



SYSTEMAIR AB INTERIM REPORT Q1 1 MAY – 31 JULY 2013



Net sales Q1

SEK 1,325 m.

EBIT Q1

SEK 102 m.

First quarter, May –July 2013

- Net sales increased by 21 percent to SEK 1,325 million (1,091).
- Operating profit (EBIT) totalled SEK 102 million (99).
- The operating margin was 7.7 percent (9.0).
- Profit after tax fell to SEK 59 million (73).
- Earnings per share totalled SEK 1.14 (1.40).
- Cash flow from operating activities totalled SEK 69 million (60).

Significant events during the first quarter

- Menerga GmbH, Germany, was acquired in May. Menerga is a market-leading producer of air handling units for swimming baths. It also makes comfort and process ventilation equipment of extra high efficiency.
- Norwegian company Reftec AS was acquired in May. Reftec supplies commercial chillers and heat pumps to the Norwegian market.
- In July, an agreement to acquire Menerga GmbH, Austria, was signed. The company sells and services Menerga's products.

	2013 May-Jul 3 mths	2012 May-Jul 3 mths	2012/13 May-Apr 12 mths
Net sales, SEK million	1,324.7	1,091.0	4,551.0
Growth, %	21.4	20.6	13.9
Operating profit, SEK million	102.0	98.5	365.2
Operating margin, %	7.7	9.0	8.0
Profit after tax, SEK million	59.3	73.0	241.0
Earnings per share, SEK	1.14	1.40	4.63
Operating cash flow per share, SEK	1.33	1.16	6.61

Continued organic growth

During our first quarter, we recorded a sales increase of 21 percent. The increase is largely attributable to the acquisitions completed, Menerga in Germany, Holland Heating and HSK in Turkey. Gratifyingly, we can also report continued organic growth of 6 percent. During the quarter, we focused hard on integrating and restructuring the companies acquired.



The market

May and June were relatively weak periods, while July was considerably stronger. As before, uncertainty prevails especially in southern Europe but also to a certain degree in North America and parts of Eastern Europe. Nevertheless, we can see an upward trend in, for example, Germany, Sweden, Turkey and India.

Companies acquired

The year began with acquisitions of Menerga GmbH, Germany, and Reftec, Norway. At the same time, we focused hard on integrating Holland Heating, HSK of Turkey and continued the process of integrating Systemair AC, Italy. Over the past year, we have achieved a sharp expansion of the Systemair product range. This makes us a stronger player in the project market and enables us to offer all-inclusive product deliveries of ventilation equipment for construction projects. Our acquisitions have also considerably boosted service and after-market sales.

Investments

During the quarter, we expanded our production facility in Slovenia. We also acquired land in Slovakia and in Denmark in order to enlarge our production and warehousing areas alongside existing production facilities. In Ontario, Canada, we acquired a warehouse and office building in which to relocate Change Air's operations and to build up a logistics centre. In Malaysia, we signed an agreement to acquire a new industrial property. All-in-all, these investments will enable us to continue expanding at existing production facilities. Our facilities are modern and well equipped. In September, we officially open our new air handling unit factory in Turkey, where we have relocated to a new building and carried out major investments in machinery.

Outlook

One of Systemair's strengths is our global presence. We have our own operations in 44 countries and regularly supply our products to more than 100 countries. Despite economic uncertainty in many markets, we can report organic growth for the fourteenth successive quarter with a reasonable level of profitability. We have used the weaker economy to our advantage in making company acquisitions. We have acquired good companies on reasonable terms, although there is a need for restructuring in certain cases. We are continuing to make acquisitions and investments in production equipment, product development and marketing. A strategy that has a record of performing well in the past and that we assume will continue to deliver good results in the future.

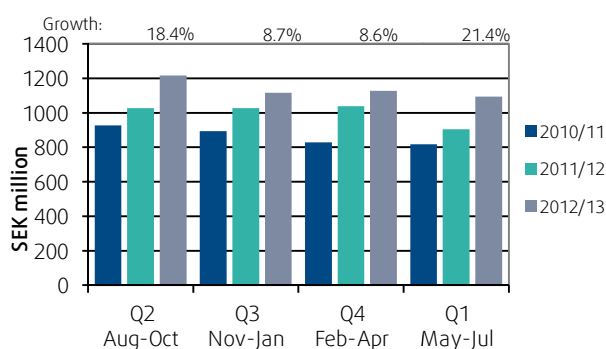
Gerald Engström
CEO

Sales and markets

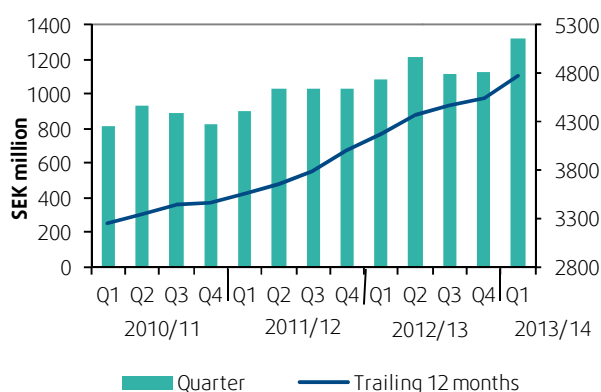
Group sales for the first quarter of 2013/14 totalled SEK 1,324.7 million (1,091.0), up 21.4 percent from the same period in the preceding year.

Adjusted for both foreign exchange effects and acquisitions, net sales grew 5.7 percent. This is the 14th successive quarter of organic growth despite a weak market.

Net sales per quarter compared with same period previous years



Net sales



Geographic breakdown of Q1 sales

Nordic region

During the first quarter, sales in the Nordic region increased by 12 percent from the same period the preceding year. Sales in Sweden increased by 24 percent and in Norway by 10 percent. The acquisitions of Reftec and Menerga, which delivers to the region, were factors in the increase. Adjusted for acquisitions and foreign exchange effects, growth was 9 percent for the region.

Western Europe

Sales in the West European market grew 36 percent during the quarter, compared with the corresponding period in the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales increased 3 percent. Markets that performed strongly in the region include Germany and Switzerland.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS increased 2 percent during the quarter. Adjusted for acquisitions and foreign exchange effects, sales increased 1 percent. Russia continues to show growth.

North America

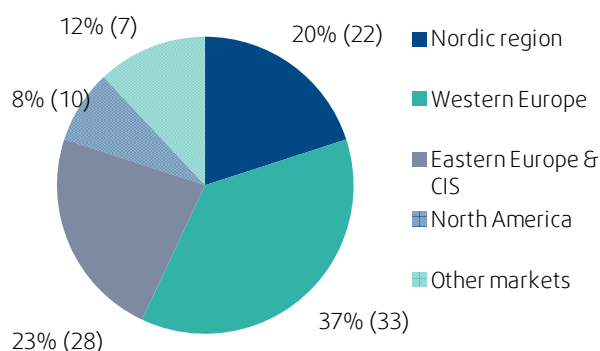
Sales in the North American market decreased 5 percent during the quarter compared to the same period in the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales decreased 3 percent.

	2013 May-Jul 3 mths	2012 May-Jul 3 mths	Change in sales	Of which organic
Nordic region	268.9	239.6	12%	9%
Western Europe	492.7	361.6	36%	3%
Eastern Europe & CIS	308.4	302.0	2%	1%
North America	100.0	105.1	-5%	-3%
Other markets	154.7	82.7	87%	38%
Total	1,324.7	1,091.0	21%	6%

Other markets

Sales in Other markets were 87 percent higher than in the same period in the preceding year, partly as a result of HSK's and Holland Heating's deliveries to the region. Adjusted for foreign exchange effects and acquisitions, sales increased 38 percent.

Sales by market Q1 2013 (Q1 2012)



Results for the first quarter

The gross profit for the first quarter amounted to SEK 439.2 million (390.2), an increase of 12.5 percent over the same period in the preceding year. The gross margin fell to 33.2 percent (35.8) as a result mainly of acquisitions of companies with lower margins.

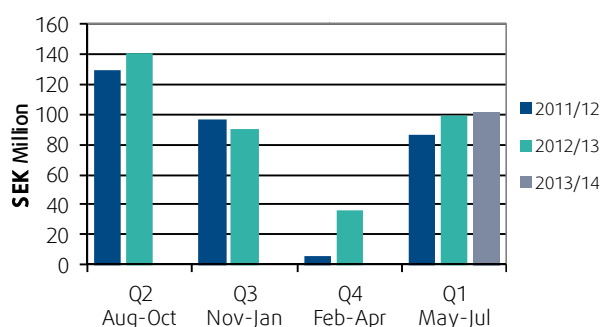
Operating profit for the first quarter amounted to SEK 102.0 million (98.5), an increase of 3.5 percent over the same period in the preceding year. Our operating margin was 7.7 percent (9.0). The lower operating margin is a consequence of a lower gross margin.

Selling and administration expenses for the quarter totalled SEK 332.8 million (286.8), an increase of SEK 46.0 million. Selling and administration expenses for acquired companies accounted for SEK 43.7 million of the increase for the quarter.

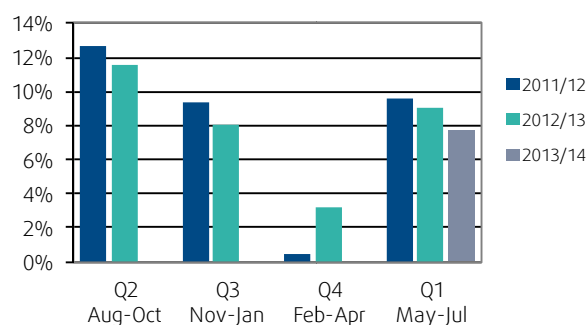
Selling expenses were charged with SEK 5.9 million (4.7) for anticipated bad debts and impairment losses on trade receivables. During the quarter, costs related to acquisitions totalled SEK 0.1 million (0.8).

Net financial items for the first quarter totalled SEK -17.7 million (0.3). The effects of foreign exchange on long-term receivables, loans and bank balances totalled SEK -7.7 million net (5.8). Interest expense for the quarter amounted to SEK -10.4 million (-5.9), as a result of increased borrowing.

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 -25.0 million (-25.8), corresponding to an effective tax rate of 29.6 percent (26.1) based on profit after net financial items.

Acquisitions and new operations

In May, Systemair completed the acquisition of Menerga GmbH, Germany, a leading European producer of air handling units for swimming baths. The company also makes extra high-efficiency comfort and ventilation equipment. 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 400 people.

In May, Systemair entered 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. It has 11 employees. The company recorded sales of NOK 34 million in 2012 and sales growth of more than 30 percent. The company was formerly a reseller of Systemair products in the Norwegian market.

In July, Systemair entered into an agreement to acquire Menerga GmbH, the reseller of Menerga's products in Austria. The company, with headquarters in Salzburg and 10 employees, had sales of SEK 20 million in 2012. The company both sells and services Menerga's products.

Menerga Germany and Reftec have been consolidated as of 1 May 2013, inclusive. It is anticipated that the acquisition of Menerga, Austria, will be completed in September, after which the company will be consolidated.

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.

Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 205.3 million (79.4), including SEK 87.9 million (19.4) invested in new construction and machinery. The investments consisted for the most part of land and buildings at the production facilities in Canada, Denmark, Germany and Slovakia. Acquisitions and additional considerations paid for subsidiaries totalled SEK 116.3 million (60.0) for the quarter. Depreciation of non-current assets amounted to SEK 37.2 million (28.3).

Personnel

The average number of employees in the Group was 3,841 (2,948). At the end of the period, Systemair had 4,075 employees (3,279), 796 more than a year earlier. New employees were recruited above all in Malaysia (13), Slovakia (13), Germany (12) and Lithuania (12). Through acquisitions, 712 employees joined the Group, including 400 at Menerga, Germany, 160 at HSK, Turkey, 141 at Holland Heating and 11 at Reftec, Norway.

Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 111.1 million (112.1) for the quarter. Changes in working capital, mainly consisting of lower trade accounts payable and higher trade accounts receivable, had an impact of SEK -42.0 million (-51.7) on cash flow. Net cash flow from financing activities totalled

SEK 172.1 million (20.4), as a result of new loans. At the end of the period, the Group's net indebtedness was SEK 1,455.7 million (818.0). The consolidated equity/assets ratio was 38.6 percent (45.2) at 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 and share price risk in long-term holdings of securities. The material risks and uncertainty affecting Systemair are described in more detail in the Company's 2012/13 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 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

Parent Company sales for the quarter totalled SEK 246.6 million (231.4), while operating profit was SEK 9.9 million (8.1).

The average number of employees in the Parent Company was 428 (404).

Financial calendar

The Interim Report for the second quarter of 2013/14 will be published at 8.00 a.m. on 28 November 2013.

The interim report for the third quarter of 2012/2013 will be published at 8.00 a.m. on 6 March 2014.

The report for the fourth quarter and full year 2013/14 will be published at 8.00 a.m. on 11 June 2014.

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", and this has been developed from a product concept into a business philosophy. Our product range has expanded 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 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 1.00 p.m. on 29 August 2013.

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

Skinnskatteberg, 29 August 2013
Systemair AB (publ)

Board of Directors

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Systemair in Brief

Systemair is a leading ventilation company with operations in 44 countries in Europe, North America, South America, the Middle East, Asia and South Africa. The Company had sales of approximately SEK 4.55 billion in the 2012/13 financial year and approximately 4,100 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.

Consolidated Income Statement

SEK m.	2013 May-Jul 3 mths	2012 May-Jul 3 mths	2012/13 Aug-Jul trailing 12	2012/13 May-Apr 12 mths
Net sales	1,324.7	1,091.0	4,784.7	4,551.0
Cost of goods sold	-885.5	-700.8	-3,108.4	-2,923.6
Gross profit	439.2	390.2	1,676.3	1,627.4
Other operating income	19.6	13.7	67.3	61.5
Selling expenses	-267.6	-233.6	-1,075.4	-1,041.4
Administration expenses	-65.2	-53.2	-238.0	-226.1
Other operating expenses	-24.0	-18.6	-61.6	-56.2
Operating profit	102.0	98.5	368.6	365.2
Net financial items	-17.7	0.3	-52.5	-34.6
Profit after financial items	84.3	98.8	316.1	330.6
Tax on profit for the period	-25.0	-25.8	-88.7	-89.6
Profit for the period	59.3	73.0	227.4	241.0
Attributable to:				
Parent Company shareholders	59.3	73.0	227.4	241.0
Non-controlling interests	0.0	0.0	0.0	0.0
Earnings per share, SEK ¹	1.14	1.40	4.37	4.63
Average number of shares ¹	52,000,000	52,000,000	52,000,000	52,000,000

¹ At 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 May-Jul 3 mths	2012 May-Jul 3 mths	2012/13 Aug-Jul trailing 12	2012/13 May-Apr 12 mths
Profit for the period	59.3	73.0	227.4	241.0
Other comprehensive income, net of tax				
Items that may later be transferred to profit for the period:				
Translation differences, foreign operations	-15.9	-69.8	-2.3	-56.1
Hedging of net assets in foreign operations, net of tax	-	0.0	-0.6	-0.6
Change in fair value, financial assets available for sale	74.6	-	132.3	57.7
Other comprehensive income, net after tax	58.7	-69.8	129.4	1.0
Total comprehensive income for the period	118.0	3.2	356.8	242.0
Attributable to:				
Parent Company shareholders	118.0	3.2	356.8	242.0
Non-controlling interests	0.0	0.0	0.0	0.0

Consolidated Balance Sheet

SEK m.	31/07/2013	31/07/2012	30/04/2013
ASSETS			
Goodwill	518.5	369.2	457.7
Other intangible assets	272.9	134.1	171.7
Property, plant and equipment	907.9	763.1	813.4
Financial and other assets	629.6	105.6	550.9
Total non-current assets	2,328.9	1,372.0	1,993.7
Inventory	829.7	770.2	790.0
Current receivables	1,081.3	877.5	992.6
Cash and cash equivalents	133.4	86.1	98.4
Total current assets	2,044.4	1,733.8	1,881.0
TOTAL ASSETS	4,373.3	3,105.8	3,874.7
EQUITY AND LIABILITIES			
Equity	1,688.4	1,402.3	1,576.0
Non-current liabilities, provisions	183.1	130.5	154.5
Non-current liabilities, interest-bearing	710.5	214.0	586.3
Total non-current liabilities	893.6	344.5	740.8
Current liabilities, interest-bearing	847.8	665.2	724.0
Current liabilities, non-interest-bearing	943.5	693.8	833.9
Total current liabilities	1,791.3	1,359.0	1,557.9
TOTAL EQUITY AND LIABILITIES	4,373.3	3,105.8	3,874.7

Consolidated Cash Flow Statement

SEK m.	2013 May-Jul 3 mths	2012 May-Jul 3 mths	2012/13 May-Apr 12 mths
Operating profit	102.0	98.5	365.2
Adjustment for non-cash items	36.8	34.0	147.3
Financial items	-7.5	-4.7	-27.4
Income tax paid	-20.2	-15.7	-76.9
Cash flow from operating activities before changes in working capital	111.1	112.1	408.2
Changes in working capital	-42.0	-51.7	-64.3
Cash flow from operating activities	69.1	60.4	343.9
Cash flow from investing activities	-203.5	-78.3	-692.5
Cash flow from financing activities	172.1	20.4	364.5
Cash flow for the period	37.7	2.5	15.9
Cash and cash equivalents at start of period	98.4	91.6	91.6
Translation differences, cash and cash equivalents	-2.7	-8.0	-9.1
Cash and cash equivalents at close of period	133.4	86.1	98.4

Statement of Changes in Equity – Group

SEK m.	2013 May-Jul			2012 May-Jul		
	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
Effect from change in accounting principles 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
Comprehensive income	118.0	-	118.0	3.2	0.0	3.2
Amount at end of period	1,688.4	0.0	1,688.4	1,402.2	0.1	1,402.3

Key Ratios for the Group

		2013 May-Jul 3 mths	2012 May-Jul 3 mths	2012/13 May-Apr 12 mths
Net sales	SEK m.	1,324.7	1,091.0	4,551.0
Growth	%	21.4	20.6	13.9
Operating profit	SEK m.	102.0	98.5	365.2
Operating margin	%	7.7	9.0	8.0
Profit after net fin. items	SEK m.	84.3	98.8	330.6
Profit margin	%	6.4	9.1	7.3
Return on capital employed	%	12.7	14.3	13.8
Return on equity	%	14.5	16.8	16.1
Equity/assets ratio	%	38.6	45.2	40.7
Investments	SEK m.	203.5	78.3	692.5
Depreciation/Amortisation	SEK m.	37.2	28.3	116.6
Per share ratios				
Basic earnings per share	SEK	1.14	1.40	4.63
Diluted earnings per share	SEK	1.14	1.40	4.63
Basic equity per share	SEK	32.47	26.97	30.31
Diluted equity per share	SEK	32.47	26.97	30.31
Basic operating cash flow per share	SEK	1.33	1.16	6.61
Diluted operating cash flow per share	SEK	1.33	1.16	6.61
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000

Quarterly Key Ratios – Group

		2013/14		2012/13		2011/12				
		May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1
Net sales	SEK m.	1,324.7	1,123.7	1,120.6	1,215.7	1,091.0	1,034.9	1,030.6	1,026.6	904.8
Growth	%	21.4	8.6	8.7	18.4	20.6	25.0	15.4	10.5	10.7
Gross margin	%	33.2	33.7	37.0	36.5	35.8	35.9	37.5	39.1	36.6
Operating profit	SEK m.	102.0	36.0	89.8	140.9	98.5	5.6	97.3	130.2	86.8
Operating margin	%	7.7	3.2	8.0	11.6	9.0	0.5	9.4	12.7	9.6
Return on capital employed	%	12.7	13.8	13.1	13.9	14.3	14.7	18.7	19.3	19.1
Return on equity	%	14.5	16.1	14.6	15.9	16.8	15.7	18.9	21.5	20.9
Equity/assets ratio	%	38.6	40.7	41.4	39.1	45.2	45.1	45.3	45.4	45.4
Basic equity per share	SEK	32.47	30.31	28.86	28.92	26.97	26.90	27.02	25.59	26.05
Basic earnings per share	SEK	1.14	0.46	1.06	1.71	1.40	-0.09	1.35	1.83	1.06

Parent Company Income Statement

SEK m.	2013 May-Jul 3 mths	2012 May-Jul 3 mths	2012/13 May-Apr 12 mths
Net sales	246.6	231.4	946.8
Cost of goods sold	-184.3	-178.2	-716.9
Gross profit	62.3	53.2	229.9
Other operating income	10.6	9.7	47.7
Selling expenses	-38.8	-34.6	-165.3
Administration expenses	-14.2	-13.8	-62.3
Other operating expenses	-10.0	-6.4	-15.5
Operating profit	9.9	8.1	34.5
Net financial items	259.5	133.3	148.2
Profit after financial items	269.4	141.4	182.7
Appropriations ¹	7.4	8.7	-20.7
Pre-tax profit	276.8	150.1	162.0
Tax on profit for the period	-2.9	-5.1	-0.1
Profit for the period	273.9	145.0	161.9

¹ Accelerated depreciation, tax allocation reserve and Group contributions.

Parent Company Balance Sheet

SEK m.	30/07/2013	30/07/2012	30/04/2013
ASSETS			
Other intangible assets	5.0	5.0	4.8
Property, plant and equipment	128.7	105.9	129.9
Financial and other assets	2,278.6	1,374.3	2,004.7
Total non-current assets	2,412.3	1,485.2	2,139.4
Inventory	158.9	99.7	127.8
Current receivables	689.4	635.4	560.9
Cash and cash equivalents	-	-	-
Total current assets	848.3	735.1	688.7
TOTAL ASSETS	3,260.6	2,220.3	2,828.1
EQUITY AND LIABILITIES			
Equity	1,239.1	886.9	892.4
Untaxed reserves	55.9	84.0	63.3
Non-current liabilities, provisions	2.6	2.0	2.8
Non-current liabilities, interest-bearing	747.5	516.0	743.3
Total non-current liabilities	750.1	518.0	746.1
Current liabilities, interest-bearing	795.2	617.6	664.5
Current liabilities, non-interest-bearing	420.3	113.8	461.8
Total current liabilities	1,215.5	731.4	1,126.3
TOTAL EQUITY AND LIABILITIES	3,260.6	2,220.3	2,828.1

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. 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 and Reftec was provisionally made up as follows:

Total historical cost, less transaction costs SEK 133.3 million

Identifiable net assets	Total
Goodwill	71.9
Brands and customer relationships	111.9
Buildings and land	29.9
Machinery and equipment	10.4
Financial and other assets	0.4
Inventory	47.2
Other current assets	66.7
Cash and cash equivalents	13.6
Non-interest-bearing liabilities (incl. deferred tax liability)	-26.8
Interest-bearing liabilities	-38.5
Other operating liabilities	-153.4
	133.3

Transaction costs in the acquisition of subsidiaries totalled SEK 5.1 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 -116.3 million.

Brands and customer relationships have been measured at the net present value of future cash 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 emerge after the acquisitions 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.