



SYSTEMAIR AB (PUBL)

INTERIM REPORT Q2

1 MAY – 31 OCTOBER 2015



Net sales Q2

SEK 1,624 m

EBIT Q2

SEK 134 m

Second quarter August-October 2015

- Net sales rose 5 percent to SEK 1,624 million (1,554).
- Operating profit (EBIT) totalled SEK 134 million (156).
- Systemair's operating margin was 8.3 percent (10.1).
- Profit after tax fell to SEK 86 million (117).
- Earnings per share totalled SEK 1.65 (2.24).
- Cash flow from operating activities amounted to SEK 122 million (90).

First half-year, May-October 2015

- Net sales rose 8 percent to SEK 3,188 million (2,948).
- Operating profit (EBIT) totalled SEK 252 million (268).
- Systemair's operating margin was 7.9 percent (9.1).
- Profit after tax fell to SEK 166 million (237).
- Earnings per share totalled SEK 3.20 (4.55).
- Cash flow from operating activities amounted to SEK 171 million (177).

Significant events during the period under review

- On 1 May the business in the Parent Company Systemair AB was divided into two companies. The listed company Systemair AB has been streamlined into a holding company with group functions. The newly formed company Systemair Sverige AB is engaged in production and sales operations in Sweden.
- Roland Kasper took over as Systemair's new President and CEO at the Annual General Meeting, held on 27 August 2015. Gerald Engström was elected as new Chairman of the Board.
- In September, Systemair took over Traydus, of Brazil, a maker of air handling units.
- In October, the Company took over Alitis, Systemair's representative in Belarus and Kaliningrad.
- Also in October, Systemair took over Kolektor, a maker of ventilation units in Slovenia.
- In November, the acquisition of Menerga NV, a reseller of Menerga's products in Belgium, was completed.

	2015 Aug-Oct 3 mths	2014 Aug-Oct 3 mths	2015 May-Oct 6 mths	2014 May-Oct 6 mths
Net sales, SEK m	1,624.4	1,554.5	3,187.5	2,948.3
Growth, %	4.5	9.9	8.1	7.6
Operating profit, SEK m	134.3	156.3	251.7	267.7
Operating margin, %	8.3	10.1	7.9	9.1
Profit after tax, SEK m	85.7	116.6	166.5	236.8
Earnings per share, SEK	1.65	2.24	3.20	4.55
Operating cash flow per share, SEK	2.34	1.73	3.28	3.40

Continued growth

This was my first quarter as CEO of Systemair. The second quarter is normally our strongest period, but a relatively weak market in several countries resulted in growth of 5 percent and lower profitability. Nevertheless, we can for the twenty-third consecutive quarter report organic growth, on this occasion of 3.6 percent. The operating margin was 8.3 percent, negatively affected by declining volumes in Russia. We are engaged in a number of activities and restructuring measures to boost earnings.



The market

The market as a whole turned in a fragmented performance during the second quarter. The Nordic market remains stable, with growth in most countries in the region. In Western Europe, we noted rising volumes in several countries but our volumes declined in France. During the period, sales declined by 40 percent in Russia, and now represent 7 percent of the Group's total sales. In the Eastern Europe region we are still seeing an increase in several other countries, which is partly offsetting the losses in Russia. Asia is still demonstrating continued positive growth and many exciting projects are under way.

Companies acquired

During the quarter, we acquired four companies, which will create opportunities for continued growth and enable us to expand our market presence. In Belarus, Alitis has built a strong platform for further expansion there. Menerga BV in Belgium complements our existing organisation with resources, know-how and customers. Systemair-Traydus, Brazil, brings local production of air handling units in South America, creating the potential for developing collaboration with our existing units in Peru and Chile. The acquisition of Kolektor, a maker of ventilation units in Slovenia, creates a strong platform for us as a supplier of ventilation units in the Balkans.

Investments

In Slovakia, we have concluded substantial investments at our factory for air distribution products. We have doubled production space and invested in modern machinery. In Norway and Denmark, we have expanded our ventilation unit factories and in France and the USA, we have modernised our machine parks.

Outlook

Despite economic and political uncertainty, we can report organic growth for the twenty-third consecutive quarter. One of Systemair's strengths is our global presence. This enables us to utilise our resources and our market presence to identify and exploit the applications and opportunities that emerge. We have made many acquisitions in recent years, and intend to continue doing so. Certain consolidation and restructuring measures will be implemented in order to achieve our profitability goals. We will also continue to invest in production equipment, product development and marketing.

I look forward to contributing to Systemair's ongoing development, improved profitability and continued growth.

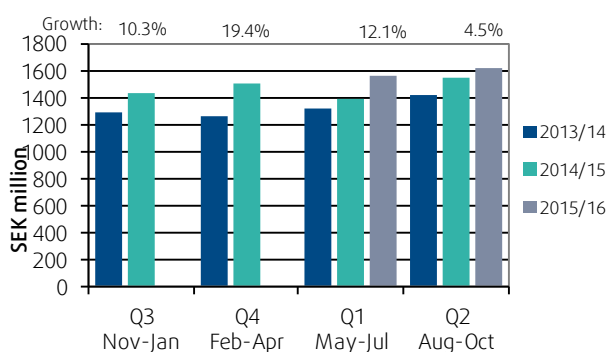
Roland Kasper
President and CEO

Sales and markets

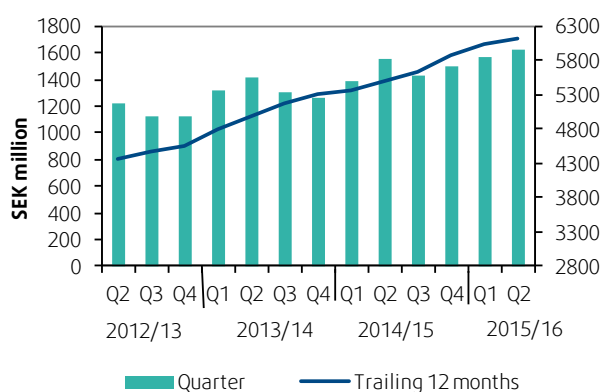
Group sales for the second quarter of the 2015/16 financial year totalled SEK 1,624.4 million (1,554.5), an increase of 4.5 percent from the same period in the preceding year.

Adjusted for both foreign exchange effects and acquisitions, net sales grew by 3.6 percent. This is the twenty-third consecutive quarter of organic growth, despite a weak market. Growth in acquired operations was 1.6 percent, while foreign exchange effects reduced sales by 0.7 percent during the period.

Net sales per quarter compared with same period previous years



Net sales



Geographic breakdown of Q2 sales

Nordic region

During the second quarter, sales in the Nordic region were up 3 percent on the same period in the preceding year. Sales in the Norwegian and Finnish markets in particular are growing strongly. In the Danish market, sales declined. Adjusted for foreign exchange effects and acquisitions, sales increased by 5 percent in the region.

Western Europe

During the quarter, sales in the West European market were increased by 3 percent than in the corresponding period in the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales declined 3 percent. The market in Western Europe showed a fragmented picture. Several markets in the region performed well during the period, including Belgium, the Netherlands, Switzerland and the United Kingdom, while sales in France, Portugal and Spain declined.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS fell by 16 percent during the quarter. Adjusted for the effects of foreign exchange and acquisitions, sales declined 5 percent. In Russia, sales fell back by 40 percent during the period. The Russian market accounted for 7 percent of Systemair's total sales in the first half-year, compared with 11 percent in the previous year.

North and South America

Sales in North and South America during the quarter were 13 percent higher than in the same period in the preceding year. Both the American and the Canadian market performed weakly during the quarter, in the local currencies. Adjusted for foreign exchange effects and acquisitions, sales increased by 2 percent.

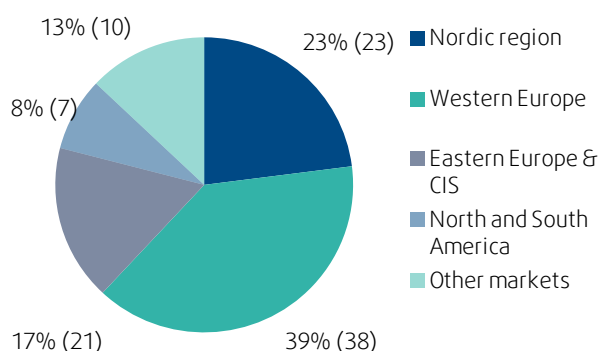
	2015 Aug-Oct 3 mths	2014 Aug-Oct 3 mths	Sales - change	Of which organic	2015 May-Oct 6 mths	2014 May-Oct 6 mths	Sales - change	Of which, organic
Nordic region	397.0	385.7	3%	5%	722.5	666.4	8%	8%
Western Europe	622.1	606.4	3%	-3%	1,248.7	1,131.2	10%	0%
Eastern Europe & the CIS	251.0	298.7	-16%	-5%	531.0	628.5	-16%	-7%
North and South America	122.8	109.0	13%	2%	270.5	218.5	24%	7%
Other markets	231.5	154.7	50%	46%	414.8	303.7	37%	29%
Total	1,624.4	1,554.5	5%	4%	3,187.5	2,948.3	8%	4%

1) Effective Q2 2015/16, the North and South America regions have been merged. Figures shown for comparison have been adjusted.

Other markets

Sales in Other markets rose by 50 percent compared with the same period in the preceding year. Adjusted for foreign exchange effects and acquisitions, sales increased by 46 percent. Sales in India and Dubai in particular rose sharply during the quarter.

Sales by market, 6 months, 2015 (6 months, 2014)



Profit in the second quarter

The gross profit for the second quarter was SEK 574.3 million (568.7), an increase of 1.0 percent over the same period in the preceding year. The gross margin fell to 35.4 percent (36.6) as a result mainly of acquisitions of companies with lower margins, but also lower volumes from the Skinnskatteberg and other factories.

Operating profit for the second quarter totalled SEK 134.3 million (156.3), down 14.1 percent on the same period in the preceding year. Systemair's operating margin was 8.3 percent (10.1).

Selling and administration expenses for the quarter totalled SEK 431.3 million (402.6), a rise of SEK 28.7 million, whereof acquired companies accounted for SEK 18.9 million of the increase for the quarter.

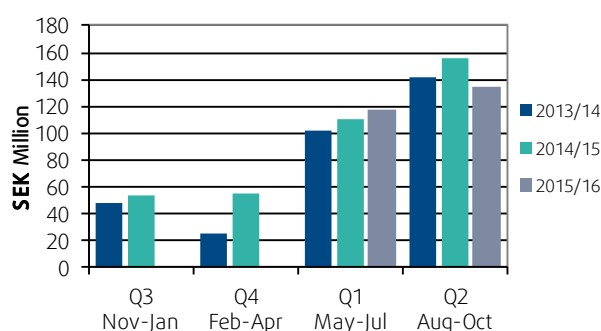
Selling expenses were charged with SEK 3.7 million (4.5) for anticipated and confirmed impairment losses on trade receivables. During the quarter, acquisition-related costs totalled SEK 0.6 million (0.1).

Net financial items ended the second quarter at SEK -15.6 million (0.3). The effect of foreign exchange on long-term receivables, loans and bank balances was SEK -10.4 million (5.4) net. Interest expenses for the quarter totalled SEK -5.5 million (-5.1).

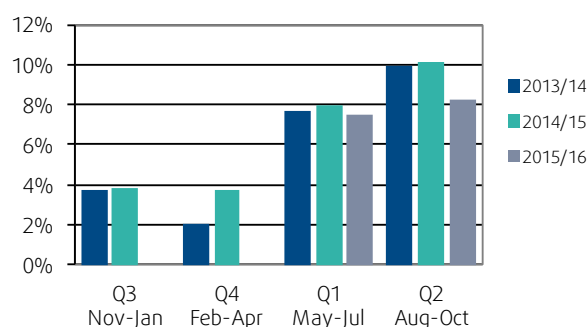
Tax expense

The tax expense for the quarter is estimated at SEK -33.0 million (-40.0), corresponding to an effective tax rate of 27.8 percent based on profit after net financial items.

Operating profit per quarter, relative to the same period in previous years



Operating margin per quarter, relative to the same period in previous years



Acquisitions and new operations

In September, Systemair acquired 75 percent of the shares in Brazilian company Traydus, a leading manufacturer of customised air handling units and fan convectors in Brazil. The company has 75 employees and is based in the outskirts of Sao Paulo. Traydus focuses on lean-energy solutions and is positioned in the higher-technology segment of Brazil's ventilation industry. The acquisition opens up opportunities for introducing a wider range of Systemair products from other factories in the Group. Systemair-Traydus and our existing companies in Chile and Peru will provide excellent opportunities for competing successfully for projects throughout South America. The acquisition initially comprises 75 percent of the company, with a binding undertaking to acquire the remaining 25 percent of the shares within a period of six years. As a result, Systemair will consolidate 100 percent of the company as of the beginning of September.

In October, the Company took over Alitis, Systemair's representative in Belarus and Kaliningrad. Alitis, which markets and sells Systemair's products, posted sales of EUR 5.5 in 2014. The total number of employees is 15, mostly based in Minsk.

In October, Systemair acquired the manufacturing of air handling units of Kolektor Koling d.o.o., Slovenia. It is estimated that the operation manufacturing air handling units that Systemair is taking over has sales of EUR 3 million. Systemair is taking over 7 employees and within six months will transfer manufacturing to Systemair's existing factory in Maribor.

In November, Systemair completed its acquisition of Menerga NV, a reseller of Menerga's products in Belgium. The company, which sells and services Menerga's products, reported sales of EUR 4.2 million in 2014. The company is located in Aarschot, north of Brussels. It has 13 employees. Menerga NV will continue to be managed as a separate company, with its current management and staff. It is a well-known, well-established company in the Belgian ventilation market, and through the acquisition, Systemair is strengthening its position on the market.

Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 84.1 million (64.0), including SEK 52.7 million (45.8) in new construction and machinery. Investments consisted primarily of completion of construction plus machinery purchases in Slovakia, as well as capacity and replacement investments at several factories. Acquisitions and formerly withheld additional purchase considerations totalled SEK 32.7 million (18.5) for the quarter. Depreciation of non-current assets amounted to SEK 44.6 million (41.8).

Personnel

The average number of employees in the Group was 4,559 (4,257).

At the end of the period, Systemair had 4,699 employees (4,538), 161 more than for the previous year. New employees were recruited chiefly in Germany (45). Personnel cutbacks were made in Russia, Spain and Sweden. Companies acquired have added 138 employees, of which 74 come from Traydus in Brazil, 15 from Menerga in Norway, 14 from Lautner in Germany, 13 from Menerga, Belgium, 15 from Alitis in Belarus and 7 from Kolektor.

Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 135.4 million (200.1) for the quarter. Changes in working capital, mainly consisting of an increase in trade accounts receivable, had an impact of SEK -13.6 million (-110.0) on cash flow. The cash flow from financing operations totalled SEK -3.3 million net (-14.6). At the end of the period, the Group's net

indebtedness was SEK 1,345.7 million (1,150.1). The consolidated equity/assets ratio was 42.8 percent (44.1) at the end of the period.

Changes in organisation and group management

On 1 May the business in the Parent Company Systemair AB was divided into two companies. The listed company Systemair AB has been streamlined into a holding company with group functions. The newly formed company Systemair Sverige AB is engaged in production and sales operations in Sweden.

In June 2015 Roland Kasper was appointed new CEO of Systemair AB, taking up his post at the AGM on 27 August 2015. Roland Kasper started at Systemair in 2007 and has been a member of group management since 2011. Gerald Engström was elected as Chairman of the Board at the Annual General Meeting.

In October, Mats Lund, Production Manager and Vice President Marketing for Asia, and member of Systemair's Group Management, informed the Company that he was to leave Systemair's employment on 31 December 2015. Håkan Lenjesson has been appointed as the new Vice President Marketing for Asia and will also serve as a member of Group Management. Håkan, 59, has been working for Systemair since December 2012 as Business Developer and Vice President Marketing for the Middle East. Håkan has a broad range of experience in the ventilation industry, having formerly worked at Munters in Saudi Arabia, Thailand and Australia. Following these changes, Group Management consists of Roland Kasper, Anders Ulff, Fredrik Andersson, Kurt Maurer, Olle Glassel and Håkan Lenjesson.

Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risks include the international nature of the operations, tough competition and the sensitivity of the construction industry to the business cycle. The financial risks that Systemair has identified in its business consist of foreign exchange risk, borrowing and interest rate risk, as well as credit risk and liquidity risk. The material risks and uncertainties affecting Systemair are described in more detail in the company's 2014/15 Annual Report. No significant change occurred in the risk situation during the period.

Related party transactions

Systemair's significant transactions with related parties concern ebmpapst AB and ebmpapst Mulfingen GmbH & Co. KG. Transactions with related parties are described in detail in Note 36 to the accounts in the Annual Report for

the 2014/15 financial year. During the period, no change worthy of mention occurred in the scale of these transactions.

Parent Company

Parent Company net sales for the quarter totalled SEK 21.9 million (272.7). Operating profit totalled SEK -11.9 million (15.3). The company had 41 employees. The core business of the Parent Company following the division of the Swedish operation is that of intra-group services.

Financial calendar

The interim report for the third quarter of 2015/16 will be published at 8.00 a.m. on 3 March 2016.

The report for the fourth quarter and full year 2015/16 will be published at 8.00 a.m. on 9 June 2016.

About Systemair

The Company established operations in 1974 with a product concept, the circular duct fan, a design that considerably simplified the process of installation. We adopted the motto "the straight way", which has been developed from a product concept into a business philosophy. Our product range has grown strongly to span a broad range of fans, air handling units, products for air distribution, air curtains, heating products and refrigeration equipment.

Mission statement

Operating from the core values of simplicity and reliability, our business concept is to develop, manufacture and market high-quality ventilation products. Based on this business concept and with our customers in focus, we are to be seen as a reliable company, focusing on delivery reliability, availability and quality.

Business model

Availability is an important parameter in terms of our competitiveness, and we ensure effective control of our flow of goods, with owned production units, centralised warehouse facilities and an efficient ERP system. With modern production plants and our own sales companies around the world, we reach out directly to our customers. The business model supports stability and development, and today we are a leading producer and supplier of ventilation products with our own production and own sales companies.

Strategies

The following strategies create major strengths and competitive advantages that help us to achieve our goals.

- Innovative product development and a broad product range focusing on energy-efficient air handling products.
- High product availability and fast delivery via an efficient production, logistics and IT organisation.
- Development and expansion of Systemair's own sales organisation.
- Good relationships with ventilation contractors, distributors and consultants.
- A highly diversified customer base reduces our vulnerability to fluctuations in the economy.
- Early presence in growth markets.
- Strategy of acquisition and establishment to expand market shares.

Miscellaneous

The information in this Interim Report is information that Systemair is required to disclose in accordance with the Swedish Securities Markets Act (lagen om värdepappersmarknaden) and/or the Swedish Financial Instruments Trading Act (lagen om handel med finansiella instrument). This information is to be submitted for publication at 8.00 a.m. on 26 November 2015.

The undersigned affirm that this six-month report provides a true and fair survey of the Parent Company's and the Group's operations, financial position and profits, as well as describing the material risks and uncertainty facing the Parent Company and the companies included in the Group.

Skinnskatteberg, 25 November 2015
Systemair AB (publ)

Roland Kasper
Chief Executive Officer

Gerald Engström
Chairman of the Board

Carina Andersson
Board member

Hannu Paitula
Board member

Per-Erik Sandlund
Board member

Elisabeth Westberg
Board member

Åke Henningsson
Employee Representative

Ricky Sten
Employee Representative

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Systemair in Brief

Systemair is a leading ventilation company with operations in 47 countries in Europe, North America, South America, the Middle East, Asia and South Africa. The Company had sales of approximately SEK 5.9 billion in the 2014/15 financial year and has approximately 4,700 employees. Systemair has reported an operating profit every year since 1974, when the Company was founded. During the past 15 years, the Company's growth rate has averaged about 13 percent.

Systemair has well-established operations in growth markets. The Group's products are marketed under the Systemair, Frico, VEAB, Fantech, Menerga and Holland Heating brands. Systemair shares have been quoted on the Mid Cap List of the OMX Nordic Exchange in Stockholm since October 2007. The Group comprises about 60 companies.

Auditor's Review Report

Introduction

We have reviewed the condensed interim financial information (interim report) for Systemair AB (publ) as per 31 October 2015 and the six-month reporting period ending on that date. The preparation and fair presentation of the interim report in accordance with IAS 34 and the Annual Accounts Act are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express our opinion of this interim report based on our review.

Emphasis and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements: ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditors 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. The emphasis and scope of a review differ considerably from that of an audit in accordance with International Standards on Auditing Standards (ISA) and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance to become aware of all significant matters that could have been identified in an audit. As our opinion is based on a review, the level of assurance is not as high as that of an opinion expressed based on an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report was not, in all material respects, prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and, for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Stockholm, 25 November 2015
Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

Consolidated income statement

SEK m.	2015 Aug-Oct 3 mths	2014 Aug-Oct 3 mths	2015 May-Oct 6 mths	2014 May-Oct 6 mths	2014/15 Nov-Oct trailing 12	2014/15 May-Apr 12 mths
Net sales	1,624.4	1,554.5	3,187.5	2,948.3	6,121.5	5,882.2
Cost of goods sold	-1,050.1	-985.8	-2,077.0	-1,908.1	-4,026.6	-3,857.6
Gross profit	574.3	568.7	1,110.5	1,040.2	2,094.9	2,024.6
Other operating income	20.8	5.8	38.9	30.5	101.1	92.7
Selling expenses	-348.4	-325.3	-683.1	-628.9	-1,406.9	-1,352.7
Administration expenses	-82.9	-77.3	-162.3	-143.8	-332.4	-313.9
Other operating expenses	-29.5	-15.6	-52.3	-30.3	-95.8	-73.9
Operating profit	134.3	156.3	251.7	267.7	360.9	376.8
Net financial items	-15.6	0.3	-21.5	1.6	-19.6	3.6
Profit after financial items	118.7	156.6	230.2	269.3	341.3	380.4
Tax on profit for the period	-33.0	-40.0	-63.7	-32.5	-101.9	-70.6
Profit for the period ¹	85.7	116.6	166.5	236.8	239.4	309.8
Earnings per share, SEK ²	1.65	2.24	3.20	4.55	4.60	5.96
Average number of shares ²	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

¹Attributable to Parent Company shareholders.

²No dilution effect arises since the option programme in operation has been arranged by Färna Invest AB.

Consolidated statement of comprehensive income

	2015 Aug-Oct 3 mths	2014 Aug-Oct 3 mths	2015 May-Oct 6 mths	2014 May-Oct 6 mths	2014/15 Nov-Oct trailing 12	2014/15 May-Apr 12 mths
Profit for the period	85.7	116.6	166.5	236.8	239.4	309.8
Other comprehensive income, net after tax						
<i>Items that have been, or may later be, transferred to profit for the year:</i>						
Translation differences, foreign operations, gross before tax	-44.2	1.6	-44.4	45.2	-24.1	65.4
Translation effects of long-term loans to subsidiaries with no settlement planned	-1.4	1.0	-1.6	4.4	-1.4	4.5
Tax effects from long-term loans to subsidiaries with no settlement planned	1.3	-0.2	2.4	-1.0	2.2	-1.0
<i>Items that cannot be transferred to profit for the year:</i>						
Revaluation of defined-benefit pensions	-	-	-	-	-21.4	-21.4
Other comprehensive income, net after tax	-44.3	2.4	-43.6	48.6	-44.7	47.5
Total comprehensive income for the period¹	41.4	119.0	122.9	285.4	194.7	357.3

¹ Attributable in entirety to Parent Company shareholders.

Consolidated Balance Sheet in summary

SEK m	2015-10-31	2014-10-31	2015-04-30
ASSETS			
Goodwill	642.2	586.1	613.7
Other intangible assets	205.4	241.7	225.8
Property, plant and equipment	1,294.1	1,189.3	1,288.3
Financial and other assets	175.2	162.4	180.0
Total non-current assets	2,316.9	2,179.5	2,307.8
Inventory	1,030.5	965.1	1,029.2
Current receivables	1,323.5	1,224.6	1,165.4
Cash and cash equivalents	242.3	188.7	187.8
Total current assets	2,596.3	2,378.4	2,382.4
TOTAL ASSETS	4,913.2	4,557.9	4,690.2
EQUITY AND LIABILITIES			
Equity	2,101.1	2,010.4	2,082.2
Non-current liabilities, non-interest-bearing	252.6	211.2	260.5
Non-current liabilities, interest-bearing	251.9	262.2	245.9
Total non-current liabilities	504.5	473.4	506.4
Current liabilities, interest-bearing	1,262.8	1,027.8	1,140.3
Current liabilities, non-interest-bearing	1,044.8	1,046.3	961.3
Total current liabilities	2,307.6	2,074.1	2,101.6
TOTAL EQUITY AND LIABILITIES	4,913.2	4,557.9	4,690.2

Consolidated cash flow statement in summary

SEK m.	2015 Aug-Oct 3 mths	2014 Aug-Oct 3 mths	2015 May-Oct 6 mths	2014 May-Oct 6 mths	2014/15 May-Apr 12 mths
Operating profit	134.3	156.3	251.7	267.7	376.8
Adjustment for non-cash items	30.0	74.9	69.5	107.3	199.5
Financial items	-5.1	-5.2	-9.7	-10.1	-20.7
Income tax paid	-23.8	-25.9	-45.9	-27.9	-121.5
Cash flow from operating activities before changes in working capital	135.4	200.1	265.6	337.0	434.1
Changes in working capital	-13.6	-110.0	-95.1	-160.2	-192.8
Cash flow from operating activities	121.8	90.1	170.5	176.8	241.3
Cash flow from investing activities	-82.2	-62.3	-126.0	-147.0	-297.0
Cash flow from financing activities	-3.3	-14.6	25.3	33.6	110.2
Cash flow for the period	36.3	13.2	69.8	63.4	54.5
Cash and cash equivalents at start of period	214.6	179.0	187.8	123.3	123.3
Translation differences, cash and cash equivalents	-8.6	-3.5	-15.3	2.0	10.0
Cash and cash equivalents at close of period	242.3	188.7	242.3	188.7	187.8

Changes in equity – group

SEK m.	2015 May-Oct		2014 May-Oct	
	Equity attributable to Parent Company shareholders	Total equity	Equity attributable to Parent Company shareholders	Total equity
Amount at beginning of year	2,082.2	2,082.2	1,880.9	1,880.9
Dividend	-104.0	-104.0	-156.0	-156.0
Comprehensive income	122.9	122.9	285.5	285.5
Amount at end of period	2,101.1	2,101.1	2,010.4	2,010.4

Key ratios for the group

		2015 Aug-Oct 3 mths	2014 Aug-Oct 3 mths	2015 May-Oct 6 mths	2014 May-Oct 6 mths	2014/15 May-Apr 12 mths
Net sales	SEK m	1,624.4	1,554.5	3,187.5	2,948.3	5,882.2
Growth	%	4.5	9.9	8.1	7.6	11.1
Operating profit	SEK m	134.3	156.3	251.7	267.7	376.8
Operating margin	%	8.3	10.1	7.9	9.1	6.4
Profit after net fin. items	SEK m	118.7	156.6	230.2	269.3	380.4
Profit margin	%	7.3	10.1	7.2	9.1	6.5
Return on capital employed	%	10.5	18.9	10.5	18.9	12.5
Return on equity	%	11.4	27.2	11.4	27.2	15.1
Equity/assets ratio	%	42.8	44.1	42.8	44.1	44.4
Investments	SEK m	82.2	62.3	126.0	147.0	297.0
Depreciation/Amortisation	SEK m	44.6	41.8	88.6	81.7	171.1
Per share ratios						
Earnings per share	SEK	1.65	2.24	3.20	4.55	5.96
Equity per share	SEK	40.40	38.66	40.40	38.66	40.04
Operating cash flow per share	SEK	2.34	1.73	3.28	3.40	4.64
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

Quarterly key ratios – group

		2015/16				2014/15			2013/14	
		Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	SEK m	1,624.4	1,563.1	1,502.4	1,431.6	1,554.5	1,393.8	1,258.6	1,298.1	1,414.5
Growth	%	4.5	12.1	19.4	10.3	9.9	5.2	12.0	15.8	16.4
Gross margin	%	35.4	34.3	33.5	33.6	36.6	33.8	32.8	32.9	35.9
Operating profit	SEK m	134.3	117.5	55.1	54.1	156.3	111.4	24.6	48.5	141.8
Operating margin	%	7.3	7.5	3.7	3.8	10.1	8.0	2.0	3.7	10.0
Return on capital employed	%	10.5	12.4	12.5	19.8	18.9	18.1	17.7	10.3	12.2
Return on equity	%	11.4	13.0	15.1	27.4	27.2	26.8	24.8	11.5	14.2
Equity/assets ratio	%	42.8	44.9	44.4	46.4	44.1	48.3	47.2	40.2	37.8
Basic equity per share	SEK	40.40	41.61	40.04	39.64	38.66	39.37	36.17	34.10	33.55
Basic earnings per share	SEK	1.65	1.55	0.56	0.84	2.24	2.31	5.14	0.38	1.78

Parent Company income statement

SEK m.	2015 Aug-Oct 3 mths	2014 Aug-Oct 3 mths	2015 May-Oct 6 mths	2014 May-Oct 6 mths	2014/15 May-Apr 12 mths
Net sales ¹	21.9	272.7	45.1	502.7	948.2
Cost of goods sold	-	-190.4	-	-356.3	-680.0
Gross profit	21.9	82.3	45.1	146.4	268.2
Other operating income	0.0	10.2	0.4	22.1	44.9
Selling expenses	-13.6	-45.6	-28.1	-85.3	-182.4
Administration expenses	-15.3	-18.8	-30.1	-33.9	-74.4
Other operating expenses	-4.9	-12.8	-12.6	-24.9	-53.4
Operating profit	-11.9	15.3	-25.3	24.4	2.9
Net financial items	-29.5	3.5	526.1	318.3	318.9
Profit after financial items	-41.4	18.8	500.8	342.7	321.8
Appropriations ²	9.4	0.2	25.5	1.6	-6.6
Pre-tax profit	-32.0	19.0	526.3	344.3	315.2
Tax on profit for the period	0.4	-4.4	-2.0	-7.9	-3.9
Profit for the period	-31.6	14.6	524.3	336.4	311.3

¹ Systemair has split the Swedish operation into two companies as of the start of the financial year. The listed company Systemair AB will be streamlined into a holding company with corporate staff and group functions. The net sales of the current financial year thus solely consist of intra-group services.

² Accelerated depreciation, tax allocation reserve and Group contributions.

Parent Company balance sheet in summary

SEK m	2015-10-31	2014-10-31	2015-04-30
ASSETS			
Goodwill	0.5	0.6	0.5
Other intangible assets	3.2	5.1	5.4
Property, plant and equipment	5.0	120.2	113.9
Financial and other assets	2,120.3	1,928.0	2,016.7
Total non-current assets	2,129.0	2,053.9	2,136.5
Inventory	-	152.1	167.4
Current receivables	1,151.3	908.8	910.8
Cash and cash equivalents	-	-	-
Total current assets	1,151.3	1,060.9	1,078.2
TOTAL ASSETS	3,280.3	3,114.8	3,214.7
EQUITY AND LIABILITIES			
Equity	1,845.5	1,451.3	1,426.4
Untaxed reserves	12.9	35.2	38.3
Non-current liabilities, provisions	-	3.2	3.2
Non-current liabilities, interest-bearing	282.1	316.3	353.6
Total non-current liabilities	282.1	319.5	356.8
Current liabilities, interest-bearing	1,094.8	879.4	974.2
Current liabilities, non-interest-bearing	45.0	429.4	419.0
Total current liabilities	1,139.8	1,308.8	1,393.2
TOTAL EQUITY AND LIABILITIES	3,280.3	3,114.8	3,214.7

General accounting principles

Systemair applies International Financial Reporting Standards (IFRS). This interim report was prepared for the group in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and RFR 2. The accounting principles and methods of calculation applied for the group and Parent Company accord with those used in preparing the most recent Annual Report.

Note 1 – Acquisition analysis

The price paid to acquire the shares in Traydus of Brazil, Alitis of Belarus, Menerga of Belgium and for the business of Kolektor of Slovenia may be divided as follows:

Total historical cost, less transaction costs SEK 50.0 million

<u>Identifiable net assets</u>	<u>Total</u>
Goodwill	37.5
Buildings and land	5.3
Machinery and equipment	10.9
Financial and other current assets	0.1
Inventory	16.5
Current receivables	20.3
Other current assets	1.2
Cash and cash equivalents	12.1
Non-interest-bearing liabilities (incl. deferred tax liability)	-15.1
Interest-bearing liabilities	-8.8
<u>Other operating liabilities</u>	<u>-30.0</u>
	<u>50.0</u>

Transaction costs in the acquisition of subsidiaries totalled SEK 0.6 million.

The total effect on cash flow from the acquisitions, including payment of a formerly withheld additional purchase consideration for prior years' acquisitions, amounted to SEK -34.0 million. Non-interest bearing long term liabilities regarding estimated additional purchase price for the acquisitions above amounts to SEK 11.7 million.

Brands and customer relationships have been stated at the net present value of future payment flows. The useful life of these assets has been estimated at 5-10 years.

The goodwill upon acquisition is attributable to the strong market position of the companies acquired, synergies expected to arise after the acquisition and the company's estimated future earning capacity.

Note 2 – Financial instruments

Systemair's financial instruments consist of derivatives, trade accounts receivable, cash and cash equivalents, available-for-sale financial assets, trade accounts payable, accrued supplier costs and interest-bearing liabilities. Liabilities to credit institutions carry variable interest rates or, in certain cases, fixed rates for a short period. Derivatives are measured for fair value through the income statement based on input data corresponding to level 2 in compliance with IFRS 13. Available-for-sale financial assets are recognised at fair value based on input data corresponding to level 1 in IFRS 13. Other financial assets and liabilities are short-term. For that reason, the fair values of all financial instruments are considered to equate approximately to the carrying amounts. Systemair has not recognised any financial assets and liabilities net.

Definitions of key ratios

Operating profit (EBIT)

Earnings before financial items and tax.

Growth

Growth is defined as the change in net sales, relative to net sales for the preceding period.

Operating margin

Operating profit divided by net sales.

Profit margin

Profit after financial items divided by net sales.

Return on capital employed

Profit after financial income, for the trailing 12 months (TTM), divided by average capital employed.

Capital employed

Total assets less non-interest-bearing liabilities.

Return on equity

Profit after tax before non-controlling interest, for the trailing 12 months (TTM), divided by average equity excluding non-controlling interest.

Number of employees

The number of employees at the end of the accounting period. New employees, appointments terminated, part-time employees and paid overtime are converted into full-time equivalents.

Earnings per share

Profit for the period attributable to Parent Company shareholders, divided by the average number of shares during the period.

Operating cash flow per share

Cash flow from operating activities for the period, divided by the average number of shares during the period.

Equity/assets ratio

Adjusted equity divided by total assets.

Equity per share

Equity divided by the number of shares at the end of the period.