



Interim Report January - March 2016

Strong growth and improved adjusted EBIT

- Net sales increased 26% to MSEK 149.6 (118.9).
- Adjusted* EBIT rose 32% to MSEK 15.3 (11.6).
- Adjusted* EBIT margin amounted to 10.2% (9.8).
- Adjusted* net income was MSEK 12.1 (9.1).
- Adjusted* earnings per share amounted to MSEK 1.21 (0.91).
- The equity ratio was 45.2% (46.0).
- The GARO share was listed on Nasdaq Stockholm on March 16.

MSEK	Q1 2016	Q1 2015	Change	R12**	2015
Net sales	149.6	118.9	26%	584.8	554.1
EBIT	2.7	11.6	-77%	53.5	62.4
Net income	2.3	9.1	-75%	39.0	45.8
Earnings per share	0.23	0.91	-75%	3.90	4.58
Adjusted EBIT	15.3*	11.6	32%	66.1*	62.4
Adjusted EBIT margin	10.2%*	9.8%	-	11.3%*	11.3%
Adjusted net income	12.1*	9.1	59%	48.8*	45.8
Adjusted earnings per share, SEK	1.21*	0.91	33%	4.88*	4.58

*) Adjusted for items affecting comparability of MSEK -12.6 in EBIT and MSEK -9.8 in net income related to the IPO.

***) Rolling 12 months, April 2015 - March 2016.

GARO develops, manufactures and supplies innovative products and systems for the electrical installations industry under its own brand. The company has operations in Sweden, Norway, Finland, Ireland and Poland and the Group is organized in two business segments GARO Sweden and GARO Other markets. GARO has a broad product assortment and is a market leader within several product areas. The Group had sales in 2015 of MSEK 554 and has approximately 260 employees. Its head office is located in Gnosjö. The business concept is *“with simplicity and design, GARO provides the smartest and most profitable solutions – fitted into systems.”*



CEO's comments on the quarter

It is gratifying to present our first interim report after having successfully completed the listing of the company on Nasdaq Stockholm on March 16.

We achieved a significant increase in sales in the quarter, driven by strong growth in Sweden and Other markets. EBIT and the EBIT margin, adjusted for non-recurring IPO-related items, improved due to volume growth combined with a stable level of expenses.

Net sales for *GARO Sweden* rose 17%, with solid increases in all product areas. The higher sales were largely the result of successful product launches in recent years, for example, GARO's consumer units, meter cabinet and workplace lighting. It is pleasing to see that also new products and product areas are really taking off. An example of such products is chargers for electric cars, a market that is displaying an annual growth rate in excess of 100%. The Solar Energy area – for which we delivered our largest ever order during the quarter – is also worth mentioning.

Net sales in *GARO Other markets* increased by 43% with a very strong performance primarily in EV charging, but also driven by other successful product launches, such as meter cabinets, residual current circuit breakers (RCBOs) and stove guards. We continued to experience a sharp upturn in Ireland due to increased housing construction. Profitability for *GARO Other markets* improved as a result of volume growth.

Demand in the Group's markets is healthy. Market growth in Sweden was primarily attributable to organic expansion in product areas linked to increased housing construction, while investments in industry relatively constant. Market growth in the Other markets segment was mixed. The Norwegian market slowed from a high level. The Irish market noted a high rate of growth, while the Finnish market remained weak.

In general, GARO sees a continued healthy demand scenario in both of the Group's market segments and in the four product areas. External factors, such as changes in the economic climate, currency concerns and political decisions could impact future sales and profitability. Overall, we have a positive outlook on the company's performance in 2016.

Stefan Jonsson,
President and CEO

Group

Net sales

The Group's net sales for the first quarter of 2016 increased by 26% to MSEK 149.6 (118.9) as a result of organic growth of 29%, offset by a negative currency effect of 3% due to the weaker NOK.

Analysis of the change in net sales	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2016 (%)	2016 (MSEK)	2015 (%)	2015 (MSEK)
The preceding period	-	118.9	-	102.8
Organic growth	29%	34.6	15%	15.1
Acquisitions and structural changes	0%	0	0%	0
Currency effect	-3%	-3.9	1%	1.0
Current period	26%	149.6	16%	118.9

The market continued to be strong in Sweden and Ireland while the market in Norway slowed and the weak trend continued in Finland. Growth in the *Electrical distribution products*, *Project business*, *Temporary electric installations* product areas was considerably higher than the market growth while the product area *EV charging* reported growth considerably higher than the market. This sales trend has been particularly strong in Norway.

EBIT

Adjusted EBIT increased by 32% to MSEK 15.3 (11.6). The growth in earnings was mainly due to volume increases and a stronger EBIT in GARO Other markets. EBIT was adjusted for non-recurring items of MSEK 12.6 for the IPO in the quarter. The adjusted EBIT margin amounted to 10.2% (9.8) as a result of relatively unchanged gross margins and a stable level of expenses in relation to net sales.

GARO Group		Jan-Mar	Jan-Mar		Jan-Dec
Key ratios		2016	2015	R12	2015
Net sales	MSEK	149.6	118.9	584.8	554.1
Growth	%	26%	16%	28%	25%
EBIT	MSEK	2.7	11.6	53.5	62.4
EBIT margin	%	1.8%	9.8%	9.1%	11.3%
Adjusted EBIT*		15.3	11.6	66.1	62.4
Adjusted EBIT margin*		10.2%	9.8%	11.3%	11.3%
Investments	MSEK	2.1	6.2	9.7	13.8
Depreciation	MSEK	2.8	2.6	12.1	11.9
Return on equity	%	28.3	19.8%	28.3%	31.3%
Equity/assets ratio	%	45.2%	46.0%	45.2%	49.8%
Number of employees		256	247	256	254

*) Adjusted for items affecting comparability of MSEK -12.6 in the first quarter of 2016 related to the IPO.

Net income

Net income for the quarter amounted to MSEK 2.3 (9.1) and earnings per share amounted to MSEK 0.23 (0.91). Tax was MSEK 0.5 (2.3) and the average effective tax rate for the Group was 18.2% (20.4). Adjusted net income increased to MSEK 12.1 (9.1) and adjusted earnings per share amounted to MSEK 1.21 (0.91). The increase was primarily attributable to improved EBIT, but also to improved net financial items.

Cash flow and investments

Cash flow from operating activities amounted to MSEK -3.4 (10.8), adversely impacted by IPO expenses. Cash flow was also negatively affected by an MSEK 0.8 increase in working capital compared with an MSEK 2.0 decline in the preceding year. Investments during the quarter amounted to MSEK 2.1 (6.2), mainly related to investments in production equipment.

Liquidity and financial position

The Group's interest-bearing net debt at the end of the period amounted to MSEK 25.0 compared with MSEK 24.5 at the end of the first quarter of 2015, and to a negative MSEK 0.4 at year-end 2015. The increase in net debt in the first quarter of 2016 was largely attributable to the payment of a dividend of MSEK 20.0 (10.0) in February 2016.

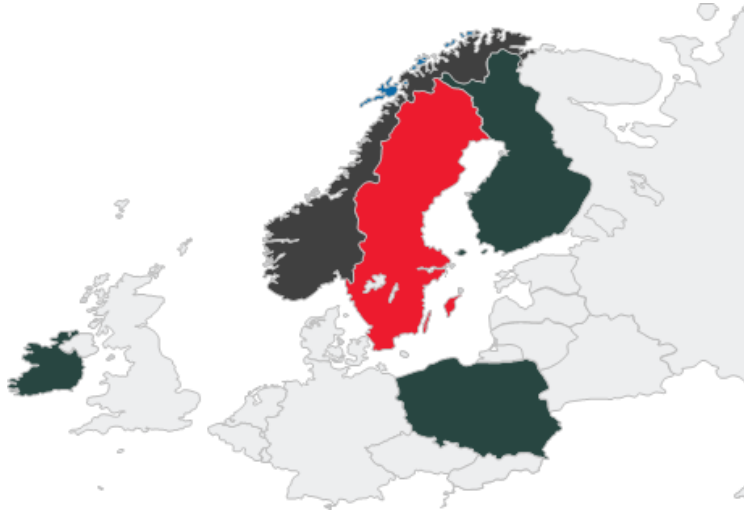
Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 47.4 (73.2) and the equity ratio was 45.2% (46.0).

Parent Company

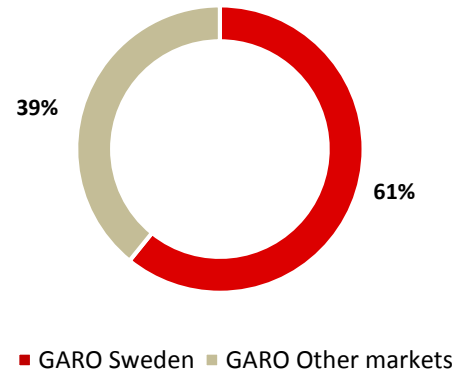
The Parent Company's operations encompass a significant part of the Swedish operations and Group Management, as well as certain Group-wide functions and the Group's Finance function. Net sales for the Parent Company in the first quarter amounted to MSEK 75.6 (63.7), up 19%. Of this amount, MSEK 22.0 (17.3) comprised internal sales to other Group companies. EBIT amounted to MSEK -9.6 (3.2), impacted by expenses of MSEK 12.6 for the IPO.

Operations and segments

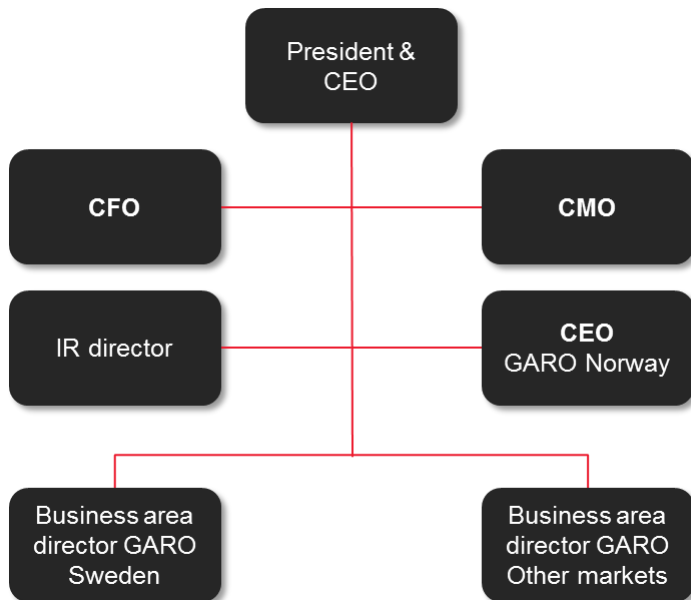
GARO divides its operations into two operating segments based on how the Group is managed: *GARO Sweden* and *GARO Other markets*. *GARO Other markets* includes the operations in Norway, Finland, Ireland and Poland.



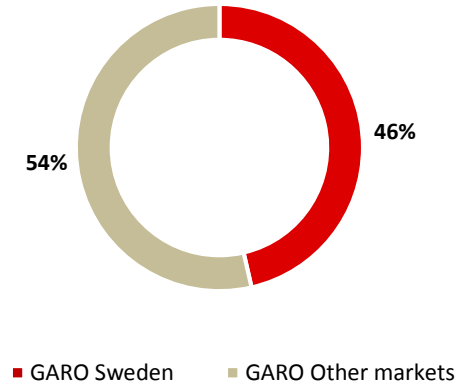
Net sales by segment



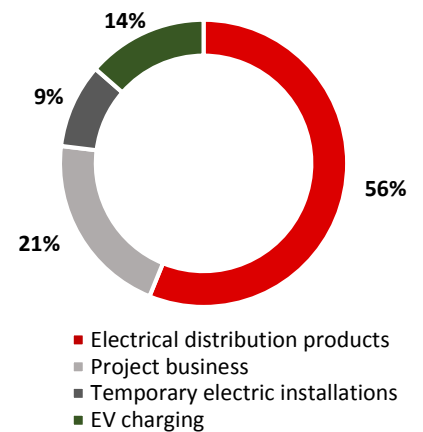
Group Management comprises six individuals and the functions President and CEO, CFO, IR Director, CMO, CEO GARO Norway and two business area directors responsible for each business area/segment.



EBIT by segment, adjusted for items affecting comparability



Net sales by product area



GARO Sweden

Net sales and earnings

Net sales for *GARO Sweden* increased by 17% to MSEK 91.0 (78.0) during the first quarter of 2016, with continued strong volume growth in all product segments.

Adjusted EBIT amounted to MSEK 7.1 (7.0), adjusted for non-recurring items of MSEK 12.6 for the IPO. The adjusted EBIT margin declined to 7.8% (9.0) as a result of lower gross margins and higher expenses. The gross margin was lower primarily due to the changed product mix.

Product areas

The market for Electrical distribution products, in which GARO is represented among all major wholesalers, is estimated to have grown by almost 2% during the quarter. The market is expected to remain favorable albeit with quarterly variations.

The *Electrical distribution products* and *Project business* product areas noted growth that was significantly higher than the market in general, which was due to successful product launches. The company's consumer units developed for single-family homes and apartments continued to report a strong sales trend. Many meter cabinets are also being sold due to the high rate of housing construction. In the Solar Energy area, GARO delivered its largest ever order to a new industrial area in Stockholm, with a complete installation of almost 1,500 solar panels.

The strong growth in the *Temporary electric installations* product area also benefits from a large number of housing construction projects that were commenced and GARO experienced solid growth, particularly in the large cities. Sales of primarily construction lightning displayed strong performance. The product is popular on the market for its innovative design, durability and energy-efficient LED technology.

The *EV charging* product area is increasing significantly. GARO is a market leader in safe solutions for charging electric cars. Due to increased sales of electric cars, the network of charging stations is being expanded, which benefits GARO.

Operations

The focus of the operations has been on meeting increased demand by expanding production capacity in all product areas, while maintaining short delivery times.

GARO Sweden		Jan-Mar	Jan-Mar	R12	Jan-Dec
Key ratios		2016	2015		2015
Net sales	MSEK	91.0	78.0	362.9	349.9
Growth	%	17%	14%	20%	19%
EBIT	MSEK	-5.5	7.0	21.7	34.2
EBIT margin	%	-6.0%	9.0%	6.0%	9.8%
Adjusted EBIT*	MSEK	7.1	7.0	34.3	34.2
Adjusted EBIT margin*	%	7.8%	9.0%	9.5%	9.8%
Investments	MSEK	2.0	5.4	8.2	11.6
Depreciation	MSEK	2.2	2.1	9.7	9.6
No of employees		168	164	168	170

*) Adjusted for IPO expenses of MSEK -12.6 in the first quarter of 2016.

GARO Other markets

Net sales and earnings

Net sales for *GARO Other markets* increased by 43% to MSEK 58.6 (40.9), with very strong volume growth in EV charging and also solid growth in Electrical distribution products. EBIT increased by 78% to MSEK 8.2 (4.6) and the EBIT margin improved to 14.0% (11.2) primarily as a result of volume growth combined with stable expenses.

GARO Norway continued to report a very strong performance during the quarter in the EV charging area due to the strong growth in electric cars. During the period, GARO Norway delivered a large number of public fast chargers to Fortum, which continued to expand its comprehensive network of charging stations.

GARO Ireland also reported strong growth and is tracking the strong upturn in the construction market, which is recovering after the financial and construction crisis of recent years.

GARO Finland noted positive growth despite a generally weak Finnish economy. Finland is a relatively new market for GARO and the company intends to strengthen its position in the electric installations and EV charging market in forthcoming years.

GARO Poland mainly makes internal deliveries to other companies in the Group, but the market has great potential. Focus is directed to strengthening the sales organization and continuing marketing activities in certain product areas.

Operations

In 2015 and the first quarter of 2016, the focus was on meeting increased demand and product launches.

GARO Other markets		Jan-Mar	Jan-Mar	Jan-Dec	
Key ratios		2016	2015	R12	2015
Net sales	MSEK	58.6	40.9	221.9	204.2
Growth	%	43%	18%	44%	38%
EBIT	MSEK	8.2	4.6	31.8	28.2
EBIT margin	%	14.0%	11.2%	14.3%	13.8%
Investments	MSEK	0.1	0.8	1.5	2.2
Depreciation	MSEK	0.6	0.5	2.4	2.3
No of employees		88	83	88	84

Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with Chapter 9 of the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

The accounting policies applied correspond with the accounting policies and valuation principles presented in the 2015 Annual Report. The 2015 Annual Report is available at www.garo.se in Swedish.

Risks and uncertainties

GARO's risks and uncertainties are described on pages 10-15 of the prospectus for the IPO. The prospectus is available at www.garo.se in Swedish. No significant changes have arisen that alter the view of risks and uncertainties.

Related-party transactions

Related-party transactions took place at the same extent as previously, by applying the same principles as those described in the most recent annual report and prospectus.

Listing on Nasdaq Stockholm

The GARO share was listed on Nasdaq Stockholm on March 16, 2016. Shares are traded under the name GARO. The offering encompassed a total 4,600,000 shares, including the over-allotment option, and corresponded to a total of 46% of the total number of shares outstanding in the company. The starting price was SEK 73 per share, corresponding to a total value of the offering of MSEK 335.8, and a total market value of all of the shares in the company of MSEK 730.0.

Significant events after the end of the period

On April 25, the Swedish Administrative Court announced its judgment that confirms the Swedish Tax Agency's review of the company's income taxation for 2011. Accordingly, GARO's tax base will increase by MSEK 23.1, which results in additional tax of MSEK 6.1. GARO made a provision in 2014 corresponding to the additional tax in the company's financial statements. Due to this provision, the judgment has no effect on the company's earnings.

The Board's assurance

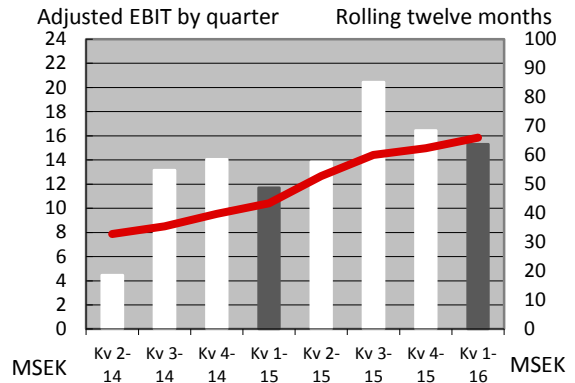
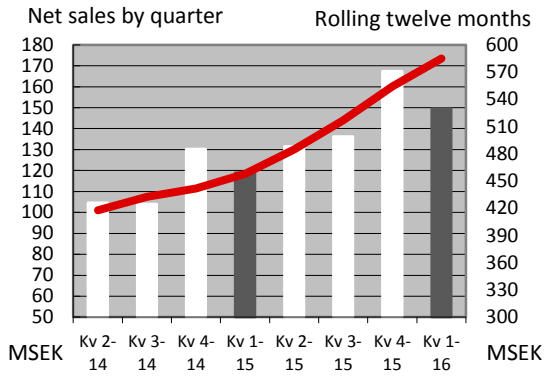
This interim report provides a fair review of the Parent Company's and the Group's operations, financial position and earnings, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Gnosjö, May 26, 2016

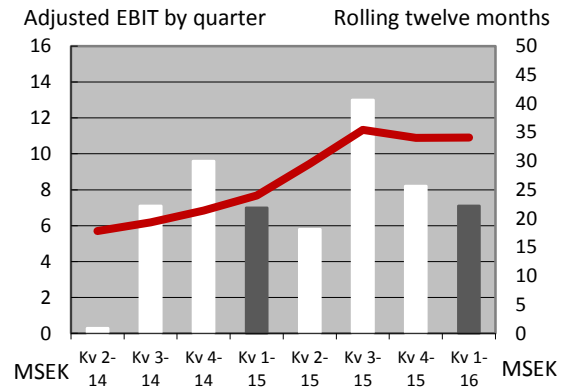
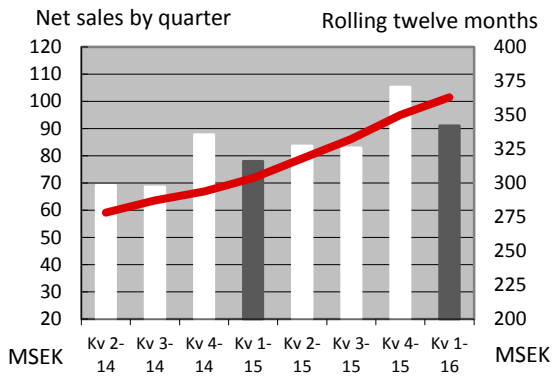
The Board of Directors

The information in this interim report is unaudited. For other information and definitions, refer to the prospectus for the IPO, and the Annual Report.

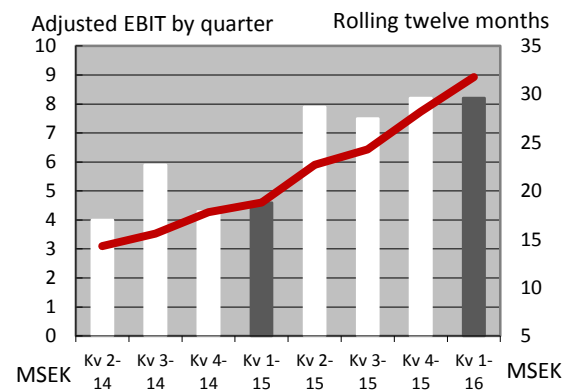
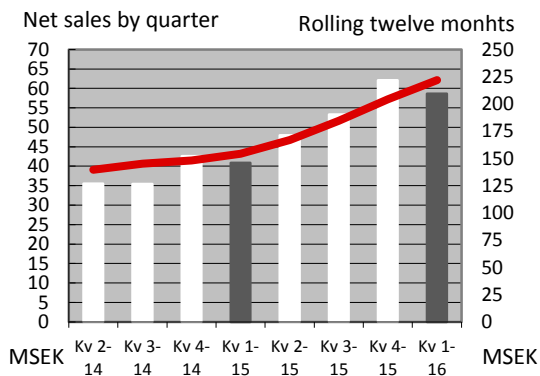
Garö group



GARÖ Sweden



GARÖ Other markets



Group income statement

<i>MSEK</i>	Jan-Mar 2016	Jan-Mar 2015	Rolling 12M	Jan-Dec 2015
Net sales	149.6	118.9	584.8	554.1
Other operating income	0.3	0.1	3.4	3.2
Total income	149.9	119.0	588.2	557.3
Operating expenses				
Raw materials and consumables	-80.4	-61.8	-311.4	-292.8
Other external expenses	-17.8	-13.7	-72.4	-68.3
Personnel expenses	-33.6	-29.3	-125.4	-121.1
Depreciation of tangible and intangible assets	-2.8	-2.6	-12.1	-11.9
Other operating expenses	-12.6	0.0	-13.4	-0.8
Operating income	2.7	11.6	53.5	62.4
Result from financial items				
Net financial income/expenses	0.1	-0.2	-2.8	-3.1
Profit before tax	2.8	11.4	50.7	59.3
Taxes	-0.5	-2.3	-11.7	-13.5
Net income	2.3	9.1	39.0	45.8
Other comprehensive income: Items that may be reclassified to the income statement				
Translation differences	0.3	0.0	-2.9	-3.2
Other comprehensive income	0.3	0.0	36.1	-3.2
Total comprehensive income for the period	2.6	9.1	36.1	42.6
Net income and total comprehensive income for the period is attributable to shareholders of the Parent company				
Key ratios per share				
Average number of shares	10 000 000	10 000 000	10 000 000	10 000 000
Earnings per share, SEK	0.23	0.91	3.90	4.58

Group balance sheet

<i>MSEK</i>	31 Mar 2016	31 Mar 2015	31 Dec 2015	31 Dec 2015
ASSETS				
Fixed assets				
Intangible assets	8.1	9.7	8.5	10.2
Tangible assets	57.2	60.1	57.4	56.0
Financial assets	-	0.1	-	0.1
Total fixed assets	65.3	69.9	65.9	66.3
Current assets				
Inventories	94.8	89.9	92.3	88.9
Accounts receivable	131.5	104.6	127.7	99.5
Other current assets	4.1	5.3	5.8	3.1
Cash and cash equivalents	12.9	25.0	23.2	22.0
Total current assets	243.3	224.8	249.0	213.5
TOTAL ASSETS	308.6	294.7	314.9	279.8
EQUITY AND LIABILITIES				
Equity				
Share capital	20.0	14.0	14.0	14.0
Other reserves	-1.4	1.5	-1.7	1.5
Other equity including net income for the period	120.9	120.1	144.6	120.2
Total equity	139.5	135.6	156.9	135.7
Long term liabilities				
Interest bearing liabilities	11.9	14.4	12.4	15.0
Other provisions	0.9	0.7	0.7	0.7
Deferred tax liabilities	6.0	6.9	6.0	6.9
Total long term liabilities	18.8	22.0	19.1	22.6
Short term liabilities				
Interest bearing liabilities	26.0	35.1	10.4	26.3
Account payables	63.8	53.3	60.5	44.2
Other current liabilities	60.5	48.7	68.0	51.0
Total current liabilities	150.3	137.1	138.9	121.5
TOTAL EQUITY AND LIABILITIES	308.6	294.7	314.9	279.8
Key ratios				
Net debt	-25.0	-24.5	0.4	-19.3
Equity/assets ratio	45.2%	46.0%	49.8%	48.5%
Equity per share, SEK	14.0	13.6	15.7	13.6
Outstanding number of shares, '000	10 000.0	10 000.0	10 000.0	10 000.0

Changes in group equity

Equity attributable to shareholders in the parent company <i>MSEK</i>	Share capital	Reserves	Retained profits	Total Equity
Equity at 1 January 2015	14.0	1.5	120.2	135.7
Net income for the period			45.8	45.8
Other comprehensive income for the period		-3.2		-3.2
Dividend to shareholders			-20.0	-20.0
Change in valuation of put option			-1.4	-1.4
Equity at 31 December 2015	14.0	-1.7	144.6	156.9
Equity at 1 January 2016	14.0	-1.7	144.6	156.9
Net income for the period			2.3	2.3
Other comprehensive income for the period		0.3		0.3
Bonus issue at 2016-01-12	6.0		-6.0	0.0
Dividend to shareholders			-20.0	-20.0
Equity at 31 December 2016	20.0	-1.4	120.9	139.5

Group cash flow statement in summary

<i>MSEK</i>	Jan-Mar 2016	Jan-Mar 2015	Rolling 12M	Jan-Dec 2015
Operating activities				
Cash flow from operating activities				
Before changes in working capital	-2.6	8.8	47.9	59.2
Cash flow from changes in working capital	-0.8	2.0	-8.0	-5.2
Cash flow from operating activities	-3.4	10.8	39.9	54.0
Investing activities				
Investments in intangible assets	-0.5	-0.4	-3.5	-3.4
Investments in tangible assets	-1.6	-5.8	-6.3	-10.4
Disposal of tangible assets	-	0.2	0.5	0.7
Cash flow from investing activities	-2.1	-6.0	-9.3	-13.1
Financing activities				
Net borrowing/amortization of loans	15.1	8.2	-11.6	-18.5
Dividend paid to shareholders	-20.0	-10.0	-30.0	-20.0
Cash flow from financing activities	-4.9	-1.8	-41.6	-38.5
Cash flow for the period	-10.4	3.0	-11.0	2.4
Currency effect in cash and cash equivalents	0.1	0.0	-1.1	-1.2
Cash and cash equivalents, start of the period	23.2	22.0	25.0	22.0
Cash and cash equivalents, end of the period	12.9	25.0	12.9	23.2

Parent company income statement

<i>MSEK</i>	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Net sales	75,6	63,7	300,3
Other operating income	1,7	1,3	8,1
Total income	77,3	65,0	308,4
Operating expenses			
Raw materials and consumables	-45,5	-39,2	-180,7
Other external expenses	-9,0	-5,5	-36,0
Personnel expenses	-17,8	-15,1	-63,0
Depreciation of intangible and fixed assets	-2,0	-2,0	-8,0
Other operating expenses	-12,6	-	-0,8
Operating income	-9,6	3,2	19,9
Result from financial items			
Share of associates from group companies	0,0	0,0	19,5
Net interest income and similar items	0,6	0,3	0,5
Net interest expenses and similar items	-0,3	-0,3	-1,7
Income after financial items	-9,3	3,2	38,2
Appropriations	-	-	12,4
Taxes	2,0	-0,7	-7,5
Net income	-7,3	2,5	43,1

Parent company balance sheet

<i>MSEK</i>	31 Mar 2016	31 Mar 2015	31 Dec 2016
ASSETS			
Fixed assets			
Intangible assets	7.2	7.3	7.4
Tangible assets	35.0	35.9	34.9
Share of associates in group companies	12.8	12.8	12.8
Other financial assets	9.1	11.4	9.4
Total fixed assets	64.1	67.4	64.5
Current assets			
Inventories	44.0	47.4	46.0
Accounts receivable	53.9	47.0	60.1
Other receivables	45.6	36.6	57.0
Cash and cash equivalents	3.8	13.7	6.1
Total current assets	147.3	144.7	169.2
TOTAL ASSETS	211.4	212.1	233.7
EQUITY AND LIABILITIES			
Equity			
Share capital	20.0	14.0	14.0
Statutory reserve	2.6	2.6	2.6
Unrestricted equity including net income for the period	80.8	83.4	114.0
Total equity	103.4	100.0	130.6
Untaxed reserves	10.6	12.0	10.6
Provisions	4.6	4.7	4.4
Liabilities			
Long term interest bearing liabilities	9.0	10.8	9.4
Short term interest bearing liabilities	12.5	24.3	1.8
Short term non-interest bearing liabilities	71.3	60.3	76.9
Total liabilities	92.8	95.4	88.1
TOTAL EQUITY AND LIABILITIES	211.4	212.1	233.7

Sales and EBIT by segment

Information segment	Sweden		Other markets		Elimination		Group	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Sales								
Total net sales	114.4	96.6	72.8	54.0	-37.6	-31.7	149.6	118.9
Internal net sales	-23.4	-18.6	-14.2	-13.1	37.6	31.7		-
External net sales	91.0	78.0	58.6	40.9	-	-	149.6	118.9
EBIT	-5.5	7.0	8.2	4.6	-	-	2.7	11.6
Net financial cost	-	-	-	-	-	-	0.1	-0.2
Taxes for the period	-	-	-	-	-	-	-0.5	-2.3
Net income for the period	-	-	-	-	-	-	2.3	9.1

GARO Group		Jan-Mar	Jan-Mar	Rolling	Full year	Full year	Full year	Full year
Yearly overview and key ratios		2016	2015	12M	2015	2014	2013	2012
Net sales	MSEK	149.6	118.9	584.8	554.1	441.7	383.1	378.2
Growth	%	26%	16%	28%	25%	15%	1%	-5%
EBITDA	MSEK	5.5	14.2	65.6	74.3	50.6	34.8	34.3
EBITDA margin	%	3.7%	11.9%	11.2%	13.4%	11.5%	9.1%	9.1%
EBIT	MSEK	2.7	11.6	53.5	62.4	39.8	24.0	24.3
EBIT margin	%	1.8%	9.8%	9.1%	11.3%	9.0%	6.3%	6.4%
Adjusted EBIT		15.3	11.6	66.1	62.4	39.8	24.0	24.3
Adjusted EBIT margin	%	10.2%	9.8%	11.3%	11.3%	9.0%	6.3%	6.4%
Investments	MSEK	2.1	6.2	9.7	13.8	6.3	10.4	34.5
Depreciation	MSEK	2.8	2.6	12.1	11.9	10.8	10.8	10.0
Return on equity*	%	28.3%	19.8%	28.3%	31.3%	17.1%	11.7%	14.8%
Equity/assets ratio	%	45.2%	46.0%	45.2%	49.8%	48.5%	51.3%	50.5%
Net debt	MSEK	25.0	24.5	25.0	-0.4	19.3	39.5	30.4
Net debt/EBITDA*		0.4	0.5	0.4	0.0	0.4	1.1	0.9
No of employees		256	247	256	254	244	224	227

*) Key ratios are calculated on last twelve months

Quarterly figures

Group income statement <i>MSEK</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Net sales	149.6	167.4	136.2	131.6	118.9	130.2	104.0	104.7	102.8
Operating expenses	-146.9	-151.0	-115.7	-117.7	-107.3	-116.2	-90.8	-100.2	-94.7
EBIT	2.7	16.4	20.5	13.9	11.6	14.0	13.2	4.5	8.1
Net financial cost	0.1	-1.5	-0.4	-1.0	-0.2	-0.8	-0.8	-0.7	-0.6
Profit before tax	2.8	14.9	20.1	12.9	11.4	13.2	12.4	3.8	7.5
Tax	-0.5	-3.9	-4.1	-3.2	-2.3	-9.0	-2.6	-0.8	-1.6
Net income	2.3	11.0	16.0	9.7	9.1	4.2	9.8	3.0	5.9

Net sales by segment <i>MSEK</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
GARO Sweden	91.0	105.3	82.9	83.7	78.0	87.6	68.6	69.2	68.2
GARO Other markets	58.6	62.1	53.3	47.9	40.9	42.6	35.4	35.5	34.6
Total group	149.6	167.4	136.2	131.6	118.9	130.2	104.0	104.7	102.8

EBIT by segment <i>MSEK</i>	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
GARO Sweden	-5.5	8.2	13.0	6.0	7.0	9.7	7.3	0.5	4.5
GARO Other markets	8.2	8.2	7.5	7.9	4.6	4.3	5.9	4.0	3.6
Total group	2.7	16.4	20.5	13.9	11.6	14.0	13.2	4.5	8.1

Definitions**EBITDA:**

Earnings before interest, tax, depreciation and amortization

EBIT:

Earnings before interest and tax

EBITDA margin, %:

EBITDA as a percentage of net sales for the period

EBIT margin, %:

EBIT as a percentage of net sales for the period

Net debt:

Interest-bearing liabilities less assets including cash and cash equivalents

Net debt/ EBITDA, multiples:

Net debt at the end of the period as a percentage of EBITDA for the past 12 months

R12:

Rolling 12 months

Equity per share:

Equity divided by the number of shares at the end of the period

Return on equity, %:

Net income for the past 12 months divided by average equity

Equity ratio, %:

Equity as a percentage of total assets

Earnings per share:

Earnings for the period divided by average number of shares

Teleconference

A teleconference for investors will be held on May 26 at 9:30 a.m.

Telephone numbers:

Sweden: +46 8 50 510 036

International: +44 20 3059 8125

The presentation used during this teleconference can be downloaded at www.garo.se under Investor Relations. A recording of the teleconference will be available on the company's website afterwards.

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Financial calendar

Second quarter of 2016: August 26

Third quarter of 2016: November 15

The information in this interim report is of the type that GARO is obligated to disclose in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was published on May 26, at 7:30 a.m.

Forward-looking information

Certain statements in this report are forward-looking and the actual outcome may be significantly different. In addition to the specifically mentioned factors, other factors may have a material impact on the actual outcome. Such factors include, but are not limited to, the general economic climate, exchange-rate fluctuations and changes in interest rates, political developments, the impact of competing products and the prices of such products, difficulties associated with product development and commercialization, technical problems, interruptions to the access to raw materials and credit losses attributable to major customers