



SYSTEMAIR AB

YEAR-END REPORT

1 MAY 2013 – 30 APRIL 2014



Net sales Q4

SEK 1,259 m.

EBIT Q4

SEK 25 m.

Fourth quarter, February 2014 – April 2014

- Net sales increased by 12 percent to SEK 1,259 million (1,124).
- Operating profit (EBIT) totalled SEK 25 million (36).
- The operating margin was 2.0 percent (3.2).
- Profit after tax amounted to SEK 267* million (24).
- Earnings per share totalled SEK 5.14* (0.46).
- Cash flow from operating activities was negative, at SEK -50 million (15).

12 months, May 2013 – April 2014

- Net sales increased by 16 percent to SEK 5,296 million (4,551).
- Operating profit (EBIT) totalled SEK 317 million (365).
- The operating margin was 6.0 percent (8.0).
- Profit after tax amounted to SEK 439* million (241).
- Earnings per share totalled SEK 8.44* (4.63).
- Cash flow from operating activities amounted to SEK 249 million (344).
- The Board of Directors proposes a dividend of SEK 1.50 (1.50) per share, plus an extra dividend of SEK 1.50, making a total of SEK 3.00 per share.

*Includes a capital gain of SEK 246 million from the sale of the Company's shareholding in Lindab.

Significant events during the year

- Reftec AS of Norway was acquired in May. Reftec supplies commercial chillers and heat pumps to the Norwegian market.
- Menerga GmbH, Germany, was acquired in May. Menerga is a market-leading producer of extra high-efficiency air handling units for comfort and process ventilation equipment, as well as swimming pool ventilation units.
- During the year, Menerga's sales companies in Frankfurt, Hamburg, Hanover and Berlin, as well as those in Switzerland and Austria, were acquired. The companies sell and service Menerga's products.
- In March, Systemair sold its entire shareholding in Lindab AB to a limited group of institutional investors. Following the sale, Systemair holds no shares in Lindab.

	2013/14 Feb-Apr 3 mths	2012/13 Feb-Apr 3 mths	2013/14 May-Apr 12 mths	2012/13 May-Apr 12 mths
Net sales, SEK m.	1,258.6	1,123.7	5,295.8	4,551.0
Growth, %	12.0	8.6	16.4	13.9
Operating profit, SEK m.	24.6	36.0	316.9	365.2
Operating margin, %	2.0	3.2	6.0	8.0
Profit after tax, SEK million	267.2	23.8	438.7	241.0
Earnings per share, SEK	5.14	0.46	8.44	4.63
Operating cash flow per share, SEK	-0.95	0.30	4.78	6.61

Continued organic growth

We recorded organic growth for the 17th successive quarter, although on this occasion it was a slim 2.4 percent. Profit was lower than anticipated, even if our fourth quarter normally is our weakest. Continued restructuring of Menerga's production and sales companies burdened earnings for the period. We sold the Company's shareholding in Lindab during the quarter, producing a capital gain of SEK 246 million, with the result that despite everything we recorded our strongest net result of all time.

The market

Activity in the market was again weaker than expected in the fourth quarter. The Nordic market remains buoyant, and in Western Europe sales were strong during the quarter, especially in Germany and the Netherlands. Our sales were down in Eastern Europe, particularly Russia, but other countries performed more strongly. As far as we were concerned, the North American market remained weak.

Companies acquired

An intensive effort is in progress on restructuring Menerga in Germany. We have also acquired Menerga's sales companies in Austria and Switzerland, as well as its sales offices in Hamburg, Berlin, Hanover and, most recently, Frankfurt. We have boosted our sales via existing Menerga companies, but also via our Systemair companies. We are training Systemair personnel in the expertise needed to sell Menerga's products. Results at Holland Heating, which we acquired in March 2013, were better than expected. Our Turkish subsidiary, Systemair HSK, also made performance-related progress.

Investments during the year

We made substantial investments in machinery at our new air handling unit factory near Istanbul, Turkey. The business made positive progress. Sales were up and the increase is expected to continue at a healthy pace. Our new development centre in Germany, and the expanded production facilities, will provide major potential opportunities to be involved in major tunnel ventilation projects. In India, we inaugurated our new 12,000 m² production facility, which includes modern office space



and production buildings. The facility will be LEED certified in the platinum category, a standard that is totally unique in India. In Malaysia, the building of a new 16,000 m² factory is under completion, and occupancy has already been taken up. Building is expected to be completed during July. Here, we will manufacture fans, products for air distribution and air handling units. The plan for the facility is also to serve as a distribution centre for South-East Asia.

Outlook

With a global presence through our own sales companies in 45 countries and regular deliveries to well in excess of 100 countries, we believe we are set for continued growth. Despite volatile conditions in many markets, Systemair can again report organic growth, for the 17th successive quarter. Our profitability is sharply lower than last year, and out of line with our expectations. We are clear about the reasons for this and are focusing intensively on actions to improve profitability.

We have sold our shares in Lindab. The sale brought in a total of approximately SEK 650 million, with a capital gain of SEK 246 million. The deal firms up our balance sheet and equips us with even better opportunities for further expansion of Systemair. We remain of the persuasion that attractive candidates for acquisition are available. We are also continuing to invest in production facilities, product development and marketing. It is with confidence that we are entering the year ahead and expect continued organic growth, together with further improvement in profitability.

Gerald Engström (Chief Executive Officer)

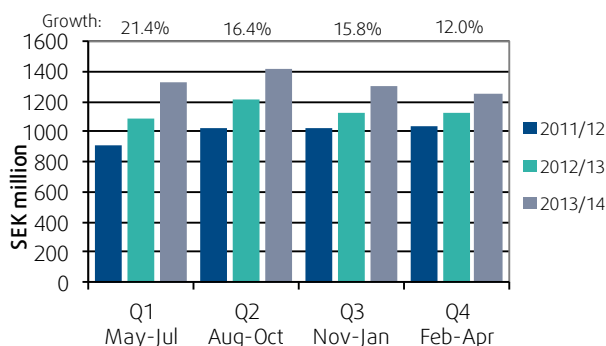
Sales and markets

Group sales for the fourth quarter of 2013/14 totalled SEK 1,258.6 million (1,123.7), 12.0 percent up on the same period last year.

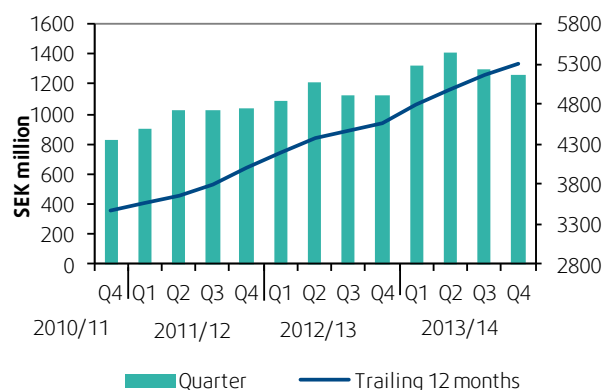
Adjusted for both foreign exchange effects and acquisitions, net sales grew 2.4 percent. This is the 17th successive quarter of organic growth, despite a weak market. Growth in acquired operations was 10.0 percent, while foreign exchange effects reduced sales by 0.4 percent during the period.

Net sales for the full year May–April 2013/14 totalled SEK 5,295.8 million (4,551.0), up 16.4 percent on the same period last year. Adjusted for both foreign exchange effects and acquisitions, net sales grew 4.2 percent. Growth in acquired operations was 14.5 percent, while foreign exchange effects reduced sales by 2.3 percent during the period.

Net sales per quarter compared with same period previous years



Net sales



Geographic breakdown of Q4 sales

Nordic region

During the fourth quarter, sales in the Nordic region were up 13 percent on the same period in the preceding year. The Danish and Norwegian markets performed the best in the region during the quarter. The acquisitions of Reftec and Menerga, which deliver to the region, were factors in the increase. Adjusted for acquisitions and foreign exchange effects, growth was 11 percent for the region.

Western Europe

Sales in the West European market grew 37 percent during the quarter, compared with the corresponding period in the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales rose by 3 percent. Markets that performed well in the region include Germany and the Netherlands.

	2013/14 Feb–Apr 3 mths	2012/13 Feb–Apr 3 mths	Sales – change	Of which Organic*	2013/14 May–Apr 12 mths	2012/13 May–Apr 12 mths
Nordic region	318.1	280.9	13%	11%	1,262.6	1,130.2
Western Europe	481.8	350.7	37%	3%	1,930.7	1,436.0
Eastern Europe & CIS	242.3	262.9	-8%	-5%	1,215.3	1,144.7
North America	80.2	88.4	-9%	-8%	347.0	365.5
Other markets	136.2	140.8	-3%	5%	540.2	474.6
Total	1,258.6	1,123.7	12%	2%	5,295.8	4,551.0

*Change in sales adjusted for acquisitions and foreign exchange effects.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS fell 8 percent during the quarter. Adjusted for acquisitions and foreign exchange effects, sales fell 5 percent. The Russian market contracted during the quarter, while markets such as Estonia, the Czech Republic and Slovenia performed well.

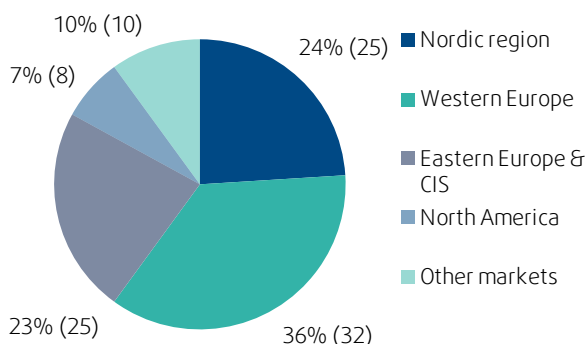
North America

Sales in the North American market during the quarter were 9 percent lower than in the same period in the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales declined 8 percent.

Other markets

Sales in Other markets declined 3 percent during the quarter compared to the same period the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales rose by 5 percent. In several of the countries in the region, the currency weakened. This had negative impact on the value of sales, as measured in the Swedish currency.

Sales by market, 12 months 2013/14 (12 mths 2012/13)



Profit for the fourth quarter

Gross profit in the fourth quarter totalled SEK 413.2 million (378.3), a rise of 9.2 percent over the figure for the corresponding period last year. The gross margin fell to 32.8 percent (33.7), mainly through acquisitions of companies with lower margins and lower utilisation of capacity at certain manufacturing units.

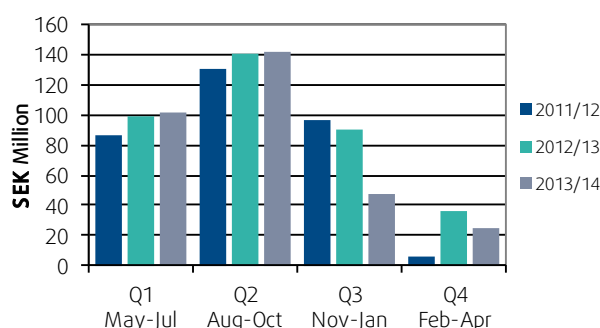
Operating profit for the fourth quarter totalled SEK 24.6 million (36.0), down 31.6 percent on the same period in the preceding year. The operating margin was 2.0 percent (3.2). The decline in operating margin is above all a consequence of recent company acquisitions with poorer profitability, along with associated restructuring costs.

Selling and administration expenses for the quarter totalled SEK 391.8 million (350.8), a rise of SEK 41.0 million. Selling and administration expenses at acquired companies accounted for SEK 38.8 million of the increase for the quarter.

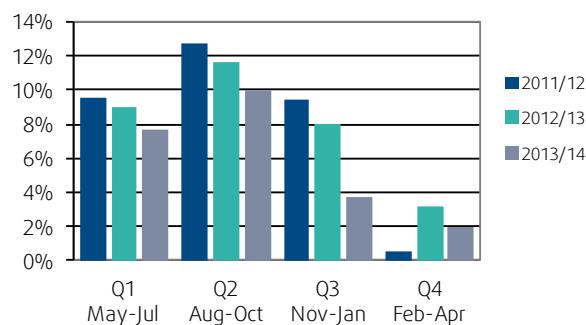
Selling expenses were charged with SEK 12.1 million (12.7) for anticipated bad debts and impairment losses on trade receivables. During the quarter, costs related to acquisitions totalled SEK 0.8 million (5.5).

Net financial items for the fourth quarter totalled SEK 245.5 million (-5.3). Net financial items include the capital gain of SEK 245.6 million from the sale of Systemair's shareholding in Lindab AB (publ). The effect of foreign exchange on long-term receivables, loans and bank balances was SEK 6.3 million (1.6) net. Interest expense for the quarter totalled SEK -6.4 million (-7.7).

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



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



Profit for the financial year

Operating profit for the financial year from May 2013 to April 2014 totalled SEK 316.9 million (365.2). The operating margin was 6.0 percent (8.0).

Selling and administration expenses for the year totalled SEK 1,467.6 million (1,267.5), a rise of SEK 200.1 million. Selling expenses for the full year were charged with SEK 33.0 million (20.2) for anticipated bad debts and impairment losses on trade receivables. Company acquisitions added SEK 171.4 million (91.2) to selling and administration expenses for the year.

Net financial items for the financial year totalled SEK 191.3 million (-34.6), including the capital gain of SEK 245.6 million from the sale of the shareholding in Lindab and

interest costs of SEK -37.4 million (-30.7).

Tax expense

Estimated tax for the quarter totalled SEK -2.9 million (-6.9), corresponding to an effective tax rate of 1.1 percent (22.4) based on profit after net financial items. The low tax charge is due to the fact that the capital gain from the shareholding in Lindab is not taxable.

Acquisitions and new operations

In May 2013, Systemair completed the acquisition of Menerga GmbH, Germany, a leading European producer of swimming pool ventilation units. The company also makes extra high-efficiency comfort and ventilation equipment. Under the agreement, Systemair immediately acquired 97 percent of the company's shares, with the remaining 3 percent to be acquired no later than in December 2014. Established in 1981, Menerga has its headquarters and production facilities in Mülheim an der Ruhr, just outside Düsseldorf. Sales in 2012 totalled EUR 56.7 million, 53 percent in Germany. The company currently employs approximately 380 people.

In May 2013, Systemair entered into an agreement to acquire Reftec AS, a supplier of commercial chillers and heat pumps to the Norwegian market. Reftec, founded in 2007, has its headquarters in Trondheim and a sales office in Oslo. The company has 11 employees. The company recorded sales of NOK 34 million in 2012 and sales growth of more than 30 percent. Reftec was formerly a reseller of Systemair refrigeration products in the Norwegian market.

In September 2013, Systemair finalised the acquisition of Menerga GmbH (Austria), the reseller of Menerga's products in that country. The company, with headquarters in Salzburg, has 10 employees and reported sales of SEK 20 million in 2012. The company both sells and services Menerga's products.

In January 2014, Systemair acquired Menerga's sales companies in Hamburg, Hanover and Berlin. The companies, which bring 10 employees to the Group, sell Menerga products to a value of around EUR 3.5 million annually.

Menerga AG, Switzerland, was acquired in February 2014. The company, which sells and services Menerga's products, reported sales of around SEK 50 million in 2013 and has 15 employees.

In April 2014, Systemair acquired Menerga Frankfurt GmbH. The company, which sells and services Menerga's products, reported sales of around EUR 4.7 million in 2013 and

currently has 13 employees.

Menerga, Germany, and Reftec, Norway, were consolidated as of 1 May 2013; Menerga Austria as of 1 September 2013; Menerga's three sales companies in northern Germany as of 1 January 2014; Menerga AG, Switzerland, as of 1 March 2014; and Menerga Frankfurt as of 30 April 2014. If the other companies acquired had been consolidated as of 1 May 2013, net sales for the period May 2013 through April 2014 would have totalled SEK approximately 5,359 million. Operating profit for that period would have been approximately SEK 314 million.

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

Disposals

In August 2012, Systemair acquired 9,150,000 shares in Lindab AB (publ). The holding represented 11.6 percent of the shares and votes in Lindab. On 3 March 2014, a limited group of institutional investors acquired the entire shareholding, after which Systemair holds no shares in Lindab. The shares were sold at a price of SEK 72, corresponding to the 30-day volume-weighted average price. The sale resulted in a capital gain of SEK 245.6 million.

Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 66.3 million (103.2), including SEK 47.9 million (51.3) in new construction and machinery. The principal investments consisted of construction of a new production facility in Malaysia and other capacity and replacement investments in production equipment. Considerations paid for subsidiaries acquired totalled SEK 16.7 million (52.3) for the quarter. Depreciation of non-current assets amounted to SEK 39.7 million (30.9).

Total investments for the financial year amounted to SEK 501.3 million (696.9) excluding divestments. Gross investments in new construction and machinery totalled SEK 354.9 million (123.9), excluding divestments. Major investments were made in the production facilities in Malaysia, India and Italy, as well as a new development centre in Germany.

The total paid for acquisitions and in additional purchase considerations in the financial year was SEK 139.7 million (164.4). Depreciation and amortisation of non-current assets totalled SEK 154.7 million (116.6) for the year.

Personnel

The average number of employees in the Group was 4,142 (3,394). At the end of the period, Systemair had 4,250

employees (3,649), 601 more than in the preceding year. New employees were recruited chiefly in Russia (54), Lithuania (50) and Germany (25). Through acquisitions, 442 employees joined the Group, including 381 at Menerga, Germany, 11 at Reftec, Norway, 9 at Menerga, Austria, and 23 at Menerga's German sales companies.

Changes in Group Management

In January, a number of changes took place in Systemair's Group Management. Fredrik Andersson was appointed as new Vice President Marketing, to replace Svein Nilsen, who will retire over a period. CFO Glen Nilsson is also retiring, to be replaced by Anders Ulff, who has previously served as a member of Group Management. Following these changes, the new Group Management consists of Gerald Engström, Anders Ulff, Fredrik Andersson, Roland Kasper, Mats Lund and Kurt Maurer.

Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 19.6 million (44.1) for the quarter.

Changes in working capital, mainly consisting of an increase in inventory, had negative impact of SEK -69.2 million (-28.7) on cash flow. The cash flow from investing activities totalled SEK 589.0 million (-102.1) net, above all through the sale of the shareholding in Lindab, which generated a positive cash flow of SEK 652.2 million. Net cash flow from financing activities was SEK -565.2 million (100.0), due to the repayment of loans. At the end of the period, the Group's net indebtedness was SEK 969.7 million (1,238.1). The consolidated equity/assets ratio was 47.2 percent (40.7) at the end of the period.

Financial targets

In April 2007, the Board of Directors of Systemair adopted three financial targets and a dividend policy.

- Sales growth of at least 12 percent over a business cycle, both organic and acquired.
- Operating margin of at least 10 percent over a business cycle.
- Equity/asset ratio of at least 30 percent.
- Dividend of approximately 30 percent of profit after tax.

Significant events after financial year-end

No significant events occurred after the end of the period.

Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risk is inherent in 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, credit risk and liquidity risk. The material risks and uncertainty affecting Systemair are described in more detail in the Company's 2012/13 Annual Report. During the period, Systemair sold its shareholding in Lindab, thereby reducing its risk exposure 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 37 to the accounts in the Annual Report for the 2012/13 financial year. During the period, no change worthy of mention occurred in the scale of these transactions.

Parent Company

The Parent Company's sales for the quarter totalled SEK 231.5 million (227.6). Its operating profit was SEK -19.2 million (1.3).

The average number of employees in the Parent Company was 422 (421).

Dividend

The Board of Directors proposes that the Annual General Meeting, to be held on 28 August 2014, should approve a dividend of SEK 1.50 (1.50) per share, plus an extra dividend of SEK 1.50, making a total of SEK 3.00 per share. As a result, dividend payments will amount to SEK 156.0 million (78.0). The proposed dividend corresponds to 36 percent (32) of net consolidated profit.

Nominating committee for the 2014 AGM

The AGM held on 29 August 2013 resolved that the nominating committee shall consist of representatives from three of the biggest shareholders by votes, as well as the Chairman of the Board.

The nominating committee comprises Gerald Engström (Chair) as representative of Färna Invest AB, Gerhard Sturm as representative of ebmpapst AB, Björn Henriksson as representative of Nordea Fonder and Lars Hansson, Chairman of the Board.

Financial calendar

The report for the first quarter of 2014/15 will be published at 1.00 p.m. on 28 August 2014.

The Company's Annual General Meeting will be held at 3 p.m. on 28 August 2014 at Systemair Expo, Skinnskatteberg, Sweden.

The Annual Report will be available in Week 32 on our website at www.systemair.com.

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. 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, 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 year-end report is information which 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 will be submitted for publication at 8.00 a.m. on 11 June 2014.

This year-end report has been reviewed by the Company’s auditors.

Skinnskatteberg, 11 June 2014

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 4,200 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 year-end report for Systemair AB (publ) for the period 1 May 2013–30 April 2014. The preparation and fair presentation of the year-end 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 on this year-end report based on our review.

Emphasis and scope of the review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 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 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 year-end 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, 11 June 2014
Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

Consolidated Income Statement

SEK m.	2013/14 Feb-Apr 3 mths	2012/13 Feb-Apr 3 mths	2013/14 May-Apr 12 mths	2012/13 May-Apr 12 mths
Net sales	1,258.6	1,123.7	5,295.8	4,551.0
Cost of goods sold	-845.4	-745.4	-3,508.7	-2,923.6
Gross profit	413.2	378.3	1,787.1	1,627.4
Other operating income	18.6	21.6	76.0	61.5
Selling expenses	-314.8	-288.8	-1,182.8	-1,041.4
Administration expenses	-77.0	-62.0	-284.8	-226.1
Other operating expenses	-15.4	-13.1	-78.6	-56.2
Operating profit	24.6	36.0	316.9	365.2
Net financial items	245.5	-5.3	191.3	-34.6
Profit after financial items	270.1	30.7	508.2	330.6
Tax on profit for the period	-2.9	-6.9	-69.5	-89.6
Profit for the period	267.2	23.8	438.7	241.0
Attributable to:				
Parent Company shareholders	267.2	23.8	438.7	241.0
Non-controlling interests	0.0	0.0	0.0	0.0
Earnings per share, SEK ¹	5.14	0.46	8.44	4.63
Average number of shares ¹	52,000,000	52,000,000	52,000,000	52,000,000

¹At present, Systemair does not have any option programme in operation and so no dilution effect is to be taken into account.

Consolidated Statement of Comprehensive Income

	2013/14 Feb-Apr 3 mths	2012/13 Feb-Apr 3 mths	2013/14 May-Apr 12 mths	2012/13 May-Apr 12 mths
Profit for the period	267.2	23.8	438.7	241.0
Other comprehensive income, net of tax				
Items that has been or may later be transferred to profit for the period:				
Translation differences, foreign operations	46.6	-0.9	12.1	-56.1
Hedging of net assets in foreign operations, net of tax	-	-0.2	-	-0.6
Financial assets available for sales;				
- change in fair value	44.2	52.5	187.9	57.7
- transferred to profit on sale	-245.6		-245.6	
Items that may not be transferred to profit for the period:				
Change in defined-benefit pensions	-4.6		-4.6	
Other comprehensive income, net after tax	-159.4	51.4	-50.2	1.0
Total comprehensive income for the period	107.8	75.2	388.5	242.0
Attributable to:				
Parent Company shareholders	107.8	75.2	388.5	242.0

Consolidated Balance Sheet

SEK m.	30/04/2014	30/04/2013
ASSETS		
Goodwill	532.5	457.7
Other intangible assets	250.9	171.7
Property, plant and equipment	1,087.7	813.4
Financial and other assets	100.7	550.9
Total non-current assets	1,971.8	1,993.7
Inventory	920.7	790.0
Current receivables	967.6	992.6
Cash and cash equivalents	123.3	98.4
Total current assets	2,011.6	1,881.0
TOTAL ASSETS	3,983.4	3,874.7
EQUITY AND LIABILITIES		
Equity	1,880.9	1,576.0
Non-current liabilities, provisions	213.9	154.5
Non-current liabilities, interest-bearing	285.6	586.3
Total non-current liabilities	499.5	740.8
Current liabilities, interest-bearing	755.3	724.0
Current liabilities, non-interest-bearing	847.7	833.9
Total current liabilities	1,603.0	1,557.9
TOTAL EQUITY AND LIABILITIES	3,983.4	3,874.7

Consolidated Cash Flow Statement

SEK m.	2013/14 Feb-Apr 3 mths	2012/13 Feb-Apr 3 mths	2013/14 May-Apr 12 mths	2012/13 May-Apr 12 mths
Operating profit	24.6	36.0	316.9	365.2
Adjustment for non-cash items	28.7	33.3	152.9	147.3
Financial items	-6.6	-7.9	-35.0	-27.4
Income tax paid	-27.1	-17.3	-90.8	-76.9
Cash flow from operating activities before changes in working capital	19.6	44.1	344.0	408.2
Changes in working capital	-69.2	-28.7	-95.2	-64.3
Cash flow from operating activities	-49.6	15.4	248.8	343.9
Cash flow from investing activities	589.0	-102.1	174.4	-692.5
Cash flow from financing activities	-565.2	100.0	-398.2	364.5
Cash flow for the period	-25.8	13.3	25.0	15.9
Cash and cash equivalents at start of period	140.1	86.7	98.4	91.6
Translation differences, cash and cash equivalents	9.0	-1.6	-0.1	-9.1
Cash and cash equivalents at close of period	123.3	98.4	123.3	98.4

Statement of Changes in Equity – Group

SEK m.	2013/14 May-Apr			2012/13 May-Apr		
	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Amount at beginning of year	1,576.0	0.0	1,576.0	1,399.0	0.1	1,399.1
Impact of change in accounting policy IAS 19R (net)	-5.6	-	-5.6	-	-	-
Adjusted amount at beginning of year	1,570.4	0.0	1,570.4	1,399.0	0.1	1,399.1
Dividend	-78.0	-	-78.0	-65.0	-	-65.0
Acquisitions of non-controlling interests	-	-	-	-	-0.1	-0.1
Comprehensive income	388.5	-	388.5	242.0	-	242.0
Amount at end of period	1,880.9	0.0	1,880.9	1,576.0	0.0	1,576.0

Key Ratios for the Group

		2013/14 Feb-Apr 3 mths	2012/13 Feb-Apr 3 mths	2013/14 May-Apr 12 mths	2012/13 May-Apr 12 mths
Net sales	SEK m.	1,258.6	1,123.7	5,295.8	4,551.0
Growth	%	12.0	8.6	16.4	13.9
Operating profit	SEK m.	24.6	36.0	316.9	365.2
Operating margin	%	2.0	3.2	6.0	8.0
Profit after net fin. items	SEK m.	270.1	30.7	508.2	330.6
Profit margin	%	21.5	2.7	9.6	7.3
Return on capital employed	%	17.7	13.8	17.7	13.8
Return on equity	%	24.8	16.1	24.8	16.1
Equity/assets ratio	%	47.2	40.7	47.2	40.7
Investments	SEK m.	63.2 ¹	102.1	477.8 ¹	692.5
Depreciation/Amortisation	SEK m.	39.7	30.9	154.7	116.6
Per share ratios					
Earnings per share	SEK	5.14	0.46	8.44	4.63
Equity per share	SEK	36.17	30.31	36.17	30.31
Operating cash flow per share	SEK	-0.95	0.30	4.78	6.61
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000	52,000,000

¹ Excluding non-recurring items.

Quarterly Key Ratios – Group

		2013/14				2012/13			2011/12	
		Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	SEK m.	1,258.6	1,298.1	1,414.5	1,324.7	1,123.7	1,120.6	1,215.7	1,091.0	1,034.9
Growth	%	12.0	15.8	16.4	21.4	8.6	8.7	18.4	20.6	25.0
Gross margin	%	32.8	32.9	35.9	33.2	33.7	37.0	36.5	35.8	35.9
Operating profit	SEK m.	24.6	48.5	141.8	102.0	36.0	89.8	140.9	98.5	5.6
Operating margin	%	2.0	3.7	10.0	7.7	3.2	8.0	11.6	9.0	0.5
Return on capital employed	%	17.7	10.3	12.2	12.7	13.8	13.1	13.9	14.3	14.7
Return on equity	%	24.8	11.5	14.2	14.5	16.1	14.6	15.9	16.8	15.7
Equity/assets ratio	%	47.2	40.2	37.8	38.6	40.7	41.4	39.1	45.2	45.1
Equity per share	SEK	36.17	34.10	33.55	32.47	30.31	28.86	28.92	26.97	26.90
Earnings per share	SEK	5.14	0.38	1.78	1.14	0.46	1.06	1.71	1.40	-0.09

Parent Company Income Statement

SEK m.	2013/14 Feb-Apr 3 mths	2012/13 Feb-Apr 3 mths	2013/14 May-Apr 12 mths	2012/13 May-Apr 12 mths
Net sales	231.5	227.6	1,041.7	946.8
Cost of goods sold	-181.6	-173.0	-801.6	-716.9
Gross profit	49.9	54.6	240.1	229.9
Other operating income	12.2	20.6	46.1	47.7
Selling expenses	-51.9	-48.2	-183.3	-165.3
Administration expenses	-22.3	-17.5	-70.0	-62.3
Other operating expenses	-7.1	-8.2	-20.9	-15.5
Operating profit	-19.2	1.3	12.0	34.5
Net financial items	247.8	-12.5	494.7	148.2
Profit after financial items	228.6	-11.2	506.7	182.7
Appropriations ¹	-17.9	-44.4	3.4	-20.7
Pre-tax profit	210.7	-55.6	510.1	162.0
Tax on profit for the period	7.8	11.9	-0.4	-0.1
Profit for the period	218.5	-43.7	509.7	161.9

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

2) The relatively low effective tax rate for the Parent Company arises because a large share of net financial items consists of tax-free income such as dividends from subsidiaries and a non-taxable capital gain on shares.

Parent Company Balance Sheet

SEK m.	30/04/2014	30/04/2013
ASSETS		
Other intangible assets	5.4	4.8
Property, plant and equipment	120.9	129.9
Financial and other assets	1,832.6	2,004.7
Total non-current assets	1,958.9	2,139.4
Inventory	174.4	127.8
Current receivables	720.3	571.8
Cash and cash equivalents	-	-
Total current assets	894.7	699.6
TOTAL ASSETS	2,853.6	2,839.0
EQUITY AND LIABILITIES		
Equity	1,267.8	892.4
Untaxed reserves	35.9	63.3
Non-current liabilities, provisions	3.2	2.8
Non-current liabilities, interest-bearing	493.3	743.3
Total non-current liabilities	496.5	746.1
Current liabilities, interest-bearing	601.9	664.6
Current liabilities, non-interest-bearing	451.5	472.6
Total current liabilities	1,053.4	1,137.2
TOTAL EQUITY AND LIABILITIES	2,853.6	2,839.0

General accounting policies and 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 policies and methods of calculation applied for the Group and Parent Company accord with those used in preparing the most recent Annual Report, with the exception of application of IAS 19 Employee benefits - amendments, and IAS 1 Presentation of Financial Statements. However, these have not had any major impact on the Group's financial reporting.

Note 1 – Acquisition analysis

The price paid to acquire 100 percent of the shares outstanding in Menerga in Germany, Reftec in Norway, Menerga in Austria, Menerga in Switzerland and Menerga's sales companies in Germany may be provisionally allocated as follows:

Total historical cost, less transaction costs SEK 174.6 million

Identifiable net assets	Total
Goodwill	82.0
Brands and customer relationships	117.4
Buildings and land	32.9
Machinery and equipment	13.0
Financial and other assets	0.5
Inventory	55.7
Other current assets	82.1
Cash and cash equivalents	30.3
Non-interest-bearing liabilities (incl. deferred tax liability)	-47.3
Interest-bearing liabilities	-39.2
Other operating liabilities	-152.8
	<u>174.6</u>

Transaction costs in the acquisition of subsidiaries totalled SEK 6.0 million, the major share of which was charged to Q4 earnings in 2012/13.

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 -139.7 million.

Brands and customer relationships have been measured 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 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 recognised at fair value via the income statement, based on input data corresponding to level 2 in IFRS 7. Available-for-sale financial assets are recognised at fair value based on input data corresponding to level 1 in IFRS 7. 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.