Interim report January – September 2014

Strong growth in a weaker market

Third quarter 2014

- Net sales rose 9.4 percent to SEK 536 million (490). Adjusted for currency effects, net sales increased by 6.2 percent. The increase was mainly attributable to higher market shares in the segment International.
- Order intake was weaker than net sales.
- Adjusted operating profit amounted to SEK 48 million (49).
- The adjusted operating margin was 8.9 percent (10.1). The margin was positively impacted by higher net sales but weighed down by the strategic initiatives in the sales organisation.
- Earnings per share increased to SEK 0.81 (0.79).

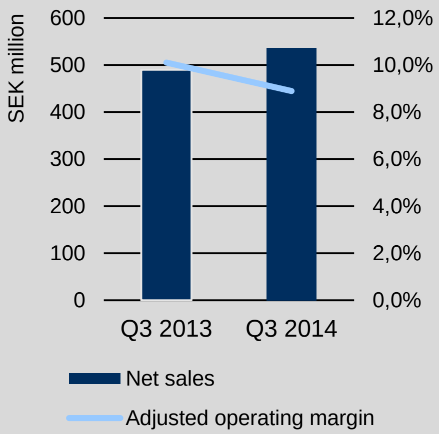
January – September 2014

- Net sales for the nine months period rose 9.7 percent to SEK 1,667 million (1,519). Adjusted for currency effects, the net sales increased 7.7 percent.
- Adjusted operating profit increased to SEK 159 million (148), corresponding to an adjusted operating margin of 9.5 percent (9.7).

GROUP IN BRIEF (For definitions, see page 17)

	Quarter 3		*Δ*	*Jan-Sep*		*Δ*	*12 month rolling*	*Full year*	*Δ*
SEK millions	***2014***	*2013*	*%*	***2014***	*2013*	*%*	***2013/14***	*2013*	*%*
Order intake	**528**	503	5.0	**1,656**	1,553	6.7	**2,175**	2,072	5.0
Net sales	**536**	490	9.4	**1,667**	1,519	9.7	**2,178**	2,031	7.3
Gross profit	**152**	138	10.1	**492**	441	11.5	**647**	596	8.5
Gross margin, %	**28.4**	28.2		**29.5**	29.0		**29.7**	29.3	
Operating profit	**48**	51	-6.5	**141**	149	-5.7	**193**	201	-4.2
Operating margin, %	**8.9**	10.4		**8.4**	9.8		**8.8**	9.9	
Adjusted operating profit	**48**	49	-3.7	**159**	148	7.8	**214**	203	5.7
Adjusted operating margin, %	**8.9**	10.1		**9.5**	9.7		**9.8**	10.0	
Profit after tax	**31**	30	3.0	**92**	93	-0.2	**130**	131	-0.1
Earnings per share, SEK	**0.81**	0.79	3.0	**2.42**	2.43	-0.2	**3.43**	3.43	-0.1

THE QUARTER IN BRIEF



NET SALES

SEK 536 m

SALES GROWTH

+9.4%

OPERATING PROFIT

SEK 48 m

ADJUSTED OPERATING PROFIT

SEK 48 m

OPERATING MARGIN

8.9%

ADJUSTED OPERATING MARGIN

8.9%

CEO'S OVERVIEW

The first leg of our strategy is organic growth. It is therefore encouraging that net sales grew strongly. The main reason is that we succeeded in growing our market share in the segment International, thanks to our strategic initiatives within the sales organisation. This is particularly gratifying, since underlying demand slowed in several markets during the quarter, including our key market in Sweden.

Accordingly, growth in the segment Sweden was more moderate, mainly a result of weaker underlying demand. Order intake in segment Sweden was also lower than net sales during the period. This was partly due to weaker demand, but also due to lost volumes from one customer to one of our manufacturing subsidiaries. The customer decided to insource the production, and we have not yet fully compensated for the lost volumes.

Our sales initiatives have led to higher year-on-year selling expenses in 2014. In the third quarter of 2014, the business mix was slightly weaker than in the year-on-year quarter. The third quarter of 2013 included positive revaluation items. As a result, the adjusted operating margin for the current quarter is slightly lower compared with the year-on-year period.

As previously communicated, we have held back on further investments in the sales organisation as of the third quarter. No further investment is planned until we see the effects of previous initiatives in our operating margin.

Increased efficiency is the second leg of our strategy. Our initiatives were successful during the first nine months, and mainly resulted in reduced purchase prices and lower costs in the logistics chain. The gross margin also improved. The gross margin was also strengthened by the fact that we were able to absorb higher volumes without proportional cost increases in manufacturing and logistics. Efforts to further improve efficiency continue.

The third leg of our strategy is value-creating acquisitions. The evaluation of potential acquisition opportunities is ongoing and focuses on acquisition candidates with growth synergies.

Overall, the quarter provided further evidence that our growth strategy is working. Underlying demand was significantly weaker in the third quarter compared with earlier periods this year. However, despite a slightly weaker order intake, we see good opportunity to continue winning market share and feel confident that the final quarter of 2014 will be stable.

Jörgen Rosengren, President and CEO

ABOUT BUFAB

Bufab Holding AB (publ), Corporate Registration Number 556685-6240, is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control and logistics for C-Parts (screws, nuts, etc.). Bufab's Global Parts Productivity™ customer offering aims to improve productivity in customers' value chain for C-Parts.

Bufab was founded in 1977 in Småland and is an international company with operations in 23 countries. The head office is located in Värnamo, Sweden and Bufab has about 800 employees. Bufab's sales for 2013 amounted to SEK 2,031 million and operating profit was SEK 201 million. The Bufab share is listed on NASDAQ Stockholm, under the ticker "BUFAB."

The Group in brief

THIRD QUARTER

Order intake amounted to SEK 528 (503) million, up 5.0 percent compared with the year-earlier period. Order intake for the period was in line with net sales in the segment International, but lower than net sales in segment Sweden. This was partly due to weaker demand in the Sweden segment, but also due to lost volumes from one customer to one of our manufacturing subsidiaries. The customer decided to insource the production, and we have not yet fully compensated for the lost volumes.

Net sales rose 9.4 percent to SEK 536 million (490). Adjusted for currency effects, the increase was 6.2 percent. The increase was mainly attributable to strategic initiatives, which led to higher market share in the segment International.

Operating profit totalled SEK 48 million (51), corresponding to an operating margin of 8.9 percent (10.4) and adjusted operating profit was SEK 48 million (49), corresponding to an adjusted operating margin of 8.9 percent (10.1). Operating profit was positively impacted by higher net sales but weighed down by the strategic initiatives in the sales organisation, particularly in the segment International. In the third quarter of 2014, the business mix in segment International was slightly weaker than in the year-on-year quarter. The comparable quarter in 2013 included positive revaluation items of about SEK 4 million, which reduced selling expenses within segment International.

JANUARY-SEPTEMBER

Order intake amounted to SEK 1,656 million (1,553), up 6.7 percent compared with the year-earlier period.

Net sales rose 9.7 percent to SEK 1,667 million (1,519). Adjusted for currency effects, the increase was 7.7 percent. Improved underlying demand during the first six months in particular, as well as higher market share in the International segment due to strategic investments were attributable to the increase.

Operating profit amounted to SEK 141 million (149), corresponding to an operating margin of 8.4 percent (9.8). During the first quarter, operating profit was charged with non-recurring costs of SEK 18 million pertaining to Bufab's stock market launch. Adjusted for non-recurring items, operating profit was SEK 159 million (148), corresponding to an adjusted operating margin of 9.5 percent (9.7). Earnings were positively impacted by higher net sales and savings in sourcing and logistics, but negatively impacted by higher personnel costs for the sales organisation, primarily in the segment International.

FINANCIAL ITEMS AND TAX

The Group's net financial items amounted to a negative SEK 6 million (neg: 10) in the third quarter, and a negative SEK 15 million (neg: 25) for the nine-month period. Net financial items contained no exchange-rate differences in the third quarter, while the first six months were positively impacted by SEK 2 million.

The Group's profit after financial items was SEK 42 million (41) for the third quarter, and SEK 125 million (125) for the first nine months.

Tax expense was SEK 11 million (11) for the third quarter, and SEK 33 million (32) for the first nine months.

CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

	Quarter 3		***Jan–Sep***	
SEK millions	***2014***	*2013*	***2014***	*2013*
Operating profit	48	51	141	149
Depreciation/amortisation and impairment	8	8	24	24
Other non-cash items	0	-1	0	-2
Changes in working capital	-7	-9	-69	9
Cash flow from activities	**49**	**49**	**96**	**180**
Investments	-15	-3	-31	-9
Operational cash flow	**34**	**46**	**65**	**171**

Operating cash flow amounted to SEK 34 million (46). Lower operating cash flow during the period was mainly a result of higher investment. For the first nine months, operating cash flow was SEK 65 million (171). Lower operating cash flow during the first nine months was primarily due to higher accounts receivable resulting from sales growth.

Working capital as a percentage of net sales was 36.2 percent (35.5). The deterioration was mainly attributable to the reversal of restructuring reserves, which were taken in the fourth quarter of 2012.

At September 30, the Group's net debt totalled SEK 592 million (613) and the debt/equity ratio was 53 percent (63).

Segment Sweden

Third quarter

Order intake amounted to SEK 212 million (237), which was lower than net sales. This was partly due to weaker demand, but also due to lost volumes from one customer to one of our manufacturing subsidiaries. The customer decided to insource the production, and we have not yet fully compensated for the lost volumes.

Net sales amounted to SEK 220 million (218), up 1.2 percent. Net sales were adversely impacted by weaker underlying demand and by customers relocating their production operations from Sweden. While the latter factor was negative for segment Sweden, the impact was favourable for the segment International. In all other respects, we consider our market share unchanged.

Operating profit totalled SEK 29 million (33), corresponding to an operating margin of 13.3 percent (15.0). The adjusted operating profit amounted to SEK 29 (31) MSEK, corresponding to an adjusted operating margin of 13.3 percent (14.3). Both operating profit and the margin were negatively impacted by slightly higher expenses than in the year-earlier period.

January – September

Order intake amounted to SEK 736 million (757), which was lower than net sales.

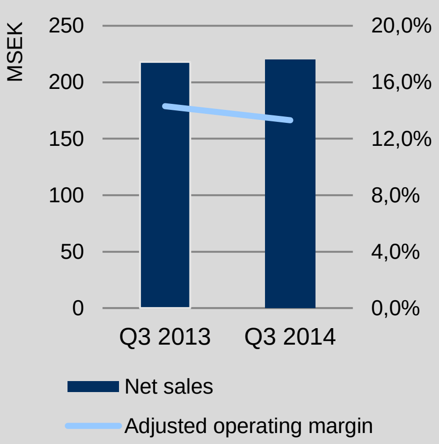
Net sales rose 3.5 percent to SEK 752 million (727). The increase was primarily attributable to slightly improved underlying demand during the first six months. However, the increase was offset by customers' relocating production away from Sweden. In all other respects, we consider our market share unchanged.

Operating profit amounted to SEK 117 million (104), corresponding to an operating margin of 15.5 percent (14.4). Adjusted operating profit amounted to SEK 117 million (103), corresponding to an adjusted operating margin of 15.5 percent (14.2). The operating margin was positively impacted by higher capacity utilisation, as well as savings in purchasing and logistics.

	Quarter 3		*Δ*	*Jan-Sep*		*Δ*	*12 month rolling*		*Δ*
SEK millions	***2014***	*2013*	***%***	***2014***	*2013*	***%***	***2013/14***	*2013*	***%***
Order intake*	**212**	237	-10.2	**736**	757	-2,8	**977**	998	-2.1
Net sales*	**220**	218	1.2	**752**	727	3,5	**995**	970	2.6
Operating profit	**29**	33	-10.4	**117**	104	11,7	**157**	145	8.5
Operating margin, %	**13.3**	15.0		**15.5**	14.4		**15.8**	14.9	
Adjusted operating profit	**29**	31	-6.1	**117**	103	13,3	**157**	143	9.6
Adjusted operating margin, %	**13.3**	14.3		**15.5**	14.2		**15.8**	14.8	

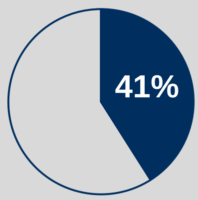
*Pertains to net sales and order intake from external customers.

THE QUARTER IN BRIEF



NET SALES
220MSEK

SHARE OF TOTAL SALES



SALES GROWTH
+1.2%

OPERATING PROFIT
29MSEK

ADJUSTED OPERATING PROFIT
29MSEK

OPERATING MARGIN
13.3%

ADJUSTED OPERATING MARGIN
13.3%

Segment International

Third quarter

Order intake amounted to SEK 316 million (267) and was in line with net sales.

Net sales rose 15.9 percent to SEK 316 million (272). Adjusted for currency effects, the increase was 10.0 percent. The increase was mainly a result of strategic initiatives, which led to higher market shares for the segment, but also, to some extent, to customers relocating their production operations from Sweden.

Operating profit for the period totalled SEK 23 million (27), corresponding to an operating margin of 7.3 percent (9.8). Earnings were positively affected by higher net sales, but negatively affected by higher costs in the segment due to investment in the sales organisation. In the third quarter of 2014, the business mix was somewhat poorer in the International segment than in the year-earlier period. The comparison quarter in 2013 contained positive revaluation items of about SEK 4 million.

January – September

Order intake amounted to SEK 921 million (797) and exceeded net sales.

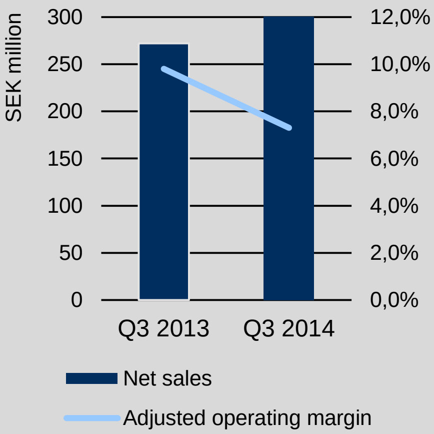
Net sales rose 15.4 percent to SEK 914 million (792). Adjusted for currency effects, the increase in net sales was 11.3 percent. The increase was a result of strategic initiatives, which led to higher market share for the segment, but also, to some extent, to customers relocating their production operations away from Sweden. Improved underlying demand, mainly during the first six months, also made a positive contribution.

Operating profit for the period totalled SEK 63 million (64), corresponding to an operating margin of 6.9 percent (8.1). Earnings were positively affected by higher net sales, but negatively affected by higher costs in the segment due to investment in the sales organisation.

	Quarter 3		Δ	*Jan-Sep*		Δ	*12 month rolling*		Δ
SEK millions	***2014***	*2013*	*%*	***2014***	*2013*	*%*	***2013/14***	*2013*	*%*
Order intake*	**316**	267	18.5	**921**	797	15.6	**1,198**	1,074	11.5
Net sales*	**316**	272	15.9	**914**	792	15.4	**1,183**	1,061	11.5
Operating profit	**23**	27	-13.6	**63**	64	-2.4	**82**	84	-1.9
Operating margin, %	**7.3**	9.8		**6.9**	8.1		**6.9**	7.9	
Adjusted operating profit	**23**	27	-13.6	**63**	64	-2.4	**82**	83	-1.9
Adjusted operating margin, %	**7.3**	9.8		**6.9**	8.1		**6.9**	7.8	

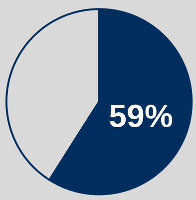
*Pertains to net sales and order intake from external customers.

THE QUARTER IN BRIEF



NET SALES
SEK 316 million

SHARE OF TOTAL SALES



SALES GROWTH
+15.9%

OPERATING PROFIT
SEK 23 million

ADJUSTED OPERATING PROFIT
SEK 23 million

OPERATING MARGIN
7.3%

ADJUSTED OPERATING MARGIN
7.3%

Consolidated Income Statement

	Quarter 3		Jan–Sep	
SEK millions	***2014***	*2013*	***2014***	*2013*
Net sales	536	490	1,667	1,519
Cost of goods sold	-384	-352	-1,175	-1,078
Gross profit	**152**	**138**	**492**	**441**
Distribution costs	-77	-61	-245	-211
Administrative expenses	-28	-29	-111	-86
Other operating income	6	8	19	23
Other operating expenses	-5	-5	-14	-18
Operating profit Note 1	**48**	**51**	**141**	**149**
Profit/loss from financial items				
Interest and similar income	0	0	2	1
Interest and similar expenses	-6	-10	-17	-25
Profit after financial items	**42**	**41**	**125**	**125**
Tax on profit of the period	-11	-11	-33	-32
Profit for the period	**31**	**30**	**92**	**93**

Statement of Comprehensive Income

	Quarter 3		*Jan–Sep*	
SEK millions	***2014***	*2013*	***2014***	*2013*
Profit after tax	**31**	**30**	**92**	**93**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains and losses, net of tax	-	-	-	-
Items that may be reclassified subsequently to profit or loss				
Translation differences	4	-4	16	-3
Other comprehensive income after tax	**4**	**-4**	**16**	**-3**
Total comprehensive income	**35**	**26**	**108**	**90**
Total comprehensive income attributable to:				
Parent company shareholders	35	26	108	90

EARNINGS PER SHARE

	Quarter 3		*Jan–Sep*	
	2014	*2013*	***2014***	*2013*
Earnings per share before dilution, SEK	0.81	0.79	2.42	2.43
Weighted number of shares outstanding before dilution, thousands	38 110,5	38 110,5	38 110,5	38 110,5
Diluted earnings per share, SEK	0.81	0.79	2.42	2.43
Weighted number of shares outstanding after dilution, thousands	38 110,5	38 110,5	38 110,5	38 110,5

NOTE 1: NON-RECURRING ITEMS IN THE PERIOD

	Quarter 3		*Jan–Sep*	
SEK millions	***2014***	*2013*	***2014***	*2013*
Adjusted reserve for antidumping fees	-	1	-	1
Total non-recurring items with effect on gross profit	0	1	0	1
Costs for listing at NASDAQ OMX	-	-	-18	-
Total non-recurring items with effect on operating expenses	0	0	-18	0
Total non-recurring items with effect on operating profit	**0**	**1**	**-18**	**1**

Consolidated Balance Sheet

SEK million	***30-sep-14***	*30-sep-13*	*31-dec-13*
ASSETS			
Non-current assets			
Intangible assets	745	739	739
Property, land and equipment	144	130	145
Financial assets	25	26	25
Total non-current assets	**914**	**895**	**909**
Current assets			
Inventories	670	585	626
Current receivables	516	470	440
Cash and cash equivalents	94	97	98
Total current assets	**1,280**	**1,152**	**1,164**
Total assets	**2,194**	**2,047**	**2,073**
EQUITY AND LIABILITIES			
Equity	**1,121**	**966**	**1,012**
Non-current liabilities			
Non-current liabilities, interest bearing	600	507	479
Non-current liabilities, non-interest bearing	29	25	29
Total non-current liabilities	**629**	**532**	**508**
Current liabilities			
Current liabilities, interest bearing	86	203	227
Current liabilities, non-interest bearing	358	346	326
Total current liabilities	**444**	**549**	**553**
Total equity and liabilities	**2,194**	**2,047**	**2,073**

Consolidated Statement of Changes in Equity

SEK million	***30-sep-14***	*30-sep-13*	*31-dec-13*
Equity at beginning of year	1,012	876	876
Comprehensive income			
Profit after tax	92	93	131
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on pension obligations, net of tax	-	-	1
Items that may be reclassified subsequently to profit or loss			
Translation differences	16	-3	4
Total comprehensive income	**108**	**90**	**136**
Shareholder transactions			
Dividend to Parent Company shareholders	-	-2	-2
Capital paid in through shareholder contributions	1	2	2
Total owner transactions	**1**	**0**	**0**
Equity at end of period	**1,121**	**966**	**1,012**

Consolidated Cash Flow Statement

	Quarter 3		*Jan–Sep*	
SEK million	***2014***	*2013*	***2014***	*2013*
Operating activities				
Profit before financial items	48	51	141	149
Depreciation/amortisation and impairment	8	8	24	24
Interest and other financial costs	-5	-6	-16	-19
Other non-cash items	0	-1	0	-2
Income tax paid	-10	-9	-38	-46
Cash flow from operating activities before changes in working capital	**41**	**43**	**111**	**106**
Changes in working capital				
Increase (-)/decrease (+) in inventories	-12	-12	-36	-2
Increase (-)/decrease (+) in operating receivables	17	29	-64	-9
Increase (+)/decrease (-) in operating liabilities	-12	-26	31	20
Cash flow from operating activities	**34**	**34**	**42**	**115**
Investing activities				
Acquisition of property, plant and equipment	-13	-3	-26	-9
Acquisition of intangible assets	-2	-	-5	-
Cash flow from investing activities	**-15**	**-3**	**-31**	**-9**
Financing activities				
Repayment of borrowings	-4	-17	-17	-97
Cash flow from financing activities	**-4**	**-17**	**-17**	**-97**
Cash flow for the period	**15**	**14**	**-6**	**9**
Cash and cash equivalents at beginning of period	79	84	98	88
Exchange differences	0	-1	2	0
Cash and cash equivalents at end of period	**94**	**97**	**94**	**97**

The Group's Segment Reporting

Sweden	2013 Q 1	2013 Q 2	2013 Q 3	2013 Q 4	2014 Q 1	2014 Q 2	2014 Q 3	2014 Q 4	Accumulated 2013 Q 3	Accumulated 2014 Q 3
Net sales	246	263	218	243	263	269	220		727	752
Operating profit/loss	30	42	33	40	40	47	29		104	117
Operating margin, %	12.0	16.1	15.0	16.7	15.3	17.5	13.3		14.4	15.5
Adjusted operating profit/loss	30	42	31	40	40	47	29		103	117
Adjusted operating margin, %	12.0	16.1	14.3	16.7	15.3	17.5	13.3		14.2	15.5

International	2013 Q 1	2013 Q 2	2013 Q 3	2013 Q 4	2014 Q 1	2014 Q 2	2014 Q 3	2014 Q 4	Accumulated 2013 Q 3	Accumulated 2014 Q 3
Net sales	250	271	272	269	289	310	316		792	914
Operating profit/loss	15	23	27	20	17	23	23		64	63
Operating margin, %	6.0	8.5	9.8	7.3	6.0	7.3	7.3		8.1	6.9
Adjusted operating profit/loss	15	23	27	19	17	23	23		64	63
Adjusted operating margin, %	6.0	8.5	9.8	7.0	6.0	7.3	7.3		8.1	6.9

Other*	2013 Q 1	2013 Q 2	2013 Q 3	2013 Q 4	2014 Q 1	2014 Q 2	2014 Q 3	2014 Q 4	Accumulated 2013 Q 3	Accumulated 2014 Q 3
Net sales	-	-	-	-	-	-	-		-	-
Operating profit/loss	-4	-8	-8	-8	-23**	-10	-5		-20	-39**
Operating margin, %	-	-	-	-	-	-	-		-	-
Adjusted operating profit/loss	-4	-8	-8	-4	-5	-10	-5		-20	-20
Adjusted operating margin, %	-	-	-	-	-	-	-		-	-

*Incl non-distributed group common costs
**incl 18 MSEK pertaining to listing of Bufab shares

Group	2013 Q 1	2013 Q 2	2013 Q 3	2013 Q 4	2014 Q 1	2014 Q 2	2014 Q 3	2014 Q 4	Accumulated 2013 Q 3	Accumulated 2014 Q 3
Net sales	495	534	490	512	552	579	536		1,519	1,667
Operating profit/loss	41	58	51	52	33	60	48		149	141
Operating margin, %	8.2	10.8	10.4	10.2	6.0	10.3	8.9		9.8	8.4
Adjusted operating profit/loss	41	58	49	55	52	60	48		148	159
Adjusted operating margin, %	8.2	10.8	10.1	10.8	9.4	10.3	8.9		9.7	9.5

Consolidated key figures

	Quarter3		Δ	Jan-September		Δ
	2014	2013	%	**2014**	2013	%
Order intake, SEK million	**528**	503	5.0	**1,656**	1,553	6.7
Net sales, SEK million	**536**	490	9.4	**1,667**	1,519	9.7
Gross profit, SEK million	**152**	138	10.1	**492**	441	11.6
Adjusted EBITDA, SEK million	**56**	57	-2.8	**183**	171	6.8
Operating profit, SEK million	**48**	51	-6.5	**141**	149	-5.7
Adjusted operating profit, SEK million	**48**	49	-3.7	**159**	148	7.8
Profit after tax, SEK million	**31**	30	3.0	**92**	93	-0.2
Gross margin, %	**28.4**	28.2		**29.5**	29.0	
Operating margin, %	**8.9**	10.4		**8.4**	9.8	
Adjusted operating margin, %	**8.9**	10.1		**9.5**	9.7	
Net margin, %	**5.8**	6.1		**5.5**	6.1	
Net debt, SEK million	**592**	613	-3.4			
Debt/equity ratio, %	**53**	63				
Net debt / adjusted EBITDA	**2.4**	2.7				
Working capital, SEK million	**828**	709				
Working capital / net sales, %	**36.2**	35.5				
Equity/assets ratio, %	**51**	47				
Operating cash flow, SEK million	**34**	46		**65**	171	
Earnings per share, SEK	**0.81**	0.79		**2.42**	2.43	

For definitions, see page 17.

Parent Company Income Statement

	Quarter 3		Jan–Dec	
SEK million	***2014***	*2013*	***2014***	*2013*
Administrative expenses*	-2	-3	-23	-8
Other operating income	1	1	3	3
Operating loss	**-1**	**-2**	**-20**	**-5**
Profit/loss from financial items				
Interest and similar expenses	0	0	0	0
Loss after financial items	**-1**	**-2**	**-20**	**-5**
Appropriations	-	-	-	-
Tax on profit of the period	0	0	4	1
Profit for the period	**-1**	**-2**	**-16**	**-4**
Other comprehensive income	-	-	-	-
Total comprehensive income	**-1**	**-2**	**-16**	**-4**

*Incl 18 MSEK in Q1 relating to the listing of Bufab shares on NASDAQ Stockholm

Parent Company Balance Sheet

SEK millions	***30-sep-14***	*30-sep-13*	*31-dec-13*
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	845	845	845
Total non-current assets	845	845	845
Current assets			
Receivables from Group companies	342	226	341
Other receivables	28	22	7
Cash and cash equivalents	3	0	3
Total current assets	373	248	351
Total assets	**1,218**	**1,093**	**1,196**
EQUITY AND LIABILITIES			
Equity	869	817	884
Untaxed reserves	58	31	58
Non-current interest-bearing liabilities			
Other non-current liabilities	-	-	-
Total non-current liabilities	0	0	0
Current non-interest-bearing liabilities			
Liabilities to Group companies	289	242	250
Other current liabilities	2	3	4
Total current liabilities	291	245	254
Total equity and liabilities	**1,218**	**1,093**	**1,196**

Other information

ACCOUNTING POLICIES

This interim report has been prepared pursuant to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Swedish Annual Accounts Act, Chapter 9 and the Swedish Financial Reporting Board's recommendation RFR 2.

The accounting policies applied correspond to the accounting policies and measurement principles presented in the 2013 Annual Report. The 2013 Annual Report is available at www.bufab.com.

RISKS AND RISK MANAGEMENT

Exposure to risk is a natural part of business activity and this is reflected in Bufab's approach to risk management. The aim is to identify and prevent risks and to limit any loss or damage from these risks. The main risks to which the Group is exposed are related to the impact of the economy on demand. For further information, see Note 3 of the 2013 Annual Report.

SEASONAL VARIATIONS

Bufab has no essential seasonal variation but sales could vary throughout the year depending on the number of customers' production days in each quarter. Sales and operating profit are normally lowest in the third quarter.

RELATED-PARTY TRANSACTIONS

During the first quarter, the redemption of preference shares, as well as an offset issue, were implemented and one Board member utilised his warrants. There were no other related-party transactions during the period.

EMPLOYEES

The number of employees in the Group as of 30 September 2014 was 815 (776 at 30 September 2013).

2015 ANNUAL GENERAL MEETING

The Annual General Meeting for Bufab Holding AB (publ) will be held in Värnamo, on 5 May 2015 at 2:00 p.m.

Nomination Committee

In accordance with a decision adopted by Bufab's AGM on 5 May 2014, the members of the Nomination Committee prior to the 2015 Annual General Meeting are to be appointed from the company's four largest shareholders, in terms of votes, who, when asked, expressed their desire to participate in the Nomination Committee's work. The Nomination Committee shall also include the Chairman of the Board of Bufab. The Nomination Committee has been appointed by Bufab S.à.r.l, Lannebo fonder, Carnegie fonder and Fondita Nordic Micro Cap SR. They have each appointed a representative who, together with the Chairman of the Board of Bufab, will comprise Bufab's Nomination Committee, as set out below. The members of the Nomination Committee are: Joakim Andreasson (Chairman), Bufab S.à.r.l, Johan Ståhl, Lannebo, Hans Hedström, Carnegie fonder, Magnus von Knorring, Fondita and Sven-Olof Kulldorff, Chairman of the Board of Bufab Holding AB (publ). The Nomination Committee will prepare recommendations for the 2015 AGM 2015 regarding appointment of the Meeting's Chairman, Board members, the Chairman of the Board, remuneration of the Board, auditor, auditor fees and any changes to the Nomination Committee's instructions. Shareholders wishing to submit proposals to the Nomination Committee should send an e-mail to valberedning@bufab.com.

CONTINGENT LIABILITIES

2009 tax year

The Swedish Tax Agency has denied Bufab certain deductions for interest expenses for the 2009 financial year upon the same grounds that deductions were denied for the 2011 and 2012 tax years. The background to disallowing the deductions is a change of rules for deducting interest on loans in a community of interest. Bufab, supported by leading tax experts, does not share the Swedish Tax Agency's view and will appeal the Tax Agency's decision in the Administrative Court. Should Bufab be denied deductions for the 2009 financial year in the final court of appeal, this would entail an additional tax expense of SEK 4 million. No provision has been made. There were no other changes to the company's contingent liabilities during the period.

AUDIT REVIEW REPORT

This interim report has been reviewed by the company's auditors.

FINANCIAL REPORTING DATES

Year-end report January – December

20 February 2015

Annual General Meeting in Värnamo on 5 May 2015.

Värnamo, November 4 2014

Jörgen Rosengren

President and CEO

Report of Review of Interim Financial Information

Introduction
We have reviewed the condensed interim financial information (interim report) of Bufab Holding AB (publ) (556685-6240) as of 30 September 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Göteborg 4 November 2014

Öhrlings PricewaterhouseCoopers AB

Bror Frid

Authorized Public Accountant

DEFINITION OF KEY RATIOS

Gross margin, %
Gross profit as a percentage of net sales during the period

Adjusted gross profit
Gross profit adjusted for non-recurring items

Adjusted gross margin, %
Adjusted gross profit as a percentage of net sales during the period

EBITDA
Operating profit before depreciation, amortisation and impairment

Adjusted EBITDA
Adjusted operating profit before depreciation, amortisation and impairment

Operating margin, %
Operating profit as a percentage of net sales during the period

Adjusted operating profit
Operating profit adjusted for non-recurring items

Adjusted operating margin, %
Adjusted operating profit as a percentage of net sales during the period

Net debt
Interest-bearing liabilities less interest-bearing assets, calculated at the end of the period

Debt/equity ratio, %
Net debt divided by equity, calculated at the end of the period

Net debt/Adjusted EBITDA

Net debt at the end of the period in relation to adjusted EBITDA in the last twelve months

Working capital
Total current assets less cash and cash equivalents less current non-interest-bearing liabilities, calculated at the end of the period

Working capital/net sales, %
Average working capital (calculated as the average of the past four quarters) as a percentage of net sales in the last twelve months

Equity/assets ratio, %
Equity as a percentage of total assets, calculated at the end of the period

Operating cash flow
Operating profit adjusted for depreciation/amortisation, impairment and other non-cash items less changes in working capital and investments

Earnings per share
Profit after tax divided by the average number of common shares adjusted for the set-off issue and the 80:1 share split that were conducted during the first quarter 2014

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CONFERENCE CALL

A conference call will be held on 4 November 2014 at 10.00 CET. Jörgen Rosengren, President & CEO and Thomas Ekström, CFO will present the result. The call will be held in English.

In order to participate, please use one of the following numbers; +44 (0) 1452 555566, UK 08444933800, Luxembourg 20880695, Sweden 0850336434 or US 16315107498. Conference code: 25002839.

Please call 5-10 minutes ahead, since there is a brief registration process.

This information has been published in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act or the regulations of NASDAQ Stockholm. The information was submitted for publication at 4 November 2014 at 08.00.

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