

Kährs Holding AB (publ)

Interim report – Q2-2014

Kährs Group

13 August 2014



Chief Executive's comments

Net sales in the second quarter 2014 amounted to 655 MSEK (633), which is an increase of 22 MSEK or 4% compared to the same period previous year. This is explained by a continued positive sales trend in the Swedish and the Central European markets and also the North American market shows a positive development after the cold period in January and February. The market development in Finland and Russia on the other hand remained weak during the second quarter. The operating profit excluding depreciation and non-recurring items (adjusted EBITDA) amounted to 65 MSEK (65) or 9.9% (10.3) during Q2

The group's total net sales during Q2 was better than the same period last year related to higher net sales in hardwood flooring which increased by 2%. Resilient, laminate and tiles showed a very positive development and increased with 17% while segment Other, especially flooring accessories, grew with 18% during the second quarter of the year.



On the market side, Region Nordic continued to develop positively with significant sales growth, especially in Sweden with 16%. Several of Kährs markets in Central Europe, North America and also Spain and China showed good improvement in sales during the second quarter of the year. The development in Finland and Russia remained weak effected by a slow project market.

The gross margin decreased from 34.8% to 34.2% which is explained by changes in product mix, especially on the hardwood flooring segment, and a higher share of sales to projects. In addition, a larger proportion of slow movers and discontinued products were sold from our warehouses. The fixed costs are still kept on a moderate level and during the second quarter, fixed costs were 1% lower than the same period 2013. The operating profit excluding depreciation and non-recurring items (adjusted EBITDA) was 65 MSEK or 9.9% compared to 65 MSEK or 10.3% the same period last year. The company have not had any restructuring costs during 2014 compared with 5 MSEK in the first half year of 2013.

There are many ongoing activities in the company at the moment and in the autumn we will launch several new products both within the wood flooring segment and in resilient. From the new design line in Nybro, a new collection of high end designed 1-strip wood floors will be launched, Småland Collection, and from the Finnish factory in Ikaalinen a new homogenous PVC-free resilient flooring where we see strong interest from the project market.

During Q2, 2014 260 MSEK has been repaid of the shareholder loans to Nanna II S.C.A. in Luxembourg. After balance sheet date, in the beginning of July, another 90 MSEK was repaid on these loans under the terms and conditions of the tap issue of Kährs corporate bond in March 2014. In June Kährs has also agreed upon an overdraft facility of 100 MSEK with Swedbank and the previously announced refinancing of the business is thus completed.

Christer Persson
President and CEO

Financial highlights and key ratios

In Kährs Holding AB's consolidated financials, the subgroups AB Gustaf Kähr, Karelia-Upofloor Oy and Oak Norge AS, are included.

Second quarter 2014 in brief

- Net sales amounted to 655 MSEK (633), an increase of 22 MSEK or 4% compared with last year.
- The operating profit excluding depreciation and non-recurring items (adjusted EBITDA) in Q2 amounted to 65 MSEK (65) or 9.9% (10.3).
- The operating profit excluding non-recurring items (adjusted EBIT) in the second quarter amounted to 41 MSEK (38) or 6.3% (6.0).
- The profit for the period amounted to 10 MSEK (-8) during Q2. The reason for the improved result is a higher EBIT and lower financial costs (including FX).
- The net debt of the group per June 30, 2014 amounted to 739 MSEK including a finance lease of 117 MSEK.
- On April 2nd, the group made a repayment of outstanding shareholder loans amounting to 260 MSEK to Nanna II S.C.A. in Luxembourg.
- Kährs has during the period agreed upon an overdraft facility of 100 MSEK with Swedbank.

Events after balance sheet date

- In the beginning of July, the group made a repayment of shareholder loans of an additional 90 MSEK to Nanna II S.C.A. in Luxembourg.

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Net sales	655	633	1,301	1,246	2,437	2,492
Operating profit excl. depreciation (EBITDA)	65	61	117	108	155	164
Operating profit excl. depreciation and non-recurring items (Adj. EBITDA)	65	65	117	113	227	231
Operating profit excl. non-recurring items (Adj. EBIT)	41	38	71	59	130	142
Operating profit (EBIT)	41	34	71	54	58	75
Profit for the period	10	-8	15	2	-39	-26
Operating profit excl. depreciation (EBITDA), %	9.9%	9.6%	9.0%	8.7%	6.4%	6.6%
Operating profit excl. depreciation and non-recurring items (Adj. EBITDA), %	9.9%	10.3%	9.0%	9.1%	9.3%	9.3%
Operating profit excl. non-recurring items (Adj. EBIT), %	6.3%	6.0%	5.5%	4.7%	5.3%	5.7%
Operating profit (EBIT), %	6.3%	5.4%	5.5%	4.3%	2.4%	3.0%

Kährs, second quarter and the period January to June 2014

In Kährs Holding AB's consolidated financials, the subgroups AB Gustaf Kähr, Karelia-Upofloor Oy and Oak Norge AS, are included.

Net sales

Second quarter

Total group net sales amounted to 655 MSEK (633), an increase with 4% compared to 2013.

January-June

Net sales for the group during the period January to June amounted to 1,301 MSEK (1,246), an increase with 5% compared to 2013.

Operating profit

Second quarter

The operating profit (EBIT) for the second quarter amounted to 41 MSEK (34), an improvement with 20%. The operating profit excl. non-recurring items (Adj. EBIT) amounted to 41 MSEK (38) or 6.3% (6.0%) The operating result excluding depreciation and non-recurring items (Adj. EBITDA) reached 65 MSEK (65) or 9.9% (10.3).

The profit for the period was 10 MSEK (-8) and the change is explained by higher EBIT and lower financial costs (including FX).

The total depreciation of the group's fixed assets amounted to 23 MSEK (21) and the company did not have any costs for restructuring during the second quarter 2014.

January-June

The operating profit (EBIT) for the period of January to June amounted to 71 MSEK (54), an improvement with 31%. The operating profit excl. non-recurring items (Adj. EBIT) amounted to 71 MSEK (59) or 5.5% (4.7%) The operating result excluding depreciation and non-recurring items (Adj. EBITDA) reached 117 MSEK (113) or 9.0% (9.1).

The profit for the period was 15 MSEK (2) and the change is explained by higher EBIT and lower financial costs (including FX).

The total depreciation of the group's fixed assets during January to June amounted to 45 MSEK (52)

and the company has not had any costs for restructuring during 2014.

Net financial cost

Second quarter

The net financial cost was -28 MSEK (-42).

January-June

The net financial cost was -52 MSEK (-52) during the first six months of the year.

Cash flow and Investments

Second quarter

Operating cash flow in the second quarter amounted to 31 MSEK (-3). The improvement in result compared to last year effected the operative cash flow positively but at the same time the net working capital increased with 23 MSEK in the quarter. This increase was mainly related to more capital tied in a buildup of stock of finished goods preparing for summer closing of the factory in Nybro for three weeks. Net working capital is still 8 MSEK lower per 30 June 2014 compared with the same time last year.

The investments during the period amounted to 26 MSEK, to be compared with 30 MSEK during Q2 2013. The majority of the investments are made in the largest production plant of the group in Nybro, Sweden.

January-June

Operating cash flow so far this year was -42 MSEK (-45). The improvement in result compared to last year effected the operative cash flow positively. At the same time the net working capital increased with 134 MSEK during the first six months. This increase was mainly related to increase of stock of finished goods according to above and to the higher level of trade receivables due to normal seasonal variations in the group sales.

The investments during the period January-June amounted to 63 MSEK, to be compared with 42 MSEK during the same period 2013.

Kährs Group

Financial position

Total assets of the group amounted to 2,194 MSEK per 30 June 2014 (2,164 MSEK per 31 December 2013) and the Equity ratio was 20% excluding shareholder loans from Nanna II S.C.A (19% per 31 December 2013).

The net debt of the group, including finance lease amounted to 739 MSEK per 30 June 2014, to be compared with 376 MSEK per 31 December 2013. This is mainly explained by a changed financing structure where internal loans to Nanna II S.C.A in Luxembourg has been replaced by increased external financing through Kährs' corporate bond. The group net debt excl. finance lease amounted to 622 MSEK per 30 June 2014, to be compared with 255 MSEK per December 2013. The net debt, excl. finance lease, in relation to adjusted EBITDA ratio amounted per 30 June to 2.7x and the ratio of adjusted EBITDA to net finance charges amounted to 4.2x.

Consolidated cash and cash equivalents per 30 June was 82 MSEK compared to 236 MSEK per 31 December 2013, which is a decrease of 154 MSEK during the first six months. The Group uses, per the 30 June, nothing of the overdraft facility of 100 MSEK that has been agreed upon with Swedbank.

Employees

The number of employees per 30 June 2014 was 1,595 which is an increase of 51 employees since year end. The number of employees outside Sweden at the end of the period was 826 which is an increase by 44 from 782 employees per 31 December 2013, mainly related to blue collar workers in Poland and Russia



Net sales and result in summary

Net sales

Net sales for the group amounted to 655 MSEK (633), in the second quarter, an increase with 22 MSEK or 4%.

All product segments showed positive sales development compared to last year. Hardwood flooring increased with 2%, resilient, laminate and tiles increased with 17% and also Other, mainly flooring accessories, increased by 18% compared to the same period 2013.

Net sales per product group

Hardwood flooring continued to show a mixed development in the regions during the second quarter. The hardwood sales increased with 8 MSEK or 2%, compared to the same period last year, to 559 MSEK.

Sales of resilient, laminate and tiles amounted to 70 MSEK in the quarter which meant an increase of 17% compared to the same period 2013. Net sales for Other business, including flooring accessories, did increase by over 18% in the second quarter to 26 MSEK.

Net Sales by region

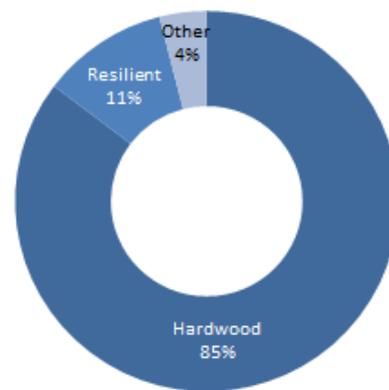
The group had a continued good sales development in Region Nordic during the second quarter where the increase compared to the same period 2013 was 7%. This increase in sales is mainly driven by a positive development in hardwood flooring in Sweden, +14%, but also by a good development of resilient flooring in the Swedish and Norwegian markets.

Also Region Central Europe, Americas as well as Other Markets had a positive development with sales increases of 14%, 17% and 32% respectively in the quarter. In Central Europe we see improvements in several markets, while the increase in Other Markets is mainly driven by China and Spain.

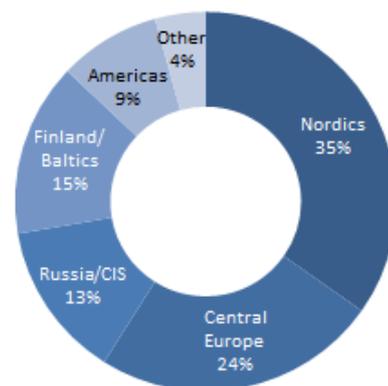
In Region Americas sales was positively effected both in hardwood and resilient. We see a continued improvement in the US market where Kährs grew with 18% during Q2.

Region Finland/Baltic and Region Russia/CIS showed a continued declining sales development during the second quarter of 2014, at -11% and -12% respectively. A generally weak project market explains this development.

Net sales per Product group
Q2 - 2014



Net sales per region
Q2 - 2014



Operating result (adjusted EBITDA and EBIT)

The operating result excluding depreciation and non-recurring items (adjusted EBITDA) amounted in the second quarter to 65 MSEK (65) or 9.9% (10.3). Restructuring costs has not affected the result during 2014. Operating result (EBIT) during Q2-2014 was 41 MSEK (34). The allocation of group EBIT between product segments is shown in the charts on page 7.

Segment development

Hardwood flooring

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Segment revenue						
External customers	559	551	1,112	1,079	2,106	2,139
Operating profit excl. non-recurring items (Adj. EBIT)	35	31	57	46	105	116
Operating profit excl. non-recurring items (Adj. EBIT), %	6.3%	5.6%	5.1%	4.3%	5.0%	5.4%
Operating profit, (EBIT)	35	27	57	41	37	53
Operating profit (EBIT), %	6.3%	4.9%	5.1%	3.8%	1.8%	2.5%

Resilient products

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Segment revenue						
External customers	70	60	139	125	247	261
Operating profit excl. non-recurring items (Adj. EBIT)	4	5	10	10	20	20
Operating profit excl. non-recurring items (Adj. EBIT), %	5.7%	8.3%	7.2%	8.0%	8.1%	7.7%
Operating profit, (EBIT)	4	5	10	10	18	18
Operating profit (EBIT), %	5.7%	8.3%	7.2%	8.0%	7.3%	6.9%

Other

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Segment revenue						
External customers	26	22	50	42	84	92
Operating profit excl. non-recurring items (Adj. EBIT)	2	2	4	3	5	6
Operating profit excl. non-recurring items (Adj. EBIT), %	7.7%	9.1%	8.0%	7.1%	6.0%	6.5%
Operating profit, (EBIT)	2	2	4	3	3	4
Operating profit (EBIT), %	7.7%	9.1%	8.0%	7.1%	3.6%	4.3%

General information

Accounting principles in 2014

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS34, Interim Financial Reporting. For further information regarding the accounting policies applied, see the Financial Statements for fiscal year 2013.

Related-party transactions

Transactions with related parties are priced in accordance with market terms and prices. Related parties refer to companies over which Kährs Holding AB (publ) has a controlling or significant influence in terms of the operational and financial decisions. Related parties also includes those companies and individuals, such as board of directors and members of management, who have the ability to control or exercise significant influence over the Group's financial and operational decisions.

Risk and uncertainty factors

Kährs is a global company represented in many countries and as such exposed to a number of commercial and financial risks. Accordingly, risk management is an important process for Kährs in its work to achieve established targets.

Efficient risk management is an ongoing process conducted within the framework of business controlling, and is a continuing review of the operations and forward-looking assessments of the business.

Kährs long-time risk exposure is not assumed to deviate from the inherent exposure associated with Kährs ongoing business operations.

Parent company

The parent company, Kährs Holding AB (publ) was established in 1996 and is a limited liability company with its registered office in Nybro, Sweden.

The revenue for the period January to June 2014 was 0 MSEK (0) with a profit after tax of -15 MSEK (-9). The parent company's income statement and statement of financial position are presented on page 13-14 in this interim report.

Events after balance sheet date

In the beginning of July 2014, the group made an additional repayment of 90 MSEK of the remaining shareholder loans from Nanna II S.C.A. This was made in accordance with the terms and conditions of the tap issue for Kährs' corporate bond in March 2014.

Except for the above, no significant events have taken place after the balance sheet date.

Consolidated Income Statement

MSEK	Note	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Sale of goods	2	655	633	1,301	1,246	2,437	2,492
Cost of goods sold	3	-516	-495	-1,035	-990	-1,989	-2,034
Gross profit		139	138	266	256	448	458
<i>% of Sale of goods</i>		21.2%	21.8%	20.4%	20.5%	18.4%	18.4%
Selling and distribution expenses	3	-79	-75	-154	-147	-286	-293
Administrative expenses	3	-20	-26	-42	-51	-99	-90
Other operating income		1	0	2	2	6	6
Other operating expenses		0	-3	-1	-6	-11	-6
Operating profit	2	41	34	71	54	58	75
<i>% of Sale of goods</i>		6.3%	5.4%	5.5%	4.3%	2.4%	3.0%
Financial income		1	1	1	3	6	4
Financial expenses		-29	-43	-53	-55	-115	-113
Profit before tax		13	-8	19	2	-51	-34
Income tax expense		-3	0	-4	0	12	8
Profit for the period		10	-8	15	2	-39	-26

Consolidated statement of comprehensive income

Profit for the period	10	-8	15	2	-39	-26
Other comprehensive income						
Items that can be reclassified into profit and loss:						
Translation differences	12	0	9	-10	-26	-7
Other comprehensive income, net of tax	22	-8	24	-8	-65	-33
Total comprehensive income for the period	22	-8	24	-8	-65	-33
Attributable to shareholders of the Parent Company	22	-8	24	-8	-65	-33
Attributable to non-controlling interests	-	-	-	-	-	-
Total	22	-8	24	-8	-65	-33
Earnings per share before and after dilution, SEK	0,3	-0,3	0,5	0,1	-1,3	-0,9

Consolidated statement of financial position

MSEK	Note	30 Jun 2014	30 Jun 2013	31 Dec 2013
ASSETS				
Non-current assets				
Intangible assets		2	5	3
Property, plant and equipment		825	755	796
Financial assets		5	6	5
Deferred tax assets		103	101	98
Total non-current assets		935	867	902
Current assets				
Inventories		713	647	665
Trade receivables		383	371	300
Derivatives		4	5	3
Other current assets		77	66	58
Cash and cash equivalents		82	312	236
Total current assets		1,259	1,401	1,262
TOTAL ASSETS		2,194	2,268	2,164
EQUITY AND LIABILITIES				
Equity				
Share capital		0	0	0
Other reserves		-24	-17	-33
Retained earnings		453	479	438
Total		429	462	405
Non-controlling interests		-	-	-
Total equity		429	462	405
Non-current liabilities				
Interest bearing liabilities	4	1,083	1,188	1,074
Provisions for pensions		1	1	1
Other provisions		5	14	11
Deferred tax liabilities		8	26	8
Total non-current liabilities		1,097	1,229	1,094
Current liabilities				
Interest bearing liabilities	4	3	4	4
Other provisions		43	48	43
Trade payables		273	187	276
Income tax payable		6	1	3
Derivatives		2	8	12
Other current liabilities		341	329	327
Total current liabilities		668	577	665
TOTAL EQUITY AND LIABILITIES		2,194	2,268	2,164

Consolidated statement of cash flows

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Operating activities						
Profit before tax	13	-9	19	1	-51	-33
Reconciliation between profit before tax & net cash flow	65	50	116	67	109	158
	78	41	135	68	58	125
Interest received	1	-	1	2	5	4
Interest paid	-16	-11	-27	-22	-44	-49
Income tax paid	-1	-1	-2	-1	-1	-2
Cash flow from operating activities	62	29	107	47	18	78
Working capital adjustments						
Changes in inventories	-53	-28	-47	-16	-35	-66
Changes in operating receivables	21	-7	-103	-83	-3	-23
Changes in operating liabilities	1	3	1	7	101	95
Net cash flows from operating activities	31	-3	-42	-45	81	84
Investing activities						
Purchase of property, plant and equipment	-26	-30	-63	-42	-108	-129
Change in financial assets	-	-	-	-	-1	-1
Proceeds from sale of property, plant and equipment	-	2	-	2	4	2
Net cash flows used in investing activities	-26	-28	-63	-40	-105	-128
Financing activities						
Proceeds from borrowings	-	1	214	1	-	213
Repayment of borrowings	-265	-	-265	-	-130	-395
Net cash flows used in financing activities	-265	1	-51	1	-130	-182
Cash flow for the period	-260	-30	-156	-84	-154	-226
Cash and cash equivalents, opening balance	341	336	236	391	391	312
Exchange - rate differences	1	6	2	5	-1	-4
Cash and cash equivalents, closing balance	82	312	82	312	236	82

Consolidated statement of changes in equity

MSEK	Share capital	Contributions of other capital	Other reserves	Retained earnings	Total equity
As at 1 January 2014	0	0	-33	438	405
Profit for the period				15	15
Other comprehensive income			9		9
As at 30 June 2014	0	0	-24	453	429

MSEK	Share capital	Contributions of other capital	Other reserves	Retained earnings	Total equity
As at 1 January 2013	0	0	-7	477	470
Profit for the period				2	2
Other comprehensive income			-10		-10
As at 30 June 2013	0	0	-17	479	462

MSEK	Share capital	Contributions of other capital	Other reserves	Retained earnings	Total equity
As at 1 January 2013	0	0	-7	477	470
Profit for the period				-39	-39
Other comprehensive income			-26		-26
As at 31 December 2013	0	0	-33	438	405

Kährs Holding AB (publ) - Income Statement

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Sale of goods	-	-	-	-	-	-
Cost of goods sold	-	-	-	-	-	-
Gross profit						
<i>% of Sale of goods</i>	-	-	-	-	-	-
Selling and distribution expenses	-	-	-	-	-	-
Administrative expenses	0	0	-1	-1	-3	-3
Other operating income	0	0	0	0	0	0
Other operating expenses	0	-1	-2	-1	-5	-6
Operating profit (EBIT)	0	-1	-3	-2	-8	-9
Financial income	10	13	18	23	46	41
Financial expenses	-12	-13	-34	-30	-57	-61
Profit excluding tax	-2	-1	-19	-9	-19	-29
Income tax expense	0	0	4	0	12	16
Profit for the period	-2	-1	-15	-9	-7	-13

Kährs Holding AB (publ) - Statement of financial position

MSEK	30 Jun 2014	30 Jun 2013	31 Dec 2013
ASSETS			
Non-current assets			
Financial assets	1,088	1,078	960
Deferred tax assets	16	-	12
Total non-current assets	1,104	1,078	972
Current assets			
Other current assets	15	23	3
Cash and cash equivalents	0	20	6
Total current assets	15	43	9
TOTAL ASSETS	1,119	1,121	981
EQUITY AND LIABILITIES			
Equity			
Share capital	0	0	0
Retained earnings	321	332	335
Total	321	332	335
Non-controlling interests	-	-	-
Total equity	321	332	335
Non-current liabilities			
Interest bearing liabilities	733	748	577
Total non-current liabilities	733	748	577
Current liabilities			
Trade payables	1	5	2
Other current liabilities	64	36	67
Total current liabilities	65	41	69
TOTAL EQUITY AND LIABILITIES	1,119	1,121	981

Notes

Note 1, Accounting policies

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For further information regarding the accounting policies applied, see the company's Financial Statements for fiscal year 2013.

The preparation of the financial reports in accordance with IFRS requires management to make judgments and estimates, as well as assumptions, which affect the application of the accounting principles and the carrying amounts in the income statement and balance sheet. Estimates and assumptions are based on historical experience and a number of factors that under current circumstances seem reasonable. The results of these estimates and assumptions are then used to determine the carrying amounts of assets and liabilities that otherwise are not clearly indicated by other sources. Actual outcome may deviate from these estimates and judgments.

Note 2, Segment

Sale of goods by segment

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Hardwood flooring	559	551	1,112	1,079	2,106	2,139
Resilient products	70	60	139	125	247	261
Other	26	22	50	42	84	92
Sale of goods	655	633	1,301	1,246	2,437	2,492

Operating profit excl. non-recurring items (Adj. EBIT) by segment

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Hardwood flooring	35	31	57	46	105	116
Resilient products	4	5	10	10	20	20
Other	2	2	4	3	5	6
Operating profit excl. non-recurring (Adj. EBIT)	41	38	71	59	130	142

Operating profit (EBIT) by segment

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Hardwood flooring	35	27	57	41	37	53
Resilient products	4	5	10	10	18	18
Other	2	2	4	3	3	4
Operating profit (EBIT)	41	34	71	54	58	75

Note 3, Non-recurring items

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Operating profit excl. non-recurring items (Adj. EBIT)	41	38	71	59	130	142
Production footprint changes	-	-3	-	-4	-62	-58
Other non-recurring items	-	-1	-	-1	-10	-9
Operating profit (EBIT)	41	34	71	54	58	75

Note 4, Interest bearing liabilities

MSEK	30 Jun 2014	30 Jun 2013	31 Dec 2013
Non-current liabilities			
Shareholder loans ¹	265	580	466
Corporate bond	725	500	500
Financing costs ²	-21	-11	-10
Finance lease	114	118	117
Other loans	-	1	1
Total non-current interest bearing liabilities	1,083	1,188	1,074
Current liabilities			
Finance lease	3	4	4
Other loans	-	-	-
Total current interest bearing liabilities	3	4	4
Total interest bearing liabilities	1,086	1,192	1,078

¹ Shareholder loans to Nanna II S.C.A. (PIK interest only)

² Financing costs accrued over the corporate bond-loan maturities

Consolidated key performance indicators

MSEK	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jul 2013- Jun 2014
Net sales	655	633	1,301	1,246	2,437	2,492
Operating profit excl. depreciation (EBITDA), %	9.9%	9.6%	9.0%	8.7%	6.4%	6.6%
Operating profit excl. depreciation and non-recurring items (Adj. EBITDA), %	9.9%	10.3%	9.0%	9.1%	9.3%	9.3%
Operating profit excl. non-recurring (Adj. EBIT), %	6.3%	6.0%	5.5%	4.7%	5.3%	5.7%
Operating profit (EBIT), %	6.3%	5.4%	5.5%	4.3%	2.4%	3.0%
Profit for the period, %	1.5%	-1.3%	1.2%	0.2%	-1.6%	-1.0%
Net working capital	823	831	823	831	689	823
Net debt ¹	739	300	739	300	376	739
Equity ratio	20%	20%	20%	20%	19%	20%

¹ Corporate bond and finance lease minus cash and cash equivalents

Financial reporting calendar 2014

Kährs Holding AB (publ)'s interim reporting as well as the year end-report are available on Kährs website www.kahrs.com.

The reporting calendar is as follows:

- Statutory report 2013 April 2014
- Interim report Q1 May 2014
- Interim report Q2 August 2014
- Interim report Q3 November 2014
- Interim report Q4 and full year 2014 February 2015

Governing text

This report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in the event of any discrepancy between the versions.

Nybro, 13 August 2014

KÄHRS HOLDING AB (PUBL)

Sven-Gunnar Schough
Chairman

Carl Johan Falkenberg
Board director

Anders Wassberg
Board director

Hannu Paitula
Board director

Bertel Langenskiöld
Board director

Anne Berner
Board director

Stefan Karlsson
Employee representative

Jakob Jakobsson
Employee representative

Christer Persson
President and CEO

The information in this interim report is what Kährs Holding AB (publ) is obliged to publish under the provisions of the Stock Exchange and Clearing Operations Act and/or the Trading in Financial Instruments Act. The information was released to the media for publication on August 13, 2014 at 1500 CET.

This report has not been reviewed by the company's auditors.

For further information, please contact:

Christer Persson
President and CEO
Phone: +46 70 271 2014
Email: christer.persson@kahrs.se

Peter Ericsson
CFO
Phone: +46 70 461 1039
Email: peter.ericsson@kahrs.se

Address:

Kährs Holding AB (publ)
Dunderbergsgatan 10
382 28 Nybro
Sweden

Corporate identity number: 556534-2481
Phone: +46 481 46000