

## Interim report for January - June 2016 in the Ahlsell Group (Normalm 1.1 AB)

### Second quarter 2016

- Net sales increased by 9 percent to SEK 6,344 million (5,798). Organic growth was 7 percent.
- Profit (EBITA) increased by 39 percent to SEK 560 million (404), representing an EBITA margin of 8.8 percent (7.0). Adjusted EBITA increased by 30 percent to SEK 560 million (432).
- Profit after tax was SEK 155 million (2).
- Earnings per share were SEK 1.95 (0.03).
- Anna Björklund started as Director of Human Resources on 1 April.
- The wholesale company Elgross'n, based in Gothenburg, was acquired in early June. This company's annual turnover is approximately SEK 120 million.
- At the end of June, Ahlsell signed an agreement to acquire the entire share capital of Prevex, which is a specialised hardware store chain, generating annual sales of SEK 350 million. The deal is expected to be closed in August and is pending approval from the Swedish Competition Authority (Konkurrensverket).

### Interim period January - June

- Net sales increased by 6 percent to SEK 11,824 million (11,181).
- Profit (EBITA) increased by 21 percent to SEK 957 million (790), representing an EBITA margin of 8.1 percent (7.1). Adjusted EBITA increased by 17 percent to SEK 957 million (818).
- Profit after tax was SEK 128 million (-12).
- Earnings per share were SEK 1.62 (-0.15).

### Financial summary

	2016	2015		2016	2015		Trailing	Whole of
	April-June	April-June	change	Jan-June	Jan-June	change	12 months	2015
Net sales, SEK million	6,344	5,798	9%	11,824	11,181	6%	23,229	22,586
Organic growth	7%	3%		6%	2%			3%
Profit (EBITA), SEK million	560	404	39%	957	790	21%	2,004	1,837
Adjusted EBITA, SEK million	560	432	30%	957	818	17%	2,017	1,878
EBITA margin, %	8.8%	7.0%	27%	8.1%	7.1%	15%	8.6%	8.1%
Adjusted EBITA margin	8.8%	7.4%	18%	8.1%	7.3%	11%	8.7%	8.3%
Profit after tax (profit for the period), SEK million	155	2		128	-12		211	70
Earnings per share, SEK*	1.95	0.03		1.62	-0.15		2.66	0.88
Return on operating capital excluding intangible assets							62%	57%
External net debt/EBITDA							3.6	3.9

\*Refers to basic and diluted earnings per share

Organic growth, EBITA, adjusted EBITA, EBITA margin and adjusted EBITA margin are so-called alternative performance measures (APMs) for which detailed calculations are presented on page 15.

## Statement from the CEO

### Excellent drive, increased profitability and two acquisitions

*The second quarter was marked by a strong sales performance that hit new highs, stronger positions in several market areas and an expanded EBITA margin. A company with a turnover of SEK 120 million was acquired and an agreement was signed for the acquisition of a business with a turnover of SEK 350 million.*

Once again, the Group reported a strong quarter where we advanced our positions and our sales increased by 9 percent to SEK 6,344 million. The EBITA profit also showed positive growth and increased by 39 percent to SEK 560 million, giving an EBITA margin of 8.8 percent.

#### Positive market growth

The Swedish economy continued to grow at a satisfactory pace during the quarter and we were particularly favoured by strong demand in the construction sector where growth is being driven by an urgent need for new homes and major infrastructure projects.

The Norwegian economy, which has been hit by falling oil prices, stabilised during the first half of the year and exhibited positive growth boosted by fiscal stimulus measures, a weaker currency and household consumption. The Norwegian government's investment in housing and infrastructure is driving demand within the construction-related product range.

It was also very pleasing to see new energy and growth in the Finnish economy during the quarter after more than five years of recession. The activity in the building and construction sector resulted in increased demand for our products.

#### Change across the Group

In February, we set our new strategic direction and launched Ahlsell 2020, which is a plan with clear and ambitious targets and detailed methods of working. Our principal objective is that

Ahlsell will stand firmly on our three main markets with good profitability. We aim to achieve this through "One Ahlsell" – a vision of change to ensure that we work together and thereby make optimal use of all the skills and experience that exist in our organisation. Under the new plan, we will be implementing a number of Group-wide improvement initiatives alongside our current business activities. One such initiative is our investment in skills enhancement and leadership. Another is the focus on increased local market presence and availability, plus the roll-out of our new store concept right across the Nordic region.

The focus on growth by acquisition is another long-term, value-creation strategy that Ahlsell 2020 will prioritise. We made two acquisitions in the quarter, thereby laying the foundation for a continued high level of acquisition activity. One of the acquisitions is subject to a review by the Swedish Competition Authority (Konkurrensverket) and is expected to be completed in August.

In conclusion, we expect that our dynamic programme of change combined with the positive development of the market will put us in a good position for long-term growth and a strong earnings performance.

*Johan Nilsson*

*President and CEO*



Ahlsell is the leading Nordic distributor of installation products, tools and supplies addressing installers, contractors, facility managers, industry, energy and infrastructure companies and the public sector.

Ahlsell's unique one-stop-shop value proposition provides professional users an extensive range of products and related services for the areas of HVAC & plumbing, isolation, electrical, construction, refrigeration, tools, supplies and personal protection equipment. The Group has an annual turnover of about SEK 23 with approximately 97 percent of its net sales in Sweden, Norway and Finland.

With nearly 5000 skilled employees, over 200 stores and three central warehouses, we are committed to our mission: Ahlsell makes it easier to be professional!

## Net sales

### Second quarter

Net sales increased over the prior year period by 9 percent to SEK 6,344 million (5,798). Organic growth, measured as increase in sales excluding the difference in the number of working days, effects of foreign currency translation and adjusted for acquisitions, amounted to 7 percent. More working days than in the same period of the previous year boosted sales by SEK 239 million, while exchange rate fluctuations decreased net sales by SEK 118 million.

In Sweden, it was the construction-related market in particular that continued to grow at a robust pace and there was growth in all product segments, driven by successful initiatives and an underlying strong market. The conditions in the Norwegian and Finnish markets were slightly weaker. However, indications of recovery are now appearing and Finland showed clear growth in the first six months. A series of marketing efforts carried out by the Norwegian and Finnish operations produced good results and positive organic growth. HVAC & Plumbing enjoyed strong growth in Norway and our Finnish operations reported best growth in the product area of Tools & Supplies. Denmark continued to experience weak growth.

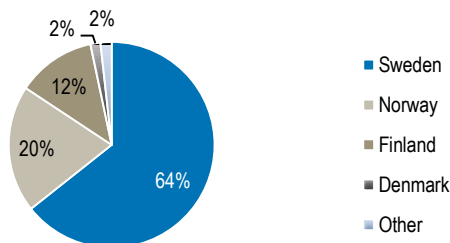
Other markets, representing about 2 percent of net sales, are experiencing less favourable conditions and reported negative organic growth.

### Interim period (six months)

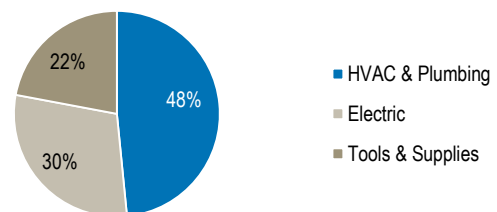
The Group's net sales rose 6 percent over the prior year period. The sales increase is due to strong growth in the Swedish operations and improved sales in Norway and Finland.

Organic growth, measured as an increase in sales excluding the difference in the number of working days, exchange rate movements and adjusted for acquisitions, amounted to 6 percent (2). More working days provided a SEK 110 million boost in net sales, while foreign currency translation unfavourably impacted net sales by SEK -234 million.

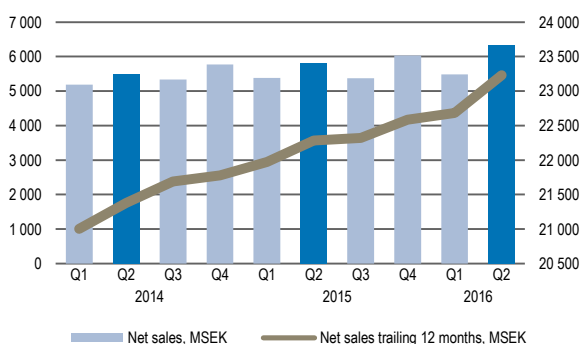
Net sales by country, trailing 12 months



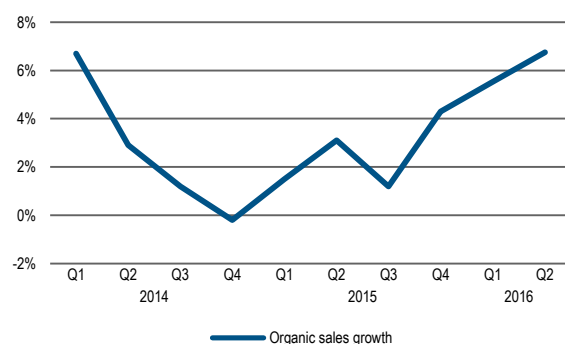
Net sales by product segment, trailing 12 months



Net sales for each quarter and trailing 12 months



Organic sales growth for each quarter



## Earnings

### Second quarter

The Group's earnings, measured as profit before amortisation and impairment of intangible assets, EBITA, increased by 39 percent to SEK 560 million (404). The EBITA margin rose to 8.8 percent (7.0). Adjusted EBITA increased by 30 percent to SEK 560 million (432). Items impacting comparability totalling SEK 28 million were charged to the prior year period. See Note 5. Positive performances were reported by all the Nordic operations but the margins varied significantly across the countries. More working days than in the comparative period had a positive impact of SEK 63 million on the Group's earnings.

The Swedish operations accounted for the majority of the earnings. Sweden's EBITA increased by 27 percent to SEK 522 million (411). The improvement is chiefly attributable to higher volumes, more working days and because gross margins have been maintained.

EBITA for the Norwegian operations increased to SEK 25 million (-16). Successful marketing efforts and more working days that compensated for a slight decrease in margins had a positive impact on earnings. Currency effects had a SEK -2 million (-1) impact on EBITA. Items impacting comparability totalling SEK -21 million were charged to the comparative period's income statement.

EBITA for the Finnish operations improved to SEK 34 million (22). Increased sales, some improvement of the gross margin and more working days all had a positive impact on earnings.

EBITA for the Danish operations increased to SEK 9 million (6) compared with the previous year period. EBITA for other operations (Estonia, Russia and Poland) remained at a low level, with cost reductions partly offsetting the effects of reduced sales and lower gross margins.

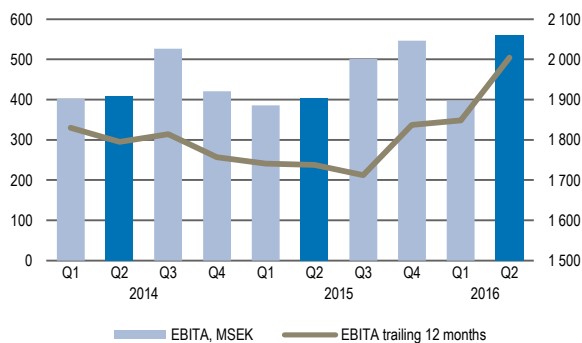
Profit before tax for the period was SEK 244 million (3). Profit for the period amounted to SEK 155 million (2).

### Interim period (six months)

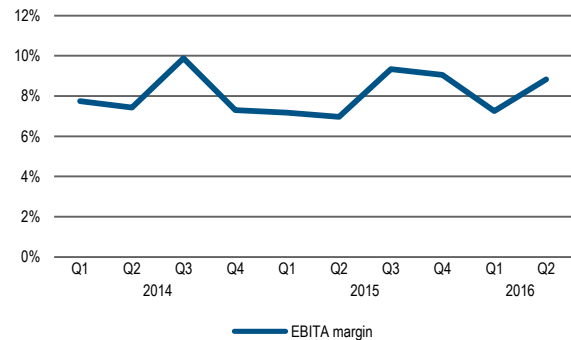
The Group's earnings in the second quarter, measured as profit before amortisation and impairment of intangible assets, EBITA, increased by 21 percent to SEK 957 million (790). Items impacting comparability totalling SEK -28 million were charged to the comparative period's income statement. The EBITA margin rose to 8.1 percent (7.1). More working days had a favourable impact on EBITA of SEK 29 million. The gross margin remained more or less static.

Profit before tax for the January to June 2016 period amounted to SEK 256 million (-9). Profit for the interim period amounted to SEK 128 million (-12).

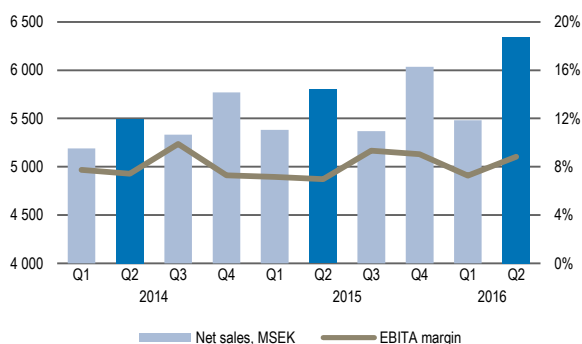
EBITA for each quarter and trailing 12 months



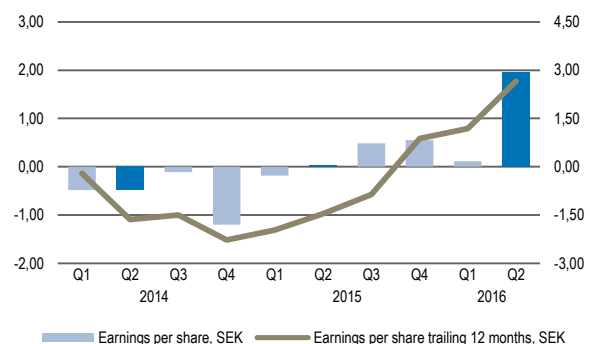
EBITA margin for each quarter



Net sales and EBITA margin for each quarter



Earnings per share and quarter, and trailing 12 months



## Segment by quarter

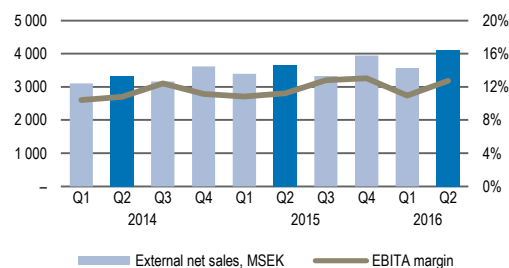
### SWEDEN

Sweden	2016 April-June	2015 April-June	change	2016 Jan-June	2015 Jan-June	change	Trailing 12 months	Whole of 2015
External net sales, SEK million	4,102	3,667	12%	7,674	7,059	9%	14,944	14,328
Organic growth	8%	6%		7%	7%			6%
Profit (EBITA), SEK million	522	411	27%	913	779	17%	1,854	1,720
Adjusted EBITA*, SEK million	522	419	24%	913	787	16%	1,854	1,729
EBITA margin, %	12.7%	11.2%		11.9%	11.0%		12.4%	12.0%
Adjusted EBITA margin*, %	12.7%	11.4%		11.9%	11.1%		12.4%	12.1%

\*See Note 5

- Stable and expanding market, particularly in construction-related businesses. There was also positive growth in sales to customers in the areas of electrical installation, infrastructure and industry.
- Further robust organic growth with an increase of 8 percent.
- The EBITA margin rose to 12.7 percent.
- Acquisition of Elgross'n with a turnover of SEK 120 million and an agreement to acquire Prevox with a turnover of SEK 350 million.

External net sales and EBITA margin for each quarter



External net sales for the second quarter increased by 12 percent to SEK 4,102 million (3,667). Organic growth, calculated on the comparable number of working days and adjusted for acquisitions, amounted to 8 percent. More working days than in the same period of the previous year had a positive impact of about SEK 132 million on sales compared with the previous year's period. Profit (EBITA) for the quarter increased by 27 percent to SEK 522 million (411). The improvement is the result of more working days in the period and higher sales, and because gross margins have been maintained. The EBITA margin rose to 12.7 percent (11.2).

Low interest rates, an expanding population and strong household spending are factors that are driving growth in Sweden, and investment in new housing is the main reason why investment in construction is generally on the increase. As a result of the market development, the majority of Ahlsell Sweden's customer and product areas exhibited strong growth during the quarter. Growth in business volumes and earnings is also attributable to a long-term programme aimed at boosting cross-selling and extending the portfolio to new customer segments in the construction market and industry. Construction investment continued to show strong growth. Other investments in new product segments, such as personal protective equipment and electrical products, continued to show good growth.

The wholesale company Elgross'n i Göteborg AB, with an annual turnover of approximately SEK 120 million, was acquired in June, and an agreement was signed to acquire Prevox, which is a specialised hardware store chain. The deal is pending approval from the Swedish Competition Authority (Konkurrensverket).

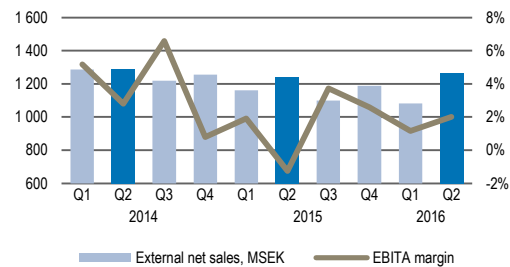
### NORWAY

Norway	2016 April-June	2015 April-June	change	2016 Jan-June	2015 Jan-June	change	Trailing 12 months	Whole of 2015
External net sales, SEK million	1,267	1,241	2%	2,349	2,401	-2%	4,638	4,690
Organic growth	6%	1%		6%	-7%			-4%
Profit (EBITA), SEK million	25	-16		38	7	468%	110	78
Adjusted EBITA*, SEK million	25	5	419%	38	27	40%	112	101
EBITA margin, %	2.0%	-1.3%		1.6%	0.3%		2.4%	1.7%
Adjusted EBITA margin*, %	2.0%	0.4%		1.6%	1.1%		2.4%	2.2%

\*See Note 5

- Demand in the market moved towards construction-related projects, which boosted sales of installation and building products. Demand in oil and gas-related businesses remained flat.
- Strong organic growth of 6 percent, driven by growing demand primarily from construction-related businesses.
- EBITA totalled SEK 25 million (-16), adjusted EBITA totalled SEK 25 million (5).
- The EBITA margin improved to 2.0 percent (-1.3).

External net sales and EBITA margin for each quarter



External net sales increased by 2 percent to SEK 1,267 million (1,241) during the second quarter. Foreign currency translation had a SEK 111 million (-20) negative impact on external net sales. Organic growth, calculated on the comparable number of working days and adjusted for acquisitions, rose sharply to 6 percent. This increase is due to positive growth in the heating and plumbing sector. Profit (EBITA) totalled SEK 25 million (-16). Adjusted EBITA amounted to SEK 25 million (5), with restructuring costs charged to the previous year's income statement. The positive growth of EBITA is mainly attributable to successful campaigns, a rise in demand and more working days during the period.

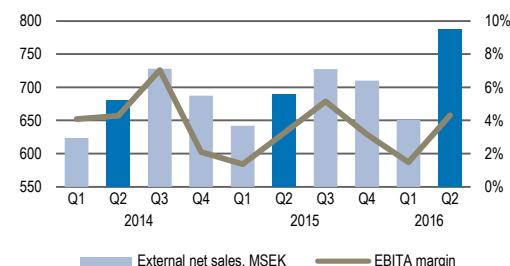
The process of regaining a position in the heating and plumbing sector and increasing cross-selling continued during the quarter. The efforts led to higher volumes, which contributed to positive earnings despite a slightly weaker gross margin. Other segments also reported slight sales growth. Demand from oil and gas-related businesses remained challenging.

The Norwegian operations are undergoing an extensive process of change. This involves a major organisational change, with improved customer segmentation and recruitment of new staff to strengthen the business. A programme is also under way to streamline operations and improve profitability.

## FINLAND

Finland	2016	2015	change	2016	2015	change	Trailing 12 months	Whole of 2015
	April-June	April-June		Jan-June	Jan-June			
External net sales, SEK million	787	689	14%	1,438	1,331	8%	2,875	2,768
Organic growth	8%	-2%		5%	-2%			-2%
Profit (EBITA), SEK million	34	22	53%	44	31	41%	104	91
EBITA margin, %	4.3%	3.2%		3.0%	2.3%		3.6%	3.3%

External net sales and EBITA margin for each quarter



- The Finnish market for construction-related activities is exhibiting definite growth and the number of building permits granted, measured as cubic volume, increased by more than 9 percent between February and April 2016.
- Strong organic growth of 8 percent, driven by good demand and successful campaigns.
- The EBITA margin rose to 4.3 percent.

External net sales for the second quarter increased by 14 percent to SEK 787 million (689). Organic growth, calculated on the comparable number of working days, adjusted for acquisitions and foreign currency translation effects, was 8 percent. The process of regaining and consolidating Ahlsell Finland's market position resulted in an increase in volumes. The gross margin was slightly lower as a result of the marketing efforts, but the overall effect on the contribution margin and earnings was positive. Profit (EBITA) for the quarter totalled SEK 34 million (22) and the EBITA margin rose to 4.3 percent.

Finland's construction market is showing clear signs of growth. There is a pent-up demand for investment in maintenance and this is now also being reflected in statistics. For instance, construction company sales rose by 7 percent in the first quarter of 2016 and the cubic volume for the number of building permits granted increased by 9 percent from February to April.

## DENMARK

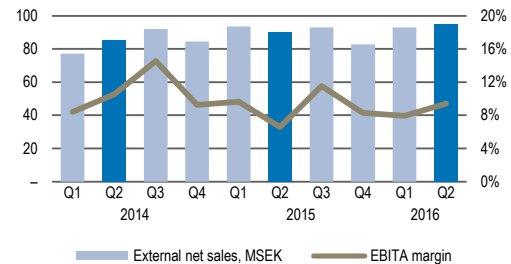
Denmark	2016	2015	change	2016	2015	change	Trailing 12 months	Whole of 2015
	April-June	April-June		Jan-June	Jan-June			
External net sales, SEK million	95	90	6%	188	183	2%	363	359

## Ahlsell's interim report for January – June 2016

Organic growth	-1%	4%		1%	9%			3%
Profit (EBITA), SEK million	9	6	50%	16	15	9%	34	33
EBITA margin, %	9.4%	6.6%		8.7%	8.2%		9.3%	9.1%

### External net sales and EBITA margin for each quarter

- Our market in Denmark is characterised by stiff competition and weak growth.
- Organic growth was -1 percent.
- The EBITA margin rose to 9.4 percent.



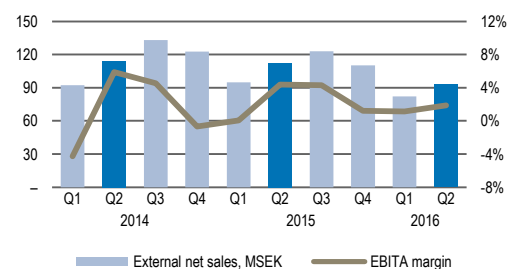
The operations in Denmark are reporting weak growth in a challenging market. External net sales in the second quarter amounted to SEK 95 million (90). Organic growth, calculated on the comparable number of working days, was -1 percent. Profit (EBITA) amounted to SEK 9 million (6) for the quarter. Lower costs and a greater number of working days had a positive impact on the EBITA profit.

### OTHER OPERATIONS

Other countries Estonia, Russia, Poland	2016 April-June	2015 April-June	change	2016 Jan-June	2015 Jan-June	change	Trailing 12 months	Whole of 2015
External net sales, SEK million	93	112	-17%	175	207	-15%	408	440
Organic growth	-14%	-2%		-12%	1%			-2%
Profit (EBITA), SEK million	2	5	-64%	3	5	-46%	9	12
EBITA margin, %	1.9%	4.4%		1.5%	2.4%		2.3%	2.6%

- Market conditions are still weak and competitive pressure remains intense.
- The Estonian operations are facing challenging market conditions, but have managed to offset the fall in sales in the second quarter with higher gross margins and lower costs.
- The operations in Russia (heating and plumbing) and Poland (refrigeration) are still facing difficult market conditions. A series of structural changes has been implemented.
- Organic growth was -14 percent.
- The EBITA margin fell to 1.9 percent.

### External net sales and EBITA margin for each quarter



Other markets, comprising Russia, Estonia and Poland, reported external net sales of SEK 93 million (112) for the quarter. Profit (EBITA) totalled SEK 2 million (5). Cost-cutting measures have been implemented in all markets, including staff reductions, to offset the effects of a weak market and lower sales.

### Acquisitions

The wholesale company Elgross'n i Göteborg AB was acquired in June. Elgross'n holds a strong position in the market in Gothenburg. It specialises in lighting and electrical installation and has premises in Högsbo and Marieholm (Gothenburg). The majority of its customers are local installation companies. Gothenburg is a key growth market for Ahlsell and the acquisition affords it the opportunity to further consolidate its position in the region. The company reports annual sales of approximately SEK 120 million. The acquisition was made in the Sweden segment for a consideration of SEK 15 million. The acquired company has reported net assets of SEK 6 million. Fair value gains on intangible assets of approximately SEK 9 million were treated as goodwill attributable to the synergies that are expected to arise.

Ahlsell regards the acquisition cost analysis as provisional while uncertainties exist, for example, about the outcome of guarantees in the acquisition agreement with regard to inventories and trade receivables.

In June, Ahlsell signed an agreement to acquire the entire share capital of PreveX AB. PreveX reported sales of approximately SEK 350 million for 2015. PreveX is a specialised hardware store chain for professionals and has a strong market position in Gothenburg and Malmö with three strategically located stores. The company has approximately 100 employees and sells mainly to local construction and rental companies. The deal, which is expected to be completed in August, is pending approval from the Swedish Competition Authority (Konkurrensverket).

### Acquisitions completed during the interim period

Take-over	Acquisitions	Country	Product area	Annual sales SEK million <sup>a</sup>	Number of employees <sup>b</sup>
June 2016	Elgross'n i Göteborg AB	Sweden	Electrical	119	33
<b>Total</b>				<b>119</b>	<b>33</b>

<sup>a</sup> At latest audited annual financial statements

<sup>b</sup> At date of acquisition

## Net finance income/expense

The Group reported a net financial result of SEK -232 million (-318) for the second quarter. The net interest expense, excluding interest on shareholder loans, was SEK -166 million (-182). The interest expense on shareholder loans was SEK -161 million (-147). Exchange rate movements impacted the net financial result by SEK -51 million (24) and the revaluation effects of exchange rate derivatives and interest rate derivatives impacted the net financial result by SEK 155 million (-1).

The Group reported a net financial result of SEK -534 million (-634) for the January to June period. The net interest expense, excluding interest on shareholder loans, was SEK -336 million (-359). The interest expense on shareholder loans was SEK -323 million (-294). Exchange rate movements impacted the net financial result by SEK -90 million (117) and the revaluation effects of exchange rate derivatives and interest rate derivatives impacted the net financial result by SEK 223 million (-70).

## Tax

Tax on profit for the second quarter amounted to SEK -89 million (-1). Tax on profit for the January to June period amounted to SEK -127 million (-3). The difference between the effective tax rate and the parent company's tax rate is primarily explained by non-deductible interest on shareholder loans.

## Financial position and liquidity

At 30 June, the Group's cash and cash equivalents totalled SEK 2,017 million. Since the beginning of the year, the Group's cash and cash equivalents have decreased by SEK 343 million. The Group also has undrawn credit lines of SEK 480 million.

External net debt has decreased since the beginning of the year by SEK 141 million and at 30 June stood at SEK 7,713 million.

At 30 June, consolidated equity amounted to SEK 888 million, an increase of SEK 177 million since the beginning of the year.

## Cash flows and investments

An operating cash flow of SEK 546 million (236) was reported for the second quarter. The improvement over the previous year is mainly related to the higher profit level and working capital changes. The cash flow from working capital changes was SEK 8 million (-159). The cash flow from investing activities was SEK -60 million (-50). Investments in property, plant and equipment and intangible assets amounted to SEK -46 million (-49). The cash flow from financing activities was SEK -555 million (-409).

An operating cash flow of SEK 610 million (372) was reported for the January to June period. The change from the previous year is mainly related to the higher level of profit. The cash flow from working capital changes was SEK -383 million (-390). The cash flow from investing activities was SEK -20 million (-88). In 2016, the sale of a property had a positive impact of about SEK 70 million on investing activities. Investments in property, plant and equipment and intangible assets amounted to SEK -77 million (-97). The cash flow from financing activities was SEK -555 million (-414).

## Personnel

The number of employees at the end of the period was 4,952 (4,759). The average number of employees during the interim period was 4,847 (4,793).

## Parent company

Normalm 1.1 AB, corp. ID 556882-8916, is the parent company of the Group. The parent company reported net sales of SEK 0 million (0) for the January to June period. Profit before tax amounted to SEK -46 million (395). The parent company reported net sales of SEK 0 million (0) for the second quarter. Profit before tax amounted to SEK -22 million (-33).

The parent company's cash and cash equivalents amounted to SEK 0 million (0) at the end of the period. The company is financed via the Group's cash pool.



## Events after the end of the reporting period

There were no material events subsequent to the end of the reporting period.

## Transactions with related parties

Keravel S.A. owns 84.7 percent of Norrmalm 1.1 AB (corp. ID 556882-8916), registered in Sweden with its registered office in Stockholm. The remaining 15.3 percent is owned by current and former senior executives of the Ahlsell Group. Keravel S.A. is owned by CVC Capital Partners. The Norrmalm 1.1 AB Group was invoiced SEK 2.3 million (2.3) in management fees by CVC Capital Partners in the January to June period.

## Risks and uncertainties

The Group and the parent company are exposed to a number of risks relating to both their operating and their financing activities. The risks that Ahlsell considers to be the most significant to its business are listed below.

- Acquisitions are a key part of Ahlsell's growth strategy. Acquisition processes can be beset with difficulties, for instance, when it comes to identifying acquisition objects, integrating acquired businesses and achieving the expected synergies.
- Activity in the building sector, comprising new construction projects, service and repairs, and renovation, maintenance and improvement (RMI), is the single most important driving force for Ahlsell's sales development.
- If Ahlsell's own warehouse and distribution operations were disrupted or shut down for some reason or if the distribution companies contracted by Ahlsell had insufficient distribution capacity to meet requirements, Ahlsell's ability to deliver its products to the market would be adversely affected.
- Due to the nature and financial effects of its business activities, Ahlsell is exposed to risks relating to fluctuations in currency exchange rates.
- An unfavourable development in interest rates can have an adverse impact on Ahlsell's business activities and financial position.
- Please see the 2015 Annual Report for a more detailed explanation of the risks affecting the Group and parent company.

## Accounting policies

This interim report has been prepared according to International Financial Reporting Standards (IFRS) with the application of IAS 34, Interim Financial Reporting. The accounting policies and methods of calculation used in the preparation of the latest annual report have been applied, with the exception of new and amended standards and interpretations that came into effect on 1 January 2016.

The interim report for the parent company has been prepared in compliance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which is in compliance with RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The IASB has issued amendments to standards that became effective on 1 January 2016 or thereafter. These standards have not had a material impact on the consolidated financial statements.

## Auditors' report

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

## Future events and reporting dates

Event/report	Date
Interim report January – September 2016	October 2016
Year-end report for 2016	February 2017
Annual Report 2016	March 2017
Annual General Meeting	April 2017

Stockholm, 14 July 2016

Johan Nilsson

President and CEO

## Consolidated accounts

### CONDENSED INCOME STATEMENT

SEK million	Note	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
Net sales	1	6,344	5,798	11,824	11,181	23,229	22,586
Cost of goods sold		-4,631	-4,262	-8,606	-8,142	-16,842	-16,377
<b>Gross profit</b>		<b>1,713</b>	<b>1,536</b>	<b>3,217</b>	<b>3,039</b>	<b>6,387</b>	<b>6,209</b>
Selling expenses		-1,147	-1,104	-2,251	-2,217	-4,365	-4,331
Administration expenses		-92	-111	-184	-203	-372	-390
Other operating income and expenses		2	-1	8	5	21	18
<b>Operating profit, EBIT</b>	<b>1.2</b>	<b>476</b>	<b>321</b>	<b>790</b>	<b>624</b>	<b>1,671</b>	<b>1,505</b>
Net finance income/expense		-232	-318	-534	-634	-1,174	-1,274
<b>Profit before tax</b>		<b>244</b>	<b>3</b>	<b>256</b>	<b>-9</b>	<b>496</b>	<b>232</b>
Income tax		-89	-1	-127	-3	-286	-162
<b>Profit/loss for the period</b>		<b>155</b>	<b>2</b>	<b>128</b>	<b>-12</b>	<b>211</b>	<b>70</b>
Attributable to							
Owners of the parent company		155	2	128	-12	211	70
Non-controlling interests		-	-	-	-	-	-
Basic earnings per share, SEK*		1.95	0.03	1.62	-0.15	2.66	0.88

\* There is no dilutive effect

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
<b>Profit/loss for the period</b>	<b>155</b>	<b>2</b>	<b>128</b>	<b>-12</b>	<b>211</b>	<b>70</b>
<b>Other comprehensive income for the period</b>						
<b>Items that will be recycled to profit or loss for the period</b>						
Exchange differences	5	-15	18	-32	-46	-96
Tax attributable to items recognised in other comprehensive income	18	-13	29	-11	-10	-50
<b>Items that will not be recycled to profit or loss for the period</b>						
Actuarial gains and losses	0	0	1	1	17	17
Tax attributable to actuarial gains and losses	0	0	0	0	-3	-3
<b>Comprehensive income for the period</b>	<b>179</b>	<b>-26</b>	<b>177</b>	<b>-55</b>	<b>170</b>	<b>-62</b>
Attributable to						
Owners of the parent company	179	-26	177	-55	170	-62
Non-controlling interests	-	-	-	-	-	-

**CONDENSED BALANCE SHEET**

SEK million	Note	2016 30 June	2015 30 June	2015 31 Dec
<b>ASSETS</b>				
Customer relationships		3,236	3,549	3,345
Trademark		3,767	3,767	3,767
Goodwill		6,730	6,708	6,634
Other intangible assets		130	122	127
Property, plant & equipment		737	819	727
Financial assets	4	156	7	7
Deferred tax assets		9	7	9
<b>Total non-current assets</b>		<b>14,765</b>	<b>14,978</b>	<b>14,616</b>
Inventories		3,054	2,925	2,917
Trade receivables	4	3,312	3,033	2,549
Other receivables	4	997	898	866
Cash and cash equivalents	4	2,017	1,379	2,360
Assets held for sale		–	–	69
<b>Total current assets</b>		<b>9,381</b>	<b>8,236</b>	<b>8,762</b>
<b>TOTAL ASSETS</b>		<b>24,146</b>	<b>23,214</b>	<b>23,378</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>888</b>	<b>719</b>	<b>711</b>
Non-current interest-bearing liabilities	4	16,191	16,320	16,298
Provisions		56	95	56
Deferred tax liabilities		1,314	1,255	1,364
<b>Total non-current liabilities</b>		<b>17,561</b>	<b>17,670</b>	<b>17,717</b>
Current interest-bearing liabilities	4	322	149	213
Trade payables	4	4,325	3,746	3,785
Provisions		7	10	13
Other current liabilities		1,044	923	929
Liabilities attributable to assets held for sale		–	–	10
<b>Total current liabilities</b>		<b>5,697</b>	<b>4,827</b>	<b>4,950</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,146</b>	<b>23,214</b>	<b>23,378</b>

**CONDENSED CASH FLOW STATEMENT**

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
<b>Profit/loss after financial items</b>	<b>244</b>	<b>3</b>	<b>256</b>	<b>-9</b>	<b>496</b>	<b>232</b>
Adjustments for non-cash items	142	222	441	536	967	1,062
- of which depreciation and impairment of assets	129	118	249	236	499	485
- capitalised and accrued interests	185	89	320	290	620	589
- other	-172	15	-129	10	-151	-13
Tax paid	-77	-8	-84	-15	-95	-26
<b>Cash flows from operating activities before changes in working capital</b>	<b>309</b>	<b>218</b>	<b>613</b>	<b>511</b>	<b>1,369</b>	<b>1,268</b>
Changes in inventories	40	2	-57	-211	-108	-263
Changes in operating receivables	-603	-295	-819	-658	-352	-191
Changes in operating liabilities	571	134	493	479	528	513
<b>Cash flows from changes in working capital</b>	<b>8</b>	<b>-159</b>	<b>-383</b>	<b>-390</b>	<b>67</b>	<b>60</b>
<b>Cash flows from operating activities</b>	<b>317</b>	<b>59</b>	<b>230</b>	<b>122</b>	<b>1,436</b>	<b>1,327</b>
Cash flows from acquisition of assets, liabilities and operations	-15	-	-15	-	-64	-49
Other cash flows from investing activities	-45	-50	-5	-88	-78	-161
<b>Cash flows from investing activities</b>	<b>-60</b>	<b>-50</b>	<b>-20</b>	<b>-88</b>	<b>-142</b>	<b>-210</b>
<b>Cash flows before financing activities</b>	<b>257</b>	<b>9</b>	<b>210</b>	<b>33</b>	<b>1,293</b>	<b>1,117</b>
Acquisition of non-controlling interests	-	-	-	-3	-	-3
Amortisation of borrowings	-555	-409	-555	-411	-654	-510
<b>Cash flows from financing activities</b>	<b>-555</b>	<b>-409</b>	<b>-555</b>	<b>-414</b>	<b>-654</b>	<b>-513</b>
<b>CASH FLOWS FOR THE PERIOD</b>	<b>-297</b>	<b>-400</b>	<b>-345</b>	<b>-381</b>	<b>640</b>	<b>604</b>
Cash and cash equivalents at beginning of period	2,313	1,780	2,360	1,760	1,379	1,760
Exchange rate differences in cash and cash equivalents	1	-1	2	-1	-2	-4
<b>Cash and cash equivalents at end of period</b>	<b>2,017</b>	<b>1,379</b>	<b>2,017</b>	<b>1,379</b>	<b>2,017</b>	<b>2,360</b>
<b>Additional information</b>						
Interest received	4	4	8	9	22	24
Interest paid	-188	-213	-291	-316	-594	-619

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

SEK million	2016 Jan-June	2015 Jan-June	2015 Jan-Dec
Opening balance	711	777	777
Comprehensive income for the period	177	-55	-62
<b>Total recognised income and expenses</b>	<b>177</b>	<b>-55</b>	<b>-62</b>
Acquisition of non-controlling interests	-	-3	-3
<b>Total shareholder transactions</b>	<b>-</b>	<b>-3</b>	<b>-3</b>
<b>Closing equity</b>	<b>888</b>	<b>719</b>	<b>711</b>

**KEY PERFORMANCE MEASURES**

SEK million unless otherwise stated	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
<b>Sales measurement</b>						
Net sales	6,344	5,798	11,824	11,181	23,229	22,586
<b>Performance measurement</b>						
Operating profit (EBIT)	476	321	790	624	1,671	1,505
EBITA	560	404	957	790	2,004	1,837
Adjusted EBITA	560	432	957	818	2,017	1,878
EBITDA	597	439	1,031	860	2,161	1,990
<b>Margin measurement</b>						
EBIT margin, %	7.5%	5.5%	6.7%	5.6%	7.2%	6.7%
EBITA margin, %	8.8%	7.0%	8.1%	7.1%	8.6%	8.1%
<b>Measurement of cash flows</b>						
Cash flows for the period	-297	-400	-345	-381	640	604
Operating cash flows	546	236	610	372	2,076	1,838
Operating cash flows/EBITDA	91.5%	53.8%	59.2%	43.2%	96.1%	92.4%
<b>Capital structure</b>						
Cash on hand	2,017	1,379	2,017	1,379	2,017	2,360
Net debt including shareholder loans	14,432	15,180	14,432	15,180	14,432	14,242
External net debt	7,713	9,097	7,713	9,097	7,713	7,854
External net debt/EBITDA					3.6	3.9
Debt/equity ratio, times	16.3	21.1	16.3	21.1	16.3	20.0
Working capital (average)	2,224	2,214	2,082	2,117	2,231	2,155
Operating capital (average)	15,452	15,900	15,294	15,853	15,587	15,738
Operating capital, excluding intangible assets (average)	3,145	3,321	2,988	3,237	3,211	3,222
Working capital tied up, %	8.8%	9.5%	8.8%	9.5%	9.6%	9.5%
<b>Return</b>						
Return on operating capital, %					10.7%	9.6%
Return on operating capital (excluding intangible assets), %					62.4%	57.0%
Return on equity, %					28.0%	9.5%
<b>Shares</b>						
Weighted average number of basic shares outstanding (thousands)	79,381	79,381	79,381	79,381	79,381	79,381
Weighted average number of diluted shares outstanding (thousands)	79,381	79,381	79,381	79,381	79,381	79,381
Number of ordinary shares at end of period (thousands)	70,152	70,152	70,152	70,152	70,152	70,152
Number of shares at end of period (thousands)	79,381	79,381	79,381	79,381	79,381	79,381
Earnings per share*, SEK	1.95	0.03	1.62	-0.15	2.66	0.88
Operating cash flow per basic share*, SEK	6.88	2.98	7.68	4.68	26.16	23.15
<b>Other markets</b>						
Number of employees at end of period			4,952	4,759	4,952	4,820

\*Per basic and diluted share

## ALTERNATIVE PERFORMANCE MEASURES

Organic growth, EBITA, adjusted EBITA, EBITA margin and adjusted EBITA margin are so-called alternative performance measures (APMs) for which detailed calculations are presented below. The APMs are used by management to monitor business performance.

### Organic growth

Jan-June (6 mths), %	Group	Sweden	Norway	Finland	Denmark	Other
Growth, %	6%	9%	-2%	8%	2%	-15%
Acquisitions, %	0%	0%	0%	-1%	0%	0%
Currency, %	2%	0%	9%	0%	0%	4%
Difference in the number of working days, %	-1%	-1%	-1%	-2%	-2%	-1%
<b>Organic growth, %</b>	<b>6%</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>	<b>1%</b>	<b>-12%</b>

Apr-June (3 mths), %	Group	Sweden	Norway	Finland	Denmark	Other
Growth, %	9%	12%	2%	14%	6%	-17%
Acquisitions, %	-1%	-1%	0%	-1%	0%	0%
Currency, %	2%	0%	9%	0%	0%	5%
Difference in the number of working days, %	-4%	-4%	-5%	-5%	-7%	-2%
<b>Organic growth, %</b>	<b>7%</b>	<b>8%</b>	<b>6%</b>	<b>8%</b>	<b>-1%</b>	<b>-14%</b>

### EBITA/Adjusted EBITA

Jan-June (6 mths), SEK million	Group	Sweden	Norway	Finland	Denmark	Other	Central
EBIT	790	796	14	21	13	3	-58
Amortisation and impairment of intangible assets	167	116	24	23	3	0	2
<b>Profit (EBITA), SEK million</b>	<b>957</b>	<b>913</b>	<b>38</b>	<b>44</b>	<b>16</b>	<b>3</b>	<b>-56</b>
Items impacting comparability	-	-	-	-	-	-	-
<b>Adjusted EBITA, SEK million</b>	<b>957</b>	<b>913</b>	<b>38</b>	<b>44</b>	<b>16</b>	<b>3</b>	<b>-56</b>

Apr-June (3 mths), SEK million	Group	Sweden	Norway	Finland	Denmark	Other	Central
EBIT	476	463	13	23	7	2	-33
Amortisation and impairment of intangible assets	84	58	12	11	1	0	1
<b>Profit (EBITA), SEK million</b>	<b>560</b>	<b>522</b>	<b>25</b>	<b>34</b>	<b>9</b>	<b>2</b>	<b>-32</b>
Items impacting comparability	-	-	-	-	-	-	-
<b>Adjusted EBITA, SEK million</b>	<b>560</b>	<b>522</b>	<b>25</b>	<b>34</b>	<b>9</b>	<b>2</b>	<b>-32</b>

### EBITA margin/Adjusted EBITA margin

Jan-June (6 mths), %	Group	Sweden	Norway	Finland	Denmark	Other
EBIT margin, %	6.7%	10.4%	0.6%	1.5%	7.2%	1.5%
Amortisation and impairment of intangible assets, %	1.4%	1.5%	1.0%	1.6%	1.5%	0.1%
<b>Profit (EBITA) margin, %</b>	<b>8.1%</b>	<b>11.9%</b>	<b>1.6%</b>	<b>3.0%</b>	<b>8.7%</b>	<b>1.5%</b>
Items impacting comparability, %	-	-	-	-	-	-
<b>Adjusted EBITA margin, %</b>	<b>8.1%</b>	<b>11.9%</b>	<b>1.6%</b>	<b>3.0%</b>	<b>8.7%</b>	<b>1.5%</b>

Apr-June (3 mths), %	Group	Sweden	Norway	Finland	Denmark	Other
EBIT margin, %	7.5%	11.3%	1.1%	2.9%	7.9%	1.8%
Amortisation and impairment of intangible assets, %	1.3%	1.4%	0.9%	1.4%	1.5%	0.1%
<b>Adjusted (EBITA) margin, %</b>	<b>8.8%</b>	<b>12.7%</b>	<b>2.0%</b>	<b>4.3%</b>	<b>9.4%</b>	<b>1.9%</b>
Items impacting comparability, %	-	-	-	-	-	-
<b>Adjusted EBITA margin, %</b>	<b>8.8%</b>	<b>12.7%</b>	<b>2.0%</b>	<b>4.3%</b>	<b>9.4%</b>	<b>1.9%</b>

## Condensed parent company statements

### CONDENSED INCOME STATEMENT

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
Net sales	–	–	–	–	–	–
<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Administration expenses	0	-1	0	-1	-1	-2
<b>Operating profit</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>
Dividends from subsidiaries	–	–	–	478	–	478
Interest income, Group companies	139	114	277	212	508	443
Interest expense, Group companies	-161	-147	-323	-294	-620	-591
<b>Profit before tax</b>	<b>-22</b>	<b>-33</b>	<b>-46</b>	<b>395</b>	<b>-112</b>	<b>328</b>
Income tax	–	–	–	–	–	–
<b>Profit/loss for the period</b>	<b>-22</b>	<b>-33</b>	<b>-46</b>	<b>395</b>	<b>-112</b>	<b>328</b>

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
<b>Profit/loss for the period</b>	<b>-22</b>	<b>-33</b>	<b>-46</b>	<b>395</b>	<b>-112</b>	<b>328</b>
<b>Other comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Comprehensive income for the period</b>	<b>-22</b>	<b>-33</b>	<b>-46</b>	<b>395</b>	<b>-112</b>	<b>328</b>
Attributable to:						
Owners of the parent company	-22	-33	-46	395	-112	328

### CONDENSED BALANCE SHEET

SEK million	2016 30 June	2015 30 June	2015 31 Dec
Shares in Group companies	2,930	2,405	2,930
Receivables from Group companies	5,302	4,820	5,051
<b>Total non-current assets</b>	<b>8,232</b>	<b>7,224</b>	<b>7,981</b>
Other receivables	–	478	478
Cash and cash equivalents	–	–	–
<b>Total current assets</b>	<b>–</b>	<b>478</b>	<b>478</b>
<b>TOTAL ASSETS</b>	<b>8,232</b>	<b>7,702</b>	<b>8,458</b>
<b>Equity</b>	<b>377</b>	<b>405</b>	<b>423</b>
<b>Non-current liabilities</b>	<b>7,854</b>	<b>7,297</b>	<b>7,595</b>
<b>Current liabilities</b>	<b>0</b>	<b>0</b>	<b>440</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,232</b>	<b>7,702</b>	<b>8,458</b>

## Notes

Disclosures in accordance with IAS 34.16A are presented in the financial statements and the related notes as well as in other sections of the interim report.

### NOTE 1. INFORMATION BY SEGMENT

#### External net sales by segment

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
Sweden	4,102	3,667	7,674	7,059	14,944	14,328
Norway	1,267	1,241	2,349	2,401	4,638	4,690
Finland	787	689	1,438	1,331	2,875	2,768
Denmark	95	90	188	183	363	359
Other markets	93	112	175	207	408	440
Central	-	-	-	-	-	-
<b>The Group</b>	<b>6,344</b>	<b>5,798</b>	<b>11,824</b>	<b>11,181</b>	<b>23,229</b>	<b>22,586</b>

#### EBITA by segment

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
Sweden	522	411	913	779	1,854	1,720
Norway	25	-16	38	7	110	78
Finland	34	22	44	31	104	91
Denmark	9	6	16	15	34	33
Other markets	2	5	3	5	9	12
Central	-32	-25	-56	-47	-106	-96
Eliminations	-	-	-	-	-	-
<b>The Group</b>	<b>560</b>	<b>404</b>	<b>957</b>	<b>790</b>	<b>2,004</b>	<b>1,837</b>

#### EBITA margin by segment

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
Sweden	12.7%	11.2%	11.9%	11.0%	12.4%	12.0%
Norway	2.0%	-1.3%	1.6%	0.3%	2.4%	1.7%
Finland	4.3%	3.2%	3.0%	2.3%	3.6%	3.3%
Denmark	9.4%	6.6%	8.7%	8.2%	9.3%	9.1%
Other markets	1.9%	4.4%	1.5%	2.4%	2.3%	2.6%
Central	-	-	-	-	-	-
<b>The Group</b>	<b>8.8%</b>	<b>7.0%</b>	<b>8.1%</b>	<b>7.1%</b>	<b>8.6%</b>	<b>8.1%</b>



**Figures for the quarter**
**External net sales by segment/quarter**

Year Quarter	2016		2015				2014			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	4,102	3,572	3,944	3,326	3,667	3,392	3,620	3,160	3,322	3,108
Norway	1,267	1,082	1,189	1,100	1,241	1,161	1,256	1,218	1,288	1,287
Finland	787	651	710	727	689	642	687	728	680	624
Denmark	95	93	83	93	90	93	85	92	85	77
Other markets	93	82	110	123	112	95	123	133	114	92
Central	-	-	-	-	-	-	-	-	-	-
<b>The Group</b>	<b>6,344</b>	<b>5,480</b>	<b>6,036</b>	<b>5,369</b>	<b>5,798</b>	<b>5,383</b>	<b>5,770</b>	<b>5,331</b>	<b>5,490</b>	<b>5,188</b>

**EBITA by segment and quarter**

Year Quarter	2016		2015				2014			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	522	391	515	426	411	368	404	392	359	323
Norway	25	13	31	41	-16	22	10	80	36	67
Finland	34	10	22	37	22	9	14	51	29	25
Denmark	9	7	7	11	6	9	8	13	9	6
Other markets	2	1	1	5	5	0	-1	6	7	-4
Central	-32	-24	-30	-20	-25	-22	-14	-17	-32	-17
Eliminations	-	-	-	-	-	-	-	-	-	-
<b>The Group</b>	<b>560</b>	<b>397</b>	<b>546</b>	<b>501</b>	<b>404</b>	<b>386</b>	<b>421</b>	<b>527</b>	<b>408</b>	<b>402</b>

**EBITA margin by segment and quarter**

Year Quarter	2016		2015				2014			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sweden	12.7%	10.9%	13.0%	12.8%	11.2%	10.8%	11.2%	12.4%	10.8%	10.4%
Norway	2.0%	1.2%	2.6%	3.7%	-1.3%	1.9%	0.8%	6.6%	2.8%	5.2%
Finland	4.3%	1.5%	3.2%	5.1%	3.2%	1.4%	2.1%	7.0%	4.3%	4.1%
Denmark	9.4%	7.9%	8.3%	11.5%	6.6%	9.7%	9.3%	14.5%	10.5%	8.4%
Other markets	1.9%	1.1%	1.2%	4.3%	4.4%	0.0%	-0.7%	4.5%	5.9%	-4.3%
Central	-	-	-	-	-	-	-	-	-	-
<b>The Group</b>	<b>8.8%</b>	<b>7.3%</b>	<b>9.0%</b>	<b>9.3%</b>	<b>7.0%</b>	<b>7.2%</b>	<b>7.3%</b>	<b>9.9%</b>	<b>7.4%</b>	<b>7.7%</b>

**NOTE 2. DEPRECIATION/AMORTISATION**

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
Amortisation of intangible assets	-84	-83	-167	-165	-334	-332
Impairment of intangible assets	-	-	-	-	-	-
Depreciation of property, plant and equipment	-37	-35	-74	-70	-151	-148
Impairment of property, plant and equipment	-	-	-	-	-6	-6

## Ahlsell's interim report for January – June 2016

**NOTE 3. CONDENSED CASH FLOWS FROM OPERATING ACTIVITIES**

In addition to the cash flow statement which has been prepared in accordance with IAS 7, Ahlsell prepares a cash flow which is based on operations, excluding financial transactions and taxes, and acquisitions and divestment of operations. This measurement of cash flows is used by management to monitor business performance.

SEK million	2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
<b>Operating profit</b>	<b>476</b>	<b>321</b>	<b>790</b>	<b>624</b>	<b>1,671</b>	<b>1,505</b>
Adjustments for non-cash items	107	123	208	224	417	433
Cash flows from changes in working capital	8	-159	-383	-390	67	60
<b>Operating cash flows before investments</b>	<b>591</b>	<b>286</b>	<b>615</b>	<b>459</b>	<b>2,154</b>	<b>1,998</b>
Acquisition of intangible assets	-10	-17	-17	-31	-37	-51
Acquisition of property, plant and equipment	-36	-32	-60	-66	-114	-120
Sale of property, plant and equipment	1	0	72	10	73	11
<b>Cash flows from operating investments</b>	<b>-44</b>	<b>-49</b>	<b>-5</b>	<b>-87</b>	<b>-78</b>	<b>-160</b>
<b>Operating cash flows after investments</b>	<b>546</b>	<b>236</b>	<b>610</b>	<b>372</b>	<b>2,076</b>	<b>1,838</b>

**NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS**

SEK million	2016 30 June	2016 30 June	2015 30 June	2015 30 June	2015 31 Dec	2015 31 Dec
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Financial assets held for trading are measured at fair value	153	153	–	–	0	0
Loans and receivables	5,333	5,333	4,417	4,417	4,913	4,913
Available-for-sale financial assets	3	3	3	3	3	3
<b>Total</b>	<b>5,489</b>	<b>5,489</b>	<b>4,420</b>	<b>4,420</b>	<b>4,917</b>	<b>4,917</b>
<b>Financial liabilities</b>						
Financial liabilities held for trading are measured at fair value	30	30	100	100	113	113
Other financial liabilities	20,847	21,397	20,115	20,715	20,183	20,733
<b>Total</b>	<b>20,877</b>	<b>21,427</b>	<b>20,215</b>	<b>20,815</b>	<b>20,295</b>	<b>20,845</b>

Financial instruments measured at fair value in the balance sheet relate to exchange rate swaps and interest rate swaps. These are measured using valuation techniques that only use observable market inputs at level two according to the framework for fair value measurement. With regard to borrowing, there is no material difference between the carrying amount and fair value, as the Group's borrowings are at a variable rate of interest. Nor does the Group have any other financial assets or liabilities off the balance sheet.

**NOTE 5. ITEMS IMPACTING COMPARABILITY**

For the purpose of better comparability across the years, EBITA is presented exclusive of items impacting comparability in the interim report. Items impacting comparability refer to larger, non-recurring items that affect EBITA.

SEK million		2016 April-June	2015 April-June	2016 Jan-June	2015 Jan-June	Trailing 12 months	Whole of 2015
<b>Type of cost/revenue</b>	<b>Segment</b>						
Costs attributable to management changes and a provision for unused premises	Norway	–	-20	–	-20	-2	-23
Impairment and provision for costs associated with the sale of a property in Stockholm	Sweden	–	-8	–	-8	-1	-9
Costs for a large-scale strategy project and market analysis	Central	–	–	–	–	-10	-10
<b>Total items impacting comparability</b>		<b>–</b>	<b>-28</b>	<b>–</b>	<b>-28</b>	<b>-13</b>	<b>-41</b>

## KPI definitions

Number of shares at end of period	Shares outstanding at the end of the period, adjusted for issues and stock splits.
Number of employees at end of period	Number of people who have received a salary in the last month of the period.
Number of ordinary shares at end of period	Ordinary shares outstanding at the end of the period, adjusted for issues and stock splits.
Return on equity	Profit for the period as a percentage of average equity.
Return on operating capital	Operating profit as a percentage of average operating capital.
Return on operating capital excluding intangible assets	EBITA as a percentage of average operating capital (excluding intangible assets).
EBITA	Operating profit/loss excluding amortisation and impairment of intangible assets.
EBITA margin, %	EBITA as a percentage of total net sales.
EBITDA	Operating profit/loss excluding amortisation/depreciation and impairment of intangible assets and property, plant and equipment.
EBIT margin, %	Operating profit as a percentage of total net sales.
External net debt	Net debt excluding shareholder loans and intra-group receivables and liabilities.
Adjusted EBITA	EBITA excluding items impacting comparability.
Net debt	Non-current and current interest-bearing assets less non-current and current interest-bearing liabilities.
Operating capital	Property, plant and equipment, goodwill and other intangible assets, deferred tax asset, shares in joint ventures and working capital less deferred tax liability, non-current and current provisions and other non-current liabilities. This figure represents an average for each period based on quarterly data.
Operating capital (excluding intangible assets)	Operating capital less goodwill and other intangible fixed assets, and related deferred tax. This figure represents an average for each period based on quarterly data.
Operating cash flows	Cash flows that are based on business operations, excluding financial transactions, taxes and acquisitions and divestment of operations.
Operating cash flow per diluted share, SEK	Operating cash flow from operating activities divided by average number of shares for the period. Any dilutive effect is taken into account.
Operating cash flow per basic share, SEK	Operating cash flow from operating activities divided by average number of shares for the period.
Organic growth	Sales growth excluding the difference in the number of working days, exchange rate fluctuations and acquisitions.
Diluted earnings per share, SEK	Profit for the period divided by average number of diluted shares for the period.
Basic earnings per share, SEK	Profit for the period divided by average number of shares for the period.
Working capital	Inventories, trade receivables and other operating receivables reduced by trade payables and other current liabilities. This figure represents an average for each period based on quarterly data.
Working capital tied up	Average working capital as a percentage of net sales adjusted to an annual rate.
Debt/equity ratio	Net debt to equity ratio.
Weighted average number of diluted shares outstanding	Weighted average number of shares outstanding for the period, adjusted for issues and stock splits. Any dilutive effect is taken into account. The preference shares which, following a decision by the Board, may be converted into ordinary shares have not been taken into account when calculating the dilutive effect.
Weighted average number of basic shares outstanding	Weighted average number of shares outstanding for the period, adjusted for issues and stock splits.