Interim Report
January – March 2015

FIRST QUARTER 2015

- Sales increased with 6.2% compared with the same period last year. Growth adjusted for last year's currency rates was 4.1%. Winter was again mild as last year, limiting freeze related damages. Order backlog is 20% higher than last year.
- Operating profit before amortization and non-recurring items (EBITA before NRI) amounted to EUR 4.4 million, which was an improvement of 13%. The result in Europe improved with 60%. North America is below last year which was influenced by the 2013 Polar Vortec which caused a lot of freeze damages and the scope in the large US project (NYCHA) was reduced.
- Operating profit (EBITA) amounted to EUR 4.4 million (3.1).
- During the annual audit, which took place after the release of the interim report for 2014, the margin in the NYCHA project was revaluated. The result of the revaluation was a loss on the project and EUR 1.9 million was therefore booked in 2014. The work on the project was finalised late April and the remaining administrative work is anticipated to take 8 weeks.
- In January Polygon UK acquired Harwell Document Restoration Services Ltd. Harwell is specialized in document restauration with annual sales of EUR 2.3 million.
- On 12 January 2015, Lucas Hendriks was appointed as the new Chairman of the Board. Kai Andersen joined Polygon in January as the new country president Norway. After the closing of Q1 Andreas Weber has replaced Rene Just as country president Germany and Mark Murphy has replaced John Campanelli as country president US.

Amounts in brackets in this report refer to the corresponding period in the previous year.

111.0 Million
(104.5)
Net sales

4.4 Million
(3.9)
EBITA (before NRI)

Q1

GROUP KEY FIGURES

EUR million	Q1		12 Months	
	2015	2014	2014	LTM
Sales	111.0	104.5	419.1	425.6
EBITDA	6.7	5.3	13.4	14.8
EBITA	4.4	3.1	4.6	5.9
EBITA %	4.0	3.0	1.1	1.4
EBITA before NRI	4.4	3.9	11.8	12.3
EBITA before NRI %	4.0	3.7	2.8	2.9
Earnings per share	0.65	-0.03	-1.90	-0.03
Cash flow from operating activities	0.7	1.5	10.0	9.2
Net debt	107.3	91.6	101.7	107.3
Full time employees	2,788	2,799	2,840	2,829

POLYGON

Comments from the CEO

With the basics in place, we are beginning to see results

Evert Jan Jansen,
President and CEO

2014 was a challenging year for Polygon as we faced a significant downturn in the second and third quarters, largely due to very unfavourable weather conditions for our core business. Apart from the problems in the large project in US resulting in a loss, the last quarter in 2014 showed a good trend in most countries. Q1 2015 confirms that development and we conclude that all countries with new management have improved performance.

The operating result (EBITA before NRI) improved in Q1 with 13% versus last year which is encouraging and a result of dedicated work on the basics. We have not been helped by the weather which as last year has been too mild for the season.

We are better prepared to meet the challenges in Q2 which historically is our weakest quarter. The backlog is better than last year and the improvement actions should give positive effects both on the project margin side as on the cost side. Germany improved its performance during 2013 but plateaued in 2014 and therefore was not as good as expected. In April we changed the country president and have put a restructuring program in place focusing on improving the efficiency which will show positive effects during 2015.

North America struggles from a lack of hurricanes and was positively impacted by the Polar Freeze in late December 2013. Some good projects are coming in but as in Germany we have put improvement actions in place. The large project (NYCHA) is of a disappointment both with the effects in 2014 and well managed it should have contributed a lot in the first half year 2015. In May we changed the country president in US and decided to focus the business on the profitable TCS activity.

Short term outlook

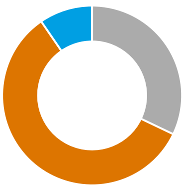
Improved backlog, new framework agreements and effects from productivity measurements should partly compensate for the low activity in the second quarter. We expect reduced indirect cost levels from the restructuring projects in US and Germany.

Market development

There are several market trends in the property damage restoration market that benefit larger players like Polygon such as: the centralization of procurement, the customer preference for end-to-end solutions and the more complex requirements for front-end IT systems. Global warming is gradually increasing rainfall levels and extreme weather which consequently will increase water damages.

Part of Polygon's business is dependent on extraordinary weather elements. Markets such as the US normally witness several hurricanes with consequent property damages.

Sales per Region LTM (%)



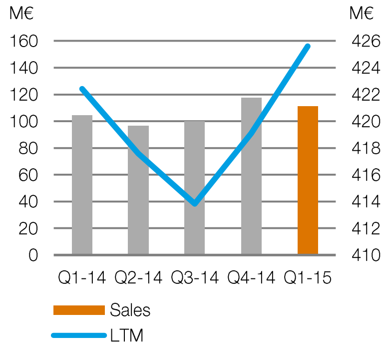
Net sales and profit for the first quarter 2015

Consolidated sales amounted to EUR 111.0 million - an increase of 6.2% compared to the same quarter last year. Organic growth excluding exchange rate and acquisition effects amounted to 3.5%. Europe shows a growth of 6% while North America is in local currency 13% below last year's sales mostly due to a decrease of 45% in Canada. Order backlog for the group improved with 20% versus last year.

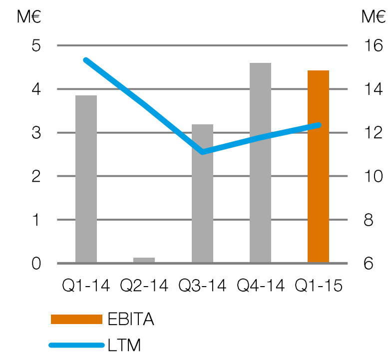
Operating profit for the group before amortization and non-recurring items (EBITA before NRI) amounted to EUR 4.4 million (3.9) - an improvement of 13% versus the same period last year. Earnings have been positively impacted compared to last year in most markets as an effect of last year's restructuring programs. Germany is on the same level as last year and has not showed the required improvement. North America is behind last year as the mix is unfavourable with less TCS sales than expected and low margin in the large NYCHA project. Restructuring cost in Q1 is on a low level, EUR 43 thousands versus 716 last year, but will increase with the planed actions in Germany and US starting in Q2.

Net financial income for the period amounted to EUR 0.8 million including exchange rates gains of EUR 2.6 million (loss 2.0). Profit before tax for the period amounted to EUR 3.8 million (loss 0.2), and net profit was EUR 3.7 million (loss 0.1).

Sales development



EBITA before NRI



Cash flow and financing

Cash flows from operating activities during the first quarter of 2015 amounted to EUR 0.7 million (1.5) and cash flows before financing activities amounted to EUR -1.8 million (-0.2). Due to the NYCHA-project and building up of work in progress, as part of the high business activity late in the quarter, working capital has increased since year-end.

Total interest-bearing net debt amounted to EUR 107.3 million (December 2014: 101.7).

Equity amounted to EUR 45.6 million (December 2014: 42.4).

The Group's liquidity buffer amounted to EUR 26.5 million (December 2014: 31.9), comprising cash and cash equivalents of EUR 16.1 million (December 2014: 21.5) and unutilised contracted loan commitments of EUR 10.4 million. (December 2014: 10.4)

Capital expenditure

Capital expenditure during the first quarter of 2015 amounted to EUR 2.5 million (1.7).

Parent company

The consolidated figures in the report are presented at the consolidated level of Polygon AB. The parent company, Polygon AB (corporate registration number 556816-5855), directly and indirectly holds 100% of the shares in all subsidiaries in the Group, except for the company in Denmark of which the non-controlled interest is 24.2% Net income for Polygon AB for the first quarter amounted to a loss of EUR 63 thousands (profit 42).

Most significant risks and uncertainty factors

Around 75% of Polygons business is property damage control following a seasonal pattern of predictable demand. The remaining 25% is related to more extreme and less predictable events caused by weather and fire. The frequency of property damage can vary depending on circumstances beyond Polygon's control, the outdoor temperature and weather. Since part of Polygon's cost structure is fixed, the proceeds of the operations are to some extent unpredictable and vary from time to time.

Polygon is to a large extent dependent on its key customers, the insurance companies, and must maintain mutually beneficial relationships with them to compete effectively. Our top ten customers comprise about 30% of Polygon´s sales, with the newest customer on the top-ten list representing a seven-year relationship.

For further elaboration of the Group's risk and uncertainty factors, please refer to the 2014 Annual Report.

Polygon's view is that there have not been any significant changes during the reporting period with regards to risks and factors of uncertainty that were presented in the Annual Report.

Related-party transactions

The Group is under the controlling influence of Polygon Holding AB, the Parent Company of Polygon AB. Polygon Holding AB is under the controlling influence of MuHa No2 LuxCo S.á.r.l. There are no material transactions with companies in which MuHa No2 LuxCo S.á.r.l has significant or controlling influence.

Accounting policies

The interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act.

The Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU, and the Swedish Annual Accounts Act.

The accounting policies applied in this interim report is the same as those applied in the consolidated annual accounts for 2014. More specified accounting policies can be found on page 10-16 in the Annual Report for 2014.

A number of standards and changes of standards are in effect from January 1, 2015. Polygon does not intend to apply them beforehand and the overall assessment is that they will have no major impact on the Group's result or position.

The term "IFRS" used in this document comprises the application of IAS and IFRS as well as the interpretation of these standards published by IASB's Standards Interpretation Committee (SIC) and International Reporting Interpretations Committee (IFRIC).

The undersigned assures that this interim report gives a true and valid overview of the Parent Company and the Group's business, position and results, describing essential risk and uncertainty factors that the Parent Company and its subsidiaries face.

Stockholm, 26 May 2015

Evert Jan Jansen
President and CEO

Segment Reporting

Segment information is presented based on the company management's perspective, and operating segments are identified based on the internal reporting to Polygon's chief operating decision maker.

EUR thousands	Q1		Full Year
	2015	2014	2014
Sales of services			
Nordic & UK	35,626	32,487	133,213
Continental Europe	64,743	62,166	248,119
North America	10,628	9,907	37,955
Intercompany sales	-4	-60	-181
Total	**110,992**	**104,500**	**419,106**
Operating income before NRI			
Nordic & UK	1,159	913	4,539
Continental Europe	895	-122	426
North America	75	443	-2,273
Shared	900	1,233	3,342
Non-recurring items (NRI)	-43	-716	-7,131
Operating income	**2,986**	**1,751**	**-1,097**
Net financial items	779	-1,975	-11,525
Income after financial items	**3,765**	**-224**	**-12,622**

Consolidated Income Statement

EUR thousands	Q1		Full Year
	2015	2014	2014
Sale of services	110,992	104,500	419,106
Cost of sales	-83,909	-79,153	-319,502
Gross profit	**27,083**	**25,347**	**99,604**
Selling and distribution cost	-23,738	-22,599	-92,424
Other oprating income	-51	149	1,785
Other operating costs	-308	-1,146	-10,062
Operating income	**2,986**	**1,751**	**-1,097**
Finance income	2,613	22	238
Finance cost	-1,834	-1,997	-11,763
Income before tax	**3,765**	**-224**	**-12,622**
Income taxes	-102	80	2,100
Net income	**3,663**	**-144**	**-10,522**

Consolidated Statement of Comprehensive Income

EUR thousands	Q1		Full Year
	2015	2014	2014
Net income for the period	**3,663**	**-144**	**-10,522**
Comprehensive income			
Items that can not be reclassified to profit or loss			
Actuarial gains and losses on defined benefit plans	-	-	-1,989
Tax	-	-	473
Items that later can be reclassified to profit or loss			
Cash flow hedges	-	-	480
Exchange differences on transactions of foreign operations	-536	-166	-113
Tax	-	-	263
Total comprehensive income, net of tax	**3,127**	**-310**	**-11,408**
Net income attributable to:			
Owners of the company	3,633	-164	-10,657
Non-controlling interest	30	20	135
Total	**3,663**	**-144**	**-10,522**
Total comprehensive income attributable to:			
Owners of the company	3,097	-330	-11,543
Non-controlling interest	30	20	135
Total	**3,127**	**-310**	**-11,408**
Number of shares	5,600	5,600	5,600
Net income per share (EUR)	0.65	-0.03	-1.90

Financial Ratios

EUR thousands	Q1		Full Year
	2015	2014	2014
Operating income before depreciation (EBITDA)	6,655	5,326	13,443
Depreciation	-2,275	-2,190	-8,794
Operating income before amortization (EBITA)	4,380	3,136	4,649
Amortization	-1,394	-1,385	-5,746
Operating income (EBIT)	2,986	1,751	-1,097
Operating margin %	2.7	1.7	-0.3

Consolidated Balance Sheet

EUR thousands	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014
ASSETS			
Non-current assets			
Intangible assets	158,367	156,436	156,360
Property, plant and equipment	28,122	26,163	27,103
Deferred tax assets	23,034	19,919	22,777
Total non-current assets	**209,523**	**202,518**	**206,240**
Current assets			
Work in progress	18,965	13,868	16,498
Receivables	68,068	65,443	70,391
Receivables from parent company	72	-	71
Prepaid expenses	6,256	4,918	4,068
Cash and cash equivalents	16,130	14,414	21,509
Total current assets	**109,491**	**98,643**	**112,537**
TOTAL ASSETS	**319,014**	**301,161**	**318,777**
EQUITY AND LIABILITIES			
Equity			
Issued capital	58	6	58
Other contributed capital	6,771	6,771	6,771
Other capital reserves	-536	-726	-267
Retained earnings	38,156	46,492	34,789
Equity attributable to owners of the parent company	**44,449**	**52,543**	**41,351**
Non-controlling interests	1,124	1,044	1,094
Total equity	**45,573**	**53,587**	**42,445**
Non-current liabilities			
Provisions	5,991	5,240	5,853
Deferred tax liabilities	23,954	24,619	23,921
Long-term interest-bearing liabilities	175,551	156,193	175,397
Other liabilities	-	480	-
Total non-current liabilities	**205,496**	**186,532**	**205,171**
Current liabilities			
Provisions	803	1,107	853
Account payables	31,504	29,249	34,168
Short-term interest-bearing liabilities	1,337	1,238	928
Other liabilities	11,361	10,494	10,642
Accrued expenses	22,940	18,954	24,570
Total current liabilities	**67,945**	**61,042**	**71,161**
TOTAL EQUITY AND LIABILITIES	**319,014**	**301,161**	**318,777**

Financial Ratios

EUR thousands	Mar 31, 2015	Mar 31, 2015	Dec 31, 2014
Equity	45,573	53,587	42,445
Net debt	107,305	91,555	101,680

Consolidated Statement Of Cash Flow

EUR thousands	Q1		Full Year
	2015	2014	2014
Operating activities			
Income before interest and taxes	2 986	1 751	-1 097
Adjustments for non cash items before tax	3 812	3 523	15 319
Financial income received	96	342	238
Income tax paid	-140	-283	-1 453
Cash flow from operating activities before changes in working capita	**6 754**	**5 333**	**13 007**
Cash flow from changes in working capital			
Changes in operating receivables	2 064	4 398	537
Changes in work in progress	-1 746	-1 439	-3 929
Changes in operating liabilities	-6 377	-6 745	359
Cash flow from operating activities	**695**	**1 547**	**9 974**
Investing activities			
Acquisition of a subsidiary, net of cash acquired	-955	-	-524
Purchase of property, plant and equipment	-2 018	-1 493	-9 180
Purchase of intangible fixed assets	-504	-242	-2 696
Sale of fixed assets	-	433	467
Net cash flows used in investing activities	**-3 477**	**-1 302**	**-11 933**
Cash flows from financing activities			
New borrowings	-	-	120 000
Dividend to non-controlling interest	-	-	-66
Repayment of borrowings	-	-	-103 963
Financial costs paid	-1 869	-1 819	-7 697
Net cash flows from financing activities	**-1 869**	**-1 819**	**8 274**
Cash flow for the period	**-4 651**	**-1 574**	**6 315**
Cash and cash equivalents, opening balance	21 509	15 789	15 789
Translation difference in cash and cash equivalents	-734	199	-595
Cash and cash equivalents, closing balance	**16 125**	**14 414**	**21 509**

Consolidated Statement Of Changes In Equity

EUR thousands	Attributable to the owners of the company						
2013	Share capital	Other contributed capital	Other capital reserved	Retained earnings	Total	Non-controlling interest	Total equity
Closing balance December 31, 2013	**6**	**6,771**	**-897**	**47,014**	**52,894**	**1,024**	**53,918**
Transfer of equity	52	-	-	-52	-	-	-
Dividend	-	-	-	-	-	-65	-65
Net income for period	-	-	-	-10,657	-10,657	135	-10,522
Other comprehensive income	-	-	630	-1,516	-886	-	-886
Closing balance December 31, 2014	**58**	**6,771**	**-267**	**34,789**	**41,351**	**1,094**	**42,445**
Net income for the period	-	-	-	3,634	3,634	30	3,664
Other comprehensive income	-	-	-536	-	-536	-	-536
Closing balance March 31, 2015	**58**	**6,771**	**-803**	**38,423**	**44,449**	**1,124**	**45,573**

Income Statement, Parent Company

EUR thousands	Q1		Full Year
	2015	2014	2014
Sales	807	878	5,234
Gross profit	**807**	**878**	**5,234**
General administration and sale expenses	-785	-836	-2,990
Other operating costs/income	-85	9	-1,901
Operating income	**-63**	**51**	**343**
Income from shares in Group companies	-	-	1,000
Finance income	1,577	-	4,747
Finance costs	-1,577	-9	-4,903
Income after financial items	**-63**	**42**	**1,187**
Group contribution	-	-	5,320
Income before income taxes	**-63**	**42**	**6,507**
Taxes	-	-	-
Net income	**-63**	**42**	**6,507**

Statement of Comprehensive Income

EUR thousands	Q1		Full Year
	2015	2014	2014
Net income	-63	42	6,507
Total comprehensive income	**-63**	**42**	**6,507**

Statement of Financial Position, Parent Company

EUR thousands	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014
ASSETS			
Non-current assets			
Participations in Group companies	76,296	76,296	76,296
Receivables, Group companies	117,950	-	117,950
Total non-current assets	**194,246**	**76,296**	**194,246**
Current assets			
Receivables, Group companies	335	423	71
Other receivables	36	36	68
Prepaid expenses	20	80	1
Receivables, daughter companies	19,678	11,655	20,216
Total current assets	**20,069**	**12,194**	**20,356**
TOTAL ASSETS	**214,315**	**88,490**	**214,602**
EQUITY AND LIABILITIES			
Equity			
Issued capital	58	6	58
Other contributed capital	6,771	6,771	6,771
Non restricted equity	86,646	80,296	86,709
Total equity	93,475	87,073	93,538
Non-current liabilities			
Long-term interest-bearing liabilities	117,792	-	117,699
Total non-current liabilities	117,792	-	117,699
Non-current liabilities			
Payables, Group companies	-	-	211
Accounts payables	13	234	27
Other current liabilities	405	191	528
Accrued costs	2,630	992	2,599
Total other non-current liabilities	3,048	1,417	3,365
TOTAL EQUITY AND LIABILITIES	214,315	88,490	214,602
Pledged assets and contingent liabilities			
Shares in subsidiaries	76,296	76,296	76,296
Contingent liabilities	None	None	None

Financial Instruments

Polygon is exposed to a number of financial market risks that the Group is responsible for managing under the financial policy approved by the Board of Directors. The overall objective is to have cost-effective funding in Group companies. The financial risks within the Group are mainly handled through weekly exchange of non-euro cash into euros and to a limited extent through financial instruments. The main exposures for the Group are liquidity risk, interest risk and currency risk.

The derivatives are valued to fair value within level 2 and additional considerations within level 3, according to IFRS13. Other financial instruments are valued to carrying amount.

Interest swaps are subject to ISDA agreements which allow netting, in case of any failure. On the closing day there were no interests swaps.

The significant financial assets and liabilities are detailed below. According to Polygon there is no significant difference between carrying amounts and fair value.

EUR thousands	Mar 31, 2015		Mar 31, 2014		Dec 31, 2014	
	Carrying amounts	Fair value	Carrying amounts	Fair value	Carrying amounts	Fair value
Assets						
Accounts receivables	65,577	65,577	63,363	63,363	67,705	67,705
Other current assets	8,085	8,085	6,092	6,092	6,086	6,086
Receivables, parent company	72	72	-	-	71	71
Cash and cash equivalents	16,130	16,130	14,414	14,414	21,509	21,509
Total	**89,864**	**89,864**	**83,869**	**83,869**	**95,371**	**95,371**
Liabilities						
Long-term interest-bearing liabilities	117,742	120,144	100,780	102,866	117,643	120,145
Other interest-bearing liabilities	57,810	57,810	55,413	55,413	57,754	57,754
Accounts payables	31,504	31,504	29,249	29,249	34,168	34,168
Other short-term liabilities	11,361	11,361	10,494	10,494	10,642	10,642
Accrued expenses	8,095	8,095	6,434	6,434	9,494	9,494
Total	**226,512**	**228,914**	**202,370**	**204,456**	**229,701**	**232,203**
Derivatives for hedging purposes						
Interest rate derivatives	-	-	480	480	-	-
Total	**-**	**-**	**480**	**480**	**-**	**-**

Definitions

Sales	Sales net of VAT and discounts
Gross profit	Sales minus cost of goods sold
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITA	Earnings before interest, tax, and amortisation
EBIT	Earnings before interest and tax
Operating margin	EBIT in percent of sales
Net debt	Interest-bearing debt (including pension and leasing debts) minus cash and cash equivalent
Net income per share	Net income for the period attributable to owners of the company/average number of shares during the period
Non-recurring items (NRI)	Items attributable to capital gain/losses, impairment, restructuring and other redundancy costs

This report has not been subject to auditing.

Financial Calendar 2015

This report was published on the Group's website on 26 May 2015.

Interim Report
Q2 2015, 17 August 2015

Interim Report
Q3 2015, 16 November 2015

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