First six months of 2014: Strong margin and cash conversion from y-o-y growth

- **Net sales for H1, excluding revenues attributable to Alfdex: MSEK 1,023 (894) [1)] – up 5% year-on-year, after adjusting for currency (+3%) and LICOS (+6%)**
- **Operating income for H1, including net income (after interest and tax) attributable to Alfdex: MSEK 161 (131) – operating margin of 15.8% (14.6) [1)]**
- **Earnings after tax for H1: MSEK 113 (81) – basic EPS of SEK 2.59 (1.86)**
- **Strong cash flow from operating activities for H1: MSEK 159 (65)**
- **Group's net debt for H1: MSEK 440 (638) [1)] – gearing ratio of 56% (110), following dividend payout of MSEK 121 (110) and own share buy-backs of MSEK 50 (nil) in Q2**

Key Figures – Group, 1)	Apr-Jun			Jan-Jun			Jul-Jun	Jan-Dec
Amounts in MSEK	2014	2013	Change	2014	2013	Change	2013/14	2013
Net sales before IFRS 11 amendment	566	502	13%	1,101	951	16%	2,130	1,980
Net sales	**527**	**472**	**12%**	**1,023**	**894**	**14%**	**1,987**	**1,858**
Operating income before IFRS 11 amendment	84	74	14%	162	133	22%	313	284
Operating income	**84**	**73**	**15%**	**161**	**131**	**23%**	**309**	**279**
Earnings before tax and before IFRS 11 amendment	79	67	18%	150	118	27%	280	248
Earnings before tax	**79**	**66**	**20%**	**149**	**116**	**28%**	**276**	**243**
Net income for the period	**60**	**44**	**36%**	**113**	**81**	**40%**	**208**	**176**
Cash flow from operating activities	94	64	47%	159	65	145%	293	199
Net debt	**440**	**638**	**-31%**	**440**	**638**	**-31%**	**440**	**409**
Operating margin before IFRS 11 amendment, %	14.9	14.8	0.1	14.7	13.9	0.8	14.7	14.3
Operating margin, %	**16.0**	**15.5**	**0.5**	**15.8**	**14.6**	**1.2**	**15.6**	**15.0**
Return on equity, %	28.8	23.2	5.6	28.8	23.2	5.6	28.8	27.2
Basic EPS, SEK	**1.39**	**1.01**	**0.38**	**2.59**	**1.86**	**0.73**	**4.73**	**4.00**
Diluted EPS, SEK	1.38	1.01	0.37	2.58	1.85	0.73	4.72	4.00
Gearing ratio, %	**56**	**110**	**-54**	**56**	**110**	**-54**	**56**	**52**

Second quarter of 2014: Positive sales and margin development continued

- **Net sales for Q2, excluding revenues attributable to Alfdex: MSEK 527 (472) [1)] – up 2% year-on-year, after adjusting for currency (+4%) and LICOS (+6%)**
- **Operating income for Q2, including net income (after interest and tax) attributable to Alfdex: MSEK 84 (73) – operating margin of 16.0% (15.5) [1)]**
- **Earnings after tax for Q2: MSEK 60 (44) – basic EPS of SEK 1.39 (1.01)**
- **Strong cash flow from operating activities for Q2: MSEK 94 (64)**

1) The 2013 comparative figures for Net sales, Operating income, Earnings before tax and Net debt for the period have been adjusted for the amendments to IFRS 11, "Joint arrangements" (see Appendices 1 to 3 for the restated consolidated income statements, balance sheets and cash flow statements).

President and CEO, David Woolley, comments on interim report for Q2 2014:

"The strong sales, operating margin and cash flow delivered in the first quarter have continued into the second quarter of 2014. As a result, sales for the first half of 2014 were up 5% y-o-y, after adjusting for LICOS (+6%) and currency (+3%), whilst the EBIT margin increased to 15.8% for the same period. In spite of some Euro VI pre-buy effects affecting the first quarter, demand across our European end-markets for both engine and hydraulic products has been relatively strong and continues to be an important source of growth. Engine products sales in North American end-markets have also improved, particularly for medium and heavy trucks, although demand for our hydraulics products remains fairly flat in the US.

Looking forward, the orders received in the second quarter were in line with sales for the quarter, indicating that end-customer confidence is stable.

The increasing pressure to reduce fuel consumption in all forms of machinery and trucks just reinforces the importance of our ongoing customer development programmes for our variable flow pump technology. Furthermore, our longstanding expertise in hydraulic products, will allow us to continue to occupy strong positions in niche areas where customers require more advanced, custom-made solutions. Concentric remains well positioned both financially and operationally, to fully leverage our market opportunities."

Key business events announced during 2014:

26-Feb-14 Andreas Wolf has been appointed Senior Vice President of Europe and Rest of World (RoW), with responsibility for operations in the UK, Sweden, Germany, China and India. Andreas joined the Concentric group as Managing Director of LICOS Trucktec GmbH ("LICOS") in June 2013 when LICOS was acquired by Concentric.

21-Mar-14 Concentric Rockford, Inc. has earned recognition as a Partner-level supplier for 2013 in the John Deere Achieving Excellence Program. The Partner-level status is Deere & Company's highest supplier rating. Our manufacturing facility in Rockford, Illinois was selected for the honor in recognition of its dedication to providing products and service of outstanding quality as well as its commitment to continuous improvement.

24-Apr-14 Concentric has appointed Paul Shepherd to head up a new Advanced Research and Development Unit which will focus on innovation and emerging technologies in both the engine pump and hydraulics sectors in which the company operates.

12-May-14 Concentric has appointed Mark Derry Vice President and General Manager at its plant in Itasca, Illinois.

26-Jun-14 LICOS has appointed Dr. Bernhard Huurdeman Chief Engineer at its plant in Markdorf.

1-Jul-14 Concentric has appointed Tom Herrington Vice President Sales at its plant in Itasca, Illinois.

Net sales and operating income – Group

Key Figures – Group, 1)	**Apr-Jun**			**Jan-Jun**			**Jul-Jun**	**Jan-Dec**
Amounts in MSEK	**2014**	**2013**	**Change**	**2014**	**2013**	**Change**	**2013/14**	**2013**
Net sales before IFRS 11 amendment	566	502	13%	1,101	951	16%	2,130	1,980
Net sales	**527**	**472**	**12%**	**1,023**	**894**	**14%**	**1,987**	**1,858**
Operating income before IFRS 11 amendment	84	74	14%	162	133	22%	313	284
Operating income	**84**	**73**	**15%**	**161**	**131**	**23%**	**309**	**279**
Earnings before tax and before IFRS 11 amendment	79	67	18%	150	118	27%	280	248
Earnings before tax	**79**	**66**	**20%**	**149**	**116**	**28%**	**276**	**243**
Net income for the period	**60**	**44**	**36%**	**113**	**81**	**40%**	**208**	**176**
Operating margin before IFRS 11 amendment, %	14.9	14.8	0.1	14.7	13.9	0.8	14.7	14.3
Operating margin, %	**16.0**	**15.5**	**0.5**	**15.8**	**14.6**	**1.2**	**15.6**	**15.0**
ROCE before IFRS 11 amendment, %	26.6	21.9	4.7	26.6	21.9	4.7	26.6	25.8
ROCE, %	**26.0**	**21.1**	**4.9**	**26.0**	**21.1**	**4.9**	**26.0**	**25.0**

1) The 2013 comparative figures for Net sales, Operating income and Earnings before tax for the period have been adjusted for the amendments to IFRS 11, "Joint arrangements" (see Appendix 1 for restated income statements).

Following the amendments to IFRS 11, "Joint arrangements", revenues attributable to the group's joint venture have been excluded from the reported consolidated net sales for the group. Accordingly, the comparative figures for 2013 have been restated to remove Concentric's 50% share of the revenues attributable to Alfdex AB ("Alfdex").

Under these new rules, reported sales for the first six months were MSEK 1,023 (894), up 14% year-on-year in absolute terms. Adjusting for the acquisition of LICOS (+6%) and the impact of currency (+3%), the underlying year-on-year increase in sales for the first six months was 5%. As a result, the Group's average sales per working day in the first six months rose year-on-year to MSEK 7.9 (7.2).

Reported sales for the second quarter were MSEK 527 (472), up 12% year-on-year in absolute terms. Adjusting for the acquisition of LICOS (+6%) and the impact of currency (+4%), the underlying year-on-year increase in sales for the second quarter was 2%. As a result, the Group's average sales per working day in the second quarter rose year-on-year to MSEK 8.2 (7.6).

Following the amendments to IFRS 11, "Joint arrangements", the net income attributable to the group's joint venture has been reported as a single line item within the reported consolidated operating income for the group, given that the nature of the business in the joint venture is similar to that of the rest of the group. Accordingly, the comparative figures for 2013 have been restated to include Concentric's 50% share of the net income, i.e. including interest and taxation, attributable to Alfdex.

Under these new rules, reported operating income for the first six months amounted to MSEK 161 (131). This increase in operating income represented a year-on-year drop-through rate of 23% on the additional reported sales. As a result, the reported operating margin for the first six months improved to 15.8% (14.6).

Reported operating income for the second quarter amounted to MSEK 84 (73). This increase in operating income represented a year-on-year drop-through rate of 20% on the additional reported sales. As a result, the reported operating margin for the second quarter improved to 16.0% (15.5).

Net financial items

Net financial expenses incurred for the first six months amounted to MSEK 12 (15), comprising interest on loans and commission relating to commitments of unutilized credit facilities and other interest payable of MSEK 4 (5) and net financial expenses in respect of net pension liabilities of MSEK 8 (10). Accordingly, consolidated income before taxation amounted to MSEK 149 (116) for the first six months.

Net financial expenses incurred for the second quarter amounted to MSEK 5 (7), comprising interest on loans and commission relating to commitments of unutilized credit facilities and other interest payable of MSEK 1 (2) and net financial expenses in respect of net pension liabilities of MSEK 4 (5). Accordingly, consolidated income before taxation amounted to MSEK 79 (66) for the second quarter.

Taxes

Tax expenses for the first six months amounted to MSEK 36 (35). The comparative period in 2013 has been restated for the amendments to IFRS 11, "Joint arrangements", thereby reducing the reported net tax expenses by MSEK 2. On a like-for-like basis with previous interim reports, the underlying effective tax rate for the first six months would have been 25% (31%).

Tax expenses for the second quarter amounted to MSEK 19 (22). The comparative quarter in 2013 has been restated for the amendments to IFRS 11, "Joint arrangements", thereby reducing the reported net tax expenses by MSEK 1. On a like-for-like basis with previous interim reports, the underlying effective tax rate for the second quarter would have been 24% (34%).

The internal refinancing undertaken for the group during 2013 accounts for around 2% of the reduction in the group's underlying effective tax rate for the first six months of 2014. Any other movements in the group's underlying effective annual tax rate largely reflect the change in mix of taxable earnings and the change in corporate tax rates applicable across the various tax jurisdictions in which the group operates.

Net income and Earnings per share

Earnings after taxation for the first six months amounted to MSEK 113 (81). Basic and diluted earnings per share for the first six months amounted to SEK 2.59 (1.86) and SEK 2.58 (1.85) respectively.

Earnings after taxation for the second quarter amounted to MSEK 60 (44). Basic and diluted earnings per share for the second quarter amounted to SEK 1.39 (1.01) and SEK 1.38 (1.01) respectively.

Segment reporting

The Americas segment comprises the Group's operations in the USA together with the start-up costs associated with establishing a new facility in Brazil. As our operations in India and China remain relatively small in comparison to our Western facilities, Europe & RoW continues to be reported as a single combined segment, in line with our management structure, comprising the Group's operations in Europe (including the proportional consolidation of Alfdex), India and China.

Following the amendments to IFRS 11, "Joint arrangements", the restatement of the group's results has only been carried out at a consolidated level, i.e. the segmental reporting remains as previously reported.

The evaluation of an operating segment's earnings is based upon its operating income or EBIT. Financial assets and liabilities are not allocated to segments.

Net sales and operating income – Americas

Americas	Apr-Jun			Jan-Jun			Jul-Jun	Jan-Dec
Amounts in MSEK	**2014**	**2013**	**Change**	**2014**	**2013**	**Change**	**2013/14**	**2013**
External net sales	261	266	-2%	508	492	3%	990	974
Operating income	39	39	0%	77	64	20%	147	134
Operating margin, % 1)	15.1	14.5	0.6	15.2	12.9	2.3	14.9	13.8
ROCE, %	47.1	36.2	10.9	47.1	36.2	10.9	47.1	40.9

1) Operating margins are based on external sales.

External sales were up 3% year-on-year for the first six months in constant currency, driven primarily by the improvement in the North American end-markets for medium and heavy trucks and construction equipment. As a result, the average external sales per working day increased to MSEK 4.1 (3.9).

External sales were down 2% year-on-year for the second quarter in constant currency, driven primarily by a slight softening in the North American hydraulics business. As a result, the average external sales per working day decreased slightly to MSEK 4.1 (4.2) for the second quarter.

Operating income for the first six months amounted to MSEK 77 (64), improving the operating margin based on external sales to 15.2% (12.9). This increase in operating income represented a year-on-year drop-through rate of 81% based upon the additional external sales.

Operating income for the second quarter amounted to MSEK 39 (39), improving the operating margin based on external sales to 15.1% (14.5).

Net sales and operating income – Europe & RoW

Europe & RoW	Apr-Jun			Jan-Jun			Jul-Jun	Jan-Dec
Amounts in MSEK	**2014**	**2013**	**Change**	**2014**	**2013**	**Change**	**2013/14**	**2013**
External net sales (including Alfdex)	305	236	29%	593	459	29%	1,140	1,006
Operating income	45	35	29%	85	69	23%	166	150
Operating margin, % 1)	14.7	15.0	-0.3	14.3	15.1	-0.8	14.5	14.9
ROCE, %	19.0	14.7	4.3	19.0	14.7	4.3	19.0	19.0

1) Operating margins are based on external sales.

External sales for the first six months, including Concentric's 50% share of the revenues attributable to Alfdex, were up 11% year-on-year, after adjusting for the acquisition of LICOS (+12%) and the impact of currency (+6%). This growth was achieved in spite of some pre-buy effects from the launch of Euro VI engines during the first quarter. As a result, average external sales per working day (including 50% of Alfdex) increased to MSEK 4.4 (3.8).

External sales for the second quarter were up 10% year-on-year, after adjusting for the acquisition of LICOS (+13%) and the impact of currency (+6%). As a result, average external sales per working day (including 50% of Alfdex) increased to MSEK 4.7 (4.0) for the second quarter.

Operating income, including Concentric's 50% share of the operating income attributable to Alfdex, amounted to MSEK 85 (69) for the first six months, representing a year-on-year drop-through rate of 12% on the additional external sales. As a result, the operating margin for the first six months deteriorated slightly to 14.3% (15.1), due mainly to the pressure arising from the ongoing consolidation of the European hydraulics business.

Operating income, including Concentric's 50% share of the operating income attributable to Alfdex, amounted to MSEK 45 (35) for the second quarter. This increase in operating income year-on-year represented a drop-through rate of 14% based upon the additional external sales. As a result, the operating margin for the second quarter deteriorated slightly to 14.7% (15.0).

Market development

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

End-markets & Regions	Q2-14 vs. Q2-13			H1-14 vs. H1-13			FY-14 vs. FY-13		
	North America	Europe	China/ India	North America	Europe	China/ India	North America	Europe	China/ India
Agricultural machinery									
Diesel engines	2%	0%	-6%	2%	4%	-1%	1%	3%	1%
Construction equipment									
Diesel engines	3%	2%	7%	9%	2%	4%	4%	3%	7%
Hydraulic equipment	12%	1%	n/a	12%	1%	n/a	11%	-5%	n/a
Trucks									
Light vehicles	7%	n/a	n/a	0%	n/a	n/a	3%	n/a	n/a
Medium/Heavy vehicles	8%	-1%	22%	8%	-3%	19%	10%	-9%	8%
Industrial Applications									
Other Off-highway	5%	-1%	24%	-1%	-1%	27%	2%	5%	6%
Hydraulic lift trucks	13%	1%	n/a	16%	4%	n/a	10%	4%	n/a

Based on Q2 2014 updates received from Power Systems Research, Off-Highway Research and the International Truck Association for lift trucks

The latest market indices are broadly in line with Concentric's actual sales order experience, namely that most end-markets are showing an improving trend year-on-year. The market indices also anticipate that the growth in activity levels experienced during the first six months will be sustained throughout 2014.

North American end-markets

- Latest market indices report diesel engines for the second quarter were up across the board in all four end-markets year-on-year, with medium and heavy trucks showing the strongest growth levels. This was broadly consistent with Concentric's actual sales of engine products in North America for the second quarter.
- Demand for hydraulic products, typically used later in the production cycle, was also up year-on-year, with lift trucks for material handling showing the strongest growth levels. This was in contrast with Concentric's actual sales of hydraulic products in North America for the second quarter, which were down c. 5% year-on-year.

European end-markets

- Market indices for the production of diesel engines during the second quarter were pretty flat across the board in all four end-markets year-on-year, with medium and heavy trucks showing a slight reduction in demand. This was in contrast with Concentric's actual sales of engine products in Europe for the second quarter, which were up c. 10% year-on-year driven primarily by structural growth from new business derived from Euro VI platform launches.

- Demand for hydraulic products in European end-markets remained relatively stable, with no significant change in customer demand levels. This was broadly consistent with Concentric's actual sales for the second quarter.

Emerging end-markets

- Latest market indices for both India and China show significant growth year-on-year, especially within the end-markets for medium and heavy trucks and other off-highway industrial applications. This was broadly consistent with Concentric's actual sales for the second quarter, although these markets still only represent c. 6% of the group's total revenues.

Seasonality

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

The weighted average number of working days in the first six months was 123 (125) for the Group, with an average of 124 (126) working days for the Americas region and 121 (124) working days for the Europe & RoW region.

The weighted average number of working days in the second quarter was 61 (62) for the Group, with an average of 63 (64) working days for the Americas region and 58 (61) working days for the Europe & RoW region.

Consolidated sales development	**Q2-14 vs. Q2-13**			**H1-14 vs. H1-13**			**FY-14 vs. FY-13**		
	America	**Europe & RoW**	**Group**	**America**	**Europe & RoW**	**Group**	**America**	**Europe & RoW**	**Group**
Blended market rates 1)	6%	1%	**4%**	6%	2%	**4%**	3%	5%	**4%**
Concentric actual rates 2)	-2%	8%	**3%**	3%	9%	**5%**			

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

2) *Based on actual sales in constant currency, including Alfdex but excluding the impact of LICOS*

Overall, market indices suggest a year-on-year increase in production rates, blended to the Group's end-market and regions, of approximately 3% for the second quarter and first six months. This compares to Concentric's actual sales which were up year-on-year by 8% for the second quarter and 9% for the first six months of 2014, including Alfdex but adjusting for currency and LICOS.

Cash flow

Following the amendments to IFRS 11, "Joint arrangements", the cash balances and flows attributable to the group's joint venture have been excluded from the reported consolidated cash flow statement. Accordingly, the comparative figure for 2013 has been restated to remove Concentric's 50% share of the cash flows attributable to Alfdex with the exception of the dividends received during the period.

Under these new rules, the reported cash inflow from operating activities for the first six months amounted to MSEK 159 (65), which represents SEK 3.62 (1.47) per share.

The reported cash inflow from operating activities for the second quarter amounted to MSEK 94 (64), which represents SEK 2.15 (1.47) per share.

In addition, the group also received a dividend of MSEK 12 (12) in the first quarter from its 50% ownership in the joint-venture company, Alfdex AB.

Net investments in fixed assets

The Group's net investments in tangible fixed assets amounted to MSEK 9 (8) for the first six months, and MSEK 4 (6) for the second quarter.

Following the amendments to IFRS 11, "Joint arrangements", the net investment in the group's joint venture should be consolidated onto a single line within fixed assets. Accordingly, the comparative figure for 2013 has been restated to include Concentric's 50% share of the net assets attributable to Alfdex. Under these new rules, the reported net investment in the joint venture as of 30 June 2014 amounted to MSEK 17 (16).

Financial position

The carrying amount of financial assets and financial liabilities are considered to be reasonable approximations of their fair values. Financial instruments carried at fair value on the balance sheet consist of derivative instruments. As of 30 June, 2014 the fair value of derivative instruments that were assets was MSEK 4 (0), and the fair value of derivative instruments that were liabilities was MSEK 0 (0). These fair value measurements belong in level 2 in the fair value hierarchy.

Following the amendments to IFRS 11, "Joint arrangements", the cash and bank assets attributable to the group's joint venture have been excluded from the reported consolidated balance sheet. Accordingly, the comparative figure for 2013 has been restated to remove Concentric's 50% share of the cash and bank assets attributable to Alfdex.

Under these new rules, the Group's net debt was MSEK 440 (638), comprising loans and corporate bonds of MSEK 186 (240) and net pension liabilities of MSEK 415 (539), net of cash amounting to MSEK 161 (141).

Shareholders' equity amounted to MSEK 782 (582), resulting in a gearing ratio of 56% (110).

Employees

The average number of full-time equivalents employed by the group during the first six months and the second quarter of 2014, restated under IFRS 11 to exclude Concentric's share of Alfdex employees, was 1,045 (1,004) and 1,046 (1,041) respectively.

Parent Company

Net sales for the first six months amounted to MSEK 14 (11), generating an operating income of MSEK 7 (5). The slight improvement reflects the remuneration from subsidiaries in the current period for services rendered.

The company also received a dividend of MSEK 12 (12) in the first quarter from their 50% ownership in the joint-venture company, Alfdex AB.

The cumulative net exchange rate losses for the first six months were MSEK 20 (9). Interest expenses for the first six months amounted to MSEK 3 (3).

Net sales for the second quarter amounted to MSEK 7 (5), generating an operating income of MSEK 3 (3). The slight improvement reflects the remuneration from subsidiaries in the current period for services rendered.

The cumulative net exchange rate losses for the second quarter were MSEK 21 (9). Interest expenses for the first quarter amounted to MSEK 1 (2).

Related-party transactions

The Parent Company is a related party to its subsidiaries and associated companies. Transactions with subsidiaries and associated companies occur on commercial market terms. No transactions have been carried out between Concentric AB and its subsidiary undertakings and any other related parties that had a material impact on either the company's or the group's financial position and results.

Business overview

Descriptions of Concentric's business and its objectives, the driving forces it faces, its products, market position and the end-markets it serves, together with details on the business excellence programme are all presented on pages 6-25 of the 2013 Annual Report (http://www.concentricab.com/_downloads/AGM-2014/Concentric_Annual%20Report_2013.pdf).

Significant risks and uncertainties

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

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

Concentric's Board of Directors and Senior management team have reviewed the development of these significant risks and uncertainties since the publication of the 2013 Annual Report and confirm that there have been no changes other than those comments made above in respect of the improving market development.

Please refer to the Risk and Risk Management section on pages 31-34 of the 2013 Annual Report (http://www.concentricab.com/_downloads/AGM-2014/Concentric_Annual%20Report_2013.pdf) for further details.

Acquisitions and divestments

There were no acquisitions or divestments in the current period. On 28 June, 2013, Concentric completed the acquisition of the entire share capital of LICOS Trucktec GmbH, a leading producer of water pumps and electromagnetic fan clutches for the truck industry based in Markdorf, Germany to broaden Concentric's current product portfolio in the growing niche market of variable flow pumps.

Events after the balance-sheet date

There were no significant post balance sheet events to report.

Basis of Preparation and Accounting policies

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

The basis of accounting and the accounting policies adopted in preparing this interim report are consistent for all periods presented and comply with those policies stated in the 2013 Annual Report, except as described below.

New standards, amendments and interpretations to existing standards that have been endorsed by the EU and adopted by the group

IFRS 10, "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. There were no restatements arising from group's application of IFRS 10 from 1 January 2014.

IFRS 11, "Joint arrangements", no longer provides a choice of accounting treatment. A joint arrangement is defined as an arrangement where two or more parties contractually agree to share control. The purpose is to focus on rights and obligations rather than on the legal form of an arrangement. IFRS 11 classifies a joint arrangement as either a joint operation or a joint venture. In a joint operation the parties to the arrangement have direct rights to the assets and obligations for the liabilities. In such an arrangement, assets, liabilities, income and expenses shall be recognized in relation to the interest in the arrangement. A joint venture gives parties rights to the net assets and earnings relating to the arrangement. An interest in a joint venture will therefore be recognized using the equity method as the proportionate method no longer will be permitted. Concentric has applied the amendments to IFRS 11 for the financial year beginning 1 January, 2014. The impact of the new standard has been to reduce total assets, as the different items previously reported line by line according to the proportionate method have now been consolidated onto a single line that represents Concentric's share of the net assets of the joint venture. The group's income and cash flow statements have also been impacted as Concentric's share of earnings and cash flows (derived from dividends) from the joint venture have been reported on one line instead of previously reported on a line by line basis.

As at 30 June 2013, the key figures restated following the application of IFRS 11 may be summarised as follows:

- Net sales and gross income for the first six months were reduced by MSEK 57 and MSEK 26 respectively, to remove Concentric's 50% share of those revenues and gross income attributable to Alfdex;
- Operating income and earnings before tax for the first six months were both reduced by MSEK 2, to reflect the reclassification of interest and taxation previously recognised below these lines in respect of Alfdex;
- Total assets were reduced by MSEK 31, with a corresponding adjustment to liabilities, to reflect Concentric's 50% share of net assets in Alfdex consolidated into one line within fixed assets; and
- The closing cash balance and bank assets were reduced by MSEK 11 and the net cash flows for the first six months were increased by MSEK 3, to remove all items previously included in respect of Alfdex and replace them with the cash dividends received during the period.

See Appendices 1 to 3 to this interim report for full details of the restated consolidated income statements, balance sheets and cash flow statements for 2013 by quarter, in summary.

IFRS 12, "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates and "structured entities". The group has applied the new standard, for the financial year beginning 1 January 2014.

None of the other IFRS and IFRIC interpretations endorsed by the EU are considered to have a material impact on the group.

Purpose of report and forward-looking information

Concentric AB (publ) is listed on NASDAQ OMX Stockholm, Mid Cap. The information in this report is of the type that Concentric is required to disclose under the Swedish Securities Market Act. The information was submitted for publication at 8.00am on 24 July, 2014. This report contains forward-looking information in the form of statements concerning the outlook for Concentric's operations. This information is based on the current expectations of Concentric's management, as well as estimates and forecasts. The actual future outcome could vary significantly compared with the information provided in this report, which is forward-looking, due to such considerations as changed conditions concerning the economy, market and competition.

Future reporting dates

Interim Report January-September 2014	24 October, 2014
Interim Report January-December 2014	4 February, 2015
Annual Report January-December 2014	5 March, 2015
Annual General Meeting 2015	26 March, 2015

The Board of Directors and CEO give their assurance that the six-month report presents a true and fair view of the Group's and Parent Company's operations, financial position and profits and describes the significant risks and uncertainties facing the Parent Company and companies included in the Group.

Stockholm, 24 July, 2014
Concentric AB (publ)

Stefan Charette
Chairman

Claes Magnus Åkesson
Board member

Marianne Brismar
Board member

Kenth Eriksson
Board member

Martin Lundstedt
Board member

Martin Sköld
Board member

David Woolley
President and CEO

For further information, please contact:

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Corporate Registration Number 556828-4995

Report on Review of Interim Financial Information

Introduction

We have reviewed the interim report of Concentric AB (publ), corporate identity number 556828-4995, as of 30 June, 2014 and for the six-month period then ended. The Board of Directors and the President are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim annual report based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that we 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 give 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 interim report is not prepared, in all material respects, 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, 24 July, 2014

KPMG AB

Anders Malmeby
Authorised Public Accountant

Consolidated Income Statement, in summary 1)

Amounts in MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul-Jun 2013/14	Full year 2013
		Restated		Restated		Restated
Net sales	527	472	1,023	894	1,987	1,858
Cost of goods sold	-381	-342	-743	-658	-1,458	-1,373
Gross income	**146**	**130**	**280**	**236**	**529**	**485**
Selling expenses	-18	-16	-32	-31	-61	-60
Administrative expenses	-27	-27	-56	-53	-108	-105
Product development expenses	-17	-15	-35	-29	-68	-62
Share of profit in joint venture, net of interest and tax	0	3	3	6	13	16
Other operating income and expenses	0	-2	1	2	4	5
Operating income	**84**	**73**	**161**	**131**	**309**	**279**
Financial income and expense	-5	-7	-12	-15	-33	-36
Earnings before tax	**79**	**66**	**149**	**116**	**276**	**243**
Taxes	-19	-22	-36	-35	-68	-67
Net income for the period	**60**	**44**	**113**	**81**	**208**	**176**
Basic earnings per share, SEK	1.39	1.01	2.59	1.86	4.73	4.00
Diluted earnings per share, SEK	1.38	1.01	2.58	1.85	4.72	4.00
Basic average number of shares (000)	43,795	43,892	43,876	43,892	43,914	43,922
Diluted average number of shares (000)	43,900	43,924	43,965	43,918	43,985	43,962

1) *Figures for 2013 have been restated for the amendments to IFRS 11, Joint arrangements. See "Basis of preparation and Accounting Policies" section.*

Consolidated statement of comprehensive income 1)

Amounts in MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul-Jun 2013/14	Full year 2013
Net income for the period	**60**	**44**	**113**	**81**	**208**	**176**
Other comprehensive income						
Items that will not be reclassified to profit or loss:						
Actuarial Gains/Losses	-	-	-	-	139	139
Tax on actuarial losses	-	-	-	-	-37	-37
Tax arising from reduction in tax rates	-	-	-	-	-11	-11
Items that may be reclassified subsequently to profit or loss:						
Net investment hedging	-21	-10	-20	-10	-13	-3
Tax arising from net investment hedging	4	0	4	0	5	1
Cash-flow hedging	0	0	5	-2	6	-1
Tax arising from cash-flow hedging	0	0	-1	0	0	0
Foreign currency translation differences	62	28	69	8	69	8
Total other comprehensive income	***45***	***18***	***57***	***-4***	***158***	***96***
Total comprehensive income	**105**	**62**	**170**	**77**	**366**	**272**

1) *Figures for 2013 have been restated for amendments to IFRS 11, Joint arrangements. See "Basis of preparation and Accounting Policies" section.*

Consolidated Balance Sheet, in summary 1,2)

Amounts in MSEK	30 Jun 2014	30 Jun 2013 Restated	31 Dec 2013 Restated
Goodwill	563	551	534
Other intangible fixed assets	327	318	337
Tangible fixed assets	184	171	185
Share of net assets in joint venture	17	16	26
Deferred tax assets	136	177	144
Long-term receivables	4	5	4
Total fixed assets	**1,231**	**1,238**	**1,230**
Inventories	215	206	199
Current receivables	289	298	247
Derivative instruments	4	-	-
Cash and cash equivalents	161	141	193
Total current assets	**669**	**645**	**639**
Total assets	**1,900**	**1,883**	**1,869**
Total Shareholders' equity	**782**	**582**	**783**
Pensions and similar obligations	415	539	406
Deferred tax liabilities	89	79	107
Long-term interest-bearing liabilities	178	175	178
Other long-term liabilities	4	6	4
Total long-term liabilities	**686**	**799**	**695**
Short-term interest-bearing liabilities	8	65	18
Other current liabilities	424	437	373
Total current liabilities	**432**	**502**	**391**
Total equity and liabilities	**1,900**	**1,883**	**1,869**

1) *Figures for 2013 have been restated for amendments to IFRS 11, Joint arrangements. See "Basis of preparation and Accounting Policies" section.*

2) *The carrying amount of financial assets and financial liabilities are considered reasonable approximations of their fair values. Financial instruments carried at fair value on the balance sheet consist of derivative instruments. As of 30 June, 2014 the fair value of derivative instruments that were assets was MSEK 4 (0), and the fair value of derivative instruments that were liabilities was MSEK 0 (0). These fair value measurements belong in level 2 in the fair value hierarchy.*

Consolidated changes in shareholders' equity, in summary

Amounts in MSEK	30 Jun 2014	30 Jun 2013	31 Dec 2013
Opening balance	**783**	**615**	**615**
Net income for the period	113	81	176
Other comprehensive income	57	-4	96
Total comprehensive income	**170**	**77**	**272**
Dividend	-121	-110	-110
Sale of own shares for acquisition of subsidiary	-	-	5
Own share buy-backs	-50	-	-
Long-term incentive plan	-	-	1
Closing balance	**782**	**582**	**783**

Consolidated cash flow statement, in summary 1)

Amounts in MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul -Jun 2013/14	Full year 2013
		Restated		**Restated**		**Restated**
Earnings before tax	79	66	149	116	276	243
Reversal of depreciation, amortization and write-down of fixed assets	24	21	47	41	94	88
Reversal of share of profit in joint venture	-	-3	-3	-6	-13	-16
Reversal of other non-cash items	3	1	5	3	3	1
Taxes paid	-23	-19	-30	-47	-66	-83
Cash flow from operating activities before changes in working capital	*83*	*66*	*168*	*107*	*294*	*233*
Change in working capital	11	-2	-9	-42	-1	-34
Cash flow from operating activities	***94***	***64***	***159***	***65***	***293***	***199***
Investments in subsidiaries 2)	-	-105	-	-105	-	-105
Investments in property, plant and equipment	-4	-6	-9	-8	-38	-37
Cash flow from investing activities	***-4***	***-111***	***-9***	***-113***	***-38***	***-142***
Dividends paid	-121	-110	-121	-110	-121	-110
Dividends received from joint venture	-	-	12	12	12	12
Buy back of own shares	-50	-	-50	-	-50	-
New loans received	7	52	7	52	14	59
Repayment of loans	-	-	-18	-14	-69	-65
Pension payments and other cash flows from financing activities	-8	-9	-19	-24	-27	-32
Cash flow from financing activities	***-172***	***-67***	***-189***	***-84***	***-241***	***-136***
Cash flow for the period	**-82**	**-114**	**-39**	**-132**	**14**	**-79**
Cash and bank assets, opening balance	237	253	193	274	141	274
Exchange-rate difference in cash and bank assets	6	2	7	-1	6	-2
Cash and bank assets, closing balance	**161**	**141**	**161**	**141**	**161**	**193**

1) *Figures for 2013 have been restated for amendments to IFRS 11, Joint arrangements. See "Basis of preparation and Accounting Policies" section.*

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

Data per Share

	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul-Jun 2013/14	Full year 2013
Basic earnings per share, SEK	1.39	1.01	2.59	1.86	4.73	4.00
Diluted earnings per share, SEK	1.38	1.01	2.58	1.85	4.72	4.00
Equity per share, SEK	18.01	13.28	18.01	13.28	18.01	17.80
Cash-flow from current operations per share, SEK 1)	2.15	1.47	3.62	1.47	6.69	4.54
Basic weighted average no. of shares (000's)	43,795	43,892	43,876	43,892	43,914	43,922
Diluted weighted average no. of shares (000's)	43,900	43,924	43,965	43,918	43,985	43,962
Number of shares at period-end (000's)	43,439	43,892	43,439	43,892	43,439	43,957

1) *Figures for 2013 have been restated for amendments to IFRS 11, Joint arrangements. See "Basis of preparation and Accounting Policies" section.*

Key figures 1)

	Apr-Jun		Jan-Jun		Jul-Jun	Full year
	2014	2013	2014	2013	2013/14	2013
Sales growth before IFRS 11 amendments, constant currency, % 2)	4	-11	7	-17	n/a	-7
Sales growth, constant currency, % 2)	2	-11	5	-17	n/a	-8
Sales growth, %	12	-16	14	-21	n/a	-8
EBITDA margin, %	20.5	19.9	20.3	19.2	20.3	19.8
Operating margin, %	16.0	15.5	15.8	14.6	15.6	15.0
Capital Employed, MSEK	1,230	1,165	1,230	1,165	1,230	1,194
ROCE, %	26.0	21.1	26.0	21.1	26.0	25.0
ROE, %	28.8	23.2	28.8	23.2	28.8	27.2
Working Capital, MSEK	85	67	85	67	85	73
Working capital as a % of annual sales 3)	4.3	3.4	4.3	3.4	4.3	3.9
Net Debt, MSEK	440	638	440	638	440	409
Gearing ratio, %	56	110	56	110	56	52
Net investments	4	6	9	8	38	37
R&D, %	3.2	3.1	3.4	3.2	3.4	3.4
Number of employees, average	1,046	1,041	1,045	1,004	1,054	1,031

1) Figures for 2013 have been restated for amendments to IFRS 11, Joint arrangements. See "Basis of preparation and Accounting Policies" section.

2) Sales growth excludes the impact of any acquisitions or divestments.

3) Annual sales calculated on a rolling 12 month basis. Sales for 2012 have not been restated for IFRS 11, " Joint arrangements".

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

	Apr-Jun		Jan-Jun		Jul-Jun	Full year
Amounts in MSEK	2014	2013	2014	2013	2013/14	2013
		Restated		**Restated**		**Restated**
Net sales	527	472	1,023	894	1,987	1,858
Direct material costs	-279	-245	-539	-466	-1,050	-977
Personnel costs	-95	-96	-193	-188	-386	-381
Depreciation, amortization and impairment losses	-24	-21	-47	-40	-95	-88
Share of profit in joint venture, net of tax	0	3	3	6	13	16
Other operating costs, net	-45	-40	-86	-75	-160	-149
Operating income	**84**	**73**	**161**	**131**	**309**	**279**
Financial income and expense	-5	-7	-12	-15	-33	-36
Earnings before tax	**79**	**66**	**149**	**116**	**276**	**243**
Taxes	-19	-22	-36	-35	-68	-67
Net income for the period	**60**	**44**	**113**	**81**	**208**	**176**

1) Figures for 2013 have been restated for amendments to IFRS 11, Joint arrangements. See "Basis of preparation and Accounting Policies" section.

Consolidated Income Statement in summary, per quarter 1)

Amounts in MSEK	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Net sales	527	496	468	496	472	422	431	492
Cost of goods sold	-381	-361	-347	-368	-342	-316	-332	-360
Gross income	**146**	**135**	**121**	**128**	**130**	**106**	**99**	**132**
Selling expenses	-18	-14	-12	-17	-16	-15	-13	-16
Administrative expenses	-27	-29	-25	-27	-27	-26	-22	-33
Product development expenses	-17	-18	-17	-16	-15	-14	-21	-16
Share of net income from joint venture	0	3	5	5	3	3		
Other operating income and expenses	0	0	1	2	-2	4	-10	6
Operating income	**84**	**77**	**73**	**75**	**73**	**58**	**33**	**73**
Financial income and expenses	-5	-7	-12	-9	-7	-8	-12	-6
Earnings before tax	**79**	**70**	**61**	**66**	**66**	**50**	**21**	**67**
Taxes	-19	-17	-15	-17	-22	-13	-5	-18
Net income for the period	**60**	**53**	**46**	**49**	**44**	**37**	**16**	**49**

1) Figures for 2013 have been restated for the amendments to IFRS 11, "Joint arrangements". See "Basis of preparation and Accounting Policies" section. Figures for 2012 have not been restated for IFRS 11 and are as previously reported during 2013.

Key figures by quarter 1)

	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Basic EPS, SEK	1.39	1.20	1.04	1.10	1.01	0.84	0.37	1.10
Diluted EPS, SEK	1.38	1.20	1.04	1.10	1.01	0.84	0.37	1.10
Operating margin, %	16.0	15.5	15.6	15.1	15.5	13.7	7.5	14.9
ROCE, %	26.0	26.0	25.0	21.2	21.1	22.4	25.3	26.7
ROE, %	28.8	27.7	27.2	23.5	23.2	23.6	26.5	21.7
Equity per share, SEK	18.01	19.29	17.80	14.04	13.28	14.37	14.00	15.04
Cash-flow per share, SEK	2.15	1.47	1.82	1.25	1.47	0.00	2.46	1.39
Net investments in fixed assets	4	5	15	14	6	2	20	9
R&D, %	3.2	3.6	3.7	3.2	3.1	3.4	4.7	3.3
Number of employees, average	1,046	1,046	1,053	1,067	1,041	972	1,054	1,117

1) Figures for 2013 have been restated for the amendments to IFRS 11, "Joint arrangements". See "Basis of preparation and Accounting Policies" section. Figures for 2012 have not been restated for IFRS 11 and are as previously reported during 2013.

Segment reporting 1)

Amounts in MSEK	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Americas								
External net sales	261	246	231	251	266	226	239	287
Operating income	39	38	35	35	39	25	31	36
Operating margin, % 2)	15.1	15.3	15.3	14.0	14.5	11.0	12.9	12.2
Assets	533	522	494	529	563	524	514	575
Liabilities	290	270	250	297	320	271	265	287
Capital employed	294	315	309	310	338	349	332	364
ROCE, %	47.1	45.2	40.9	38.3	36.2	36.5	40.5	37.3
Net investments	0	0	2	3	-	-	-	-4
Depreciation, amortization & impairment losses	6	5	6	6	6	6	13	12
Number of employees, average	315	317	326	336	338	300	340	380
Europe & RoW								
External net sales (including Alfdex)	305	289	272	275	236	223	192	205
Operating income	45	40	40	41	35	34	1	38
Operating margin, % 2)	14.7	14.0	14.6	14.9	15.0	15.1	0.8	18.7
Assets	1,314	1,258	1,258	1,245	1,248	1,053	1,069	1,080
Liabilities	611	584	601	695	720	685	718	675
Capital employed	914	878	886	852	826	679	707	742
ROCE, %	19.0	19.0	19.0	14.7	14.9	16.0	17.3	21.1
Net investments	4	5	14	12	7	3	20	13
Depreciation, amortization & impairment losses	18	18	20	17	15	15	18	11
Number of employees, average	787	781	776	779	751	718	715	737
Eliminations and unallocated items								
Elimination of sales	-39	-39	-35	-30	-30	-27	-	-
Operating income	0	-1	-2	-1	-1	-1	0	0
Assets	53	137	117	56	173	190	235	165
Liabilities	217	215	235	221	260	181	220	196
Capital employed	22	9	-1	-1	1	-1	-20	-8
Net investments	0	0	-1	-1	-1	-1	-	-
Depreciation, amortization and impairment losses	0	0	0	1	0	0	-	-
Number of employees, average	-56	-52	-49	-48	-48	-46	-	-
Group								
Net sales	527	496	468	496	472	422	431	492
Operating income	84	77	73	75	73	58	32	74
Operating margin, %	16.0	15.5	15.6	15.1	15.5	13.7	7.5	14.9
Assets	1,900	1,917	1,869	1,830	1,883	1,767	1,818	1,820
Liabilities	1,118	1,069	1,086	1,213	1,301	1,137	1,203	1,158
Capital employed	1,230	1,202	1,194	1,161	1,165	1,027	1,019	1,098
ROCE, %	26.0	26.0	25.0	21.2	21.1	22.4	25.3	26.7
Net investments	4	5	15	14	6	2	20	9
Depreciation, amortization and impairment losses	24	23	26	23	21	21	31	23
Number of employees, average	1,046	1,046	1,053	1,067	1,041	972	1,054	1,117

1) *Group figures for 2013 have been restated for the amendments to IFRS 11, "Joint arrangements". See "Basis of preparation and Accounting Policies" section. Figures for 2012 have not been restated for IFRS 11 and are as previously reported during 2013.*

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

Operating income per operating segment, 1)

Amounts in MSEK	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Americas	39	38	35	35	39	25	31	35
Europe & RoW	45	40	40	41	35	34	1	39
Eliminations and unallocated items 2)	0	-1	-2	-1	-1	-1	0	0
Total operating income	**84**	**77**	**73**	**75**	**73**	**58**	**32**	**74**
Financial income and expenses	-5	-7	-12	-9	-7	-8	-11	-7
Earnings before tax	**79**	**70**	**61**	**66**	**66**	**50**	**21**	**67**

1) Group figures for 2013 have been restated for the amendments to IFRS 11, "Joint arrangements". See "Basis of preparation and Accounting Policies" section. Figures for 2012 have not been restated for IFRS 11 and are as previously reported during 2013.

2) Includes elimination of net income adjustments attributable to Alfdex AB from Q1 2013 onwards, following the restatements made under IFRS 11 "Joint arrangements".

Sales by customer location - geographic area 1)

Amounts in MSEK	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
USA	232	213	211	211	249	213	234	272
Germany	86	89	76	95	65	69	63	70
UK	44	40	39	38	38	34	29	38
Sweden	24	24	23	20	26	26	25	25
Other	141	130	119	132	94	80	80	87
Total Group	**527**	**496**	**468**	**496**	**472**	**422**	**431**	**492**

1) Figures for 2013 have been restated for the amendments to IFRS 11, "Joint arrangements". See "Basis of preparation and Accounting Policies" section. Figures for 2012 have not been restated for IFRS 11 and are as previously reported during 2013.

Tangible assets by operating location 1)

Amounts in MSEK	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
USA	47	48	51	51	54	56	59	62
Germany	51	53	52	51	41	31	34	33
UK	62	57	57	48	45	43	46	38
Sweden	1	1	1	1	4	3	12	15
Other	23	23	24	24	27	28	30	30
Total Group	**184**	**182**	**185**	**175**	**171**	**161**	**181**	**178**

1) Figures for 2013 have been restated for the amendments to IFRS 11, "Joint arrangements". See "Basis of preparation and Accounting Policies" section. Figures for 2012 have not been restated for IFRS 11 and are as previously reported during 2013.

Parent Company's income statement, in summary

Amounts in MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jul-Jun 2013/14	Full year 2013
Net sales	7	5	14	11	26	23
Operating costs	-4	-2	-7	-6	-17	-16
Operating income	**3**	**3**	**7**	**5**	**9**	**7**
Income from shares in subsidiaries	-	817	-	817	485	1,302
Income from shares in joint venture	-	-	12	12	12	12
Net foreign exchange rate differences	-21	-9	-20	-9	-12	-1
Other financial income and expense	-1	-2	-3	-3	-5	-5
Earnings before tax	**-19**	**809**	**-4**	**822**	**489**	**1,315**
Taxes	5	2	4	2	-1	-3
Net income for the period 1)	**-14**	**811**	**0**	**824**	**488**	**1,312**

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

Parent Company's balance sheet, in summary

Amounts in MSEK	30 Jun 2014	30 Jun 2013	31 Dec 2013
Shares in subsidiaries	2,395	1,753	2,395
Shares in joint venture	10	10	10
Long-term loans receivable from subsidiaries	49	191	46
Deferred tax assets	-	5	-
Total financial fixed assets	**2,454**	**1,959**	**2,451**
Other current receivables	5	1	1
Short-term receivables from subsidiaries	57	30	36
Cash and cash equivalents	85	96	138
Total current assets	**147**	**127**	**175**
Total assets	**2,601**	**2,086**	**2,626**
Total Shareholders' equity	**1,612**	**1,290**	**1,783**
Pensions and similar obligations	19	-	19
Long-term interest-bearing liabilities	175	175	175
Total long-term liabilities	**194**	**175**	**194**
Short-term loans	-	48	-
Short-term loans payable to joint venture	5	5	12
Short-term loans payable to subsidiaries	785	561	631
Other current liabilities	5	7	6
Total current liabilities	**795**	**621**	**649**
Total equity and liabilities	**2,601**	**2,086**	**2,626**

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

Amounts in MSEK	**30 Jun 2014**	**30 Jun 2013**	**31 Dec 2013**
Opening balance	1,783	576	576
Net income for the period 1)	0	824	1,312
Dividend	-121	-110	-110
Sale of own shares for acquisition of subsidiary	-	-	5
Own share buy-backs	-50	-	-
Closing balance	**1,612**	**1,290**	**1,783**

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

Definitions

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

Appendix 1 - Restated Consolidated Income Statement for 2013 by quarter, in summary

Year-to-date *Amounts in MSEK*	Reported Income Statement				Adjustments				Restated Income Statement			
	2013 Jan-Mar	**2013 Jan-Jun**	**2013 Jan-Sep**	**2013 Jan-Dec**	**2013 Jan-Mar**	**2013 Jan-Jun**	**2013 Jan-Sep**	**2013 Jan-Dec**	**2013 Jan-Mar**	**2013 Jan-Jun**	**2013 Jan-Sep**	**2013 Jan-Dec**
Net sales	449	951	1,477	1,980	-27	-57	-87	-122	422	894	1,390	1,858
Cost of goods sold	-330	-689	-1,072	-1,436	14	31	46	63	-316	-658	-1,026	-1,373
Gross income	**119**	**262**	**405**	**544**	**-13**	**-26**	**-41**	**-59**	**106**	**236**	**364**	**485**
Selling expenses	-16	-34	-52	-65	1	3	4	5	-15	-31	-48	-60
Administrative expenses	-28	-56	-84	-112	2	3	4	7	-26	-53	-80	-105
Product development expenses	-16	-33	-51	-72	2	4	6	10	-14	-29	-45	-62
Share of net income in joint venture	-	-	-	-	3	6	11	16	3	6	11	16
Other operating income and expenses	0	-6	-9	-11	4	8	13	16	4	2	4	5
Operating income	**59**	**133**	**209**	**284**	**-1**	**-2**	**-3**	**-5**	**58**	**131**	**206**	**279**
Financial income and expenses	-8	-15	-24	-36	0	0	0	0	-8	-15	-24	-36
Earnings before tax	**51**	**118**	**185**	**248**	**-1**	**-2**	**-3**	**-5**	**50**	**116**	**182**	**243**
Taxes	-14	-37	-55	-72	1	2	3	5	-13	-35	-52	-67
Net income for the period	**37**	**81**	**130**	**176**	**-**	**-**	**-**	**-**	**37**	**81**	**130**	**176**

Quarterly *Amounts in MSEK*	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**
Net sales	449	502	526	503	-27	-30	-30	-35	422	472	496	468
Cost of goods sold	-330	-359	-383	-364	14	17	15	17	-316	-342	-368	-347
Gross income	**119**	**143**	**143**	**139**	**-13**	**-13**	**-15**	**-18**	**106**	**130**	**128**	**121**
Selling expenses	-16	-18	-18	-13	1	2	1	1	-15	-16	-17	-12
Administrative expenses	-28	-28	-28	-28	2	1	1	3	-26	-27	-27	-25
Product development expenses	-16	-17	-18	-21	2	2	2	4	-14	-15	-16	-17
Share of net income in joint venture	-	-	-	-	3	3	5	5	3	3	5	5
Other operating income and expenses	-	-6	-3	-2	4	4	5	3	4	-2	2	1
Operating income	**59**	**74**	**76**	**75**	**-1**	**-1**	**-1**	**-2**	**58**	**73**	**75**	**73**
Financial income and expenses	-8	-7	-9	-12	0	0	0	0	-8	-7	-9	-12
Earnings before tax	**51**	**67**	**67**	**63**	**-1**	**-1**	**-1**	**-2**	**50**	**66**	**66**	**61**
Taxes	-14	-23	-18	-17	1	1	1	2	-13	-22	-17	-15
Net income for the period	**37**	**44**	**49**	**46**	**-**	**-**	**-**	**-**	**37**	**44**	**49**	**46**

Appendix 2 - Restated Consolidated Balance Sheet for 2013 by quarter, in summary

Amounts in MSEK	Reported Balance Sheet				Adjustments				Restated Balance Sheet			
	31 Mar 2013	**30 Jun 2013**	**30 Sep 2013**	**31 Dec 2013**	**31 Mar 2013**	**30 Jun 2013**	**30 Sep 2013**	**31 Dec 2013**	**31 Mar 2013**	**30 Jun 2013**	**30 Sep 2013**	**31 Dec 2013**
Goodwill	463	551	507	534	-	-	-	-	463	551	507	534
Other intangible fixed assets	314	318	344	337	-	-	-	-	314	318	344	337
Tangible fixed assets	170	180	184	194	-9	-9	-9	-9	161	171	175	185
Share of net assets in joint venture	-	-	-	-	13	16	21	26	13	16	21	26
Deferred tax assets	150	178	184	145	-1	-1	-1	-1	149	177	183	144
Long-term receivables	5	5	5	4	-	-	-	-	5	5	5	4
Total fixed assets	**1,102**	**1,232**	**1,224**	**1,214**	**3**	**6**	**11**	**16**	**1,105**	**1,238**	**1,235**	**1,230**
Inventories	166	211	203	205	-4	-5	-5	-6	162	206	198	199
Current receivables	267	319	297	271	-20	-21	-21	-24	247	298	276	247
Cash and cash equivalents	268	152	131	199	-15	-11	-10	-6	253	141	121	193
Total current assets	**701**	**682**	**631**	**675**	**-39**	**-37**	**-36**	**-36**	**662**	**645**	**595**	**639**
Total assets	**1,803**	**1,914**	**1,855**	**1,889**	**-36**	**-31**	**-25**	**-20**	**1,767**	**1,883**	**1,830**	**1,869**
Total Shareholders' equity	**630**	**582**	**617**	**783**	**-**	**-**	**-**	**-**	**630**	**582**	**617**	**783**
Pensions and similar obligations	522	539	537	406	-	-	-	-	522	539	537	406
Deferred tax liabilities	73	81	81	110	-2	-2	-2	-3	71	79	79	107
Long-term interest-bearing liabilities	175	175	178	178	-	-	-	-	175	175	178	178
Other long-term liabilities	4	6	4	4	-	-	-	-	4	6	4	4
Total long-term liabilities	**774**	**801**	**800**	**698**	**-2**	**-2**	**-2**	**-3**	**772**	**799**	**798**	**695**
Short-term interest-bearing liabilities	9	60	6	6	-	5	5	12	9	65	11	18
Other current liabilities	390	471	432	402	-34	-34	-28	-29	356	437	404	373
Total current liabilities	**399**	**531**	**438**	**408**	**-34**	**-29**	**-23**	**-17**	**365**	**502**	**415**	**391**
Total equity and liabilities	**1,803**	**1,914**	**1,855**	**1,889**	**-36**	**-31**	**-25**	**-20**	**1,767**	**1,883**	**1,830**	**1,869**

Appendix 3a - Restated Consolidated Cash Flow Statement for 2013 by quarter, in summary

Year-to-date *Amounts in MSEK*	**Reported Cash Flow Statement**				**Adjustments**				**Restated Cash Flow Statement**			
	2013 Jan-Mar	**2013 Jan-Jun**	**2013 Jan-Sep**	**2013 Jan-Dec**	**2013 Jan-Mar**	**2013 Jan-Jun**	**2013 Jan-Sep**	**2013 Jan-Dec**	**2013 Jan-Mar**	**2013 Jan-Jun**	**2013 Jan-Sep**	**2013 Jan-Dec**
Earnings before tax	51	118	185	248	-1	-2	-3	-5	50	116	182	243
Reversal of depreciation, amortization and write-down of fixed assets	21	42	65	91	-1	-1	-2	-3	20	41	63	88
Reversal of net income from joint venture	-	-	-	-	-3	-6	-11	-16	-3	-6	-11	-16
Reversal of other non-cash items	2	3	3	1	-	-	-	-	2	3	3	1
Taxes paid	-28	-51	-73	-90	0	4	5	7	-28	-47	-68	-83
Cash flow from operating activities before changes in working capital	*46*	*112*	*180*	*250*	*-5*	*-5*	*-11*	*-17*	*41*	*107*	*169*	*233*
Change in working capital	-41	-41	-54	-41	1	-1	5	7	-40	-42	-49	-34
Cash flow from operating activities	***5***	***71***	***126***	***209***	***-4***	***-6***	***-6***	***-10***	***1***	***65***	***120***	***199***
Investments in subsidiaries	-	-105	-105	-105	-	-	-	-	-	-105	-105	-105
Investments in property, plant and equipment	-3	-10	-25	-41	1	2	3	4	-2	-8	-22	-37
Cash flow from investing activities	***-3***	***-115***	***-130***	***-146***	***1***	***2***	***3***	***4***	***-2***	***-113***	***-127***	***-142***
Dividends paid	-	-110	-110	-110	-	-	-	-	-	-110	-110	-110
Dividends received from joint venture	-	-	-	-	12	12	12	12	12	12	12	12
New loans received	-	47	47	47	-	5	5	12	-	52	52	59
Repayment of loans	-4	-4	-55	-55	-10	-10	-10	-10	-14	-14	-65	-65
Pension payments and other cash flows from financing activities	-15	-24	-30	-32	0	0	0	0	-15	-24	-30	-32
Cash flow from financing activities	***-19***	***-91***	***-148***	***-150***	***2***	***7***	***7***	***14***	***-17***	***-84***	***-141***	***-136***
Cash flow for the period	***-17***	***-135***	***-152***	***-87***	***-1***	***3***	***4***	***8***	***-18***	***-132***	***-148***	***-79***
Cash and bank assets, opening balance	288	288	288	288	-14	-14	-14	-14	274	274	274	274
Exchange-rate difference in cash and bank assets	-3	-1	-5	-2	-	-	-	-	-3	-1	-5	-2
Cash and bank assets, closing balance	**268**	**152**	**131**	**199**	**-15**	**-11**	**-10**	**-6**	**253**	**141**	**121**	**193**

Appendix 3b - Restated Consolidated Cash Flow Statement for 2013 by quarter, in summary

Quarterly *Amounts in MSEK*	**Reported Cash Flow Statement**				**Adjustments**				**Restated Cash Flow Statement**			
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**
Earnings before tax	51	67	67	63	-1	-1	-1	-2	50	66	66	61
Reversal of depreciation, amortization and write-down of fixed assets	21	21	23	26	-1	0	-1	-1	20	21	22	25
Reversal of net income from joint venture	-	-	-	-	-3	-3	-5	-5	-3	-3	-5	-5
Reversal of other non-cash items	2	1	0	-2	-	-	-	-	2	1	0	-2
Taxes paid	-28	-23	-22	-17	0	4	1	2	-28	-19	-21	-15
Cash flow from operating activities before changes in working capital	*46*	*66*	*68*	*70*	*-5*	*0*	*-6*	*-6*	*41*	*66*	*62*	*64*
Change in working capital	-41	-	-13	13	1	-2	6	2	-40	-2	-7	15
Cash flow from operating activities	***5***	***66***	***55***	***83***	***-4***	***-2***	***0***	***-4***	***1***	***64***	***55***	***79***
Investments in subsidiaries	-	-105	-	-	-	-	-	-	-	-105	-	-
Investments in property, plant and equipment	-3	-7	-15	-16	1	1	1	1	-2	-6	-14	-15
Cash flow from investing activities	***-3***	***-112***	***-15***	***-16***	***1***	***1***	***1***	***1***	***-2***	***-111***	***-14***	***-15***
Dividends paid	-	-110	-	-	-	-	-	-	-	-110	-	-
Dividends received from joint venture	-	-	-	-	12	-	-	-	12	-	-	-
New loans received	-	47	-	-	-	5	-	7	-	52	-	7
Repayment of loans	-4	-	-51	-	-10	-	-	-	-14	-	-51	-
Pension payments and other cash flows from financing activities	-15	-9	-6	-2	0	0	0	0	-15	-9	-6	-2
Cash flow from financing activities	***-19***	***-72***	***-57***	***-2***	***2***	***5***	***0***	***7***	***-17***	***-67***	***-57***	***5***
Cash flow for the period	***-17***	***-118***	***-17***	***65***	***-1***	***4***	***1***	***4***	***-18***	***-114***	***-16***	***69***
Cash and bank assets, opening balance	288	268	152	131	-14	-15	-11	-10	274	253	141	121
Exchange-rate difference in cash and bank assets	-3	2	-4	3	-	-	-	-	-3	2	-4	3
Cash and bank assets, closing balance	**268**	**152**	**131**	**199**	**-15**	**-11**	**-10**	**-6**	**253**	**141**	**121**	**193**