

Everything to do with our finances. And then some.

Year-end report 2014



Year-end report 2014

Full year 2014

- Net turnover amounted to SEK 19,473 M (17,656).
- Net profit for the year was SEK 385 M (290) and earnings per share SEK 15.35 (11.70).
- The Board proposes a regular dividend of SEK 12.00 (9.00).
- The Board proposes a 2-for-1 stock split.

Fourth quarter

- Net turnover amounted to SEK 5,318 M (4,878).
- Operating profit excluding items affecting comparability amounted to SEK 204 M (159).
- Net profit for the period was SEK 119 M (128) and earnings per share SEK 4.80 (5.15). Earnings have been charged with SEK 45 M, mainly attributable to rental contracts in Denmark.
- Operating cash flow amounted to SEK 9 M (-174).

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

"Demand was slightly better than expected. We delivered an operating profit that was better than last year's, mainly due to strong earnings in Sweden. Both the Car Business and the Service Business reported better earnings. The order backlog of new cars declined during the quarter, but was slightly higher than last year at year-end. The financial position of the Group continues to be strong. We believe that overall demand for cars and service during the first quarter of 2015 will be on a par with the same quarter last year."



Group	Fourth quarter		Full year	
	2014	2013	2014	2013
Net turnover, SEK M	5,318	4,878	19,473	17,656
Operating profit excl. items affecting comparability, SEK M ¹⁾	204	159	538	395
Operating margin excl. items affecting comparability, %	3.8	3.2	2.8	2.2
Operating profit, SEK M	159	157	500	368
Operating margin, %	3.0	3.2	2.6	2.1
Profit before tax excl. items affecting comparability, SEK M ¹⁾	208	157	526	394
Profit before tax, SEK M	163	155	488	367
Net profit for the period / year, SEK M	119	128	385	290
Earnings per share, SEK ²⁾	4.80	5.15	15.35	11.70

¹⁾ Items affecting comparability are shown in the table on page 5.

²⁾ The number of shares used in the calculation is shown in the table on page 13.

Notable events during 2014

- On 8 December 2014, Bilia concluded an agreement with Kverneland Bil AS concerning the sale of Bilia's dealership operation for Volvo and Ford in Stavanger. The purchase consideration amounted to about SEK 70 M and the pre-tax profit is estimated at about SEK 4 M. The date of possession was 1 January 2015. It is estimated that the Group's capital employed will decrease by about SEK 40 M, while net debt will decrease by about SEK 44 M.
- On 30 September 2014, Bilia concluded an agreement with Fastighets AB Balder on the sale of the property company that was included in the acquisition of the Toyota operation, see below. The purchase consideration amounted to SEK 48 M and the capital gain after tax was just under SEK 13 M. Bilia's net debt declined by SEK 72 M.
- On 20 January 2014, Bilia concluded an agreement with Toyota Sweden Holding AB on the acquisition of a property company and Toyota's operation in Malmö, Trelleborg and Lund. The date of possession was 1 March 2014. The Bilia Group's capital employed and net debt increased by about SEK 104 M as an effect of the acquisition.

Events after the balance sheet date

- On 21 January 2015, Bilia concluded an agreement to acquire all the shares in Toyota Hell Bil AS and Toyota Horten Tønsberg AS. Annual turnover is about SEK 1 bn, and for the past four years the operation has reported an operating profit of about SEK 25 M. The companies' capital employed, plus agreed-on surplus values, amounts to about SEK 210 M. The date of possession is estimated to be 1 March 2015.

Further information on the above events and other press information is available at www.bilia.com.

Fourth quarter 2014

Demand for new cars was better compared with the same quarter last year, while demand for service and used cars was slightly better compared with last year.

Net turnover amounted to SEK 5,318 M (4,878). For comparable operations and adjusted for exchange rate changes, net turnover increased by about SEK 345 M or 7 per cent. The increase is mainly attributable to car sales.

Operating profit amounted to SEK 159 M (157). If items affecting comparability are excluded, the profit was SEK 204 M (159). The improvement is attributable to both the Car and Service Businesses. Underlying Group overheads increased by about 5 per cent compared with last year. Overheads amounted to 12.7 per cent in relation to net turnover, which was 0.2 percentage point lower compared with last year. In view of the earnings level during the quarter, provision was made for employee bonuses of SEK 7 M (6).

Net financial items amounted to SEK 4 M (-2). The improvement compared with last year is mainly attributable to higher income from interests in associated companies and lower net debt during the quarter.

Net profit for the period was SEK 119 M (128) and earnings per share SEK 4.80 (5.15). Exchange rate changes reduced the profit by SEK 2 M.

Total assets increased by SEK 496 M, amounting to SEK 6,955 M. The increase was mainly attributable to cars in stock and trade receivables.

Equity increased by SEK 44 M, amounting to SEK 1,849 M. The equity/assets ratio amounted to 27 per cent (30).

Acquisition of non-current assets amounted to SEK 42 M (35). Replacement investments represented SEK 14 M (10), expansion investments SEK 8 M (16), environmental investments SEK 0 M (1) and investments in new construction and additions to properties SEK 15 M (7), while finance leases amounted to SEK 5 M (1).

Operating cash flow amounted to SEK 9 M (-174). After acquisitions and disposals of operations and change in interest-bearing receivables, cash flow amounted to SEK 7 M (-162). Net receivable decreased by SEK 87 M during the quarter, amounting to SEK 70 M. The definition of net debt/receivable has been changed, see page 9.

Liquidity remains good, and at the end of December a positive bank balance of SEK 550 M was reported. The combined credit limit with Nordea and DNB amounts to SEK 900 M.

The number of employees increased by 16 during the quarter and amounts to 3,521 persons.

Full year 2014

Demand for cars was better and for service slightly better compared with last year.

Net turnover amounted to SEK 19,473 M (17,656). For comparable operations and adjusted for exchange rate changes, net turnover increased by about SEK 1,660 M or 9 per cent. The increase is mainly attributable to car sales.

Operating profit amounted to SEK 500 M (368). If items affecting comparability are excluded, the profit was SEK 538 M (395). The improvement is attributable to both the Car and Service Businesses, which reported earnings that were SEK 89 M and SEK 64 M better than last year, respectively. Underlying Group overheads increased by about 4 per cent compared with last year. Overheads amounted to 13.0 per cent in relation to net turnover, which was 0.5 percentage point lower compared with last year. In view of the earnings level during the year, provision was made for employee bonuses of SEK 21 M (16).

Net financial items amounted to SEK -12 M (-1). Income from associated companies decreased by SEK 9 M, mainly due to an earnings-related non-recurring effect during 2013 that was attributable to changed income tax in Sweden.

Tax for the year amounted to SEK -103 M (-77). The tax corresponds to a tax rate of 23 per cent (23) if the tax-free share in the earnings of associated companies and the gain from property sales are excluded.


Net profit for the year was SEK 385 M (290) and earnings per share SEK 15.35 (11.70). Exchange rate changes reduced the profit by SEK 5 M.

Total assets increased by SEK 860 M, amounting to SEK 6,955 M. The increase was mainly attributable to cash and cash equivalents, which increased by SEK 461 M, and to leased vehicles, which increased by SEK 248 M.

Equity increased by SEK 26 M, amounting to SEK 1,849 M. Dividends were paid to shareholders in the amount of SEK 226 M. The equity/assets ratio amounted to 27 per cent (30).

Bilia's financial goals were fulfilled as follows: Operating margin 2.6 per cent (goal 2.2), return on capital employed 19.8 per cent (goal 14.0) and return on equity 21.0 per cent (goal 15.0).

Acquisition of non-current assets amounted to SEK 195 M (105). Replacement investments represented SEK 46 M (31), expansion investments SEK 41 M (43), environmental investments SEK 1 M (2) and investments in new construction and additions to properties SEK 94 M (20), while finance leases amounted to SEK 13 M (9).



Operating cash flow amounted to SEK 748 M (83). After acquisitions and disposals of operations and change in interest-bearing receivables, cash flow amounted to SEK 715 M (118). Net debt decreased by SEK 330 M during the year, and a net receivable of SEK 70 M was reported at year-end. The definition of net debt/receivable has been changed, see page 9.

The number of employees increased by 120 during the quarter, amounting to 3,521 persons. The acquisition of a Toyota operation in southern Sweden has increased the number of employees by 76.

Items affecting comparability

Group, SEK M	Fourth quarter		Full year	
	2014	2013	2014	2013
Operating profit excl. items affecting comparability	204	159	538	395
<i>Items affecting comparability</i>				
- Gain from sale of operation, other	0	0	13	2
- Structural costs etc.	-41	2	-47	-25
- Impairment	-4	-4	-4	-4
Operating profit	159	157	500	368
Profit before tax excl. items affecting comparability	208	157	526	394
<i>Items affecting comparability</i>				
- Gain from sale of operation, other	0	0	13	2
- Structural costs etc.	-41	2	-47	-25
- Impairment	-4	-4	-4	-4
Profit before tax	163	155	488	367

The quarter's structural costs pertain to a provision for rental contracts in Denmark. The provision has been calculated as the difference between estimated market rent and actual rent during the remaining rental period. The provision will be reversed and have a positive effect on earnings of about SEK 5 M per year. The impairment loss pertains to a cooperative unit (a workshop) where the carrying amount exceeded the value from an external market valuation.

The full year's gain from sale of operation pertains to the sale of the property company that was included in the acquisition of the Toyota operation in Malmö, Trelleborg and Lund.



Group

No. of new cars	Deliveries				Order backlog 31 Dec.	
	Fourth quarter 2014	2013	Full year 2014	2013	2014	2013
Sweden ¹⁾	8,242	7,018	29,463	24,273	5,442	4,348
Norway	2,612	2,537	8,281	7,796	1,099	1,245
Denmark	901	967	3,523	3,558	330	430
Total	11,755	10,522	41,267	35,627	6,871	6,023

¹⁾ Toyota is included in deliveries during the quarter with 294 (-) and during the year with 833 (-), and in order backlog with 85 (-).

SEK M	Net turnover				Operating profit/loss excl. items affecting comparability, operating margin							
	Fourth quarter 2014	2013	Full year 2014	2013	Fourth quarter				Full year			
					2014	%	2013	%	2014	%	2013	%
Sweden	3,528	3,151	13,110	11,567	162	4.6	125	4.0	458	3.5	342	3.0
Norway	1,496	1,443	5,324	5,087	62	4.1	52	3.6	147	2.8	116	2.3
Denmark	281	281	1,027	997	1	0.5	-5	-2.1	-16	-1.5	-20	-2.0
Total Cars	5,305	4,875	19,461	17,651	225	4.2	172	3.5	589	3.0	438	2.5
Parent Company, other	13	3	12	5	-21	-	-13	-	-51	-	-43	-
Total	5,318	4,878	19,473	17,656	204	3.8	159	3.2	538	2.8	395	2.2

Comments on the quarter

- Improved earnings in all three countries
- Higher closing order backlog

The market for new cars increased during the quarter by 7 per cent in Sweden and 2 per cent in Norway, while it remained unchanged in Denmark.

The Group reported an operating profit, excluding items affecting comparability, of SEK 204 M (159) and an operating margin of 3.8 per cent (3.2). The Service Business reported a profit that was SEK 22 M better, and the Car Business a profit that was SEK 33 M better, than last year. The order backlog, which was about 14 per cent higher at year-end than last year, decreased during the quarter by 773 cars to 6,871 cars.

The operation in Sweden reported an operating profit of SEK 162 M (125), with an operating margin of 4.6 per cent (4.0). The Car Business reported a profit that was SEK 34 M better than last year. The improvement is mainly attributable to higher turnover and lower relative costs in new car sales. Earnings from sales of used cars improved by SEK 9 M, due mainly to a higher gross profit margin. The Service Business reported a profit that was SEK 5 M better than last year. The improvement is mainly attributable to a higher turnover.

The operating profit in Bilia's Norwegian operation amounted to SEK 62 M (52) and the operating margin to 4.1 per cent (3.6). The Service Business reported a profit that was SEK 14 M better than last year. The improvement is attributable to higher sales and lower relative costs. The Car Business reported a profit that was SEK 4 M worse than last year. The poorer result is attributable to a lower gross profit margin in new car sales. Earnings from sales of used cars were on a level with last year. Stocks of used cars increased during the quarter and were a bit too high at year-end.

The Danish operation reported an operating profit of SEK 1 M (loss: 5). The improvement over last year is mainly attributable to the a higher gross profit margin and lower costs in the Service Business. Sales of used cars resulted in a small loss, which was nevertheless SEK 2 M better than last year's result. Competition from other dealers in the Copenhagen area who represent the same brands as Bilia is still keen, putting pressure on profitability in both the Car and Service Businesses.

Operations – divided into Service, Car and Fuel Businesses

SEK M	Net turnover ¹⁾				Operating profit, operating margin			
	Fourth quarter		Full year		Fourth quarter		Full year	
	2014	2013	2014	2013	2014	2013	2014	2013
Service Business	1,195	1,131	4,253	4,050	161	139	415	351
- margin, %					13.5	12.3	9.8	8.7
Car Business	4,097	3,691	14,945	13,254	59	26	156	67
- margin, %					1.4	0.7	1.0	0.5
Fuel Business	250	256	1,051	1,067	5	7	18	20
- margin, %					1.8	2.5	1.7	1.9

Service includes workshop services, spare parts and accessories.

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

¹⁾ Net turnover does not include eliminations for internal sales.

Growth in the Service Business

Per cent	Fourth quarter				Full year			
	Sweden	Norway	Denmark	Total	Sweden	Norway	Denmark	Total
<i>Change from last year</i>								
Underlying turnover	2.7	7.3	-10.8	3.1	3.7	4.8	-10.8	3.1
Calendar effect	0.0	0.0	0.0	0.0	0.4	-0.4	-0.4	0.1
Adjusted turnover	2.7	7.3	-10.8	3.1	4.1	4.4	-11.2	3.2

Comments on the quarter

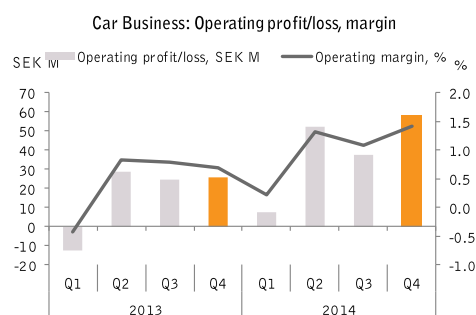
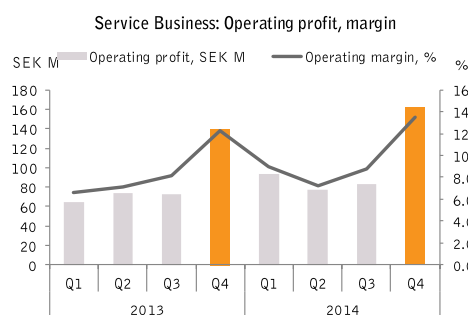
- Improved earnings in both Car and Service Businesses
- Strong growth in the Norwegian Service Business

The Service Business reported a profit that was SEK 22 M better than last year. The improvement was mainly attributable to higher turnover and a slightly higher gross profit margin. The operation in Norway developed positively and reported an adjusted turnover increase of 7 per cent, while Sweden reported an increase of 3 per cent. The decline in turnover in Denmark is mainly attributable to increased competition in the Copenhagen area. The number of working days was unchanged compared with the same quarter last year.

The Car Business's deliveries of new cars increased during the quarter by 9 per cent and deliveries of used cars by 2 per cent for comparable operations. Orders received for new cars increased by 12 per cent compared with last year. Earnings from sales of new cars improved by SEK 22 M, due mainly to higher turnover and lower relative costs. Earnings from sales of used cars improved by SEK 11 M, amounting to SEK 1 M. The improvement is mainly attributable to higher turnover and higher gross profit margin.

Stocks of used cars increased during the quarter but are at good levels, with the exception of the stock in Norway, which was a bit too high. The turnover rate for used cars increased, amounting to 10.1 times per year.

The Fuel Business is concentrated to Sweden, and earnings amounted to SEK 5 M (7).



All values in the above graphs pertain to isolated quarters.

Acquisition of operation 2014

Toyota's dealership operation in Malmö, Trelleborg and Lund

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

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

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

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

Effects of the acquisitions

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

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

SEK M	Carrying amounts in Toyota's dealer- ship operation	Fair value adjustment	Fair value recognised in Group
Intangible assets	13	-	13
Property, plant and equipment	11	27	38
Long-term investments	0	-	0
Deferred tax asset	-	0	0
Inventories	39	0	39
Trade receivables and other receivables	11	-	11
Cash and cash equivalents	1	-	1
Trade payables and other liabilities	32	27	59
Net identifiable assets and liabilities	43	0	43
Consolidated goodwill			0
Purchase consideration paid, cash			43
Less: Cash and cash equivalents in acquired operation			1
Net effect on cash and cash equivalents			42

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



Parent Company

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

The Parent Company's operating loss for the fourth quarter amounted to SEK 20 M (loss: 13). The poorer result is mainly attributable to repayment of IT costs invoiced internally to subsidiaries earlier in the year and to the special payroll tax on the pension obligation linked to the value increase of endowment policies.

Dividend

The Board of Directors proposes a regular dividend of SEK 12.00 (9.00).

Stock split

Board of Directors proposes that the number of shares be increased by dividing each share into two shares (a 2-for-1 stock split) for the purpose of increasing trade in the share.

Net debt/receivable

The definition of net debt has been changed as from the fourth quarter of 2014. Shares in profits of associated companies, which are recognized in net financial items and as a financial investment in the Balance Sheet, have been reclassified and included among interest-bearing assets.

Furthermore, short-term leases, which are recognized in the Balance Sheet under leased vehicles, have also been reclassified and excluded from interest-bearing assets. The net effect of the above changes has reduced net debt by SEK 177 M as of year-end 2014.

Risks and uncertainties

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

The operating risks include:

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

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

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

Accounting principles

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

Events after the end of the report period

On 21 January 2015, Bilia concluded an agreement to acquire all the shares in Toyota Hell Bil AS and Toyota Horten Tønsberg AS. Annual turnover is about SEK 1 bn, and for the past four years the operation has reported an operating profit of about SEK 25 M. The company's capital employed, plus agreed-on surplus values, amounts to about SEK 210 M. The date of possession is estimated to be 1 March 2015.

Audit

This year-end report has not been subjected to special examination by the auditors.

Annual General Meeting 2015

The AGM will be held on 14 April 2015 at Bilia's Haga Norra facility, Frösundaleden 4, in Stockholm. The Nominating Committee proposes re-election of the current Board of Directors and Chairman and unchanged fees. Shareholders who wish to have a matter on the agenda at the AGM should contact Bilia no later than 24 February 2015 in order for the matter to be included in the notice of the meeting.

The annual report for 2014 will be published on Bilia's website on 18 March 2015.

Next report

The interim report for the first quarter of 2015 will be published on 29 April 2015.

Gothenburg, 6 February 2015
Bilia AB (publ)
Board of Directors

For further information, please contact Per Avander, Managing Director and CEO, or Gunnar Blomkvist, CFO, telephone +46 31 709 55 00.

Bilia AB (publ)
Box 9003, SE-400 91 Gothenburg, Sweden
Visiting address: Norra Långebergsgatan 3, Västra Frölunda
Telephone: +46 31 709 55 00
www.bilia.com
Corporate ID No.: 556112-5690

This report is being published by Bilia AB in compliance with the Securities Market Act. The information was submitted for publication on 6 February 2015 at 13:00 p.m..

Group's operating segments

Full year

SEK M	Service		Car		Fuel		Total Cars		Segment reconciliation		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net turnover												
External sales	3,465	3,330	14,945	13,254	1,051	1,067	19,461	17,651	12	5	19,473	17,656
Internal sales	788	720					788	720	-788	-720	-	-
Total net turnover	4,253	4,050	14,945	13,254	1,051	1,067	20,249	18,371	-776	-715	19,473	17,656
Depreciation/amortisation	-51	-55	-262	-250	-5	-5	-318	-310	-21	-16	-339	-326
Operating profit/loss	415	351	156	67	18	20	589	438	-89	-70	500	368
Interest income											6	34
Interest expenses											-44	-70
Shares in profits of associated companies			26	35			26	35			26	35
Profit before tax											488	367
Tax expense for the year											-103	-77
Net profit for the year											385	290
<i>Material items of income and expense of a non-recurring nature recognised in the Statement of Income and Other Comprehensive Income:</i>												
<i>Items affecting comparability</i>												
- Profit from sale of operation, other	7	2	6	0			13	2			13	2
- Structural costs etc.	-26	-19	-21	-6			-47	-25			-47	-25
- Impairment	-4	-2	0	-2			-4	-4			-4	-4
Items of non-recurring nature	-23	-19	-15	-8	-	-	-38	-27	-	-	-38	-27
<i>Material items not affecting cash besides depreciation/amortisation:</i>												
- Other	-52	-31	12	-40	-3	-1	-43	-72	-3	-2	-46	-74
Total	-52	-31	12	-40	-3	-1	-43	-72	-3	-2	-46	-74
Assets												
Interests in associated companies			370	348			370	348			370	348
Deferred tax assets											118	66
Other assets											6,467	5,681
Total assets			370	348			370	348			6,955	6,095
Investments in non-current assets	101	57	1,161	715	4	2	1,266	774	34	31	1,300	805
Liabilities												
Equity											1,849	1,823
Liabilities											5,106	4,272
Total liabilities and equity											6,955	6,095

SEK M	Revenue from external customers		Non-current assets	
	2014	2013	2014	2013
Geographical segments				
Sweden	13,123	11,574	2,960	2,719
Norway	5,324	5,087	528	538
Denmark	1,027	997	91	85
Segment reconciliation	-1	-2	-672	-716
Total	19,473	17,656	2,907	2,626

Group's operating segments con'd.

Full year

SEK M	Sweden		Service Norway		Denmark		Sweden		Car Norway		Denmark	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net turnover												
External sales	2,414	2,299	837	810	214	221	9,645	8,212	4,487	4,266	813	776
Internal sales	486	439	244	212	58	69						
Total net turnover	2,900	2,738	1,081	1,022	272	290	9,645	8,212	4,487	4,266	813	776
Depreciation/amortisation	-40	-45	-8	-7	-3	-3	-231	-219	-25	-26	-6	-5
Operating profit/loss	319	283	83	60	13	8	121	38	64	57	-29	-28
Shares in profits of associated companies							26	35				
<i>Material items of income and expense of a non-recurring nature recognised in the Statement of Income and Other Comprehensive Income:</i>												
<i>Items affecting comparability</i>												
- Profit from sale of operation, other	7			2			6			0		
- Structural costs etc.		-7		-3	-26	-9		-2		-3	-21	-1
- Impairment	-4					-2						-2
Items of non-recurring nature	3	-7	-	-1	-26	-11	6	-2	-	-3	-21	-3
<i>Material items not affecting cash besides depreciation/amortisation:</i>												
- Other	-41	-31	-4	-2	-7	2	-23	-23	3	1	32	-18
Total	-41	-31	-4	-2	-7	2	-23	-23	3	1	32	-18
Assets												
Interests in associated companies							370	348				
Investments in non-current assets	88	37	12	16	1	4	956	621	100	5	105	89



Consolidated Statement of Income and Other Comprehensive Income

SEK M	Fourth quarter		Full year	
	2014	2013	2014	2013
Net turnover	5,318	4,878	19,473	17,656
Costs of goods sold	-4,442	-4,091	-16,421	-14,883
Gross profit	876	787	3,052	2,773
Other operating income	1	2	20	11
Selling expenses	-551	-523	-2,063	-1,958
Administrative expenses	-119	-108	-454	-428
Other operating expenses	-48	-1	-55	-30
Operating profit¹⁾	159	157	500	368
Financial income	1	26	6	34
Financial expenses	-5	-34	-44	-70
Shares in profits of associated companies	8	6	26	35
Net financial items	4	-2	-12	-1
Profit before tax	163	155	488	367
Tax	-44	-27	-103	-77
Net profit for the year	119	128	385	290
Other comprehensive income/loss				
<i>Items that cannot be reclassified to profit or loss</i>				
Revaluation of defined-benefit pension plans	-67	75	-172	75
Tax attributable to items that cannot be reclassified to profit or loss	16	-17	39	-17
	-51	58	-133	58
<i>Items that can be reclassified to profit or loss</i>				
Translation differences attributable to foreign operations	-25	-5	-1	-31
Tax attributable to items that have been or may be reclassified to profit or loss	0	0	0	0
	-25	-5	-1	-31
Other comprehensive income/loss after tax	-76	53	-134	27
Comprehensive income for the year	43	181	251	317
Net profit for the period attributable to:				
Parent Company's shareholders	119	128	385	290
Comprehensive income for the year attributable to:				
Parent Company's shareholders	43	181	251	317
Weighted average number of shares, '000:				
- before dilution	25,167	25,037	25,155	24,765
- after dilution	25,459	25,360	25,459	25,096
Basic earnings/loss per share, SEK	4.80	5.15	15.35	11.70
Diluted earnings/loss per share, SEK	4.70	5.10	15.15	11.55
Weighted average number of own shares, '000	-	99	-	363
¹⁾ Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-10	-9	-40	-38
- Land and buildings	-11	-9	-22	-17
- Equipment, tools, fixtures and fittings	-10	-11	-61	-61
- Leased vehicles	-57	-47	-216	-210
Total	-88	-76	-339	-326

Consolidated Statement of Financial Position, Summary

SEK M	31/12 2014	31/12 2013
Assets		
Non-current assets		
Intangible assets		
Intellectual property	177	190
Goodwill	259	259
	436	449
Property, plant and equipment		
Land and buildings	100	94
Construction in progress	7	8
Equipment, tools, fixtures and fittings	321	297
Leased vehicles ¹⁾	1,637	1,389
	2,065	1,788
Long-term investments		
Financial investments	381	362
Long-term receivables ²⁾	25	27
	406	389
Deferred tax assets	118	66
Total non-current assets	3,025	2,692
Current assets		
Inventories, merchandise	2,250	2,268
Current receivables		
Other receivables ¹⁾	1,064	980
Cash and cash equivalents ²⁾	616	155
Total current assets	3,930	3,403
Total assets	6,955	6,095
Equity and liabilities		
Equity		
Share capital	252	251
Other contributed capital	47	47
Reserves	-54	-53
Retained earnings including net profit for the year	1,604	1,578
Total equity	1,849	1,823
Non-current liabilities		
Debenture loan ³⁾	28	28
Interest-bearing liabilities ³⁾	64	122
Other liabilities and provisions ⁴⁾	1,864	1,261
	1,956	1,411
Current liabilities		
Interest-bearing liabilities ³⁾	188	162
Other liabilities and provisions	2,962	2,699
	3,150	2,861
Total equity and liabilities	6,955	6,095
Assets		
¹⁾ Of which interest-bearing	377	377
²⁾ Interest-bearing	641	182
Liabilities		
³⁾ Interest-bearing	280	312
⁴⁾ Of which interest-bearing	668	507

Statement of Changes in Group Equity, Summary

SEK M	31/12 2014	31/12 2013
Opening balance	1,823	1,586
Cash dividend to shareholders	-226	-148
Exercised warrants	1	0
Disposal of own shares	-	68
Comprehensive income for the year	251	317
Closing balance	1,849	1,823

Consolidated Statement of Cash Flows

SEK M	Fourth quarter		Full year	
	2014	2013	2014	2013
Operating activities				
Profit before tax	163	155	488	367
Depreciation/amortisation and impairment losses	98	80	349	330
Other items not affecting cash	28	-26	10	-30
Tax paid	7	-31	-106	-65
Change in inventories	-338	-291	70	-286
Change in operating receivables	-155	-129	-67	-58
Change in operating liabilities	379	208	555	115
Cash flow from operating activities	182	-34	1,299	373
Investing activities				
Acquisition of non-current assets (intangible and tangible)	-42	-35	-195	-105
Disposal of non-current assets (intangible and tangible)	2	3	78	4
Acquisition of leased vehicles	-349	-175	-1,105	-700
Disposal of leased vehicles	216	67	671	511
Operating cash flow	9	-174	748	83
Investment in financial assets	-2	0	-7	0
Disposal of financial assets	0	16	8	27
Acquisition of subsidiary/operation, net	0	-2	-42	-27
Disposal of subsidiary/operation, net	0	-2	8	35
Cash flow after net investments	7	-162	715	118
Financing activities				
Borrowings	0	0	400	0
Repayment of loans	0	0	-400	0
Change in overdraft facility	-26	3	-29	55
Exercised warrants	1	0	1	0
Disposal of own shares	0	45	0	68
Dividend paid to Parent Company's shareholders	0	0	-226	-148
Cash flow from financing activities	-25	48	-254	-25
Change in cash and cash equivalents, excl. translation differences	-18	-114	461	93
Exchange difference in cash and cash equivalents	-3	0	0	0
Change in cash and cash equivalents	-21	-114	461	93
Cash and cash equivalents at start of year	637	269	155	62
Cash and cash equivalents at year-end	616	155	616	155

Fair value of financial instruments

The carrying amount of financial instruments corresponds to the fair value, with the exception of debenture loans. The fair value of debenture loans amounts to SEK 29 M.

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

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

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

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

Currency derivatives that belong to financial assets and liabilities, valuation level 2, have per year-end been valued to fair value. The value of the currency derivatives is not material and does not constitute an significant item. Fair value measurement has reduced earnings by SEK 0 M.

Calculation of fair value

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



Quarterly review

Group	1/13	2/13	3/13	4/13	1/14	2/14	3/14	4/14
Net turnover, SEK M	4,048	4,575	4,155	4,878	4,547	5,077	4,531	5,318
Operating profit excl. items affecting comparability, SEK M	45	95	96	159	94	121	119	204
Operating margin excl. items affecting comparability, %	1.1	2.1	2.3	3.2	2.1	2.4	2.6	3.8
Operating profit, SEK M	45	90	76	157	94	115	132	159
Operating margin, %	1.1	2.0	1.8	3.2	2.1	2.3	2.9	3.0
Profit before tax, SEK M	54	85	73	155	88	110	127	163
Profit/loss for the period, SEK M	44	64	54	128	74	87	105	119
Rate of capital turnover, times ¹⁾	3.04	3.03	3.07	3.06	3.12	3.12	3.10	3.06
Return on capital employed, % ¹⁾	11.6	13.0	15.3	17.7	18.7	19.4	21.0	19.8
Return on equity, % ¹⁾	9.4	11.4	15.2	17.0	18.9	20.0	22.2	21.0
Net debt/equity, times	0.20	0.21	0.14	0.14	0.13	0.23	-0.09	-0.04
Equity/assets ratio, %	30	27	28	30	31	28	28	27
Interest coverage ratio, times ¹⁾	5.9	6.6	7.5	6.3	6.7	6.9	7.6	8.8
Data per share (SEK)								
Earnings/loss for the period	1.80 ²⁾	2.60 ⁴⁾	2.15 ⁶⁾	5.15 ⁸⁾	2.95 ¹⁰⁾	3.45 ¹²⁾	4.15 ¹⁴⁾	4.80 ¹⁶⁾
Equity	65 ³⁾	62 ⁵⁾	64 ⁷⁾	72 ⁹⁾	76 ¹¹⁾	69 ¹³⁾	72 ¹⁵⁾	73 ¹⁷⁾
Operating cash flow	3.65 ²⁾	5.55 ⁴⁾	1.20 ⁶⁾	-7.05 ⁸⁾	0.95 ¹⁰⁾	4.70 ¹²⁾	23.75 ¹⁴⁾	0.30 ¹⁶⁾

¹⁾ Rolling 12 months.

²⁾ Based on weighted average number of shares outstanding during first quarter, 24,662,698.

³⁾ Based on number of shares outstanding at 31 March 2013, 24,667,096.

⁴⁾ Based on weighted average number of shares outstanding during second quarter, 24,670,763.

⁵⁾ Based on number of shares outstanding at 30 June 2013, 24,671,552.

⁶⁾ Based on weighted average number of shares outstanding during third quarter, 24,684,972.

⁷⁾ Based on number of shares outstanding at 30 September 2013, 24,841,194.

⁸⁾ Based on weighted average number of shares outstanding during fourth quarter, 25,036,534.

⁹⁾ Based on number of shares outstanding at 31 December 2013, 25,139,592.

¹⁰⁾ Based on weighted average number of shares outstanding during first quarter, 25,141,384.

¹¹⁾ Based on number of shares outstanding at 31 March 2014, 25,145,051.

¹²⁾ Based on weighted average number of shares outstanding during second quarter, 25,150,843.

¹³⁾ Based on number of shares outstanding at 30 June 2014, 25,156,163.

¹⁴⁾ Based on weighted average number of shares outstanding during third quarter, 25,159,462.

¹⁵⁾ Based on number of shares outstanding at 30 September 2014, 25,165,361.

¹⁶⁾ Based on weighted average number of shares outstanding during fourth quarter, 25,167,029.

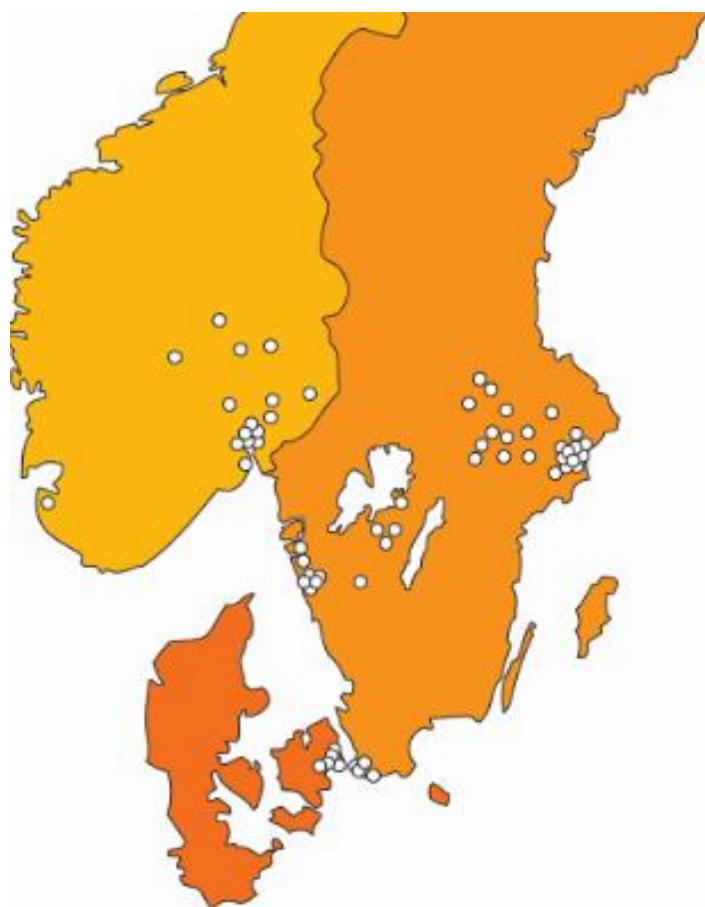
¹⁷⁾ Based on number of shares outstanding at 31 December 2014, 25,174,033.



Income Statement for Parent Company

SEK M	Fourth quarter		Full year	
	2014	2013	2014	2013
Net turnover	116	103	444	401
Administrative expenses	-136	-116	-494	-446
Operating loss ¹⁾	-20	-13	-50	-45
Result from financial items				
Income from interests in Group companies	-115	-41	-45	-41
Interest income from Group companies	3	6	22	24
Other interest income and similar line items	0	24	3	29
Interest expenses to Group companies	0	0	0	0
Interest expenses and similar line items	-1	-27	-10	-40
Loss after financial items	-133	-51	-80	-73
Appropriations	341	272	341	272
Profit before tax	208	221	261	199
Tax	-67	-56	-61	-55
Net profit for the year	141	165	200	144

¹⁾ Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-4	-3	-15	-12
- Buildings	0	-1	-1	-1
- Equipment, tools, fixtures and fittings	-1	0	-3	-2
Total	-5	-4	-19	-15



Balance Sheet for Parent Company, Summary

SEK M	31/12 2014	31/12 2013
Assets		
Non-current assets		
Intangible assets		
Intellectual property	47	46
	47	46
Property, plant and equipment		
Buildings	23	11
Construction in progress	6	8
Equipment, tools, fixtures and fittings	11	9
	40	28
Long-term investments		
Interests in Group companies	679	716
Other securities held as non-current assets	0	0
Other non-current receivables	20	20
Deferred tax asset	33	24
	732	760
Total non-current assets	819	834
Current assets		
Current receivables		
Receivables from Group companies	493	715
Other receivables	298	94
Cash on hand and accrued deposits	351	83
Total current assets	1,142	892
Total assets	1,961	1,726
Equity and liabilities		
Equity		
Restricted equity		
Share capital	252	251
Statutory reserve	47	47
	299	298
Non-restricted equity		
Share premium reserve	47	47
Retained earnings including net profit for the year	803	829
	850	876
Total equity	1,149	1,174
Untaxed reserves	386	277
Provisions		
Provisions for pensions and similar obligations	22	19
Deferred tax liability	2	1
	24	20
Non-current liabilities		
Debenture loan	28	28
Other liabilities	5	5
	33	33
Current liabilities		
Liabilities to credit institutes	-	32
Liabilities to Group companies	204	24
Other liabilities	165	166
	369	222
Total equity and liabilities	1,961	1,726
Pledged assets and contingent liabilities for Parent Company		
Pledged assets	567	534
Contingent liabilities	1,597	1,356