

# Ballingslöv International AB (publ)

Id number 556556-2807

## INTERIM REPORT

January-September 2005

- Net sales increased by 40 percent to SEK 1312.7 M (938.5)
- Net income for the period decreased by 27 percent to SEK 51.9 M (71.0). Excluding costs associated to the termination of the Danish retail channel Svane Køkkenet, net income increased by 33 percent to SEK 94.5 M (71.0)
- Earning per share decreased by 27 percent to SEK 4.84 (6.62). Excluding costs associated to termination of Svane Køkkenet SEK 8.81 (6.62)
- Operating income SEK 94.8 M (107.3) corresponds to an operating margin of 7.2 percent (11.4). Excluding costs associated to the termination of the Danish retail channel Svane Køkkenet, operating income was SEK 142.8 M (107.3) corresponding to an operating margin of 10.9 percent (11.4)
- Cash flow from current operation increased to SEK 102.2 M (74.0)
- Kvik group, acquired as of April this year has continued to develop well
- Termination of Svane has been done according to plan and in alignment with costs estimates communicated in the second quarter report

	Group					
	Q 3 2005	Q 3 2004	Q 1-3 2005	Q 1-3 2004	Full-year 2004	Okt/Sept 2004/2005
Net sales, SEK M	472.8	282.9	1312.7	938.5	1298.3	1672.5
Operating income before depreciation, SEK M	55.0	36.3	135.1 (183.1)	134.1	181.6	182.6 (230.6)
EBITDA-margin, %	11.6	12.8	10.3 (13.2)	14.3	14.0	10.9 (13.8)
Operating income, SEK M	41.5	25.9	94.8 (142.8)	107.3	149.1	136.6 (184.6)
Operating margin (EBIT-margin), %	8.8	9.2	7.2 (10.9)	11.4	11.5	8.2 (11.0)
Income before taxes, SEK M	37.8	22.9	75.4 (133.2)	99.3	137.5	113.6 (171.4)
Net income for the period, SEK M	27.8	17.7	51.9 (94.5)	71.0	98.4	79.3 (121.9)
Earnings per share, SEK	2.59	1.65	4.84 (8.81)	6.62	9.17	7.39 (11.36)

( ) = before costs associated to the termination of Svane Køkkenet

## **Market Areas**

### ***Scandinavia***

The market in Sweden is estimated have continued strong in the third quarter and stronger than last year both in the new construction segment as well as in the renovation segment. Low interest rates and stable to increasing prices of real estate are still strong driver in the market combined with the high interest of home furniture & kitchens.

Termination of Svane Køkkenet has been executed according to plan and in alignment with financial allocation communicated in the six month report. Examples of termination activities in the third quarter are; employee reductions, cuts in inventory levels and the assembly facility in Denmark been sold at book value. Also, equipment has been moved from the Danish assembly facility to the factory in Ballingslöv. This contribution fits well into the investment plan of the Swedish factory.

Provided the progress and status of the termination plan related to Svane, cost allocation made for this purpose in the six month report will not be subject for overruns

Kvik, the Danish company acquired as of April 1 2005 has continued to develop according to plans. In 2005, new retailers have been opened in Denmark, Sweden, Norway, Finland and Holland. A total of 17 new retailers have been opened in 2005 and total numbers of retailers are currently 85. All but 4 (owned by Kvik) retailers are franchises.

### ***Great Britain***

Since mid year, the demand in our primary segment, new construction of single family homes, is estimated to have slow down.

The operation has managed to acquired new customers through strong delivery service and growth has been approximately 9 percent which is stronger than general market growth in the new construction segment

## **Financial accounts**

### ***Net sales and operating income – third quarter 2005***

Consolidated net sales during the period increased by 67 percent to SEK 472.8 M (282.9). Organic growth was approximately 17 percent based on Ballingslöv Group's current portfolio of subsidiaries.

The Group's operating income for the period was SEK 41.5 M (25.9), an increase by 60 percent. Operating margin was 8.8 percent (9.2).

Net sales in Scandinavia increased by 93 percent to SEK 390.4 M (202.2)

Operating income in Scandinavia was SEK 36.3 M (23.1) corresponding to an operating margin of 9.3 percent (11.4).

In UK net sales increased by approximately 2 percent to SEK 82.4 M (80.8). Operating income was SEK 5.2 M (3.4) corresponding to an operating margin of 6.3 percent (4.2). Last year operating income was positively impacted by decreasing deficit in provision for pensions by SEK 2.7 M.

### ***Net sales and operating income – First nine months 2005***

Consolidated net sales during the period increased by 40 percent to SEK 1312.7 M (938.5). Organic growth was approximately 12 percent based on Ballingslöv Group's current portfolio of subsidiaries.

The Group's operating income for the period was SEK 94.8 M (107.3). Operating margin was 7.2 percent (11.4). Termination cost associated to Svane excluded, operating income was SEK 142.8 M (107.3) and operating margin 10.9 percent (11.4)

Net sales in Scandinavia was SEK 1064.9 M (709.5).

Operating income in Scandinavia was SEK 80.8 M (103.4) corresponding to an operating margin of 7.6 percent (14.6). Excluding cost associated to the termination of Svane, operating income was SEK 128.8 M (103.4) corresponding to an operating margin of 12.1 percent (14.6)

In UK net sales was SEK 247.8 M (229.0) and operating income SEK 14.0 (3.9)

### ***Cash flow***

Group cash flow from operations during the period was SEK 102.2 M (74.0) of which the Scandinavian operation contributed with SEK 74.8 M (75.6) and operation in Great Britain with SEK 27.4 M (-1.6).

In UK, cash flow has improved due to stronger operating income and capital rationalization

### ***Net investments and depreciation***

The Group's net investments during the period was SEK 407.4 M (30.8). Investments are primarily related to the acquisition of Kvik and production equipment for Ballingslöv AB. Depreciation according to plan regarding tangible fixed assets amounted to SEK 32.2 M (22.9). Amortization of intangible assets was SEK 8.1 M (3.9).

### ***Liquidity and financial position***

At the end of the period, the Group's liquid assets amounted to SEK 120.3 M compared with SEK 65.7 M at the beginning of the year. Net debt at the end of the period was SEK 756.2 M compared with SEK 264.0 M at the beginning of the year. Net liability has decreased by SEK 81.4 M during the third quarter.

The consolidated equity/assets ratio was 28.6 percent at the end of the period, compared with 42.5 percent at the beginning of the year and 27.0 percent by mid year

Available credits and liquid assets amounted to SEK 253 M at the end of the period.

### ***Employees***

At the end of the period, Ballingslöv had 1137 employees an increase by 220 compared to the beginning of the year of which 173 are employed at Kvik. Average number of employees during period was 1120 (888).

### ***Parent company***

The parent company conducts no operations of its own and thus reported no net sales during the period. The Parent Company reported a loss after tax of SEK -14.3 M (-2.9).

### ***The Ballingslöv share***

At the end of the period, the number of outstanding shares totaled 10,725,758. The average number of shares during the period was 10,725,758 (10,725,758). At the end of the period, the company had no holdings of its own shares.

### ***Accounting principles***

#### **General**

This interim report has been prepared in accordance with IAS 34.

#### **New accounting standards in 2005**

According to a decision by the European Union (EU) in 2002, all listed companies in the EU are required to prepare their consolidated financial statements in compliance with the accounting principles established by the International Accounting Standards Board, IASB with effect from 2005. These standards are known as IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards, adopted prior to 2002). The effects of transition to IFRS on Ballingslöv International's profit and financial position have been previously described in the year-end report and annual report for 2004. In the interim report, the effects are presented in table form under the heading "Transition to IFRS". Compared with the year-end report and annual report, minor adjustments have had a marginal effect on the opening balance for shareholders' equity. The IAS/IFRSs to be applied with effect from 2005 are those that have been endorsed by the European Commission.

IFRS 1 sets out the procedures for first time adoption of IFRS. According to the main rule, these standards must be applied retrospectively for restatement of prior period comparative information. There are several exceptions to this main rule. According to the exemptions allowed under IFRS 1 Ballingslöv International will not restate comparative information for years prior to 2004. Consequently, the balance sheet at 1 January 2004, the "opening balance" is the starting date for presentation of the Group's financial position in compliance with IFRS. Furthermore, business combinations occurring prior to 2004 are accounted for according to the previous accounting principles to the extent that these are not in violation of the transitional rules in IFRS 1.

IFRS 3 Business Combinations, IAS 38 Intangible Assets

According to IFRS 38, goodwill and other intangible assets with indefinite useful lives may not longer be written off. Instead, they must be tested for impairment annually, or more frequently if circumstances indicate a possible impairment. In the closing balance per 31 December 2003, these intangible assets amounted to MSEK 321.6 and referred primarily to goodwill and brands from acquisitions. Amortisation in 2004 according to the previously applied principles amounted to MSEK 21.6 corresponding to an amortisation period of 20 years. In restatement of 2004, this amortisation has been added back.

IAS 32 and 39 Financial Instruments and Hedge Accounting

These recommendations deal with recognition and measurement of financial instruments. Ballingslöv International applies IAS 39 with effect from 2005. According to an elective exemption, retrospective restatement is not required. Compared with the previously applied principles, all financial derivatives must be stated in the balance sheet at fair value. Changes in the fair values of these derivatives are recognised in the profit and loss account unless they are designated as hedging instruments and their hedge effectiveness can be determined. In the latter case, the changes in fair value are recognised directly in equity until the hedged transaction affects profit or loss.

Ballingslöv International uses forward contracts to hedge flows in foreign currency. Until further notice, the rules for hedge accounting according to IAS 39 will not be applied by Ballingslöv International. Changes in value are thus recognised immediately the profit and loss account, which may give rise to short-term differences compared with the earlier principles.

IAS 7 Cash Flow Statement

The transition to IFRS has not had any effect on cash flow.

Other changed accounting principles affecting the balance sheet at 1 January 2004 compared with the balance sheet at 31 December 2003

IAS 19 prescribes the procedures for reporting of employee benefits. This recommendation corresponds to RR 29. Employee Benefits, which is applied with effect from 1 January 2004. Information about the effect on shareholders' equity was provided in the interim report for the first quarter of 2004. The application of IAS 19 will therefore not have any additional effects on profit and financial position, for which reason the adoption of IAS 19 is not reported among transitional effects.

Ballingslöv, October 26, 2005

Ballingslöv International AB (publ)

Nils-Erik Danielsson  
CEO and President

This interim report has not been subject to review by the company's auditors.

**Future reporting dates**

Year-End statement

February 13, 2006

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# Interim report January-September 2005

## FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Q 3 2005	Q 3 2004	Q 1-3 2005	Q 1-3 2004	Full-year 2004	Okt/Sept 2004/2005
Net sales	472.8	282.9	1312.7	938.5	1298.3	1672.5
Cost of goods sold	-300.5	-180.3	-868.7	-600.7	-825.7	-1093.7
<b>Gross profit</b>	<b>172.3</b>	<b>102.6</b>	<b>444.0</b>	<b>337.8</b>	<b>472.6</b>	<b>578.8</b>
Selling expenses	-99.3	-56.6	-264.3	-178.9	-251.7	-337.1
Administrative expenses	-32.9	-17.6	-90.5	-51.0	-70.3	-109.8
Other operating income and expenses (including R&D expenses)	1.5	0.2	5.6	-0.6	-1.4	4.8
Items affecting comparability	-0.1	-2.7	0.0	0.0	-0.1	-0.1
<b>Operating income</b>	<b>41.5</b>	<b>25.9</b>	<b>94.8</b>	<b>107.3</b>	<b>149.1</b>	<b>136.6</b>
Interest income and similar income/loss items	3.6	0.9	8.2	2.4	3.4	9.2
Interest expense and similar income/loss items	-7.3	-3.9	-27.6	-10.4	-15.0	-32.2
<b>Income after financial items</b>	<b>37.8</b>	<b>22.9</b>	<b>75.4</b>	<b>99.3</b>	<b>137.5</b>	<b>113.6</b>
Tax on income for the period	-10.0	-5.2	-23.5	-28.3	-39.1	-34.3
<b>Net income for the period</b>	<b>27.8</b>	<b>17.7</b>	<b>51.9</b>	<b>71.0</b>	<b>98.4</b>	<b>79.3</b>
1) Items affecting comparability:						
Effect pensioncost IAS 19/RR 29	0.0	0.0	0.0	2.7	-0.1	-2.8
Earnings per share	2.59	1.65	4.84	6.62	9.17	7.39
Operating income was charged with:						
Depreciation of tangible assets amounting to	10.1	8.7	32.2	22.9	27.3	36.6
Amortization of intangible assets amounting to	3.4	1.7	8.1	3.9	5.2	9.4

### CONDENSED CONSOLIDATED BALANCE SHEETS

SEK M	30.09.05	30.09.04	31.12.04
<b>ASSETS</b>			
Intangible fixed assets	755.6	344.9	345.6
Tangible fixed assets	360.7	215.8	257.1
Financial fixed assets	9.7	8.0	5.8
<b>Total fixed assets</b>	<b>1126.0</b>	<b>568.7</b>	<b>608.5</b>
Inventories etc	212.8	156.7	157.1
Current receivables	356.0	288.9	240.0
Cash and bank balances	120.3	62.3	65.7
<b>Total current assets</b>	<b>689.1</b>	<b>507.9</b>	<b>462.8</b>
<b>Total assets</b>	<b>1815.1</b>	<b>1076.6</b>	<b>1071.3</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity and minority interests	<b>519.5</b>	<b>474.1</b>	<b>496.0</b>
Provisions	201.9	132.4	134.8
Long-term liabilities	762.0	216.4	193.7
Current liabilities	331.7	253.7	246.8
<b>Total liabilities</b>	<b>1295.6</b>	<b>602.5</b>	<b>575.3</b>
<b>Total shareholders' equity and liabilities</b>	<b>1815.1</b>	<b>1076.6</b>	<b>1071.3</b>
The above liabilities include:			
Interest-bearing liabilities and provisions	876.5	352.7	329.7
Non interest-bearing liabilities and provisions	419.1	249.8	245.6
<b>Net debt</b>	<b>756.2</b>	<b>290.4</b>	<b>264.0</b>

## CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS

SEK M	Q 3 2005	Q 3 2004	Q 1-3 2005	Q 1-3 2004	Full-year 2004
<i>Current operations</i>					
Income before financial items	41.5	25.9	94.8	107.3	149.1
Depreciation and other items not affecting liquidity	12.3	9.2	57.2	28.5	37.5
Net interest income/expenses	-5.5	-4.1	-12.4	-9.4	-10.2
Tax paid	-7.9	-7.5	-25.3	-22.0	-34.9
Cash flow from current operations before changes in working capital	<b>40.4</b>	<b>23.5</b>	<b>114.3</b>	<b>104.4</b>	<b>141.5</b>
Changes in working capital	<b>47.6</b>	<b>24.8</b>	<b>-12.1</b>	<b>-30.4</b>	<b>1.3</b>
Cash flow from current operations	<b>88.0</b>	<b>48.3</b>	<b>102.2</b>	<b>74.0</b>	<b>142.8</b>
Cash flow from investment operations	<b>-15.4</b>	<b>-15.4</b>	<b>-407.4</b>	<b>-30.8</b>	<b>-79.2</b>
Cash flow from financing operations	<b>-20.0</b>	<b>-21.3</b>	<b>360.5</b>	<b>-50.6</b>	<b>-67.6 <sup>1)</sup></b>
Cash flow for the period	<b>52.6</b>	<b>11.6</b>	<b>55.3</b>	<b>-7.4</b>	<b>-4.0</b>
Liquid assets at the beginning of the period	67.1	50.5	65.7	68.8	68.8
Exchange rate difference in liquid assets	0.6	0.2	-0.7	0.9	0.9
Liquid assets at end of period	<b>120.3</b>	<b>62.3</b>	<b>120.3</b>	<b>62.3</b>	<b>65.7</b>

1) Cash flow from financing operations

Dividend, parent company:			<b>-34.8</b>	<b>-29.5</b>	<b>-29.5</b>
Dividend, acquired company (anticipated in the acquisition):			<b>-22.5</b>		
Amortization loans:			<b>-10.1</b>	<b>-20.0</b>	<b>-38.0</b>
Raising of a loan:			<b>408.6</b>	<b>0.0</b>	
Increased utilization of bank overdraft facility:			<b>11.8</b>	<b>1.1</b>	
Decreased utilization of bank overdraft facility:			<b>-4.8</b>		
Acquired liquid assets:			<b>17.8</b>		
Other:			<b>-5.5</b>	<b>-2.2</b>	<b>-0.1</b>
			<b>360.5</b>	<b>-50.6</b>	<b>-67.6</b>

## Key Data

	Q 1-3 2005	Q 1-3 2004	Full-year 2004
Gross margin including goodwill amortization, %	33.8	36.0	36.4
EBITDA-margin, %	10.3	14.3	14.0
Operating margin (EBIT) %	7.2	11.4	11.5
Income margin %	5.7	10.6	10.6
Interest coverage ratio, multiple	3.7	10.5	10.2
Debt/equity ratio, multiple	1.7	0.7	0.7
Net debt, including pension provisions, SEK M	756.2	290.4	264.0
Return on capital employed, %			18.3
Return on equity, %			20.8
Equity/assets ratio %	28.6	44.0	42.5
Average number of employees	1 120	888	900

## Data per share

	Q 3 2005	Q 3 2004	Q 1-3 2005	Q 1-3 2004	Full-year 2004
Earnings per share, SEK	2.59	1.65	4.84	6.62	9.17
Shareholders equity per share, SEK			48.42	44.18	46.23
Dividend per share					3.25
Average number of shares during period, millions	10.73	10.73	10.73	10.73	10.73
Number of shares at end of period, millions	10.73	10.73	10.73	10.73	10.73

(Definitions of key figures according to Annual report 2004)

## CHANGES IN SHAREHOLDERS' EQUITY

SEK M	30.9.05	30.09.04	31.12.04
Shareholders' equity at beginning of period	496.0	472.1	472.1
Translation differences	6.1	1.6	-3.8
Effect pensioncost IAS 19		-41.4	-41.4
Dividends	-34.8	-29.5	-29.5
Minority interests	0.3	0.3	0.2
Net income for the period	51.9	71.0	98.4
Shareholders' equity at end of period	<b>519.5</b>	<b>474.1</b>	<b>496.0</b>

## SALES, INCOME BY MARKET AREA

	Scandinavia			Great Britain			Group		
	Q 1-3 2005	Q 1-3 2004	Full-year 2004	Q 1-3 2005	Q 1-3 2004	Full-year 2004	Q 1-3 2005	Q 1-3 2004	Full-year 2004
Net sales, SEK M	1064.9	709.5	979.4	247.8	229.0	318.9	1312.7	938.5	1298.3
Sales growth, %	50.1	8.2	8.6	8.2	1.3	5.3	39.9	6.4	7.8
Operating income before depreciation, SEK M (EBITDA)	113.7	122.8	162.4	21.4	11.3	19.2	135.1	134.1	181.6
EBITDA-margin, %	10.7	17.3	17.2	8.6	4.9	6.0	10.3	14.3	14.0
Operating income, SEK M (EBIT)	80.8	103.4	139.9	14.0	3.9	9.2	94.8	107.3	149.1
Operating margin (EBIT-margin), %	7.6	14.6	14.3	5.6	1.7	2.9	7.2	11.4	11.5

## NET SALES AND INCOME BY MARKET AREA - QUARTERLY DATA

SEK M	Q 3 2005	Q 2 2005	Q 1 2005	Q 4 2004	Q 3 2004	Q 2 2004	Q 1 2004
<i>Net sales</i>							
Scandinavia	390.4	436.4	238.1	269.8	202.2	272.4	235.0
Great Britain	82.4	89.9	75.5	89.9	80.8	79.3	68.9
Group	<b>472.8</b>	<b>526.3</b>	<b>313.6</b>	<b>359.7</b>	<b>283.0</b>	<b>351.7</b>	<b>303.9</b>
<i>Operating income (EBIT)</i>							
Scandinavia	36.3	17.4	27.1	35.4	23.1	48.8	32.6
Great Britain	5.2	6.3	2.5	5.8	3.4	6.2	-6.2
Group	<b>41.5</b>	<b>23.7</b>	<b>29.6</b>	<b>41.2</b>	<b>26.5</b>	<b>55.0</b>	<b>26.4</b>
<i>Operating margin (EBIT) (%)</i>							
Scandinavia	9.3	4.0	11.4	13.1	11.5	17.9	13.9
Great Britain	6.3	7.0	3.3	6.5	4.2	7.8	-9.0
Group	<b>8.8</b>	<b>4.5</b>	<b>9.4</b>	<b>11.5</b>	<b>9.4</b>	<b>15.6</b>	<b>8.7</b>

# Transition to IFRS

## FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Q 1-3 2004	Adjustments IFRS 2004	Q 1-3 2004 IFRS	Full-year 2004	Adjustments IFRS 2004	Full-year 2004 IFRS
Net sales	938.5		938.5	1298.3		1298.3
Cost of goods sold	-606.1	5.4	-600.7	-840.4	14.7	-825.7
Gross profit	<b>332.4</b>	<b>5.4</b>	<b>337.8</b>	<b>457.9</b>	<b>14.7</b>	<b>472.6</b>
Selling expenses	-178.6	-0.3	-178.9	-251.7		-251.7
Administrative expenses	-56.9	5.9	-51.0	-78.0	7.7	-70.3
Other operating income and expenses (including R&D expenses)	-0.9	0.3	-0.6	-1.4		-1.4
Items affecting comparability	-5.0	5.0	0.0	-0.1		-0.1
Operating income	<b>91.0</b>	<b>16.3</b>	<b>107.3</b>	<b>126.7</b>	<b>22.4</b>	<b>149.1</b>
Interest income and similar income/loss items	2.4		2.4	3.4		3.4
Interest expense and similar income/loss items	-10.4		-10.4	-15.0		-15.0
Income after financial items	<b>83.0</b>	<b>16.3</b>	<b>99.3</b>	<b>115.1</b>	<b>22.4</b>	<b>137.5</b>
Tax on income for the period	-28.5	0.2	-28.3	-38.9	-0.2	-39.1
Minority shares in net income/loss	0.0		0.0	0.1	-0.1	0.0
Net income for the period	<b>54.5</b>	<b>16.5</b>	<b>71.0</b>	<b>76.3</b>	<b>22.1</b>	<b>98.4</b>

#### IFRS Adjustments

Amortization Goodwill	16.5	21.6
Depreciation Buildings	0.4	0.8
Deferred taxes	-0.3	-0.2
Minority Share		-0.1
<b>Total</b>	<b>16.6</b>	<b>22.1</b>

### CONDENSED CONSOLIDATED BALANCE SHEETS

SEK M	30.09.04	Adjustments IFRS 2004	30.09.04 IFRS	31.12.04	Adjustments IFRS 2004	31.12.04 IFRS
<b>ASSETS</b>						
Intangible fixed assets	328.4	16.5	344.9	324.0	21.6	345.6
Tangible fixed assets	204.9	10.9	215.8	245.6	11.5	257.1
Financial fixed assets	7.1	0.9	8.0	4.8	1.0	5.8
Total fixed assets	<b>540.4</b>	<b>28.3</b>	<b>568.7</b>	<b>574.4</b>	<b>34.1</b>	<b>608.5</b>
Inventories etc	156.7		156.7	157.1		157.1
Current receivables	288.9		288.9	240.0		240.0
Cash and bank balances	62.3		62.3	65.7		65.7
Total current assets	<b>507.9</b>		<b>507.9</b>	<b>462.8</b>		<b>462.8</b>
Total assets	<b>1048.3</b>	<b>28.3</b>	<b>1076.6</b>	<b>1037.2</b>	<b>34.1</b>	<b>1071.3</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>						
Shareholders' equity and minority interests	<b>450.1</b>	<b>24.0</b>	<b>474.1</b>	<b>466.1</b>	<b>29.9</b>	<b>496.0</b>
Provisions	128.0	4.3	132.3	130.6	4.2	134.8
Long-term liabilities	216.4		216.4	193.7		193.7
Current liabilities	253.8		253.8	246.8		246.8
Total liabilities	<b>598.2</b>	<b>4.3</b>	<b>602.5</b>	<b>571.1</b>	<b>4.2</b>	<b>575.3</b>
Total shareholders' equity and liabilities	<b>1048.3</b>	<b>28.3</b>	<b>1076.6</b>	<b>1037.2</b>	<b>34.1</b>	<b>1071.3</b>
The above liabilities include:						
Interest-bearing liabilities and provisions	352.7		352.7	329.7		329.7
Non interest-bearing liabilities and provisions	245.4	4.3	249.7	241.4	4.2	245.6
Net debt	290.4		290.4	264.0		264.0

#### IFRS Adjustments

##### Adjustments in the opening balance <sup>1)</sup>

Depreciations buildings	10.5	10.7
Deferred tax assets	0.9	1.0
Deferred tax liabilities	4.0	4.0
Changes Shareholders equity	7.6	7.7

<sup>1)</sup> Changes in opening balance, march compared to december, related to differences in currencies between the periods.

##### The period's adjustments

Depreciations buildings	0.4	0.8
Deferred tax liabilities	0.3	0.2
Amortization goodwill	16.5	21.6

# CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS

SEK M	Adjustments IFRS		Adjustments IFRS		Adjustments IFRS	
	Q 1-3 2004	2004	Q 1-3 2004 IFRS	Full-year 2004	2004	Full-year 2004 IFRS
<i>Current operations</i>						
Income before financial items	91.0	16.3	107.3	126.7	22.4	149.1
Depreciation and other items not affecting liquidity	44.8	-16.3	28.5	59.9	-22.4	37.5
Net interest income/expenses	-9.4		-9.4	-10.2		-10.2
Tax paid	-22.0		-22.0	-34.9		-34.9
Cash flow from current operations before changes in working capital	<b>104.4</b>	<b>0.0</b>	<b>104.4</b>	<b>141.5</b>	<b>0.0</b>	<b>141.5</b>
Changes in working capital	<b>-30.4</b>		<b>-30.4</b>	<b>1.3</b>		<b>1.3</b>
Cash flow from current operations	<b>74.0</b>	<b>0.0</b>	<b>74.0</b>	<b>142.8</b>	<b>0.0</b>	<b>142.8</b>
Cash flow from investment operations	<b>-30.8</b>		<b>-30.8</b>	<b>-79.2</b>		<b>-79.2</b>
Cash flow from financing operations	<b>-50.6</b>		<b>-50.6</b>	<b>-67.6</b>		<b>-67.6</b>
Cash flow for the period	<b>-7.4</b>	<b>0.0</b>	<b>-7.4</b>	<b>-4.0</b>	<b>0.0</b>	<b>-4.0</b>
Liquid assets at the beginning of the period	68.8		68.8	68.8		68.8
Exchange rate difference in liquid assets	0.9		0.9	0.9		0.9
Liquid assets at end of period	<b>62.3</b>		<b>62.3</b>	<b>65.7</b>		<b>65.7</b>

## Key Data

	Adjustments IFRS		Adjustments IFRS		Adjustments IFRS	
	Q 1-3 2004	2004	Q 1-3 2004 IFRS	Full-year 2004	2004	Full-year 2004 IFRS
Gross margin including goodwill amortization, %	35.4	0.6	36.0	35.3	1.1	36.4
EBITDA-margin, %	14.1	0.2	14.3	14.0		14.0
Operating margin (EBIT) %	9.7	1.7	11.4	9.8	1.7	11.5
Income margin %	8.8	1.8	10.6	8.9	1.7	10.6
Interest coverage ratio, multiple	9.0	1.5	10.5	8.7	1.5	10.2
Debt/equity ratio, multiple	0.8	-0.1	0.7	0.7		0.7
Net debt, including pension provisions, SEK M	290.4		290.4	264.0		264.0
Return on capital employed, %				16.2	2.1	18.3
Return on equity, %				16.8	4.0	20.8
Equity/assets ratio %	42.9	1.1	44.0	44.9	1.4	46.3
Average number of employees	888		888	900		900

## Data per share

	Adjustments IFRS		Adjustments IFRS		Adjustments IFRS	
	Q 1-3 2004	2004	Q 1-3 2004 IFRS	Full-year 2004	2004	Full-year 2004 IFRS
Earnings per share, SEK	5.08	1.54	6.62	7.11	2.06	9.17
Shareholders equity per share, SEK	41.93	1.13	43.06	43.45	2.78	46.23
Dividend per share	2.75			3.25		3.25
Average number of shares during period, millions	10.73		10.73	10.73		10.73
Number of shares at end of period, millions	10.73		10.73	10.73		10.73

(Definitions of key figures according to Annual report 2004)

# CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Adjustments IFRS		Adjustments IFRS		Full-year 2004	
	Q 1-3 2004	2004	Q 1-3 2004 IFRS	2004	2004	IFRS
period	464.4	7.7	472.1	464.4	7.7	472.1
Translation differences	1.9	-0.2	1.7	-3.8		-3.8
Effect pensioncost IAS 19	-41.4		-41.4	-41.4		-41.4
Dividends	-29.5		-29.5	-29.5		-29.5
Minority interests		0.2	0.2		0.2	0.2
Net income for the period	54.5	16.5	71.0	76.3	22.1	98.4
Shareholders' equity at end of period	449.9	24.2	474.1	466.0	30.0	496.0

## Adjustments in the opening balance:

Depreciations buildings	7.7	7.7
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## The period's adjustments

Amortization goodwill	16.5	21.6
Depreciations buildings	0.4	0.8
Deferred tax	-0.3	-0.2
Minority interests		-0.1
<b>Total:</b>	<b>16.6</b>	<b>22.1</b>

## SALES, INCOME BY MARKET AREA

	Scandinavia					
	Q 1-3 2004	Adjustments IFRS 2004	Q 1-3 2004 IFRS	Full-year 2004	Adjustments IFRS 2004	Full-year 2004 IFRS
Net sales, SEK M	709.5		709.5	979.4		979.4
Sales growth, %	8.2		8.2	8.6		8.6
Operating income before depreciation, SEK M (EBITDA)	121.9		122.8	162.4		162.4
EBITDA-margin, %	17.2		17.2	17.2		17.2
Operating income, SEK M (EBIT)	92.9	10.5	103.4	125.0	14.9	139.9
Operating margin (EBIT-margin), %	13.1	1.4	14.6	12.8	1.5	14.3

## IFRS Adjustments

Amortization goodwill	11.1	13.9
Depreciation Buildings	0.4	1.0

	Great Britain					
	Q 1-3 2004	Adjustments IFRS 2004	Q 1-3 2004 IFRS	Full-year 2004	Adjustments IFRS 2004	Full-year 2004 IFRS
Net sales, SEK M	229.0		229.0	318.9		318.9
Sales growth, %	1.3		1.3	5.3		5.3
Operating income before depreciation, SEK M (EBITDA)	10.9		11.3	19.2		19.2
EBITDA-margin, %	4.8		4.9	6.0		6.0
Operating income, SEK M (EBIT)	-1.9	5.8	3.9	1.7	7.5	9.2
Operating margin (EBIT-margin), %	-0.8	2.5	1.7	0.5	2.4	2.9

## IFRS Adjustments

Amortization goodwill	5.8	7.7
Depreciation Buildings		-0.2

	Group					
	Q 1-3 2004	Adjustments IFRS 2004	Q 1-3 2004 IFRS	Full-year 2004	Adjustments IFRS 2004	Full-year 2004 IFRS
Net sales, SEK M	938.5		938.5	1298.3		1298.3
Sales growth, %	6.4		6.4	7.8		7.8
Operating income before depreciation, SEK M (EBITDA)	132.8		134.1	181.6		181.6
EBITDA-margin, %	14.2		14.2	14.0		14.0
Operating income, SEK M (EBIT)	91.0	16.3	107.3	126.7	22.4	149.1
Operating margin (EBIT-margin), %	9.7	1.7	11.4	9.8	1.7	11.5

## IFRS Adjustments

Amortization goodwill	16.5	21.6
Depreciation Buildings	0.4	0.8