

## Mycronic AB (publ), Interim report first quarter January-March 2016

### First quarter – strong demand for mask writers but weaker start for SMT equipment

Mycronic reports today an increased order intake, increased sales, and a higher EBIT for the first quarter, a period which is typically characterized by lower activity within Mycronic's segment of the electronics industry. The strong order intake during the quarter increased the order backlog to a record high of SEK 1,516 million, which provides a good basis for continuing favourable development during the current and next year.

### First quarter January-March 2016

- Order intake reached SEK 794 (471) million
- Net sales reached SEK 344 (304) million
- EBIT was SEK 32 (26) million
- Profit per share was SEK 0.24 (0.19)

### Outlook

The Board's assessment is that sales in 2016 will be at the level of SEK 1,900 million.

### CEO comments

Thanks to a strong photomask market, Mycronic received orders for a total of five mask writers during the first quarter, a period normally characterized by lower levels of activity for our customers.

The global market for SMT equipment experienced a negative trend in 2015, while Mycronic maintained both its volumes and margins. This slowdown has now affected us as well. Therefore, it remains essential to continue investing in product development to secure our competitiveness.

In November 2015, we introduced equipment for dispensing a wide range of different fluids. Mycronic's Jet Dispenser builds on the unique jet printing platform and is significantly faster than existing dispensing solutions. The equipment targets completely new segments on the SMT market. We have broadened our product offering, and in this way created opportunities for a position shift in line with our growth strategy. The global introduction continued during the first quarter.

The five received orders for mask writers are for various applications. We received the first order for a measuring system for quality assurance of the most advanced photomasks. Quality assurance is becoming increasingly important as more photomasks are produced for new products where the display is central. Our replacement offering, with two new orders this quarter bringing the total to five, has proven to be in line with what our customers need to ensure long-term high productivity for photomask manufacturing.

Despite a weak start to the year for SMT, the Group has a record large order backlog and a strong cash flow. Together with a good financial position, this gives us the prerequisites to maintain our strategy for product development for the electronics of the future, and we are on track to achieve our financial goals – long-term and sustainably.

Lena Olving  
*CEO and President*

## Financial comments, Group

Summary SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
Order intake	794.3	471.0	2,502.0	2,178.8
Order backlog	1,516.1	868.9	1,516.1	1,065.9
Net sales	344.0	304.1	1,854.8	1,815.0
Gross profit	188.4	143.5	1,120.5	1,075.6
Gross margin	55%	47%	60%	59%
EBIT	31.5	25.8	546.0	540.3
EBIT margin	9%	8%	29%	30%
Earnings per share, SEK	0.24	0.19	4.57	4.52
Cash flow	258.2	197.9	293.0	232.6

### First quarter January-March 2016

The order intake comprised five mask writers, SMT equipment and aftermarket. During the first quarter the previous year, we received orders for three mask writers. The order backlog, totalling SEK 1,516 million, comprises six mask writers for delivery in 2016 and seven mask writers for delivery in 2017.

Net sales included delivery of an advanced mask writer and also reflected positive currency effects in the amount of SEK 2 (49) million. Recalculated to the prevailing exchange rates of the corresponding period last year, net sales reached SEK 342 million.

Gross profit corresponds to a gross margin of 55 (47) percent. The improvement relative to last year can be explained primarily by delivery of an advanced mask writer.

The operating margin of 9 (8) percent was burdened by higher development costs, but at the same time positively impacted by the good gross profit.

Consolidated development costs were SEK 20 million higher and related to increased efforts within product development for business area SMT.

### Cash flow and financial position

Consolidated cash and cash equivalents at the end of the first quarter were SEK 1,157 (869) million. Cash flow for the quarter was SEK 258 (198) million.

The operating cash flow was SEK 313 (204) million. This can be explained by the positive result as well as by the reduction in working capital. The decrease in working capital is mainly attributable to customer payments in the form of a decrease in trade receivables and an increase in advance payments.

Investment activities claimed SEK 55 (6) million, of which SEK 5 (-) million related to capitalized development within SMT. During the first quarter, the acquisition of the German companies RoyoTech and Kognitec took place, which claimed SEK 49 million.

### Equity

Consolidated equity at the end of the first quarter was SEK 1,299 million, compared with SEK 1,268 million at the end of 2015. The number of outstanding shares was 97,916,509. Earnings per share were SEK 0.24 (0.19).

## Business area SMT

SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
<b>Order intake and net sales</b>				
Order intake	152.1	233.3	748.3	829.4
Order backlog	51.3	77.3	51.3	51.8
Income from external customers	152.7	222.0	774.3	843.6
<b>Results</b>				
Gross profit	61.7	99.6	345.7	383.7
Gross margin	40%	45%	45%	45%
EBIT	-52.9	9.7	-79.1	-16.4
EBIT margin	-35%	4%	-10%	-2%
<b>Development costs</b>	-64.7	-48.8	-240.7	-224.8

### Financial performance January-March 2016

The order intake and net sales decreased compared to the first quarter of 2015, which was unusually strong with regard to SMT equipment.

For whole-year 2015, the global market for SMT equipment declined 19 percent. At the same time, demand for Mycronic's products and services increased. Mycronic is now starting to feel the effects of this slowdown in demand, although somewhat later.

Net sales were impacted somewhat by currency effects. Recalculated to the same exchange rates which prevailed during the first quarter in 2015, sales were SEK 152 million.

Gross profit corresponded to a gross margin of 40 (45) percent and was affected primarily by lower volumes.

EBIT corresponded to an operating margin of -35 (4) percent. Development expenses were SEK 20 million higher than for the same period last year. In line with its communicated strategy for product development, Mycronic continues to invest in growth within SMT.

Development was capitalized in the amount of SEK 5 (-) million, while amortization of previously capitalized development amounted to SEK 3 (3) million.

### Mycronic in the SMT market

The global electronics industry experienced a downturn of 0.7 percent to a value of USD 1,850 billion in 2015. The semiconductor industry also demonstrated a weak downturn of 0.3 percent. The global market for SMT equipment declined by 19 percent to USD 1.9 billion, which can primarily be linked to weaker markets in Asia (PROTEC MDC, January 2016).

Indications from early 2016 are for a continuing weak electronics industry, while weak growth is forecast for the whole-year. Areas experiencing growth include servers and data storage, automotive electronics, and automation and industrial electronics, areas where Mycronic's customers are active. The semiconductor market is expected to show a similar trend.

Demand for SMT equipment remains difficult to assess. Several indicators within the electronics and semiconductor markets as well as an uncertain global economy point toward relatively weak growth in 2016. Mycronic's assessment is that demand for SMT equipment will be affected by these factors, with a possibility for positive growth in the latter part of 2016.

In November 2015, Mycronic introduced equipment for dispensing of a broad spectrum of mounting fluids, with applications within both the surface mount and the semiconductor industries. The introduction continued globally in early 2016. This creates opportunities on what is for the company a new market. Mycronic 4.0, a complete solution for the smart factory, was also launched in 2015. Within Mycronic 4.0, the German company RoyoTech was acquired in the beginning of 2016. RoyoTech's storage solutions have been an integrated part of Mycronic's offering for a long time.

## Business area PG

SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
<b>Order intake and net sales</b>				
Order intake	642.1	237.7	1,753.8	1,349.4
Order backlog	1,464.9	791.6	1,464.9	1,014.0
Income from external customers	191.3	82.2	1,080.5	971.4
<b>Results</b>				
Gross profit	126.8	43.9	774.7	691.9
Gross margin	66%	53%	72%	71%
EBIT	84.9	16.5	627.0	558.6
EBIT margin	44%	20%	58%	58%
<b>Development costs</b>	-13.5	-13.8	-41.6	-41.9

### Financial performance January-March 2016

The order intake comprised five (three) mask writers, and aftermarket. The order backlog was SEK 1,465 million, comprising six mask writers for delivery in 2016 and seven mask writers for delivery in 2017. Delivery capacity is filled for 2016 for mask writers for advanced display applications.

During the first quarter, a mask writer for display applications was delivered. During the same period last year, there were no system deliveries. Net sales were impacted positively by currency effects just under SEK 2 million. Recalculated to the same exchange rates which prevailed during the corresponding period last year, sales were SEK 190 million.

Gross profit corresponded to a gross margin of 66 (53) percent. This improvement is attributable primarily to the delivery of an advanced mask writer, and continued stable aftermarket business.

The operating margin of 44 (20) percent was impacted positively by the gross profit which included positive currency effects.

### Mycronic in the display market

The display market is forecast to decline by 6 percent in 2016 to USD 120 billion. The number of units produced is estimated to remain at approximately 3.7 billion displays. Some factors behind this trend are lower prices for TV displays and weak demand for LCD monitors and tablets. However, the market remains positive within several of the more advanced segments such as AMOLED displays and high resolution displays. (IHS, January 2016)

The trend on the market for display photomasks is positive. Estimates are that approximately 17,000 photomasks worth USD 610 million were sold during 2015. For 2016-2019, annual growth of 3 percent is forecast for the number of photomasks for display. Turnover for the period is expected to show annual growth of 5 percent to approximately USD 750 million in 2019 (IHS, March 2016). Several factors affect the photomask market positively. Displays with high resolution are driving technology development and thus demand for complex photomasks. Additional factors behind the increase in demand for photomasks are the growing number of different types of displays, and that several new factories for display production have been put into operation, primarily in China.

The degree of utilization on Mycronic's mask writers remains at high levels near customers' maximum production capacity. The good demand for photomasks, in combination with the trend toward more complex photomasks, drives demand for Prexision capacity. Mycronic's replacement offering to exchange older mask writers for a modern system built on the Prexision platform is therefore attractive. High resolution, mobile displays, especially with AMOLED technology, are simultaneously driving demand for capacity on Mycronic's Prexision-80.

## Other

### Parent company

Mycronic AB is the Group's parent company. Product development and sales of mask writers are conducted through the parent company.

The parent company's sales reached SEK 198 (99) million and comprise sales of one mask writer. EBIT was SEK 86 (16) million. Research and development expenditures are expensed as they occur.

Cash and cash equivalents at the end of the first quarter were SEK 1,010 million, compared to SEK 759 million at the end of 2015.

### Events after the end of the first quarter

During Photomask Japan, Mycronic launched the most advanced mask writer, the Prexision-800 with significant improvements in optical resolution.

### Risks and uncertainty factors

There are a number of risks and uncertainty factors of an operational and financial character to which the group is exposed. These are described in the 2015 annual report. No new major risks have occurred since publication of the 2015 annual report.

Those risks which are most prominent in the short term relate to the results of efforts within development and launches within new product areas.

### Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable parts of the Annual Accounts Act. The report for the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act.

For the Group and the parent company, the same accounting principles, estimates and assumptions have been used in this report as were used in the most recent annual report.

The character of financial assets and liabilities are essentially the same as they were on 31 December, 2015. As was the case at the end of 2015, reported values are the same as fair values.

### Annual General Meeting 2016

AGM is held Tuesday 3 May, 2016, at 5 pm. The AGM is held in Stora Aulan at Norra Latin/Stockholm City Conference Centre, Drottninggatan 71 B in Stockholm.

### Proposal on dividend according to policy

In accordance with the dividend policy, the Board proposes to the AGM a dividend of SEK 1.50 (0.80) per share, amounting to SEK 146.9 (78.3) million.

### Proposal on extraordinary dividend

The Board proposes to the AGM an extraordinary dividend of SEK 2.50 (3.20) per share, amounting to SEK 244.8 (313.3) million.

This would bring the total dividend up to SEK 4 (4) per share, totaling SEK 391.7 (391.7) million. A record date of 6 May, 2016 will be proposed, with an estimated payout on 11 May, 2016.

If the AGM decides in favor of the board's proposals, then the company will have paid extraordinary dividends in the amount of SEK 802.9 million during the period 2014 to 2016. This has been done to adjust the capital structure. The Board's current assessment is that these adjustments now have been done. The company intends to invest in acquisitions and in development in the coming years to ensure continued growth. The Board intends, therefore, to put forth proposals for future dividends in accordance with the dividend policy.

### Financial information

Mycronic AB (publ) is listed on NASDAQ Stockholm, Mid Cap, MYCR. The information in this report is published in accordance with the Financial Instruments Trading Act and/or Swedish Securities Market Act. The information was submitted for publication on 21 April, 2016, at 8 am.

Financial reports and press releases are published in Swedish and English and are available on the website [www.mycronic.com](http://www.mycronic.com).

As from 2016, Mycronic will publish market updates on the website when new market statistics is available. An update has been published today, 21 April. The estimated time of release for the next update will be during the second quarter.

This report has not been reviewed by the company's auditor.



#### Annual report

The annual report has been distributed to those shareholders who stated they wish to receive a printed version. The annual report is available on our website in pdf format and as a web-based version.

#### Financial calendar

Annual General Meeting 2016	3 May, 2016
Interim report January-June	13 July, 2016
Interim report January-September	20 October, 2016
Full year report 2016	8 February, 2017

#### Contacts at Mycronic

Lena Olving  
CEO and President  
46 8 - 638 52 00  
[lena.olving@mycronic.com](mailto:lena.olving@mycronic.com)

Per Ekstedt  
CFO  
46 8 - 638 52 00  
[per.ekstedt@mycronic.com](mailto:per.ekstedt@mycronic.com)

*Täby 21 April, 2016*

Lena Olving  
*CEO and President*

#### *Mycronic's vision*

The business partner of choice, enabling the future of electronics.

#### *Mycronic's mission*

We aim to be the market leader within our key segments across the globe.

We continuously improve and develop innovative solutions, products and services to meet the changing needs of our customers.

We do not compromise with our goal to deliver sustainable growth, profitability and shareholder value.

We meet our challenging goals by engaging the passion and talent of people dedicated to deliver.

#### *Mycronic's long-term financial objectives*

##### Growth

Consolidated net sales will reach SEK 2 billion at the end of the period covered by the business plan.

##### Profitability

Over time EBIT (earnings before interest and tax) will exceed 10 percent of net sales over a business cycle.

##### Capital structure

Net debt will be less than 3 times the average EBITDA (earnings before depreciation, amortization, interest and tax).

#### *Mycronic's dividend policy*

The objective of the company is to provide both good returns and value growth. Between 30 and 50 percent of net profit will be distributed to the shareholders, provided the company has a net debt lower than 3 times EBITDA after stipulated dividend. On each occasion the financial position, profitability trend, growth potential and future investment requirements of the company shall be taken into account.

#### *About Mycronic*

Mycronic AB is a high-tech Swedish company engaged in developing, manufacturing and marketing of production solutions to the electronics industry. Mycronic headquarters are located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany, Japan, Singapore, South Korea, Taiwan, the Netherlands, United Kingdom and the US. For more information, see the company website [www.mycronic.com](http://www.mycronic.com).

Mycronic AB (publ) is listed on NASDAQ Stockholm, Mid Cap: MYCR.

*This interim report is a translation of the Swedish version. In the event of any differences between this translation and the Swedish original version, the Swedish version shall have precedence.*

#### **Mycronic AB**

Mycronic AB  
PO Box 3141  
SE-183 03 Täby  
Sweden

Visit/Delivery:  
Nytorpsvägen 9  
SE-183 71 Täby  
Sweden

Tel: +46 8 638 52 00  
Fax: +46 8 638 52 90

[info@mycronic.com](mailto:info@mycronic.com)  
[www.mycronic.com](http://www.mycronic.com)

Reg office: Stockholm  
Reg no: 556351-2374  
Vat no: SE556351237401

Consolidated profit and loss accounts, SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
Net sales	344.0	304.1	1,854.8	1,815.0
Cost of goods sold	-155.6	-160.6	-734.3	-739.4
<b>Gross profit</b>	<b>188.4</b>	<b>143.5</b>	<b>1,120.5</b>	<b>1,075.6</b>
Research and development expenses	-78.2	-62.6	-282.3	-266.7
Selling expenses	-51.0	-45.0	-186.0	-180.0
Administrative expenses	-24.7	-24.6	-91.2	-91.1
Other income and expenses	-3.1	14.5	-15.0	2.6
<b>EBIT</b>	<b>31.5</b>	<b>25.8</b>	<b>546.0</b>	<b>540.3</b>
Financial income and expenses	-0.1	0.0	0.1	0.2
<b>Profit/loss before tax</b>	<b>31.4</b>	<b>25.8</b>	<b>546.1</b>	<b>540.5</b>
Tax	-7.5	-7.1	-98.4	-98.0
<b>Net profit/loss</b>	<b>23.9</b>	<b>18.7</b>	<b>447.7</b>	<b>442.5</b>
Earnings/share, SEK	0.24	0.19	4.57	4.52
Average number of shares, thousand	97,917	97,917	97,917	97,917

Consolidated comprehensive income, SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
<b>Net profit/loss</b>	<b>23.9</b>	<b>18.7</b>	<b>447.7</b>	<b>442.5</b>
<b>Other comprehensive income</b>				
<i>Items not to be reclassified to profit/loss, after tax</i>				
Actuarial loss from defined benefits to employees	-	-	-5.2	-5.2
<i>Items to be reclassified to profit/loss, after tax</i>				
Translation differences at translating foreign entities	2.7	17.8	0.6	15.7
Changes in cash flow hedges	4.3	-14.3	18.5	-0.1
<b>Total comprehensive income</b>	<b>30.9</b>	<b>22.1</b>	<b>461.6</b>	<b>452.8</b>

The entire results are attributable to owners of the Parent Company.

Research and development, SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
<i>R&amp;D expenditure</i>				
SMT equipment	-66.2	-45.7	-241.0	-220.5
Pattern generators	-13.5	-13.8	-41.6	-41.9
	-79.7	-59.5	-282.6	-262.4
<i>Capitalization of development</i>				
SMT equipment	4.7	-	12.8	8.0
<i>Amortization of capitalized development</i>				
SMT equipment	-3.1	-3.1	-12.3	-12.3
	1.6	-3.1	0.5	-4.3
Amortization of acquired technology	-0.2	-	-0.2	-
<b>R&amp;D costs</b>	<b>-78.2</b>	<b>-62.6</b>	<b>-282.3</b>	<b>-266.7</b>
<b>Revenue by geographical market, SEK million</b>	<b>Jan-March 16</b>	<b>Jan-March 15</b>	<b>Rolling 12 months</b>	<b>Jan-Dec 15</b>
EMEA	81.4	87.6	417.7	423.8
Americas	62.5	93.2	279.8	310.5
Asia	200.0	123.3	1,157.3	1,080.6
	<b>344.0</b>	<b>304.1</b>	<b>1,854.8</b>	<b>1,815.0</b>

Consolidated cash flow statements, SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
Cash flow from operations before changes in working capital	35.7	12.1	574.1	550.5
Changes in working capital	277.5	191.7	196.8	110.9
<b>Cash flow from operations</b>	<b>313.2</b>	<b>203.7</b>	<b>770.9</b>	<b>661.4</b>
Cash flow from investing activities	-55.0	-5.8	-86.3	-37.2
Cash flow from financing activities	0.0	0.0	-391.7	-391.7
<b>Cash flow</b>	<b>258.2</b>	<b>197.9</b>	<b>293.0</b>	<b>232.6</b>
Cash and cash equivalents, opening balance	897.7	661.0	869.0	661.0
Exchange differences	0.7	10.1	-5.3	4.2
Cash and cash equivalents, closing balance	1,156.7	869.0	1,156.7	897.7

Consolidated statements of financial position, SEK million	31 March 16	31 March 15	31 Dec 15
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	188.0	125.5	122.9
Tangible assets	38.3	29.8	38.1
Long-term receivables	38.3	30.9	40.1
Deferred tax assets	44.7	105.5	40.9
<b>Total fixed assets</b>	<b>309.3</b>	<b>291.8</b>	<b>242.0</b>
<b>Current assets</b>			
Inventories	335.8	248.3	275.9
Trade receivables	198.5	243.5	271.1
Other current receivables	76.9	71.6	55.4
Cash and cash equivalents	1,156.7	869.0	897.7
<b>Total current assets</b>	<b>1,767.8</b>	<b>1,432.4</b>	<b>1,500.2</b>
<b>Total assets</b>	<b>2,077.1</b>	<b>1,724.2</b>	<b>1,742.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,299.1</b>	<b>1,229.2</b>	<b>1,268.2</b>
<b>Liabilities</b>			
Other long-term liabilities	40.1	11.3	21.0
Deferred tax liabilities	19.1	4.9	15.3
<b>Total long-term liabilities</b>	<b>59.2</b>	<b>16.2</b>	<b>36.3</b>
Trade payables	112.7	59.9	90.9
Other current liabilities	606.2	418.9	346.8
<b>Total current liabilities</b>	<b>718.9</b>	<b>478.8</b>	<b>437.7</b>
<b>Total liabilities</b>	<b>778.0</b>	<b>495.0</b>	<b>474.0</b>
<b>Total equity and liabilities</b>	<b>2,077.1</b>	<b>1,724.2</b>	<b>1,742.2</b>

Consolidated statements of changes in equity, SEK million	Jan-March 16	Jan-March 15	Jan-Dec 15
<b>Opening balance</b>	<b>1,268.2</b>	<b>1,207.1</b>	<b>1,207.1</b>
Dividend	-	-	-391.7
Total comprehensive income	30.9	22.1	452.8
<b>Closing balance</b>	<b>1,299.1</b>	<b>1,229.2</b>	<b>1,268.2</b>



Financial key figures	Jan-March 16	Jan-March 15	Jan-Dec 15
Order intake	794.3	471.0	2,178.8
Net sales	344.0	304.1	1,815.0
Order backlog	1,516.1	868.9	1,065.9
Gross margin	54.8%	47.2%	59.3%
EBIT margin	9.2%	8.5%	29.8%
Return on equity	1.9%	1.5%	35.8%
Equity/total assets	62.5%	71.3%	72.8%
Equity/average number of shares	13.3	12.6	13.0
Average number of employees	507	498	501
<b>Capital spending</b>			
Capitalized development	4.7	-	8.0
Other capital spending	2.5	5.8	29.2
<b>The Mycronic share</b>			
Closing share price	73.25	53.50	82.25
Market cap	7,172.4	5,238.5	8,053.6

Quarterly data	Q1-16	Q4-15	Q3-15	Q2-15	Q1-15	Q4-14	Q3-14	Q2-14
Order intake SMT	152.1	202.4	202.3	191.4	233.3	204.6	205.1	177.0
Order intake PG	642.1	635.5	356.3	119.8	237.7	413.8	637.3	103.9
	<b>794.3</b>	<b>837.9</b>	<b>558.6</b>	<b>311.2</b>	<b>471.0</b>	<b>618.4</b>	<b>842.4</b>	<b>280.9</b>
Sales SMT	152.7	220.5	207.3	193.9	222.0	229.8	180.3	165.4
Sales PG	191.3	400.9	397.6	90.7	82.2	426.7	157.8	72.8
	<b>344.0</b>	<b>621.3</b>	<b>604.9</b>	<b>284.6</b>	<b>304.1</b>	<b>656.4</b>	<b>338.0</b>	<b>238.2</b>
Gross profit SMT	61.7	96.2	99.0	88.8	99.6	108.0	78.2	72.2
Gross profit PG	126.8	308.4	293.8	45.8	43.9	260.0	54.2	33.9
	<b>188.4</b>	<b>404.7</b>	<b>392.8</b>	<b>134.6</b>	<b>143.5</b>	<b>368.0</b>	<b>132.4</b>	<b>106.1</b>
Gross margin SMT	40%	44%	48%	46%	45%	47%	43%	44%
Gross margin PG	66%	77%	74%	50%	53%	61%	34%	47%
	<b>55%</b>	<b>65%</b>	<b>65%</b>	<b>47%</b>	<b>47%</b>	<b>56%</b>	<b>39%</b>	<b>45%</b>
Research and development	-78.2	-80.2	-61.8	-62.2	-62.6	-63.8	-46.5	-48.4
Selling expenses	-51.0	-42.4	-44.5	-48.1	-45.0	-46.2	-38.1	-39.4
Administrative expenses	-24.7	-25.1	-22.1	-19.2	-24.6	-33.2	-21.5	-17.1
Other income/expenses	-3.1	-5.5	-2.4	-4.0	14.5	6.1	10.7	4.4
<b>EBIT</b>	<b>31.5</b>	<b>251.4</b>	<b>261.9</b>	<b>1.1</b>	<b>25.8</b>	<b>231.0</b>	<b>36.9</b>	<b>5.6</b>

Segment reporting, SEK million	Jan-March 16	Jan-March 15	Rolling 12 months	Jan-Dec 15
<b>Income from external customers</b>				
SMT	152.7	222.0	774.3	843.6
PG	191.3	82.2	1,080.5	971.4
	<b>344.0</b>	<b>304.1</b>	<b>1,854.8</b>	<b>1,815.0</b>
<b>EBIT</b>				
SMT	-52.9	9.7	-79.1	-16.4
PG	84.9	16.5	627.0	558.6
Amortization of acquired intangible assets	-0.5	-0.5	-1.9	-1.9
<b>Group</b>	<b>31.5</b>	<b>25.8</b>	<b>546.0</b>	<b>540.3</b>

<b>Income statements, Parent Company, SEK million</b>	<b>Jan-March 16</b>	<b>Jan-March 15</b>	<b>Jan-Dec 15</b>
Net sales	197.5	98.9	1,003.7
Cost of goods sold	-79.0	-56.2	-339.8
<b>Gross profit</b>	<b>118.5</b>	<b>42.7</b>	<b>663.9</b>
Research and development expenses	-13.3	-13.2	-41.0
Selling expenses	-11.1	-6.2	-30.5
Administrative expenses	-9.3	-7.6	-35.6
Other income and expenses	0.7	0.2	-4.6
<b>EBIT</b>	<b>85.6</b>	<b>15.9</b>	<b>552.2</b>
Result from financial investments	0.0	0.0	0.2
<b>Profit/loss after financial items</b>	<b>85.6</b>	<b>15.9</b>	<b>552.4</b>
Appropriations	-	-	-114.0
<b>Profit/loss before tax</b>	<b>85.6</b>	<b>15.9</b>	<b>438.4</b>
Tax	-8.4	0.1	-71.6
<b>Net profit/loss</b>	<b>77.2</b>	<b>16.0</b>	<b>366.8</b>
<b>Statements of comprehensive income, SEK million</b>	<b>Jan-March 16</b>	<b>Jan-March 15</b>	<b>jan-dec 15</b>
<b>Net profit/loss</b>	<b>77.2</b>	<b>16.0</b>	<b>366.8</b>
<b>Other comprehensive income</b>			
<i>Items to be reclassified to profit and loss, after tax</i>			
Translation differences	0.0	0.3	0.5
<b>Total comprehensive income</b>	<b>77.2</b>	<b>16.3</b>	<b>367.3</b>
<b>Balance sheets, Parent Company, SEK million</b>	<b>31 mars 16</b>	<b>31 mars 15</b>	<b>31 dec 15</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible and tangible assets	29.4	23.6	30.5
<i>Financial assets</i>			
Participation in group companies	421.3	365.5	365.5
Receivables from group companies	-	4.7	0.0
Other non-current receivables	23.9	16.2	25.5
Deferred tax receivables	1.8	63.6	1.8
<i>Total financial assets</i>	<i>447.0</i>	<i>450.0</i>	<i>392.7</i>
<b>Total fixed assets</b>	<b>476.4</b>	<b>473.6</b>	<b>423.2</b>
<b>Current assets</b>			
Inventories	16.0	11.8	13.2
<i>Current receivables</i>			
Trade receivables	10.4	12.2	43.8
Receivables from group companies	152.5	174.7	88.0
Other current receivables	37.1	39.6	23.1
<i>Total current receivables</i>	<i>200.0</i>	<i>226.5</i>	<i>154.9</i>
Cash and cash equivalents	1,010.2	665.7	759.0
<b>Total current assets</b>	<b>1,226.2</b>	<b>904.0</b>	<b>927.1</b>
<b>Total assets</b>	<b>1,702.6</b>	<b>1,377.6</b>	<b>1,350.3</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,128.8</b>	<b>1,092.4</b>	<b>1,051.7</b>
<b>Untaxed reserves</b>	<b>25.0</b>	<b>-</b>	<b>25.0</b>
<b>Other non-current liabilities</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>
Trade payables	31.4	9.1	21.1
Liabilities to group companies	4.1	1.6	5.4
Current liabilities	513.0	274.3	246.9
<b>Total liabilities</b>	<b>548.8</b>	<b>285.2</b>	<b>273.6</b>
<b>Total equity and liabilities</b>	<b>1,702.6</b>	<b>1,377.6</b>	<b>1,350.3</b>
<i>Pledged assets</i>	<i>89.0</i>	<i>89.0</i>	<i>89.0</i>

## Additional information on acquisitions

<b>Business combinations, SEK million</b>	<b>Jan-March 16</b>
<b>Acquisition price</b>	
Cash paid for acquisitions during the period	55.6
Holdbacks and deferred considerations for acquisitions during the period	17.1
	<b>72.7</b>
<b>Acquired assets and liabilities at fair value</b>	
Intangible assets	9.5
Tangible assets	0.6
Financial assets	0.0
Inventories	9.1
Short-term receivables	8.0
Cash and cash equivalents	6.8
Long-term liabilities	-2.9
Short-term liabilities	-12.6
<b>Total</b>	<b>18.5</b>
<b>Goodwill</b>	<b>54.1</b>
<b>Changes in cash and cash equivalents from acquisitions</b>	
Cash paid for acquisitions during the period	55.6
Cash and cash equivalents in acquired subsidiaries	-6.8
	<b>48.9</b>

During the first quarter 2016, 100 percent of Kognitec Vertrieb and Service GmbH was acquired, as well as 75 percent of RoyoTech Digitalelektronik GmbH, with an option to acquire the remaining 25 percent approximately two years from the acquisition date. The seller of RoyoTech also has an option to sell the remaining 25 percent at the same point in time. Mycronic's intention is to exercise this option. Mycronic's assessment is that the terms of the options are designed so that the remaining 25 percent of RoyoTech be regarded as acquired and that the estimated price consists of an earn-out.

Mycronic has made preliminary acquisition analyses. The combined acquisition price for the two businesses is SEK 73 million and the preliminary acquisition analyses indicate that goodwill is SEK 54 million. The acquisition price is adjusted for the estimated earn-out of SEK 17 million, calculated by best estimate. The companies are fully consolidated into the Mycronic Group as of 1 January, 2016.