

Interim report

January-September 2016

INWIDO
Great Windows & Doors

“ In terms of earnings, the third quarter of 2016 was the second best quarter in Inwido’s history even if it did not entirely reach up to our expectations. In general, we see profitability continue to improve gradually.”

Håkan Jeppsson, President and CEO (see the message from the CEO on the next page)

Third quarter of 2016

- Net sales increased to SEK 1,446 million (1,326), corresponding to an increase of 9 percent. For comparable units and adjusted for currency effects, that corresponded to a decrease of 4 percent
- EBITA increased to SEK 212 million (195) after items affecting comparability of SEK 10 million (0), and the EBITA margin was unchanged at 14.7 percent
- Operating EBITA rose to SEK 202 million (195) and the operating EBITA margin amounted to 14.0 percent (14.7)
- Earnings per share after dilution amounted to SEK 2.50 (2.38)
- The acquisitions of Outrup in Denmark and CWG Choices in the UK were concluded

January-September 2016

- Net sales increased to SEK 3,964 million (3,750), corresponding to an increase of 6 percent. For comparable units and adjusted for currency effects, that corresponded to a decrease of 1 percent
- EBITA increased to SEK 441 million (404) after items affecting comparability of a negative SEK 6 million (0), and the EBITA margin grew to 11.1 percent (10.8)
- Operating EBITA rose to SEK 446 million (404) and the operating EBITA margin rose to 11.3 percent (10.8)
- Earnings per share after dilution amounted to SEK 5.01 (5.10)

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2016	Jul-Sep 2015	Jul-Sep 2016	Jul-Sep 2015	Last 12 months	Jan-Dec 2015
Net sales	1,446	1,326	3,964	3,750	5,434	5,220
EBITA	212	195	441	404	517	480
Operating EBITA	202	195	446	404	632	589
Earnings per share, SEK	2.50	2.38	5.01	5.10	5.01	5.10
Earnings per share, SEK*	2.37	2.40	5.14	5.15	6.90	6.90
Net sales increase (%)	9.0	3.1	5.7	7.3	5.1	6.2
EBITA margin (%)	14.7	14.7	11.1	10.8	9.5	9.2
Operating EBITA margin (%)	14.0	14.7	11.3	10.8	11.6	11.3
Net debt/ Operating EBITDA, multiple	2.6	1.6	2.6	1.6	2.6	1.2
Net debt	1,954	1,103	1,954	1,103	1,954	877

* Non IFRS, adjusted for items affecting comparability and for impairment of goodwill as well as amortization and impairment of other intangible assets that arose in conjunction with company acquisitions.

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Corporate Identity No:
556633-3828

Strong earnings trend continues

In terms of earnings, the third quarter of 2016 was the second best quarter in Inwido's history even if it did not entirely reach up to our expectations. Operating profit for the quarter was SEK 202 million, with an operating margin of 14 percent. In general, we see profitability continue to gradually improve. The extensive work we have done to improve efficiency in production yields results. Not least, the gross margin continues to improve.



Sales increased by 9 percent at the same time that organic sales and order bookings were weaker than expected, mainly due to the development in Sweden during the summer. Adjusted for currency effects and structure, sales decreased by 4 percent. The underlying organic order bookings decreased by 1 percent. The order backlog was 18 percent higher than at the same time in 2015 and for comparable units, the order backlog was 1 percent higher.

Operating segments

Sweden is undergoing a transition and during the quarter, the consumer segment developed weaker than expected. Compared with 2015, the Swedish consumers were less inclined to buy with lower ROT tax deductions and higher amortization requirements. In addition, the comparative figures were probably pulled up during the summer and autumn of 2015 as a result of the announced reduction of the ROT tax deductions for 2016. At the same time, competition has increased. The market also sees some bottleneck effects in the contractor and tradesman segment at the same time. Sweden is now initiating aggressive market efforts and we view the Swedish business, which is very profitable, in a positive light.

In Norway, we see a better development for the second consecutive quarter. We are on the right path despite tough market conditions. Norway is showing good growth even if the comparative figures are relatively weak. We can also note that Finland has now bottomed out and is showing stable order bookings for the second consecutive quarter. After a weak winter, Denmark gradually improved during the year and positive development provides hope for the future. EBE (Emerging Business Europe) has developed well even if the overall business in the UK underperformed during the quarter. In e-Commerce, there is good momentum and order bookings are gradually increasing.

Positive development in all acquisitions

Acquisitions are a fundamental part of Inwido's growth strategy. During the beginning of the quarter, the acquisition of Danish Outrup was approved and we carried out the acquisition of British CWG Choices. So far in 2016, we have acquired companies that provide Inwido annual sales of SEK 850-900 million. All acquisitions developed positively during the quarter even if they put pressure on our operating margin in the short term.

Future prospects

External developments, both political and financial, continue to be uncertain with many remaining risks that could affect our business. At the same time, there is a strong need for both renovations and new housing in Europe, which means that there is a good underlying demand for our products and services.

Regardless of what happens politically and financially, we are continuing to work according to our plan with a predominance of sales in consumer-driven channels, to continuously review our structure to find potential additional efficiency enhancements and to work with both organic and acquisition-based growth.

In total, we are cautiously optimistic about the future.

MALMÖ, 24 OCTOBER 2016

A handwritten signature in blue ink, appearing to read 'Håkan Jeppsson'. The signature is fluid and cursive.

Håkan Jeppsson
President and CEO

A teleconference for analysts, media representatives and investors will be held today at 10:00 a.m. The report for the third quarter of 2016 will be presented by President and CEO Håkan Jeppsson and CFO Peter Welin. No prior registration is required but please dial in five minutes before the advertised time to allow the meeting to start punctually. Please call in on telephone 08-50 69 21 80 or from abroad on +46 (0) 8 50 69 21 80 and enter meeting code: # 9353 6745. The presentation materials for the telephone conference will be displayed at <http://www.inwido.com/sv/investenare/finansiella-rapporter-och-presentationer> and will also be saved for subsequent viewing.

Group

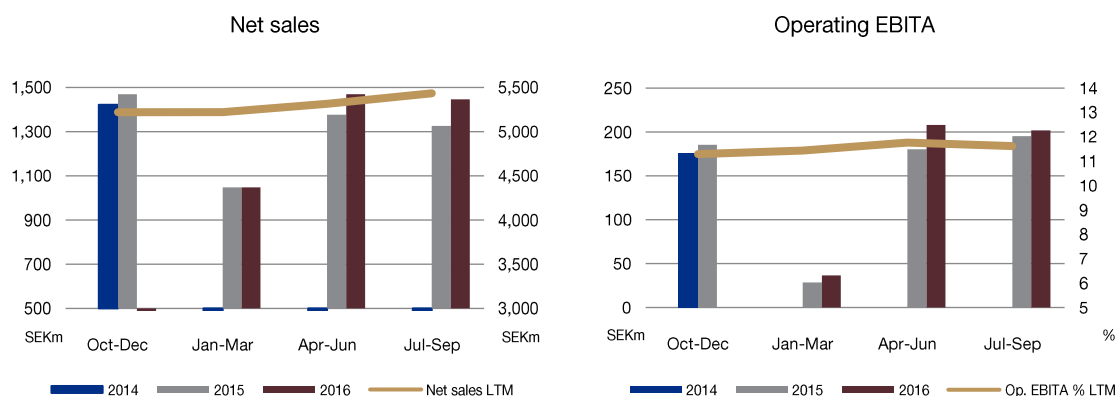
Net sales

Consolidated net sales for the third quarter rose by 9 percent to SEK 1,446 million (1,326), corresponding to a decrease of 4 percent for comparable units adjusted for currency effects. If the comparative figure is also adjusted for the implemented structural measures in the Danish industry segment, net sales decreased by 2 percent.

Analysis of net sales	Δ	Jul-Sep		Δ	Jan-Sep	
		2016 (SEKm)	2015 (SEKm)		2016 (SEKm)	2015 (SEKm)
Net sales	9%	1,446	1,326	6%	3,964	3,750
Organic growth	-4%	-60	27	-1%	-24	144
Structural effects	15%	197	0	7%	273	27
Currency effects	-1%	-18	13	-1%	-34	83

Order bookings increased by 16 percent in the third quarter compared with the corresponding quarter in the preceding year. Excluding acquisitions and the structural measures in Denmark, order bookings decreased by 1 percent, mainly attributable to Sweden. The Group's order backlog at the end of the period rose to SEK 1,117 million (945), which is 18 percent higher than at the corresponding period closing in the preceding year. For comparable units, the order backlog was 1 percent higher.

Net sales during the period January to September rose by 6 percent to SEK 3,964 million (3,750), representing a decrease of 1 percent for comparable units, adjusted for currency effects. If the comparative figure is also adjusted for the implemented structural measures in the Danish industry segment, net sales increased by 1 percent.



RTM = Rolling Twelve Months

EBITA

The third quarter of 2016 was the second best quarter to-date in terms of earnings.

EBITA for the third quarter rose to SEK 212 million (195) while the EBITA margin was unchanged at 14.7 percent. Items affecting comparability were SEK 10 million (0). See "Items affecting comparability" for additional information.

Operating EBITA, that is, EBITA before items affecting comparability, increased to SEK 202 million (195) during the third quarter. The operating EBITA margin amounted to 14.0 percent (14.7). The lower margin is mainly attributable to acquisitions and strong comparative figures in Sweden. At the same time, the extensive structural measures in Sweden, Denmark and Finland claimed some resources during the year, which also resulted in a temporarily lower momentum.

EBITA for the period January to September increased to SEK 441 million (404) and the EBITA margin rose to 11.1 percent (10.8). Operating EBITA for the period January to September rose to SEK 446 million (404). The operating EBITA margin rose to 11.3 percent (10.8). For the last 12-month period, the operating EBITA margin was 11.6 percent.

Net financial items and profit before tax

Financial income and expenses in the third quarter amounted to a negative net of SEK 13 million (negative 26). Despite a higher debt, interest expenses only increased marginally as a result of lower interest rate levels. The positive deviation is mainly attributable to the net financial items in the year-earlier period being impacted by negative translation differences. Financial income and expenses in the period January to September amounted to a negative net of SEK 46 million (negative 34). The deviation is mainly attributable to a negative valuation effect regarding derivatives.

Profit before tax for the third quarter amounted to SEK 196 million (169). Profit before tax for the period January to September amounted to SEK 391 million (368).

Taxes

Income taxes for the third quarter amounted to an expense of SEK 44 million (expense 31). Income tax for the period January to September amounted to an expense of SEK 91 million (expense 72).

Profit after tax and earnings per share

Profit after tax for the third quarter amounted to SEK 153 million (138). Profit after tax for the period January to September amounted to SEK 299 million (296). Earnings per share (non IFRS) after dilution amounted to SEK 2.37 (2.40) for the third quarter. Earnings per share (non IFRS) after dilution during the period January to September amounted to SEK 5.14 (5.15). See definition of "Earnings per share (non IFRS)" under "Definitions of alternative key ratios not defined by IFRS".

Items affecting comparability

Items affecting comparability relate to income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of operations. In particular, the costs relate to restructuring measures during a consolidation phase, in which the company enhances efficiency through, for example, closures or reorganization of production facilities and sales units. These expenses primarily consist of impairment of assets, personnel costs and other external expenses.

During the third quarter, the items affecting comparability amounted to SEK 10 million (0) and relate to the net of a reversed supplemental purchase consideration regarding the acquisition of Jack Brunson & Son and acquisition-related expenses. For the period January to September, items affecting comparability amounted to a negative SEK 6 million (0).

Gross investments, depreciation, amortization and impairment

Gross investments in tangible fixed assets in the third quarter amounted to SEK 26 million (27) and amortization, depreciation and impairment amounted to SEK 37 million (30). For the period January to September, gross investments in tangible fixed assets amounted to SEK 95 million (80) and amortization/depreciation and impairment amounted to SEK 96 million (88).

Cash flow

Cash flow from operating activities after changes in working capital amounted to SEK 167 million (269) in the third quarter. For the period January to September, cash flow from operating activities after changes in working capital amounted to SEK 179 million (241). Cash flow during the third quarter and the period January-September was negatively affected by structural changes decided last year, foreign exchange rates and a smaller increase in operating liabilities compared to the same period last year.

Cash flow from investing activities in the third quarter was a negative SEK 230 million (negative 35). For the period January to September, cash flow from investing activities was a negative SEK 478 million (negative 103). The change from the year-earlier period is mainly attributable to acquisitions.

Cash flow from financing activities in the third quarter was SEK 153 million (negative 144). For the period January to September, cash flow from financing activities was SEK 287 million (negative 125). This change from the preceding year is mainly due to bank loans raised in connection with acquisitions.

Financial position and liquidity

Inwido's principal external financing consists of bank loans. The long-term credit facilities amount to SEK 2,230 million, comprising term loans of SEK 1,580 million and a revolving credit facility of SEK 650 million. The credit agreement expires in September 2019. The agreement includes financial covenants that are followed up on a quarterly basis. Inwido meets the terms of existing credit agreements.

Consolidated net debt was SEK 1,954 million (1,103) at the end of the period. Of the recognized net debt, the present value of anticipated purchase considerations regarding the remaining 17 percent of the shares in Värmelux accounts for around SEK 72 million and the present value of anticipated purchase considerations regarding the remaining 75 percent of the

shares of Outrup Vinduer & Døre accounts for SEK 282 million. The issued put option regarding Värmelux and held forwards regarding Outrup Vinduer & Døre are reported under equity and are present valued at the time these balance sheet items arose.

Calculated as interest-bearing net debt divided by operational EBITDA, the debt ratio was 2.6 (1.6) at the end of the period and the net debt/equity ratio was 0.7 (0.4). In the calculation of operating EBITDA, the full-year effect of the acquired companies has not been included. Consolidated cash and cash equivalents were SEK 234 million (101) at the end of the period. Available funds, including unutilized credit facilities, amounted to SEK 825 million (580).

Seasonal variations

Inwido's operations are materially affected by seasonal variations and about 60 percent of sales occur during the periods April-June and August-October. The weakest period is the first quarter, which normally accounts for about 20 percent of sales. The largest seasonal variations are within the consumer market, although sales to the industry market are also dependent on the season and weather. Normally a certain accumulation of inventory takes place in the first quarter, particularly in Sweden, which, in the second and third quarters transitions into a reduction in inventories as a result of the increased activity in the market.

Employees

The average number of employees was 3,764 (3,493) in the period January to September 2016.

Parent Company

The Parent Company, Inwido AB (publ), is purely a holding company with no operations of its own. The Parent Company's profit mainly reflects the net of revenues for joint Group services and deductions for wages, other remunerations and interest expenses.

Shares and share capital

Share capital at 30 September 2016 amounted to SEK 231,870,112 and the number of shares totalled 57,967,528. The Company has one (1) class of shares. Each share entitles the holder to one vote at general meetings. At the end of the period, the closing price was SEK 116 and the Company's market capitalization was SEK 6,724 million. The total number of shareholders on 30 September 2016 was 7,989.

Incentive programmes

The 2016 Annual General Meeting resolved in accordance with the Board's proposal to establish a long-term incentive programme consisting of two parts: an issue of convertibles with the possibility for all employees to participate and an issue of warrants to around 50 of the company's senior executives and so-called Senior Leaders.

The convertible loan amounts to a maximum of SEK 40 million or what corresponds to a maximal increase of the share capital of SEK 1.2 million applying a set conversion price. The convertibles are interest bearing, are issued in nominal amounts that match the market value, and can be converted to new shares as of 1 August 2019 up to and including 15 September 2019. The right to subscribe went to all employees according to the principles stated in the Board's proposal. The conversion price is SEK 130.30.

The issue of warrants comprises a maximum of 500,000 warrants that are issued to the subsidiary wholly owned by Inwido, Inwido Europe AB, to be transferred later to the company's senior executives and Senior Leaders. Transfer shall take place at market value on the transfer date, and allocation shall take place according to the principles stated in the Board's proposal. Subscription of shares using the warrants shall be able to take place during the period 1 August 2019 through 15 September 2019. The subscription price corresponds to the conversion price for the convertibles of SEK 130.30.

Extraordinary General Meeting

Inwido AB held an Extraordinary General Meeting on 26 August 2016 due to the Board's proposal on the completion of the existing incentive programme. The Extraordinary General Meeting resolved in accordance with the Board's proposal on a supplementary long-term incentive program consisting of two components: an issue of convertibles and an issue of warrants. The incentive programme is directed at certain persons in Group management and so-called Senior Leaders, who desired, but due to insider information did not have the possibility of participating in the incentive programme approved by the Annual General Meeting on 10 May 2016. The supplemental incentive programme partially replaces the incentive programme adopted at the Annual General Meeting and entails no further dilution than the original programme.

The convertibles amount to a maximum of SEK 12 million. The convertibles are interest bearing, are issued in nominal amounts that match the market value, and can be converted to new shares as of 1 September 2019 up to and including 15 September 2019. The conversion price is SEK 139.20.

The issue of warrants comprises a maximum of 144,000 warrants that are issued to the subsidiary wholly owned by Inwido, Inwido Europe AB, to be transferred later to the participants in the programme. Transfer shall take place at market value at the time of transfer.

Subscription of shares using the warrants shall be able to take place during the period 1 September 2019 through 15 September 2019. The subscription price corresponds to the conversion price for the convertibles of SEK 139.20.

Pledged assets and contingent liabilities

No significant changes in contingent liabilities occurred during the period.

Acquisitions in 2016

Värmelux

On 12 May 2016, Inwido completed the acquisition of 82.77 percent of the shares of the Finnish window and door company Värmelux Oy, which owns and operates the brand Lämpölux. The purchase consideration amounted to EUR 20.5 million corresponding to a debt-free value for 100 percent of the company of EUR 43.5 million. Inwido also has an option to gradually acquire the remaining 17 percent of shares, which are held by senior executives of Värmelux, by the first half 2019. The purchase consideration on exercising the option will be based on Värmelux's financial performance up until 2019. The acquisition of Värmelux was financed through available cash and by raising bank loans and has a positive impact on Inwido's earnings per share. Värmelux is consolidated as of 1 May 2016.

The acquisition strengthens Inwido's position in the Finnish market and is expected to generate significant opportunities for synergies with Inwido's existing operations and for expansion. Lämpölux, which has been in the market for six years, sells and installs windows, doors and garage doors made of wood and wood/aluminium through 18 sales offices throughout Finland. The company, which was founded by the current management, has no proprietary production but is a customer of Inwido Finland, among others. Värmelux has around 200 employees and sales in the latest financial year ended 30 June 2015 amounted to EUR 29.4 million.

CWG Choices

On 29 July, the acquisition was completed of 100 percent of the shares in the British window and door company CWG Choices Ltd. CWG is a leading manufacturer of PVC-based windows and doors with a presence mainly in southern and central England. Inwido acquired 100 percent of the shares in CWG for GBP 11.6 million on a debt-free basis. The acquisition of CWG was financed through available cash and by raising bank loans and has a positive impact on Inwido's earnings per share. CWG is consolidated as of 1 August 2016.

In the UK, PVC windows account for around 80 percent of the market. With this acquisition, Inwido is supplementing the product range at the British sister companies Allan Bros. and Jack Brunsdon & Son by establishing itself in the market for PVC-based windows and doors.

With the acquisition of CWG, Inwido will strengthen its position in the UK as well as in the important and profitable channel where sales to end consumers take place through installers. Inwido also sees the opportunity to sell wood-based products through this channel. CWG had around 180 employees and sales of GBP 23 million in 2015.

Outrup Vinduer & Døre

On 16 August, the acquisition of 25 percent of the shares of the Danish company Outrup Vinduer & Døre A/S was completed for DKK 63 million on a debt-free basis. The acquisition of 25 percent of the shares was financed through available cash and by raising bank loans and has a positive impact on Inwido's earnings per share. The parties also agreed that the remaining shares will be acquired at the beginning of 2018 (65 percent) and 2019 (10 percent). The purchase consideration for the remaining shares will be based on the future financial development in Outrup Vinduer & Døre. The Competition Authority's approval relates to the acquisition of 100 percent of the shares. Outrup Vinduer & Døre is consolidated as of 1 August 2016.

The acquisition strengthens Inwido's position in the Danish market and is expected to generate significant growth opportunities and synergies with Inwido's existing operations. Outrup has around 150 employees and production takes place at the factory in Outrup on the island of Mors, Denmark. Sales in 2015 amounted to approximately DKK 180 million.

Inwido’s operations and segments

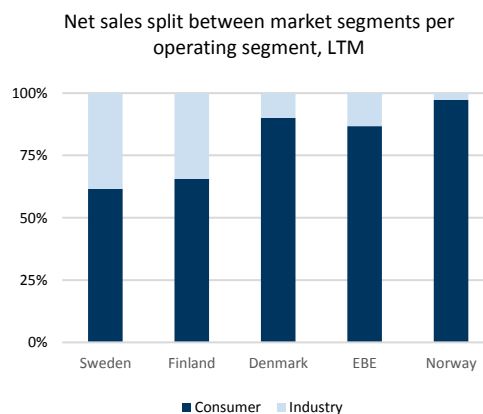
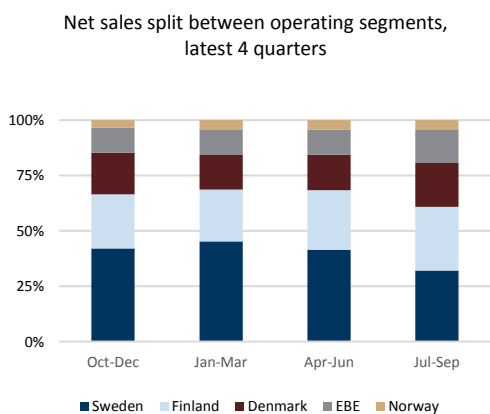


Inwido is Europe’s largest supplier of windows and doors, with more than 20 different brands.

Inwido divides its operations into the following five operating segments: Sweden, Finland, Denmark, EBE (Emerging Business Europe) and Norway.

Inwido conducts operations in two different market segments: the consumer and industry markets. Sales to the consumer market take place through direct sales, installers and retailers, such as the builders’ merchants and DIY stores. Industry sales are made to large building companies and manufacturers of prefabricated homes.

In 2015, sales to the consumer market accounted for 71 percent of total net sales, while sales to the industrial market accounted for about 29 percent.



Sweden – the consumer market is weaker than expected

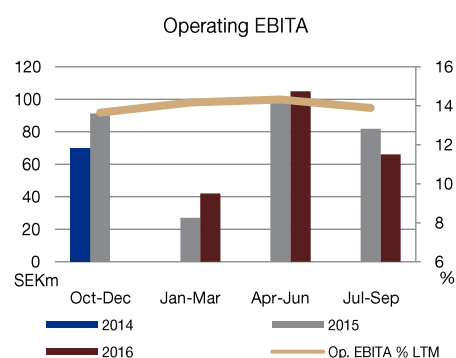
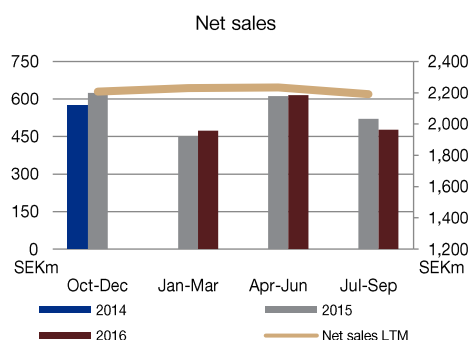
Net sales during the third quarter of the year amounted to SEK 478 million (521), which is 8 percent lower than the year-earlier period. This spring, Inwido could not see any signs of a lower willingness to invest despite the worse conditions regarding ROT tax deductions introduced on 1 January. Towards the end of the second quarter, lower order bookings in the consumer market were noted, however. Combined with more stringent mortgage repayment requirements applicable as of 1 June 2016, this trend continued in the third quarter.

Inwido also assesses that decisions to invest in new windows and doors in some cases were made earlier than planned in the second half of 2015 prior to the lower ROT tax deductions beginning in 2016. This means that the comparative figures for the year-earlier period were probably affected by this.

In the industry market, sales to manufacturers of prefabricated homes increased at the same time that the proportion of sales to large construction companies decreased, in line with more selective sales in this channel to achieve acceptable profitability.

At the end of the period, the order backlog was 3 percent lower than at the end of the equivalent period in the preceding year. The gross margin was largely unchanged while the operating margin weakened somewhat as a result of lower net sales. The quarter concluded with higher margins, however.

During the period January to September, net sales amounted to SEK 1,567 million (1,582), corresponding to a decrease of 1 percent.



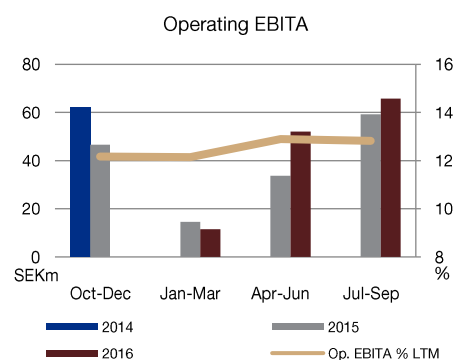
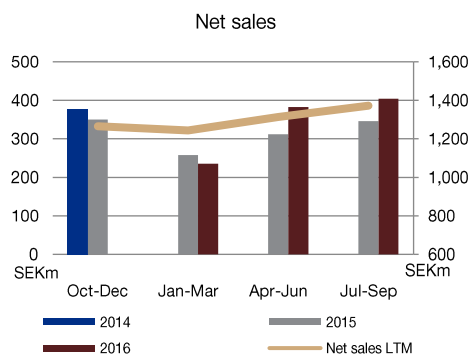
Finland – more stable market

Net sales for the third quarter rose to SEK 404 million (346), which is 17 percent higher than last year. This corresponds to a decrease of 3 percent for comparable units and adjusted for currency effects. A continued positive development in the new construction market contributed to higher industry sales and demand from tenant owner associations also developed positively. The lower organic sales were mainly due to a weaker development in existing direct sales where the reorganization during the beginning of the year continued to have a dampening effect. At the same time, sales developed well in the recently acquired direct sales company Värmelux. At the end of the period, Inwido's order backlog was 53 percent higher in local currency than at the end of the equivalent period last year.

The operating EBITA margin decreased somewhat as a result of a lower proportion of consumer sales based on the original structure.

On 1 July, Inwido acquired Klas1 Yhtiöt Oy, a company with sales of around EUR 1.5 million. With this acquisition, Inwido will be able to meet the architects' demand for challenging architectural solutions.

During the period January to September, net sales increased to SEK 1,022 million (915), 12 percent higher than the previous year. This corresponds to unchanged net sales for comparable units and adjusted for currency effects.



Denmark – growth in the installer channel

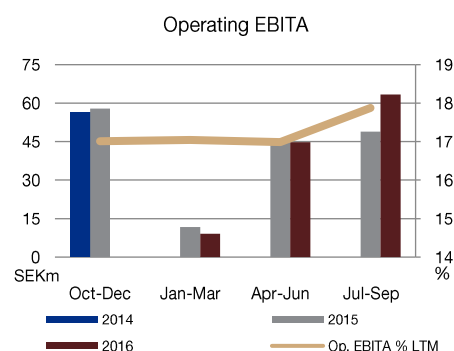
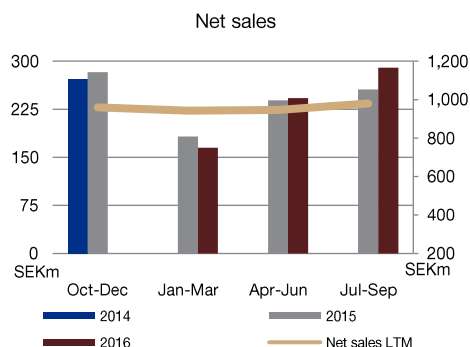
Net sales for the third quarter were SEK 290 million (256), an increase of 13 percent. For comparable units and adjusted for currency effects, net sales decreased by 8 percent. The strategic change towards more consumer business with an associated factory closure in the industry segment had a significant negative effect on sales during the period (the comparative figures above are not adjusted for this decrease in volumes). At the same time, sales through installers developed positively, where the new acquisition of Outrup is also active.

At the end of the period, Inwido’s order backlog was 12 percent lower in local currency than at the end of the equivalent period last year. However, the order backlog is not comparable with the previous year because of the aforementioned shift in the industry market.

The operating EBITA margin increased compared to the year-earlier period as a result of the structural measures in the industry segment, a more beneficial price and mix development and continued improved efficiency.

The acquisition of Outrup Vinduer & Døre was concluded on 16 August. See pages 6, 20 and 21 for further information.

During the period January to September, net sales rose to SEK 697 million (677), corresponding to an increase of 3 percent. This corresponds to a decrease of 5 percent for comparable units and adjusted for currency effects.



EBE – acquisition delivers and e-Commerce increasing the pace

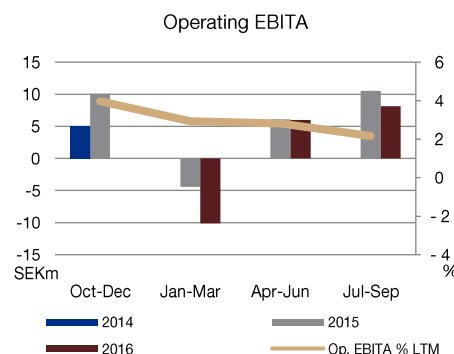
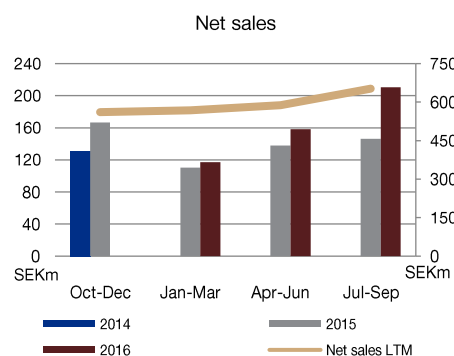
Net sales for the third quarter rose to SEK 210 million (146), which is an increase of 44 percent. This corresponds to an increase of 4 percent for comparable units and adjusted for currency effects. At the end of the period, Inwido’s order backlog was 58 percent higher than at the end of the equivalent period in the preceding year.

Altogether, EBE is developing according to plan. The integration of the recently acquired CWG is under way and the company is performing in line with expectations. The positive development is continuing in e-Commerce and Inwido plans to open e-Commerce operations in additional markets before year-end.

In November 2015, Jack Brunson & Son was acquired. The company has shown good growth in its direct sales channel. Due to some challenges in the product supply, earnings have not reached expectations, however. There is a targeted effort under way to arrive at a functioning solution in the short term to again achieve expected profitability.

During the period January to September, net sales rose to SEK 486 million (394), an increase of 23 percent. This corresponds to an increase of 4 percent for comparable units, adjusted for currency effects.

See pages 6, 20 and 21 for further information regarding the acquisition of CWG.



Norway – continued positive earnings trend

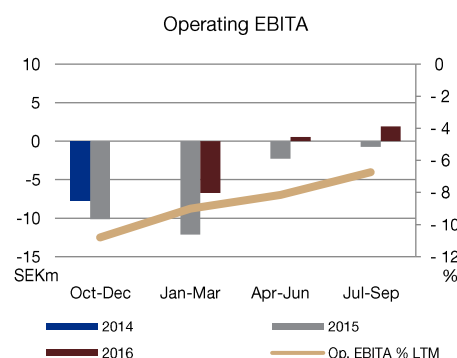
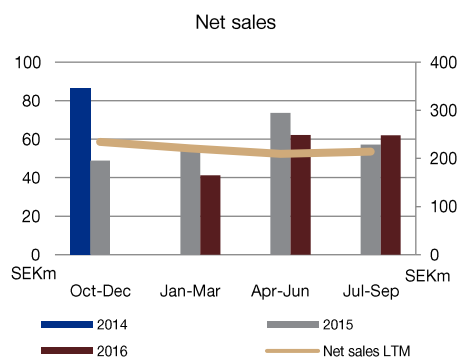
Net sales increased to SEK 62 million (57), which is 8 percent higher than the year-earlier period. This corresponds to an increase of 9 percent when adjusted for currency effects. Higher volumes combined with implemented price increases drove net sales in a positive direction.

Order bookings in the third quarter developed well and the order backlog at the end of the period was 52 percent higher in local currency than at the end of the corresponding period the year before.

The consumer confidence index remains low in Norway, but has recently improved somewhat. The market volumes have increased seen over the whole year although the development is somewhat volatile.

Higher net sales combined with a more favourable product mix and the effects of the extensive action programme carried out resulted in the Norwegian operation reporting a profit during the quarter, making it the second consecutive quarter with positive earnings.

During the period January to September, net sales amounted to SEK 165 million (185), corresponding to a decrease of 11 percent. This corresponds to a decline of 5 percent when adjusted for currency effects.



Key ratios

<i>SEKm (unless otherwise stated)</i>	Jul-Sep 2016	Jul-Sep 2015	Jul-Sep 2016	Jul-Sep 2015	Last 12 months	Jan-Dec 2015
Income measures						
Net sales	1,446	1,326	3,964	3,750	5,434	5,220
Gross profit	419	381	1,096	981	1,398	1,283
EBITDA	246	224	532	489	651	608
Operating EBITDA	236	224	538	489	752	704
EBITA	212	195	441	404	517	480
Operating EBITA	202	195	446	404	632	589
Operating profit (EBIT)	209	194	436	401	495	460
Margin measures						
Gross margin (%)	29.0	28.8	27.7	26.2	25.7	24.6
EBITDA margin (%)	17.0	16.9	13.4	13.0	12.0	11.6
Operating EBITDA margin (%)	16.3	16.9	13.6	13.0	13.8	13.5
EBITA margin (%)	14.7	14.7	11.1	10.8	9.5	9.2
Operating EBITA margin (%)	14.0	14.7	11.3	10.8	11.6	11.3
Operating margin (EBIT) (%)	14.5	14.7	11.0	10.7	9.1	8.8
Capital structure						
Net debt	1,954	1,103	1,954	1,103	1,954	877
Net debt/operating EBITDA, multiple	2.6	1.6	2.6	1.6	2.6	1.2
Net debt/equity ratio, multiple	0.7	0.4	0.7	0.4	0.7	0.3
Interest coverage ratio, multiple	14.6	7.0	9.1	10.0	9.1	9.9
Shareholders' equity	2,881	2,948	2,881	2,948	2,881	2,891
Equity/assets ratio (%)	44	55	44	55	44	56
Capital employed	5,085	4,169	5,085	4,169	5,085	4,029
Operating capital	4,834	4,051	4,834	4,051	4,834	3,768
Return measures						
Return on shareholders' equity (%)	10.1	14.5	10.1	14.5	10.1	10.4
Return on capital employed (%)	10.8	14.1	10.8	14.1	10.8	11.5
Return on operating capital (%)	11.1	14.4	11.1	14.4	11.1	12.0
Share data (number of shares in thousands)						
Earnings per share before dilution, SEK	2.50	2.38	5.01	5.10	5.01	5.10
Earnings per share after dilution, SEK	2.50	2.38	5.01	5.10	5.01	5.10
Earnings per share after dilution, SEK*	2.37	2.40	5.15	5.15	6.90	6.90
Earnings per share after dilution, SEK*	2.37	2.40	5.14	5.15	6.90	6.90
Shareholders' equity per share before dilution, SEK	48.33	50.86	48.33	50.86	48.33	49.87
Shareholders' equity per share after dilution, SEK	48.24	50.86	48.24	50.86	48.24	49.87
Cash flow per share before dilution, SEK	2.88	4.64	3.09	4.16	7.88	8.96
Cash flow per share after dilution, SEK	2.88	4.64	3.08	4.16	7.87	8.96
Number of shares before dilution	57,968	57,968	57,968	57,968	57,968	57,968
Number of shares after dilution	58,071	57,968	58,071	57,968	58,071	57,968
Average number of shares before dilution	57,968	57,968	57,968	57,968	57,968	57,968
Average number of shares after dilution	58,028	57,968	58,028	57,968	57,968	57,968

* Non IFRS, adjusted for items affecting comparability and for impairment of goodwill as well as amortization and impairment of other intangible assets that arose in conjunction with company acquisitions.

Net sales per segment

<i>SEKm</i>	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Jan-Dec 2015
Sweden	478	521	1,567	1,582	2,191	2,207
Finland	404	346	1,022	915	1,372	1,266
Denmark	290	256	697	677	980	960
EBE	210	146	486	394	652	561
Norway	62	57	165	185	214	234
Other	126	133	409	416	547	555
Group-wide and eliminations	-125	-133	-382	-421	-523	-562
Total	1,446	1,326	3,964	3,750	5,434	5,220

Quarterly review

<i>SEKm (unless otherwise stated)</i>	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net sales	1,446	1,470	1,048	1,470	1,326	1,376	1,047	1,421	1,287
Operating EBITA	202	208	37	185	195	180	29	176	171
Operating EBITA margin (%)	14.0	14.2	3.5	12.6	14.7	13.1	2.7	12.4	13.3
EBITA	212	202	27	76	195	180	29	176	150
EBITA margin (%)	14.7	13.8	2.5	5.2	14.7	13.1	2.7	12.4	11.6
Return on shareholders' equity (%)	10.1	10.0	9.8	10.4	14.5	14.2	9.9	6.8	4.1
Earnings per share before dilution, SEK	5.01	2.51	0.04	5.10	5.10	2.72	0.34	3.12	1.23
Earnings per share after dilution, SEK	5.01	2.51	0.04	5.10	5.10	2.72	0.34	3.12	1.23
Shareholders' equity per share before dilution, SEK	48.33	49.75	50.33	49.87	50.86	47.90	47.81	48.17	45.39
Shareholders' equity per share after dilution, SEK	48.28	49.75	50.33	49.87	50.86	47.90	47.81	48.17	45.39
Cash flow per share before dilution, SEK	2.88	3.15	-2.95	4.80	4.64	1.76	-2.24	5.34	1.12
Cash flow per share after dilution, SEK	2.88	3.15	-2.95	4.80	4.64	1.76	-2.24	5.34	1.12
Share price, SEK	116.00	94.00	100.00	111.00	86.25	90.25	89.50	67.75	65.50

Net sales per segment

<i>SEKm</i>	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Sweden	478	615	474	624	521	611	450	573	467
Finland	404	382	235	350	346	312	257	377	376
Denmark	290	242	165	283	256	239	182	272	234
EBE	210	158	117	166	146	138	110	131	136
Norway	62	62	41	49	57	74	55	87	98
Other	126	151	131	139	133	154	130	141	126
Group-wide and eliminations	-125	-141	-116	-141	-133	-152	-137	-160	-152
Total	1,446	1,470	1,048	1,470	1,326	1,376	1,047	1,421	1,287

Summary consolidated statement of comprehensive income

<i>Amounts in SEKm</i>	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Jan-Dec 2015
Net sales	1,445.8	1,326.4	3,963.8	3,749.9	5,433.9	5,220.1
Cost of goods sold	-1,026.7	-945.0	-2,867.7	-2,768.6	-4,036.3	-3,937.2
Gross profit	419.1	381.4	1,096.0	981.3	1,397.6	1,282.9
Other operating income	16.7	0.0	22.6	5.8	27.4	10.6
Selling expenses	-131.4	-108.6	-385.2	-335.6	-518.3	-468.7
Administrative expenses	-83.7	-72.3	-256.7	-221.5	-359.4	-324.2
Research and development expenses	-7.8	-9.3	-27.7	-28.0	-38.9	-39.3
Other operating expenses	-3.6	2.5	-12.9	-1.8	-13.5	-2.4
Share of profit of associated companies	0.0	0.7	0.4	1.3	0.3	1.2
Operating profit (EBIT)	209.3	194.4	436.4	401.4	495.1	460.2
Financial income	1.3	2.3	2.5	7.2	3.4	7.8
Financial expenses	-14.4	-27.9	-48.2	-41.0	-54.7	-47.1
Net financial items	-13.1	-25.7	-45.7	-33.8	-51.3	-39.3
Profit before tax	196.2	168.7	390.6	367.6	443.8	420.8
Tax expense	-43.7	-30.7	-91.2	-71.7	-144.7	-125.2
Profit after tax	152.5	138.1	299.4	295.9	299.2	295.7
Other comprehensive income						
Items reallocated to, or that can be reallocated to profit for the year						
Translation differences, foreign operations	50.6	33.7	112.4	-23.5	55.0	-80.8
Total other comprehensive income after tax	203.1	171.8	411.8	272.4	354.2	214.8
Profit after tax attributable to:						
Parent Company shareholders	145.1	138.1	290.4	295.8	290.2	295.6
Non-controlling interest	7.4	0.0	9.0	0.1	9.0	0.1
Other comprehensive income attributable to:						
Parent Company shareholders	194.6	171.8	401.6	272.3	344.0	214.8
Non-controlling interest	8.5	0.0	10.2	0.1	10.2	0.1
Average number of shares before dilution	57967528	57967528	57967528	57967528	57967528	57967528
Average number of shares after dilution	58028464	57967528	58028464	57967528	57982762	57967528
Number of shares before dilution	57967528	57967528	57967528	57967528	57967528	57967528
Number of shares after dilution	58071472	57967528	58071472	57967528	58071472	57967528
Earnings per share before dilution, SEK	2.50	2.38	5.01	5.10	5.01	5.10
Earnings per share after dilution, SEK	2.50	2.38	5.01	5.10	5.01	5.10

Summary consolidated statement of financial position

<i>Amounts in SEKm</i>	Sep 2016	Sep 2015	Dec 2015
ASSETS			
Intangible assets	3,954.8	3,263.5	3,239.5
Tangible assets	758.0	635.3	628.9
Participations in associated companies	8.4	11.2	11.2
Financial assets	5.4	2.4	4.9
Deferred tax assets	77.9	77.2	74.2
Other non-current assets	37.1	38.6	34.8
Total non-current assets	4,841.4	4,028.3	3,993.4
Inventories	492.5	456.1	400.8
Trade receivables	742.1	662.5	419.4
Other receivables	200.5	159.3	147.9
Cash and equivalents	233.6	101.0	244.6
Total current assets	1,668.7	1,379.0	1,212.6
TOTAL ASSETS	6,510.1	5,407.3	5,206.0
EQUITY AND LIABILITIES			
Share capital	231.9	231.9	231.9
Other capital provided	946.0	943.5	943.5
Other reserves	78.2	24.4	-33.0
Profit brought forward including profit for the year	1,545.3	1,748.8	1,748.6
Shareholders' equity attributable to Parent Company shareholders	2,801.4	2,948.5	2,891.0
Non-controlling interest	79.3	-0.1	-0.1
Total equity	2,880.6	2,948.4	2,890.9
	0	0	0
Interest-bearing liabilities	2,001.5	1,118.0	1,090.3
Deferred tax liabilities	123.8	86.3	86.8
Non-interest-bearing liabilities	27.9	9.2	9.5
Total non-current liabilities	2,153.2	1,213.5	1,186.6
Interest-bearing liabilities	202.6	102.2	47.5
Non-interest-bearing provisions	71.5	28.7	108.9
Non-interest-bearing liabilities	1,202.2	1,114.4	972.1
Total current liabilities	1,476.3	1,245.4	1,128.5
TOTAL EQUITY AND LIABILITIES	6,510.1	5,407.3	5,206.1

Summary consolidated statement of changes in equity

Shareholders' equity attributable to Parent Company shareholders							
<i>Amounts in SEKm</i>	Share capital	Other capital provided	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity, opening balance 2015-01-01	231.9	943.5	47.8	1,569.4	2,792.5	0.8	2,793.3
<i>Comprehensive income</i>							
Profit for the period				295.8	295.8	0.1	295.9
Change in translation reserve for the year			-23.5		-23.5	0.0	-23.5
Total comprehensive income for the period			-23.5	295.8	272.3	0.1	272.4
<i>Transactions with the Group's owners</i>							
Dividend				-115.9	-115.9	-	-115.9
Acquisition/divestment of participation in non-controlling interests				-0.4	-0.4	-1.0	-1.4
Other changes in wealth				0.0	0.0	0.0	0.0
Total Transactions with the Group's owners	-	-	-	-116.4	-116.4	-1.0	-117.4
Equity, closing balance 2015-09-30	231.9	943.5	24.4	1,748.8	2,948.5	-0.1	2,948.4
Equity, opening balance 2016-01-01	231.9	943.5	-33.0	1,748.7	2,891.0	-0.1	2,890.9
<i>Comprehensive income</i>							
Profit for the period				290.4	290.4	9.0	299.4
Change in translation reserve for the year			111.2		111.2	1.2	112.4
Total comprehensive income for the period			111.2	290.4	401.6	10.2	411.8
<i>Transactions with the Group's owners</i>							
Paid w warrant		1.7			1.7	-	1.7
Convertible loan		0.8			0.8	-	0.8
Dividend				-144.9	-144.9	-	-144.9
Acquisition/divestment of participation in non-controlling interests					-	69.2	69.2
Issued Put option/ forward				-348.6	-348.6	-	-348.6
Other changes in wealth				-0.2	-0.2	0.0	-0.2
Total Transactions with the Group's owners	-	2.6	-	-493.8	-491.2	69.2	-422.0
Equity, closing balance 2016-09-30	231.9	946.0	78.2	1,545.3	2,801.4	79.3	2,880.6

Summary consolidated cash flow statement

<i>Amounts in SEKm</i>	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Jan-dec 2015
Operating activities						
Profit before tax	196.2	168.7	390.6	367.6	443.8	420.8
Adjustment for items not included in cash flow:						
- Depreciation/amortisation and impairment of assets	36.8	29.8	95.7	87.9	149.7	141.9
- Provisions	-6.6	-1.8	-37.1	-10.0	42.2	69.3
- Unrealised exchange rate differences	-13.6	-5.2	-24.0	4.3	-12.1	16.2
- Capital gains	-0.2	-0.4	-1.3	-0.9	-1.4	-1.0
- Change in value, derivatives	2.2	-1.8	11.7	-6.5	11.9	-6.3
Participations in profit of associated companies	0.0	-0.6	-0.4	-1.1	-0.4	-1.2
Income tax paid	-13.7	-18.9	-76.5	-47.6	-135.1	-106.2
Cash flow from operating activities before changes in working capital	201.3	169.8	358.7	393.6	498.6	533.5
Changes in working capital						
Increase(-)/decrease(+) in inventories	9.1	18.8	-42.8	-43.5	15.7	14.9
Increase(-)/decrease(+) in operating receivables	-24.5	-43.2	-227.7	-240.8	-21.2	-34.3
Increase(+)/decrease(-) in operating liabilities	-18.9	123.4	90.7	131.9	-36.0	5.2
Cash flow from operating activities	167.0	268.8	178.8	241.2	457.1	519.4
Investing activities						
Acquisitions of tangible fixed assets	-25.7	-27.5	-95.0	-80.0	-128.4	-113.4
Divestments of tangible fixed assets	0.3	0.7	10.6	2.2	10.9	2.5
Acquisitions of intangible assets	-11.8	-5.6	-28.7	-20.8	-36.5	-28.6
Acquisitions of subsidiary, net of cash	-191.8	0.0	-364.2	0.0	-401.0	-36.8
Change in financial assets	-1.1	-2.4	-0.6	-4.2	-2.9	-6.5
Cash flow from investing activities	-230.1	-34.8	-477.8	-102.8	-557.9	-182.9
Financing activities						
Acquisition of non-controlling interest	0.0	0.0	0.0	-1.3	0.0	-1.3
Dividends to parent company shareholders	0.0	0.0	-144.9	-115.9	-144.9	-115.9
Increase loans	163.5	-137.3	626.9	24.4	608.8	6.3
Amortisation of loans	-12.4	-0.8	-195.9	-23.9	-228.8	-56.8
Amortisation of leasing liability	-0.3	-5.4	-1.4	-7.8	-3.1	-9.5
Received warrant/ convertible loan	2.6	0.0	2.6	0.0	2.6	0.0
Cash flow from financing activities	153.4	-143.5	287.3	-124.6	234.6	-177.3
Cash flow for the period	90.3	90.5	-11.7	13.8	133.7	159.2
Cash and equivalents at the beginning of the period	144.1	10.7	244.6	87.6	101.0	87.6
Exchange rate difference in cash and equivalents	-0.8	-0.2	0.7	-0.4	-1.1	-2.2
Cash and equivalents at the end of the period	233.6	101.0	233.6	101.0	233.6	244.6

Summary income statement, Parent Company

<i>Amounts in SEKm</i>	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Last 12 months	Jan-Dec 2015
Net sales	12.7	15.9	46.7	44.9	70.4	68.6
Gross profit	12.7	15.9	46.7	44.9	70.4	68.6
Administrative expenses	-12.3	-18.0	-46.7	-49.2	-69.0	-71.4
Other operating income	0.0	0.0	0.1	0.6	0.0	0.1
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	0.4	-2.1	0.1	-3.7	1.4	-2.7
<i>Result from financial items:</i>						
Participations in earnings of Group companies	0.0	0.0	0.0	96.4	-45.1	51.3
Other interest income and similar profit/loss items	6.8	6.4	14.5	18.7	19.8	24.4
Interest expense and similar profit items	-10.2	-25.9	-33.3	-30.4	-34.4	-31.5
Profit after financial items	-3.0	-21.5	-18.7	81.0	-58.3	41.5
Group contribution	0.0	0.0	0.0	0.0	239.1	239.1
Difference between depreciation/ amortisation according to plan and reported depreciation/amortisation	0.0	0.0	0.0	0.0	0.0	0.0
Profit before tax	-3.0	-21.5	-18.7	81.0	180.9	280.6
Tax expense	0.7	5.3	5.4	4.0	-48.6	-50.0
Profit for the period	-2.3	-16.3	-13.4	85.0	132.3	230.6

Summary balance sheet, Parent Company

<i>Amounts in SEKm</i>	Sep 2016	Sep 2015	Dec 2015
ASSETS			
Intangible non-current assets	0.4	0.8	0.7
Tangible non-current assets	0.0	0.1	0.1
Participations in Group companies	2,043.9	1,943.9	2,043.9
Participations in associated companies	1.1	1.0	1.1
Receivables from Group companies	1,447.3	1,029.0	1,169.8
Deferred tax asset	5.5	3.9	4.5
Other non-current assets	2.6	0.0	2.6
Total non-current assets	3,500.9	2,978.7	3,222.6
Receivables from Group companies	0.2	0.1	64.6
Prepaid expenses and accrued income	0.8	0.3	1.3
Other receivables	38.9	80.5	0.0
Cash and equivalents	0.0	0.0	146.5
Total current assets	39.8	80.8	212.4
TOTAL ASSETS	3,540.7	3,059.6	3,435.0
EQUITY AND LIABILITIES			
Equity	1,494.0	1,504.1	1,649.8
Total equity	1,494.0	1,504.1	1,649.8
Accumulated depreciation/amortisation in addition to plan	0.4	0.4	0.4
Untaxed reserves	0.4	0.4	0.4
Liabilities to Group companies	243.1	366.2	628.0
Interest-bearing liabilities	1,618.1	1,113.2	1,085.8
Deferred tax liabilities	0.0	0.0	0.0
Other liabilities	25.2	6.5	7.8
Total non-current liabilities	1,886.4	1,486.0	1,721.6
Liabilities to Group companies	1.1	0.0	0.4
Interest-bearing liabilities	132.8	43.4	0.0
Non-interest-bearing liabilities	26.0	25.6	62.9
Total current liabilities	159.9	69.1	63.3
TOTAL EQUITY AND LIABILITIES	3,540.7	3,059.6	3,435.0

Notes

Note 1 - Accounting principles

This summary consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act, Chapter 9, Interim Financial Reporting. The Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. For the Group and the Parent Company, the same accounting policies and bases of calculation have been applied as in the most recent annual report 2015 Note 1, with the exception of the amended accounting policy described below that the Group has applied since 1 January 2016. The amendment has been applied retrospectively in accordance with IAS 8.

In transactions with non-controlling interests, in connection with acquisitions or at another time, the company has opted to apply the Present Access Method (PAM) for such transactions where non-controlling interests continued to be exposed to the return linked to their holdings. This entails a choice of accounting policy for such transactions. An issued put option or forward linked to non-controlling interests are thereby recognized separately from non-controlling interests as a liability and in Group equity at fair value. The subsequent change in fair value on forwards is recognized in the income statement while changes in fair value on issued put options are recognized in Group equity.

Disclosures in accordance with IAS 34.16A are presented in the financial statements and their associated notes as well as the other parts of the interim report.

The financial reports are presented in SEK, rounded off to the nearest hundred thousand, unless otherwise stated. This process of rounding off can result in the total of the sub-items in one or more rows or columns not corresponding to the sum total for the row or column.

Note 2 – Alternative key ratios

In this report, some alternative financial key ratios are presented in addition to the conventional financial key ratios established by IFRS with the aim of better understanding the development of the business and the financial status of the Inwido Group. However, such key ratios should not be viewed as a substitute for the key ratios required in accordance with IFRS. The alternative key ratios presented in this report are described in the section “Definitions of alternative key ratios not defined by IFRS”.

Note 3 – Risks and uncertainties

Inwido’s operations are subject to various risks. Operational risks can be divided into operational, financial and external risks. Operational risks involve, among other things, risks related to losses on account receivable, warranty and product liability, key personnel, interruptions in production, IT systems, intellectual property rights, product development, restructuring, acquisitions and integration, insurance and corporate governance. The financial risks primarily involve changes in exchange rates and interest rates, liquidity risk, capacity to raise capital, financial credit risks and risks associated with goodwill. External risks involve, among other things, risks related to market trends, competition, commodity prices, political decisions, legal disputes, tax and environmental risks.

Risk management in Inwido is based on a structured process for the continuous identification and assessment of risks, their probabilities and potential impacts on the Group. The focus is on identifying controllable risks and managing them to thereby mitigate the overall level of risk in the operations. The risks are described in the Group’s Annual Report for 2015. Beyond these, not significant additional risks or uncertainties have arisen.

Note 4 – Acquisitions and disposals

On 12 May 2016, the acquisition of 82.77 percent of shares and votes in the company Värmelux OY was completed for SEK 188.9 million, of which SEK 188.9 million was paid in cash in connection with the takeover. Inwido issued a put option regarding the remaining 17.23 percent of the shares, which are held by senior executives in Värmelux. The put option gives the minority shareholders the right, but not the obligation to gradually divest their shares to Inwido over two defined periods of time until 31 March 2019. Inwido also has a call option that gives Inwido the right, but not the obligation to acquire any outstanding shares during the period 1 April - 31 May 2019. The goodwill amount includes the value of market awareness and future purchasing synergies. Of the goodwill amount of SEK 329.2 million, SEK 129.9 million arose in connection with Inwido's acquisitions. No portion of goodwill is expected to be tax deductible. The previously reported acquisition analysis was revised in Q3 and the surplus value in customer relationships was identified at an amount of SEK 36.5 million as an intangible asset and the value of goodwill correspondingly decreased to SEK 329.2 million.

If the acquisition had occurred by 1 January 2016, company management estimates that the acquired company's external revenues would have been SEK 237.6 million and operating EBITA would have had a positive impact in an amount of SEK 35.5 million. Acquisition-related costs amounted to SEK 5.7 million in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as other operating expenses in the income statement and statement of other comprehensive income for the Parent Company, Inwido Finland OY.

On 29 July, the acquisition was concluded of 100 percent of the shares in the British window and door company CWG Choices Ltd for SEK 195.7 million, of which SEK 195.7 million was paid in cash in connection with the take-over. In connection with the acquisition, intangible assets were identified in customer relationships. The remaining surplus value is goodwill. The goodwill amount includes the value of market awareness. No portion of goodwill is expected to be tax deductible.

If the acquisition had occurred by 1 January 2016, company management estimates that the acquired company's external revenues would have been SEK 209.0 million and operating EBITA would have had a positive impact in an amount of SEK 26.2 million. Acquisition-related costs amounted to SEK 3.4 million in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as other operating expenses in the income statement and statement of other comprehensive income for the Parent Company, Inwido UK Ltd.

On 16 August 2016, the acquisition of 25 percent of shares and votes in the company Outrup Vinduer & Døre A/S was completed for SEK 68.3 million, of which SEK 68.3 million was paid in cash in connection with the takeover. The parties have entered into a binding agreement where Inwido has the obligation to acquire the remaining shares, and the seller the obligation to divest the remaining shares during a time period until the end of January 2019. The acquisition agreement together with the shareholder agreement gives Inwido controlling influence and Outrup is thereby consolidated in its entirety as of August 2016. In connection with the acquisition, intangible assets were identified in customer relationships. The remaining surplus value is goodwill. The goodwill amount includes the value of market awareness and future purchasing synergies. No portion of goodwill is expected to be tax deductible.

If the acquisition had occurred by 1 January 2016, company management estimates that the acquired company's external revenues would have been SEK 178.1 million and operating EBITA would have had a positive impact in an amount of SEK 23.7 million. Acquisition-related costs amounted to SEK 4.2 million in the form of consulting fees in connection with the acquisition process. These consulting expenses have been recognized as other operating expenses in the income statement and statement of other comprehensive income for the Parent Company, Inwido Denmark A/S.

On 1 July 2016, the acquisition of 100 percent of shares and votes in the company Klas 1-Yhtiöt OY was completed for SEK 1.2 million, of which SEK 1.2 million was paid in cash in connection with the takeover. The acquisition increase goodwill in the Parent Company, Inwido Finland OY, by SEK 1.5 million.

The acquired companies' net assets on the acquisition date:

<i>Amounts in SEKm</i>	Apr 2016	Aug 2016	Aug 2016
	Värmelux OY	CWG Choices Ltd	Outrup Vinduer & Døre A/S
Intangible assets	39.9	47.5	62.8
Tangible assets	3.3	28.2	79.0
Inventories	16.9	10.4	20.1
Trade and other receivables	28.3	31.5	16.5
Deferred tax asset	-	-	-
Cash and equivalents	16.6	73.3	0.0
Trade and other payables	-238.1	-37.8	-67.1
Deferred tax liabilities	-7.3	-9.7	-18.3
Net assets and liabilities	-140.3	143.3	93.0
Non-controlling interest	-	-	69.7
Goodwill	329.2	52.3	45.0
Consideration transferred	188.9	195.7	68.3

The acquisition analysis is preliminary, meaning that fair value has not been conclusively determined for all items. For further information regarding the acquisitions, please refer to page 6 in this report.

Note 5 – Financial instruments

Financial instruments are valued at fair value in the Consolidated statement of comprehensive income. The balance sheet item 'Financial investments' contains the Group's holdings of unlisted securities. The cost for these has been deemed to be a reasonable approximation of their value.

<i>Amounts in SEKm</i>	Sep 2016		Sep 2015		
	Level 2	Level 3	Level 2	Level 3	
Assets					
Non-current receivables - derivative	0.8	-	3.6	-	Level 1: according to prices noted in an active market for the same instrument
Current receivables - derivative	-	-	-	-	Level 2: based on directly or indirectly observable market data not included in Level 1
	0.8	-	3.6	-	Level 3: based on input data not observable in the market
Skulder och avsättningar					
Non-current liabilities - derivative	8.6	-	3.7	-	
Current liabilities - derivative	3.3	-	-	-	
Non-current liabilities - Acquisition-related	-	353.9	-	-	
	11.9	353.9	3.7	-	

*Amounts in SEKm***Acquisition-related liabilities**

Fair value 2016-01-01	5.2
Acquisition-related liabilities	348.6
Translation differences	4.5
Total recognized gains and losses:	
- Reported in equity	0.2
- Reported in profit for the period*	-4.7
Fair value 2016-09-30	353.9
Fair value 2016-01-01	0.0
Options issued	0.0
Options purchased	0.0
Total recognized gains and losses:	
- Reported in profit for the period*	0.0
Fair value 2016-09-30	0.0

*The acquisition-related liability is reported in other operating income and the interest is reported in financial items for the period

Acquisition-related liabilities totalling SEK 353.9 million are related to the acquisitions of Värmelux Oy and Outrup Vinduer & Døre A/S. The liability for Värmelux Oy relates to the present value calculation of the estimated future purchase consideration for the underlying shares pertaining to the put options that Inwido Finland Oy issued to the minority shareholders. The liability for Outrup Vinduer & Døre A/S relates to the present value calculation of the estimated future purchase consideration for the forward that is regulated in the acquisition agreement between Inwido Denmark A/S and the majority shareholders. The acquisition liability related to the acquisition of Jack Brunsdon Ltd. has been taken up as income during the period. For a description of the measurement techniques and input data in the measurement of financial instruments at fair value, see Note 2 in the Annual Report for 2015. For other financial assets and liabilities in the Group, the carrying amounts represent a reasonable approximation of their fair values. For a specification of such financial assets and liabilities, please see Note 2 in the Annual Report for 2015.

Review report

To the Board of Directors of Inwido AB (publ)

Corporate identity number 556633-3828

Introduction

We have reviewed the summary interim financial information (the interim report) of Inwido AB (publ) as of 30 September 2016 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Orientation and scope of the review

We have performed this review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists in making enquiries, primarily among persons responsible for financial matters and accounting issues, and performing analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards. The procedures performed consequently do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. The stated conclusion based on a review therefore does not have the certainty that an expressed opinion based on an audit has.

Conclusion

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

Malmö, 24 October 2016

Thomas Forslund
Authorized Public Accountant

KPMG AB

Definitions of alternative key ratios not defined by IFRS

Income measures

Organic growth	Net sales including acquired growth in the current period divided by net sales including pro forma acquired growth during the year-before period. The change is adjusted for exchange rate fluctuations by applying the current period's exchange rates to pro forma net sales during the year-before period.
EBITDA	Operating profit before depreciation and impairment (earnings before interest, tax and amortisation)
Operating EBITDA	EBITDA before items affecting comparability
EBITA	Operating profit after depreciation, amortisation and impairment but before deduction for impairment of goodwill as well as amortisation and impairment of other intangible assets that arose in conjunction with company acquisitions (Earnings Before Interest, Tax and Amortisation)
Operating EBITA	EBITA before items affecting comparability
Items affecting comparability	Items affecting comparability relates to income statement items that are non-recurring, have a significant impact on profit and are important for understanding the underlying development of operations.

Margin measures

Gross margin	Gross profit as a percentage of net sales for the period
EBITDA margin	EBITDA as a percentage of net sales for the period
Operating EBITDA margin	Operating EBITDA as a percentage of net sales for the period
EBITA margin	EBITA as a percentage of net sales for the period
Operating EBITA margin	Operating EBITA as a percentage of net sales for the period

Capital structure

Net debt	Interest-bearing liabilities and interest-bearing provisions less interest-bearing assets, including cash and equivalents
Net debt/operating EBITDA	Net debt in relation to operating rolling twelve month (RTM) EBITDA
Net debt/equity ratio	Net debt in relation to shareholders' equity
Interest coverage ratio	Profit after net financial items plus financial expenses in relation to financial expenses
Equity/assets ratio	Shareholders' equity including non-controlling interests as a percentage of total assets
Capital employed	Total assets less non-interest-bearing provisions and liabilities
Operating capital	Total assets less cash and equivalents, other interest-bearing assets and non-interest-bearing provisions and liabilities

Return measures (RTM)

<i>Calculation basis for average capital</i>	<i>Opening balance plus closing balance for relevant 12-month periods divided by two</i>
Return on shareholders' equity	Profit after tax rolling 12 months (RTM) attributable to the Parent Company's shareholders as a percentage of average shareholders' equity, excluding non-controlling interest
Return on capital employed	Profit after net financial items plus financial expenses rolling 12 months (RTM) as a percentage of average capital employed
Return on operating capital	Operating profit rolling 12 months (RTM) as a percentage of average operating capital

Share data

Cash flow per share before/after dilution	Cash flow from operating activities divided by the weighted average number of shares outstanding for the period before/after dilution (weighted average calculated based on the number of outstanding shares at the end of the respective month during the period in question)
Shareholders' equity per share before/after dilution	Shareholders' equity attributable to Parent Company shareholders divided by the number of shares outstanding at the end of the period before/after dilution.

About Inwido

Inwido is Europe's largest supplier of windows and doors, with some 20 different brands. Inwido has operations in Denmark, Finland, Norway, Sweden Estonia, Ireland, Lithuania, Poland, the UK, Germany and Austria, as well as exports to a large number of other countries. In 2015, Inwido had sales of slightly more than SEK 5.2 billion.

Our vision:

To be the consumer driven leading, role model within windows and doors with accessories in Europe.

Our mission:

Improving life at home.

Our values:

Consumer in mind | Courage to improve | Competent people at hand

Our strategy

Around 70 percent of Inwido's sales are to consumers through various sales channels. The remaining sales are to industry players, such as building companies and manufacturers of prefabricated homes. For us, the end users will always be the common denominator. We have therefore chosen a consumer-focused strategy. Our strategic ambitions are:

Market – European consumer driven company

- To create a consumer-driven company with top-class sales and marketing.
- To grow profitably in selected European markets, segments and distribution channels.

Products – New smart products and concepts

From an end user perspective develop next generation's smart and innovative window and door concept together with accessories for:

- Lower cost of living
- Green environment
- Smart design
- Higher security
- Better user-friendliness

Efficiency – One Group efficiency

- In ONE coordinated group with the right leadership, cooperation and a lean approach together reach maximum operational efficiency. To strive to always have the best people and competences for operations.
- Strive to have the best people and competencies for the business.

Shares in Inwido AB (publ) are listed on the Nasdaq Stockholm exchange under the ticker "INWT".

Financial calendar

Year-end report, January-December 2016	2 February 2017
Annual Report 2016.....	April 2017
Interim report, January-March 2017	24 April 2017
Annual General Meeting 2017	9 May 2017
Interim report, January-June 2017	17 July 2017
Interim report, January-September 2017	23 October 2017

This information is such that Inwido AB (publ) is obliged to publish in accordance with the EU market abuse regulation and the Swedish Securities Market Act. The information was submitted by the below contact persons for publication on 24 October 2016 at 7:45 a.m. CET.

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