

FINANCIAL REPORT 2015/16

1 April 2015-31 March 2016

Financial year 2015/16 (1 April 2015-31 March 2016)

- **Revenue** amounted to MSEK 7,821 (7,903).
- **Operating profit** rose by 8 percent to MSEK 486 (450) and **the operating margin** was 6.2 percent (5.7).
- **Profit after financial items** increased by 15 percent to MSEK 468 (408).
- **Net profit** rose by 18 percent to MSEK 362 (306).
- **Earnings per share** increased to SEK 12.90 (10.90).
- **Cash flow from operating activities** amounted to MSEK 493 (330), corresponding to **cash flow per share** of SEK 17.55 (11.75).
- **The return on equity** for the year was 15 percent (14).
- **The equity/assets ratio** at year-end was 51 percent (45).
- **A dividend** of SEK 5.00 (4.00) per share is proposed.

Fourth quarter (1 January-31 March 2016)

- **Revenue** amounted to MSEK 1,935 (1,994).
- **Operating profit** totalled MSEK 111 (111), corresponding to an **operating margin** of 5.7 percent (5.6).
- **Net profit** rose by 16 percent to MSEK 87 (75).
- **Earnings per share** increased to SEK 3.10 (2.70).

New organisation and preparations for a potential split of the Group

- The Board of Directors of B&B TOOLS decided today to assign Group management the task of investigating the possibility of splitting the Group into two separate listed companies in the future.
- In light of this assignment, certain operational changes took place between the Group's two new operating segments as of 1 April 2016 in order to increase competitiveness and streamline the operations.
- The names of the new segments are resolved to *Bergman & Beving* and *Momentum Group*.



B&B TOOLS IN SUMMARY

	QUARTER – 3 MONTHS ENDING 31 MAR			FULL-YEAR – 12 MONTHS ENDING 31 MAR		
	2016	2015	Change	2016	2015	Change
Revenue, MSEK	1,935	1,994	-3%	7,821	7,903	-1%
Operating profit, MSEK	111	111	+/-0%	486	450	+8%
Profit after financial items, MSEK	107	100	+7%	468	408	+15%
Net profit (after taxes), MSEK	87	75	+16%	362	306	+18%
Earnings per share, SEK	3.10	2.70	+15%	12.90	10.90	+18%
Operating margin	5.7%	5.6%		6.2%	5.7%	
Profit margin	5.5%	5.0%		6.0%	5.2%	
Return on equity				15%	14%	
Equity per share, SEK				92.20	82.80	+11%
Equity/assets ratio				51%	45%	
Number of employees at the end of the period				2,623	2,682	-2%

PRESIDENT'S STATEMENT

As we summarise the 2015/16 financial year, we can look back at another year of earnings improvements in the Group. It is particularly gratifying to highlight TOOLS Sweden, which increased its profit by more than MSEK 30, as well as the fact that Momentum and ESSVE reported operating margins of more than 10 percent. Our focus on profitability, measured as P/WC*, contributed to a strong cash flow for the year. Despite a turbulent operating environment with currency fluctuations and a weak economic climate, particularly in Norway (which accounts for 30 percent of our revenue), our operating margin increased to 6.2 percent. While this is the Group's highest margin since 2007/08, we are naturally not satisfied with this result and aim to do even better in the future. We have good potential to continue improving our profitability.

As part of the Group's focus on its future development, the Board of Directors has today also assigned the Group management the task of investigating the possibility of splitting the Group into two separate listed companies in the future. The starting point of this work is the two new operating segments introduced in the Group on 1 April. The purpose of the split is to increase the Group's earnings growth through a clearer focus on development of leading brands and attractive market channels in profitable niches. The names of the two new segments – *Bergman & Beving* and *Momentum Group* – reflect the Board's ambitions for our future development.

Bergman & Beving FOCUS: Product ownership with strong brands. REVENUE MSEK 3,650 OPERATING PROFIT MSEK 275 OPERATING MARGIN 7.5%	Momentum Group FOCUS: Market channels for consumables and components. REVENUE MSEK 5,180 OPERATING PROFIT MSEK 195 OPERATING MARGIN 3.8%
<p>Development of premium brands that offer innovation & quality and distribution for professional users in the construction and industrial sectors.</p> <p>Operating areas included: ESSVE, Skydda, Luna and Grunda</p> <p>The segment includes product brands such as:</p> 	<p>Leading market channels for industrial consumables, industrial components, service and maintenance to professional end users.</p> <p>Operating areas included: TOOLS Sweden, TOOLS Norway, TOOLS Finland, Momentum and Gigant</p> <p>The segment includes a number of niche companies, for example Mercus – a specialist chain for work clothes, and Rörick – a service company in electro mechanics.</p> 

Note: The figures stated are pro forma per new operating segment for the 2015/16 financial year (rounded).

As I have discussed in earlier reports, we have radically improved our basic prerequisites for growth and development in recent years. With our strong balance sheet and low debt, I also believe we have the right conditions for attractive corporate acquisitions. The review of the Group's future structure will further strengthen these conditions and could create new business opportunities.

In conclusion, I would like to take this opportunity to extend my sincere thanks to all of our dedicated employees for your many outstanding efforts during the year. I would also like to thank our customers and business partners for continuing to believe in us. I look forward to an exciting new financial year in 2016/17.

Stockholm, May 2016

Ulf Lilius
President & CEO

* Operating profit in relation to working capital (inventories + accounts receivable – accounts payable).

PROFIT AND REVENUE

Fourth quarter (1 January-31 March 2016)

Revenue for the fourth quarter decreased by –3 percent to MSEK 1,935 (1,994). Exchange-rate translation effects had an impact of MSEK –50 (+27) on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, rose by 2 percent during the quarter.

In the fourth quarter, operating profit totalled MSEK 111 (111). Exchange-rate translation effects had a net impact of MSEK –1 (+3) on operating profit. The operating margin was 5.7 percent (5.6). Profit after financial items amounted to MSEK 107 (100) and net profit to MSEK 87 (75) for the quarter, corresponding to earnings per share of SEK 3.10 (2.70).

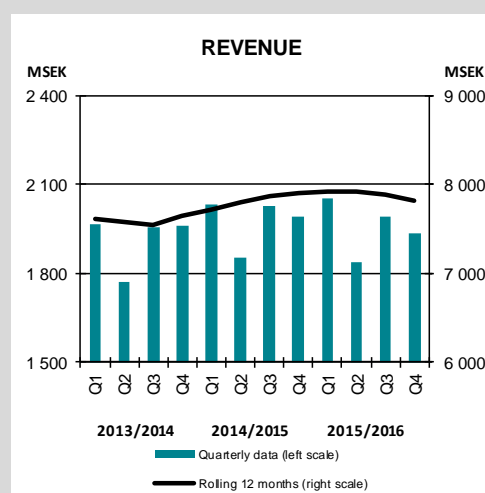
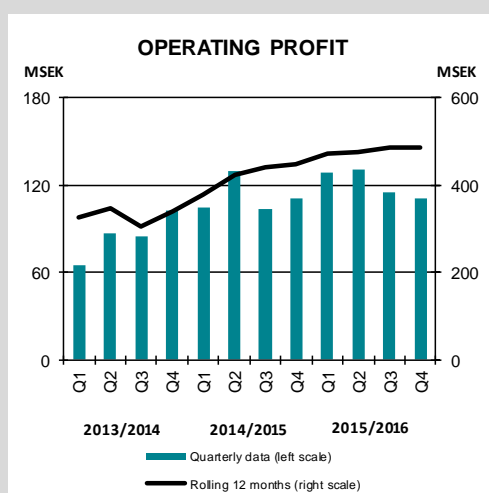
Financial year 2015/16 (1 April 2015-31 March 2016)

Revenue for the full financial year amounted to MSEK 7,821 (7,903). Exchange-rate translation effects had a negative impact of MSEK –117 (+82) on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, was essentially unchanged during the financial year.

Operating profit for the financial year increased by 8 percent to MSEK 486 (450). Operating profit was charged with depreciation and impairment losses of MSEK –24 (–25) on tangible non-current assets and amortisation and impairment losses of MSEK –4 (–3) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK +2 (+7) on operating profit. The operating margin increased to 6.2 percent (5.7).

Profit after financial items rose by 15 percent to MSEK 468 (408) and net financial items amounted to MSEK –18 (–42). The profit margin was 6.0 percent (5.2). Net profit amounted to MSEK 362 (306), corresponding to earnings per share of SEK 12.90 (10.90).

OPERATING PROFIT & REVENUE



OPERATIONS

During the year, the B&B TOOLS Group comprised two operating segments* – TOOLS / Momentum and Product Companies – as well as shared administrative, logistics and IT functions. The operating segments included a total of nine operating areas.

THE B&B TOOLS GROUP

MSEK	QUARTER		FULL-YEAR	
	3 MONTHS ENDING 31 MAR		2015/2016	2014/2015
	2016	2015		
Revenue	1,935	1,994	7,821	7,903
Operating profit	111	111	486	450
Operating margin	5.7%	5.6%	6.2%	5.7%

TOOLS / Momentum* – sales directly to end customers

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

TOOLS / MOMENTUM

MSEK	QUARTER						FULL-YEAR					
	REVENUE		OPERATING PROFIT		OPERATING MARGIN		REVENUE		OPERATING PROFIT		OPERATING MARGIN	
	JAN-MAR 2016	JAN-MAR 2015	JAN-MAR 2016	JAN-MAR 2015	JAN-MAR 2016	JAN-MAR 2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
TOOLS Sweden	464	477	5	4	1.1%	0.8%	1,940	1,903	45	14	2.3%	0.7%
TOOLS Norway	303	386	4	6	1.3%	1.6%	1,302	1,562	17	58	1.3%	3.7%
TOOLS Finland	190	188	2	0	1.1%	0.0%	787	755	9	3	1.1%	0.4%
Momentum	254	241	31	30	12.2%	12.4%	993	952	116	111	11.7%	11.7%
Eliminations	-12	-11	0	1	-	-	-52	-52	1	1	-	-
TOTAL	1,199	1,281	42	41	3.5%	3.2%	4,970	5,120	188	187	3.8%	3.7%

Revenue for comparable units in TOOLS / Momentum decreased by approximately –1 percent¹ during the fourth quarter. The industrial economy in Norway remained weak during the final quarter of the financial year, which was also adversely impacted by a general decline in activity and sales across the Nordic region in March in connection with the Easter holidays (compared with the preceding year, when Easter fell in April).

Revenue for *TOOLS Sweden* decreased by approximately 1 percent¹ during the quarter, mainly due to the impact of the Easter holidays on the industry. The activities implemented to increase efficiency had a positive impact on earnings and the unit strengthened its market position as a leading occupational health and safety (OHS) supplier. Operating profit tripled during the financial year.

TOOLS Norway's sales to the construction and civil engineering industry and other customer segments remained stable, but were not sufficient to offset the decline primarily in the offshore sector in Norway. In total, revenue declined by –11 percent¹ and operating profit by MSEK –2 MSEK compared with the corresponding quarter in the preceding year. The business continued to adapt its cost levels to the declining volumes.

Despite ongoing market uncertainty in Finland, *TOOLS Finland* increased its revenue by approximately 3 percent¹ during the quarter as a result of stronger sales trends among certain major customers. A systematic focus on pricing and the business' core range strengthened the operating margin during the year.

Momentum's revenue increased by slightly more than 5 percent¹ during the quarter, with some companies in the mining and forestry industries recovering slightly during the year. The operating margin was 11.7 percent.

Product Companies* – sales via resellers

The Group's five product companies – Luna, Skydda, ESSVE, Grunda and Gigant – supply professional users with construction and industrial consumables and related services.

PRODUCT COMPANIES

MSEK	QUARTER						FULL-YEAR					
	REVENUE		OPERATING PROFIT		OPERATING MARGIN		REVENUE		OPERATING PROFIT		OPERATING MARGIN	
	JAN-MAR 2016	JAN-MAR 2015	JAN-MAR 2016	JAN-MAR 2015	JAN-MAR 2016	JAN-MAR 2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Luna	247	281	12	27	4.9%	9.6%	1,056	1,101	71	102	6.7%	9.3%
Skydda	301	296	31	27	10.3%	9.1%	1,260	1,230	100	101	7.9%	8.2%
ESSVE	237	219	26	15	11.0%	6.8%	868	802	93	63	10.7%	7.9%
Grunda	114	129	2	5	1.8%	3.9%	474	501	10	15	2.1%	3.0%
Gigant	90	111	3	3	3.3%	2.7%	366	407	5	10	1.4%	2.5%
Eliminations	-2	-8	0	1	-	-	-13	-16	0	0	-	-
TOTAL	987	1,028	74	78	7.5%	7.6%	4,011	4,025	279	291	7.0%	7.2%

Revenue for comparable units for the Group's product companies increased by slightly more than 2 percent¹ during the fourth quarter. The uncertain market trend in Nordic industry in general, and lower demand in the offshore industry in Norway in particular, continued to have a negative impact, while growth remained strong for a number of customers, primarily in the area of construction materials.

Luna's revenue declined by –7 percent¹ during the quarter, mainly due to the weak trend in the Norwegian market and a certain shift of export sales of proprietary product brands between the quarters compared with the preceding year. *Skydda's* revenue rose by 6 percent¹ during the quarter, with increased sales of proprietary product brands, and the operating margin was 10.3 percent. Profit for both units continued to be negatively affected by the exchange rate trend for the USD and NOK.

¹ Comparable units, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

Revenue for *ESSVE* increased by +14 percent² during the quarter, with continued favourable growth in the core product range for chain customers in the area of construction materials in Sweden and Norway. The operating margin was 11.0 percent.

Revenue for *Grunda* decreased by approximately –4 percent² during the fourth quarter, primarily due to declining demand in the Norwegian market. Revenue for *Gigant* also decreased during the quarter (–14 percent²), mainly due to the trend in Norway – with unchanged operating profit. The proportion of sales made directly to end customers increased gradually during the year for *Gigant*. The businesses continue to implement measures to enhance efficiency and strengthen their positions in the market.

Group-wide and eliminations

An operating loss of MSEK –3 (–26) was reported for “Group-wide” for the financial year. As reported in earlier Interim Reports during the year, capital gains from the sale of properties and the conveyance of a previously concluded pension obligation had a total positive impact of approximately MSEK 15 on operating profit during the financial year.

The Parent Company’s revenue amounted to MSEK 36 (39) and profit after financial items to MSEK 318 (237). These results include Group contributions, intra-Group dividends and corresponding items totalling MSEK 472 (311).

Eliminations for intra-Group inventory gains had a positive impact of MSEK +22 (–2) on earnings during the year.

* As of 1 April 2016, the B&B TOOLS Group comprises two new operating segments – Bergman & Beving and Momentum Group. For more detailed information, refer to pages 2 and 7.

EMPLOYEES

At the end of the financial year, the number of employees in the Group amounted to 2,623, compared with 2,682 at the beginning of the year.

CORPORATE ACQUISITIONS

In early July 2015, Momentum signed an agreement to acquire all shares in Carl A Nilsson AB (“CAN”). CAN is a comprehensive service company specialising in electromechanical services and sales for the industrial sector in southern Sweden. CAN generates annual revenue of approximately MSEK 20 and has 13 employees. Closing took place on 1 September 2015, and the acquisition is assessed to have had a marginally positive impact on B&B TOOLS’ earnings per share during the financial year.

In mid-March 2016, TOOLS Norway entered an agreement to acquire all shares in Tønsberg Maskinforretning AS (“TM”). TM is a reseller of industrial components and consumables to the industrial and construction sectors in southern Norway. TM generates annual revenue of approximately MNOK 20 and has ten employees. Closing took place after the end of the financial year on 4 April 2016, and the acquisition is assessed to have a marginally positive impact on B&B TOOLS’ earnings per share.

PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group’s profitability, measured as the return on working capital, P/WC (operating profit in relation to working capital³), increased to 27 percent (25) for the financial year. The return on capital employed was 14 percent (13) and the return on equity was 15 percent (14).

Cash flow from operating activities before changes in working capital for the financial year amounted to MSEK 416 (384). Funds tied up in working capital decreased by MSEK 77. Inventories increased by MSEK 3 during the year, while operating receivables decreased by MSEK 15. Operating liabilities rose by MSEK 65. Accordingly, cash flow from operating activities for the year amounted to MSEK 493 (330).

Cash flow for the financial year was also impacted in a net amount of MSEK –55 (–40) pertaining to investments and divestments of non-current assets, and a net amount of MSEK +19 (+99) pertaining to the acquisition and divestment of subsidiaries and other business units. Two Group properties were disposed of during the financial year, which generated approximately MSEK 25 in cash flow and had a marginally positive impact on earnings per share.

The Group’s operational net loan liability at the end of the financial year amounted to MSEK 217 (530). Interest-bearing liabilities totalled MSEK 282 (590), excluding expensed pension obligations of MSEK 536 (628). Liabilities to credit institutions amounted to MSEK 220 (533), net. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 880 (667).

The equity/assets ratio at the end of the financial year was 51 percent, compared with 45 percent at the beginning of the year.

Equity per share totalled SEK 92.20 at the end of the financial year, compared with SEK 82.80 at the beginning of the year. Equity per share after dilution totalled SEK 92.25 at the end of the financial year, compared with SEK 82.65 at the beginning of the year.

² Comparable units, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

³ Working capital = Inventories + Accounts receivable – Accounts payable.

The Swedish tax rate, which also applies to the Parent Company, was 22 percent during the financial year. The Group's normalised tax rate, with its current geographic mix, is approximately 23 percent.

SHARE STRUCTURE AND REPURCHASE OF OWN SHARES

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

SHARE STRUCTURE

CLASS OF SHARE	AS OF 31 MARCH 2016
Class A shares	1,063,780
Class B shares	27,372,636
Total number of shares before repurchasing	28,436,416
Less: Repurchased Class B shares	-340,000
Total number of shares after repurchasing	28,096,416

As of 31 March 2015, the number of Class B shares held in treasury totalled 340,000. There were no changes to the holding of treasury shares during the financial year. Accordingly, the number of Class B shares held in treasury as of 31 March 2016 amounted to 340,000, corresponding to 1.2 percent of the total number of shares and 0.9 percent of the total number of votes. Of the total number of shares held in treasury, 338,000 are reserved to cover the Company's obligations in the two call option programmes issued to senior management in the Group in September 2013 and September 2014, respectively.

The redemption price for call options issued in connection with the share-based incentive programme for 2013 is SEK 101.90 and the redemption period is from 12 September 2016 until 9 June 2017, inclusive. The redemption price for call options issued in connection with the share-based incentive programme for 2014 is SEK 176.50 and the redemption period is from 11 September 2017 until 8 June 2018, inclusive. At 31 March 2016, the share price was SEK 149.50. For more information about the dilution effect of call options issued, refer to page 11.

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

TRANSACTIONS WITH RELATED PARTIES

As reported in the Interim Report for the first quarter of 2015/2016, a previously concluded pension obligation for the benefit of a former CEO, who is now Chairman of the Board of B&B TOOLS AB, was conveyed to one of the Chairman's related companies during the quarter. No other transactions having a material impact on the Group's position or earnings otherwise occurred between B&B TOOLS and its related parties during the financial year.

RISKS AND UNCERTAINTIES

During the financial year, no significant changes occurred with respect to risks and uncertainties, for either the Group or the Parent Company. For information about the Group's risks and uncertainties, refer to page 29 of B&B TOOLS' Annual Report for 2014/2015.

ACCOUNTING POLICIES

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

The same accounting policies and bases of judgement as in the Annual Report for 2014/2015 have been applied.

PROPOSALS TO THE ANNUAL GENERAL MEETING TO BE HELD ON 25 AUGUST 2016

B&B TOOLS AB's Annual General Meeting will be held on Thursday, 25 August 2016, at 4:30 p.m. at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden.

The Board of B&B TOOLS AB proposes a dividend of SEK 5.00 (4.00) per share. Taking into account the repurchased Class B shares held in treasury, the proposed dividend corresponds to a total of approximately MSEK 140 (112).

The Board also intends to propose that the Annual General Meeting resolve to authorise a repurchase of own shares. In brief, this proposal entails that the Annual General Meeting would authorise the Board, during the period until the next Annual General Meeting, to repurchase a maximum number of own shares through Nasdaq Stockholm so that the Company's holding of treasury shares at no time exceeds 10 percent of the total number of shares in the Company. This authorisation would enable the Board to use repurchased shares to pay for acquisitions or to sell the shares in a manner other than through Nasdaq

Stockholm in order to finance acquisitions and to fulfil the Company's obligations in connection with share-based incentive programmes for senior management.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

New organisation for increased growth, profitability and development

On February 8, B&B TOOLS announced that the Group would be introducing new operating segments as of 1 April 2016. To further increase competitiveness and streamline the operations, certain businesses have been transferred between the two segments compared with the division of segments initially presented – refer to page 2 for more information. The changes compared with the previously announced organisation represent a natural evolution and next step in the development of the operations. The names of the new segments have been resolved to *Bergman & Beving* (product companies) and *Momentum Group* (market companies), respectively.

The new operating segments will be reported externally for the first time in the Interim Report for the first quarter of the 2016/2017 financial year, which will be published on 19 July 2016. Pro form financial statements for the new operating segments for the 2015/2016 financial year will be presented in a separate press release prior to the publication of this report.

Group management

As of 1 April 2016, B&B TOOLS Group management comprises: Ulf Lilius, President & CEO and overall responsible for the operating segment Momentum Group; Pontus Boman, Executive Vice President and overall responsible for the operating segment Bergman & Beving; and Eva Hemb, Executive Vice President and CFO.

Preparations for a potential split of the Group into two separate listed companies

The Board of Directors of B&B TOOLS also decided today to assign Group management the task of investigating the possibility of splitting the Group's new operating segments into two separate listed companies in the future. The purpose of the split would be to increase the Group's earnings growth through a clearer focus on the ongoing development of strong brands and attractive market channels. Further information on the results of the investigation will be presented by the Board during the financial year.

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

Stockholm, 11 May 2016

Ulf Lilius

President & Chief Executive Officer

This report has not been subject to special review by the Company's auditors.

Contact information

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Comprehensive contact information for B&B TOOLS and forthcoming information dates are presented on page 13.

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

REPORTING BY OPERATING SEGMENT*

REVENUE BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR		2015/ 2016	2014/ 2015
	2016	2015		
TOOLS / Momentum	1,199	1,281	4,970	5,120
Product Companies	987	1,028	4,011	4,025
Group-wide	131	145	544	618
Eliminations	-382	-460	-1,704	-1,860
The B&B TOOLS Group	1,935	1,994	7,821	7,903

REVENUE BY QUARTER

MSEK	2015/2016				2014/2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
TOOLS / Momentum	1,199	1,295	1,162	1,314	1,281	1,332	1,194	1,313
Product Companies	987	1,007	965	1,052	1,028	1,008	960	1,029
Group-wide	131	139	135	139	145	153	154	166
Eliminations	-382	-448	-423	-451	-460	-466	-457	-477
The B&B TOOLS Group	1,935	1,993	1,839	2,054	1,994	2,027	1,851	2,031

OPERATING PROFIT BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR		2015/ 2016	2014/ 2015
	2016	2015		
TOOLS / Momentum	42	41	188	187
Product Companies	74	78	279	291
Group-wide	-15	-8	-3	-26
Eliminations	10	0	22	-2
The B&B TOOLS Group	111	111	486	450

OPERATING PROFIT BY QUARTER

MSEK	2015/2016				2014/2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
TOOLS / Momentum	42	49	57	40	41	41	58	47
Product Companies	74	59	70	76	78	59	80	74
Group-wide	-15	0	3	9	-8	0	-5	-13
Eliminations	10	7	1	4	0	4	-3	-3
The B&B TOOLS Group	111	115	131	129	111	104	130	105

* As of 1 April 2016, the B&B TOOLS Group comprises two new operating segments – Bergman & Beving and Momentum Group. For more detailed information, refer to pages 2 and 7.

GROUP SUMMARY

CONSOLIDATED INCOME STATEMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2016	2015	2015/ 2016	2014/ 2015
Revenue	1,935	1,994	7,821	7,903
Shares of profit in associated companies	0	0	0	0
Other operating income	2	25	34	48
Total operating income	1,937	2,019	7,855	7,951
Cost of goods sold	-1,131	-1,178	-4,598	-4,660
Personnel costs	-434	-422	-1,682	-1,675
Depreciation, amortisation, impairment losses and reversal of impairment losses	-7	-7	-28	-28
Other operating expenses	-254	-301	-1,061	-1,138
Total operating expenses	-1,826	-1,908	-7,369	-7,501
Operating profit	111	111	486	450
Financial income and expenses	-4	-11	-18	-42
Profit after financial items	107	100	468	408
Taxes	-20	-25	-106	-102
Net profit	87	75	362	306
Of which, attributable to:				
Parent Company shareholders	87	75	362	306
Earnings per share, SEK				
– Before dilution	3.10	2.70	12.90	10.90
– After dilution	3.10	2.65	12.85	10.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2016	2015	2015/ 2016	2014/ 2015
Net profit	87	75	362	306
OTHER COMPREHENSIVE INCOME				
<i>Components that will not be reclassified to net profit</i>				
Remeasurement of defined-benefit pension plans	-73	-94	94	-170
Tax attributable to components that will not be reclassified	16	20	-21	37
	-57	-74	73	-133
<i>Components that will be reclassified to net profit</i>				
Translation differences	8	13	-51	35
Effects of hedge accounting	-11	-3	-8	14
Tax attributable to components that will be reclassified	3	1	1	-3
	0	11	-58	46
Other comprehensive income, net after tax	-57	-63	15	-87
Total comprehensive income	30	12	377	219
Of which, attributable to:				
Parent Company shareholders	30	12	377	219

CONSOLIDATED BALANCE SHEET

MSEK	31 MAR 2016	31 MAR 2015
ASSETS		
Intangible non-current assets	1,821	1,803
Tangible non-current assets	100	113
Financial non-current assets	5	5
Shares in associated companies	11	11
Deferred tax assets	88	122
Inventories	1,505	1,525
Accounts receivable	1,232	1,296
Other current receivables	216	197
Cash and cash equivalents	62	57
Total assets	5,040	5,129
EQUITY AND LIABILITIES		
Equity	2,591	2,326
Non-current interest-bearing liabilities	150	365
Provisions for pensions	536	628
Other non-current liabilities and provisions	88	73
Current interest-bearing liabilities	132	225
Accounts payable	896	859
Other current liabilities	647	653
Total equity and liabilities	5,040	5,129
Operational net loan liability *	217	530

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	31 MAR 2016	31 MAR 2015
Opening equity	2,326	2,203
Dividend, Parent Company shareholders	-112	-98
Sale of call options	-	2
Total comprehensive income attributable to: Parent Company shareholders	377	219
Closing equity	2,591	2,326

CONSOLIDATED CASH-FLOW STATEMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2016	2015	2015/ 2016	2014/ 2015
Operating activities before changes in working capital	87	88	416	384
Changes in working capital	-22	-65	77	-54
Cash flow from operating activities	65	23	493	330
Investments in intangible & tangible non-current assets	-16	-3	-57	-41
Proceeds from sale of intangible & tangible non-current assets	0	0	2	1
Acquisition of subsidiaries & other business units	0	1	-11	-3
Proceeds from sale of subsidiaries & other business units	1	9	30	102
Cash flow before financing	50	30	457	389
Financing activities	-36	-50	-445	-395
Cash flow for the period	14	-20	12	-6
Cash and cash equivalents at the beginning of the period	48	75	57	53
Exchange-rate differences in cash and cash equivalents	0	2	-7	10
Cash and cash equivalents at the end of the period	62	57	62	57

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

OPERATING SEGMENTS

MSEK	EXTERNAL REVENUE		REVENUE FROM INTERNAL CUSTOMERS		TOTAL REVENUE		OPERATING PROFIT	
	2015/ 2016	2014/ 2015	2015/ 2016	2014/ 2015	2015/ 2016	2014/ 2015	2015/ 2016	2014/ 2015
TOOLS / Momentum	4,963	5,113	7	7	4,970	5,120	188	187
Product Companies	2,849	2,776	1,162	1,249	4,011	4,025	279	291
Total operating segment	7,812	7,889	1,169	1,256	8,981	9,145	467	478
Group-wide	9	14	535	604	544	618	-3	-26
Eliminations	-	-	-1,704	-1,860	-1,704	-1,860	22	-2
The B&B TOOLS Group	7,821	7,903	0	0	7,821	7,903	486	450

During the year, the Group's operating segments comprised TOOLS / Momentum (with four operating areas) and the Group's Product Companies (with five operating areas). The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations.

TOOLS / Momentum comprised the Group's reseller operations in Sweden, Norway and Finland (which operate within the framework of TOOLS) and Momentum, which together form the Group's market channels for industrial consumables and industrial components for Nordic industry. The Group's **Product Companies** conduct operations in various product and application areas (tools and machinery, personal protective equipment, fastening elements, consumables and work environment) and provide TOOLS and other market channels with industrial consumables and related services. **Group-wide** includes the Group's management, accounting, support functions, infrastructure operations and property management. The support functions include HR, internal communications, IR and legal affairs. The infrastructure operations comprise IT and Supply Chain.

Intra-Group pricing between the operating segments occurs on market terms. There are no assets in the operating segments that are affected by material changes compared with the most recent Annual Report. The accounting policies are the same as those applied in the consolidated financial statements.

KEY PER-SHARE DATA⁴

SEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2016	2015	2015/ 2016	2014/ 2015
Earnings before dilution	3.10	2.70	12.90	10.90
Earnings after dilution	3.10	2.65	12.85	10.85
Equity, at the end of the period			92.20	82.80
Equity after dilution, at the end of the period			92.25	82.65
NUMBER OF SHARES OUTSTANDING IN THOUSANDS				
Number of shares outstanding before dilution	28,096	28,096	28,096	28,096
Weighted number of shares outstanding before dilution	28,096	28,096	28,096	28,096
Weighted number of shares outstanding after dilution	28,131	28,143	28,127	28,144

⁴ Dilution effect based on issued and outstanding call options on repurchased Class B shares as of 31 March 2016.

3 months	0.1%	2015/2016	0.1%	2014/2015	0.2%
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PARENT COMPANY SUMMARY

INCOME STATEMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2016	2015	2015/ 2016	2014/ 2015
Revenue	5	17	36	39
Other operating income	0	–	0	–
Total operating income	5	17	36	39
Operating expenses	–13	–13	–34	–47
Operating profit	–8	4	2	–8
Financial income and expenses	15	16	316	245
Profit after financial items	7	20	318	237
Appropriations	157	125	157	125
Profit before taxes	164	145	475	362
Taxes	–36	–32	–50	–42
Net profit	128	113	425	320

STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2016	2015	2015/ 2016	2014/ 2015
Net profit	128	113	425	320
OTHER COMPREHENSIVE INCOME				
Effects of hedge accounting	–11	–3	–8	14
Taxes attributable to other comprehensive income	3	0	1	–3
Other comprehensive income, net after tax	–8	–3	–7	11
Total comprehensive income	120	110	418	331

BALANCE SHEET

MSEK	31 MAR 2016	31 MAR 2015
ASSETS		
Intangible non-current assets	0	0
Tangible non-current assets	0	1
Financial non-current assets	3,408	3,653
Current receivables	510	390
Cash and cash equivalents	0	0
Total assets	3,918	4,044
EQUITY, PROVISIONS AND LIABILITIES		
Equity	2,212	1,906
Untaxed reserves	268	206
Provisions	45	47
Non-current liabilities	210	456
Current liabilities	1,183	1,429
Total equity, provisions and liabilities	3,918	4,044

COMPILATION OF KEY FINANCIAL RATIOS

KEY FINANCIAL RATIOS

	12 MONTHS ENDING			
	31 MAR 2016	31 MAR 2015	31 MAR 2014	31 MAR 2013
Revenue, MSEK	7,821	7,903	7,648	7,666
Operating profit, MSEK	486	450	340	289
Profit after financial items, MSEK	468	408	286	216
Net profit, MSEK	362	306	214	222
Operating margin	6.2%	5.7%	4.4%	3.8%
Profit margin	6.0%	5.2%	3.7%	2.8%
P/WC (Operating profit/Working capital*)	27%	25%	20%	15%
Return on capital employed	14%	13%	10%	8%
Return on equity	15%	14%	10%	11%
Operational net loan liability (closing balance), MSEK	217	530	819	914
Equity (closing balance), MSEK	2,591	2,326	2,203	2,065
Equity/assets ratio	51%	45%	43%	39%
Operational net debt/equity ratio	0.08	0.23	0.37	0.44
Number of employees at the end of the period	2,623	2,682	2,655	2,780

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

KEY PER-SHARE DATA

	12 MONTHS ENDING			
	31 MAR 2016	31 MAR 2015	31 MAR 2014	31 MAR 2013
Earnings, SEK	12.90	10.90	7.60	7.90
Earnings after dilution, SEK	12.85	10.85	7.60	7.90
Cash flow from operating activities, SEK	17.55	11.75	7.45	9.30
Equity, SEK	92.20	82.80	78.40	73.50
Share price, SEK	149.50	141.00	119.00	85.00

Dates for forthcoming financial information

The Annual Report for the 2015/2016 financial year will be distributed to shareholders who so have requested in mid-July 2016 and will be available at the Company's head office and website as of the same date.

The Interim Report for 1 April – 30 June 2016 will be presented on 19 July 2016.

B&B TOOLS AB's Annual General Meeting 2016 will be held on 25 August 2016, at 4:30 p.m. at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden.

Visit www.bbtools.com to order reports and press releases.

The information in this report is such that it shall be disclosed by B&B TOOLS in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act or requirements imposed in the Rulebook for Issuers on Nasdaq Stockholm. The information was submitted for publication on 11 May 2016 at 13:40 p.m.

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