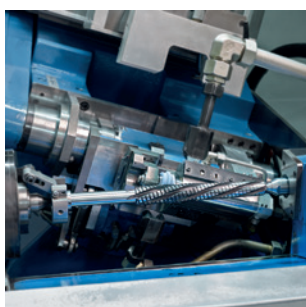




Interim report

1 January – 30 September 2014



Interim report 1 January – 30 September 2014

THE INTERIM PERIOD

Continuing operations

- Net revenue totalled SEK 706 million (715)
- Profit before tax amounted to SEK 46 million (51)
- Profit after tax amounted to SEK 36 million (40)
- Earnings per share were SEK 5.30 (5.80)

Group total

- Net revenue totalled SEK 951 million (1,154)
- Profit before tax amounted to SEK 70 million (116) and includes non-recurring items totalling SEK 0 million (16)
- Profit after tax amounted to SEK 54 million (94)
- Earnings per share were SEK 8.00 (13.80)

- The spin-off and separate listing of AGES took place in May
- A change in CEO took place on 1 July

THE THIRD QUARTER

Continuing operations

- Net revenue totalled SEK 205 million (204)
- Profit before tax amounted to SEK 12 million (11)
- Profit after tax amounted to SEK 9 million (9)
- Earnings per share were SEK 1.40 (1.30)

Group total

- Net revenue totalled SEK 205 million (340)
- Profit before tax amounted to SEK 12 million (26)
- Profit after tax amounted to SEK 9 million (21)
- Earnings per share were SEK 1.40 (3.00)

This report states whether the information provided refers to the entire Group or continuing operations, i.e. the Group excluding AGES (the spun-off Precision Components business unit). AGES is included as part of the Group as a whole up to and including 30 April this year and the full interim period last year.

CEO's comments on the Group's development during the period

Continuing operations

During the third quarter revenue was on a par with that of the corresponding period in the previous year, while operating profit improved from SEK 13 million to SEK 15 million.

For the nine-month period as a whole, the Group is reporting revenue and profit levels which are both slightly below those seen in the comparison period. The Precision Technology and Rotational Moulding business units are exceeding the previous year's results, but Industrial Solutions is failing to match its strong figures from 2013.

The second half of the year began with a somewhat slow order intake, with a cautious market situation in general within the Group's area of operations.

Revenue

The interim period

Net revenue for continuing operations totalled SEK 706 million (715). Net revenue was SEK 245 million (441) for spin-off operations and SEK 951 million (1,154) for the Group as a whole.

The third quarter

Net revenue for continuing operations totalled SEK 205 million (204). Net revenue was SEK 0 million (137) for spin-off operations and SEK 205 million (340) for the Group as a whole.

Profit

The interim period

Operating profit for continuing operations amounted to SEK 55 million (62), corresponding to an operating margin of 7.8 per cent (8.6). Profit before tax was SEK 46 million (51). Profit before tax for spin-off operations amounted to SEK 24 million (51) and includes non-recurring items totalling SEK 0 million (2). Profit before tax for discontinued operations amounted to SEK 0 million (14). The Group as a whole reported profit before tax amounting to SEK 70 million (116) including non-recurring items totalling SEK 0 million (16).

The third quarter

Operating profit for continuing operations amounted to SEK 15 million (13). Profit before tax was SEK 12 million (11). Profit before tax for spin-off operations amounted to SEK 0 million (15). The Group as a whole reported profit before tax amounting to SEK 12 million (26).

Share data and key figures*The interim period*

Earnings per share for continuing operations were SEK 5.30 (5.80). Earnings per share for the Group as a whole amounted to SEK 8.00 (13.80). Equity per share was SEK 50.25 (90.75). The average number of outstanding shares was 6,788,974 during the period. The equity/assets ratio was 37 per cent (40) at the end of the period. The average number of employees was 675 (664) for continuing operations.

Important events during the period

Solna Pressgjuteri AB and ADC of Sweden AB were acquired in April. Consolidation in XANO was effective as of 1 April 2014 and has had a negligible impact on the Group's results and financial position. The entities were initially a part of XANO's Precision Components business unit. The acquisitions will have no impact on revenue or profit for continuing operations.

Following a decision taken at the AGM on 8 May 2014, the Precision Components business unit has been spun off from XANO to form an independent group of companies. The parent company of the new group, AGES Industri AB, has been listed on NASDAQ OMX First North Premier.

On 1 July 2014, former Deputy CEO Lennart Persson took over as CEO. He succeeded Sune Lantz, who has taken on a number of board positions, including at XANO.

Events after the end of the period

There are no individual events of major significance to report after the balance sheet date.

Activities and organisation

XANO comprises industrial companies with operations in Sweden, Estonia, Finland, Norway, China and Poland. The companies all operate within well-defined niches and possess a high level of expertise within their respective technical areas. The Group's operations are divided into three business units: Industrial Solutions, Precision Technology and Rotational Moulding.

Industrial Solutions

Industrial Solutions supplies automation solutions to the food and medical technology industries, in addition to packaging machines for beverage and other food packaging. The unit also supplies manufacturers of furniture and fittings with parts such as hand wheels, handles and adjustable feet.

	2014 Q1-Q3	2013 Q1-Q3	2013 Full year
Sales, SEK m	402	438	623
Operating profit, SEK m	34	46	71
Operating margin, %	8.5	10.6	11.3

Revenue fell by 8 per cent and operating profit by 26 per cent compared to the first nine months of 2013. The weaker results are primarily explained by the year's lower number of project deliveries to the packaging industry and restrictiveness shown by a few key customers as well as the strength of the comparison period. Sales of parts for furniture and fittings have continued to develop positively. The market conditions differ between product segments, but on the whole they are characterised by a certain amount of restraint.

Precision Technology

Precision Technology comprises component and system manufacture through advanced cutting machining of metal and plastic for the production of components with stringent requirements for quality and precision.

	2014 Q1-Q3	2013 Q1-Q3	2013 Full year
Sales, SEK m	147	140	190
Operating profit, SEK m	15	11	12
Operating margin, %	10.3	7.7	6.6

Compared to the corresponding period of the previous year, revenue was 5 per cent higher, while operating profit increased by 40 per cent. All the companies in the business unit are reporting stronger operating margins as a result of focused and targeted structural measures. Since the summer the order intake has been more irregular than before and this, in combination with a general reticence within affected sectors, is partly responsible for future development being difficult to judge.

Rotational Moulding

Rotational Moulding manufactures plastic products in the form of components and systems through rotational moulding. Deliverables include both customer-specific and in-house developed products.

	2014 Q1-Q3	2013 Q1-Q3	2013 Full year
Sales, SEK m	158	136	173
Operating profit, SEK m	18	16	16
Operating margin, %	11.6	11.9	9.0

Invoicing was 16 per cent higher and operating profit rose by 12 per cent compared with the corresponding period last year. This business unit usually has a seasonal slow-down in the second half of the year, and the order intake has also been irregular since the summer. The market situation is characterised by continued short-sightedness and is generally somewhat cautious, but there are variations between the business unit's different product segments and geographic markets.

Spin-off operations

Precision Components (AGES Group)

The Precision Components business unit was spun off and listed separately during the second quarter. The business unit is included in the Group figures up to and including 30 April 2014. See specification on page 8.

Investments

During the interim period, the Group's net investments in non-current assets amounted to SEK -449 million (-20), of which SEK 31 million related to corporate transactions, SEK 6 million to real estate, SEK 50 million to machinery and equipment and SEK -536 million to the spin-off of AGES.

Net investments during the third quarter came to SEK 11 million (10), of which SEK 1 million related to real estate and SEK 10 million to machinery and equipment.

Cash flow and liquidity

Cash flow from operating activities for the Group as a whole totalled SEK 53 million (142) in the period. Lower profit due to the spin-off of AGES and a greater tying up of capital, mainly through higher trade receivables, have contributed to the reduced cash flow.

The Group's liquid assets, including lines of credit granted but not utilised, totalled SEK 223 million on the balance sheet date.

Convertible bond programme

Due to the distribution of the shares in AGES Industri AB to the XANO shareholders, the conversion rate for XANO convertible 2012/2016 has been recalculated in accordance with section 8E of the terms and conditions. The recalculated conversion rate is SEK 51. The original conversion rate was SEK 109.

If all convertibles are converted to shares, share capital will be increased by a maximum of SEK 2,941,170. The dilution will then be approx. 8 per cent of the share capital and approx. 2 per cent of the number of votes.

Risks and uncertainty factors

The Group's main risk and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

A statement on the Group's main financial and operational risks can be found on pages 73 and 74 of the annual report for 2013. No additional significant risks are deemed to have arisen.

Accounting policies

As with the annual financial statements for 2013, the consolidated financial statements for 2014 are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the recommendations and statements of the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34.

The Group applies the same accounting policies as described in the annual report for 2013 with the following exceptions as a result of new or revised standards, interpretations and improvements, which are applied as of 1 January 2014:

- » IFRS 10 Consolidated Financial Statements
- » IFRS 11 Joint Arrangements
- » IFRS 12 Disclosure of Interests in Other Entities
- » Amendments to IAS 27, IAS 28, IAS 32, IAS 36 and IAS 39

Their application has not had any effect on the Group's financial performance or position.

The spinning off of the Precision Components business unit with the parent company AGES Industri AB was decided on and executed in 2014. Profit from the operating activities of spun-off entities is recognised in accordance with IFRS 5 as spin-off/discontinued operations.

In addition to this, a capital gain from the 2013 sale of a property in Tallinn has been reclassified to profit from discontinued operations.

Next report date

The year-end report for the 2014 financial year will be presented on Thursday 5 February 2015.

Jönköping, 6 November 2014

Lennart Persson
CEO

Consolidated statement of comprehensive income	2014 3 mths Jul-Sep	2013 3 mths Jul-Sep	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	13/14 12 mths Oct-Sep	2013 12 mths Jan-Dec
(SEK million)						
Net revenue	205	204	706	715	980	989
Cost of goods sold	-162	-163	-551	-559	-766	-774
Gross profit	43	41	155	156	214	215
Other operating income	1	1	4	6	6	8
Selling expenses	-20	-19	-69	-64	-94	-89
Administrative expenses	-8	-10	-32	-32	-44	-44
Other operating expenses	-1	0	-3	-4	-4	-5
Operating profit	15	13	55	62	78	85
Financial items	-3	-2	-9	-11	-11	-13
Profit before tax	12	11	46	51	67	72
Tax	-3	-2	-10	-11	-16	-17
Net profit for continuing operations	9	9	36	40	51	55
Profit from spin-off/discontinued operations ^{1, 2)}	–	12	18	54	27	63
Net profit for the period	9	21	54	94	78	118
OTHER COMPREHENSIVE INCOME						
<i>Items that may be reclassified to net profit</i>						
Change in hedging reserve including tax ³⁾	-1	0	-7	6	-7	6
Translation differences ⁴⁾	5	-3	8	1	11	4
Other comprehensive income for the period	4	-3	1	7	4	10
Comprehensive income for the period	13	18	55	101	82	128

Depreciation for continuing operations constitutes

-11

-11

-32

-31

-42

-41

Depreciation for the Group as a whole constitutes

-11

-17

-41

-51

-58

-68

Tax amounts to 22 per cent (19) for the interim period. Tax-exempt capital gains on the sale of real estate contributed to the lower tax cost for 2013.

¹⁾ Profit from discontinued operations relates to capital gain from the sale of a property in Tallinn and constitutes non-recurring items totalling SEK 0 million (14) in the interim period and SEK 14 million for 2013 as a whole. See specification on page 8.²⁾ Profit from spin-off operations relates to the Precision Components business unit (AGES). The business unit is included in the Group figures up to and including 30 April 2014. The amounts include non-recurring items attributable to capital gains from the sale of real estate totalling SEK 0 million (2) in the interim period and SEK 2 million for 2013 as a whole. See specification on page 8.³⁾ Refers to the effective component of the change in value of derivative instruments used for hedge accounting.⁴⁾ Refers to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.

ADC of Sweden AB and Solna Pressgjuteri AB were consolidated as of 1 April 2014. See specification on page 8.

Share data	2014 3 mths Jul-Sep	2013 3 mths Jul-Sep	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	2013 12 mths Jan-Dec
Average number of outstanding shares, thousands	6,789	6,789	6,789	6,789	6,789
Average number of outstanding shares after dilution, thousands	7,377	7,064	7,240	7,064	7,064
Average number of shares in own custody, thousands	140	140	140	140	140
Basic earnings per share for continuing operations, SEK ¹⁾	1.40	1.30	5.30	5.80	8.00
Basic earnings per share for the Group as a whole, SEK ¹⁾	1.40	3.00	8.00	13.80	17.40
Diluted earnings per share for continuing operations, SEK ¹⁾	1.30	1.30	5.10	5.75	7.90
Diluted earnings per share for the Group as a whole, SEK ¹⁾	1.30	2.90	7.65	13.40	16.90
Cash flow from operating activities per share for the Group as a whole, SEK	1.95	6.75	7.75	20.95	23.70
Total number of shares on balance sheet date, thousands			6,929	6,929	6,929
Number of shares in own custody on balance sheet date, thousands			140	140	140
Equity per share on balance sheet date, SEK			50.25	90.75	94.80
Share price on balance sheet date, SEK			109.50	197.00	238.00

After deduction for the company's own holding, 140,000 Class B shares, the number of outstanding shares is 6,788,974.

On 1 July 2012, convertibles for a nominal value of SEK 29,999,961 were issued. The convertibles accrue interest corresponding to STIBOR 3M plus 2.7 per cent and are due for payment on 30 June 2016. The conversion rate was originally SEK 109. Due to the distribution of the shares in AGES Industri AB to the XANO shareholders, the conversion rate has been recalculated in accordance with section 8E of the terms and conditions. The recalculated conversion rate is SEK 51. After recalculation, the convertible loan corresponds to 588,234 Class B shares in the event of full conversion. From 1 May 2014, the average number of outstanding shares after dilution has increased by the number of shares which will exist on full conversion as a result of a recalculated conversion rate.

¹⁾ Based on net profit for the period.

Consolidated statement of financial position (SEK million)	2014 30 Sep	2013 30 Sep	2013 31 Dec
ASSETS			
Goodwill	172	499	499
Other intangible non-current assets	7	9	9
Property, plant and equipment	333	468	490
Other non-current assets	7	8	6
Total non-current assets	519	984	1,004
Inventories	182	254	247
Current receivables	201	273	278
Cash equivalents	28	18	28
Total current assets	411	545	553
TOTAL ASSETS	930	1,529	1,557
EQUITY AND LIABILITIES			
Equity	341	616	643
Non-current liabilities	252	438	440
Current liabilities ¹⁾	337	475	474
TOTAL EQUITY AND LIABILITIES	930	1,529	1,557

Interest-bearing liabilities for the Group as a whole constitute

344 547 577

Deferred tax liabilities constitute

35 81 83

The Precision Components business unit (AGES) was spun off in May. Distributed assets and liabilities are specified on page 8.

¹⁾ Current liabilities include derivatives valued at fair value of SEK 14 million (4) for the interim period and SEK 5 million for 2013 as a whole. The derivatives are used for hedging purposes and belong to value level two under IFRS 13. The fair value valuation is based on, among other factors, forward interest rates produced on the basis of observable yield curves.

Statement of changes in equity (SEK million)	2014 30 Sep	2013 30 Sep	2013 31 Dec
Opening balance	643	539	539
Comprehensive income for the period	55	101	128
Dividend paid in cash	-27	-24	-24
Dividend paid by distribution of shares in subsidiary	-330	–	–
Closing balance	341	616	643

Cash flow statement (SEK million)	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	13/14 12 mths Oct-Sep	2013 12 mths Jan-Dec
Operating profit	82	135	122	175
Interest and income tax paid/received and adjustments for non-cash items	7	-14	20	-1
Change in working capital	-36	21	-70	-13
Cash flow from operating activities	53	142	72	161
Investments	-73	46	-94	25
Cash flow after investments	-20	188	-22	186
Financing	18	-234	29	-223
Cash flow for the period	-2	-46	7	-37
Cash and cash equivalents at the start of the period	28	64	18	64
Exchange rate differences in cash and cash equivalents	2	0	3	1
Cash and cash equivalents at the end of the period	28	18	28	28

The cash flow statement refers to the whole Group.

2014 have seen the acquisition of ADC of Sweden AB and Solna Pressgjuteri AB, while the Precision Components business unit has been spun off to the shareholders. See specification on page 8.

In the cash flow statement, SEK 28 million (71) of the cash flow from operating activities, SEK -50 million (-423) of the cash flow from investing activities and SEK 23 million (353) of the cash flow from financing activities related to spun-off entities. Of the investments made in 2013, SEK -420 million concerned intra-Group transactions. In addition to this, SEK 0 million (59) of the cash flow from investing activities related to a sold property recognised as discontinued operations.

Key ratios	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	13/14 12 mths Oct-Sep	2013 12 mths Jan-Dec
Operating margin for continuing operations, %	7.8	8.6	7.9	8.6
Operating margin for the Group as a whole, %	8.6	11.7	8.7	11.0
Profit margin for continuing operations, %	6.5	7.1	6.9	7.2
Profit margin for the Group as a whole, %	7.4	10.0	7.5	9.4
Return on equity p.a., % ¹⁾	14.7	21.4	15.2	19.8
Return on capital employed p.a., % ¹⁾	11.6	15.2	12.4	14.7
Return on total capital p.a., % ¹⁾	8.9	11.5	9.4	11.2
Interest coverage ratio, multiple ¹⁾	6.1	6.4	6.1	6.4
Equity, SEK m ¹⁾	341	616	341	643
Equity/assets ratio, % ¹⁾	37	40	37	41
Proportion of risk-bearing capital, % ¹⁾	40	46	40	47
Net investments for continuing operations, SEK m ²⁾	37	-482	57	-462
Net investments for the Group as a whole, SEK m ³⁾	-449	-20	-413	16
Average number of employees for continuing operations	675	664	672	664
Average number of employees for the Group as a whole	833	992	879	998

For definitions, see page 87 of the 2013 annual report.

¹⁾ Refers to the Group as a whole.

²⁾ Of the investments made in 2013, SEK -500 million concerned intra-Group transactions.

³⁾ Of the investments made in 2014, SEK -536 million concerned the spin-off of AGES.

Quarterly summary	2014 Q3	2013 Q3	2014 Q2	2013 Q2	2014 Q1	2013 Q1	2013 Q4	2012 Q4
Net revenue for continuing operations, SEK m	205	204	271	266	230	245	274	240
Gross profit for continuing operations, SEK m	43	41	60	66	52	49	59	49
Operating profit for continuing operations, SEK m	15	13	22	30	18	19	23	20
Profit before tax for continuing operations, SEK m	12	11	19	28	15	12	21	17
Net profit for the period for continuing operations, SEK m	9	9	15	22	12	9	15	19
Net profit for the period for the Group as a whole, SEK m ¹⁾	9	21	19	35	26	38	24	17
Comprehensive income for the period, SEK m ¹⁾	13	18	20	44	22	39	27	18
Operating margin for continuing operations, %	7.2	6.6	8.3	11.5	7.7	7.3	8.3	8.1
Equity/assets ratio, % ¹⁾	37	40	36	38	40	37	41	32
Earnings per share for continuing operations, SEK ²⁾	1.40	1.30	2.15	3.15	1.75	1.35	2.20	2.80
Earnings per share for the Group as a whole, SEK ¹⁾	1.40	3.00	2.80	5.15	3.80	5.65	3.60	2.40
Cash flow from operating activities per share, SEK ¹⁾	1.95	6.75	6.15	6.60	-0.35	7.60	2.75	2.05

¹⁾ Refers to the Group as a whole.

²⁾ Based on net profit for the period for continuing operations.

Net revenue and profit/loss by segment

Net revenue and provisions by segment												
(SEK million)	Q1-Q3 2014				Q1-Q3 2013				Q1-Q4 2013			
	Net revenue			Profit/loss before tax ¹⁾	Net revenue		Profit/loss before tax ¹⁾	Net revenue		Profit/loss before tax ¹⁾		
	External	Internal	Total		External	Internal		Total	External		Internal	Total
Industrial Solutions	402	0	402	32	438	0	438	43	623	0	623	67
Precision Technology	146	1	147	13	140	0	140	8	189	1	190	9
Rotational Moulding	158	0	158	17	136	0	136	14	173	0	173	12
Eliminations	–	-1	-1	–	–	0	0	–	–	-1	-1	–
Undistributed items	–	–	–	-16	1	–	1	-14	4	–	4	-16
Continuing operations	706	–	706	46	715	–	715	51	989	–	989	72

The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Solutions, Precision Technology and Rotational Moulding. The operations within each segment are described on pages 3 and 4. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments.

In 2014, all segments have boosted their total operating assets, such as inventories and trade receivables.

In May 2014, the Precision Components segment was separated from the Group by means of a spin-off. Revenue and profit for this segment can be seen in the specification on page 8.

¹⁾ The profit/loss figure refers to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items mainly refer to the Parent Company.

Income statements (SEK m)	Continuing operations		Profit from spin-off operations ¹⁾		Profit from discontinued operations ²⁾		Internal revenue		Total	
	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep
Net revenue	706	715	245	441	–	–	0	-2	951	1,154
Cost of goods sold	-551	-559	-202	-360	–	–	0	1	-753	-918
Gross profit/loss	155	156	43	81	0	0	0	-1	198	236
Other operating income ³⁾	4	6	0	4	–	14	–	–	4	24
Selling expenses	-69	-64	-10	-16	–	–	0	0	-79	-80
Administrative expenses	-32	-32	-6	-9	–	–	0	0	-38	-41
Other operating expenses	-3	-4	0	0	–	–	–	–	-3	-4
Operating profit/loss	55	62	27	60	0	14	0	-1	82	135
Financial items	-9	-11	-3	-8	–	–	–	–	-12	-19
Profit/loss after financial items	46	51	24	52	0	14	0	-1	70	116
Group-wide costs	–	–	–	-1	–	–	–	1	–	–
Profit before tax	46	51	24	51	0	14	0	0	70	116
Tax	-10	-11	-6	-11	–	–	–	–	-16	-22
Net profit for the period	36	40	18	40	0	14	0	0	54	94
Basic earnings per share, SEK ⁴⁾	5.31	5.80	2.71	5.85	–	2.13	–	–	8.02	13.78
Diluted earnings per share, SEK ⁴⁾	5.12	5.73	2.55	5.62	–	2.05	–	–	7.67	13.40
	2013 12 mths Jan-Dec		2013 12 mths Jan-Dec		2013 12 mths Jan-Dec		2013 12 mths Jan-Dec		2013 12 mths Jan-Dec	
Net revenue	989		608		–		-4		1,593	
Cost of goods sold	-774		-498		–		1		-1,271	
Gross profit/loss	215		110		0		-3		322	
Other operating income ³⁾	8		5		14		–		27	
Selling expenses	-89		-23		–		0		-112	
Administrative expenses	-44		-12		–		0		-56	
Other operating expenses	-5		-1		–		–		-6	
Operating profit/loss	85		79		14		-3		175	
Financial items	-13		-12		–		–		-25	
Profit/loss after financial items	72		67		14		-3		150	
Group-wide costs	–		-3		–		3		–	
Profit before tax	72		64		14		0		150	
Tax	-17		-15		–		–		-32	
Net profit for the period	55		49		14		0		118	
Basic earnings per share, SEK ⁴⁾	8.02		7.21		2.15		–		17.38	
Diluted earnings per share, SEK ⁴⁾	7.92		6.93		2.06		–		16.91	

¹⁾ Spin-off operations refer to the Precision Components business unit (AGES). The business unit was consolidated up to and including 30 April 2014.

²⁾ Profit from discontinued operations relates to the sale of a property in Tallinn. This sale, which was completed in February 2013, led to a capital gain which was reclassified in 2014 to profit from discontinued operations. Profit from the operating property activities is negligible and has therefore not been reclassified.

³⁾ For 2013, non-recurring items amounted to SEK 2 million in profit from spin-off operations and SEK 14 million in profit from discontinued operations, totalling SEK 16 million.

⁴⁾ Based on net profit for the period.

ADC of Sweden AB and Solna Pressgjuteri AB were acquired in April 2014. Solna Pressgjuteri is a system supplier of processed aluminium and zinc castings. Deliverables comprise moulded, machined and assembled components and systems for sectors such as automotive, defence and marine. ADC of Sweden in Kultorp is a full-scale system supplier of processed aluminium castings. Together, the operations have 55 employees. Total revenue amounts to approx. SEK 80 million with an operating margin of approx. 10 per cent. The purchase price, paid in cash, amounted to SEK 40 million. The balance sheet total of the acquired companies amounted to approx. SEK 35 million, of which approx. SEK 15 million constituted equity. Solna Pressgjuteri and ADC of Sweden were initially a part of XANO's Precision Components business unit and provided existing operations in die casting with additional competence and access to new market segments. Consolidation of the acquired entities in XANO was effective as of 1 April 2014. These businesses have contributed SEK 6 million in net revenue and SEK 0 million in net profit after the deduction of write-offs from surplus values and financial costs attributable to the acquisition. If the acquired entities had been included in the Group during the whole interim period, revenue for spin-off operations would have amounted to SEK 268 million, while the net profit for the period for spin-off operations would have been SEK 19 million after the financial costs attributable to the acquisitions. The acquisitions will have no impact on revenue or profit for continuing operations.

The total value of acquired assets and liabilities, purchase prices and the effect on the Group's liquid assets was as follows:

(SEK m)	ACQUISITIONS			DISTRIBUTION
	Reported values in subsidiaries	Fair value adjustment	Consolidated fair value	
Intangible assets	0	23	23	352
Property, plant and equipment	5	2	7	183
Financial assets	1	0	1	1
Current assets	28	0	28	288
Non-current liabilities	-2	-1	-3	-185
Current liabilities	-16	0	-16	-309
Net assets/purchase price	16	24	40	330
Liquid assets in acquired businesses			0	–
Total cash flow attributable to acquired businesses			40	–
Dividend paid by distribution of shares in subsidiary			–	-330
Total cash flow attributable to spin-off operations			–	0

The acquisitions bring surplus values totalling SEK 25 million distributed amongst buildings (SEK 2 million) and goodwill, relating to customer relations and synergies (SEK 23 million). The transaction costs amount to approx. SEK 0.3 million.

Income statement, Parent Company (SEK million)	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	2013 12 mths Jan-Dec
Net revenue	5.6	7.0	11.3
Selling and administrative expenses	-12.1	-12.0	-16.8
Operating profit/loss	-6.5	-5.0	-5.5
Profit from participations in Group companies	50.0	–	66.1
Other financial items	-12.7	5.3	5.6
Profit after financial items	30.8	0.3	66.2
Appropriations	–	–	-14.9
Tax	4.2	-0.1	-9.9
Net profit for the period	35.0	0.2	41.4
<i>Statement of comprehensive income</i>			
Net profit for the period	35.0	0.2	41.4
Other comprehensive income	–	–	–
Comprehensive income for the period	35.0	0.2	41.4

Income tax amounts to -14 per cent (22) for the interim period.

100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

Balance sheet, Parent Company (SEK million)	2014 30 Sep	2013 30 Sep	2013 31 Dec
ASSETS			
Non-current assets	59.4	62.9	310.6
Current assets	383.5	736.6	567.9
EQUITY AND LIABILITIES			
Equity	91.3	299.8	341.1
Untaxed reserves	63.5	48.6	63.5
Non-current liabilities	144.7	142.8	143.3
Current liabilities	143.4	308.3	330.6
BALANCE SHEET TOTAL	442.9	799.5	878.5

Statement of changes in equity, Parent Company (SEK million)	2014 30 Sep	2013 30 Sep	2013 31 Dec
Opening balance	341.1	323.4	323.4
Comprehensive income for the period	35.0	0.2	41.4
Dividend paid in cash	-27.2	-23.7	-23.7
Dividend paid by distribution of shares in subsidiary	-257.6	–	–
Rounding	–	-0.1	–
Closing balance	91.3	299.8	341.1

Cash flow statement, Parent Company (SEK million)	2014 9 mths Jan-Sep	2013 9 mths Jan-Sep	2013 12 mths Jan-Dec
Operating profit/loss	-6.5	-5.0	-5.5
Interest and income tax paid/received and adjustments for non-cash items	37.8	-10.4	51.1
Change in working capital	37.3	-85.8	72.9
Cash flow from operating activities	68.6	-101.2	118.5
Investments	0.0	466.0	218.2
Cash flow after investments	68.6	364.8	336.7
Financing	-71.2	-362.1	-331.8
Cash flow for the period	-2.6	2.7	4.9
Cash and cash equivalents at the start of the period	5.2	0.0	0.0
Exchange rate differences in cash and cash equivalents	0.1	-0.2	0.3
Cash and cash equivalents at the end of the period	2.7	2.5	5.2

Of the investments made in 2013, SEK 466.0 million concerned intra-Group transactions, while SEK -247.8 million related to the increase in participations in Group companies through a new share issue.

Auditor's review report

Introduction

We have reviewed the interim report for XANO Industri AB (publ) as at 30 September 2014 and for the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report 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 Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making enquiries, 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 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 has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, with regard to the Group, and in accordance with the Swedish Annual Accounts Act, with regard to the Parent Company.

Jönköping, 6 November 2014

Stefan Engdahl
Authorised Public Accountant

Stefan Landström Andersson
Authorised Public Accountant



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