Interim Report
» January–June 2015

Proffice Group

Continued investments for profitable growth

Q2 2015

- Revenue amounted to SEK 1,045 million (1,078). Adjusted for the sale of Aviation, revenue for the continuing operation increased by 5 per cent.
- EBITA increased by 24 per cent to SEK 31 million (25). Other operating income affected EBITA by SEK 10 million, attributable to the disposal of Aviation.
- The EBITA margin totalled 3.0 per cent (2.3).
- Cash flow from operating activities totalled SEK -35 million (24).
- Basic earnings per share totalled SEK 0.38 (0.25).

YTD 2015

- Revenue amounted to SEK 2,054 million (2,074). Adjusted for the sale of Aviation, revenue for the continuing operation increased by 4 per cent.
- EBITA increased by 18 per cent to SEK 53 million (45). Other operating income affected EBITA by SEK 10 million, attributable to the disposal of Aviation.
- The EBITA margin totalled 2.6 per cent (2.2).
- Write-down of goodwill totalled SEK 36 million.
- Cash flow from operating activities totalled SEK -1 million (23).
- Basic earnings per share totalled SEK 0.07 (0.44).

Key events

Q2

New financial targets and revised strategy. The Board adopted new long-term financial targets related to profitability, growth, and capital structure. The Group's strategy was also revised in conjunction with this.

AGM resolved to approve the Board's dividend proposal. A dividend of SEK 0.90 per share (0.60) totalling SEK 61 million was approved.

Proffice Group sells Aviation area of competence. Aviation was sold to OSM Aviation AS. The sale affects all four Nordic countries as of 17 April 2015.

Acquisition of treasury shares. The Board agreed to acquire a maximum of 4,500,000 B shares up until the 2016 Annual General Meeting (AGM).

After end of quarter

Proffice Care in Norway concluded agreement with HINAS. Proffice Care AS will supply nurses to Norwegian hospitals. The client is HINAS, the purchasing organisation of Norwegian health companies. The agreement applies from 1 October 2015 and will run for two years with the possibility of a one plus one year extension.

Financial overview

	Q2			YTD			R12[2]	Full year
Group[1]	2015	2014	Change	2015	2014	Change		2014
Revenue, SEK million	1,045	1,078	-3%	2,054	2,074	-1%	4,183	4,203
Other operating income, SEK million	10	1	-	11	1	-	14	4
EBITA, SEK million	31	25	24%	53	45	18%	148	140
EBITA margin, %	3.0	2.3	-	2.6	2.2	-	3.5	3.3
Operating profit, SEK million	31	25	24%	17	45	-62%	112	140
Operating margin, %	3.0	2.3	-	0.8	2.2	-	2.7	3.3
Profit after tax, SEK million	26	17	53%	5	30	-83%	79	104
Basic earnings per share, SEK	0.38	0.25	52%	0.07	0.44	-84%	1.14	1.51
Diluted earnings per share, SEK	0.38	0.25	52%	0.07	0.44	-84%	1.14	1.51
Cash flow from operating activities, SEK million	-35	24	-	-1	23	-	124	148
Cash flow from operating activities per share, SEK	-0.51	0.35	-	-0.01	0.34	-	1.82	2.17
Basic equity per share, SEK	8.20	8.38	-2%	8.20	8.38	-2%	-	9.36
Return on equity, %	14.0	18.2	-	14.0	18.2	-	-	17.2

[1]As of 17 April 2015 all financial information excludes the Aviation area of competence
[2]Refers to the last 12 months

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Comments by Henrik Höjsgaard, CEO

Continued investments for profitable growth

Proffice continued to invest in its employees and systems support in Q2. The Group invested SEK 11 million in IT systems and the investments will continue throughout the year as planned. This means that Proffice will be able to utilise the Group's collective resources more efficiently. Together with the new sales organisation, these initiatives will pave the way for a more efficient sales process.

The Aviation area of competence was sold in Q2. Revenue for continuing operations increased by five per cent, indicating good demand for the Group's services.

Strong Swedish operation

The Swedish market remained favourable, as demonstrated by the revenue increase in the Industry & Logistics area of competence. All operating areas grew, and adjusted for the sale of Aviation, revenue increased by seven per cent in the Swedish operation during the quarter. Profitability is in focus and the performance of the Swedish operation continued to be positive, resulting in a better margin.

Weaker market in Other Nordic Countries

Norway's macroeconomic situation has hit the staffing industry hard, leading to declines in staffing and recruitment, while outplacement activities increased. In order to better meet these challenges and strengthen our position in the Norwegian market, a new director was appointed in Q1. A new management team was appointed in Q2 just as the establishment of a new sales organisation was begun.

Happily, we were able to announce after the end of the quarter that Proffice Care was one of those chosen to sign agreements with the purchasing organisation of the Norwegian health companies (HINA) to supply nurses to Norwegian hospitals. Great emphasis was placed on quality, and our internal team together with our nurses and specialist nurses received high quality scores.

New financial targets for a more stable and consistently profitable Proffice

The Board took decisions on new long-term financial targets during the quarter. Strategies were revised in order to attain the new financial targets, where the main strategy is product leadership through skills specialisation. That this is the right path forward was particularly demonstrated by the Life Science area of competence, which grew by 37 percent during the quarter. It is important for customers and candidates to meet specialists who understand their challenges and circumstances.

The EBITA margin totalled 3 per cent during the quarter and the Group had good underlying growth. The strengthened sales organisation and investments in systems support have laid the foundation for Proffice to grow at least in pace with the market. The Board initiated a share buyback program, and treasury shares were bought back during the quarter in order to adjust the company's capital structure to line up with its financial targets.

Continued investments ensure efficiency

By investing in a more efficient basic platform and a strong sales organisation, we are now creating the conditions for achieving our long-term financial targets and becoming the most successful staffing and recruitment company in the Nordic region.

Henrik Höjsgaard
President and CEO

Key ratios – quarterly overview

	2015		2014				2013		
Group	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue, SEK million	1,045	1,009	1,071	1,058	1,078	996	1,060	1,066	1,130
Other operating income, SEK million	10	1	3	0	1	0	5	0	0
EBITA, SEK million	31	22	43	52	25	20	35	50	30
EBITA margin, %	3.0	2.2	4.0	4.9	2.3	2.0	3.3	4.7	2.7
Operating profit/loss, SEK million	31	-14	43	52	25	20	35	50	30
Operating margin, %	3.0	-1.4	4.0	4.9	2.3	2.0	3.3	4.7	2.7
Profit margin, %	3.0	-1.3	4.0	4.9	2.4	2.0	3.4	4.8	2.7
Cash flow from operating activities, SEK million	-35	34	147	-22	24	-1	91	62	10
Cash flow from operating activities per share, SEK	-0.51	0.50	2.15	-0.32	0.35	-0.01	1.33	0.91	0.15
Basic equity per share, SEK	8.20	9.09	9.36	9.01	8.38	8.63	8.37	8.00	7.52
Return on equity, %	14.0	11.6	17.2	15.7	18.2	19.0	19.2	14.0	9.7
Return on capital employed, %	17.8	17.0	22.0	17.8	19.3	20.5	19.9	11.8	8.3
Net debt, SEK million	31	-102	-74	65	38	21	19	105	165
Equity/assets ratio, %	34.9	38.3	39.6	37.5	35.1	37.3	36.5	33.1	29.1
Number of working days	57.5	61.5	61.5	66.0	57.5	62.0	61.5	66.0	59.0

About the Proffice Group

The Proffice Group is one of the largest staffing specialist companies in the Nordics, with around 10,000 employees in about 80 offices. By being passionate and attentive, Proffice helps people and companies find ways forward.

The Board of Directors is domiciled in Stockholm. Operations are organised and monitored with regard to the countries in which the Group is active. Operating segments are defined as Sweden and Other Nordic Countries.

The Proffice share is listed on NASDAQ Stockholm, Mid Cap.

Brands

The Proffice Group has three main brands: Proffice, Dfind, and Antenn. Proffice and Dfind provide staffing and recruitment services and Antenn works with outplacement.

Business concept

We offer people and companies opportunities to develop by being a passionate, attentive, and solution-oriented staffing company.

Vision

The Proffice Group will be the most successful staffing company in the Nordic region.

Financial targets

Our long-term EBITA target is to reach at least 5 per cent of revenue.

We will grow organically in line with the market in the Group's priority areas.

Our net debt/equity ratio (average net debt in relation to equity) will be in the range of 10-30 per cent.

Personnel target

We will increase our leadership index by at least one point per year.

Customer target

We will increase our customer satisfaction index by at least one point per year.

Dividend policy

The goal of the Board is that, over time, dividends should be at least 50 per cent of consolidated earnings after tax on average.

Strategies

We create value for our shareholders by growing with profitability. Strategies have been revised in 2015 in order to attain the new financial targets.

The Proffice Group's main strategy is skills specialisation. This means that customers and candidates meet specialists who understand their challenges and circumstances.

Strategies and activities for increased profitability, sustainable growth, and effective capital utilisation:

Increased profitability

- More clear-cut prioritisation of services and business dealings that are highly profitable
- Increased efficiency and productivity through a well-defined operational model, stable infrastructure, and a common basic platform

Sustainable growth

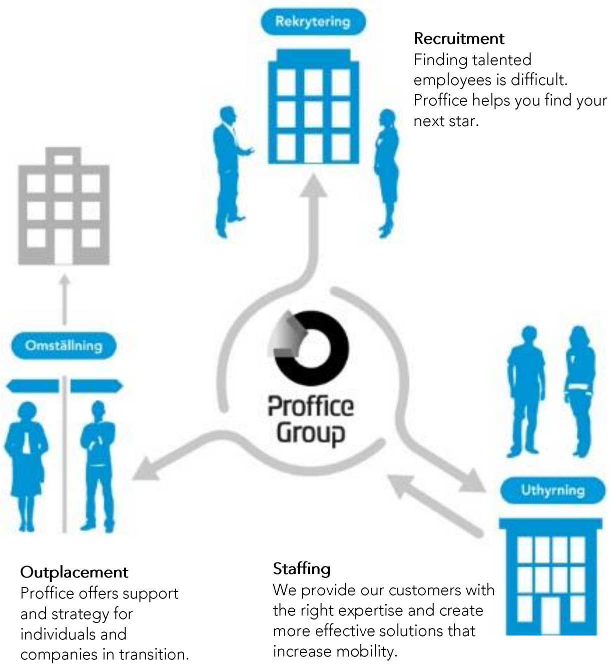
- Accelerate sales through clear processes, segmentation, and an enhanced sales organisation
- Strengthen the offer through structured diversification and further development of services
- Evaluate new, attractive service areas and partnerships/alliances in order to strengthen market position

Capital utilisation

- Improve capital utilisation through buy-back program and dividend

Business model

Proffice's operations are divided into three operating areas: Staffing, Recruitment, and Outplacement.

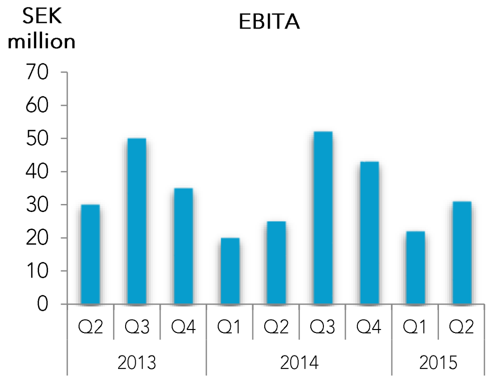


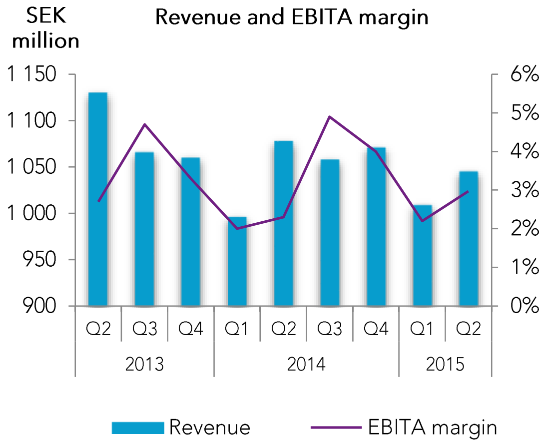
Group overview

Q2 revenue and EBITA

Consolidated revenue for Q2 totalled SEK 1,045 million (1,078). Adjusted for the disposal of Aviation, revenue for the quarter increased by 5 per cent year-on-year. The increase was largely related to the Industry & Logistics area of competence. The quarter had the same number of working days as last year.

Consolidated EBITA for Q2 amounted to SEK 31 million (25) and the EBITA margin was 3.0 per cent (2.3). Other operating income totalled SEK 10 million (1), attributable to the sale of Aviation.





YTD revenue and EBITA

YTD consolidated revenue totalled SEK 2,054 million (2,074). Adjusted for the sale of Aviation, revenue for the quarter increased by 4 per cent year-on-year. The increase was largely related to Industry & Logistics. YTD consolidated EBITA amounted to SEK 53 million (45) and the EBITA margin was 2.6 per cent (2.2). The increase in profitability is attributable to Sweden.

YTD consolidated operating profit was impacted by a goodwill write-down of SEK -36 million attributable to Finland. Operating profit totalled SEK 17 million (45), and the operating margin was 0.8 per cent (2.2).

Revenue from continuing operation[1]

	2015		2014				2013		
SEK MILLION	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	1,045	1,009	1,071	1,058	1,078	996	1,060	1,066	1,130
Revenue from continuing operations	1,033	946	989	953	980	929	990	999	1,070

[1]Continuing operation refers to the Group after disposal of the Aviation area of competence

Revenue by operating area

Within each country, Proffice's operations are divided into three operating areas: Staffing, Recruitment, and Outplacement.

	Q2			YTD			Full year
SEK MILLION	2015	2014	Change	2015	2014	Change	2014
Revenue							
Staffing	973	1,014	-4%	1,920	1,952	-2%	3,978
Recruitment	52	47	11%	98	90	9%	167
Outplacement	20	17	18%	36	32	13%	58
Total	1,045	1,078	-3%	2,054	2,074	-1%	4,203

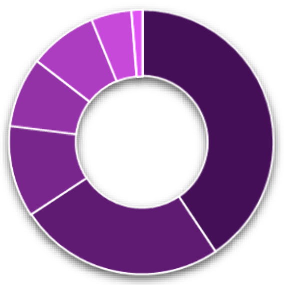
Breakdown by area of competence – Staffing

Staffing, Proffice's largest operating area, is divided into seven areas of competence: Industry & Logistics, Office & Customer Service, IT & Technology, Finance, Care, Life Science and Aviation.

	Q2			YTD			Full year
SEK MILLION	2015	2014	Change	2015	2014	Change	2014
Revenue							
Industry & Logistics	395	348	14%	719	651	10%	1,374
Office & Customer Service	245	262	-6%	492	511	-4%	1,037
IT & Technology	109	105	4%	206	215	-4%	399
Finance	83	81	2%	170	169	1%	321
Care	81	85	-5%	169	170	-1%	349
Life Science	48	35	37%	89	71	25%	146
Aviation	12	98	-88%	75	165	-55%	352
Total	973	1,014	-4%	1,920	1,952	-2%	3,978

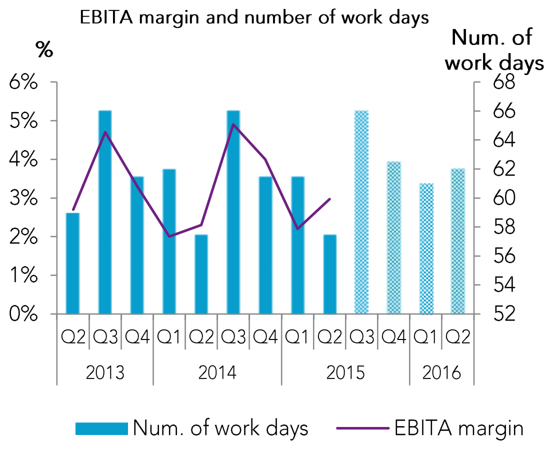
As of 17 April 2015 all financial information excludes the Aviation area of competence

Q2 breakdown by area of competence – Staffing



Calendar effects

Proffices revenue and earnings are affected by seasonal fluctuations due to the number of work days. Q1 and Q2 are usually weaker than the rest of the year due to fewer working days. In Q2 2015, the number of working days was the same as last year, but there were four fewer working days than in Q1 2015.



Financial position and other financial information

Consolidated equity at the end of the quarter totalled SEK 559 million (572) and the equity/assets ratio was 34.9 per cent (35.1).

Consolidated comprehensive income was affected by negative exchange differences in Q2, mostly attributable to developments with the NOK during the quarter.

Consolidated tax expense for Q2 totalled SEK 5 million (6).

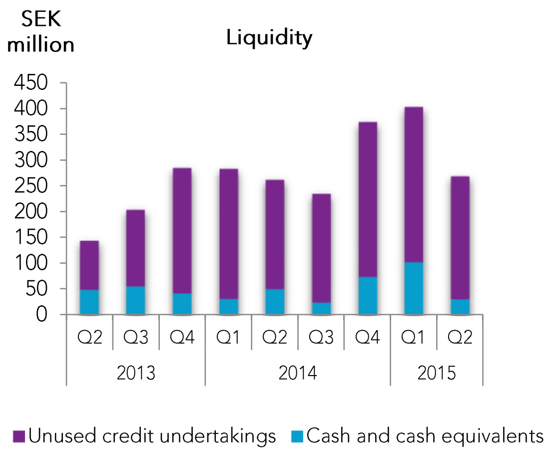
Liquidity and cash flow

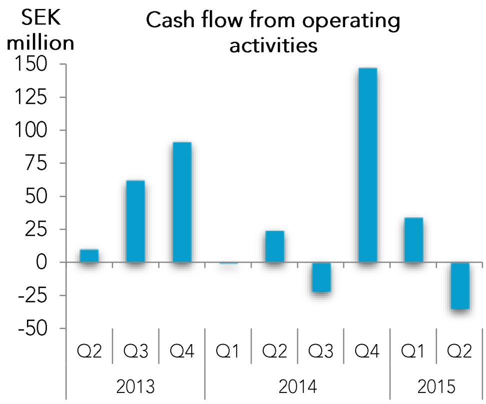
Cash and cash equivalents at the end of the reporting period totalled SEK 30 million (50) and utilised credit totalled SEK 61 million (88). Total credit available is SEK 300 million. Unappropriated cash and cash equivalents thereby totalled SEK 269 million (262), including unused borrowing facilities.

Consolidated cash flow is normally affected by seasonal fluctuations over the course of the year. Wide variations in cash flow and working capital may also result because of how certain customer payment due dates fall around the end of the quarter.

Cash flow from operating activities in Q2 totalled SEK -35 million (24).

Other items affecting cash flow included SEK 11 million for investments in Group-wide IT systems, SEK 61 million for distribution to the Parent Company shareholders, and SEK 11 million for buying back treasury shares. Additional acquisitions affected cash flow by SEK 8 million and the disposal of Aviation had a negative effect of SEK 4 million on net proceeds.





Employees

The average number of full-time employees (FTEs) in the Group was 5,888 (6,127) in Q2, a decrease of 239 FTEs compared year-on-year.

» www.profficegroup.com

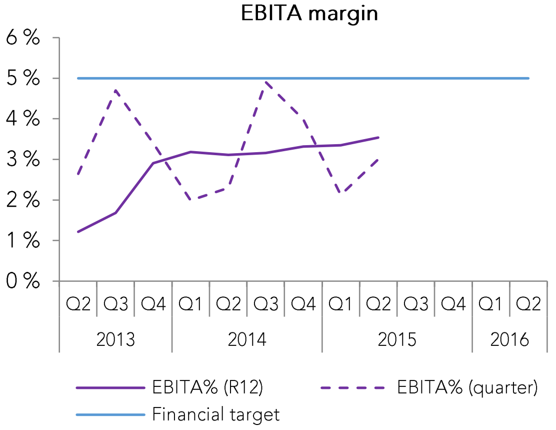
Our website has all the latest information about us. You can download financial reports and financial statistics, watch presentations, read and subscribe to press releases, and much more.

Financial targets

Proffice has adopted new long-term financial targets in 2015 and the Group's strategies were revised in conjunction with this. The financial targets focus on profitability, growth, and capital structure. The Group's dividend policy remains unchanged.

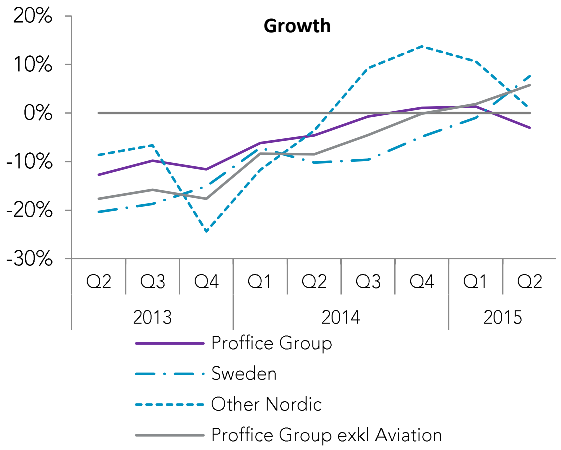
Profitability

Consolidated EBITA as a percentage of revenue should amount to at least 5 per cent in the long term. The EBITA margin for the quarter improved, amounting to 3.5 per cent for the last 12 months. The profitability target should be achieved within three years.



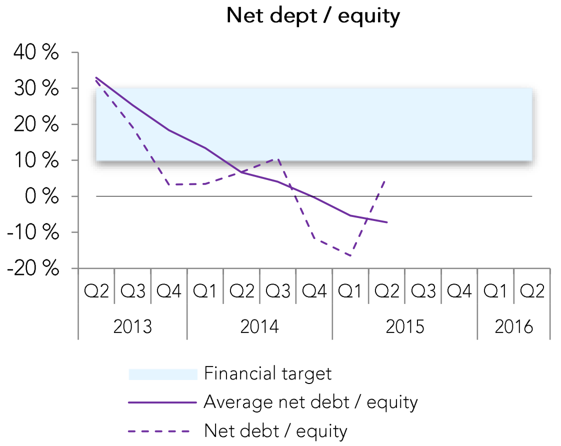
Growth

Organic growth should be in line with the market in the Group's priority areas. The strengthened sales organisation and the investment in systems support has laid the foundation for Proffice to reach this target.



Capital structure

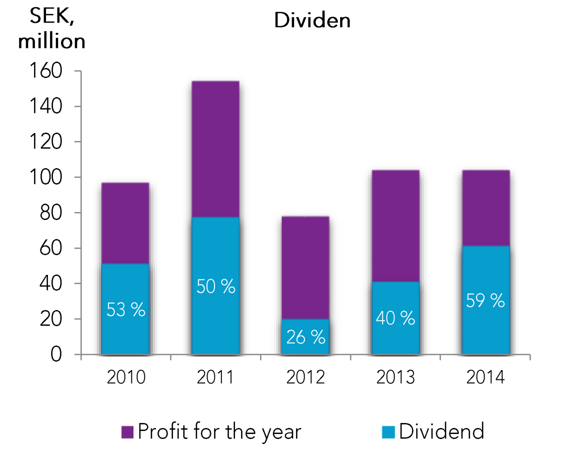
The average net debt/equity ratio should amount to between 10 and 30 per cent in the long term. Adjustment of the capital structure is proceeding and includes treasury share buybacks.



Consolidated liquidity was very good and the Group was not leveraged during the latter part of 2014 and the first part of 2015. The average net debt/equity ratio at the end of the quarter thus remained negative and amounted to -7 per cent.

Dividend policy

The goal of the Board is that, over time, dividends should be at least 50 per cent of consolidated earnings after tax on average. A dividend was approved on 28 April 2015 and amounted to 59 per cent of consolidated profit for the year.



Segment reporting

Breakdown by segment – revenue and EBITA

The Group's operations are organised in such a way that management monitors revenue and EBITA by the geographic areas in which the Group operates: Sweden and Other Nordic Countries (Norway, Finland, and Denmark). As of 1 January 2015, the Group is using a new structure for monitoring operations.

	Q2			YTD			Full year
SEK MILLION	2015	2014	Change	2015	2014	Change	2014
Sweden							
Revenue	771	771	0%	1,515	1,520	0%	2,998
EBITA	25	22	14%	49	42	17%	128
EBITA margin, %	3.2	2.9	-	3.2	2.8	-	4.3
Other Nordic Countries							
Revenue	274	307	-11%	539	554	-3%	1,205
EBITA	3	11	-73%	8	19	-58%	41
EBITA margin, %	1.1	3.6	-	1.5	3.4	-	3.4
Group-wide							
EBITA	3	-8	-	-4	-16	-	-29

Breakdown by segment – Q2 revenue and EBITA

	2015		2014				2013		
SEK MILLION	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue									
Sweden	771	744	761	717	771	749	778	766	828
Other Nordic Countries	274	265	310	341	307	247	282	300	302
Total	1,045	1,009	1,071	1,058	1,078	996	1,060	1,066	1,130
Other operating income									
Sweden	0	0	0	0	0	0	5	0	0
Other Nordic Countries	0	0	0	0	1	0	0	0	0
Group-wide	10	1	3	0	0	0	0	-	-
Total	10	1	3	0	1	0	5	0	0
EBITA									
Sweden	25	24	43	43	22	20	37	40	24
Other Nordic Countries	3	5	6	16	11	8	8	18	14
Group-wide	3	-7	-6	-7	-8	-8	-10	-8	-8
Total	31	22	43	52	25	20	35	50	30
EBITA margin, %									
Sweden	3.2	3.2	5.7	6.0	2.9	2.7	4.8	5.2	2.9
Other Nordic Countries	1.1	1.9	1.9	4.7	3.6	3.2	2.8	6.0	4.6
Total	3.0	2.2	4.0	4.9	2.3	2.0	3.3	4.7	2.7

Group-wide

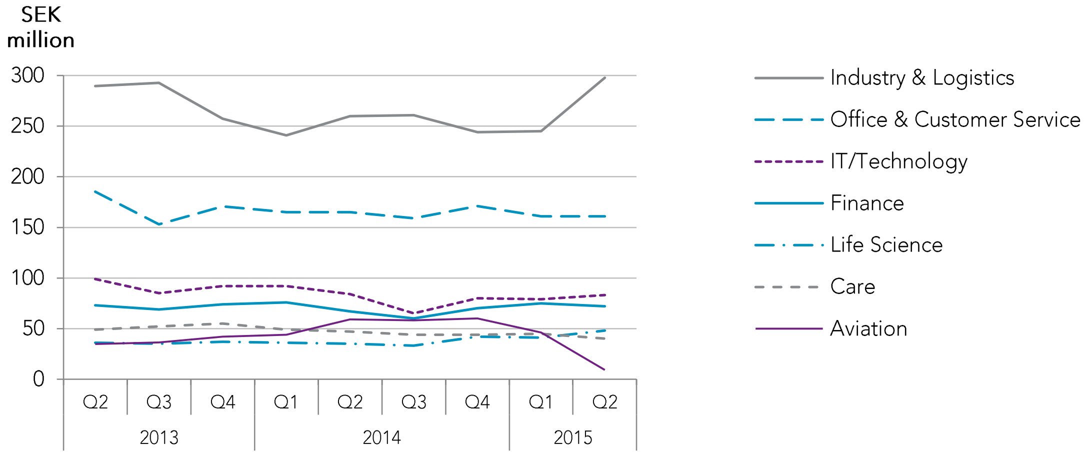
Internal pricing between operating segments is based on market-based conditions. The Parent Company's operations are included in the Group-wide item, which consists of Group functions and Group eliminations.

Sweden

Revenue by operating area

	Q2			YTD			Full year
SEK MILLION	2015	2014	Change	2015	2014	Change	2014
Revenue							
Staffing	711	717	-1%	1,403	1,420	-1%	2,811
Recruitment	41	37	11%	77	69	12%	131
Outplacement	19	17	12%	35	31	13%	56
Total	771	771	0%	1515	1,520	0%	2,998

Revenue by area of competence from Staffing



Revenue from continuing operation[1]

	2015	2014				2013			
SEK MILLION	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	771	744	761	717	771	749	778	766	828
Revenue from continuing operations	762	697	701	659	712	705	736	730	793

[1]Continuing operation refers to the Group after disposal of the Aviation area of competence

Q2

In Sweden, Q2 revenue totalled SEK 771 million (771). Adjusted for the disposal of Aviation, revenue increased 7 per cent between the quarters. Sweden accounted for 74 per cent (72) of consolidated revenue in Q2. The Recruitment and Outplacement operating areas showed an increase in the quarter. Staffing increased revenue in the Industry & Logistics, Finance, and Life Science areas of competence.

Continuing to focus sharply on profitability helped EBITA for Q2 rise to SEK 25 million (22) in Sweden, corresponding to an EBITA margin of 3.2 per cent (2.9).

During the quarter, the Swedish Riksdag decided to increase the reduced employer contributions for young people, which will be introduced in Q3. This will entail a corresponding customer price adjustment so the impact on EBITA is expected to be marginal.

YTD

YTD revenue totalled SEK 1,515 million (1,520) in Sweden. Adjusted for the disposal of Aviation, revenue for the period increased by 3 per cent as compared year-on-year. The Recruitment and Outplacement operating areas showed an increase for the period. It was primarily the Industry & Logistics and Life Science areas of competence that showed an increase during the period as compared year-on-year.

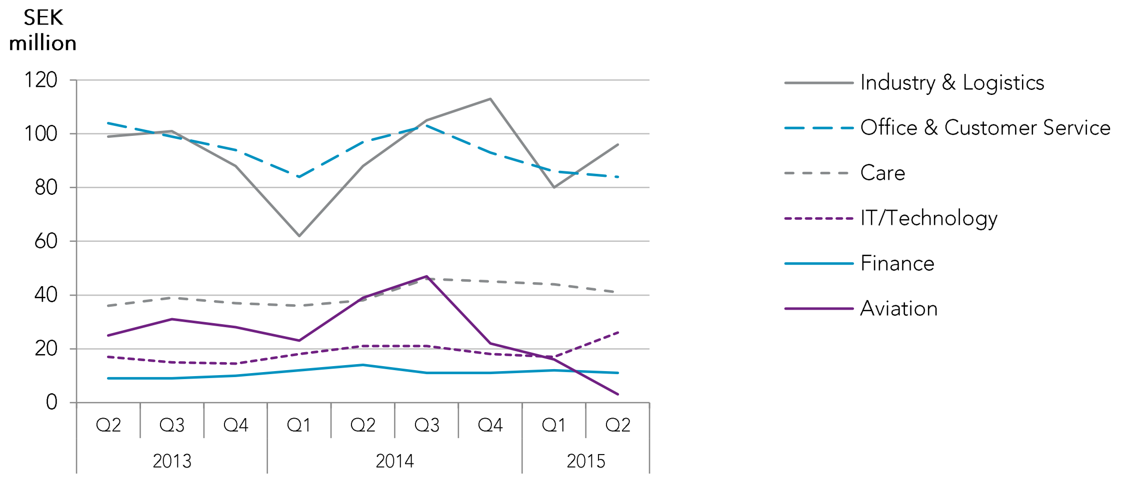
YTD EBITA rose to SEK 49 million (42) in Sweden, corresponding to an EBITA margin of 3.2 per cent (2.8).

Other Nordic Countries

Revenue by operating area

SEK MILLION	Q2 2015	Q2 2014	Change	YTD 2015	YTD 2014	Change	Full year 2014
Revenue							
Staffing	262	297	-12%	517	532	-3%	1,167
Recruitment	11	10	10%	21	21	0%	36
Outplacement	1	0	-	1	1	0%	2
Total	274	307	-11%	539	554	-3%	1,205

Revenue by area of competence from Staffing



Revenue from continuing operation[1]

SEK MILLION	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2
Revenue	274	265	310	341	307	247	282	300	302
Revenue from continuing operations	271	249	288	294	268	224	254	269	277

[1]Continuing operation refers to the Group after disposal of the Aviation area of competence

Q2

Revenue for the Other Nordic Countries segment totalled SEK 274 million (307). Adjusted for the disposal of Aviation, revenue increased by 1 per cent, even though Norway's macroeconomic situation has hit the staffing industry hard. The increase was primarily attributable to the Industry & Logistics area of competence in Norway, which increased by 17 per cent. This was mainly due to delivery of staffing services from new contracts signed in the latter part of 2014.

EBITA totalled SEK 3 million (11), and the EBITA margin totalled 1.1 per cent (3.6). To strengthen Proffice's position in the tough Norwegian market, several measures were taken in the Norwegian operation. The new CEO designated a new management team and a new sales organisation, which were established in Q2.

YTD

Revenue totalled SEK 539 million (554). Adjusted for the disposal of Aviation, revenue for the period increased by 6 per cent as compared year-on-year.

EBITA totalled SEK 8 million (19), and the EBITA margin totalled 1.5 per cent (3.4). In conjunction with the Group's strategic review and with new circumstances in the current market situation, SEK 36 million in goodwill attributable to the Finnish business was written down in Q1.

Other disclosures

The Proffice share

The number of shares as at 30 June 2015 stood at 68,677,773, of which 66,677,773 are class B shares. The Proffice share is listed on the NASDAQ Nordic Exchange Stockholm, Mid Cap.

At Proffice's Annual General Meeting (AGM) on 28 April 2015, the Board was authorised to make decisions on acquisition and transfer of treasury shares. The Board agreed to acquire a maximum of 4,500,000 B shares, corresponding to 7.19 per cent of total shares, up until the 2016 Annual General Meeting (AGM). Since the 2015 AGM, 588,050 treasury shares have been acquired. Proffice held a total of 1,026,969 treasury shares, representing 1.5 per cent of total shares, at 30 June 2015. The number of shares outstanding was 67,650,804.

	Q2		YTD		Full year
	2015	2014	2015	2014	2014
Number of shares at end of period	68,677,773	68,677,773	68,677,773	68,677,773	68,677,773
Average number of shares, diluted	68,677,773	68,677,773	68,677,773	68,677,773	68,677,773
Shares outstanding	67,650,804	68,238,854	67,650,804	68,238,854	68,238,854
Holdings of Proffice treasury shares	1,026,969	438,919	1,026,969	438,919	438,919

Transactions with related parties

Transactions with related parties are conducted under market terms and were unchanged in character and volume in Q2 as compared to previous periods. Transactions with related parties are disclosed in the 2014 Annual Report, Note 16 (p. 67).

Risks and uncertainty factors

The most substantial risks and uncertainty factors faced by the Group and Parent Company are described in detail in the 2014 Annual Report on page 29 and in Note 2 on pages 57-58. Apart from the risks described there, no additional significant risks were deemed to have emerged.

Estimates and assessments

Preparation of the interim report requires company management to make assessments and estimates, and to make assumptions that affect application of the accounting policies and the recognised amounts of assets, liabilities, income, and expenses. The actual results may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the 2014 Annual Report.

The carrying amount is considered to represent a reasonable estimate of fair value for all financial assets and liabilities.

Divested operations

The Aviation area of competence was sold and operations were discontinued in all four Nordic countries. The sale is expected to have a negative impact of SEK 15 million on consolidated current full-year earnings in 2015. The purchase price amounted to about SEK 50 million, including a capital gain of SEK 10 million. There was a negative effect on net proceeds of SEK 4 million.

The disposal is not considered to constitute a discontinued operation under IFRS 5. As of 17 April 2015 all financial information excludes Aviation.

Parent Company

Parent Company operations consist of managing joint functions such as Finance, HR, IT, Marketing, Communication, and Facilities Management for Group companies and external deliveries from subsidiaries to certain Group-wide customers.

The Parent Company's operating loss totalled SEK -7 million (-8) in Q2. Profit after financial items totalled SEK 23 million (33). Investments in non-current assets totalled SEK 11 million (2) in Q2, most of which was invested in the Group's ERP system. A write-off of SEK 3 million (3) was taken in Q2 for capitalised expenditures related to the Group's ERP system. Unappropriated cash and cash equivalents totalled SEK 39 million (37) at the end of the quarter and included credit commitments of SEK 100 million (100).

Accounting policies

The interim report for the Group was prepared pursuant to IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act, and the Swedish Securities Market Act. The interim report for the Parent Company was prepared pursuant to Chapter 9, on interim reporting, of the Swedish Annual Accounts Act and the Swedish Securities Market Act, which complies with the regulations of the Swedish Financial Reporting Boards RFR 2. The accounting policies and bases of calculation used in the latest annual report were used for the Group and Parent Company. New or revised IFRS standards and interpretive statements from the IFRS Interpretations Committee have had no effect on the Groups or parent company's earnings, financial position, or disclosures.

Other

No significant changes have occurred between the Group's value hierarchies during the quarter.

This report was not subject to review by the company's auditors.

The Board and CEO certify that this interim report gives a fair overview of the Group's and Parent Company's operations, position, and earnings, and describes significant risks and uncertainty factors to which the Parent Company and Group companies are exposed.

Stockholm, 18 August 2015

Proffice AB (publ)

Henrik Höjsgaard
President and CEO

Cecilia Daun Wennborg
Chairman of the Board

Axel Hjärne
Board member

Lars Johansson
Board member

Susanna Marcus
Board member

Juan Vallejo
Board member

Karl Åberg
Board member

Magnus Bergström
Employee representative, Unionen

Evelyn Tusach
Employee representative, Unionen

Maja-Malin Ekelöf
Employee representative, IF Metall

Q2 figures

Consolidated statement of earnings and other comprehensive income, condensed

SEK MILLION	Q2 2015	Q2 2014	YTD 2015	YTD 2014	Full year 2014
Revenue	1,045	1,078	2,054	2,074	4,203
Other operating income	10	1	11	1	4
Operating expenses					
Employee expenses	-863	-891	-1,686	-1,704	-3,421
Other operating expenses	-155	-157	-317	-317	-630
Depreciation, amortisation, and impairment of assets	-6	-6	-45	-9	-16
Operating profit	31	25	17	45	140
Earnings from financial items					
Financial income	0	1	1	1	1
Financial expense	-1	0	-1	-1	-2
Exchange differences	1	-3	-1	-5	-2
Profit after financial items	31	23	16	40	137
Tax	-5	-6	-11	-10	-33
Net profit	26	17	5	30	104
Other comprehensive income items that will be reclassified to net profit/loss					
Translation differences in foreign subsidiaries for the period	-6	7	-4	12	5
Items that will not be reclassified to net profit/loss	-	-	-	-	-
Other comprehensive income for the period	-6	7	-4	12	5
Comprehensive income for the period	20	24	1	42	109
Net profit attributable to:					
Parent Company shareholders	26	17	5	30	103
Non-controlling interest	0	0	0	0	1
Net profit	26	17	5	30	104
Comprehensive income for the period attributable to:					
Parent Company shareholders	21	24	2	42	108
Non-controlling interest	0	0	0	0	1
Comprehensive income for the period	21	24	2	42	109
Basic earnings per share, SEK	0.38	0.25	0.07	0.44	1.51
Diluted earnings per share, SEK	0.38	0.25	0.07	0.44	1.51

Consolidated statement of financial position, condensed

SEK MILLION	30 June 2015	30 June 2014	31 Dec 2014
ASSETS			
Intangible assets	591	623	624
Equipment	9	9	10
Other long-term securities holdings	1	1	1
Non-current receivables	0	1	0
Deferred tax assets	8	11	9
Total non-current assets	609	645	644
Current receivables	964	936	894
Cash and cash equivalents	30	50	74
Total current assets	994	986	968
TOTAL ASSETS	1,603	1,631	1,612
EQUITY AND LIABILITIES			
Equity	559	572	639
Deferred tax liabilities	40	42	42
Interest-bearing non-current liabilities	-	25	0
Total provisions and non-current liabilities	40	67	42
Interest-bearing current liabilities	61	63	0
Non-interest-bearing current liabilities	943	929	931
Total current liabilities	1,004	992	931
TOTAL EQUITY AND LIABILITIES	1,603	1,631	1,612
Pledged assets	373	406	347
Contingent liabilities	-	-	-

Consolidated statement of changes in equity, condensed

SEK MILLION	Share capital	Other contributed capital	Reserves	Retained earnings including net profit/loss	Total attributable to Parent Company shareholders	Non-controlling interest	Total equity
	Equity attributable to Parent Company shareholders						
Equity, 1 January 2014	17	361	-39	230	569	2	571
Comprehensive income							
Net profit	-	-	-	30	30	0	30
Other comprehensive income							
Exchange differences	-	-	12	-	12	0	12
Total comprehensive income for the period	-	-	12	30	42	0	42
Transactions with shareholders							
Acquisition of non-controlling interest	-	-	-	0	0	-	-
Dividend	-	-	-	-41	-41	0	-41
Transactions with shareholders for the period	-	-	-	-41	-41	0	-41
Equity, 30 June 2014	17	361	-27	219	570	2	572
Equity, 1 January 2015	17	361	-34	292	636	3	639
Comprehensive income							
Net profit	-	-	-	5	5	0	5
Other comprehensive income							
Exchange differences	-	-	-4	-	-4	0	-4
Total comprehensive income for the period	-	-	-4	5	1	0	1
Transactions with shareholders							
Acquisition of non-controlling interest	-	-	-	-8	-8	0	-8
Share buy-back	-	-	-	-11	-11	-	-11
Dividend	-	-	-	-61	-61	-1	-62
Transactions with shareholders for the period	-	-	-	-80	-80	-1	-81
Equity, 30 June 2015	17	361	-38	217	557	2	559

Consolidated statement of cash flows, condensed

SEK MILLION	Q2 2015	Q2 2014	YTD 2015	YTD 2014	Full year 2014
Operating activities					
Profit after financial items	31	23	16	40	138
Adjustments for items not included in cash flow[1]	-3	6	36	9	15
Tax paid/refunded	-5	21	-29	6	16
Cash flow from operating activities before changes in working capital	23	50	23	55	169
Change in working capital					
Change in operating receivables	-108	-56	-113	-62	-33
Change in operating liabilities	50	30	89	30	12
Total change in working capital	-58	-26	-24	-32	-21
Cash flow from operating activities	-35	24	-1	23	148
Investing activities					
Acquisition of business, less acquired cash and cash equivalents	-8	-4	-8	-4	-4
Sale of subsidiary	-4	-	-4	-	-
Acquisition of intangible assets	-11	-2	-17	-2	-9
Acquisition of equipment	-1	-1	-2	-1	-4
Amortisation of loans receivable	-	0	-	0	1
Cash flow from investing activities	-24	-7	-31	-7	-16
Financing activities					
Share buy-back	-11	-	-11	-	-
Dividend to Parent Company shareholders	-61	-41	-61	-41	-41
Dividend to non-controlling interests	-1	-	-1	0	0
Change in short-term credit facilities	-	41	-	31	-33
Loans raised	61	-	61	-	-
Loan repayment	-	-	-	-	-25
Cash flow from financing activities	-12	0	-12	-10	-99
Cash flow for the period	-71	17	-44	6	33
Cash and cash equivalents at start of period	102	31	74	42	42
Exchange-rate difference in cash and cash equivalents	-1	2	0	2	-1
Cash and cash equivalents at end of period	30	50	30	50	74

[1]Adjustments for items not included in cash flow					
Reversal of depreciation and impairment losses	6	3	45	6	12
Deviation between actual and estimated additional purchase price	-	0	-	0	0
Capital gain from sale of subsidiary	-10	-	-10	-	-
Other	1	3	1	3	3
Adjustments for items not included in cash flow	-3	6	36	9	15

Income statement for Parent Company, condensed

SEK MILLION	Q2 2015	Q2 2014	YTD 2015	YTD 2014	Full year 2014
Revenue	122	93	232	191	377
Other operating income	0	0	0	0	0
Operating expenses					
Employee expenses	-30	-35	-58	-64	-120
Other external costs	-93	-60	-179	-135	-273
Depreciation, amortisation and impairment of equipment and intangible assets	-6	-6	-9	-8	-13
Operating profit	-7	-8	-14	-16	-29
Earnings from financial items					
Earnings from shares and participating interests in Group companies	29	45	29	45	102
Impairment of shares and participating interests in Group companies	-	-3	-	-3	-20
Interest income and similar items	1	3	3	5	9
Interest expense and similar items	-1	-2	-1	-3	-4
Exchange differences	1	-2	0	-4	-2
Profit after financial items	23	33	17	24	56
Appropriations	-	-	-	-	13
Tax	1	2	2	4	-9
Net profit	24	35	19	28	60

Statement of earnings and other comprehensive income for Parent Company, condensed

SEK MILLION	Q2 2015	Q2 2014	YTD 2015	YTD 2014	Full year 2014
Net profit	24	35	19	28	60
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	24	35	19	28	60

Balance sheet for Parent Company, condensed

SEK MILLION	30 June 2015	30 June 2014	31 Dec 2014
ASSETS			
Intangible non-current assets	63	49	53
Equipment	5	7	6
Non-current financial assets	684	693	676
Total non-current assets	752	749	735
Receivables from Group companies	91	234	145
Other current receivables	105	49	63
Cash and bank balances	0	0	7
Total current assets	196	283	215
TOTAL ASSETS	948	1,032	950
EQUITY AND LIABILITIES			
Equity			
Restricted equity	294	294	294
Unrestricted equity	108	129	161
Total equity	402	423	455
Untaxed reserves	56	68	56
Interest-bearing non-current liabilities	-	-	-
Total provisions and non-current liabilities	-	-	-
Interest-bearing current liabilities to credit institutions	61	63	0
Liabilities to Group companies	364	424	375
Other current liabilities	65	54	64
Total current liabilities	490	541	439
TOTAL EQUITY AND LIABILITIES	948	1,032	950
Pledged assets	52	0	36
Contingent liabilities[1]	-	-	-

[1]The Parent Company has issued capital cover guarantees for certain subsidiaries.

Other

Definitions of key ratios

Number of working days
Total number of days, less public holidays and work-free days in Sweden, in accordance with salaried employee contracts

EBITA
Earnings before interest, taxes, amortisation, and impairment of goodwill and other intangible assets that arise in conjunction with acquisitions

EBITA margin
EBITA as a percentage of revenue

Equity per share
Equity attributable to Parent Company shareholders divided by average number of basic shares outstanding

Cash flow from operating activities per share
Cash flow from operating activities divided by average number of basic shares outstanding

Average number of FTEs
Total hours worked during the period for both office employees and consultants in the staffing operation divided by normal number of hours worked for the period for a full-time employee

Net debt
Total interest-bearing liabilities less cash and cash equivalents, including short-term investments

Earnings per share
Earnings after tax attributable to Parent Company shareholders divided by average number of basic and diluted shares outstanding

Return on equity
Earnings after tax for the last 12 months as a percentage of average equity for the last 12 months

Return on capital employed
Operating profit/loss plus financial income for the last 12 months as a percentage of average capital employed for the last 12 months

Operating margin
Operating profit/loss as a percentage of revenue

Equity/assets ratio
Equity as a percentage of total assets

Capital employed
Total assets less non-interest-bearing liabilities and provisions

Profit margin
Earnings after financial income, excluding any positive exchange rate effects, as a percentage of revenue

Company/Industry-specific glossary

Outplacement
Process in which job coaches provide support and assistance to individuals in the transition process from one job to another.

Staffing
Personnel in various specific areas are employed by Proffice but can be hired for short or extended periods by other companies.

Recruitment/Recruitment process
Process for hiring the person(s) a company needs to ensure qualified employees. Needs analyses, searches, interviews, tests, and follow-ups are included in the process.

Analysts

These analysts regularly monitor Proffice's development:

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Financial information

Interim report, January-September 2015:
5 November 2015, 8 am

Year-end report 2015:
9 February 2016, 8 am

The information in this report is such that Proffice AB (publ) is required to publish it pursuant to the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was released for publication on 18 August 2015 at 8:00 am CET.

All forward-looking statements in this report are based on the company's best estimate at the time of the report. As with all forecasts, such statements contain risks and uncertainties that may entail a different outcome.

Unless stated otherwise, all amounts in this interim report are in Swedish krona, rounded to the nearest million. Rounding to SEK million may mean that the financial tables and figures do not always tally. Certain ratios are calculated using thousands of Swedish krona.

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