Stable performance in Sweden and challenges in Norway

Q3 2015

- Revenue amounted to SEK 964 million (1,058). Revenue increased by 3 percent, adjusted for currency effects and the sale of Aviation, which took place in the second quarter of 2015.
- EBITA totalled SEK 40 million (52); the decrease was mainly attributable to the sale of Aviation.
- The EBITA margin totalled 4.1 per cent (4.9).
- Cash flow from operating activities totalled SEK 7 million (-22).
- Basic earnings per share totalled SEK 0.43 (0.53).

YTD 2015

- Revenue amounted to SEK 3,018 million (3,132). Revenue increased by 3 percent, adjusted for currency effects and the sale of Aviation, which took place in the second quarter of 2015.
- EBITA totalled SEK 93 million (97); the decrease was mainly attributable to the sale of Aviation. In addition, EBITA was affected by other operating income of SEK 10 million from the disposal of Aviation.
- The EBITA margin totalled 3.1 per cent (3.1).
- Write-down of goodwill totalled SEK 36 million.
- Cash flow from operating activities totalled SEK 6 million (1).
- Basic earnings per share totalled SEK 0.50 (0.97)

Key events

Q3

Proffice Care in Norway entered into an agreement with HINAS, the purchasing organisation of the Norwegian health companies, regarding nurses for Norwegian hospitals. The agreement applies from 1 October 2015 and will run for two years.

After end of quarter

A new Head of Industry and Logistics in Sweden, Carl Dahlén, was appointed in October and will take up his position in January 2016. Carl will be a member of Group management.

The Swedish Transport Administration and Proffice are to enter into a new two-year national framework agreement for staffing services. Proffice will provide personnel in a number of areas of competence, including office administration, HR, finance, information management, communications and operating technology.

Financial overview

	Q3			YTD			R12[2]	Full year
Group[1]	2015	2014	Change	2015	2014	Change		2014
Revenue, SEK million	964	1,058	-9%	3,018	3,132	-4%	4,089	4,203
Other operating income, SEK million	1	0	-	12	1	-	15	4
EBITA, SEK million	40	52	-23%	93	97	-4%	136	140
EBITA margin, %	4.1	4.9	-	3.1	3.1	-	3.3	3.3
Operating profit SEK million	40	52	-23%	57	97	-41%	100	140
Operating margin, %	4.1	4.9	-	1.9	3.1	-	2.4	3.3
Profit after tax, SEK million	29	36	-19%	34	66	-48%	72	104
Basic earnings per share, SEK	0.43	0.53	-19%	0.50	0.97	-48%	1.05	1.51
Diluted earnings per share, SEK	0.43	0.53	-19%	0.50	0.97	-48%	1.05	1.51
Cash flow from operating activities, SEK million	7	-22	-	6	1	-	153	148
Cash flow from operating activities per share, SEK	0.10	-0.32	-	0.09	0.01	-	2.24	2.17
Basic equity per share, SEK	8.20	9.01	-9%	8.20	9.01	-9%	-	9.36
Return on equity, %	12.3	15.7	-	12.3	15.7	-	-	17.2

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

If you have questions about this interim report, please contact:
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Comments by Henrik Höjsgaard, CEO

Stable performance in Sweden and challenges in Norway

The fragmented Nordic economy continued to have an effect on Proffice's revenue and earnings in the third quarter. Operations in Sweden performed well, while business in Norway and Finland was affected by the downward trend in the economy.

Consolidated revenue increased by 3 percent to SEK 964 (953), adjusted for the currency effect and the sale of Aviation, which took place in the second quarter of 2015. The change in consolidated EBITA was mainly attributable to the sale of Aviation.

Skills specialisation – a commercial advantage

During the quarter, Proffice Care entered into a framework agreement with HINAS, the purchasing organisation of the Norwegian health companies, regarding nurses for Norwegian hospitals. During the period, the Swedish business areas under the Dfind brand also showed positive development.

Continued stable performance in Sweden

The Swedish market remains favourable. During the quarter, the Life Science and IT/Technology areas of competence grew by 33 per cent and 9 per cent, respectively, year-on-year.

The Swedish Transport Administration and Proffice are to sign a new two-year national framework agreement for staffing services relating to administrative personnel.

The lower reduction on employer contributions for young people led to us, in dialogue with our customers, adjusting prices for this category of consultants. The impact on EBITA in the quarter was a negative non-recurring effect of SEK 3 million, attributable to employer contributions on holiday pay liability.

Increased challenges in Norway

Figures from the Norwegian industry body show continued declining demand for the staffing sector's services. This is due, in particular, to the economic knock-on effects from the sharp fall in the price of oil. The strong impact of worse economic conditions resulted in a decline in all areas of competence during the quarter. To better meet these challenges and strengthen our position on the Norwegian market, a new Managing Director has already been appointed for Norway during the year along with a new management group, and a new sales organisation is currently being put in place.

Nordic economy remains fragmented

There are strong indications that the Nordic region's economy remains fragmented, with good market conditions in Sweden and worse conditions in Norway and Finland. Through continued investments in a more efficient basic platform in addition to a strong sales organisation, Proffice is continuing to focus on the Group's strategies to achieve its long-term financial targets.

Proffice staff support refugees

During the quarter, Proffice organised fundraising within the company in aid of the Red Cross' efforts to help refugees. Together, Proffice and its employees succeeded in raising over SEK 250,000.

I'm proud of the result and of the commitment of all our colleagues, including in their fundraising efforts.

Henrik Höjsgaard
CEO

Key ratios – quarterly overview

	2015			2014				2013	
Group	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue, SEK million	964	1,045	1,009	1,071	1,058	1,078	996	1,060	1,066
Other operating income, SEK million	1	10	1	3	0	1	0	5	0
EBITA, SEK million	40	31	22	43	52	25	20	35	50
EBITA margin, %	4.1	3.0	2.2	4.0	4.9	2.3	2.0	3.3	4.7
Operating profit/loss, SEK million	40	31	-14	43	52	25	20	35	50
Operating margin, %	4.1	3.0	-1.4	4.0	4.9	2.3	2.0	3.3	4.7
Profit margin, %	4.3	3.0	-1.3	4.0	4.9	2.4	2.0	3.4	4.8
Earnings per share after tax, SEK	0.43	0.38	-0.31	0.54	0.53	0.25	0.19	0.35	0.66
Cash flow from operating activities, SEK million	7	-35	34	147	-22	24	-1	91	62
Cash flow from operating activities per share, SEK	0.10	-0.51	0.50	2.15	-0.32	0.35	-0.01	1.33	0.91
Basic equity per share, SEK	8.20	8.20	9.09	9.36	9.01	8.38	8.63	8.37	8.00
Return on equity, %	12.3	14.0	11.6	17.2	15.7	18.2	19.0	19.2	14.0
Return on capital employed, %	15.9	17.8	17.0	22.0	17.8	19.3	20.5	19.9	11.8
Net debt, SEK million	57	31	-102	-74	65	38	21	19	105
Equity/assets ratio, %	36.4	34.9	38.3	39.6	37.5	35.1	37.3	36.5	33.1
Share price at end of period, SEK	18.60	19.80	23.60	20.70	22.40	26.60	24.50	26.30	24.90
Number of working days	66.0	57.5	61.5	61.5	66.0	57.5	62.0	61.5	66.0

About the Proffice Group

The Proffice Group is one of the largest staffing specialist companies in the Nordics, with more than 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.

Proffice shares are 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 transition.

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 customers and candidates meet Proffice specialists who understand their exact 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

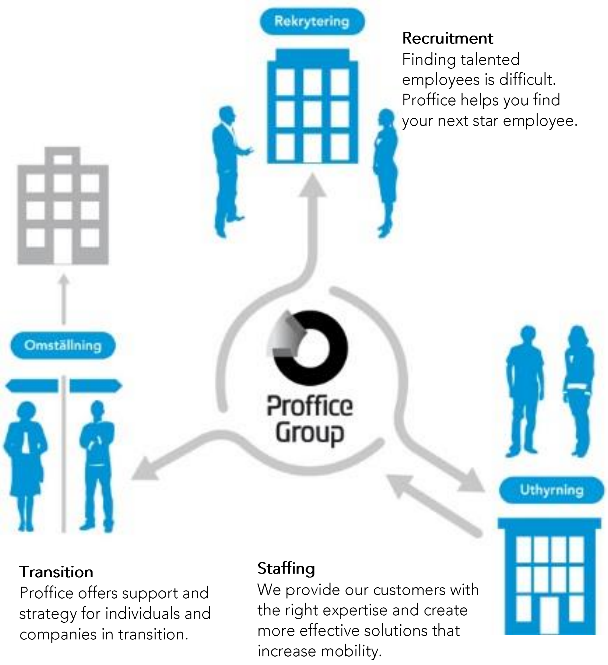
- Accelerate sales through clear processes, segmentation, and an enhanced sales organisation
- Strengthen the offer through structured diversification and further development of services
- Evaluate new, attractive service areas and partnerships/alliances in order to strengthen market position

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 Transition.

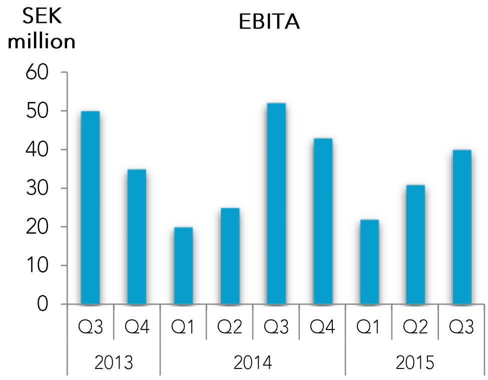


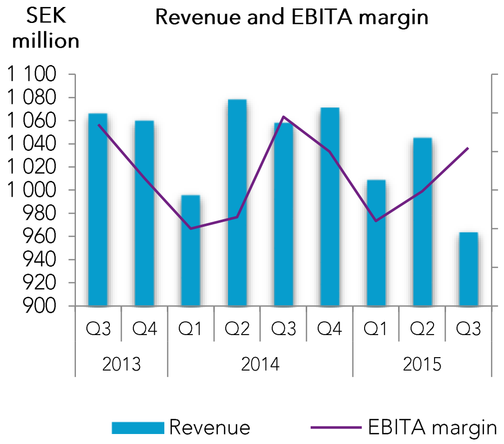
Group overview

Q3 revenue and EBITA

Consolidated revenue for Q3 totalled SEK 964 million (1,058). Revenue increased by 3 percent, adjusted for currency effects and the sale of Aviation, which took place in the second quarter of 2015. The increase was largely related to staffing in Sweden and mainly to the Industrial & Logistics area of competence. The quarter had the same number of working days as last year.

Consolidated EBITA for Q3 amounted to SEK 40 million (52) and the EBITA margin was 4.1 per cent (4.9). The decrease was mainly attributable to the sale of Aviation.





YTD revenue and EBITA

YTD consolidated revenue totalled SEK 3,018 million (3,132). Revenue increased by 3 per cent, adjusted for currency effects and the sale of Aviation, which took place in the second quarter of 2015. The increase was largely related to Industrial & Logistics in Sweden. YTD consolidated EBITA amounted to SEK 93 million (97) and the EBITA margin was 3.1 per cent (3.1). The decrease was mainly attributable to the sale of Aviation. In addition, EBITA was affected by other operating income of SEK 10 million from the disposal of Aviation.

YTD consolidated operating profit was impacted by a goodwill write-down of SEK 36 million attributable to Finland. The Finnish economy is declining and goodwill was written down in the first quarter as part of the Group's strategic overview. Operating profit totalled SEK 57 million (97), and the operating margin was 1.9 per cent (3.1).

Revenue from continuing operations[1)]

	2015			2014				2013	
SEK MILLION	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	964	1,045	1,009	1,071	1,058	1,078	996	1,060	1,066
Revenue based on continuing operations	964	1,033	946	989	953	980	929	990	999

[1)] Continuing operations refers to the consolidated Group excluding the Aviation area of competence

Revenue by operating area

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

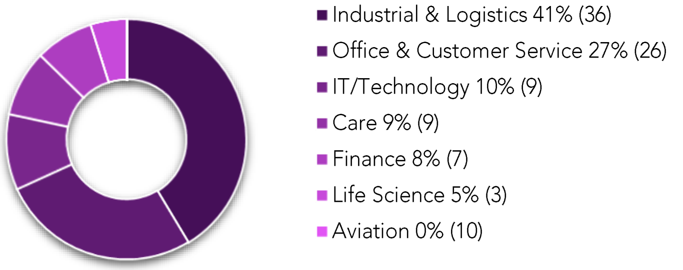
	Q3			YTD			Full year
SEK MILLION	2015	2014	Change	2015	2014	Change	2014
Revenue							
Staffing	916	1,013	-10%	2,836	2,965	-4%	3,978
Recruitment	34	32	6%	132	122	8%	167
Transition	14	13	8%	50	45	11%	58
Total	**964**	**1,058**	**-9%**	**3,018**	**3,132**	**-4%**	**4,203**

Breakdown by area of competence – Staffing

Staffing, Proffice's largest operating area, is divided into seven areas of competence: Industrial & Logistics, Office & Customer Service, IT & Technology, Finance, Care, Life Science and Aviation. As of 17 April 2015 all financial information excludes the Aviation area of competence.

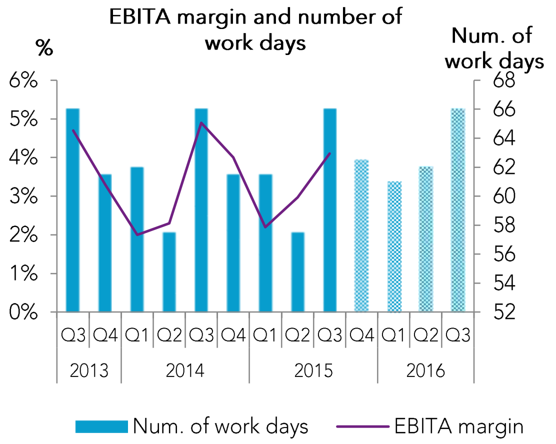
	Q3			YTD			Full year
SEK MILLION	2015	2014	Change	2015	2014	Change	2014
Revenue							
Industrial & Logistics	379	366	4%	1,098	1,017	8%	1,374
Office & Customer Service	246	262	-6%	738	773	-5%	1,037
IT & Technology	93	86	8%	298	301	-1%	399
Care	82	90	-9%	252	260	-3%	349
Finance	72	71	1%	242	240	1%	321
Life Science	44	33	33%	133	104	28%	146
Aviation	-	105	-	75	270	-72%	352
Total	916	1,013	-10%	2,836	2,965	-4%	3,978

Q3 breakdown by area of competence – Staffing



Calendar effects

Proffice's revenue and earnings are affected by seasonal fluctuations due to the number of working days. Q3 and Q4 are normally stronger than the rest of the year because they have more working days.
In Q3 2015, the number of working days was the same as last year, and there were 8.5 more working days than in Q2 2015.



Financial position and other financial information

Consolidated equity at the end of the quarter totalled SEK 557 million (615) and the equity/assets ratio was 36.4 per cent (37.5).

Consolidated other comprehensive income was affected by negative exchange differences in Q3, mostly attributable to the negative development of the NOK.

The consolidated tax expense for Q3 totalled SEK 12 million (12).

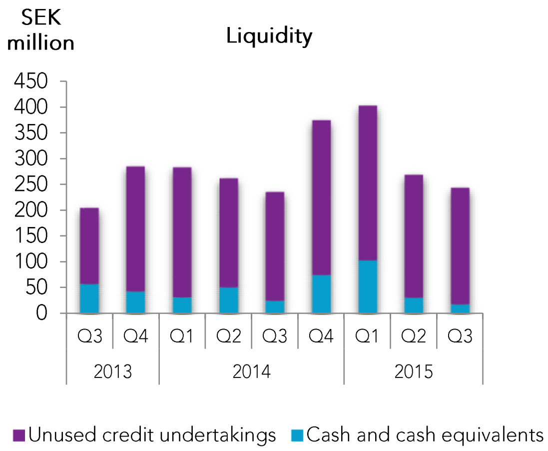
Liquidity and cash flow

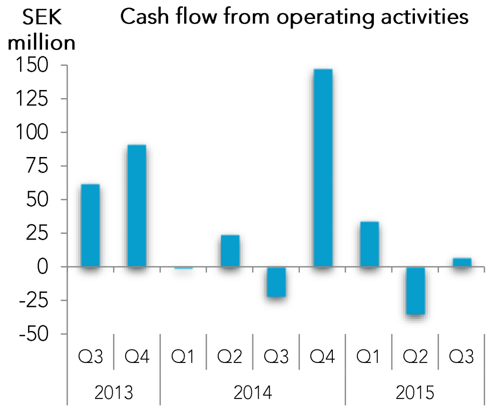
Cash and cash equivalents at the end of the reporting period totalled SEK 17 million (24) and utilised credit totalled SEK 74 million (89). Total credit available is SEK 300 million. Unappropriated cash and cash equivalents thereby totalled SEK 243 million (235), including unused borrowing facilities.

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 Q3 totalled SEK 7 million (-22).

Cash flow for the quarter amounted to SEK -13 million (-23) and was affected by, among other things, investments of SEK 10 million in Group-wide IT systems and SEK 22 million in treasury share buy-backs.





Employees

The average number of full-time employees (FTEs) in the Group totalled 5,692 (6,113) in Q3, a decrease of 421 FTEs compared year-on-year.

www.profficegroup.com

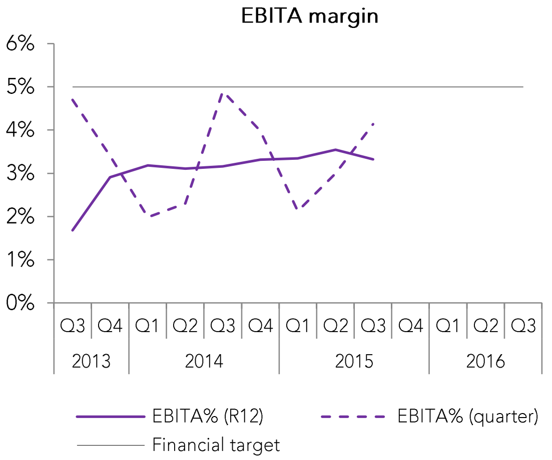
Our website has all the latest information about us. You can download financial reports and financial statistics, watch presentations, read and subscribe to press releases, and much more.

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 comprise profitability, growth, and capital structure. The Group's dividend policy remains unchanged.

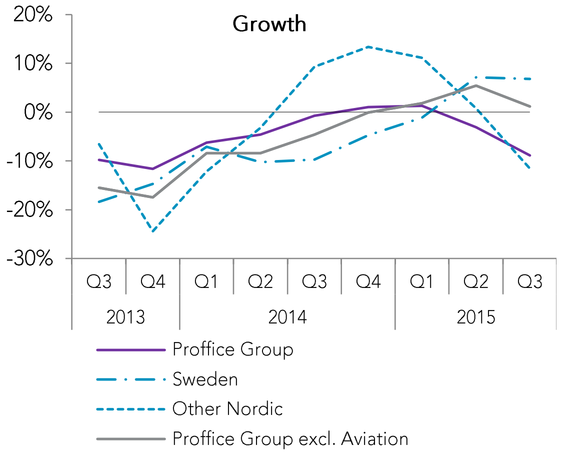
Profitability

Consolidated EBITA as a percentage of revenue should amount to at least five per cent in the long term. The EBITA margin amounted to 3.3 per cent for the last 12 months. The profitability target should be achieved within three years.



Growth

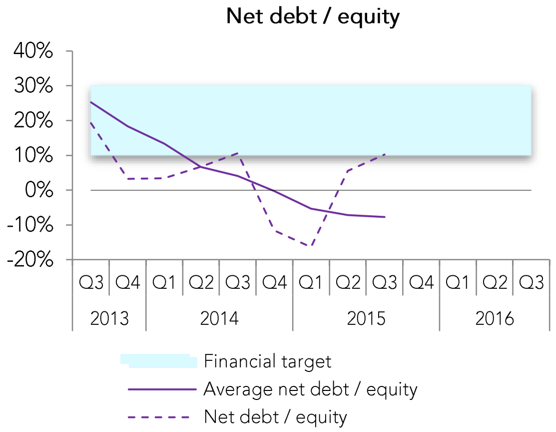
Organic growth should be at least in line with the market in the Group's priority areas. The strengthened sales organisation and the investment in systems support has laid the foundation for Proffice to reach this target.



Capital structure

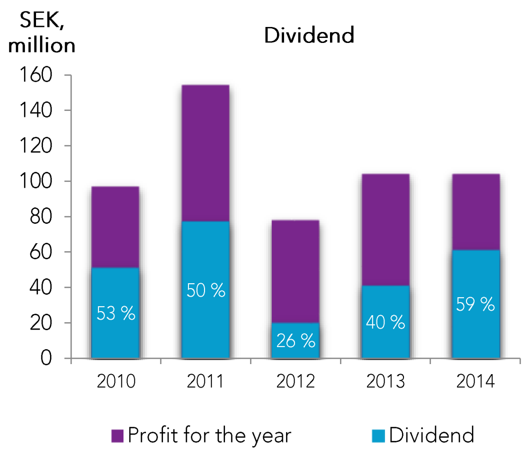
The average net debt/equity ratio should amount to between 10 and 30 per cent in the long term. Adjustment of the capital structure is proceeding and includes treasury share buy-backs.

At the end of the period, the net debt/equity ratio was 10 per cent. The average net debt/equity ratio was -8 per cent, as the Group had very good liquidity in the latter part of 2014 and the first part of 2015.



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.



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.

	Q3			YTD			Full year
SEK MILLION	2015	2014	Change	2015	2014	Change	2014
Sweden							
Revenue	704	717	-2%	2,219	2,237	-1%	2,998
EBITA	42	43	-2%	91	85	7%	128
EBITA margin, %	6.0	6.0	-	4.1	3.8	-	4.3
Other Nordic Countries							
Revenue	260	341	-24%	799	895	-11%	1,205
EBITA	5	16	-69%	13	35	-63%	41
EBITA margin, %	1.9	4.7	-	1.6	3.9	-	3.4
Group-wide							
EBITA	-7	-7	-	-11	-23	-	-29

Breakdown by segment – revenue and EBITA

	2015			2014				2013	
SEK MILLION	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue									
Sweden	704	771	744	761	717	771	749	778	766
Other Nordic Countries	260	274	265	310	341	307	247	282	300
Total	**964**	**1,045**	**1,009**	**1,071**	**1,058**	**1,078**	**996**	**1,060**	**1,066**
Other operating income									
Sweden	0	0	0	0	0	0	0	5	0
Other Nordic Countries	0	0	0	0	0	1	0	0	0
Group-wide	1	10	1	3	0	0	0	0	-
Total	**1**	**10**	**1**	**3**	**0**	**1**	**0**	**5**	**0**
EBITA									
Sweden	42	25	24	43	43	22	20	37	40
Other Nordic Countries	5	3	5	6	16	11	8	8	18
Group-wide	-7	3	-7	-6	-7	-8	-8	-10	-8
Total	**40**	**31**	**22**	**43**	**52**	**25**	**20**	**35**	**50**
EBITA margin, %									
Sweden	6.0	3.2	3.2	5.7	6.0	2.9	2.7	4.8	5.2
Other Nordic Countries	1.9	1.1	1.9	1.9	4.7	3.6	3.2	2.8	6.0
Total	**4.1**	**3.0**	**2.2**	**4.0**	**4.9**	**2.3**	**2.0**	**3.3**	**4.7**

Group-wide

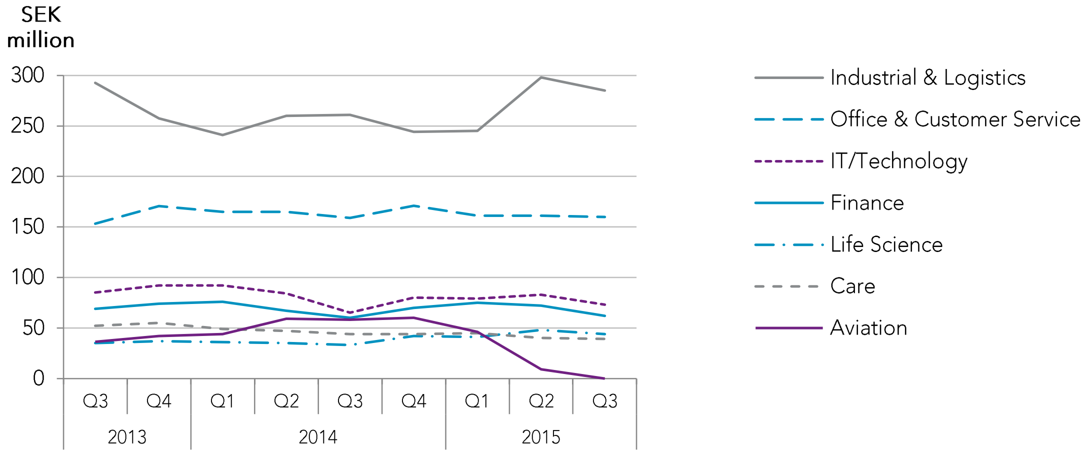
Internal pricing between operating segments is based on market-based conditions. The Parent Company's operations are included in the Group-wide item, which consists of Group functions and Group eliminations.

Sweden

Revenue by operating area

SEK MILLION	Q3 2015	Q3 2014	Change	YTD 2015	YTD 2014	Change	Full year 2014
Revenue							
Staffing	663	680	-3%	2,066	2,100	-2%	2,811
Recruitment	27	25	8%	104	94	11%	131
Transition	14	12	17%	49	43	14%	56
Total	704	717	-2%	2,219	2,237	-1%	2,998

Revenue by area of competence from Staffing



Revenue from continuing operations[1)]

SEK MILLION	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Revenue	704	771	744	761	717	771	749	778	766
Revenue based on continuing operations	704	762	697	701	659	712	705	736	730

[1)] Continuing operations refers to the consolidated Group excluding the Aviation area of competence

Q3

In Sweden, Q3 revenue totalled SEK 704 million (717). Revenue increased by 7 percent, adjusted for the sale of Aviation, which took place in the second quarter of 2015. Sweden accounted for 73 per cent (68) of consolidated revenue in Q3. The Recruitment and Transition operating areas showed an increase in the quarter. Within Staffing, there was growth in the Industrial & Logistics, IT and Life Science areas of competence.

Q3 EBITA amounted to SEK 42 million (43) in Sweden. The decrease was mainly attributable to the sale of Aviation. The EBITA margin was 6.0 per cent (6.0).

During the quarter, the Swedish Government decided to increase the reduced employer contributions for young people. This entailed a corresponding customer price adjustment and the impact on EBITA for the quarter was a non-recurring effect of SEK 3 million, attributable in part to holiday pay liability.

YTD

YTD revenue totalled SEK 2,219 million (2,237) in Sweden. Revenue increased by 4 percent, adjusted for the sale of Aviation, which took place in the second quarter of 2015. The Recruitment and Transition operating areas showed an increase for the period. The Industrial & Logistics and Life Science areas of competence within Staffing grew during the period as compared year-on-year.

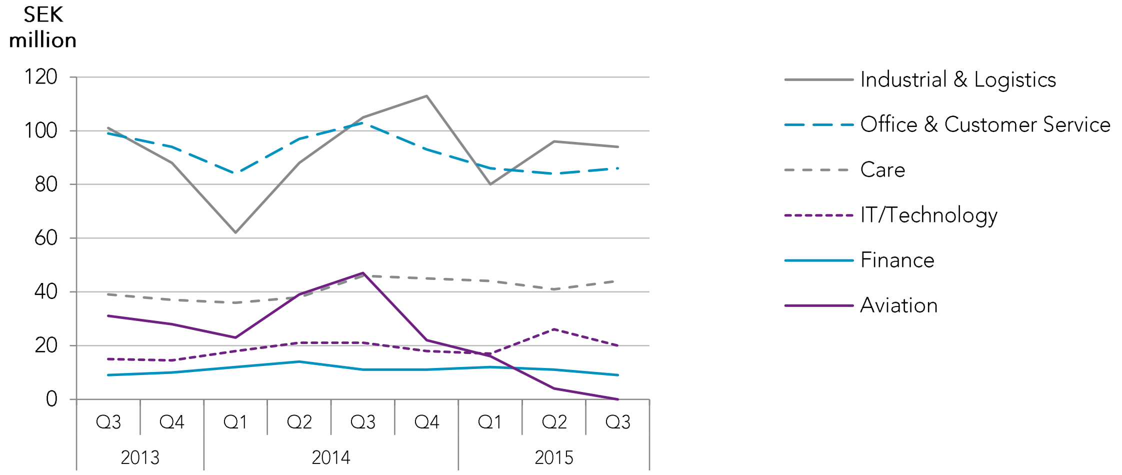
YTD EBITA amounted to SEK 91 million (85) in Sweden. The decrease was mainly attributable to the sale of Aviation. The EBITA margin was 4.1 per cent (3.8).

Other Nordic Countries

Revenue by operating area

SEK MILLION	Q3 2015	Q3 2014	Q3 Change	YTD 2015	YTD 2014	YTD Change	Full year 2014
Revenue							
Staffing	253	333	-24%	770	865	-11%	1,167
Recruitment	7	7	17%	28	28	0%	36
Transition	0	1	0%	1	2	-50%	2
Total	260	341	-24%	799	895	-11%	1,205

Revenue by area of competence from Staffing



Revenue from continuing operations[1)]

SEK MILLION	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Revenue	260	274	265	310	341	307	247	282	300
Revenue based on continuing operations	260	271	249	288	294	268	224	254	269

[1)] Continuing operations refers to the consolidated Group excluding the Aviation area of competence

Q3

The negative macroeconomic conditions in Norway and the weak Norwegian krone affected the quarter's revenue for the Other Nordic Countries segment. Revenue for the Other Nordic Countries segment totalled SEK 260 million (341). Revenue decreased by 5 percent, adjusted for currency effects and the sale of Aviation, which took place in the second quarter of 2015.

Norway's macroeconomic situation has hit the staffing industry hard, resulting in declining revenue. Adjusted for currency effects, Proffice's revenue in Norway decreased by 8 per cent. The decrease was primarily attributable to the Office & Customer Service area of competence.

EBITA totalled SEK 5 million (16), and the EBITA margin totalled 1.9 per cent (4.7).
To strengthen Proffice's position in the tough Norwegian market, planned investments continue to be made in a more efficient basic platform and in strengthening the sale organisation.

YTD

Revenue totalled SEK 799 million (895). Revenue increased by 1 percent, adjusted for currency effects and the sale of Aviation, which took place in the second quarter of 2015.

EBITA totalled SEK 13 million (35), and the EBITA margin totalled 1.6 per cent (3.9).
The Finnish economy is experiencing a downturn. 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 September 2015 stood at 68,677,773, of which 66,677,773 are class B shares. Proffice shares are listed on Nasdaq Stockholm, Mid Cap.

At Proffice's Annual General Meeting (AGM) on 28 April 2015, the Board was authorised to make decisions on the acquisition and transfer of treasury shares. The Board agreed to acquire a maximum of 4,500,000 B shares up until the 2016 AGM, so that the company's total holding of treasury shares corresponds to a maximum of 7.19 per cent of total shares. Since the 2015 AGM, 1,657,193 treasury shares have been acquired. Proffice held a total of 2,096,112 treasury shares, representing 3.1 per cent of total shares, at 30 September 2015. The number of shares outstanding was 66,581,661.

	Q3		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
Holdings of Proffice treasury shares	2,096,112	438,919	2,096,112	438,919	438,919
Shares outstanding at end of period	66,581,661	68,238,854	66,581,661	68,238,854	68,238,854
Average number of shares outstanding, diluted	67,189,288	68,238,854	67,918,832	68,238,854	68,238,854

Transactions with related parties

Transactions with related parties are conducted under market terms and were unchanged in character and volume in Q3 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 pages 28–29 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 on 17 April and operations were discontinued in all four Nordic countries. The sale is expected to have a negative impact of around SEK 15 million on full-year consolidated 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 -8 million (-7) for Q3. The loss after financial items totalled SEK -7 million (-7). Investments in non-current assets totalled SEK 11 million (3) in Q3, most of which was invested in the Group's ERP system. Unappropriated cash and cash equivalents totalled SEK 26 million (43) 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 Board's 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 Group's or Parent Company's earnings, financial position, or disclosures.

Other

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

Stockholm, 5 November 2015

Proffice AB (publ)

Henrik Höjsgaard
CEO

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Proffice AB (publ) as of 30 September 2015 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying 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 other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 5 November 2015

PricewaterhouseCoopers

Nicklas Kullberg

Authorized Public Accountant

Q3 figures

Consolidated statement of earnings and other comprehensive income, condensed

	Q3		YTD		Full year
SEK MILLION	2015	2014	2015	2014	2014
Revenue	**964**	**1,058**	**3,018**	**3,132**	**4,203**
Other operating income	**1**	**0**	**12**	**1**	**4**
Operating expenses					
Employee expenses	-795	-857	-2,481	-2,561	-3,421
Other operating expenses	-125	-146	-442	-463	-630
Depreciation, amortisation, and impairment of assets	-5	-3	-50	-12	-16
Operating profit	**40**	**52**	**57**	**97**	**140**
Earnings from financial items					
Financial income	1	0	2	1	1
Financial expense	0	-1	-1	-2	-2
Exchange differences	0	-3	-1	-8	-2
Profit after financial items	**41**	**48**	**57**	**88**	**137**
Tax	-12	-12	-23	-22	-33
Net profit	**29**	**36**	**34**	**66**	**104**
Other comprehensive income					
Items that can be reclassified to net profit/loss					
Translation differences in foreign subsidiaries for the period	-9	7	-13	19	5
Items that cannot be transferred to net profit/loss	-	-	-	-	-
Other comprehensive income for the period	**-9**	**7**	**-13**	**19**	**5**
Comprehensive income for the period	**20**	**43**	**21**	**85**	**109**
Net profit attributable to:					
Parent Company shareholders	29	36	34	66	103
Non-controlling interest	0	0	0	0	1
Net profit	**29**	**36**	**34**	**66**	**104**
Comprehensive income for the period attributable to:					
Parent Company shareholders	20	43	21	85	108
Non-controlling interest	0	0	0	0	1
Comprehensive income for the period	**20**	**43**	**21**	**85**	**109**
Basic earnings per share, SEK	0.43	0.53	0.50	0.97	1.51
Diluted earnings per share, SEK	0.43	0.53	0.50	0.97	1.51

Consolidated statement of financial position, condensed

SEK MILLION	30 Sept 2015	30 Sept 2014	31 Dec 2014
ASSETS			
Intangible assets	592	628	624
Equipment	9	9	10
Other long-term securities holdings	1	1	1
Non-current receivables	0	0	0
Deferred tax assets	8	9	9
Total non-current assets	610	647	644
Current receivables	904	967	894
Cash and cash equivalents	17	24	74
Total current assets	921	991	968
TOTAL ASSETS	1,531	1,638	1,612
EQUITY AND LIABILITIES			
Equity	557	615	639
Deferred tax liabilities	40	42	42
Interest-bearing non-current liabilities	-	0	0
Total provisions and non-current liabilities	40	42	42
Interest-bearing current liabilities	74	89	0
Non-interest-bearing current liabilities	860	892	931
Total current liabilities	934	981	931
TOTAL EQUITY AND LIABILITIES	1,531	1,638	1,612
Pledged assets	377	467	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	-	-	-	66	66	0	66
Other comprehensive income							
Exchange differences	-	-	19	-	19	0	19
Total comprehensive income for the period	-	-	19	66	85	0	85
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 September 2014	17	361	-20	255	613	2	615
Equity, 1 January 2015	17	361	-34	292	636	3	639
Comprehensive income							
Net profit	-	-	-	34	34	0	34
Other comprehensive income							
Exchange differences	-	-	-13	-	-13	0	-13
Total comprehensive income for the period	-	-	-13	34	21	0	21
Transactions with shareholders							
Acquisition of non-controlling interest	-	-	-	-7	-7	-1	-8
Share buy-back	-	-	-	-33	-33	-	-33
Dividend	-	-	-	-61	-61	-1	-62
Transactions with shareholders for the period	-	-	-	-101	-101	-2	-103
Equity, 30 September 2015	17	361	-47	225	556	1	557

Consolidated statement of cash flows, condensed

	Q3		YTD		Full year
SEK MILLION	2015	2014	2015	2014	2014
Operating activities					
Profit after financial items	41	49	57	89	138
Adjustment for items not included in cash flow*)	2	3	38	12	15
Tax paid/refunded	-2	4	-31	10	16
Cash flow from operating activities before changes in working capital	41	56	64	111	169
Change in working capital					
Change in operating receivables	48	-21	-65	-83	-33
Change in operating liabilities	-82	-57	7	-27	12
Total change in working capital	-34	-78	-58	-110	-21
Cash flow from operating activities	7	-22	6	1	148
Investing activities					
Acquisition of business, less acquired cash and cash equivalents	-	0	-8	-4	-4
Sale of subsidiary	-	-	-4	-	-
Acquisition of intangible assets	-10	-3	-27	-5	-9
Acquisition of equipment	-1	-1	-3	-2	-4
Amortisation of loans receivable	-	0	-	0	1
Cash flow from investing activities	-11	-4	-42	-11	-16
Financing activities					
Share buy-back	-22	-	-33	-	-
Dividend to Parent Company shareholders	-	-	-61	-41	-41
Dividend to non-controlling interests	-	-1	-1	-1	0
Change in short-term credit facilities	13	26	74	57	-33
Loan repayment	-	-25	-	-25	-25
Cash flow from financing activities	-9	0	-21	-10	-99
Cash flow for the period	-13	-26	-57	-20	33
Cash and cash equivalents at start of period	30	50	74	42	42
Exchange-rate difference in cash and cash equivalents	0	0	0	2	-1
Cash and cash equivalents at end of period	17	24	17	24	74

*)Adjustments for items not included in cash flow					
Reversal of depreciation and impairment losses	5	3	50	9	12
Deviation between actual and estimated additional purchase price	-	-	-	0	0
Capital gain from sale of subsidiary	-	-	-10	-	-
Other	-3	-	-2	3	3
Adjustment for items not included in cash flow	2	3	38	12	15

Income statement for Parent Company, condensed

	Q3		YTD		Full year
SEK MILLION	2015	2014	2015	2014	2014
Revenue	98	85	330	276	377
Other operating income	1	0	1	0	0
Operating expenses					
Employee expenses	-27	-28	-85	-92	-120
Other external costs	-77	-62	-256	-197	-273
Depreciation, amortisation and impairment of equipment and non-current intangible assets	-3	-2	-12	-10	-13
Operating profit	-8	-7	-22	-23	-29
Earnings from financial items					
Earnings from shares and participating interests in Group companies	0	-	29	45	102
Impairment of shares and participating interests in Group companies	-	-	-	-3	-20
Interest income and similar items	1	2	4	7	9
Interest expenses and similar items	0	0	-1	-3	-4
Exchange differences	0	-2	0	-6	-2
Profit after financial items	-7	-7	10	17	56
Appropriations	-	-	-	-	13
Tax	-	1	2	5	-9
Net profit	-7	-6	12	22	60

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

	Q3		YTD		Full year
SEK MILLION	2015	2014	2015	2014	2014
Net profit	-7	-6	12	22	60
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	-7	-6	12	22	60

Balance sheet for Parent Company, condensed

SEK MILLION	30 Sept 2015	30 Sept 2014	31 Dec 2014
ASSETS			
Intangible non-current assets	70	51	53
Equipment	5	6	6
Non-current financial assets	684	693	676
Total non-current assets	759	750	735
Receivables from Group companies	91	234	145
Other current receivables	92	56	63
Cash and bank balances	0	0	7
Total current assets	183	290	215
TOTAL ASSETS	942	1,040	950
EQUITY AND LIABILITIES			
Equity			
Restricted equity	294	294	294
Unrestricted equity	85	123	161
Total equity	379	417	455
Untaxed reserves	56	68	56
Interest-bearing current liabilities to credit institutions	74	57	0
Liabilities to Group companies	381	452	375
Other current liabilities	52	46	64
Total current liabilities	507	555	439
TOTAL EQUITY AND LIABILITIES	942	1,040	950
Pledged assets	63	0	36
Contingent liabilities	-	32	-

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 finance 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

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

Staffing
Personnel in various specific areas are employed by Proffice but can be hired out 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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Forthcoming financial reports

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

Interim report, January–March 2016:
28 April 2016

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 5 November 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.

Proffice Group

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