

19 May 2015

**Ferronordic Machines AB (publ)**  
**Interim Report January - March 2015**
**SIGNIFICANTLY REDUCED NEW MACHINE SALES**

- Revenue decreased by 50% (30% in rubles) to SEK 252.4m (SEK 501.1m)
- Operating profit amounted to SEK -12.4m (SEK 10.2m)
- Operating margin was -4.9% (2.0%)
- EBITDA amounted to SEK 7.3m (SEK 31.0m)
- The after-tax result amounted to SEK -11.0m (SEK -1.5m)
- Earnings per ordinary share amounted to SEK -2.35 (SEK -1.40)
- Cash flow from operating activities amounted to SEK 29.6m (SEK -6.2m)

SEK M	First quarter 2015	First quarter 2014
Revenue	252.4	501.1
EBITDA	7.3	31.0
Operating profit	-12.4	10.2
After-tax result	-11.0	-1.5
Net Debt	81.1	71.5
Net Debt / EBITDA	0.5x	0.4x

**COMMENTS BY LARS CORNELIUSSON, CEO AND PRESIDENT:**

- While the macroeconomic and geopolitical situation has somewhat stabilized during the quarter, the market for sales of new machines has fallen significantly. The effects of the financial turmoil at the end of 2014 are still clearly visible. Liquidity is tight, infrastructure projects are being postponed and financing for our customers remains challenging. Together with significant price increases following the depreciation of the ruble, this has resulted in a decrease of the market for new machines in Russia by approximately 75% compared to the same period last year.
- The market situation has obviously affected our revenue negatively, in particular the sales of new machines. The number of new machines sold during the quarter decreased to 86 units compared to 298 units during the first quarter of 2014.
- The significant reduction in new machine sales was partly compensated by an increased demand for used machines. Given the market conditions, our aftermarket sales were also relatively strong and increased by 15% in ruble compared to the same period last year. In total, however, our revenue during the first quarter decreased by 50% to SEK 252m from SEK 501m in the first quarter of 2014.
- The implementation of various cost saving measures that commenced the fourth quarter of 2014 was intensified during the first quarter. Even though these measures have contributed to an overall reduction of our cost level, we do not expect to see the proper effect of these measures until later during the year. Depending on the market development we have also made preparations to take further actions if needed.
- In April it was announced that the proposal of the Board to the AGM is that, for the time being, no dividends should be paid on the preference shares. This does not mean that the payment of dividends has been cancelled. The intention is that dividend payments should be made according to plan. But in a year like this we cannot make a decision already in May to pay dividends in October 2015 and April 2016. Before dividends can be paid we must first ensure that we have funds available to fulfill obligations to our suppliers. If the financial position allows it the Board will call for an extraordinary general meeting in October 2015 and/or April 2016 where the dividend payments can be decided.

## Comments to the first quarter report

The first quarter has been very challenging. The aftermath of the financial turmoil at the end of 2014 remains clearly visible. Several infrastructure projects have been postponed, liquidity remains tight, and financing for our customers is very challenging. At the same time, due to the significant depreciation of the ruble, especially at the end of 2014, we have seen significant price increases (in rubles) by essentially all market players. This has clearly affected demand as customers are less inclined and less able to purchase new machines.

During the first quarter and thereafter, several economic indicators have moved in the right direction. The ruble has strengthened significantly. At the time of this report the ruble had strengthened from 7.3 ruble per krona by year end to 6.1. Compared to the euro, the ruble had strengthened from almost 70 ruble per euro to 57. We have also seen a decrease of the interest rates. The key rate of the Russian Central Bank has been reduced from 17% to 12.5% since 31 December 2014. MosPrime 3M has at the same time decreased from 23.8% to 13.7%.

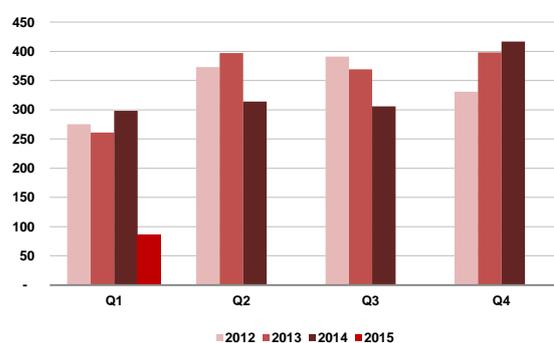
The strengthening of the ruble has had a positive impact on our equity during the quarter. A significant part of the equity reduction suffered in 2014 due to the depreciation of the ruble has now been recovered.

As a result of the reduced sales of new machines we have increased our focus on the relatively increasingly important aftermarket. During the fourth quarter of 2014 we also commenced various cost saving measures. These measures were intensified during the first quarter of 2015. While the proper effect of these measures will only become noticeable later during the year, the initial effect of these measures was seen during the first quarter. Compared to the fourth quarter of 2014 our operating expenses have decreased by 24% in SEK and 10% in ruble.

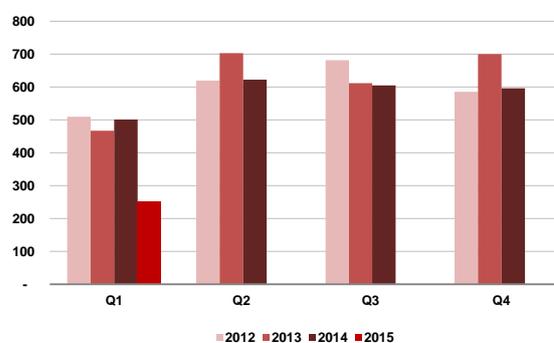
## Revenue

Revenue during the quarter decreased by 50% to SEK 252.4m (SEK 501.1m). In rubles the decrease amounted to 30%. Revenue from sales of equipment decreased by 61% and revenue from the aftermarket (parts and service) decreased by 18%. In rubles, sales of equipment decreased by 46% and revenue from the aftermarket increased by 15%. In particular the addition of Terex Trucks has contributed well to the aftermarket sales.

### New Units sold



### Revenue, SEK m

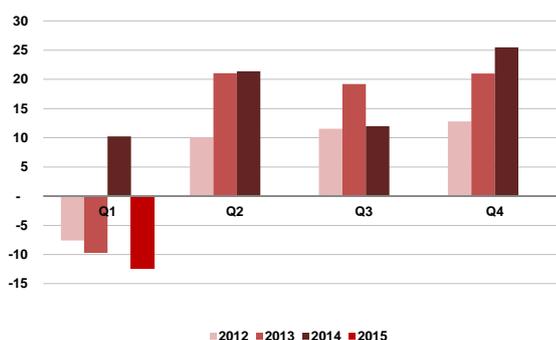


## Gross profit and results from operating activities

Gross profit for the period amounted to SEK 53.0m (SEK 77.7m), a decrease of 32%. Gross margin increased to 21.0% compared to 15.5% during the same period last year. The increase is partly a result of higher margins on sold new and used machines, but also the fact that the aftermarket now constitutes a higher proportion of the total revenue.

The results from operating activities decreased to SEK -12.4m (SEK 10.2m), primarily as a result of the decreased gross profit. The decrease in results from operating activities was mitigated by a decrease in general and administrative expenses of SEK 6.4m.

### Results from operating activities, SEK m



### Result

The result before income tax decreased to SEK -13.5m (SEK -1.2m), primarily as a result of the reduced results from operating activities. The decrease was mitigated by an increase in finance income and a foreign exchange gain following the strengthening of the ruble.

The result for the period decreased to SEK -11.0m (SEK -1.5m).

### Cash flow

In the first quarter the Group's cash flow from operating activities amounted to SEK 29.6m (SEK -6.2m). This was primarily a result of lower inventory and higher payables.

Cash flow from investing activities amounted to SEK 2.2m (SEK -7.4m), mainly because of lower investments in property, plant and equipment and increased finance income.

### Financial position

The Group's cash and cash equivalents at 31 March 2015 amounted to SEK 65.7m, a decrease of approximately SEK 111.8m compared to 31 December 2014. Interest-bearing liabilities at 31 March 2015 amounted to SEK 146.8m, an decrease of SEK 139.8m compared to 31 December 2014 (interest-bearing liabilities include debt and obligations under finance leases, both short term and long term). The reduction in

cash and cash equivalents and interest-bearing liabilities is primarily a result of repayments of loans.

Equity at 31 March 2015 amounted to SEK 383.8m, an increase of SEK 12.3m compared to 31 December 2014. The increase, offset by the negative result for the period, is a result of positive translation differences in the amount of SEK 23.3m following the strengthening of the ruble.

### Employees

The number of employees at the end of the quarter, converted to equivalent full-time employees, was 716 people. This represents a decrease of 34 employees since the end of March 2014 and 51 employees compared to the end of December 2014.

### Parent company

The revenue of the parent company amounted to SEK 2.3m (SEK 7.0m). The decrease primarily relates to lower royalty fees from Ferronordic Machines LLC under a group-internal trademark license agreement after an amendment in the third quarter of 2014.

Administrative expenses amounted to SEK 3.6m (SEK 3.9m).

The result for the period decreased to SEK 6.0m (SEK 8.7m).

### Risks and uncertainties

Ferronordic Machines is exposed to a number of risks, as described in the 2014 annual report. Identifying, managing and pricing these risks are of fundamental importance to Ferronordic Machines' profitability. There have been no significant changes to what was stated in the 2014 annual report.

### Annual general meeting, annual report 2014 and proposed dividends

The annual general meeting will be held on 19 May 2015. The notice to the meeting was published on 20 April 2015 and is available on the website.

The annual report for 2014 was published on the website on 20 April 2015.

The Board's proposal to the annual general meeting is that, for the time being, no dividends should be paid on either ordinary shares or preference shares. This does not mean that the payment of preference

share dividends in October 2015 and April 2016 has been cancelled. The intention is that dividend payments should be made according to plan. But in a year like this, with the challenging market in Russia, we cannot make a decision already in May to pay dividends in October 2015 and April 2016. Before dividends can be paid we must first ensure that we have funds available to fulfill obligations to our suppliers. If our cash flow and general financial position allow it, the Board will call for an extraordinary general meeting in October 2015 and/or April 2016 where the dividend payments can be decided.

### **Major events**

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As indicated above the market for new machines dropped by approximately 75% compared to the first quarter of 2014. To compensate for the depressed market and falling revenue we have taken and continue to take various actions to reduce our costs. However, the proper effect of these measures is only expected to become noticeable later during the year. We are also taking various measures to increase our focus on the relatively more important aftermarket.

### **Events after the balance sheet date**

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On 29 April the company paid dividends to holders of preference shares in an amount of SEK 50 per preference share, amounting to a total dividend payment of SEK 25m.

On 28 April Ferronordic Machines LLC signed an amendment agreement to its credit agreement with Promsvyazbank. According to the amendment the interest for the credit was increased to 16-22%, depending on the duration of the tranche duration.

### **Outlook**

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With the continuous economic challenges in Russia, and a market for new machines falling by 75%, it is clear that 2015 is and will continue to be a difficult year. The short and medium term market development is still difficult to predict. All in all, however, we are still optimistic about the future of our business as the long-term fundamentals in the Russian construction equipment market remain strong.

<u>Condensed consolidated statement of comprehensive income</u>	<u>Note</u>	<u>First quarter 2015</u>	<u>First quarter 2014</u>
		<u>SEK '000</u>	<u>SEK '000</u>
<b>Revenue</b>	<b>1</b>	<b>252 381</b>	<b>501 093</b>
Cost of sales		(199 351)	(423 384)
<b>Gross profit</b>		<b>53 030</b>	<b>77 709</b>
Selling expenses		(22 355)	(19 461)
General and administrative expenses		(41 713)	(48 100)
Other income		1 128	1 597
Other expenses		(2 461)	(1 525)
<b>Results from operating activities</b>		<b>(12 371)</b>	<b>10 220</b>
Finance income		4 355	341
Finance costs		(8 851)	(8 199)
Net foreign exchange gains/(losses)		3 387	(3 556)
<b>Result before income tax</b>		<b>(13 480)</b>	<b>(1 194)</b>
Income tax		2 465	(263)
<b>Result for the period</b>		<b>(11 015)</b>	<b>(1 457)</b>
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign currency translation differences for foreign operations		23 291	(36 045)
<b>Other comprehensive income for the period, net of tax</b>		<b>23 291</b>	<b>(36 045)</b>
<b>Total comprehensive income for the period</b>		<b>12 276</b>	<b>(37 502)</b>
<b>Earnings per share</b>			
Basic earnings per share (SEK)		-2.35	-1.40

	31 March 2015	31 December 2014	31 March 2014
<b>Condensed consolidated statement of financial position</b>	<b>SEK '000</b>	<b>SEK '000</b>	<b>SEK '000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	40 232	42 544	82 398
Property, plant and equipment	213 719	224 688	282 728
Deferred tax assets	32 584	36 192	28 295
<b>Total non-current assets</b>	<b>286 535</b>	<b>303 424</b>	<b>393 421</b>
<b>Current assets</b>			
Inventories	441 646	424 693	582 248
Trade and other receivables	233 298	265 412	266 039
Prepayments	1 137	1 336	1 141
Other assets	924	706	652
Cash and cash equivalents	65 693	177 453	150 132
<b>Total current assets</b>	<b>742 698</b>	<b>869 600</b>	<b>1 000 212</b>
<b>TOTAL ASSETS</b>	<b>1 029 233</b>	<b>1 173 024</b>	<b>1 393 633</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	937	937	937
Additional paid in capital	594 865	594 865	595 192
Translation reserve	(152 610)	(175 901)	(77 271)
Retained earnings	(48 373)	(67 102)	(17 102)
Result for the period	(11 015)	18 729	(1 457)
<b>TOTAL EQUITY</b>	<b>383 804</b>	<b>371 528</b>	<b>500 299</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4 099	6 567	10 782
Long-term portion of finance lease liabilities	18 092	21 278	17 529
<b>Total non-current liabilities</b>	<b>22 191</b>	<b>27 845</b>	<b>28 311</b>
<b>Current liabilities</b>			
Borrowings	111 997	246 370	169 842
Trade and other payables	479 835	491 736	634 577
Deferred income	7 335	7 508	12 490
Provisions	7 400	9 121	13 840
Short-term portion of finance lease liabilities	16 671	18 916	34 274
<b>Total current liabilities</b>	<b>623 238</b>	<b>773 651</b>	<b>865 023</b>
<b>TOTAL LIABILITIES</b>	<b>645 429</b>	<b>801 496</b>	<b>893 334</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 029 233</b>	<b>1 173 024</b>	<b>1 393 633</b>
<b>Pledged Assets and Contingent Liabilities</b>			
Pledged Assets	152 345	209 135	205 620
Contingent Liabilities	-	-	-

**Condensed consolidated statement of changes in equity**

SEK '000	Attributable to equity holders of the Company				Total equity
	Share capital	Additional paid in capital	Translation reserve	Retained earnings	
<b>Balance 1 January 2015</b>	<b>937</b>	<b>594 865</b>	<b>(175 901)</b>	<b>(48 373)</b>	<b>371 528</b>
<b>Total comprehensive income for the period</b>					
Result for the period				(11 015)	(11 015)
<b>Other comprehensive income</b>					
Foreign exchange differences			23 291		23 291
<b>Total comprehensive income for the period</b>			<b>23 291</b>	<b>(11 015)</b>	<b>12 276</b>
<b>Balance 31 March 2015</b>	<b>937</b>	<b>594 865</b>	<b>(152 610)</b>	<b>(59 388)</b>	<b>383 804</b>

SEK '000	Attributable to equity holders of the Company				Total equity
	Share capital	Additional paid in capital	Translation reserve	Retained earnings	
<b>Balance 1 January 2014</b>	<b>937</b>	<b>595 192</b>	<b>(41 226)</b>	<b>(17 102)</b>	<b>537 801</b>
<b>Total comprehensive income for the period</b>					
Result for the period				(1 457)	(1 457)
<b>Other comprehensive income</b>					
Foreign exchange differences			(36 045)		(36 045)
<b>Total comprehensive income for the period</b>			<b>(36 045)</b>	<b>(1 457)</b>	<b>(37 502)</b>
<b>Balance 31 March 2014</b>	<b>937</b>	<b>595 192</b>	<b>(77 271)</b>	<b>(18 559)</b>	<b>500 299</b>

	First quarter 2015	First quarter 2014
	SEK '000	SEK '000
<b>Condensed consolidated statement of cash flows</b>		
<b>Cash flows from operating activities</b>		
Result before income tax	(13 480)	(1 194)
<b>Adjustments for:</b>		
Depreciation and amortisation	19 657	20 791
Loss from write off of receivables	1 609	1 130
Profit on disposal of rental fleet	(9 116)	(3 493)
Finance cost	8 851	8 199
Finance income	(4 355)	(341)
Net foreign exchange losses	(3 387)	3 556
<b>Cash flows from operating activities before changes in working capital and provisions</b>	<b>(221)</b>	<b>28 648</b>
Change in inventories	14 165	(111 594)
Change in trade and other receivables	55 726	48 306
Change in prepayments	277	(180)
Change in trade and other payables	(44 570)	29 843
Change in provisions	(2 213)	(2 807)
Changes in other assets	(139)	-
Change in deferred income	(728)	(1 752)
<b>Cash flows from operations before interest paid</b>	<b>22 297</b>	<b>(9 536)</b>
Proceeds from sale of rental fleet	17 947	12 831
Income tax paid	(179)	(1 335)
Interest paid	(10 448)	(8 199)
<b>Cash flows from operating activities</b>	<b>29 617</b>	<b>(6 239)</b>
<b>Cash flows from investing activities</b>		
Interest received	4 355	341
Acquisition of property, plant and equipment	(884)	(6 224)
Acquisition of intangible assets	(1 229)	(1 560)
<b>Cash flow from investing activities</b>	<b>2 242</b>	<b>(7 443)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	288 365
Repayment of loans	(138 013)	(268 066)
Leasing financing received	-	4 912
Leasing financing paid	(6 292)	(9 450)
<b>Cash flows from financing activities</b>	<b>(144 305)</b>	<b>15 761</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(112 446)</b>	<b>2 079</b>
Cash and cash equivalents at start of the period	177 453	164 075
Effect of exchange rate fluctuations on cash and cash equivalents	686	(16 022)
<b>Cash and cash equivalents at the end of the period</b>	<b>65 693</b>	<b>150 132</b>

Key Ratios	Note	First quarter	First quarter
		2015	2014
Gross margin, %	1	21.0%	15.5%
Operating margin, %	2	-4.9%	2.0%
Operating working capital, SEK'000	3	182 435	189 173
Net debt, SEK'000	4	81 067	71 513
Capital employed, SEK'000	5	464 871	571 812
EBITDA, SEK'000	6	7 286	31 011
Net debt/EBIDTA, times	7	0.5	0.4
EBITDA margin, %	8	2.9%	6.2%
Return on capital employed, %	9	10.2%	12.8%
Undiluted average number of ordinary shares	10	10 000 000	10 000 000
Diluted average number of ordinary shares	10	10 000 000	10 000 000
Undiluted earnings per ordinary share, SEK	11	(2.35)	(1.40)
Diluted earnings per ordinary share, SEK	11	(2.35)	(1.40)
No. of employees at close of period		716	750
Days receivables outstanding	12	71	40
Days inventory outstanding	13	199	124

## Definitions

- Gross profit in relation to revenue
- Results from operating activities in relation to revenue
- Current assets less current liabilities excluding interest-bearing liabilities and cash and cash equivalents
- Interest-bearing liabilities less cash and cash equivalents
- Total equity and net debt
- Results from operating activities less depreciation and amortization
- Net debt in relation to EBIDTA during last twelve months
- EBITDA in relation to revenue
- Result for last twelve months less finance cost and net foreign exchange gains/(losses) in relation to average capital employed
- Weighted average number of ordinary shares, recalculated based on the number of shares after share split in October 2013
- Result for the period less dividends declared on preference shares, divided by average number of ordinary shares
- Outstanding receivables in relation to average daily sales
- Outstanding inventory in relation to average daily cost of sales

<b>Parent Company income statement</b>	<b>First quarter 2015 SEK '000</b>	<b>First quarter 2014 SEK '000</b>
Revenue	2 326	7 001
<b>Gross profit</b>	<b>2 326</b>	<b>7 001</b>
Administrative expenses	(3 586)	(3 941)
<b>Results from operating activities</b>	<b>(1 260)</b>	<b>3 060</b>
Finance income	7 194	10 060
Finance cost	-	-
Net foreign exchange gains/(losses)	1 739	(1 913)
<b>Result before income tax</b>	<b>7 673</b>	<b>11 207</b>
Income tax	(1 691)	(2 551)
<b>Result for the period</b>	<b>5 982</b>	<b>8 656</b>
 <b>Parent Company statement of comprehensive income</b>		
<b>Result for the period</b>	<b>5 982</b>	<b>8 656</b>
<b>Other comprehensive income</b>		
<i>Items that are to or may be reclassified to profit or loss:</i>		
Translation difference, expanded net investments in foreign operations	13 376	(16 621)
<b>Other comprehensive income for the period, net of tax</b>	<b>13 376</b>	<b>(16 621)</b>
<b>Total comprehensive income for the period</b>	<b>19 358</b>	<b>(7 965)</b>

<b>Parent Company Balance Sheet</b>	<b>31 March 2015 SEK '000</b>	<b>31 December 2014 SEK '000</b>	<b>31 March 2014 SEK '000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	28	30	10
Intangible assets	5 168	6 275	9 597
<b>Financial assets</b>			
Holdings in group companies	192 162	192 162	192 163
Loans to group companies	216 169	199 021	264 370
Deferred tax assets	28 614	34 078	23 269
Total financial assets	436 945	425 261	479 802
<b>Total non-current assets</b>	<b>442 141</b>	<b>431 566</b>	<b>489 409</b>
<b>Current assets</b>			
Trade and other receivables	26 528	19 298	13 388
Prepayments	322	353	305
Cash and cash equivalents	1 285	370	33 280
<b>Total current assets</b>	<b>28 135</b>	<b>20 021</b>	<b>46 973</b>
<b>TOTAL ASSETS</b>	<b>470 276</b>	<b>451 587</b>	<b>536 382</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	937	937	937
<b>Unrestricted equity</b>			
Share premium reserve	604 922	604 922	605 207
Translation reserve	(56 300)	(69 676)	(16 621)
Retained earnings	(112 924)	(138 075)	(88 075)
Result for the period	5 982	25 151	8 656
<b>TOTAL EQUITY</b>	<b>442 617</b>	<b>423 259</b>	<b>510 104</b>
<b>Current liabilities</b>			
Trade and other payables	27 659	28 328	26 278
<b>Total current liabilities</b>	<b>27 659</b>	<b>28 328</b>	<b>26 278</b>
<b>TOTAL LIABILITIES</b>	<b>27 659</b>	<b>28 328</b>	<b>26 278</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>470 276</b>	<b>451 587</b>	<b>536 382</b>
Contingent Liabilities*	74 665	68 742	-

No assets had been pledged either as of 31 March 2015, 31 December 2014 or 31 March 2014.

\* Guarantee in favor of Sberbank as security for credit facility to Ferronordic Machines LLC, a subsidiary.

## **Basis of presentation and summary of significant accounting policies**

### **1. Accounting Policies**

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Ferronordic Machines applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared in accordance with IAS 34, the Swedish Annual Accounts Act and recommendation RFR 2, issued by the Swedish Financial Reporting Board. Except as described below, the same accounting and valuation principles were applied in the preparation of this report as in the preparation of the 2014 Annual Report. Figures in parentheses refer to same period of the previous year.

### **2. Determination of fair values**

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The basis for determination of fair value of financial assets and liabilities is disclosed in Note 5 in the Annual Report for 2014. Except for finance lease liabilities, the fair values of the Group's financial assets and liabilities approximate their respective carrying amounts.

### **3. Seasonal Variations**

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Ferronordic Machines' revenue and earnings are affected by seasonal variations in the construction industry. The first quarter is typically the weakest for sales of machines (as activity in construction and infrastructure projects is constrained during the winter months), but with strong demand in aftermarket (sale of parts and services). This is usually followed by a strong increase during the second quarter as contracts start to be put out for tender, and customers start preparing for the busy summer period. The third quarter tends to be slower with regard to both machine sales and aftermarket. In the fourth quarter activity usually strengthens as customers make year-end capital spending decisions.

### **4. Ferronordic Machines AB**

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Ferronordic Machines AB and its subsidiaries are sometimes referred to as the Group or Ferronordic Machines. Ferronordic Machines AB is also sometimes referred to as the company or Ferronordic Machines. Any mentioning of the Board is a reference to the Board of Directors of Ferronordic Machines AB.

**Notes**
**1. Operational Segment**


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The Group has one reportable segment - Equipment Distribution. No changes have been made to the basis for determining the reportable segment or the calculation of the result of the segment since the last annual report.

Revenue from Equipment Distribution:

	<b>First quarter 2015 SEK '000</b>	<b>First quarter 2014 SEK '000</b>
<b>Revenue</b>		
Equipment Sales	143 649	369 601
Equipment Rentals	6 955	11 341
Aftermarket	99 008	120 151
Other revenue	2 769	0
<b>Total revenues</b>	<b>252 381</b>	<b>501 093</b>
<b>Total delivery volume, units</b>		
New units	86	298
Used units	60	35
<b>Total units</b>	<b>146</b>	<b>333</b>

EBITDA to result for the period:

	<b>First quarter 2015 SEK '000</b>	<b>First quarter 2014 SEK '000</b>
<b>EBITDA</b>		
EBITDA	7 286	31 011
Depreciation and amortisation	(19 657)	(20 791)
Foreign exchange loss	3 387	(3 556)
Finance income	4 355	341
Finance costs	(8 851)	(8 199)
<b>Result before income tax</b>	<b>(13 480)</b>	<b>(1 194)</b>
Income tax benefit/(expense)	2 465	(263)
<b>Result for the period</b>	<b>(11 015)</b>	<b>(1 457)</b>

**2. Related party transactions**


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There have been no significant changes in the relationships or transactions with related parties for the Group or the parent company compared with the information disclosed in the 2014 Annual Report.

This interim report for Ferronordic Machines AB (publ) has been disclosed following approval by the Board.

Stockholm, 19 May 2015

Lars Corneliusson  
CEO and President

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

### **About Ferronordic Machines**

Ferronordic Machines is the authorized dealer of Volvo Construction Equipment and Terex Trucks in Russia. The company began its operations in June 2010 and has expanded rapidly across Russia and is today well established in all federal districts with over 70 outlets and approximately 700 employees. In addition to distributing and providing aftermarket support to Volvo Construction Equipment machines, the company has also been appointed aftermarket dealer for Volvo and Renault Trucks as well as dealer for Volvo Penta in certain parts of Russia. The company has also signed up some other high quality brands such as Logset and several attachment manufacturers. The vision of Ferronordic Machines is to be regarded as the leading service- and sales company in the CIS markets. The preference shares of Ferronordic Machines are listed on NASDAQ OMX First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.

### **Financial Calendar 2015**

Interim Report April - June 2015	25 August 2015
Interim Report July - September 2015	24 November 2015
Year-end Report 2015	22 February 2016

### **For more information, please contact:**

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