Q1

FIRST QUARTER

SEPTEMBER 1, 2014 – NOVEMBER 30, 2014

”Continued strong growth and strenghtened position”

Dustin

Summary of first quarter of 2014/15

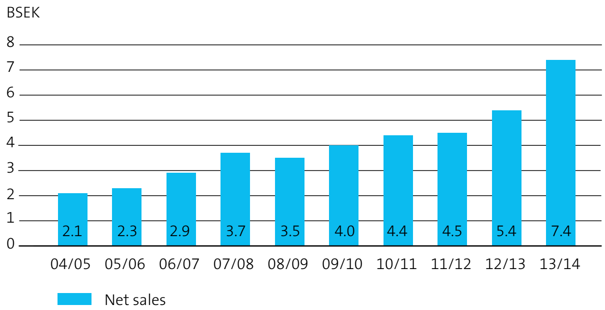
First quarter

- Net sales for the quarter increased 13 per cent to SEK 2,068 million (1,824). Organic growth in constant currency was 12 per cent.
- Gross margin declined and amounted to 14.2 per cent (14.7).
- Adjusted EBITA remained unchanged and amounted to SEK 97 million (97). Items affecting comparability amounted to a negative SEK 11 million (-47).
- Operating profit for the period amounted to SEK 31 million (4).
- Earnings per share amounted to SEK 0.19 (0.02).
- Cash flow from operating activities amounted to a negative SEK 69 million (104).
- Net debt in relation to adjusted EBITDA* in the past 12 month period was 3.4 (3.2).

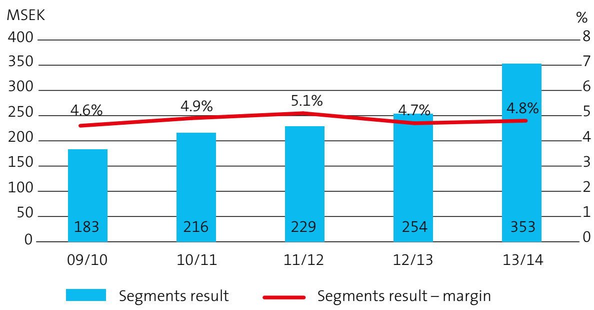
Operations

All amounts in SEK m, unless otherwise indicated	Q1 14/15	Q1 13/14	Q2 13/14– Q1 14/15	Full-year 13/14
Net sales	2,068	1,824	7,615	7,371
Organic sales growth, %	12	23	-	21
Gross margin (%)	14.2	14.7	14.2	14.4
Adjusted EBITA	97	97	353	353
Adjusted EBITA margin (%)	4.7	5.3	4.6	4.8
Profit for the period	31	4	191	164
Earnings per share (SEK)	0.19	0.02	1.18	1.01
Cash flow from operating activities	-69	104	-	256
Net debt/Adjusted EBITDA (multiple)	-	-	3.4	3.2
Return on equity (%)	-	-	28.5	25.2

Average annual growth (CAGR) over the past ten years amounted to 15%.



Segment result 2010–2014



* Operating profit (EBIT) before items affecting comparability, depreciation and amortisation.

Strenghtened position

Dustin can look back on yet another quarter with a positive trend. Sales rose 13 per cent compared with the year-earlier period. This shows that we have an attractive offering, a successful and efficient business model, and that our market share in the corporate market continues to increase.

Focus on small and medium companies

It has been more than 30 years since Dustin was founded, which means that we have had a long time to build up experience and expertise about online trading. The fact is that we were the pioneers in online trading when we started our online store already in 1995. Over the years, we have also built up extensive expertise and a major customer base in the small and medium companies segment. It is one of the most rapidly expanding segments in the market and where we have our main focus. It is a customer group that requires a high degree of service, while it demands cost-efficient solutions. We have created a model where we are able to deliver both of these parameters and thus solve companies' IT challenges and provide our customers with the opportunity to focus on their core operations. The combination of online and focus on small and medium companies makes Dustin unique and provides us with the perfect prerequisites to continue to capture market shares.

Strong development within the public sector

Our online platform also provides us with good opportunities to also serve other such segments as large companies and the public sector with efficient product deliveries. The segment displayed strong growth during the quarter, which was mainly due to the exchange of previously secured framework agreements in the public sector, and that our current market share was relatively low in this area.

New IT platform

During the quarter, we focused on implementing our new IT platform, which is an investment in Dustin's future growth. The new IT platform will provide us with the opportunity to maximise the advantages of the experience and expertise existing at Dustin by being able to export new and existing offerings to all markets in the Group. Furthermore, we will have the right prerequisites to fully integrate our acquired companies, Norsk Data Senter and Finnish Businessforum, in the Group and thus achieve additional synergies.

At the same time, we have launched a new and improved customer interface, with which many of our consumer customers were initially unfamiliar and thus unable to do business in the same way as in the past. Since all transactions in the B2C segment are made online, this is also part of the reason for the sales decline in the segment for the quarter.

Challenging consumer market

Price is a key parameter for end customers and competition is tough. We see that traditional store chains are focusing more on online offerings at bargain prices, which place increasingly higher demand on our pricing policy. The B2C segment is responsible for nearly 10 per cent of Dustin's sales and should be seen as a complement to our core operations. However, having a competitive consumer offering will provide us with a number of advantages since we must be in the forefront in terms of prices and trends, which will give us valuable information to make our B2B offering even more attractive.

Financial development

The organic growth amounted to 12 per cent during the quarter, primarily driven by a strong sales trend to the public sector. Our focus area on small and medium companies expanded in line with the financial targets. The adjusted EBITA margin declined slightly due to a larger proportion of sales to the public sector, continued investment in our sales staff directed at small and medium companies, and lower earnings in the consumer segment.

The IPO work to prepare the company for listing is progressing with the aim to be ready if and when our owner decides to make such a decision. In the past quarters, we have strengthened our organisation with a number of key positions and focused on additional structure and harmonisation in our financial processes.

Nacka, 19 December 2014

Georgi Ganev, CEO

Dustin Group is one of the leading Nordic resellers of IT solutions and services to companies, the public sector and private individuals. Having its core business within e-commerce, Dustin functions as a bridge between the manufacturer's large selection and the customer's needs where our employees help customers find the right solution for their needs. Dustin is a one-stop-shop that offers approximately 200,000 products with associated services, functions and solutions. The operation is conducted in Sweden, Denmark, Norway and Finland. Besides Dustin and Dustin Home, the Group also includes Norsk Data Senter (Norway), BusinessForum (Finland) and IT-Hantverkarna (Sweden). The Group has approximately 900 employees. Sales during the 2013/14 financial year amounted to approximately SEK 7.4 billion. About 90 per cent of Dustin's income derives from the corporate market with a focus on small and medium companies. Dustin is owned by Altor Fund II and has its head office in Nacka in Stockholm.

Financial overview

First quarter

Net sales

Net sales for the quarter increased 13 per cent to SEK 2,068 million (1,824). Organic growth in constant currency was 12 per cent. Growth in the B2B segment was 16 per cent, of which the organic growth in constant currency was 14 per cent. Net sales in the B2C customer segment declined 13 per cent; measured in constant currency the decline was 14 per cent.

Gross profit

Gross profit for the IT products and services operations increased SEK 26 million to SEK 294 million (268). The gross margin declined 0.5 percentage points and amounted to 14.2 per cent (14.7), as a result of higher sales growth in large companies and the public sector.

Adjusted EBITA and operating profit for the Group

Adjusted EBITA amounted to SEK 97 million (97) during the quarter. The adjusted EBITA margin amounted to 4.7 per cent (5.3). Items affecting comparability amounted to a negative SEK 11 million (-47). Costs were attributable to preparing the company for a possible listing (-11). Items affecting comparability were specified on page 11.

Operating profit for the Group amounted to SEK 71 million (36).

Financial items

Net financial income and expenses amounted to SEK 31 million (31). During the quarter, SEK 11 million (10) of the interest cost was capitalised.

Taxes

The Group's effective tax rate was 22.7 per cent for the quarter, compared to 22.0 per cent in the year-earlier period.

Profit for the period

Profit for the period amounted to SEK 31 million (4). Earnings per share increased to SEK 0.19 (0.02).

Net debt and cash and cash equivalents

Net debt includes long-term and current interest-bearing liabilities, as well as liabilities for supplementary purchase considerations less receivables from financial leasing and cash and cash equivalents. The net debt amounted to SEK 1,231 million (1,292).

The net debt in relation to the adjusted EBITDA was 3.4 (3.2) measured over the past 12-month period.

Total cash and cash equivalents for the quarter amounted to SEK 31 million (68), down SEK 37 million.

Cash Flow

Cash flow from operating activities amounted to a negative SEK 69 million (104), due to higher working capital totalling a negative SEK 109 million (-69) primarily due to increased accounts receivable and higher inventories. The increased accounts receivable are primarily due to a higher proportion of sales to large companies and the public sector, and temporary increase attributable to the implementation of the new IT-platform and the built-up of inventories ahead of the end of the year.

Cash flow from investing activities amounted to a negative SEK 33 million (-24) and comprised maintenance investments totalling an expense of negative SEK 4 million (-4). It also includes payment of performance-based supplementary purchase considerations of SEK -26 million (-1), as well as an expanded financial leasing portfolio totalling an expense of SEK -4 million (-19).

Cash flow from financial activities rose SEK 14 million to an expense of SEK 1 million (-15), of which the main portion was attributable to financing of the financial lease portfolio by SEK 11 million (4).

Cash flow for the period amounted to a negative SEK 103 million (65).

Employees

The average number of full-time employees for the quarter was 940 (871). The number of full-time employees has increased in line with the Group´s overall growth, both organically and through acquisitions.

Significant events during the first quarter

On 1 September 2014, Dustin launched a new integrated IT platform including a Group-wide ERP system, as well as a new web-based customer interface. The launch comprises the entire Group, with the exception of the acquired companies IT-Hantverkarna, Businessforum and Norsk Data Senter. The new integrated IT platform is intended to contribute to increasing internal efficiency, facilitate the integration of acquired operations, as well as to facilitate the export of new and existing offerings to all markets within the Group.

During the quarter, the Group had SEK 21 million in expenditure for commissioning and optimising the new IT platform, which has been offset against earlier provisions. Dustin estimates that additional expenses related to the implementation work totalling approximately SEK 10 million will be charged against the second quarter.

Dustin Financial Services received a new credit facility of SEK 50 million during the quarter to meet higher demand for the company's financing services.

During the quarter, Dustin continued to invest in relationship selling. This includes some 20 additional sellers and specialists recruited in Sweden, Norway and Finland. Accordingly, Dustin is able to better serve the principal target group of small and medium companies, as well as meet the increasing demand for more advanced products and services.

Work to get Dustin ready for a potential listing has intensified during the quarter, which resulted in a co-ordinated corporate governance and financial reporting structure.

During the quarter, the Board proposed long-term financial objectives, as well as a dividend policy according to the following:

Growth – Dustin's target is to achieve average annual organic net sales growth amounting to 8 percent over an economic cycle. In addition, Dustin targets to grow through selected acquisitions.

Margin – Dustin's target is to increase adjusted EBITA margin over time and in the medium term achieve 5-6 percent adjusted EBITA margin.

Capital structure – Dustin´s capital structure shall provide a high degree of financial flexibility and allow for acquisitions. Dustin targets to have financial debt, over time, amounting to 2.0-3.0 times adjusted EBITDA for the last twelve months.

Dividend policy – Dustin's target is to distribute a dividend corresponding to more than 70 percent of net profit. The dividend shall take into account acquisitions, the Company's financial position, cash flow and future growth opportunities

Events after balance-sheet date

Dustin has secured a framework agreement in the Norwegian market for computers, screens and Windows-based tablets for 65 hospitals throughout the country. The framework agreement will initially extend for two years with the option to extend for an additional two years with an estimated annual income of approximately SEK 80 million.

Seasonal variations

Dustin is impacted by seasonal variations. Each quarter is fully comparable between the years. Sales volumes are normally higher in November and December and lower during the summer periods when sales and marketing activities are reduced. Similar seasonal variations occur in all geographical markets.

Parent Company

Dustin Group AB (Corporate Reg. No. 556703-3062), which is domiciled in Nacka, Sweden, only conducts holding operations. The principal owner of Dustin Group AB is Altor Fund II GP Ltd., as a general partner and investment manager to Altor Fund II. Net sales amounted to SEK 0.1 million (0.1). A loss of SEK 23 million (-16) was posted for the quarter.

Accounting policies

Financial reporting for the Dustin Group has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The annual report of the Parent Company, Dustin Group AB, has been prepared in accordance with the Swedish Annual Accounts Act, and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. This report has been prepared in accordance with IFRS applying IAS 34 Interim Financial Reporting and the Annual Accounts Act. The accounting policies are consistent with those presented in the Group's annual report for the 2013/2014 financial year. The new and revised IFRS standards that came into force in 2014 had no impact on this interim report.

Risks and uncertainties

Dustin has established a framework for risk management in order to regularly identify, analyse, assess and report business, financial, as well as ethical and sustainability risks and uncertainties, and to mitigate such risks when appropriate.

The results of this risk management process are described in the Group's most recent annual report.

Review of business segments

Dustin's operations are divided into two business areas: B2B (including the entire Dustin Financial Services, DFS) and B2C.

Within B2B, customers are served both through the online platform and relationship selling. Dustin's sales model has been adapted to meet customers' needs and potential as efficiently as possible. Although B2B is Dustin's core segment, there are several advantages to also serving B2C customers, such as similar product range, limited additional costs, as well as new insights into trends and pricing. In the B2C segment, customers are only served through the online platform.

B2B segment

Net sales

Net sales for the first quarter increased 16 per cent to SEK 1,915 million (1,648). Organic growth in constant currency was 14 per cent. Growth was primarily due to a strong trend in large companies and the public sector. In small and medium companies, growth was in line with Dustin's financial growth objective.

Segment results

Segment results for the first quarter increased SEK 13 million to SEK 160 million (147). The increase was due to the strong sales trend primarily in large companies and the public sector, mainly in Sweden and Norway. The margin was negatively impacted by investments in additional sales resources and a higher proportion of sales attributable to large companies and the public sector. The segment margin for the quarter was 8.3 per cent (8.9).

B2C segment

Net sales

Net sales declined 13 per cent in the first quarter to SEK 153 million (176). Organic growth in constant currency was a negative 14 per cent. The decline was partly due to the implementation of a new customer interface launched during the quarter. Since customers were unable to conduct transactions as in the past and the fact that all transactions occur online in the segment, this had a negative impact on the sales trend. The decline was also due to tough competition since traditional store chains are increasing their focus on online offerings and driving the flow using specially reduced prices.

Segment results

The segment results for the first quarter declined SEK 7 million to SEK 1 million (8) and were negatively impacted by the drop in sales, mainly in conjunction with the switch of the customer interface in Swedish and Danish companies. The segment margin for the quarter was 0.9 per cent (4.4).

Central functions

The central functions are key to Dustin's ability to deliver its offerings more efficiently in all markets. During the past years, the company made significant investments in the central functions to realise economies of scale and manage the integration of acquired operations.

Costs for the central functions, excluding items affecting comparability, in relation to sales remained unchanged and amounted to 3.1 per cent (3.1) for the quarter.

Segment summary All amounts in SEK 000s	**Q1 14/15**	**Q1 13/14**	**Q2 13/14– Q1 14/15**	**Full year 2013/14**
Net sales				
B2B	1,914,572	1,648,027	6,884,451	6,617,906
B2C	152,971	175,905	730,053	752,987
Total	**2,067,543**	**1,823,932**	**7,614,504**	**7,370,893**
Segment results				
B2B	159,735	146,556	566,389	553,210
B2B, segment margin (%)	8.3	8.9	8.2	8.4
B2C	1,366	7,673	31,834	38,140
B2C, segment margin (%)	0.9	4.4	4.4	5.1
Central functions	-64,191	-57,212	-244,841	-237,862
Costs for central functions, excluding items affecting comparability in relation to net sales (%)	3.1	3.1	3.2	3.2
Adjusted EBITA	**96,910**	**97,016**	**353,382**	**353,488**
Reconciliation with operating income				
Items affecting comparability	-10,895	-47,178	37,411	1,128
Amortisation of intangible assets	-14,651	-13,794	-54,481	-53,624
Group operating profit	**71,362**	**36,044**	**336,312**	**300,992**

Nacka, 19 December 2014

Georgi Ganev
CEO

This interim report has been reviewed by Ernst & Young AB.

Consolidated statement of comprehensive income

All amounts in SEK 000s	Q1 14/15	Q1 13/14	Q2 13/14– Q1 14/15	Full year 2013/14
IT Products and Services				
Net sales	2,067,543	1,823,932	7,614,504	7,370,893
Cost of goods sold	-1,773,657	-1,555,587	-6,530,838	-6,312,768
Gross profit	**293,886**	**268,345**	**1,083,666**	**1,058,125**
Selling and admin expenses	-212,130	-190,504	-796,226	-774,600
Items affecting comparability	-10,895	-47,178	37,411	1,128
Other operating income and expenses, net	-2,081	3,126	5,089	10,296
Operating profit, IT products and services	**68,780**	**33,789**	**329,940**	**294,949**
Financial Services				
Interest income	4,471	4,873	17,929	18,331
Interest expense	-1,075	-879	-4,165	-3,969
Net interest income	**3,396**	**3,994**	**13,764**	**14,362**
Selling and admin expenses	-813	-1,739	-7,392	-8,318
Operating profit, financial services	**2,583**	**2,255**	**6,372**	**6,044**
Group operating profit	**71,362**	**36,044**	**336,312**	**300,992**
Financial expenses and other financial items	-30,629	-30,985	-115,746	-116,102
Profit after financial items	**40,734**	**5,059**	**220,566**	**184,890**
Tax	-9,274	-1,113	-29,320	-21,159
Profit for the period*	**31,460**	**3,946**	**191,246**	**163,731**
Other comprehensive income				
Exchange-rate differences	-3,165	14,130	13,526	30,822
Cash-flow hedging	-279	-7,056	-5,546	-12,323
Tax	61	1,856	916	2,711
TOTAL COMPREHENSIVE INCOME	**28,077**	**12,876**	**200,142**	**184,941**
Earnings per share (SEK)	0.19	0.02	1.18	1.01

* Transactions are attributable in their entirety to the Parent Company shareholders.

Consolidated Statement of financial position

All amounts in SEK 000s	30 November 2014	30 November 2013	31 August 2014
Assets			
Goodwill and other surplus values	2,098,293	2,023,478	2,120,856
Other intangible assets	93,421	126,376	97,789
Tangible fixed assets	21,959	20,134	18,378
Deferred tax assets and other fixed assets	18,230	13,677	21,795
Receivables pertaining to financial leasing	167,737	148,842	165,385
Total fixed assets	**2,399,641**	**2,332,507**	**2,424,203**
Inventories	268,913	244,582	217,590
Receivables, tax assets, other receivables, prepaid expenses and accrued income	1,181,582	878,294	808,263
Receivables pertaining to financial leasing	52,970	3,661	52,227
Cash and cash equivalents	31,310	68,315	133,607
Total current assets	**1,534,775**	**1,194,852**	**1,211,687**
Total assets	**3,934,415**	**3,527,359**	**3,635,890**
Equity and liabilities			
Equity attributable to owners of the Parent Company	771,110	568,718	743,033
Total equity	**771,110**	**568,718**	**743,033**
Long-term liabilities	1,232,180	1,178,432	1,242,643
Subordinated shareholder loans	207,313	191,951	203,227
Deferred tax and other long-term provisions	139,864	146,483	141,977
Total long-term liabilities	**1,579,357**	**1,516,866**	**1,587,847**
Current liabilities	187,216	110,950	185,319
Acquisition-related liabilities	63,364	223,508	89,252
Accounts payable, tax liabilities, other current liabilities, accrued expenses and deferred income	1,333,367	1,107,317	1,030,439
Total current liabilities	**1,583,948**	**1,441,775**	**1,305,010**
Total equity and liabilities	**3,934,415**	**3,527,359**	**3,635,890**

Consolidated statement of cash flow

All amounts in SEK 000s	Q1 14/15	Q1 13/14	Full year 2013/14
Cash flow from operating activities			
Cash flow from operating activities before changes in working capital	39,263	34,235	150,670
Changes in working capital	-108,722	69,736	105,078
Cash flow from operating activities	**-69,459**	**103,971**	**255,748**
Cash flow from investing activities			
Acquisition of tangible and intangible assets, net	-3,918	-4,327	-32,080
Cash flow from other investing activities	-25,888	-1,093	-99,087
Cash flow from leasing activities, financial services	-3,509	-18,572	-83,206
Cash flow from investing activities	**-33,315**	**-23,992**	**-214,373**
Financing activities			
Cash flow from external financing activities, net	-11,569	-19,568	33,555
Cash flow from leasing activities, financial services	11,049	4,243	52,141
Cash flow from financing activities	**-520**	**-15,325**	**85,696**
Cash flow for the period	**-103,293**	**64,654**	**127,071**
Cash and cash equivalents at beginning of period	**133,607**	**2,419**	**2,419**
Cash flow for the period	-103,293	64,654	133,607
Exchange-rate differences in cash and cash equivalents	997	1,242	4,117
Cash and cash equivalents at the close of the period	**31,310**	**68,315**	**133,607**

Consolidated statement of changes in equity

All amounts in SEK 000s	30 November 2014	31 August 2014
Opening balance	**743,033**	**555,842**
Total comprehensive income	28,077	12,876
Closing balance	**771,110**	**568,718**

Number of shares issued in Dustin Group AB

30 November 2014: 161,601,214 shares issued

31 August 2014: 161,601,214 shares issued

Net debt calculation

	30 November 2014	30 November 2013	31 August 2014
Long-term liabilities (excluding shareholder loans)	1,152,888	1,078,665	1,168,932
Current liabilities	107,927	110,950	111,608
Liabilities pertaining to financial leasing (short-term and long-term)	158,579	99,767	147,422
Acquisition-related liabilities	63,364	223,508	89,252
Cash and cash equivalents	-31,310	-68,315	-133,607
Receivables pertaining to financial leasing (short-term and long-term)	-220,707	-152,503	-217,612
Net debt	**1,230,741**	**1,292,072**	**1,165,995**

Items affecting comparability

All amounts in SEK 000s	Q1 14/15	Q1 13/14	Q2 13/14- Q1 14/15	Full year 13/14
Included in operating profit				
Acquisition-related expenses	-	-	-10,007	-10,007
Costs for implementation of integrated IT platform	-	-47,178	-40,722	-87,900
Change in value and currency translation difference of debt for supplementary purchase consideration	-	-	99,035	99,035
IPO-related expenses	-10,895	-	-10,895	-
Total	**-10,895**	**-47,178**	**37,411**	**1,128**

Investments

All amounts in SEK 000s	Q1 14/15	Q1 13/14	Full year 2013/14
Investments			
Intangible fixed assets	-1,836	-4,004	-25,493
Tangible fixed assets	-2,082	-323	-6,585
Acquisitions			
Acquisition of new units	**-**	-	-
Total	**-3,918**	**-4,327**	**-32,078**

Investments in intangible assets were mainly related to the capitalisation of costs for the integrated IT platform. The differences between investments in the cash-flow statement and total investments in intangible assets, tangible assets according to the above specifications pertain to the disposal of tangible assets.

Calculation of net working capital

All amounts in SEK 000s	30 November 2014	30 November 2013	31 August 2014
Inventories	268,913	244,582	217,590
Accounts receivable	1,007,250	783,373	689,190
Tax assets, prepaid expenses and accrued income, as well as other current receivables	174,333	94,920	119,073
Accounts payable	-1,108,289	-901,181	-772,234
Tax liabilities, accrued expenses and deferred income, as well as other current liabilities	-213,185	-199,787	-246,505
Total	**129,022**	**21,907**	**7,114**

Liabilities and related-party transactions

All amounts in SEK 000s	Q1 14/15	Q1 13/14	Q2 13/14-Q1 14/15	Full year 13/14
Long-term and short-term loans (last day)	-209,808	-209,808	-209,808	-209,808
Accumulated capitalised interest (last day)	-245,758	-203,798	-245,758	-234,442
Net sales to related party (period)	-	-	-	-
Financial expense for related party (period)	-11,316	-10,215	-41,961	-40,859

Related party transactions have been defined as transactions with current and former shareholders. Transactions with customers and suppliers owned by the current shareholders are not reported since these transactions are not normal business transactions and are not significant.

Financial instruments

All amounts in SEK 000s 30 November 2014	Loans and receivables	Derivatives for hedging	Total	Fair value
Assets in the balance sheet				
Accounts receivable and other receivables	1,001,132	0	1,001,132	1,001,132
Cash and cash equivalents	31,310	0	31,310	31,310
Total assets	**1,032,442**	**0**	**1,032,442**	**1,032,442**
Liabilities in the balance sheet				
Loans raised	1,626,709	-	1,626,709	1,785,029
Derivatives		11,894	11,894	11,894
Accounts payable	1,108,289	-	1,108,289	1,108,289
Other current liabilities	98,419	-	98,419	98,419
Total liabilities	**2,833,417**	**11,894**	**2,845,311**	**3,003,631**

All amounts in SEK 000s 31 August 2014	Loans and receivables	Derivatives for hedging	Total	Fair value
Assets in the balance sheet				
Accounts receivable and other receivables	692,658	-	692,658	692,658
Cash and cash equivalents	133,607	-	133,607	133,607
Total assets	**826,265**	**-**	**826,265**	**826,265**
Liabilities in the balance sheet				
Loans raised	1,631,189	-	1,631,189	1,779,485
Derivatives	-	11,616	11,616	11,616
Accounts payable	772,234	-	772,234	772,234
Other current liabilities	173,992	-	173,992	173,992
Total liabilities	**2,577,415**	**11,616**	**2,589,031**	**2,737,327**

Calculation of fair value

Fair value for financial assets and liabilities are an estimate of the fair value, except for external loans to current and former shareholders with a fixed interest rate.

Derivatives

Derivative instruments are designated as hedging instruments for external bank loans. The Group applies hedge accounting for derivatives and the fair value is measured within level 2 according to the definition in IFRS 13.

Long-term and short-term loans

The interest rate for bank loans is variable and the carrying amount of these loans is therefore considered close to the fair value, hence no fair value adjustment has been made. The interest rate for loans to current and former shareholders is fixed and a fair value calculation as per balance-sheet date has been done. The fair value calculation is done based on current market rate of interest up to the end of duration according to the loan conditions.

Financial key ratios

	Q1 14/15	Q1 13/14	Q2 13/14-Q1 14/15	Full year 13/14
Organic sales growth (%)	12	23	-	21
Adjusted EBITDA (SEK m)	100	99	362	362
Adjusted EBITA margin (%)	4.7	5.3	4.6	4.8
Net debt (SEK m)	1,231	1,292	1,231	1,166
Net debt/Adjusted EBITDA (multiple)	-	-	3.4	3.2
Net working capital (SEK m)	129	22	129	7
Return on equity (%)	-	-	28.5	25.2
Earnings per share (SEK)	0.19	0.02	1.18	1.01
Equity per share (SEK)	4.77	3.53	4.79	4.60
Cash flow from operating activities per share (SEK)	-0.43	0.64	0.51	1.58

Condensed income statements Parent Company

All amounts in SEK 000s	Q1 14/15	Q1 13/14	Q2 13/14-Q1 14/15	Full year 13/14
Net sales	99	99	397	397
Operating profit	-4,142	-601	-7,608	-4,067
Profit after financial items	-28,073	-21,111	-103,658	-96,696
Earnings before tax*	-28,073	-21,111	-16,114	-9,152
Profit for the period	**-22,755**	**-15,793**	**-14,260**	**-7,298**

*Group contributions affecting the net results amount to:
1 Sept 2013-31 Aug 2014: 87,545

Condensed balance sheets Parent Company

All amounts in SEK 000s	30 November 2014	31 August 2014
Fixed assets	1,223,572	1,223,572
Current assets	158,308	181,010
Total assets	**1,381,880**	**1,404,582**
Shareholders' equity	176,489	198,386
Untaxed reserves	7,793	7,793
Long-term liabilities	1,111,140	1,052,938
Current liabilities	82,598	84,337
Other current liabilities	4,505	61,128
Total equity and liabilities	**1,381,880**	**1,404,582**

Review report

Dustin Group AB, corporate identity number 556703-3062

Introduction

We have reviewed the condensed interim report for Dustin Group AB as at November 30, 2014 and for the three months period then ended. The Board of Directors and the Managing Director 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 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 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 in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, December 19, 2014

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Definitioner

Adjusted EBITDA: Operating profit before depreciation/amortisation and impairment and items affecting comparability.

Adjusted EBITA: EBIT before items affecting comparability, and amortisation and impairment of intangible fixed assets.

B2B: Pertains to all sales to companies and organisations.

B2C: Pertains to all sales to consumers.

Cash flow from operating activities: Cash flow from operating activities, after changes in working capital.

Cash flow from operating activities per share: Cash flow from operating activities as a percentage of the average number of shares outstanding.

Central function: Includes all non-allocated central expenses, including depreciation/ amortisation.

Earnings per share: Earnings per share are net income divided by the average number of issued shares during the period.

Equity per share: Average equity as a percentage of the average number of shares outstanding.

Gross margin: Gross profit as a percentage of net sales.

Net working capital: Total current assets less cash and cash equivalents, current financial lease assets and current non-interest-bearing liabilities.

Net debt: Long-term interest-bearing liabilities plus current interest-bearing liabilities and acquisition-related liabilities less shareholder loans, cash and cash equivalents, as well as financial lease assets.

Organic growth: Change in net sales for comparable units adjusted for currency effects.

Return on equity: Net income for the year as a percentage of average equity.

Segment result: Operating profit exclude items affecting comparability and amortisation/depreciation for each segment.

For further questions, please contact:

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