group at the end of the financial year amounted to 2,655, compared with 2,780 at the beginning of the year.

## Share structure and repurchase of own shares

Share capital at the end of the financial year totalled MSEK 56.9. The distribution by class of share is as follows:

Class of share	As of 31 March 2014
Class A shares	1,067,812
Class B shares	27,368,604
<b>Total number of shares before repurchasing</b>	<b>28,436,416</b>
Less: Repurchased Class B shares	-340,000
<b>Total number of shares after repurchasing</b>	<b>28,096,416</b>

As of 31 March 2013, the number of Class B shares held in treasury totalled 340,000. There were no changes to the holding of treasury shares during the financial year. Accordingly, on 31 March 2014, the holding of Class B treasury shares amounted to 340,000 shares, corresponding to 1.2 percent of the total number of shares and 0.9 percent of the total number of votes.

Following a resolution passed by the Annual General Meeting in August 2013, 13 members of senior management were offered an opportunity to acquire a maximum of 169,000 call options on repurchased Class B shares. The programme was fully subscribed. When fully exercised, the number of outstanding Class B shares will increase by 169,000, corresponding to 0.6 percent of the total number of shares and 0.4 percent of the votes. The call options have been conveyed at a price of SEK 10.00 per call option, equivalent to the market value of the options according to an external valuation performed by Nordea Bank. The redemption price for the call options is SEK 101.90 and the redemption period is from 12 September 2016 until 9 June 2017, inclusive.

There have been no changes in the holding of treasury shares after the end of the financial year.

## Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between B&B TOOLS and its related parties during the financial year.

## Risks and uncertainties

During the financial year, no significant changes occurred with respect to risks and uncertainties, for either the Group or the Parent Company. For information about the Group's risks and uncertainties, refer to page 28 of B&B TOOLS' Annual Report for 2012/2013.

## Accounting policies

The Financial Report for the Group was prepared in accordance with IFRS and by applying IAS 34 *Interim Financial Reporting*, the Swedish Annual Accounts Act and the Swedish Securities Market Act. The Financial Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 *Accounting for Legal Entities*.

As of 1 April 2013, B&B TOOLS applies the updated IAS 19 standard, with full retroactive application. For B&B TOOLS, this entails an immediate increase in net pension commitments (classified as a financial liability) and an equivalent decrease – taking tax effects into account – of earnings brought forward. The updated standard also includes new rules regarding the recognition of a special payroll tax. Had the new rules been applied as of 31 March 2013, B&B TOOLS' net pension commitments would have been MSEK 55 higher, including a special payroll tax of MSEK 10. Taking into account deferred tax, the updated standard would have had an impact on earnings brought forward that was MSEK 43 less than the amount that was recognised as of 31 March 2013. Except for other comprehensive income, the impact on the consolidated income statement was immaterial and has thus not been reported separately. As a result of the changes in the recognition of pensions as described above and the increased volatility it causes, as of 1 April 2013, B&B TOOLS recognises a so-called operational net debt/equity ratio, whereby the net loan liability is calculated excluding pension provisions. As of 2013, the Group applies the new IFRS 13 *Fair Value Measurement* standard and amendments to IFRS 7 *Financial Instruments: Disclosures*. The prescribed information is presented on page 11.

In all other respects, the same accounting policies and bases of judgement as in the Annual Report for 2012/2013 have been applied.

## Dividend

The Board of B&B TOOLS AB proposes a dividend of SEK 3.50 (3.00) per share. Taking into account the repurchased Class B shares held in treasury, the proposed dividend corresponds to a total of approximately MSEK 98 (84).

## Events after the end of the financial year

After the end of the financial year, another 14 Group properties in Sweden and Finland were disposed of in April and so far in May. These property sales had a marginal impact on earnings per share and the disposals had a positive impact of approximately MSEK 75 on cash flow.

On 1 April 2014, the Business Area Gigant & Grunda (formerly Work Environment & Consumables) were divided into two units, which in the future reports will be reported as two separate Business Areas.

No other significant events affecting the Group have occurred after the end of the financial year.

Stockholm, 15 May 2014

**Ulf Lilius**

President & Chief Executive Officer

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## Contact information

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Mats Karlqvist, Head of Investor Relations, Tel: +46 70 660 31 32

Comprehensive contact information for B&B TOOLS and forthcoming information dates are presented on page 16.

*This document is in all respects a translation of the Swedish original Financial Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.*

# Review report

**To the Board of Directors of B&B TOOLS AB (publ)**  
**Corporate Identity Number 556034-8590**

## Introduction

We have conducted a review of the Financial Report for B&B TOOLS AB (publ) at 31 March 2014 and of the twelve-month period ending on that date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this Financial Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this Financial Report based on our review.

## Focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410 *Review of Interim Financial Information performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not provide the same level of assurance as a conclusion expressed based on an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Report, in all material respects, is not prepared in accordance with IAS 34 and the Annual Accounts Act for the Group, and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 15 May 2014

## KPMG AB

**George Pettersson**  
*Authorized Public Accountant*  
*Auditor in charge*

**Matilda Schwartzman Berg**  
*Authorized Public Accountant*

# Reporting by operating segment

REVENUE MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
TOOLS	1,277	1,264	5,098	5,205
Business Areas	1,021	898	3,871	3,698
Group-wide	164	144	662	611
Eliminations	-502	-455	-1,983	-1,848
<b>Total</b>	<b>1,960</b>	<b>1,851</b>	<b>7,648</b>	<b>7,666</b>

Revenue by quarter MSEK	2013/2014				2012/2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
TOOLS	1,277	1,315	1,172	1,334	1,264	1,356	1,221	1,364
Business Areas	1,021	980	903	967	898	971	876	953
Group-wide	164	167	163	168	144	163	155	149
Eliminations	-502	-508	-469	-504	-455	-502	-434	-457
<b>Total</b>	<b>1,960</b>	<b>1,954</b>	<b>1,769</b>	<b>1,965</b>	<b>1,851</b>	<b>1,988</b>	<b>1,818</b>	<b>2,009</b>

OPERATING PROFIT/LOSS MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
TOOLS	36	32	145	27
Business Areas	78	55	223	152
Group-wide	-9	-19	-14	116
Eliminations	-2	0	-14	-6
<b>Total</b>	<b>103</b>	<b>68</b>	<b>340</b>	<b>289</b>

Operating profit/loss by quarter MSEK	2013/2014				2012/2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
TOOLS	36	40	36	33	32	-67	40	22
Business Areas	78	53	51	41	55	37	30	30
Group-wide	-9	-4	5	-6	-19	161	-3	-23
Eliminations	-2	-4	-5	-3	0	-3	0	-3
<b>Total</b>	<b>103</b>	<b>85</b>	<b>87</b>	<b>65</b>	<b>68</b>	<b>128</b>	<b>67</b>	<b>26</b>

## Adjusted operating profit/loss *excluding* non-recurring items

ADJUSTED OPERATING PROFIT/LOSS MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
TOOLS	36	29	145	124
Business Areas	78	52	223	159
Group-wide	-9	-13	-14	-39
Eliminations	-2	0	-14	-6
<b>Total</b>	<b>103</b>	<b>68</b>	<b>340</b>	<b>238</b>

Adjusted operating profit/loss by quarter MSEK	2013/2014				2012/2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
TOOLS	36	40	36	33	29	33	40	22
Business Areas	78	53	51	41	52	47	30	30
Group-wide	-9	-4	5	-6	-13	0	-3	-23
Eliminations	-2	-4	-5	-3	0	-3	0	-3
<b>Total</b>	<b>103</b>	<b>85</b>	<b>87</b>	<b>65</b>	<b>68</b>	<b>77</b>	<b>67</b>	<b>26</b>



# Group summary

INCOME STATEMENT MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
Revenue	1,960	1,851	7,648	7,666
Shares in profit of associated companies	0	1	0	0
Other operating income	12	3	15	253
<b>Total operating revenue</b>	<b>1,972</b>	<b>1,855</b>	<b>7,663</b>	<b>7,919</b>
Goods for resale	-1,167	-1,082	-4,545	-4,621
Personnel costs	-419	-414	-1,633	-1,727
Depreciation, amortisation, impairment losses & reversal of impairment losses	-13	-12	-45	-66
Other operating expenses	-270	-279	-1,100	-1,216
<b>Total operating expenses</b>	<b>-1,869</b>	<b>-1,787</b>	<b>-7,323</b>	<b>-7,630</b>
<b>Operating profit</b>	<b>103</b>	<b>68</b>	<b>340</b>	<b>289</b>
Financial income and expenses	-13	-14	-54	-73
<b>Profit after net financial items</b>	<b>90</b>	<b>54</b>	<b>286</b>	<b>216</b>
Taxes	-21	-20	-72	6
<b>Profit for the period</b>	<b>69</b>	<b>34</b>	<b>214</b>	<b>222</b>
Of which attributable to: Parent Company shareholders	69	34	214	222
<b>Earnings per share, SEK</b>				
– before dilution	2.45	1.20	7.60	7.90
– after dilution	2.45	1.20	7.60	7.90
Proposed/approved dividend per share, SEK			3.50	3.00

Refer also to summary of income statement on Adjusted operating profit *excluding* non-recurring items in Appendix A on page 14.

STATEMENT OF COMPREHENSIVE INCOME MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
<b>Profit for the period</b>	<b>69</b>	<b>34</b>	<b>214</b>	<b>222</b>
<b>Other comprehensive income for the period</b>				
<i>Components that will not be reclassified to profit for the year</i>				
Remeasurement of defined-benefit pension plans	-56	11	6	25
Tax attributable to components that will not be reclassified	12	-5	-1	-9
	<b>-44</b>	<b>6</b>	<b>5</b>	<b>16</b>
<i>Components that will be reclassified to profit for the year</i>				
Translation differences	8	-23	2	-37
Effects of hedge accounting	1	7	0	0
Tax attributable to components that may be reclassified	-1	-3	-1	-2
	<b>8</b>	<b>-19</b>	<b>1</b>	<b>-39</b>
<b>Other comprehensive income for the period</b>	<b>-36</b>	<b>-13</b>	<b>6</b>	<b>-23</b>
<b>Comprehensive income for the period</b>	<b>33</b>	<b>21</b>	<b>220</b>	<b>199</b>
Of which attributable to: Parent Company shareholders	33	21	220	199

<b>BALANCE SHEET</b>		
MSEK	31 Mar 2014	31 Mar 2013
<b>Assets</b>		
Intangible non-current assets	1,792	1,781
Tangible non-current assets	208	252
Financial non-current assets, pension funds	2	6
Financial non-current assets, other interest-bearing	3	4
Shares in associated companies	11	11
Deferred tax assets	102	118
Inventories	1,414	1,443
Accounts receivable	1,299	1,192
Other current receivables	210	218
Cash and cash equivalents	53	214
<b>Total assets</b>	<b>5,094</b>	<b>5,239</b>
<b>Equity and liabilities</b>		
Equity	2,203	2,065
Non-current interest-bearing liabilities	400	1,129
Pension provisions	451	465
Other non-current liabilities and provisions	82	106
Current interest-bearing liabilities	475	3
Accounts payable	885	823
Other current liabilities	598	648
<b>Total equity and liabilities</b>	<b>5,094</b>	<b>5,239</b>
<b>Specifications:</b>		
Inventories plus accounts receivable less accounts payable	1,828	1,812
Other working capital items, net	-388	-430
<b>Working capital</b>	<b>1,440</b>	<b>1,382</b>
<b>Operational net loan liability *</b>	<b>819</b>	<b>914</b>

\* Interest-bearing current and non-current liabilities, excluding net pension provisions, less cash and cash equivalents and interest-bearing receivables.

<b>STATEMENT OF CHANGES IN EQUITY</b>		
MSEK	31 Mar 2014	31 Mar 2013
<b>Opening equity</b>	<b>2,065</b>	<b>2,009</b>
Amendment to accounting policies	-	-59
Dividend, Parent Company shareholders	-84	-84
Sale of call options	2	-
Comprehensive income for the period attributable to:		
- Parent Company shareholders	220	199
<b>Closing equity</b>	<b>2,203</b>	<b>2,065</b>

CASH-FLOW STATEMENT	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
MSEK				
Operating activities before changes in working capital	15	2	170	156
Changes in working capital	-87	42	40	106
<b>Cash flow from operating activities</b>	<b>-72</b>	<b>44</b>	<b>210</b>	<b>262</b>
Acquisition of intangible and tangible non-current assets	-9	-9	-48	-48
Sales of intangible and tangible non-current assets	0	0	1	7
Acquisition of subsidiaries and other business units	-	-	-	-
Sales of subsidiaries and other business units	24	-	42	375
<b>Cash flow before financing</b>	<b>-57</b>	<b>35</b>	<b>205</b>	<b>596</b>
Financing activities	55	-4	-367	-464
<b>Cash flow for the period</b>	<b>-2</b>	<b>31</b>	<b>-162</b>	<b>132</b>
Cash and cash equivalents at the beginning of the period	55	186	214	85
Exchange-rate difference in cash and cash equivalents	0	-3	1	-3
<b>Cash and cash equivalents at the end of the period</b>	<b>53</b>	<b>214</b>	<b>53</b>	<b>214</b>

B&B TOOLS measures financial instruments at fair value or cost in the balance sheet depending on their classification. In addition to items in the financial net debt, financial instruments also include accounts receivable and accounts payable. According to IFRS 7, financial instruments measured at fair value in the balance sheet are included in level 2 of the fair value hierarchy. The carrying amounts for financial assets and liabilities correspond to fair value in all material respects.

OPERATING SEGMENTS	External revenue		Revenue from internal customers		Total revenue		Operating profit/loss	
	2013/ 2014	2012/ 2013	2013/ 2014	2012/ 2013	2013/ 2014	2012/ 2013	2013/ 2014	2012/ 2013
MSEK								
TOOLS	5,045	5,154	53	51	5,098	5,205	145	27
Business Areas	2,592	2,502	1,279	1,196	3,871	3,698	223	152
<b>Total operating segment</b>	<b>7,637</b>	<b>7,656</b>	<b>1,332</b>	<b>1,247</b>	<b>8,969</b>	<b>8,903</b>	<b>368</b>	<b>179</b>
Group-wide	11	10	651	601	662	611	-14	116
Eliminations	-	-	-1,983	-1,848	-1,983	-1,848	-14	-6
<b>Group</b>	<b>7,648</b>	<b>7,666</b>	<b>0</b>	<b>0</b>	<b>7,648</b>	<b>7,666</b>	<b>340</b>	<b>289</b>

The Group's operating segments comprise TOOLS and the Group's four Business Areas. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations.

TOOLS comprises the Group's reseller operations in Sweden, Norway and Finland (which operate within the framework of TOOLS) and TOOLS Momentum, which together form the Group's market channel for industrial consumables and industrial components for Nordic industry.

The Group's four Business Areas conduct operations in various product and application areas (Tools & Machinery, Personal Protective Equipment, Fastening Elements and Work Environment & Consumables) and provide TOOLS and other market channels with industrial consumables and related services.

Group-wide includes the Group's management, accounting, support functions, infrastructure operations and property management. The support functions include HR, internal communications, IR, legal and business development. Infrastructure operations comprise IT, supply chain and master data management (MDM).

Intra-Group pricing between the operating segments occurs on market terms.

There are no assets in the operating segments that are affected by material changes compared with the most recent Annual Report. The accounting policies are the same as those applied in the consolidated financial statements.

KEY PER-SHARE DATA <sup>1</sup>	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
SEK				
Earnings before dilution	2.45	1.20	7.60	7.90
Earnings after dilution	2.45	1.20	7.60	7.90
Equity, at the end of the period			78.40	73.50
Equity after dilution, at the end of the period			78.40	73.50
<b>NUMBER OF SHARES OUTSTANDING IN THOUSANDS</b>				
Number of shares outstanding before dilution	28,096	28,096	28,096	28,096
Weighted number of shares outstanding before dilution	28,096	28,096	28,096	28,096
Weighted number of shares outstanding after dilution	28,123	28,096	28,096	28,096

<sup>1</sup> As of 31 March 2014, dilution effects arisen based on the issued call options on repurchased Class B shares:

<b>3 months</b>	0.1%	<b>2013/2014</b>	0.0%	<b>2012/2013</b>	N/A
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# Parent Company summary

INCOME STATEMENT MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
Revenue	7	9	35	48
Other operating income	0	–	0	–
<b>Total operating revenue</b>	<b>7</b>	<b>9</b>	<b>35</b>	<b>48</b>
Operating expenses	–10	–12	–37	–104
<b>Operating profit/loss</b>	<b>–3</b>	<b>–3</b>	<b>–2</b>	<b>–56</b>
Financial income and expenses	50	–39	515	88
<b>Profit/loss after net financial items</b>	<b>47</b>	<b>–42</b>	<b>513</b>	<b>32</b>
Appropriations	9	46	9	46
<b>Profit before taxes</b>	<b>56</b>	<b>4</b>	<b>522</b>	<b>78</b>
Taxes	–13	–5	–30	–3
<b>Profit/loss for the period</b>	<b>43</b>	<b>–1</b>	<b>492</b>	<b>75</b>

STATEMENT OF COMPREHENSIVE INCOME MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
<b>Profit for the period</b>	<b>43</b>	<b>–1</b>	<b>492</b>	<b>75</b>
<b>Other comprehensive income for the period</b>				
Effects of hedge accounting	0	6	1	4
Taxes attributable to other comprehensive income	0	–1	–1	–1
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>3</b>
<b>Comprehensive income for the period</b>	<b>43</b>	<b>4</b>	<b>492</b>	<b>78</b>

BALANCE SHEET MSEK	31 Mar 2014	31 Mar 2013
<b>Assets</b>		
Intangible non-current assets	0	1
Tangible non-current assets	2	3
Financial non-current assets	3,856	3,784
Current receivables	267	280
Cash and cash equivalents	–	142
<b>Total assets</b>	<b>4,125</b>	<b>4,210</b>
<b>Equity and liabilities</b>		
Equity	1,671	1,261
Untaxed reserves	192	201
Provisions	48	50
Non-current liabilities	600	1,426
Current liabilities	1,614	1,272
<b>Total equity, provisions and liabilities</b>	<b>4,125</b>	<b>4,210</b>

# Appendix

## A. Summary of income statement – Adjusted operating profit *excluding* non-recurring items

ADJUSTED INCOME STATEMENT <i>excluding non-recurring items</i> MSEK	3 months		Full-year	
	Jan – Mar 2014	Jan – Mar 2013	2013/ 2014	2012/ 2013
Revenue	1,960	1,851	7,648	7,666
Shares in profit of associated companies	0	1	0	0
Other operating income	12	3	15	8
<b>Total operating revenue</b>	<b>1,972</b>	<b>1,855</b>	<b>7,663</b>	<b>7,674</b>
Goods for resale	-1,167	-1,084	-4,545	-4,566
Personnel costs	-419	-408	-1,633	-1,664
Depreciation, amortisation, impairment losses & reversal of impairment losses	-13	-12	-45	-54
Other operating expenses	-270	-283	-1,100	-1,152
<b>Total operating expenses</b>	<b>-1,869</b>	<b>-1,787</b>	<b>-7,323</b>	<b>-7,436</b>
<b>Adjusted operating profit</b>	<b>103</b>	<b>68</b>	<b>340</b>	<b>238</b>
<i>Contribution ratio, %</i>	40.5%	41.4%	40.6%	40.4%
<i>Operating margin, %</i>	5.3%	3.7%	4.4%	3.1%

## B. Specification – TOOLS and Business Areas *including* non-recurring items

	Revenue, MSEK				Operating profit/loss, MSEK			
	3 months ending		Full-year		3 months ending		Full-year	
	31 Mar 2014	31 Mar 2013	2013/ 2014	2012/ 2013	31 Mar 2014	31 Mar 2013	2013/ 2014	2012/ 2013
<b>TOOLS</b>								
Sweden	458	475	1,878	1,983	-17	-12	-45	-134
Norway	412	396	1,611	1,578	18	16	68	61
Finland	172	167	701	725	0	-2	2	-13
TOOLS Momentum	242	237	951	957	34	31	120	114
Eliminations	-7	-11	-43	-38	1	-1	0	-1
<b>TOOLS TOTAL</b>	<b>1,277</b>	<b>1,264</b>	<b>5,098</b>	<b>5,205</b>	<b>36</b>	<b>32</b>	<b>145</b>	<b>27</b>
<b>BUSINESS AREAS</b>								
Luna (Tools & Machinery)	275	266	1,071	1,057	26	27	84	84
Skydda (Personal Protective Equipment)	304	248	1,168	1,079	30	18	86	64
Essve (Fastening Elements)	217	170	767	708	17	0	43	5
Gigant & Grunda (Work Environment & Consumables)	228	216	872	858	6	9	11	-2
Eliminations	-3	-2	-7	-4	-1	1	-1	1
<b>BA TOTAL</b>	<b>1,021</b>	<b>898</b>	<b>3,871</b>	<b>3,698</b>	<b>78</b>	<b>55</b>	<b>223</b>	<b>152</b>
<b>GROUP-WIDE</b>	<b>164</b>	<b>144</b>	<b>662</b>	<b>611</b>	<b>-9</b>	<b>-19</b>	<b>-14</b>	<b>116</b>
<b>ELIMINATIONS</b>	<b>-502</b>	<b>-455</b>	<b>-1,983</b>	<b>-1,848</b>	<b>-2</b>	<b>0</b>	<b>-14</b>	<b>-6</b>
<b>GROUP</b>	<b>1,960</b>	<b>1,851</b>	<b>7,648</b>	<b>7,666</b>	<b>103</b>	<b>68</b>	<b>340</b>	<b>289</b>

## B. Specification – TOOLS and Business Areas *including* non-recurring items – cont.

	Operating margin, %			
	3 months ending		Full-year	
	31 Mar 2014	31 Mar 2013	2013/2014	2012/2013
<b>TOOLS</b>				
Sweden	-3.7	-2.5	-2.4	-6.8
Norway	4.4	4.0	4.2	3.9
Finland	0.0	-1.2	0.3	-1.8
TOOLS Momentum	14.0	13.1	12.6	11.9
Eliminations	-	-	-	-
<b>TOOLS TOTAL</b>	<b>2.8</b>	<b>2.5</b>	<b>2.8</b>	<b>0.5</b>
<b>BUSINESS AREAS</b>				
Luna (Tools & Machinery)	9.5	10.2	7.8	7.9
Skydda (Personal Protective Equipment)	9.9	7.3	7.4	5.9
Essve (Fastening Elements)	7.8	0.0	5.6	0.7
Gigant & Grunda (Work Environment & Consumables)	2.6	4.2	1.3	-0.2
Eliminations	-	-	-	-
<b>BA TOTAL</b>	<b>7.6</b>	<b>6.1</b>	<b>5.8</b>	<b>4.1</b>
<b>GROUP-WIDE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ELIMINATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GROUP</b>	<b>5.3</b>	<b>3.7</b>	<b>4.4</b>	<b>3.8</b>

## C. Specification – TOOLS and Business Areas *excluding* non-recurring items

	Pro forma operating profit, MSEK				Pro forma operating margin, %			
	3 months ending		Full-year		3 months ending		Full-year	
	31 Mar 2014	31 Mar 2013	2013/2014	2012/2013	31 Mar 2014	31 Mar 2013	2013/2014	2012/2013
<b>TOOLS</b>								
Sweden	-17	-15	-45	-52	-3.7	-3.2	-2.4	-2.6
Norway	18	16	68	61	4.4	4.0	4.2	3.9
Finland	0	-2	2	2	0.0	-1.2	0.3	0.3
TOOLS Momentum	34	31	120	114	14.0	13.1	12.6	11.9
Eliminations	1	-1	0	-1	-	-	-	-
<b>TOOLS TOTAL</b>	<b>36</b>	<b>29</b>	<b>145</b>	<b>124</b>	<b>2.8</b>	<b>2.3</b>	<b>2.8</b>	<b>2.4</b>
<b>BUSINESS AREAS</b>								
Luna (Tools & Machinery)	26	28	84	85	9.5	10.5	7.8	8.0
Skydda (Personal Protective Equipment)	30	18	86	64	9.9	7.3	7.4	5.9
Essve (Fastening Elements)	17	0	43	5	7.8	0.0	5.6	0.7
Gigant & Grunda (Work Environment & Consumables)	6	5	11	4	2.6	2.3	1.3	0.5
Eliminations	-1	1	-1	1	-	-	-	-
<b>BA TOTAL</b>	<b>78</b>	<b>52</b>	<b>223</b>	<b>159</b>	<b>7.6</b>	<b>5.8</b>	<b>5.8</b>	<b>4.3</b>
<b>GROUP-WIDE</b>	<b>-9</b>	<b>-13</b>	<b>-14</b>	<b>-39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ELIMINATIONS</b>	<b>-2</b>	<b>0</b>	<b>-14</b>	<b>-6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GROUP</b>	<b>103</b>	<b>68</b>	<b>340</b>	<b>238</b>	<b>5.3</b>	<b>3.7</b>	<b>4.4</b>	<b>3.1</b>

## D. Compilation of key financial ratios

KEY FINANCIAL RATIOS	12 months ending			
	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Revenue, MSEK	7,648	7,666	8,201	7,885
Operating profit, MSEK	340	289	409	347
Profit after net financial items, MSEK	286	216	318	280
Profit for the period, MSEK	214	222	227	194
Operating margin	4.4%	3.8%	5.0%	4.4%
Profit margin	3.7%	2.8%	3.9%	3.6%
Return on capital employed	10%	8%	11%	9%
Return on equity	10%	11%	12%	11%
P/WC (Operating profit/Working capital*)	20%	15%	21%	19%
Operational net loan liability (closing balance), MSEK	819	914	1,414	1,407
Equity (closing balance), MSEK	2,203	2,065	1,950	1,840
Equity/assets ratio	43%	39%	35%	34%
Operational net debt/equity ratio	0.37	0.44	0.73	0.76
Number of employees at the end of the period	2,655	2,780	2,880	2,840

\* Working capital = Inventories + Accounts Receivable – Accounts Payable.

KEY PER-SHARE DATA	12 months ending			
	31 Mar 2014	31 Mar 2013	31 Mar 2012	31 Mar 2011
Earnings, SEK	7.60	7.90	8.10	6.90
Earnings after dilution, SEK	7.60	7.90	8.10	6.90
Cash flow, SEK	7.45	9.30	4.05	3.65
Equity, SEK	78.40	73.50	69.40	65.50
Share price, SEK	119.00	85.00	59.25	113.50

### Dates for forthcoming financial information

The Annual Report for the 2013/2014 financial year will be distributed to shareholders who have so requested in mid-July 2014 and will be available at the Company's office and website as of the same date.

The Interim Report for 1 April – 30 June 2014 will be presented on 17 July 2014.

B&B TOOLS AB's 2014 Annual General Meeting will be held in Stockholm on 21 August 2014.

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*The information in this report is such that it shall be disclosed by B&B TOOLS in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act or requirements imposed in the Rulebook for Issuers on NASDAQ OMX Stockholm. This information was submitted for publication on 15 May 2014 at 12:30 p.m.*

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