

B&B TOOLS sells logistics properties – and concludes its ongoing restructuring programme

B&B TOOLS has today sold the Group's major logistics properties in Ulricehamn and Alingsås. Earnings generated by the property sales, decisions concerning new restructuring initiatives and the effects of the previously communicated programme for increased efficiency at TOOLS Sweden entail that the B&B TOOLS Group will reduce its total operating costs by approximately MSEK 140 (net) on an annual basis, with full effect in spring 2013. The property sales will improve net financial items by approximately MSEK 20 on an annual basis.

Property sales

The properties were sold by conveyance of all shares in the companies that own each respective property. The purchaser is the listed property company FastPartner. Both the share transfers and possession will take effect as of today, 3 December.

The sales are estimated to generate a capital gain of approximately MSEK 245 and a positive cash flow of approximately MSEK 375 for the Group. Leases have been signed in conjunction with the property sales, entailing that B&B TOOLS will lease the properties for a period of 15 years on market terms.

The Group owns additional properties in Sweden and Finland, with an estimated value of approximately MSEK 200.

Restructuring measures

The ongoing introduction of new IT and logistics solutions, joint accounting administration and other similar measures (new business infrastructure) in TOOLS Sweden is drawing to an end and are scheduled for completion as an implementation project during spring 2013.

As previously communicated, the implications of a programme for increased efficiency for TOOLS Sweden entail that the operations, based on the cost base that applied in summer 2012 as a reference, will reduce its operating costs by approximately MSEK 100 on an annual basis. The programme affects some 200 positions in the operations and is defined so that non-recurring costs will typically not arise within its framework.

Other potential also exists for enhancing the efficiency of the operations due to the approaching conclusion of the restructuring measures.

- *A joint product range* has been defined for TOOLS Sweden. A joint range enhances business efficiency and strengthens the customer offering. However, the move to a joint range will entail a phase-out of many items, and is also the reason why the value of these items will be impaired.
- *Floor space and fittings* that have previously been used for local storage and logistics and so forth, will become redundant. Such resources will be divested or otherwise reduced.
- The need for *Group-wide functions* will decline. As a result, decisions have been made to reduce the scope of the Group's joint functions.

To realise the full potential of these measures, the Board has resolved to implement additional restructuring initiatives. These initiatives will further reduce annual operating costs by approximately MSEK 40, with consideration of increased leasing expenses (pertaining to the property sales), and comprise a significant step toward the goal for an inventoried product range for the TOOLS operations.

Non-recurring costs

These additional restructuring and readjustment initiatives entail total non-recurring costs of approximately MSEK 190, and will comprise a restructuring reserve of approximately MSEK 115, impairments of approximately MSEK 65 and approximately MSEK 10 in non-recurring costs that will be charged in the third quarter of 2012/2013 pertaining to readjustment costs to new business infrastructure. Of these non-recurring costs, approximately MSEK 115 will have an adverse impact on the future cash flow.

Interim Report for the third quarter 2012/2013 (October-December)

In the Interim Report for the third quarter 2012/2013, which will be published on 14 February 2013, B&B TOOLS will consequently report non-recurring income of approximately MSEK 245 (pertaining to capital gain on sales of properties), and non-recurring costs of approximately MSEK 190 (as a result of decisions concerning further restructuring initiatives and readjustment costs as set out above). Non-recurring items will thus amount to an income of MSEK +55, net. The equity/assets ratio will improve approximately 3 percentage points (net), as a result of property sales and restructuring measures.

"By reducing the Group's total annual operating costs by approximately MSEK 140, net, we have laid the basis for focusing fully on a gradual improvement of the operations' profitability, based fully on the needs of our *customers*," says Ulf Lilius, President & CEO. "The wide range of activities we have implemented is aimed at creating an efficient operational engine and we will continue to develop B&B TOOLS as the obvious choice for all of the Group's existing and prospective customers."

Stockholm, 3 December 2012

B&B TOOLS AB (publ)

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