



SYSTEMAIR AB

INTERIM REPORT Q3

1 MAY 2014 – 31 JANUARY 2015



Net sales Q3

SEK 1,432 m.

EBIT Q3

SEK 54 m.

Third quarter, November 2014 – January 2015

- Net sales increased by 10 percent to SEK 1,432 million (1,298).
- Operating profit (EBIT) totalled SEK 54 million (49).
- The operating margin was 3.8 percent (3.7).
- Profit after tax increased to SEK 44 million (20).
- Earnings per share totalled SEK 0.84 (0.38).
- Cash flow from operating activities amounted to SEK 77 million (99).

Nine months, May 2014 – January 2015

- Net sales increased by 8.5 percent to SEK 4,380 million (4,037).
- Operating profit (EBIT) totalled SEK 322 million (292).
- The operating margin was 7.3 percent (7.2).
- Profit after tax increased to SEK 281 million (172).
- Earnings per share totalled SEK 5.39 (3.30).
- Cash flow from operating activities amounted to SEK 254 million (298).

Significant events during the period under review

- In July, an agreement was signed to take over the assets and personnel of Airwell, a French manufacturer of air conditioning products for the commercial market.
- In October, the acquisition of Camair, Belgium, was completed. The company distributes air conditioning and ventilation products in Belgium.
- Late October saw the acquisition of Airwell's sales company in Germany. The company distributes products for cooling and ventilation.
- In January a lease was signed for an industrial building in Wuijiang, China, for the production of air conditioning systems for the Chinese market.

	2014/15 Nov-Jan 3 mths	2013/14 Nov-Jan 3 mths	2014/15 May-Jan 9 mths	2013/14 May-Jan 9 mths
Net sales, SEK m.	1,431.6	1,298.1	4,379.8	4,037.2
Growth, %	10.3	15.8	8.5	17.8
Operating profit, SEK m.	54.1	48.5	321.8	292.3
Operating margin, %	3.8	3.7	7.3	7.2
Profit after tax, SEK million	43.7	19.6	280.5	171.5
Earnings per share, SEK	0.84	0.38	5.39	3.30
Operating cash flow per share, SEK	1.49	1.91	4.89	5.74

Continued growth for the 20th successive quarter

In the third quarter of the year, we recorded an operating margin of 3.8 percent, up from 3.7 percent a year earlier. We noted sales growth of 10 percent and organic growth of 2 percent. It is satisfying to be able again to report organic improvement in view of the fact that sales in our important Russian market declined by 27 percent during this quarter as well. Our profit after tax more than doubled to SEK 43.7 million (19.6).

The market

Growth was firm in the Nordic region, with Denmark and Finland in the lead. As before, uncertainty still prevails in southern Europe, Russia and Ukraine. Sales in Russia fell sharply, but the decline in the region was partially offset by an increase in Lithuania, Slovakia and the Czech Republic. In Western Europe we experienced strong growth in Germany, Belgium, Spain and Portugal. Other markets performed very strongly, notably Turkey and India.

Companies acquired

The newly acquired operation in France has been renamed Systemair AC and intensive efforts are focusing on further integration of the company into the Group. Progress to date has been encouraging, and the company reports positive operating profits. We have also completed the acquisition of the sales company Camair, Belgium, and Airwell's German sales company. In both cases we merged the operations with those of Systemair in the particular country. These acquisitions enable us to strengthen the sales channels for both our French and Italian cooling product companies.

Investments

IMOS-Systemair of Slovakia, which makes products for air distribution, is undergoing an extensive programme of conversion and expansion. The production area will be doubled, creating the possibility of further growth. In Malaysia we had the official launch of our new 16,000 m² factory and office building. This provides a great opportunity for continued future growth. At the facility, we manufacture an expanded range of fans, air distribution products and air handling units. We have expanded our sales activities with our own employees or



agents in the ASEAN countries, including Vietnam and Indonesia where we have opened our own representation offices. In Denmark we are in the process of expanding our production premises by 2,700 m². We are also expanding the production premises in our facilities in Norway by the same amount. In general, our production facilities are both modern and well equipped. During the period under review, we leased 8,400 m² of industrial facilities in Wujiang, China, where we are setting up production of air handling units. It will also be a base for the sale of other Systemair products to the Chinese market.

Outlook

Systemair continues to benefit greatly from its global presence. We have our own companies in 45 countries and regularly supply our products to well over 100 countries. Despite economic and political uncertainty, we can report organic growth for the twentieth successive quarter. We are working intensively with our underperforming companies and the trend is going in the right direction. The acquisitions we have made on the air conditioning side are supplementing and adding to our strengths in the area. We have continued to invest in product development and today employ more than 200 engineers and technicians working on developing new and improved products. We will continue to make acquisitions and are maintaining our investments in modern production equipment, as well as in marketing. We are pursuing a long-term strategy, which has proved to be highly effective and will deliver continued growth and improved profitability.

Gerald Engström
CEO

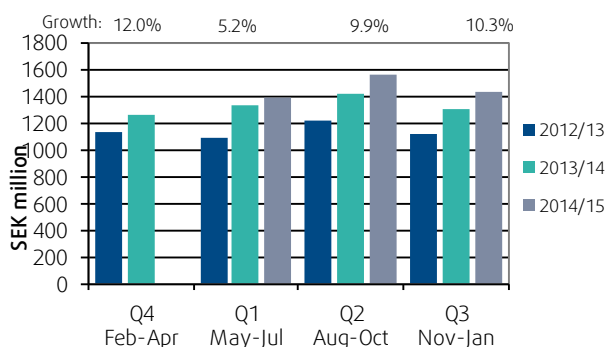
Sales and markets

Group sales for the third quarter of 2014/15 totalled SEK 1,431.6 million (1,298.1), up 10.3 percent from the same period in the preceding year.

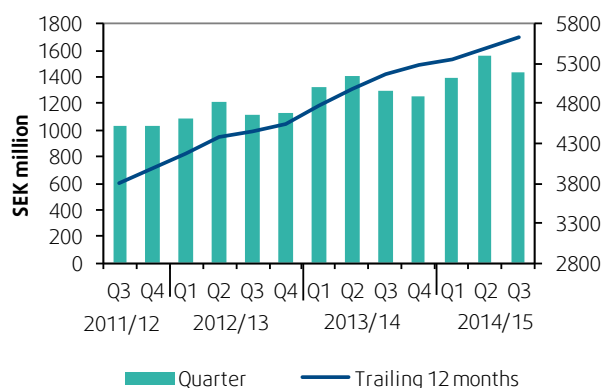
Adjusted for both foreign exchange effects and acquisitions, net sales grew by 1.9 percent. This is the 20th successive quarter of organic growth, despite a weak market. Growth in acquired operations was 5.9 percent, while foreign exchange effects increased sales by 2.5 percent during the period.

Net sales for the interim report period for May-January 2014/15 totalled SEK 4,379.8 (4,037.2), 8.5 percent higher than in the same period in the preceding year. Adjusted for both foreign exchange effects and acquisitions, net sales grew by 1.9 percent. Growth in acquired operations was 3.9 percent, while foreign exchange effects increased sales by 2.8 percent during the period.

Net sales per quarter compared with same period previous years



Net sales



Geographic breakdown of Q3 sales

Nordic region

During the third quarter, sales in the Nordic region increased by 6 percent from the same period in the preceding year. Sales in Denmark and Finland grew strongly, and sales in Norway also increased. Sales in Sweden declined somewhat. Adjusted for acquisitions and foreign exchange effects, growth was 4 percent for the quarter.

Western Europe

Sales in the West European market grew by 27 percent during the quarter, compared with the corresponding period in the preceding year. The increase was attributable above all to the acquisition of Airwell, France, and Camair, Belgium. Adjusted for foreign exchange effects and acquisitions, sales increased by 5 percent compared to the preceding year. Several markets in the region performed well during the period, including Germany, Spain, Belgium, Italy and Portugal.

	2014/15	2013/14	Change in sales	Of which organic	2014/15	2013/14	Change in sales	Of which organic
	Nov-Jan 3 mths	Nov-Jan 3 mths			May-Jan 9 mths	May-Jan 9 mths		
Nordic region	344.0	325.5	6%	4%	1,010.4	944.5	7%	5%
Western Europe	584.4	460.0	27%	5%	1,715.5	1,448.9	18%	3%
Eastern Europe & CIS	246.6	315.6	-22%	-12%	875.1	973.0	-10%	-7%
North America	86.1	74.8	15%	-2%	294.0	266.8	10%	3%
Other markets	170.5	122.2	40%	20%	484.8	404.0	20%	12%
Total	1,431.6	1,298.1	10%	2%	4,379.8	4,037.2	8%	2%

Eastern Europe and CIS

Sales in Eastern Europe and the CIS fell by 22 percent during the quarter. Adjusted for acquisitions and foreign exchange effects, sales fell by 12 percent. Sales increased in the Czech Republic and Slovakia. In Russia, sales declined by 27 percent.

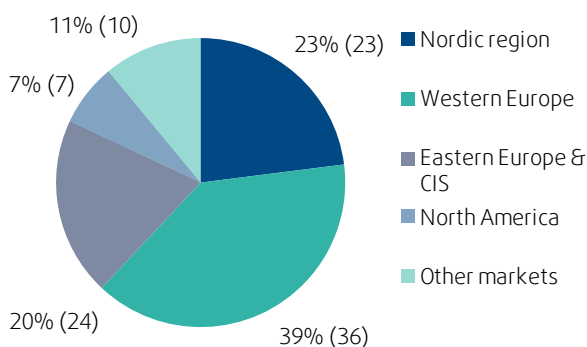
North America

Sales in the North American market during the quarter were 15 percent higher than in the same period in the preceding year. Adjusted for foreign exchange effects, sales decreased by 2 percent over North America as a whole. The American market increased during the period whereas the Canadian market retreated somewhat.

Other markets

Sales in other markets increased by 40 percent compared with the same period in the preceding year. Adjusted for foreign exchange effects and acquisitions, sales increased by 20 percent. The Indian and Turkish markets showed good growth during the quarter.

Sales by market 9 months 2014/15 (9 months 2013/14)



Profit in the third quarter

The gross profit for the third quarter amounted to SEK 480.8 million (426.8), an increase of 12.7 percent over the same period in the preceding year. The gross margin rose to 33.6 percent (32.9).

The operating profit for the third quarter amounted to SEK 54.1 million (48.5), an increase of 11.5 percent over the same period in the preceding year. The operating margin was 3.8 percent (3.7).

Selling and administration expenses for the quarter totalled SEK 420.9 million (379.1), a rise of SEK 41.8 million. Selling and administration expenses at acquired companies accounted for SEK 42.7 million of the increase for the quarter.

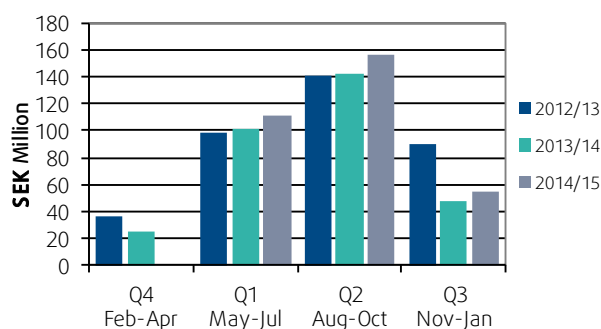
Selling expenses were charged with SEK 7.7 million (5.9) for anticipated bad debts and impairment losses on

trade receivables. During the quarter, acquisition-related costs totalled SEK 0.4 million (0.0).

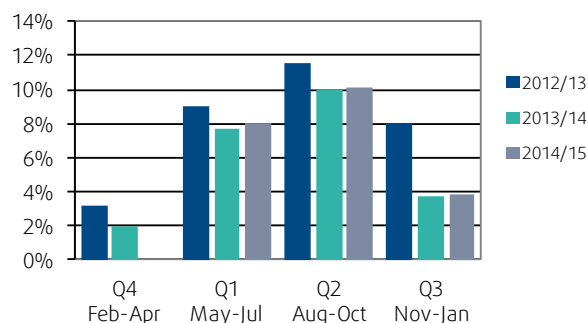
Net financial items in surplus

Net financial items for the third quarter were in surplus, at SEK 6.4 million (-21.2). The effect of foreign exchange on long-term receivables, loans and bank balances was SEK 9.6 million net (-12.2). Interest expenses for the quarter totalled SEK -5.3 million (-9.0).

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



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



Tax expense

Estimated tax for the quarter totalled SEK -16.8 million (-7.8), corresponding to an effective tax rate of 27.7 percent (28.3) based on profit after net financial items.

Acquisitions and new operations

In July, Systemair reached an agreement to take over the assets of Airwell, a French manufacturer of air conditioning products for the commercial market. The acquisition includes brands, product rights, sales organisation and the leased production facilities in Tillières, about 100 kilometres west of Paris. The production facility extends over 36,000 m² and employs approximately 150 people. Including the sales organisation, the total number of employees at acquisition was 207. Annual sales are estimated at EUR 30 million.

The acquisition is complementary to Systemair's range of air conditioning products for the commercial market.

In July, the Group acquired Menerga's sales company in the UK. The company, which sells and services Menerga's products, brings a total of 6 employees and annual sales of around GBP 1.1 million to the Group.

In October, the acquisition of Camair, Belgium, was completed. Camair distributes products for air conditioning and ventilation for the commercial market in Belgium. It is estimated that the company, based in Seneffe, 40 kilometres south of Brussels, will report sales of EUR 7 million for the calendar year 2014. It has 22 employees. The acquisition includes a modern, 3,000 m² property comprising offices, product display area and warehouse. The acquisition provides synergies with the recently acquired Airwell, France, and production of refrigeration equipment in Italy. Administration and logistics will be merged with Systemair's existing operations in Belgium.

In October, Systemair also agreed to acquire Airwell Deutschland GmbH, a distributor of air conditioning and ventilation products for the commercial market in Germany. It is estimated that the company, which has its headquarters and warehouse in Frankfurt, will report sales of EUR 7 million for the coming year. It has 15 employees. The acquisition provides synergies with the recently acquired Airwell, France, and production of refrigeration equipment in Italy. Operations will be merged immediately with Systemair's existing company in Germany in order to benefit from synergies in administration and logistics.

If the companies acquired during the period had been consolidated as of 1 May 2014, net sales for the period May 2014 through January 2015 would have totalled approximately SEK 4,493 million. Operating profit for that period would have been approximately SEK 314 million.

Note 1 in this report contains an acquisition analysis and the effects of the acquisitions on the Group's cash and cash equivalents.

After the close of the period Systemair signed an agreement to acquire Lautner Energiespartechnik GmbH in Helmstadt, Germany. The company was founded in 1991 and specializes in the manufacture of high efficiency rotary heat exchangers for air handling units and data center cooling. The company has 17 employees and an estimated turnover of approximately EUR 2 million.

Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 29.4 million (53.7), including SEK 44.7 million (49.2) in new construction and machinery. For the most part, the investments relate to continuing expansion and conversion work at the Slovakian production facilities. Acquisitions and additional considerations paid for operating subsidiaries totalled SEK +18.0 million (-3.3) for the quarter. The positive effect is due to that the net assets and liquid funds were greater than the purchase price for the acquisition of Airwell Deutschland GmbH. Depreciation of non-current assets amounted to SEK 43.1 million (39.2).

Personnel

The average number of employees in the Group was 4,286 (3,901). At the end of the period, Systemair had 4,497 employees (4,164), 333 more than in the previous year. New employees were recruited chiefly in Denmark (22), Spain (22) and Slovakia (20). Through acquisitions, 282 employees joined the Group, including 204 at Airwell, France, 24 at Camair, Belgium, 20 at Airwell Germany, 13 at Menerga, Frankfurt, 15 at Menerga, Switzerland, and 6 at Menerga, UK.

Options programme

During the period under review, Systemair's principal shareholder, Färna Invest AB, issued a total of 520,000 call options for Systemair shares to 19 individuals in senior positions within Systemair. Färna Invest AB is owned by Systemair's CEO Gerald Engström. The programme extends over three years beginning on 24 October 2014. No dilution effect or cost will arise for, or be incurred by, Systemair AB since it is Färna Invest AB that is issuing the options.

Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 72.1 million (48.8) for the quarter. Changes in working capital, mainly consisting of a decrease in accounts receivable, had a positive impact of SEK 5.4 million (50.5) on cash flow. The cash flow from financing operations totalled SEK -73.7 million net (-52.3). At the end of the period, the Group's net indebtedness was SEK 1,136.0 million (1,514.2). The consolidated equity/assets ratio was 46.4 percent (40.2) at the end of the period.

Material risks and uncertainties

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 2013/14 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 35 to the accounts in the Annual Report for the 2013/14 financial year. During the period, no change worthy of mention occurred in the scale of these transactions.

Parent Company

Parent Company sales for the quarter totalled SEK 228.8 million (268.6). The decreasing volumes are mainly attributable to lower sales towards Russia. Operating profit totalled SEK -13.1 million (-2.8).

The average number of employees in the Parent Company was 395 (431).

Financial calendar

The report for the fourth quarter of 2014/15 will be published at 08.00 a.m. on 11 June 2015.

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 air conditioning products.

Business concept

Operating from the core values of simplicity and reliability, our business concept is to develop, manufacture and market high-quality ventilation products. On the basis of our business concept and with our customers in focus, our aim is to be seen as a company to rely on, with the emphasis 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 by having our own 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 our 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 has been submitted for publication at 08.00 am on 5 March 2015.

This interim report has not been reviewed by the Company's auditors.

Skinnskatteberg, 5 March 2015
Systemair AB (publ)

Board of Directors

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Systemair in Brief

Systemair is a leading ventilation company with operations in 45 countries in Europe, North America, South America, the Middle East, Asia and South Africa. The Company had sales of approximately SEK 5.3 billion in the 2013/14 financial year and approximately 4,500 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, Holland Heating and Airwell 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.

Consolidated Income Statement

SEK m.	2014/15 Nov-Jan 3 mths	2013/14 Nov-Jan 3 mths	2014/15 May-Jan 9 mths	2013/14 May-Jan 9 mths	2014/15 Feb-Jan trailing 12	2013/14 May-Apr 12 mths
Net sales	1,431.6	1,298.1	4,379.8	4,037.2	5,638.4	5,295.8
Cost of goods sold	-950.8	-871.3	-2,858.7	-2,663.4	-3,704.1	-3,508.7
Gross profit	480.8	426.8	1,521.1	1,373.8	1,934.3	1,787.1
Other operating income	25.1	21.1	55.6	57.4	74.2	76.0
Selling expenses	-335.9	-305.4	-964.8	-868.0	-1,279.6	-1,182.8
Administration expenses	-85.0	-73.7	-228.8	-207.8	-305.8	-284.8
Other operating expenses	-30.9	-20.3	-61.3	-63.1	-76.8	-78.6
Operating profit	54.1	48.5	321.8	292.3	346.3	316.9
Net financial items	6.4	-21.1	8.0	-54.2	253.6	191.3
Profit after financial items	60.5	27.4	329.8	238.1	599.9	508.2
Tax on profit for the period	-16.8	-7.8	-49.3	-66.6	-52.2	-69.5
Profit for the period ¹⁾	43.7	19.6	280.5	171.5	547.7	438.7
Earnings per share, SEK ²⁾	0.84	0.38	5.39	3.30	10.53	8.44
Average number of shares ²⁾	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

1) Attributable in entirety to Parent Company shareholders.

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

Consolidated Statement of Comprehensive Income

	2014/15 Nov-Jan 3 mths	2013/14 Nov-Jan 3 mths	2014/15 May-Jan 9 mths	2013/14 May-Jan 9 mths	2014/15 Feb-Jan trailing 12	2013/14 May-Apr 12 mths
Profit for the period	43.7	19.6	280.5	171.5	547.7	438.7
Other comprehensive income, net of tax						
<i>Items that have been, or may later be, transferred to profit for the period:</i>						
Translation differences, foreign operations	7.5	-21.1	56.1	-34.5	102.7	12.1
Financial assets available for sale:						
- change in fair value	-	30.2	-	143.7	44.2	187.9
- transferred to income statement at sale	-	-	-	-	-245.6	-245.6
<i>Items that cannot be transferred to profit for the period:</i>						
Change in defined-benefit pensions	-	-	-	-	-4.6	-4.6
Other comprehensive income, net after tax	7.5	9.1	56.1	109.2	-103.3	-50.2
Total comprehensive income for the period ¹⁾	51.2	28.7	336.6	280.7	444.4	388.5

1) Attributable in entirety to Parent Company shareholders.

Consolidated Balance Sheet

SEK m.	31/01/2015	31/01/2014	30/04/2014
ASSETS			
Goodwill	589.2	514.8	532.5
Other intangible assets	231.0	250.4	250.9
Property, plant and equipment	1,226.3	1,037.3	1,087.7
Financial and other non-current assets	169.7	704.5	100.7
Total non-current assets	2,216.2	2,507.0	1,971.8
Inventory	980.6	842.3	920.7
Current receivables	1,084.5	925.5	967.6
Cash and cash equivalents	158.8	140.1	123.3
Total current assets	2,223.9	1,907.9	2,011.6
TOTAL ASSETS	4,440.1	4,414.9	3,983.4
EQUITY AND LIABILITIES			
Equity	2,061.5	1,773.3	1,880.9
Non-current liabilities, provisions	216.8	195.8	213.9
Non-current liabilities, interest-bearing	270.2	640.4	285.6
Total non-current liabilities	487.0	836.2	499.5
Current liabilities, interest-bearing	976.4	974.8	755.3
Current liabilities, non-interest-bearing	915.2	830.6	847.7
Total current liabilities	1,891.6	1,805.4	1,603.0
TOTAL EQUITY AND LIABILITIES	4,440.1	4,414.9	3,983.4

Consolidated Cash Flow Statement

SEK m.	2014/15 Nov-Jan 3 mths	2013/14 Nov-Jan 3 mths	2014/15 May-Jan 9 mths	2013/14 May-Jan 9 mths	2013/14 May-Apr 12 mths
Operating profit	54.1	48.5	321.8	292.3	316.9
Adjustment for non-cash items	60.8	46.1	168.0	124.1	152.9
Financial items	-5.0	-9.2	-15.1	-28.3	-35.0
Income tax paid	-37.8	-36.6	-65.7	-63.7	-90.8
Cash flow from operating activities before changes in working capital	72.1	48.8	409.0	324.4	344.0
Changes in working capital	5.4	50.5	-154.8	-26.0	-95.2
Cash flow from operating activities	77.5	99.3	254.2	298.4	248.8
Cash flow from investing activities	-26.9	-52.8	-173.9	-414.6	174.4
Cash flow from financing activities	-73.7	-52.3	-40.0	167.0	-398.2
Cash flow for the period	-23.1	-5.8	40.3	50.8	25.0
Cash and cash equivalents at start of period	188.7	151.2	123.3	98.4	98.4
Translation differences, cash and cash equivalents	-6.8	-5.3	-4.8	-9.1	-0.1
Cash and cash equivalents at close of period	158.8	140.1	158.8	140.1	123.3

Changes in Equity – Group

SEK m.	2014/15 May-Jan		2013/14 May-Jan	
	Equity attributable to Parent Company shareholders	Total equity	Equity attributable to Parent Company shareholders	Total equity
Amount at beginning of year	1,880.9	1,880.9	1,576.0	1,576.0
Impact of change in accounting principle IAS 19R (net)	-	-	-5.4	-5.4
Adjusted amount at beginning of year	1,880.9	1,880.9	1,570.6	1,570.6
Dividend	-156.0	-156.0	-78.0	-78.0
Comprehensive income	336.6	336.6	280.7	280.7
Amount at end of period	2,061.5	2,061.5	1,773.3	1,773.3

Key Ratios for the Group

		2014/15 Nov-Jan 3 mths	2013/14 Nov-Jan 3 mths	2014/15 May-Jan 9 mths	2013/14 May-Jan 9 mths	2013/14 May-Apr 12 mths
Net sales	SEK m.	1,431.6	1,298.1	4,379.8	4,037.2	5,295.8
Growth	%	10.3	15.8	8.5	17.8	16.4
Operating profit	SEK m.	54.1	48.5	321.8	292.3	316.9
Operating margin	%	3.8	3.7	7.3	7.2	6.0
Profit after net fin. items	SEK m.	60.5	27.4	329.8	238.1	508.2
Profit margin	%	4.2	2.1	7.5	5.9	9.6
Return on capital employed	%	19.8	10.3	19.8	10.3	17.7
Return on equity	%	27.4	11.5	27.4	11.5	24.8
Equity/assets ratio	%	46.4	40.2	46.4	40.2	47.2
Investments	SEK m.	26.9	52.8	173.9	414.6	477.8
Depreciation/Amortisation	SEK m.	43.1	39.2	124.8	115.0	154.7
Per share ratios						
Earnings per share	SEK	0.84	0.38	5.39	3.30	8.44
Equity per share	SEK	39.64	34.10	39.64	34.10	36.17
Operating cash flow per share	SEK	1.49	1.91	4.89	5.74	4.78
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

		2014/15				2013/14			2012/13	
		Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3
Net sales	SEK m.	1,431.6	1,554.5	1,393.8	1,258.6	1,298.1	1,414.5	1,324.7	1,123.7	1,120.6
Growth	%	10.3	9.9	5.2	12.0	15.8	16.4	21.4	8.6	8.7
Gross margin	%	33.6	36.6	33.8	32.8	32.9	35.9	33.2	33.7	37.0
Operating profit	SEK m.	54.1	156.3	111.4	24.6	48.5	141.8	102.0	36.0	89.8
Operating margin	%	3.8	10.1	8.0	2.0	3.7	10.0	7.7	3.2	8.0
Return on capital employed	%	19.8	18.9	18.1	17.7	10.3	12.2	12.7	13.8	13.1
Return on equity	%	27.4	27.2	26.8	24.8	11.5	14.2	14.5	16.1	14.6
Equity/assets ratio	%	46.4	44.1	48.3	47.2	40.2	37.8	38.6	40.7	41.4
Basic equity per share	SEK	39.64	38.66	39.37	36.17	34.10	33.55	32.47	30.31	28.86
Basic earnings per share	SEK	0.84	2.24	2.31	5.14	0.38	1.78	1.14	0.46	1.06

Parent Company Income Statement

	2014/15 Nov-Jan 3 mths	2013/14 Nov-Jan 3 mths	2014/15 May-Jan 9 mths	2013/14 May-Jan 9 mths	2013/14 May-Apr 12 mths
SEK m.					
Net sales	228.8	268.6	731.5	810.2	1,041.7
Cost of goods sold	-167.4	-205.2	-523.7	-598.9	-801.6
Gross profit	61.4	63.4	207.8	211.3	240.1
Other operating income	12.0	11.8	34.1	33.9	46.1
Selling expenses	-47.4	-48.0	-132.7	-131.3	-183.3
Administration expenses	-20.1	-17.9	-53.9	-47.8	-70.0
Other operating expenses	-19.0	-12.1	-44.0	-34.8	-20.9
Operating profit	-13.1	-2.8	11.3	31.3	12.0
Net financial items	1.7	-7.1	319.9	246.8	494.7
Profit after financial items	-11.4	-9.9	331.2	278.1	506.7
Appropriations ¹⁾	-6.4	7.0	-4.7	21.3	3.4
Pre-tax profit	-17.8	-2.9	326.5	299.4	510.1
Tax on profit for the period	3.8	0.5	-4.1	-8.2	-0.4
Profit for the period	-14.0	-2.4	322.4	291.2	509.7

1) Accelerated depreciation, tax allocation reserve and Group contributions.

Parent Company Balance Sheet

SEK m.	31/01/2015	31/01/2014	30/04/2014
ASSETS			
Goodwill	0.6	-	-
Other intangible assets	5.5	6.4	5.4
Property, plant and equipment	114.3	124.7	120.9
Financial and other non-current assets	1,931.8	2,383.2	1,832.6
Total non-current assets	2,052.2	2,514.3	1,958.9
Inventory	162.2	167.3	174.4
Current receivables	862.3	712.0	720.3
Cash and cash equivalents	-	-	-
Total current assets	1,024.5	879.3	894.7
TOTAL ASSETS	3,076.7	3,393.6	2,853.6
EQUITY AND LIABILITIES			
Equity	1,440.8	1,249.1	1,267.8
Untaxed reserves	41.5	42.0	35.9
Non-current liabilities, provisions	3.2	2.4	3.2
Non-current liabilities, interest-bearing	384.4	789.1	493.3
Total non-current liabilities	387.6	791.5	496.5
Current liabilities, interest-bearing	808.9	870.3	601.9
Current liabilities, non-interest-bearing	397.9	440.7	451.5
Total current liabilities	1,206.8	1,311.0	1,053.4
TOTAL EQUITY AND LIABILITIES	3,076.7	3,393.6	2,853.6

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 100 percent of the shares outstanding in Menerga, UK, Camair, Belgium, Airwell, Germany, and the operation in Airwell, France, was provisionally made up as follows:

Total historical cost, less transaction costs SEK 74.1 million

<u>Identifiable net assets</u>	<u>Total</u>
Goodwill	34.8
Brands and customer relationships	4.0
Buildings and land	24.8
Machinery and equipment	24.5
Deferred tax assets	0.7
Inventory	21.6
Other current assets	23.0
Cash and cash equivalents	42.2
Non-interest-bearing liabilities (incl. deferred tax liability)	-39.9
Interest-bearing liabilities	-2.7
<u>Other operating liabilities</u>	<u>-58.9</u>
	<u>74.1</u>

Transaction costs in the acquisition of subsidiaries totalled SEK 1.4 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 -27.8 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, synergy effects expected to arise after the acquisition and the companies 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 recognised at fair value via the income statement, based on input data corresponding to level 2 in 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.