

swedol

SWEDOL AB (publ)

INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2011

THIRD QUARTER HIGHLIGHTS

- ▶ Revenue increased by 13.9% to MSEK 295.5 (259.4).
- ▶ Operating profit rose by 18.3% to MSEK 40.0 (33.8) and operating margin to 13.5% (13.0).
- ▶ Profit improved to MSEK 28.0 (24.5) and earnings per share amounted to 0.44 kr² (0.38^{1,2}).
- ▶ Store revenue rose by 16.3% compared to the corresponding period of last year.
- ▶ Cash flow from operating activities for the period was MSEK 11.2 (21.1).

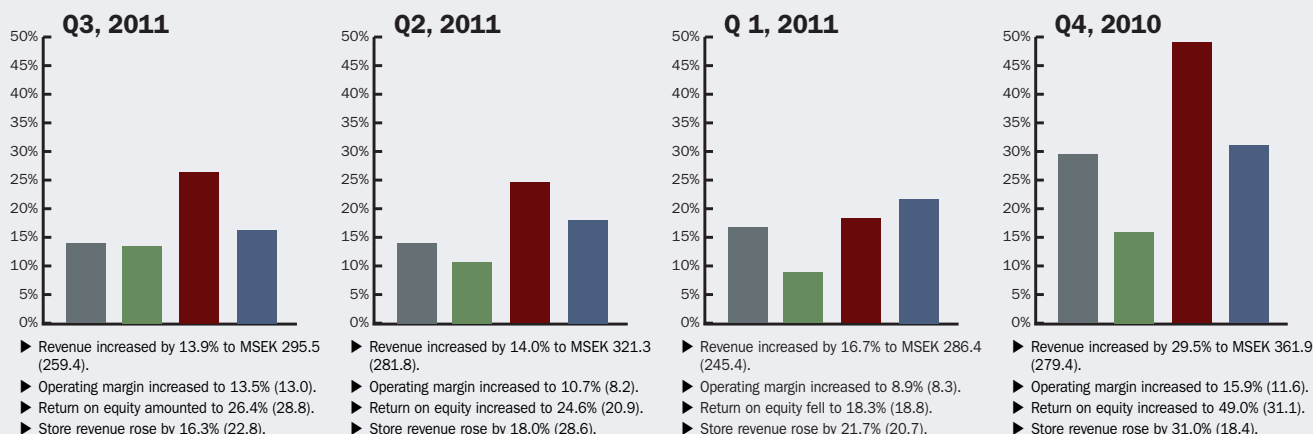
JANUARY – SEPTEMBER HIGHLIGHTS

- ▶ Revenue increased by 14.8% to MSEK 903.2 (786.6).
- ▶ Operating profit rose by 29.1% to MSEK 99.8 (77.3) and operating margin to 11.0% (9.8).
- ▶ Profit improved to MSEK 71.6 (57.0) and earnings per share amounted to 1.12 kr² (0.89^{1,2}).
- ▶ Store revenue rose by 18.6% compared to the corresponding period of last year.
- ▶ Cash flow from operating activities for the period was MSEK -3.4 (43.5).

1) Restated in respect of the share split in 2011.

2) Earnings per share are the same before and after dilution, since there are no outstanding warrants or convertibles that can lead to dilution.

■ Revenue growth ■ Operating margin ■ Return on equity ■ Store sales growth



COMMENTS BY THE CEO

Swedol showed stable development in the third quarter, in line with the first half of the year and achieved sustained strong growth in our store revenue of 16.3 percent. Distance trade declined by 2.1 percent during the same period, which resulted in overall growth of 13.9 percent. The assessment is that we are continuing to strengthen our market position owing to the fact that sales for our comparable stores rose by 12.1 percent during the period.

The growth investment in Norway gained momentum with the opening of the first store in August. In total Swedol has concluded agreements for five additional stores, of which two will be opened during the fourth quarter of the year. As we enter 2012 we will have opened three stores in Drammen, Moss and Stavanger and concluded agreements for three more stores in Fredrikstad, Kristiansand and Trondheim.

Historically a part of the strategy for increasing sales has been to develop the range by continuous improvements in the product offering. We will introduce a new department in the stores with spare parts for vehicles during the fourth quarter. Our existing stores can accommodate it naturally and easily. We will then be able to offer more products to our existing customers and to new customers who previously lacked spare parts for cars and trucks in our range. We are now becoming a complete supplier for spare parts and tools for instance for garages who we mainly provided with workshop equipment in the past.

Markku Piippo, CEO of Swedol

SIGNIFICANT EVENTS DURING THE QUARTER

On 11 August a new store was opened in Drammen, Swedol's first store in Norway. This is Swedol's 36th store, with a total floor space of 1,995 square meters.

Agreements have been concluded for new stores in Stavanger, opening in 2011, and Fredrikstad, opening in 2012, in Norway as well as Lund, opening in 2012, in Sweden. The stores will have a combined floor space of around 7,500 square meters.

The store opening in Trondheim, Norway, has been postponed until later in 2012 due to delays in starting construction.

BUSINESS AND MARKET REVIEW

Swedol's sales are made through its own stores, mail order services, an Internet shop, on-the-ground representatives and retailers. All channels are nationwide in the Swedish market while the store network and on-the-ground representative structure is being developed in the Norwegian market. This combination of channels and markets is expected to boost the Group's total revenues in the long-term. The company offers a wide range of products tailored to the needs of corporate customers in the transportation, manufacturing, agriculture, forestry and building industries with the object of offering these customers a total solution. The product assortment combines quality with value for money and includes both external brands and private labels. Swedol's extensive product range consists of about 20,000 articles divided into 70 product groups.

These in turn can be divided into six product areas:

- ▶ Electrical goods
- ▶ Tools
- ▶ Personal Protective Equipment
- ▶ Vehicle Accessories
- ▶ Consumables
- ▶ Miscellaneous

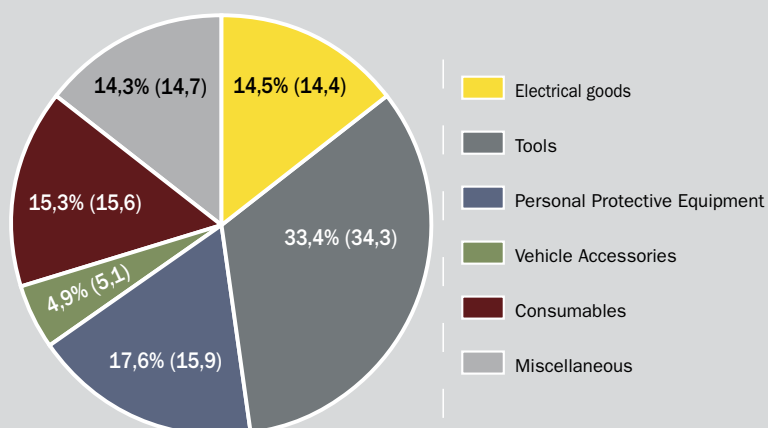
The bulk of sales come from the company's 35 own stores in Sweden, which are geographically dispersed throughout the country, as well as its own store in Norway.

The markets are undergoing a continuous restructuring process and the larger retail chains are expanding their market shares. Most of the retail chains primarily target either corporate or private customers. Swedol's competitors are mainly active within the customer segment corporate customers.

During the first three quarters of the year the market's demand within the traditional retail sector in Sweden showed a declining trend as the underlying economy gradually weakened and the financial turmoil in the surrounding environment intensified. Swedol is only partly exposed to the retail sector, since the company mainly focuses on sales to corporate customers. Several customer groups in the corporate segment showed the same tendencies as the retail sector in line with the gradual weakening of the economy during 2011. However, the sales trend is assessed to have been stronger in the

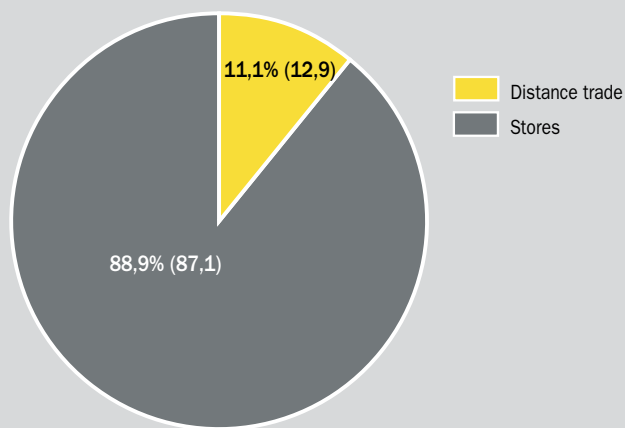
Breakdown of revenue by product area

Q3, 2011 (Q3, 2010)



Breakdown of revenue by sales channel

Q3, 2011 (Q3, 2010)



corporate segment than the traditional retail sector during the period in question.

The demand trend from Swedol's customer groups showed a similar pattern as the corporate segment in general. A positive aspect in the current economic situation is that the growth of Swedol's sales was largely unchanged between the second and third quarters of 2011.

THIRD QUARTER OF 2011

Sales amounted to MSEK 295.5 compared to MSEK 259.4 during the same period of last year, an increase of 13.9%. The assessment is that Swedol grew faster than the market in general in most of the company's product groups during the third quarter of 2011 as well.

External competition is judged to have remained essentially unchanged during the period, but Swedol's successively expanded market coverage in Sweden has led to some internal competition between stores and between the retail business and distance trade. Sales via distance trade have shown weak development with falling sales also in the third quarter of 2011. In 2010 the distance trade reported rising sales as an effect of an asset acquisition in combination with the dramatic recovery in the market, which also led to an initial inventory build-up among our retailers.

The stores as a group posted a sustained strong increase in sales growth during the third quarter of 2011.

Sales were distributed as follows: MSEK 262.7 (225.9) is attributable to stores and MSEK 32.8 (33.5) to distance trade. The stores accounted for 88.9% (87.1) of total sales during the period.

The increase of MSEK 36.8 in store revenue breaks down as follows:

| | |
|----------------------------|-----------|
| Comparable stores* (32) | MSEK 27.2 |
| Non-comparable stores* (4) | MSEK 9.6 |

Revenue for the 32 comparable stores increased by an average of 12.1% in the third quarter of the year. Total store revenue was up by 16.3% compared to the same period of 2010.

Gross profit rose by 20.3% to MSEK 118.0 (98.1). Gross margin improved by 2.1 percentage points to 39.9% (37.8). Compared to the corresponding period of last year, the change in the total net currency cost (spot + hedges) for purchases in USD and EUR between the periods in question has had a positive net effect that is estimated at around 2.5 percentage points of the margin improvement. Prices rose in the supplier stage during the first half of 2011, but stabilized gradually during the second quarter. Together with rising freight costs for goods purchased from the Far East, Swedol has been able to handle the costs in terms of prices during the year.

Operating profit rose by 18.3% to MSEK 40.0 (33.8) with an operating margin of 13.5% (13.0). The improved margin is due to higher gross margin according to the variables described above. The share of sales costs between the periods increased by 1.2 percentage points as a result of the market development in Norway while the administration costs were unchanged.

JANUARY – SEPTEMBER 2011

During the period from January to September 2011, two additional stores were opened in the Swedish market and one in the Norwegian market. The total floor space of the stores amounted to approximately 6,100 square meters.

Sales amounted to MSEK 903.2 compared to MSEK 786.6 during the same period of last year, an increase of 14.8%. Sales were distributed as follows: MSEK 795.9 (671.2) is attributable to stores and MSEK 107.3 (115.4) to distance trade. The stores accounted for 88.1% (85.3) of total sales during the period.

* Comparable stores refer to stores which were open during the entire period referred to in this context, that is, both during the current and previous year.

The increase of MSEK 124.7 in store revenue breaks down as follows:

| | |
|----------------------------|-----------|
| Comparable stores* (29) | MSEK 76.4 |
| Non-comparable stores* (7) | MSEK 48.3 |

Sales for the 29 comparable stores increased by an average of 11.6% during the period January – September 2011. Total store revenue was up by 18.6% compared to the same period of 2010.

Gross profit rose by 20.9% to MSEK 350.0 (289.4) and gross margin strengthened by 2.0 percentage points to 38.8% (36.8). The improvement in gross margin can be attributed to foreign exchange effects according to the same variables as for the quarter.

Operating profit rose by 29.1% to MSEK 99.8 (77.3) with an operating margin of 11.0% (9.8). The improved margin is due to higher gross margin according to the variables described above. The share of sales costs between the periods increased by 0.6 percentage points as a result of the market development in Norway while the administration costs were slightly lower.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities for the period from January to September 2011 was negative at MSEK -3.4 (43.5). The increase in inventories, which has reduced cash flow, is primarily attributable to a strong flow of goods mainly during the first and second quarter of 2011 resulting from a higher level of service, the opening of four new stores between the periods and growth in sales. Investment activities amounted to MSEK 24.3 (27.4), see also Investments below. Dividends of MSEK 32.0 (20.8) were paid in the second quarter.

Compared to the same period of last year, inventories have increased by MSEK 82.8 to MSEK 354.8 (272.0), which includes four store openings during the intervening period. This corresponds to an increase in inventories of approximately MSEK 20, otherwise according to the variables described above.

Acquired forward contracts recognized directly through equity in accordance with the principles for hedge accounting had a positive net effect of MSEK 6.9 (-1.7) after estimated tax, which is reported under *Other comprehensive income for the period*.

Cash and cash equivalents amounted to MSEK 6.8 (38.7). At the end of the reporting period, available cash and cash equivalents including undrawn overdraft facilities amounted to MSEK 106.8 (113.7). Interest-bearing liabilities totaled MSEK 0.0 (20.9). The Group thus has a net interest-bearing receivable of MSEK 6.8 (17.8). The equity ratio is estimated at 68.2% (63.9).

INVESTMENTS

Gross investments for the period from January to September 2011 amounted to MSEK 24.3 (27.4). Profit for the period was charged with depreciation/scraping of MSEK 10.1 (9.0). Of total investments for the period, MSEK 10.0 relates to a new central warehouse in Örebro and in general the bulk relates to the opening of four new stores and the relocation of the store in Norrköping to new premises.

EMPLOYEES

The average number of employees during the period from January to September 2011, excluding hourly-paid/temporary employees, was 379 (340). The increase between the two periods is mainly attributable to the new staff added in connection with four store openings and staff reinforcements in the stores and administration. Of the total average number of employees, 86 (65) were women. The number of employees at the end of the third quarter was 393 (339).

PARENT COMPANY

The Group consists of the Parent Company Swedol AB and its subsidiaries Swedol Förläning AB (556711-0068) and Swedol Norge AS (995 252 929).

Most of the business and invoicing activities are handled by Swedol AB. Swedol Norge AS had operations during the period, but the extent of its business was negligible as a proportion of the Group.

Swedol Förvaltning AB will be the owner of the current warehouse facility in Örebro, which is under construction but does not run operations in general. The description of the Group's business provided in this report also applies to the Parent Company.

SEASONALITY

Sales have historically exhibited some seasonal fluctuations. During the 2010 calendar year, 45.9% of invoicing was generated in the first half and 54.1% in the second half of the year, with an emphasis on the final quarter which accounted for 31.5% (30.6%) of total revenue for the year.

RELATED PARTY TRANSACTIONS

Iggesund Forest, which is a supplier of chainsaw bars and chains to Swedol, has been owned by Swedol's main shareholder Zeld AB, but was sold to an external buyer on 17 February. The purchasing volume in 2011 up to the date of sale was MSEK 2.0 (0.9). Market-based agreements are in force for the continued purchase of products from Iggesund Forest.

SIGNIFICANT RISKS AND OPERATING UNCERTAINTIES

Swedol's activities are exposed to a number of risks and uncertainties that can have an adverse effect on earnings to a varying extent. These risks can be divided into market risks, business risks and financial risks. Swedol's assessment is that the company will do well even under less favorable economic conditions, since the company actively strives for a low level of risk and is not dependent on any individual customers, product groups or suppliers.

Market risks are derived primarily from factors that are beyond Swedol's control and relate to risks in the form of changed market conditions. Business or operational risks are risks that are within Swedol's control. Intense competition, supply problems, risks in the product range and organizational problems are among the risks to which Swedol is exposed in its day-to-day activities. Risks of a financial nature consist primarily of currency exposures but also of risks in the form of wage inflation, commodity prices, liquidity risks and interest rate risks. Currency exposure is primarily related to USD, EUR and NOK. The risk is considered to be due mainly to exposure to the USD

through the exposed purchasing volume and the volatility of the currency in relation to SEK. The effects of exchange rate fluctuations can be limited during the calendar year by means of policy-based currency hedging, and then managed by means of pricing in subsequent periods.

Market and business-related risks are described on pages 62-63 and 65 of the (Swedish) annual report for 2010. Descriptions and quantifications of the financial risks are provided on pages 63-65 and in Note 2 of the (Swedish) annual report for 2010. Apart from the risks described in the annual report, no significant new risks have been identified and no previously identified risks have been eliminated.

THE SWEDOL SHARE AND SHARE CAPITAL

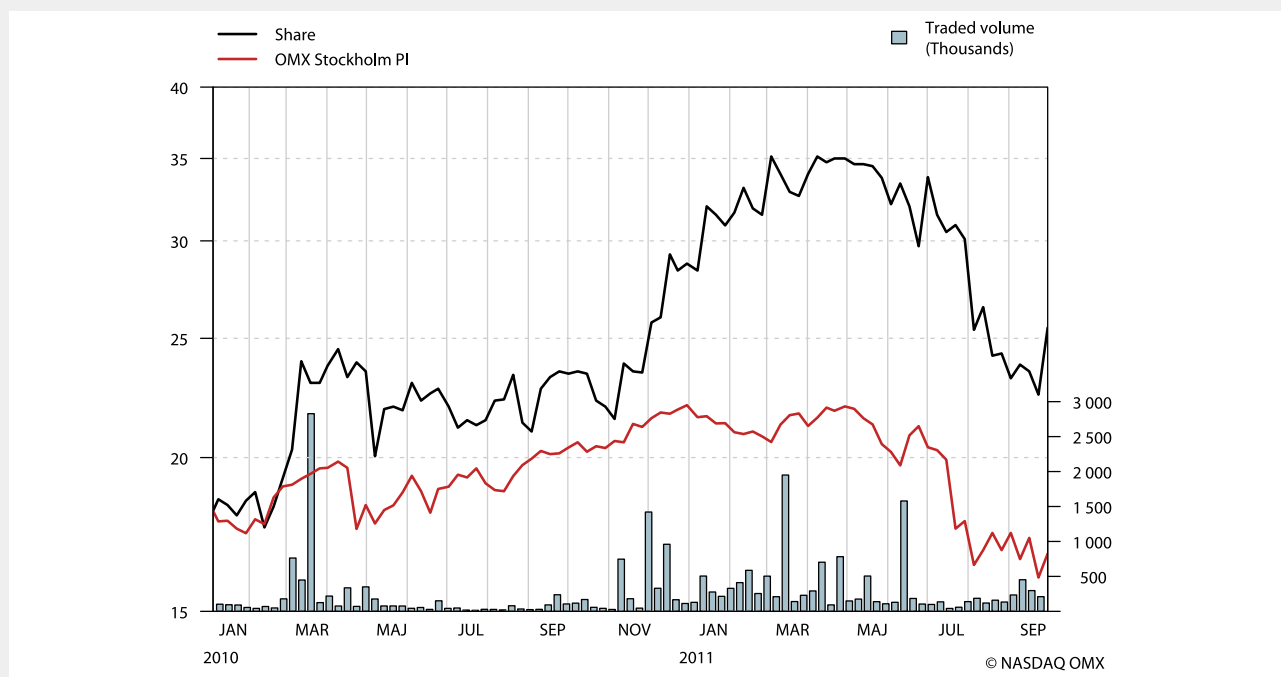
Swedol's class B share is quoted on the small cap list of NASDAQ OMX Stockholm. The share capital amounts to MSEK 9.6, divided between 6.4 million shares of class A and 57.6 million shares of class B, each with a quota value of 0.15 per share. Each class A share grants entitlement to ten votes and each class B share entitlement to one vote. AB Zeld is the only shareholder with a holding whose total voting rights exceed one tenth of the votes for all shares in the company. There are no limitations on the number of votes each shareholder may exercise at a general shareholder meeting. All shares grant equal rights to dividends. Holders of class A shares can request conversion of their A shares to B shares. The share capital is unchanged compared to the preceding period.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Sales in October amounted to MSEK 138.6 (126.0), an increase of 10.0% compared to the same period of last year. Compared to the same month of last year, five stores have been added and the total number of stores at the end of October 2011 amounted to 37 stores. Distance trade amounted to MSEK 11.7 (13.1). The total sales for the first ten months of the fiscal year (Jan - Oct 2011) increased by 14.2% to MSEK 1,041.8 (912.6).

Swedol has opened two new stores after the end of the reporting period. The stores are located in Skellefteå, Sweden, and Moss, Norway with a total floor space of approximately 4,600 square meters.

Agreements have been concluded for two additional stores in Värnamo, Sweden, with a planned opening in the first quarter of 2012 and Kristiansand, Norway, with a planned opening in the second quarter of 2012. The stores



Aktiegraf omräknad med hänsyn till split 2011.

have a combined floor space of around 4,700 square meters. With these new openings, Swedol will have a total of 47 stores, of which 41 in Sweden and 6 in Norway. Future establishments that are contracted and expected to open are as follows: 2011: Motala and Stavanger Quarter 4. 2012: Fredrikstad, Värnamo, Kristiansand, Trondheim, Karlskrona, Falun and Lund.

FUTURE PROSPECTS AND LONG-TERM FINANCIAL TARGETS

Swedol's business mission is to be a complete supplier to corporate customers as well as private customers that demand professional quality. Swedol sells a wide range of hardware consumable goods and equipment at competitive prices and with a high level of service in the stores. The products are sold through a multi-channel concept that includes its own stores, retailers, mail order services, an Internet shop and on-the-ground representatives.

Swedol's strategy is to achieve continued strong revenue growth with sustained profitability by opening new stores and increasing sales in the existing stores. The concept is highly attractive in the current market and is the only one of its kind. Through the establishment in Norway, Swedol is expanding the geographical market base for the concept.

According to corporate policy, Swedol does not provide forecasts on future development. The company's long-term financial targets consist of annual revenue growth of at least 20%, a return on equity of at least 25%, an operating margin of at least 13% and an equity ratio exceeding 40%.

ACCOUNTING PRINCIPLES

The consolidated financial statements of the Swedol AB Group have been prepared in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards (IFRS) as adopted by the EU, as well as the relevant International Accounting Standards (IAS) and current interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC). In addition, the consolidated financial statements comply with the Swedish Financial Reporting Board's recommendations RFR 1 Supplementary Accounting Rules for Groups and the Annual Accounts Act (ÅRL). The financial statements of the Parent Company have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Annual Accounts Act. Swedol AB also complies with NASDAQ OMX Stockholm's regulatory framework for issuers with attachments and statements issued by the Swedish Financial Reporting Board.

FINANCIAL CALENDAR

| | |
|---|------------------|
| Year-end report January – December 2011 | 22 February 2012 |
| Interim report January – March 2012 | 23 May 2012 |
| Interim report January – June 2012 | 22 August 2012 |
| Interim report January – September 2012 | 14 November 2012 |

ANNUAL MEETING OF SHAREHOLDERS

| | |
|-----------------------------|-------------|
| Annual General Meeting 2012 | 23 May 2012 |
|-----------------------------|-------------|

The Board and the CEO hereby certify that this interim report provides a true and fair picture of the business activities, financial position and results of the Parent Company and the Group, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 15 November 2011

John Zetterberg
Chairman

Rolf Zetterberg
Board member

Jon Pettersson
Board member

Lotta Lundén
Board member

Gert Karnberger
Board member

Markku Piippo
Board member/CEO

REVIEW REPORT

Auditor's review of interim financial information (Interim Report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

INTRODUCTION

We have reviewed this report for the period 1 January 2011 to 30 September 2011 for Swedol AB (publ). 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 Swedish Standard on Review Engagements SÖG 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.

Stockholm, 15 November 2011
Ohrlings PricewaterhouseCoopers
Bo Åsell
Authorized Public Accountant

The information contained herein is such that Swedol AB (publ) is required to publish pursuant to the Swedish Securities Market Act (2007:528). The information was submitted for publication on 16 November 2011, 08:50 CET.

FOR ADDITIONAL INFORMATION:

Markku Piippo, CEO
Tel: +46 (0)8-712 00 00.
Mobile: +46 (0)70-304 05 84
E-mail: markku.piippo@swedol.se

Casper Tamm, CFO
Tel: +46 (0)8-742 47 32.
Mobile: +46 (0)70-348 27 37
E-mail: casper.tamm@swedol.se

Financial reports

SWEDOL GROUP – STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1 - SEPTEMBER 30, 2011

| MSEK | Jul-sep | | Jan-sep | | Jan-dec |
|--|--------------|-------------------------|--------------|-------------------------|-------------------------|
| | 2011 | 2010 | 2011 | 2010 | 2010 |
| Revenue | 295,5 | 259,4 | 903,2 | 786,6 | 1 148,5 |
| Cost of sales | -177,5 | -161,3 | -553,2 | -497,2 | -720,4 |
| Gross profit | 118,0 | 98,1 | 350,0 | 289,4 | 428,1 |
| Other income | 4,8 | 2,0 | 14,4 | 5,7 | 7,5 |
| Selling expenses | -70,8 | -59,6 | -228,7 | -194,3 | -267,6 |
| Administrative expenses | -7,6 | -6,7 | -24,6 | -23,0 | -32,4 |
| Other expenses | -4,4 | - | -11,3 | -0,5 | -0,9 |
| Operating profit | 40,0 | 33,8 | 99,8 | 77,3 | 134,7 |
| Net financial items | -1,0 | -0,5 | -1,2 | 0,1 | -0,1 |
| Profit before tax | 39,0 | 33,3 | 98,6 | 77,4 | 134,6 |
| Income tax expense | -11,0 | -8,8 | -27,0 | -20,4 | -34,1 |
| PROFIT FOR THE PERIOD* | 28,0 | 24,5 | 71,6 | 57,0 | 100,5 |
| Other comprehensive income: | | | | | |
| Cash flow hedges | 7,7 | -5,7 | 9,4 | -2,2 | -1,0 |
| Deferred income tax relating to cash flow hedges | -2,1 | 1,4 | -2,5 | 0,5 | 0,3 |
| Other comprehensive income for the period, net of tax | 5,6 | -4,3 | 6,9 | -1,7 | -0,7 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD* | 33,6 | 20,2 | 78,5 | 55,3 | 99,8 |
| Per share data: | | | | | |
| Earnings per share, before and after dilution (SEK) | 0,44 | 0,38 ¹ | 1,12 | 0,89 ¹ | 1,57 ¹ |
| Average shares outstanding, before and after dilution | 64 000 000 | 64 000 000 ¹ | 64 000 000 | 64 000 000 ¹ | 64 000 000 ¹ |

¹ Restated in respect of the share split in 2011.

² Earnings attributable to the Parent Company's shareholders.

SWEDOL GROUP - STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2011

| MSEK | 2011-09-30 | 2010-09-30 | 2010-12-31 |
|---|--------------|--------------|--------------|
| ASSETS | | | |
| Intangible assets | 6,9 | 7,1 | 7,1 |
| Property, plant and equipment | 112,4 | 95,4 | 98,0 |
| Total non-current assets | 119,3 | 102,5 | 105,1 |
| Inventories | 354,8 | 272,0 | 274,4 |
| Trade receivables | 114,3 | 99,2 | 111,2 |
| Other receivables | 33,9 | 28,4 | 35,9 |
| Current tax assets | 10,8 | - | 3,7 |
| Financial derivatives | 6,7 | 6,8 | - |
| Cash and cash equivalents | 6,8 | 38,7 | 66,5 |
| Total current assets | 527,3 | 445,1 | 491,7 |
| TOTAL ASSETS | 646,6 | 547,6 | 596,8 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | 441,1 | 350,1 | 394,6 |
| Long-term borrowings | - | - | - |
| Deferred tax | 45,8 | 34,9 | 43,3 |
| Total non-current liabilities | 45,8 | 34,9 | 43,3 |
| Trade and other payables | 106,7 | 98,2 | 99,6 |
| Short-term borrowings | - | 20,9 | - |
| Other non-interest-bearing current liabilities | 29,7 | 25,3 | 43,0 |
| Financial derivatives | - | 10,8 | 2,7 |
| Current tax payable | 23,3 | 7,4 | 13,6 |
| Total current liabilities | 159,7 | 162,6 | 158,9 |
| TOTAL LIABILITIES AND EQUITY | 646,6 | 547,6 | 596,8 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Remaining capital contribution | Retained earnings including net profit for the period | Cash flow hedges | Equity attributable to owners of the parent |
|--|---------------|--------------------------------|---|------------------|---|
| MSEK for the period of the parent | | | | | |
| Equity January 1, 2010 | 9,6 | 37,6 | 269,7 | -1,3 | 315,6 |
| Comprehensive income | | | | | |
| Profit for the period | | | 100,5 | | 100,5 |
| Other comprehensive income | | | | | |
| Cash flow hedges, after tax | | | | -0,7 | -0,7 |
| Dividends | | | -20,8 | | -20,8 |
| Equity December 31, 2010 | 9,6 | 37,6 | 349,4 | -2,0 | 394,6 |
| Equity January, 2010 | 9,6 | 37,6 | 269,7 | -1,3 | 315,6 |
| Comprehensive income | | | | | |
| Profit for the period | | | 57,0 | | 57,0 |
| Other comprehensive income | | | | | |
| Cash flow hedges, after tax | | | | -1,7 | -1,7 |
| Dividends | | | -20,8 | | -20,8 |
| Equity September 30, 2010 | 9,6 | 37,6 | 305,9 | -3,0 | 350,1 |
| Equity January 1, 2011 | 9,6 | 37,6 | 349,4 | -2,0 | 394,6 |
| Comprehensive income | | | | | |
| Profit for the period | | | 71,6 | | 71,6 |
| Other comprehensive income | | | | | |
| Cash flow hedges, after tax | | | | 6,9 | 6,9 |
| Dividends | | | -32,0 | | -32,0 |
| Equity September 30, 2011 | 9,6 | 37,6 | 421,0 | 4,9 | 441,1 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| MSEK | 2011 | 2010 | Jul-sep 2011 | 2010 | Jan-sep 2010 | Jan-dec 2010 |
|--|------|--------------|--------------|--------------|--------------|--------------|
| Profit before taxes | | 39,0 | 33,3 | 98,6 | 77,4 | 134,6 |
| Cash flow from operating activities before changes in operating assets and liabilities | | 5,9 | 3,9 | 12,1 | 8,6 | 11,7 |
| Changes in operating assets and liabilities | | | | | | |
| Change in inventories | | -9,7 | -12,9 | -81,3 | -37,7 | -40,1 |
| Change in operating receivables | | -20,8 | -10,2 | -1,0 | -15,5 | -35,0 |
| Change in operating liabilities | | -4,7 | 12,4 | -6,2 | 27,7 | 46,7 |
| Operating activities | | 9,7 | 26,5 | 22,2 | 60,1 | 117,9 |
| Net interest income/expense | | -1,0 | -0,5 | -1,2 | 0,1 | -0,1 |
| Paid tax | | 2,5 | -4,9 | -24,4 | -16,7 | -19,9 |
| Cash flow from operating activities | | 11,2 | 21,1 | -3,4 | 43,5 | 97,9 |
| Purchase of property, plant and equipment | | -13,1 | -2,0 | -24,3 | -27,4 | -33,0 |
| Cash flow from investing activities | | -13,1 | -2,0 | -24,3 | -27,4 | -33,0 |
| Change in bank overdraft facility | | - | - | - | - | -0,6 |
| Repayment of debt | | - | -0,1 | - | -0,1 | -20,5 |
| Dividends paid | | - | - | -32,0 | -20,8 | -20,8 |
| Cash flow from financing activities | | - | -0,1 | -32,0 | -20,9 | -41,9 |
| Cash flow for the period | | -1,9 | 19,0 | -59,7 | -4,8 | 23,0 |
| Cash and cash equivalents at beginning of period | | 8,7 | 19,7 | 66,5 | 43,5 | 43,5 |
| Cash and cash equivalents at end of period | | 6,8 | 38,7 | 6,8 | 38,7 | 66,5 |

KEY FIGURES

| MSEK | 2011 | 2010 | 2011 | 2010 | 2010 |
|---|--------|---------------------|--------|---------------------|---------------------|
| Marginal figures | | | | | |
| Revenue growth, % | 13,9 | 22,1 | 14,8 | 24,2 | 25,8 |
| Gross margin, % | 39,9 | 37,8 | 38,8 | 36,8 | 37,3 |
| Operating margin, % | 13,5 | 13,0 | 11,0 | 9,8 | 11,7 |
| Financial figures | | | | | |
| Return on average capital employed, % | 38,3 | 37,5 | 32,0 | 29,4 | 37,1 |
| Return on average equity, % | 26,4 | 28,8 | 22,8 | 22,8 | 28,3 |
| Equity ratio, % | 68,2 | 63,9 | 68,2 | 63,9 | 66,1 |
| Capital employed, MSEK | 441,1 | 371,0 | 441,1 | 371,0 | 394,6 |
| Operational figures | | | | | |
| Gross investment, MSEK | 13,1 | 2,0 | 24,3 | 27,4 | 33,0 |
| Depreciation, MSEK | 3,7 | 3,3 | 10,1 | 9,0 | 11,8 |
| Cash flow from operating activities, MSEK | 11,2 | 21,1 | -3,4 | 43,4 | 97,9 |
| Sustainability-related key figures | | | | | |
| Number of employees at end of period | 393 | 339 | 393 | 339 | 362 |
| Average number of employees during the period | 373 | 346 | 360 | 340 | 345 |
| Per share data, SEK | | | | | |
| Earnings, SEK | 0,44 | 0,39 ¹ | 1,12 | 0,89 ¹ | 1,57 ¹ |
| Cash flow from operating activities, SEK | 0,18 | 0,33 ¹ | -0,05 | 0,68 ¹ | 1,53 ¹ |
| Equity, SEK | 6,89 | 5,47 ¹ | 6,89 | 5,47 ¹ | 6,17 ¹ |
| Dividends, SEK | - | - | - | - | 0,50 ¹ |
| Closing market price on June 30, SEK | 25,50 | 23,45 ¹ | 25,50 | 23,45 ¹ | 28,75 ¹ |
| Number of shares, thousands | 64 000 | 64 000 ¹ | 64 000 | 64 000 ¹ | 64 000 ¹ |

¹ Restated in respect of the share split in 2011.

SPECIFICATION OF CHANGE IN RESULTS

| Third quarter 2011/first three quarters 2011/full year 2010 compared with corresponding period last year | | | |
|--|-----------------|-----------------|-----------------|
| | Jul-sep 2011 | Jan-sep 2011 | Jan-dec 2010 |
| Profit before tax in MSEK | | | |
| Gross profit from increased sales | 13,6 | 42,9 | 88,0 |
| Change in gross margin | 6,3 | 17,7 | -0,3 |
| Change in gross profit | 19,9 | 60,6 | 87,7 |
| Selling expenses (excluding deprec) | -10,8 | -33,3 | -51,5 |
| Valuation fair value futures | 0,0 | 0,0 | 4,7 |
| Other operating expenses | -2,5 | -3,7 | -0,5 |
| Depreciation /disposal | -0,4 | -1,1 | -1,6 |
| Change in operating income | 6,2 | 22,5 | 38,8 |
| Net financials | -0,5 | -1,3 | 1,4 |
| Income tax | -2,2 | -6,6 | -8,3 |
| Change in Net Income | 3,5 | 14,6 | 31,9 |

QUARTERLY DATA

| MSEK | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 |
|--|--------------|--------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | 295,5 | 321,3 | 286,4 | 361,9 | 259,4 | 281,8 | 245,4 | 279,4 | 212,5 |
| Cost of sales | -177,5 | -197,7 | -178,0 | -223,2 | -161,3 | -182,9 | -153,0 | -179,3 | -134,9 |
| Gross profit | 118,0 | 123,6 | 108,4 | 138,7 | 98,1 | 98,9 | 92,4 | 100,1 | 77,6 |
| Other operating expenses | -78,0 | -89,2 | -83,0 | -81,3 | -64,3 | -75,8 | -72,0 | -67,7 | -54,1 |
| Operating profit | 40,0 | 34,6 | 25,4 | 57,4 | 33,8 | 23,1 | 20,4 | 32,4 | 23,5 |
| Net financials | -1,0 | 0,0 | -0,4 | -0,2 | -0,5 | 0,3 | 0,3 | -0,3 | -0,5 |
| Profit before tax | 39,0 | 34,6 | 25,0 | 57,2 | 33,3 | 23,4 | 20,7 | 32,1 | 23,0 |
| Key figures | | | | | | | | | |
| Operating margin,% | 13,5 | 10,7 | 8,9 | 15,9 | 13,0 | 8,2 | 8,3 | 11,6 | 11,1 |
| Return on average equity, % | 26,4 | 24,6 | 18,3 | 49,0 | 28,8 | 20,9 | 18,8 | 31,1 | 24,3 |
| Equity ratio, % | 68,2 | 66,6 | 64,1 | 66,1 | 63,9 | 64,9 | 66,3 | 65,9 | 66,0 |
| Earnings per share, SEK | 0,44 | 0,39 | 0,29 ¹ | 0,68 ¹ | 0,39 ¹ | 0,27 ¹ | 0,24 ¹ | 0,36 ¹ | 0,27 ¹ |
| Shareholders equity per share, SEK | 6,89 | 6,37 | 6,44 ¹ | 6,17 ¹ | 5,47 ¹ | 5,16 ¹ | 5,18 ¹ | 4,93 ¹ | 4,54 ¹ |
| Cash flow from operations per share, SEK | 0,18 | -0,21 | -0,02 ¹ | 0,85 ¹ | 0,33 ¹ | 0,23 ¹ | 0,12 ¹ | 0,74 ¹ | 0,27 ¹ |

¹ Restated in respect of the share split in 2011.

KEY FIGURE DEFINITIONS

| | |
|--|---|
| GROSS MARGIN | Gross margin in percent of net sales. |
| OPERATING MARGIN | Operating profit as a percentage of net sales. |
| PROFIT MARGIN | Income after financial items as a percentage of net sales. |
| EQUITY RATIO | Equity as a percentage of total assets. |
| EARNINGS PER SHARE | Net earnings divided by the number of shares, adjusted to new issues and splits. |
| RETURN ON AVERAGE EQUITY | Profit for the period (in full-year equivalents) as a percentage of average equity, i.e. the sum of equity at the beginning and the end of the period divided by two. |
| RETURN ON AVERAGE CAPITAL EMPLOYED | Profit after financial items plus financial expenses as a percentage of average capital employed at the start of the period and the end of the period divided by two. |
| CAPITAL EMPLOYED | Total assets less non-interest bearing liabilities and other allowances, including deferred tax liability. |
| CASH FLOW FROM OPERATING ACTIVITIES PER SHARE | Cash flow from operating activities, divided by the number of shares adjusted for share issue and share split. |
| ACTIVITIES PER SHARE | Cash flow from operating activities, divided by the number of shares adjusted for share issue and share split. |
| EQUITY PER SHARE | Equity divided by the number of shares adjusted for share issue and share split. |

INDUSTRY TERMS AND OTHER TERMINOLOGY

| | |
|--------------------------|---|
| DIY MARKET | The do-it-yourself market is the industry term of the market for those involved in do-it-yourself at home within construction and renovation, reconstruction and extension. |
| VVS MARKET | The generic term for products and services within heating, ventilation and sanitation (VVS). |
| COMPARABLE STORES | Comparable stores refers to stores that, when compared to a specific period, have been open throughout the entire period. |
| DISTANCE TRADE | Products sold via the Internet, telephone or on-the-ground representatives and delivered directly to mail box or door, alternatively to local post offices, postal outlets or to other postal distributors. |

PARENT COMPANY INCOME STATEMENT FOR THE PERIOD JANUARY 1 - SEPTEMBER 30, 2011

| MSEK | Jul-sep | | Jan-sep | | Jan-dec |
|-------------------------------------|--------------|-------------|--------------|--------------|--------------|
| | 2011 | 2010 | 2011 | 2010 | 2010 |
| Net sales | 301,1 | 259,4 | 911,2 | 786,6 | 1 148,4 |
| Cost of goods sold | -181,8 | -161,4 | -560,8 | -497,1 | -720,5 |
| Gross profit | 119,3 | 98,0 | 350,4 | 289,5 | 427,9 |
| Selling expenses | -67,4 | -59,7 | -225,0 | -194,7 | -268,1 |
| Administrative expenses | -7,4 | -6,8 | -24,2 | -23,0 | -32,3 |
| Other operating income | 4,8 | 2,1 | 14,4 | 5,4 | 7,2 |
| Other operating expenses | -4,4 | - | -11,3 | -0,1 | -0,6 |
| Operating profit | 44,9 | 33,6 | 104,3 | 77,1 | 134,1 |
| Net financial | 0,1 | - | -0,2 | - | 0,3 |
| Profit after financial items | 45,0 | 33,6 | 104,1 | 77,1 | 134,4 |
| Appropriations | - | - | - | - | -30,9 |
| Profit before tax | 45,0 | 33,6 | 104,1 | 77,1 | 103,5 |
| Tax on profit for the year | -11,8 | -8,9 | -27,4 | -20,3 | -25,9 |
| Net profit for the year | 33,2 | 24,7 | 76,7 | 56,8 | 77,6 |

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

| MSEK | Jul-sep | | Jan-sep | | Jan-dec |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2011 | 2010 | 2011 | 2010 | 2010 |
| Profit for the period | 33,2 | 24,7 | 76,7 | 56,8 | 77,6 |
| Other comprehensive income | - | - | - | - | - |
| Other comprehensive income for the period, net after tax | - | - | - | - | - |
| Total comprehensive income for the period | 33,2 | 24,7 | 76,7 | 56,8 | 77,6 |

PARENT COMPANY BALANCE SHEET AS AT SEPTEMBER 30, 2011

| MSEK | 2011-09-30 | 2010-09-30 | 2010-12-31 |
|--|--------------|--------------|--------------|
| ASSETS | | | |
| Intangible assets | 6,0 | 6,8 | 6,6 |
| Property, plant and equipment | 100,1 | 95,4 | 98,0 |
| Financial assets | 23,7 | 0,3 | 0,8 |
| Total non-current assets | 129,8 | 102,5 | 105,4 |
| Inventories | 347,5 | 271,9 | 274,7 |
| Current receivables | 161,4 | 127,6 | 150,6 |
| Cash and bank balances | - | 38,6 | 65,8 |
| Total current assets | 508,9 | 438,1 | 491,1 |
| TOTAL ASSETS | 638,7 | 540,6 | 596,5 |
| EQUITY AND LIABILITIES | | | |
| Restricted equity | 12,8 | 12,8 | 12,8 |
| Unrestricted equity | 305,3 | 239,7 | 260,6 |
| Equity | 318,1 | 252,5 | 273,4 |
| Untaxed reserves | 167,0 | 136,2 | 166,9 |
| Current interest bearing liabilities | - | 20,9 | - |
| Trade payable | 98,1 | 98,2 | 99,6 |
| Current tax liability | 23,3 | 7,5 | 13,6 |
| Other non-interest-bearing current liabilities | 32,2 | 25,3 | 43,0 |
| Total current liabilities | 153,6 | 151,9 | 156,2 |
| TOTAL LIABILITIES AND EQUITY | 638,7 | 540,6 | 596,5 |
| Pledged assets | 71,0 | 71,0 | 71,0 |
| Contingent liabilities | 0,9 | 0,9 | 0,9 |

Our stores

STORES IN STOCKHOLM

SOLLENTUNA

Bergkällavägen 24
192 79 SOLLENTUNA

SÄTRA

Stensättravägen 4
127 39 SKÄRHOLMEN

TYRESÖ

Vindkraftsvägen 2
135 70 TYRESÖ

VEDDESTA

Kontovägen 5
175 62 JÄRFÄLLA

STORES IN GÖTEBORG

HISINGS BACKA

Exportgatan 26
422 46 HISINGS BACKA

VÄSTRA FRÖLUNDA

August Barksgatan 9
421 32 V:A FRÖLUNDA

OTHER LOCATIONS

BORLÄNGE

Hammargatan 6
781 71 BORLÄNGE

BORÅS

Vegagatan 1/Sagagatan
506 35 BORÅS

ESKILSTUNA

Kungsgatan 66
632 21 ESKILSTUNA

FALKÖPING

Warodells väg 5-9
521 40 Falköping

GÄVLE

Utmarksvägen 10
802 91 GÄVLE

HALMSTAD

Ryttarevägen 10
302 60 HALMSTAD

HAPARANDA

Hästskovägen 4 D
953 36 HAPARANDA

HELSINGBORG

Garnisonsgatan 14
254 66 HELSINGBORG

HUDIKSVALL

Ullsättersvägen 2
824 34 HUDIKSVALL

JÖNKÖPING

Solåsvägen 20
553 03 JÖNKÖPING

KALMAR

Engelska vägen 5
393 56 KALMAR

KARLSTAD

Blockgatan 8-10
653 41 KARLSTAD

KRISTIANSTAD

Jochums väg 5
291 59 KRISTIANSTAD

LINKÖPING

Svedengatan 17
582 73 LINKÖPING

LULEÅ

Ödlegatan 7
973 34 LULEÅ

MALMÖ

Flygplansgatan 11
212 39 MALMÖ

NORRKÖPING

Malmgatan 33
602 23 NORRKÖPING

NORRTÄLJE

Viktor Karlssons väg 2
761 50 NORRTÄLJE

NYKÖPING

Gustafsbergsstigen 18
611 65 NYKÖPING

SKELLEFTEÅ

Tjarnvägen 22
931 61 SKELLEFTEÅ

SKÖVDE

Titanvägen 4
541 39 SKÖVDE

SUNDSVALL

Norra Vägen 25
856 50 SUNDSVALL

UDDEVALLA

Frölandsvägen 1
451 76 UDDEVALLA

UPPSALA

Stångjärnsgatan 8 B
753 23 UPPSALA

VARBERG

Värnamovägen 2
432 32 VARBERG

VISBY

Hyvelgatan 3
621 41 VISBY

VÄSTERÅS

Traversgatan 13 B
721 38 VÄSTERÅS

VÄXJÖ

Smedjegatan 20 A
352 46 VÄXJÖ

ÖREBRO

Nastagatan 8
702 27 ÖREBRO

ÖSTERSUND

Brosslarvägen 30
831 72 ÖSTERSUND

STORES IN NORWAY

DRAMMEN

Tomtegata 80
3012 DRAMMEN

MOSS

Midtveien 5
1526 MOSS

STORES OPENING IN 2011-2012

LULEÅ

OPENED 7/2

FALKÖPING

OPENED 26/5

DRAMMEN NORGE

OPENED 11/8

SKELLEFTEÅ

OPENED 17/10

MOSS NORGE

OPENED 3/11

MOTALA

OPENS Q4

STAVANGER NORGE

OPENS Q4

VÄRNAMO

OPENS 2012

FREDRIKSTAD NORGE

OPENS 2012

KRISTIANSAND NORGE

OPENS 2012

TRONDHEIM NORGE

OPENS 2012

KARLSKRONA

OPENS 2012

FALUN

OPENS 2012

LUND

OPENS 2012



Box 631, 135 26 Tyresö
Visitingaddress: Vindkraftsvägen 2
www.swedol.se