

INTERIM REPORT JANUARY - MARCH 2016

Reporting period January – March

- Net sales increased by 17.3 per cent to SEK 2,051 (1,748) million. Net sales grew organically by 8.9 per cent
- EBITA increased by 13.3 per cent to SEK 274 (242) million
- The EBITA margin increased to 13.4 (13.8) per cent
- Profit before tax grew by 8.8 per cent to SEK 243 (223) million
- Net profit increased by 10.3 per cent to SEK 182 (165) million
- Earnings per share increased by 9.6 per cent to SEK 1.99 (1.81)
- Cash flow from operating activities was continuously strong and increased by 25.6% to SEK 144 (115) million
- During the quarter seven operations were acquired with total sales of approximately SEK 870 million

Summary of financial performance

SEK million	QUARTER 1			Rolling 12 months		FULL YEAR
	2016	2015	change	2016	change	2015
Net sales	2,051	1,748	17.3%	8,204	3.8%	7,901
EBITA	274	242	13.3%	1 218	2.7%	1,186
EBITA margin	13.4%	13.8%	-0.4	14.8%	-0.2	15.0%
Profit before tax	243	223	8.8%	1 102	1.8%	1,082
Net profit	182	165	10.3%	842	2.1%	825
Earnings per share ¹	1.99	1.81	9.6%	9.09	2.0%	8.91
Return on capital employed ²	19.6%	17.8%	1.8	19.6%	-0.3	19.9%
Return on capital employed, excl. goodwill ³	128%	112%	16,0	128%	5,0	123%

¹ Attributable to shareholders in the Parent Company

² Rolling twelve months

³ Rolling twelve months

COMMENTS FROM THE CEO

Sales increased by 17.3 per cent to SEK 2,051 (1,748) million in the first quarter, driven by both organic growth and acquisitions. The organic growth amounted to 8.9 per cent. Sales increased in the Demolition & Tools and Systems Solutions business areas, while the Dental business area was somewhat affected by Easter falling in the first quarter this year. The market situation continued to be generally good for all business areas.

EBITA increased by 13.3 per cent to SEK 274 (242) million and the EBITA margin was 13.4 (13.8) per cent. Earnings per share increased by 9.6 per cent during the quarter and amounted to SEK 1.99 (1.81).

The Dental business area had a somewhat weaker first quarter in terms of profit, mainly due to Easter falling during the period. Profitability in the Demolition & Tools and Systems Solutions business areas increased significantly during the quarter.

Cash flow from operating activities was continuously strong and increased by 25.6 per cent during the period to SEK 144 (115) million.

We have continued to deliver our strategy of investing in market-leading niche businesses with the potential to deliver sustainable profit growth and robust cash flows. During the first quarter Lifco has consolidated seven new operations with total sales of approximately SEK 870 million. For more information, see pages 7 and 14. Together the acquisitions will have a positive impact on Lifco's profit and financial position during the current year. Even after these acquisitions, we have significant financial scope for new acquisitions as net debt in relation to EBITDA is at the lower end of the range of our objective, which is a net debt of two to three times EBITDA.



Fredrik Karlsson
CEO

DEVELOPMENT OF THE GROUP JANUARY – MARCH

Sales increased by 17.3 per cent to SEK 2,051 (1,748) million, driven by organic growth and acquisitions. Acquisitions accounted for 9.8 per cent, organic growth for 8.9 per cent and changes in exchange rates had a negative impact of 1.4 per cent. Organic growth was strong in the Demolition & Tools and Systems Solutions business areas. During the quarter seven new operations were consolidated.

EBITA increased by 13.3 per cent to SEK 274 (242) million and the EBITA margin was 13.4 (13.8) per cent. EBITA was positively impacted by organic growth and acquisitions. Changes in exchange rates had a slightly negative impact on the EBITA margin of 1.3 percentage points. During the quarter, 40 per cent of the EBITA was generated in EUR, 26 per cent in SEK, 10 per cent in NOK, 9 per cent in DKK, 6 per cent in GBP, 3 per cent in USD and 6 per cent in other currencies.

Net financial items were SEK -8 (2) million.

Profit before tax increased by 8.8 per cent to SEK 243 (223) million. Net profit increased by 10.3 per cent to SEK 182 (165) million

Average capital employed excluding goodwill decreased by SEK 14 million from 31 December 2015 to SEK 952 (966) million. EBITA in relation to average capital employed excluding goodwill increased to 128 (123) per cent at the end of the quarter. The improvement was due chiefly to higher profits and good control of capital employed.

The Group's net interest-bearing debt increased by SEK 413 million from 31 March 2015 to SEK 2,779 (2,366) million. The net debt/equity ratio was 0.7 (0.7) at the end of the quarter, and the ratio of net debt to EBITDA was 2.1 (2.2).

Cash flow from operating activities improved to SEK 144 (115) million. The continuously strong cash flow was due chiefly to higher profits and good control of capital employed. Cash flow from investing activities was SEK -971 (-433) million, which is mainly attributable to acquisitions.

FINANCIAL PERFORMANCE – BUSINESS AREAS

Dental

SEK million	QUARTER 1			Rolling 12 months		FULL YEAR
	2016	2015	change	2016	change	2015
Net sales	868	894	-2.9%	3,410	-0.7%	3,435
EBITA	155	170	-8.6%	600	-2.4%	614
EBITA margin	17.9%	19.0%	-1.1	17.6%	-0.3	17.9%

The companies in the Dental business area are leading suppliers of consumables, equipment and technical services for dentists across Europe. Lifco sells dental technology to dentists in the Nordic countries and Germany, and develops and sells medical record systems in Denmark and Sweden. A number of smaller manufacturing companies are also included in the business area, which produce such items as disinfectant fluids, saliva ejectors and endodontic products.

Dental's sales decreased by 2.9 per cent to SEK 868 (894) million during the quarter. The change was due to Easter falling earlier in 2016 than in 2015, and because NetDental was sold in the second quarter of 2015. Sales were boosted in the quarter by the acquisitions in 2015 of Top Dental, J.H. Orsing, Smilodent and Preventum Partner.

EBITA amounted to SEK 155 (170) million during the quarter and the EBITA margin was 17.9 (19.0) per cent.

The dental market is generally stable. The results for individual companies in Lifco's Dental business may, in any individual quarter, be influenced by significant fluctuations in exchange rates, calendar effects (such as Easter), won or lost consumables contracts in procurements for the public sector or major private sector customers, as well as fluctuations in the delivery of equipment. During the quarter, the fact that Easter was early in 2016 had a certain negative impact on sales and profits.

Lifco announced two acquisitions within Dental during the first quarter: the German dental technology laboratory Dens Esthetix and the German dental company Praezimed. Dens Esthetix had sales of approximately EUR 1.4 million in 2015 and has 14 employees. Praezimed conducts servicing and repairs dental instruments used by dentists and dental laboratories in Germany. Praezimed had sales of approximately EUR 2.5 million in 2015 and has 15 employees. Both operations were consolidated in February. The acquisition of endodontic products which was announced in December 2015 was consolidated in January. Endodontic products had sales of approximately SEK 10 million in 2015.

Demolition & Tools

SEK million	QUARTER 1			Rolling 12 months		FULL YEAR
	2015	2015	change	2016	change	2015
Net sales	384	329	16.6%	1,628	3.5%	1,574
EBITA	79	66	18.9%	408	3.2%	396
EBITA margin	20.6%	20.2%	0.4	25.1%	0.0	25.1%

Demolition & Tools develops, manufactures and sells equipment for the construction and demolition industry. Lifco is the world's leading supplier of demolition robots and crane attachments. The Company is also one of the leading global suppliers of excavator attachments. The operations are divided into two divisions – Demolition Robots and Crane & Excavator Attachments – which are of roughly equal size in terms of sales.

Net profit increased by 16.6 per cent to SEK 384 (329) million during the quarter due to strong organic growth. The market situation was generally good and sales increased in the majority of markets. Germany and China experienced the most substantial growth among the Company's major markets.

EBITA increased by 18.9 per cent to SEK 79 (66) million during the quarter. The EBITA margin improved by 0.4 percentage points, to 20.6 (20.2) per cent. Lifco works continuously to improve its product portfolios, strengthen its distribution systems and improve productivity in the Group's companies. The impact of such measures on profit will fluctuate from one quarter to the next, however.

Systems Solutions

SEK million	QUARTER 1			Rolling 12 months		FULL YEAR
	2015	2015	change	2016	change	2015
Net sales	799	525	52.2%	3,166	9.5%	2,892
EBITA	64	27	134%	300	13.8%	263
EBITA margin	8.0%	5.2%	2.8	9.5%	0.4	9.1%

Through its operating entities, Systems Solutions is active in industries offering systems solutions. Systems Solutions is divided into five divisions: Interiors for Service Vehicles, Contract Manufacturing, Environmental Technology, Sawmill Equipment and Construction Materials. The divisions are leading players in their geographic markets. Following the acquisition of Cenika in January 2016, Relining changed its name to Construction Materials.

Sales in Systems Solutions increased by 52.2 per cent to SEK 799 (525) million during the quarter due to organic growth and acquisitions. All divisions saw increased sales during the period.

EBITA increased by 134 per cent to SEK 64 (27) million during the quarter. All of the divisions improved profit during the period and the EBITA margin increased to 8.0 (5.2) per cent. Lifco works continuously to improve its product portfolios, strengthen its distribution systems and improve productivity in the Group's companies. The impact of such measures on profit will fluctuate from one quarter to the next, however.

Interiors for Service Vehicles grew both in terms of sales and profitability during the quarter thanks to increased sales activities and an improved product range. The EBITA margin is not yet completely satisfactory, however.

Contract Manufacturing had a positive start to the year with a stable market situation. The division's customers include world-leading manufacturers of equipment for the pharmaceutical industry as well as manufacturers of railway equipment, which require a high standard of quality as regards delivery flexibility and documentation. At the end of December, Lifco announced the acquisition of the Norwegian company Auto-Maskin, a leading supplier of marine diesel engine control units. Auto-Maskin had sales of approximately NOK 130 million in 2015 and has 65 employees. The operations were consolidated in January 2016.

Environmental Technology had a good start to the year. In January Redoma Recycling, which is a Swedish company specialising in the development and manufacture of recycling machinery for small and medium-sized cables, was consolidated. Redoma Recycling's sales amounted to approximately SEK 25 million in 2015, and the company has eight employees. In February, the acquisition of the Norwegian company TMC/Nessco, a world leading supplier of marine compressors and spare parts, was announced. The company had sales of approximately NOK 525 million in 2015 and TMC/Nessco has more than 90 employees. The operations were consolidated in March.

Sawmill Equipment achieved good sales and profit growth during the quarter. Sales of pellet systems were particularly strong and the division has attained a leading position in the Nordic, Baltic and Russian markets.

Construction Materials (formerly Relining) had satisfactory growth in sales and profit during the quarter following the acquisition of a majority interest in the Norwegian company Cenika. Cenika, which was consolidated in February, is a leading supplier of low voltage electrical equipment. The company had sales of approximately NOK 160 million in 2015 and Cenika has around 30 employees.

Lifco owns 70 per cent of shares in the Icelandic subsidiary Proline Iceland EFT and 70 per cent of shares in the Spanish subsidiary Proline Relining SL which are part of the Construction Materials division. In 2015, the two companies together generated 0.04 per cent of the Group's total sales. In light of the unsatisfactory development of both companies Lifco has reached an agreement regarding the transfer of Lifco's shares in the companies to minority shareholders in Proline Iceland EFT and Proline Relining SL. The minority shareholders are employees of the respective companies. In conjunction with the transfer of Lifco's shares in Proline Iceland EFT and Proline Relining SL, the purchasers accept full responsibility for each company's net debt. The transfer is not expected to give rise to any capital loss or capital gain for Lifco. The Board of Directors considers that the purchase prices and transfer conditions in general are fair from a financial perspective for Lifco's shareholders. The Board of Directors considers that the transfer of the shares in Proline Iceland EFT and Proline Relining SL is of marginal importance for Lifco. The transfer of the shares in Proline Iceland EFT and

Proline Relining SL is dependent on the Lifco Annual General Meeting approving the transfer in accordance with the provisions of Chapter 16 of the Swedish Companies Act.

ACQUISITIONS

During the first quarter of 2016, Lifco has consolidated the following acquisitions:

Consolidated as of month	Acquisitions	Business area	Sales	Employees
January	Auto-Maskin	Systems Solutions	NOK 130m	65
January	Endodontic products	Dental	SEK 10m	-
January	Redoma Recycling	Systems Solutions	SEK 25m	8
February	Cenika	Systems Solutions	NOK 160m	30
February	Dens Esthetix	Dental	EUR 1.4m	14
February	Praezimed	Dental	EUR 2.5m	15
March	TMC/Nessco	Systems Solutions	NOK 525m	90

Further information on the acquisitions is provided on page 14 of the interim report. The figures presented for sales and number of employees refer to the estimated annual sales and the number of employees at the acquisition date.

Together the acquisitions will have a positive impact on Lifco's profit and financial position during the current year.

OTHER FINANCIAL INFORMATION

Employees

The average number of employees was 3,561 (3,302) in the first quarter. At the end of the period, there were 3,571 (3,320) employees. During the period, approximately 220 employees were gained through acquisitions.

Events after the end of the reporting period

No significant events for the Group have occurred since the end of the reporting period.

Related-party transactions

No significant transactions with related parties took place during the period.

Risks and uncertainties

The risk factors of the greatest significance to Lifco are the competitive landscape, structural changes in the market and the general economic development. Lifco is also exposed to financial risks such as currency risk, interest rate risk, credit risk and counterparty risk.

The Parent Company is affected by the aforementioned risks and uncertainties through its function as owner of the subsidiaries.

For more information on Lifco's risks and risk management please refer to the 2015 annual report.

Accounting principles

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Annual Accounts Act and RFR 2. The accounting policies adopted are consistent with those applied for the 2015 Annual Report and should be read in conjunction with that Annual Report.

The report has not been reviewed by the company's auditors.

BOARD OF DIRECTORS AFFIRMATION

The Board of Directors and Chief Executive Officer certify that the Interim Report provides a true and fair view of the Parent Company's and Group's operations, financial positions and results and that it describes the significant risks and uncertainties to which the Parent Company and companies included in the Group are exposed.

Enköping, 12 May 2016

Carl Bennet
Chairman of the Board

Gabriel Danielsson
Board member

Ulrika Dellby
Board member

Erik Gabrielson
Board Member

Ulf Grunander
Board member

Fredrik Karlsson
President and CEO, Board
Member

Annika Norlund
Director, Employee
Representative

Johan Stern
Deputy Chairman

Axel Wachtmeister
Board member

Peter Wiberg
Deputy director,
Employee Representative

FINANCIAL CALENDAR

The report for the second quarter of 2016 will be published on 15 July 2016 at 07:30 am.

The report for the third quarter of 2016 will be published on 25 October 2016.

The year-end report for 2016 will be published on 15 February 2017.

FURTHER INFORMATION

Media and investor relations: Åse Lindskog, ir@lifco.se, tel: +46 (0) 730 24 48 72

TELECONFERENCE

Media representatives and analysts are welcome to join a teleconference in which CEO Fredrik Karlsson, CFO Therése Hoffman and Head of Business Area Dental Per Waldemarson will present the Interim Report. The presentation is expected to last approximately 20 minutes, after which there will be the opportunity to ask questions.

Time and date: 12 May at 1 pm

Link to the presentation:

http://cloud.magneetto.com/wonderland/2016_0512_Lifco_Q1_Report/view

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LIFCO IN BRIEF

Lifco acquires and develops market-leading niche businesses with the potential to deliver sustainable profit growth and robust cash flows. The Group has three business areas: Dental, Demolition & Tools and Systems Solutions. Lifco is guided by a clear philosophy centred on long-term growth, a focus on profitability and a strongly decentralised organisation. The Lifco Group comprises 133 companies in 28 countries. In 2015 the Group reported EBITA of SEK 1,186 million on sales of around SEK 7.9 billion, with an EBITA margin of 15.0 per cent. Read more at www.lifco.se

This information was made public at 11:00 am on Monday, 12 May in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act and/or the regulations of Nasdaq Stockholm.

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK million	QUARTER 1			FULL YEAR 2015
	2016	2015	change	
Net sales	2,051	1,748	17.3%	7,901
Cost of goods sold	-1,262	-1,074	17.5%	-4,865
Gross profit	789	674	17.1%	3,036
Selling expenses	-183	-139	31.5%	-625
Administrative expenses	-342	-294	16.2%	-1,205
Development expenses	-21	-15	38.1%	-73
Other income and expenses	8	-5	-263%	-26
Operating profit/loss	252	221	13.8%	1,107
Net financial items	-8	2	-464%	-25
Profit before tax	243	223	8.8%	1,082
Tax	-61	-58	4.7%	-257
Net profit	182	165	10.3%	825
Profit attributable to:				
Shareholders in the Parent Company	180	165	9.6%	810
Non-controlling interests	2	1	188%	15
Earnings per share for the period, attributable to shareholders in the Parent Company	1.99	1.81	9.6%	8.91
EBITA	274	242	13.3%	1,186
Depreciation of tangible assets	22	18	20.6%	81
Amortisation of intangible assets	26	15	66.8%	76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	QUARTER 1			FULL YEAR 2015
	2016	2015	change	
Net profit	182	165	10.3%	825
Other comprehensive income				
<i>Items that can later be reversed in profit or loss:</i>				
Hedging of net investment	18	-	-	-
Translation differences	14	-39	-137%	-92
Tax related to other comprehensive income	-4	-	-	-
Total comprehensive income for the period	210	127	66.2%	733
<i>Comprehensive income attributable to:</i>				
Shareholders in the Parent Company	208	126	65.3%	720
Non-controlling interests	2	1	258%	13
	210	127	66.2%	733

SEGMENT OVERVIEW

Lifco's operations are monitored and evaluated by the CEO and resources are allocated based on information from the three operating segments: Dental, Demolition & Tools and Systems Solutions. The defined quantitative limits are exceeded only by Dental and Demolition & Tools. One further operating segment, designated Systems Solutions, is presented. This operating segment consists of a merger of those divisions which have similar economic characteristics and which do not individually meet the defined quantitative limits. These divisions are Interiors for Service Vehicles, Contract Manufacturing, Environmental Technology, Sawmill Equipment and Construction Materials (formerly Relining).

NET SALES TO EXTERNAL CUSTOMERS

No sales are made between the segments.

SEK million	QUARTER 1			Rolling 12 months		FULL YEAR
	2016	2015	change	2016	change	2015
Dental	868	894	-2.9%	3,410	-0.7%	3,435
Demolition & Tools	384	329	16.6%	1,628	3.5%	1,574
Systems Solutions	799	525	52.2%	3,166	9.5%	2,892
Group	2,051	1,748	17.3%	8,204	3.8%	7,901

EBITA

A breakdown of results by segment is made up to and including EBITA. EBITA is reconciled against profit before tax in accordance with the following table:

SEK million	QUARTER 1			Rolling 12 months		FULL YEAR
	2016	2015	change	2016	change	2015
Dental	155	170	-8.6%	600	-2.4%	614
Demolition & Tools	79	66	18.9%	408	3.2%	396
Systems Solutions	64	27	134%	300	13.8%	263
Central Group functions	-24	-22	10.6%	-90	2.6%	-87
EBITA	274	242	13.3%	1,218	2.7%	1,186
Amortisation of intangible assets arising in conjunction with acquisitions	-23	-13	75.5%	-76	15.2%	-66
Restructuring, integration and acquisition costs	-	-8	-108%	-5	-63.8%	-13
Net financial items	-8	2	-464%	-35	42.8%	-25
Profit before tax	243	223	8.8%	1,102	1.8%	1,082

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	31/03/2016	31/03/2015	31/12/2015
ASSETS			
Intangible assets	5,983	4,972	5,010
Tangible assets	437	414	417
Financial fixed assets	88	55	87
Inventories	1,135	1,026	960
Accounts receivable – trade	1,026	900	863
Current receivables	266	246	257
Cash and cash equivalents	438	624	464
TOTAL ASSETS	9,373	8,237	8,058
EQUITY AND LIABILITIES			
Equity	4,174	3,602	3,964
Non-current interest-bearing liabilities incl. pension provisions	1,084	91	1,103
Other non-current liabilities and provisions	489	316	371
Current interest-bearing liabilities	2,150	2,946	1,341
Accounts payable – trade	549	436	370
Other current liabilities	927	846	909
TOTAL EQUITY AND LIABILITIES	9,373	8,237	8,058

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders in the Parent Company

SEK million	31/03/2016	31/03/2015	31/12/2015
Opening equity	3,939	3,455	3,455
Comprehensive income for the period	208	126	720
Dividend	-	-	-236
Closing equity	4,147	3,581	3,939
<i>Equity attributable to:</i>			
Shareholders in the Parent Company	4,147	3,581	3,939
Non-controlling interests	27	20	25
	4,174	3,602	3,964

CONDENSED CASH FLOW STATEMENT

SEK million	QUARTER 1		FULL YEAR
	2016	2015	2015
Operating activities			
Operating profit/loss	251	221	1,107
Non-cash items	35	34	157
Interest and financial items, net	-8	2	-25
Tax paid	-88	-78	-239
Cash flow before changes in working capital	190	178	1,000
<i>Changes in working capital</i>			
Inventories	-62	-87	-59
Current receivables	18	-112	-113
Current liabilities	-2	135	120
Cash flow from operating activities	144	115	948
Business combinations and divestments, net	-948	-364	-573
Net investments in property, plant and equipment	-22	-14	-82
Net investments in intangible assets	-1	-55	-9
Cash flow from investing activities	-971	-433	-664
Borrowings/repayment of borrowings, net	797	411	-88
Anticipated/paid dividend	-3	-9	-252
Cash flow from financing activities	794	402	-340
Cash flow for the period	-33	84	-56
Cash and cash equivalents at the beginning of the period	464	536	536
Translation differences	7	3	-16
Cash and cash equivalents at the end of the period	438	624	464

ACQUISITIONS IN 2016

In the first quarter seven new operations were consolidated which are included in the preliminary acquisitions purchase price allocation. The acquisitions include all of the shares in Auto-Maskin, Praezimed and TMC/Nessco and a majority shareholding in Cenika. The acquisitions of Redoma Recycling, Dens Esthetix and endodontic products referred to the assets and liabilities of the company.

The preliminary purchase price allocation covers all acquisitions made during the year.

Costs related to the acquisition of SEK 12 million are included in the administrative expenses in the Group's consolidated income statement for the first quarter of 2016. If the operations had been consolidated from 1 January 2016 the Group's net sales would have been positively impacted by approximately SEK 95 million. The effect of the acquisitions on profit would have been positive if the companies had been consolidated from 1 January 2016.

Acquired net assets

Net assets, SEK million	Reported value	Value adjustment	Fair value
Trademarks, customer relationships, licences	1	550	551
Tangible assets	19	-	19
Accounts receivable and other receivables	275	-1	274
Accounts payable and other liabilities	-195	-122	-317
Cash and cash equivalents	111	-	111
Net assets	211	427	638
Goodwill		420	420
Total net assets	211	847	1,058

Effect on cash flow, SEK million

Purchase consideration	1,058
Cash and cash equivalents in the acquired companies	-111
Consideration paid relating to acquisitions from previous years	1
Total effect on cash flow	948

FINANCIAL INSTRUMENTS

SEK million	CARRYING AMOUNT		FAIR VALUE	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Loans and receivables				
Accounts receivable – trade	1,026	900	1,026	900
Other non-current financial receivables	3	3	3	3
Cash and cash equivalents	438	624	438	624
Total	1,467	1,527	1,467	1,527
Liabilities at fair value through profit or loss				
Other liabilities	16	30	16	30
Other financial liabilities				
Interest-bearing borrowings	3,178	2,950	3,178	2,950
Accounts payable – trade	549	436	549	436
Other liabilities	-	18	-	18
Total	3,743	3,433	3,743	3,433

Financial instruments at fair value are classified into different levels depending on how fair value has been determined. All financial instruments at fair value in the Lifco Group have been classified as level 3, i.e. non-observable input data. The fair value of short-term borrowings is equal to the carrying amount, as the discount effect is insignificant. Other liabilities classified as financial instruments refer to mandatory call/put options relating to non-controlling interests. Changes in financial liabilities attributable to mandatory call/put options are recognised in equity.

KEY PERFORMANCE INDICATORS

ROLLING TWELVE MONTHS TO	2016 31 MARCH	2015 31 DEC	2015 31 MARCH
Net sales, SEK million	8,204	7,901	7,012
Change in sales, %	3.8	16.2	3.1
EBITA, SEK million	1,218	1,186	994
EBITA margin, %	14.8	15.0	14.2
EBITDA, SEK million	1,313	1,277	1,073
EBITDA margin, %	16.0	16.2	15.3
Capital employed, SEK million	6,203	5,965	5,593
Capital employed excl. goodwill and other intangible assets, SEK million	952	966	891
Return on capital employed, %	19.6	19.9	17.8
Return on capital employed, excl. goodwill, %	128	123	112
Return on equity, %	21.7	22.1	18.1
Net interest-bearing debt, SEK million	2,779	1,950	2,366
Net debt/equity ratio	0.7	0.5	0.7
Net debt/EBITDA	2.1	1.5	2.2
Equity/assets ratio, %	44.5	49.2	43.7
Number of shares, thousand	90,843	90,843	90,843
Average number of employees	3,561	3,369	3,302

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK million	QUARTER 1		FULL YEAR
	2016	2015	2015
Administrative expenses	-27	-25	-104
Other operating income	-	-	84
Operating profit/loss	-27	-25	-20
Net financial items ⁴	12	219	307
Profit after financial items	-15	194	287
Appropriations	-	-	-12
Tax	5	1	-8
Net profit for the period	-10	195	267

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	31/03/2016	31/12/2015
ASSETS		
Tangible fixed assets	0	0
Financial fixed assets	3,385	3,369
Current receivables	2,946	2,223
Cash and cash equivalents	186	307
TOTAL ASSETS	6,517	5,899
EQUITY AND LIABILITIES		
Equity	2,176	2,186
Untaxed reserves	32	32
Provisions	2	4
Non-current interest-bearing liabilities	1,042	1,031
Current interest-bearing liabilities	2,124	1,330
Current non-interest-bearing liabilities	1,141	1,316
TOTAL EQUITY AND LIABILITIES	6,517	5,899
Pledged assets	-	-
Contingent liabilities	131	92

⁴ Net financial items for the first quarter 2015 include dividends from subsidiaries which in 2016 are expected to be paid during the second quarter.

DEFINITIONS

Return on equity	Net profit attributable to shareholders in the Parent Company and non-controlling interests divided by average equity
Return on capital employed	EBITA divided by average capital employed
Return on capital employed excl. goodwill and other intangible assets	EBITA divided by average capital employed excluding goodwill and other intangible assets
EBIT	Operating profit/Profit before financial items and taxes
EBITA	Operating profit before amortisation of intangible assets arising in conjunction with acquisitions, and restructuring, integration and acquisition costs
EBITA margin	EBITA divided by net sales
EBITDA	Operating profit before depreciation, amortisation and restructuring, integration and acquisition costs
EBITDA margin	EBITDA divided by net sales
Net debt/equity ratio	Net interest-bearing debt divided by equity
Earnings per share	Net profit attributable to shareholders in the Parent Company divided by the average number of outstanding shares
Net interest-bearing debt	Liabilities to credit institutions including interest-bearing pension provisions less cash and cash equivalents
Equity ratio, %	Equity divided by total assets (balance sheet total)
Capital employed	Total assets less cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities, calculated on a rolling twelve-month basis
Capital employed excl. goodwill and other intangible assets	Total assets less cash and cash equivalents, interest-bearing pension provisions, non-interest-bearing liabilities, goodwill and other intangible assets, calculated on a rolling twelve-month basis