

Interim report, January – September 2016

The third quarter in brief

- In local currencies revenues were unchanged. Translated to SEK revenues decreased by 4 % to SEK 594 (617) million.
- EBITDA increased and amounted to SEK 39.8 (39.7) million.
- Profit before tax increased by 19 % to SEK 28.3 (23.8) million.
- Profit after tax increased by 24 % to SEK 20.7 (16.7) million.
- Profit per share amounted to SEK 2.18 (1.78).

The first nine months in brief

- In local currencies revenues increased by 4 %. Translated to SEK revenues increased by 1 % to SEK 2,054 (2,038) million.
- EBITDA increased by 3 % to SEK 125.7 (122.1) million.
- Profit before tax increased by 12 % to SEK 84.0 (74.9) million. Profit before tax amounted to SEK 89.8 (74.9) million adjusted for items affecting comparability, representing an increase of 20%.
- Profit after tax increased by 19 % to SEK 62.9 (52.9) million.
- Profit per share amounted to SEK 6.64 (5.58).
- Items affecting comparability, expenses attributable to the change of Group President, have adversely affected the operating profit for the first six months in the sum of SEK 5.8 (-) million.
- Return on equity over the last 12 months amounted to 29.3 (26.5) %.



Report by Jason Clark, CEO of Proact

Further progress towards the 5% target margin

I am proud to once again be able to report a positive earnings trend. This excellent development means that we made further progress towards the company's 5% target margin, profit before tax, during the third quarter.

Profit before tax for the quarter amounted to SEK 28.3 million, representing an increase of 19% compared with the corresponding period last year. This means that the company's margin, profit before tax, amounts to 4.8%. Earnings trend has been achieved mainly by continuing to focus on improvements and streamlining in respect of the service operation, good cost control and greater emphasis on leveraging the strength of the group to increase efficiency.

Our specialist expertise and market-leading offering with regard to Datacenters and cloud services are very much appreciated by both new and existing customers. As a result, revenues for service operations have developed positively throughout the period and amounted to SEK 244 million, representing an increase of 8%. Service revenues relating to cloud services have also developed positively and amounted to SEK 91 million, representing an increase of 26%. System revenues amounted to SEK 349 million, representing a fall of 10%. This decline is attributable primarily to Business Unit Nordics, where fewer major system sales contracts with lower margins were concluded during the period.

We are continuing to work on developing the company according to our established strategy. To improve profitability, one element of our strategy involves increasing the percentage of contracted revenues. We will achieve this by further reinforcing the company's offering, mainly within the field of support and cloud services. We have successfully implemented a number of customer projects in the above fields during the quarter. Examples of projects implemented can be found in the section entitled "Events during the quarter".

Another element of our strategy involves working as "One Proact". This involves using well-defined processes and procedures to create a consistent, cost-effective organization, thereby ensuring that we have a clear, high-quality offering for the market. Our innovative capability is key when it comes to ensuring that the company develops well over time. Our established innovation process ensures ongoing development of new services and evaluation of new technologies. This in turn means that new services and technologies can be launched in a more time-efficient and cost-effective way throughout the entire company. This allows us to supply flexible services and solutions which quickly add sustainable and long-term value for our customers.

Overall, it is clear to me that the initiatives implemented in fields such as service operations, business streamlining and innovation are continuing to pay off, making us even more competitive. Our ability to help our customers to minimize risks and reduce costs, and also to supply flexible IT services and products, places us in a strong position on the European market, giving us good opportunities for continued positive development in terms of both earnings and profits.

About Proact

Proact is Europe's leading independent datacentre and cloud services provider. Proact supplies business benefits by helping companies and authorities to reduce risk and costs, and above all to supply them with flexible, accessible and secure IT services. Proact's cloud service operations manage 70 petabytes of information. Proact has completed more than 3,500 successful projects all over the world to date.

The Proact Group has more than 720 employees and operates in 15 countries in Europe and in the USA. Proact was founded in 1994, and its parent company Proact IT Group AB (publ) has been listed on Nasdaq Stockholm under the symbol PACT since 1999.

For further information about Proact's activities please visit us at www.proact.eu

Market review

The rapid digitization taking place in the majority of industries means that IT operations are strategically important nowadays as IT is at the very heart of business. Information volumes are also continuing to increase rapidly, which means that IT infrastructures are becoming more and more complex.

Different companies and authorities have different needs, and this means that the ways in which IT services are supplied to each and every one of them have to be adapted to suit their own specific needs. All companies and authorities are dependent on access to information of various kinds to allow their operations to work, and accessibility and security are particularly important for business-critical information. Shortcomings in security procedures and uptime can lead to disruptions within the business, with disastrous consequences both commercially and financially. This is why increasing numbers of companies and authorities are evaluating their options for using various services and new technical fields with a view to simplifying operation of their IT infrastructures.

The data centre concept (a combination of storage, servers and networks) is also continuing to grow; this is a clear market trend. Various parts of the IT infrastructure used to be managed as separate elements. This concept provides the opportunity to reduce implementation times, simplify administration and reduce the risk of production

problems due to the fact that the various subcomponents are integrated and tested with one another, which in turn will have cost benefits.

Another clear market trend is that more customers are wanting to offer in-house IT as a service, where users themselves order and consume different types of IT service based on the needs of each individual user. To facilitate the supply of IT as a service, companies and authorities are implementing a combination of private and public cloud services, known as hybrid clouds, to an ever-increasing extent. The aim of this is to be able to supply cost-effective, flexible IT services to both internal and external users.

Besides the above market trends, automation – for example – is a field that is becoming increasingly important as it creates opportunities for facilitating administration, hence reducing complexity and risks. Automating the underlying elements at a data centre allows IT services to be supplied more quickly, and hence these services are more capable of supporting the commercial requirements and needs demanded by the business.

The need for ongoing streamlining, as well as a growing demand for solutions and services in Proact's specialist fields, is indicating major potential for growth for the company. Proact has established methods, processes and services to meet demands on the market and to provide the most effective support to its customers.

Major events during the quarter

A number of major contracts have been concluded in the past quarter, with enterprises such as Dong and Nordea in Denmark, Elisa and Ministry of Internal affairs in Estonia, Medbit and Oulu Healthcare District in Finland, Citadele Bank and Riga International Airport in Latvia, ABN Amro and Exact Software Group in The Netherlands, Bergens Kraftselskap in Norway, Global Exchange and VARMA Group in Spain, Walsall Healthcare in the United Kingdom, Acando, Axis Communications, Unibet and Volvo in Sweden, J&T Bank in the Czech Republic.

Events during the quarter

Stage Entertainment chooses Proact hybrid cloud service

Stage Entertainment is one of the biggest theatre production companies in Europe, with operations in eight countries. The company works in partnership with leading international production companies such as Disney and Andrew Lloyd Webber. The company has produced many well-known international musicals such as The Lion King, Aladdin and The Bodyguard. Stage Entertainment's business has developed positively over the past few years, making new demands of its IT structure in terms of scalability, accessibility and security. Another stringent demand is that the IT structure should be cost-effective. Proact has been successfully supplying specialist expertise in the Microsoft field (SharePoint, Exchange, etc.) for long

time now, and as a result Proact has been entrusted with an extended commission – to supply a new IT infrastructure in combination with a cloud service. The aim of this is to support the IT structure in all countries in which Stage Entertainment is established.

The new IT infrastructure and cloud service meet Stage Entertainment's very stringent requirements in terms of scalability and security. As Proact is a "Microsoft Cloud Solution Provider", Proact will also be an expertise partner for project management, migration and support.

Proact supplies managed IT infrastructure to Telema

Telema offers IT solutions for management of organizations' sales and purchasing processes, with emphasis on Electronic Data Interchange (EDI) systems. The company was founded in 2000 and now has more than 3,800 affiliated stores in the Baltic region. In total, Telema has more than 1,000 customers in a total of 14 countries.

Each year, approximately 14 million electronic transactions are executed via Telema systems. Telema has seen good business development over the past few years. As a result of this excellent development, plus the fact that electronic transactions are executed 24 hours a day, Telema now needs access to the right expertise and has new requirements in terms of its IT infrastructure.

Following a thorough evaluation process, Proact was selected as a partner thanks to its extensive expertise and experience in its focus areas, in addition to the fact that Proact presented the best technical solution. The new IT infrastructure and incorporated services mean that Telema will meet the demands made in terms of accessibility, performance and cost-effectiveness.

This agreement involves implementation and support services, as well as providing skills support to Telema for future development projects.

Financial overview

Revenues

Over the third quarter of 2016, total revenues amounted to SEK 594 (617) million, a decrease of 4%. Revenues were unchanged adjusted for currency effects.

Revenues for the first nine months amounted to SEK 2,054 (2,038) million, an increase of 1%. Adjusted for currency effects, revenues increased by 4%.

Industry segments

Proact has good revenue distribution in respect of its various industry segments. The four biggest industry segments are Public Sector (22%), Trade & Services (21%), Telecoms (15%) and Manufacturing Industry (13%).

Business Units

In Nordics the total service revenues increased during the quarter. System sales decreased due to fewer major system sales contracts, with lower margins, compared to the corresponding quarter last year.

In the UK the system revenues, adjusted for currency effects, are unchanged in the quarter. At the same time the service revenues, adjusted for currency effects, increased during the quarter.

In West total revenues have increased during the quarter. Primarily the system revenues in The Netherlands had a very positive development compared to the same period last year.

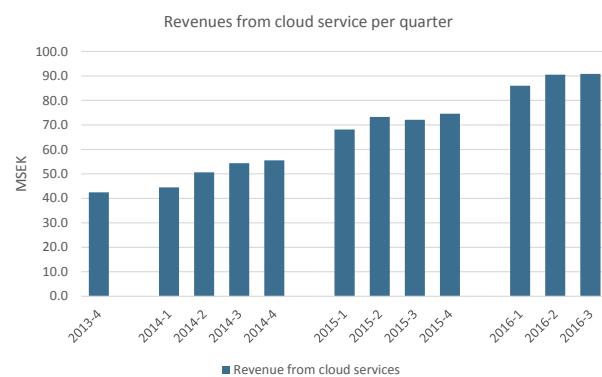
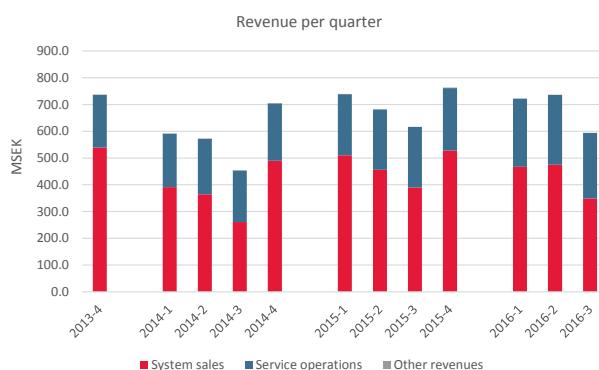
In East both system and service revenues increased during the quarter.

Future contracted cash flows from Proact Finance amount to SEK 129 (115) million, representing an increase of 12 %.

Operating segment

System revenues decreased by 10 % to SEK 349 (390) million in the third quarter. Adjusted for currency effects, system revenues decreased by 8 %. Service revenues increased by 8% to SEK 244 (226) million during the same period. When adjusted for currency effects, service revenues increased by 13 %. Service revenues amount to 41 % of total revenues for the quarter.

New contracts relating to cloud services worth SEK 32 million, with terms of three to five years, have been concluded during the quarter. Total revenues from cloud services amounted to SEK 91 (72) million during the quarter, representing an increase of 26 % compared with the corresponding period in the previous year. Revenues from cloud services amount to SEK 342 million over a period of 12 consecutive months.



Revenue per Business Unit	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
Nordics	276	340	1,105	1,165	1,538	1,598
UK	136	152	474	486	631	643
West	155	100	374	321	501	448
East	31	28	108	86	162	140
Proact Finance	15	21	62	58	100	95
Group-wide	-19	-24	-70	-78	-114	-123
Total revenue	594	617	2,053	2,038	2,817	2,802

Revenue per operating segment	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
System sales		349	390	1,292	1,356	1,819
Services operations		244	226	760	680	994
Other revenue		1	1	2	2	4
Total revenue	594	617	2,053	2,038	2,817	2,802

Comprehensive income

EBITDA was in line with previous year and amounted for the quarter to SEK 39.8 (39.7) million. Profit before tax increased by 19 % to SEK 28.3 (23.8) million.

EBITDA for first nine months increased by 3 % to SEK 125.7 (122.1) million. Profit before tax increased by 12 % to SEK 84.0 (74.9) million. Adjusted for items affecting comparability, profit before tax increased by 20 % to SEK 89.8 (74.9) million.

Business Units

In the Nordics the profitability for the quarter was stable, despite lower system sales. This has been achieved through increased profitability both in the system sales as well as the service operation.

In the UK the profitability was unchanged compared with the corresponding quarter last year. The system sales operation showed lower earnings, at the same time the service operation developed positively compared to the corresponding quarter last year.

In West the profitability has developed positively. Primarily due to increased system sales and an improved profitability within the service operation. The Netherlands continues to show good profitability, at the same time the other countries show negative results.

In East the profitability has developed positively compared to the corresponding quarter last year. This is due to an improved profitability within the system sales as well as the service operation.

Proact Finance continues to show a stable development regarding both earnings and profitability.

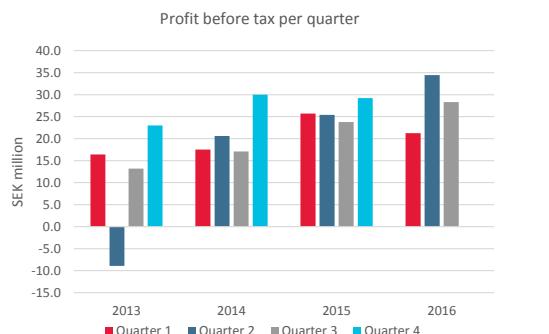
Balance sheet and cash flow

Cash and equivalents amounted to SEK 153 million as at 30 September 2016, compared with SEK 77 million previous year. Of total bank overdraft facilities of SEK 169 million, SEK 32 million has been utilised. Bank loans amounted to SEK 143 million, of which SEK 31 million are due within 12 months. Contract borrowing is being used to finance Proact's finance company. Investments in IT equipment for cloud operations are being financed by means of operational leasing agreements, which means that these investments have no direct impact on the balance sheet.

Cash flow amounted to SEK 25 (-28) million for the quarter, of which SEK 62 (-7) million from operating activities. Cash flow amounted to SEK -19 (- 63) million for the first nine months of which SEK 56 (33) million from operating activities. Cash flow amounted to SEK 71 million over a period of 12 consecutive months, of which 206 MSEK from operating activities.

During the first nine months, SEK 48 (48) million has been invested in fixed assets, and SEK 42 (22) million has been paid out as additional purchase prices and acquisition of further shares in subsidiaries. Change in bank loans and use of overdraft facilities together contributed to cash flow with SEK 40 million. Buy back of own shares amounting to SEK 10 million have been made and dividends amounting to SEK 25 million have been paid to the parent company's shareholders.

The Group's equity ratio at the end of the period was 22 (21) %. The equity ratio was 19% as at 31 December 2015.



Profit before tax per Business Unit	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
Nordics	18.2	20.3	66.9	67.4	87.9	88.4
UK	1.3	1.2	11.0	8.4	17.9	15.3
West	5.3	0.4	9.9	3.3	18.1	11.6
East	3.3	0.5	8.8	2.6	13.8	7.6
Proact Finance	2.5	1.7	5.9	3.6	7.4	5.1
Group-wide	-2.3	-0.3	-12.6	-10.4	-17.8	-15.5
Profit before tax and items affecting comparability	28.3	23.8	89.8	74.9	127.3	112.3
Items affecting comparability	-	-	-5.8	-	-14.1	-8.3
Profit before tax	28.3	23.8	84.0	74.9	113.2	104.1



Financial position	Jun 30 2016	Mar 31 2016	Jun 30 2015	Mar 31 2015
Cash and cash equivalents	122	102	104	126
Bank overdraft facilities	-40	-21	-13	-16
Liabilities to credit institutions	-152	-160	-112	-118
Contract borrowing	-31	-24	-27	-26
Net debt	-100	-104	-49	-34
Unutilized bank overdraft facility	146	150	158	147
Total bank overdraft facility	186	171	171	163

Buy-back of own shares

At the Annual General Meeting held on 2 May 2016, the Board of Directors was authorised to acquire up to 10% of the company's shares by the next Annual General Meeting. As at 30 September 2016, 78,125 shares have been acquired under this authorisation.

The company holds 118,269 shares in its own custody as at 30 September 2016, which is equivalent to 1.3% of the total number of shares.

Employees

The company employed 729 (689) people as at 30 September 2016, of whom 67 employees joined the company as part of the acquisition of companies in 2015.

Parent Company in brief

Parent Company's total revenues for the period amounted to SEK 55.7 (53.8) million. Profit before tax amounted to SEK -10.4 (25.5) million.

Parent Company's liabilities in a joint group currency account amounted as at 30 September 2016 to SEK 296 (271) million.

At the end of the period, the number of people employed by the parent company totalled 21 (17).

Parent Company's operations have remained unchanged over the period. There have been no significant transactions with related parties.

Risks and uncertainty factors within the enterprise

The company has in the current situation difficulties to assess consequences' of United Kingdom's possible exit from EU. Short term, currency rate effects will affect the group's financial statements. Otherwise no risks or uncertainty factors have altered, by comparison with those commented upon in the last Annual Report issued. For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2015, page 19.

Alternative Performance Measures

The company presents performance measures in the interim report that are not defined under IFRS. The company believes that these performance measures provide useful supplemental information to investors and the company's management. Definitions of performance measures are available in Proact's Annual Report 2015, page 57.

Other information

This interim report has not been audited.

Forthcoming reports

9 Feb 2017	Year-end report 2016
21 Apr 2017	Interim Report Q1 2017
9 May 2017	Annual General Meeting 2017
12 Jul 2017	Interim Report Q2 2017
20 Oct 2017	Interim Report Q3 2017
8 Feb 2018	Year-end report 2017

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The information in this interim report is such information as Proact IT Group (publ) shall publish in accordance with *lagen om värdepappersmarknad*, the Securities Market Act, and/or *lagen om handel med finansiella instrument*, the Act on Trading in Financial Instruments. This information was submitted for publication at 08:00 (CET) on 19 October 2016.

Kista, 19 October 2016

Proact IT Group AB (publ)

Jason Clark
CEO

Financial reports (SEK million)

Consolidated Statement of Comprehensive Income

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
System income	349.1	389.8	1,291.6	1,355.9	1,819.3	1,883.6
Service income	244.3	226.3	759.9	680.1	993.9	914.1
Other operating income	0.7	0.5	2.0	2.2	3.8	4.0
Total income	594.0	616.6	2,053.5	2,038.2	2,816.9	2,801.7
Cost of goods and services sold	-442.1	-468.7	-1,551.2	-1,551.7	-2,126.7	-2,127.2
Gross profit	151.9	147.9	502.3	486.5	690.2	674.4
Sales and marketing expenses	-82.1	-81.2	-268.0	-269.3	-368.6	-369.9
Administration expenses	-43.2	-40.9	-142.9	-137.3	-188.4	-182.7
Items affecting comparability	-	-	-5.8	-	-14.1	-8.3
Operating profit/loss, EBIT	26.7	25.8	85.5	79.9	119.1	113.5
Net financial items	1.6	-2.1	-1.5	-5.0	-5.9	-9.5
Profit before tax	28.3	23.8	84.0	74.9	113.2	104.1
Income tax	-7.6	-7.1	-21.1	-22.0	-24.8	-25.6
Comprehensive income for the period	20.7	16.7	62.9	52.9	88.4	78.4
<i>Other comprehensive income</i>						
<i>Items which may be reversed later in the income statement</i>						
Change of hedging reserve (<i>net investment in foreign operations</i>)	-0.2	-0.3	-1.0	0.6	-1.3	0.2
Tax effect of change of reserve (<i>net investment in foreign operations</i>)	0.0	0.1	0.2	-0.1	0.3	-0.1
Translation differences	6.5	0.1	10.7	-3.3	3.2	-10.7
<i>Total items which may be reversed later in the income statement</i>	6.4	-0.1	10.0	-2.8	2.3	-10.5
Total comprehensive income for the period	27.1	16.6	72.8	50.1	90.6	67.9
<i>Profit attributable to:</i>						
Shareholders of the Parent company	20.2	16.4	61.5	51.3	85.6	75.3
Holdings without a controlling influence	0.5	0.3	1.3	1.6	2.8	3.1
<i>Total comprehensive income for the period attributable to:</i>						
Shareholders of the Parent company	26.4	18.9	71.8	51.3	85.9	65.3
Holdings without a controlling influence	0.6	-2.3	1.0	-1.2	4.8	2.6

Data per share*

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
Earnings per share for the period attributable to the shareholders of the parent company, SEK	2.18	1.78	6.64	5.58	9.22	8.20
Equity per share, SEK	33.40	30.29	33.40	30.29	33.40	32.87
Cash flow from operations per share, SEK	6.71	-0.76	6.01	3.55	22.18	19.88
Number of outstanding shares at end of period	9,215,617	9,205,839	9,215,617	9,205,839	9,215,617	9,293,742
Weighted average number of outstanding shares	9,233,450	9,194,883	9,273,498	9,188,508	9,281,851	9,192,876

* Proact does not have any outstanding warrants, convertible debentures or other instrument that could give rise to dilution.

Consolidated Balance Sheet in Brief

	Sep 30 2016	Sep 30 2015	Dec 31 2015
ASSETS			
<u>Fixed assets</u>			
Goodwill	316.7	292.4	334.3
Other intangible fixed assets	121.2	126.5	121.6
Tangible fixed assets	53.1	49.2	54.2
Other long-term receivables	57.1	83.9	96.0
Deferred tax receivables	21.1	14.7	15.0
<u>Current assets</u>			
Inventories	38.9	11.1	12.3
Trade and other receivables	675.1	743.2	858.5
Cash and cash equivalents	153.3	76.5	158.8
Total assets	1,436.4	1,397.6	1,650.7
EQUITY AND LIABILITIES			
Equity attributable to the shareholders of the parent company	307.8	278.8	305.5
Equity attributable to holdings without a controlling influence	5.5	10.4	11.3
Total equity	313.4	289.3	316.8
<u>Long-term liabilities</u>			
Long-term liabilities, interest-bearing	140.9	84.5	122.9
Long-term liabilities, non-interest-bearing	2.4	5.0	1.3
Deferred tax liabilities	23.9	25.7	23.4
<u>Short-term liabilities</u>			
Short-term liabilities, interest-bearing	86.5	80.5	56.4
Short-term liabilities, non-interest-bearing	869.4	912.7	1,130.0
Total equity and liabilities	1,436.4	1,397.6	1,650.7

Consolidated Statement of Changes in Equity

	Jan-Sep 2016	Jan-Sep 2015	Full Year 2015
At beginning of period	316.8	269.3	269.3
Total comprehensive income for the period	72.8	50.1	67.9
Dividend	-25.1	-15.6	-15.6
Dividend to holdings without a controlling influence	-0.8	-1.8	-1.8
Financial liability to holdings without a controlling influence	-	-	0.0
Acquisition from holdings without a controlling influence	-40.3	-15.4	-17.0
Share savings and share option programs	-	2.7	14.0
Buy-back of own shares	-10.0	-	-
At end of period	313.4	289.2	316.8

Holdings without a controlling influence: Proact Latvia Ltd 15 %, Proact Lietuva UAB 26.14 % and Proact Estonia AS 15 %.

Consolidated Cash Flow Statement in Brief

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
Cash flow from operating activities before changes in working capital	42.0	42.7	116.7	113.8	158.0	155.1
Cash flow from changes in working capital	20.0	-49.7	-61.0	-81.2	47.9	27.7
Cash flow from operating activities	62.0	-7.0	55.7	32.6	205.9	182.8
Cash flow from investing activities	-18.1	-16.8	-53.6	-55.1	-128.3	-129.9
Cash flow from financing activities	-19.1	-4.2	-21.1	-40.1	-6.2	-25.2
Total cash flow for the period	24.8	-28.0	-18.9	-62.6	71.4	27.7
Cash and cash equivalents at beginning of the period	122.3	103.9	158.8	142.9	76.5	142.9
Currency translation difference in cash and cash equivalents	6.1	0.6	13.4	-3.7	5.4	-11.8
Cash and cash equivalents at end of the period	153.3	76.5	153.3	76.5	153.3	158.8

Key Figures

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
Total revenue, SEK millions	594	617	2,053	2,038	2,817	2,802
EBITDA, SEK millions	39.8	39.7	125.7	122.1	172.8	169.2
EBITDA margin, %	6.7	6.4	6.1	6.0	6.1	6.0
EBITA, SEK millions	34.0	32.9	107.2	99.6	148.0	140.4
EBITA margin, %	5.7	5.3	5.2	4.9	5.3	5.0
EBIT, SEK millions	26.7	25.8	85.5	79.9	119.1	113.5
EBIT marginal, %	4.5	4.2	4.2	3.9	4.2	4.1
Profit before tax, SEK millions	28.3	23.8	84.0	74.9	113.2	104.1
Net margin, %	4.8	3.9	4.1	3.7	4.0	3.7
Profit after tax, SEK millions	20.7	16.7	62.9	52.9	88.4	78.4
Profit margin, %	3.5	2.7	3.1	2.6	3.1	2.8
Equity ratio, %	21.8	20.7	21.8	20.7	21.8	19.2
Capital turnover rate, times	0.4	0.4	1.3	1.4	2.0	1.8
Return on equity, %	6.8	5.9	20.0	18.9	29.3	26.8
Return on capital employed, %	5.2	6.1	17.2	18.9	24.9	25.6
Investments in fixed assets, SEK millions	15.1	30.7	53.1	61.4	142.2	150.4
Financial costs included in net financial items, SEK millions	-0.4	3.0	5.1	8.4	10.9	14.2
Profit before tax per employee, SEK thousands	39	36	116	114	161	156
Average number of employees	720	666	724	659	701	669

For a five-year summary, see Note 8. Definitions of key ratios and figures are set out in the Annual Report 2015.

Amortizations and depreciations included in Consolidated Statement of Comprehensive Income are specified in Note 4.

Key figures Proact reports and monitors the business by are common key figures used by the industry and by companies' listed on Nasdaq Stockholm.

Parent Company's Income Statement and Balance Sheet, in brief

	Jan-Sep 2016	Jan-Sep 2015	Full Year 2015	Sep 30 2016	Sep 30 2015	Dec 31 2015
Net sales	55.7	53.8	73.3			
Cost of goods and services sold	-	-	-			
Gross profit	55.7	53.8	73.3			
Administration expenses	-70.0	-55.7	-77.1			
Operating profit	-14.3	-1.8	-3.8			
Net financial items	3.9	27.4	20.6			
Profit after financial items	-10.4	25.5	16.8			
Provisions	-	-	6.0			
Profit before tax	-10.4	25.5	22.8			
Income tax	3.1	-0.2	-0.2			
Comprehensive income for the period	-7.3	25.4	22.6			
ASSETS						
Fixed assets				668.2	533.7	640.8
Current assets				48.3	136.3	102.0
Total assets				716.5	669.9	742.8
EQUITY AND LIABILITIES						
Equity				219.2	253.1	261.6
Long-term liabilities				119.8	74.0	114.4
Short-term liabilities				377.5	342.9	366.8
Total equity and liabilities				716.5	669.9	742.8

Explanatory information

Note 1. General information

Proact IT Group AB (publ) (co. reg. no. 556494-3446) has its registered office in the municipality of Stockholm. Since July 1999, the Company has been listed on Nasdaq Stockholm and the Small Cap list under the PACT symbol.

Note 2. Accounting policies

The consolidated accounts for the interim report, like the annual report for 2014, have been compiled in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities).

The present interim report has been prepared in accordance with IAS 34, Interim Reporting, and the Swedish Company Accounts Act. The term "IFRS" in this document includes the application of IAS and IFRS, as well as the interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and Internal Reporting Interpretations Committee (IFRIC). The Group applies the same accounting principles as those described in the annual report for 2015. A study to determine effects of implementing the new accounting standard for revenue recognition, IFRS 15 Revenues from Contracts with Customers, has been initiated.

Financial instruments

Proact's financial instruments consist of derivatives, accounts receivable, cash and cash equivalents, accounts payable, accrued trade creditors and interest-bearing liabilities. Derivatives are valued at fair value at level 2 as defined by IFRS 7, i.e. fair value determined using valuation techniques with observable market data, either directly (as prices) or indirectly (derived to price). All other financial assets have been classified as loans and receivables, which includes accounts receivable and cash and cash equivalents. All other financial liabilities have been classified as other financial liabilities valued at accrued cost, which includes accounts payable, accrued trade creditors and liabilities to credit institutions. Liabilities to credit institutions have variable interest rates, and the reported interest rate is on a par with the current interest rate on liabilities to credit institutions, and other financial assets and liabilities have short terms. On the basis of this, the book values of all financial assets and liabilities are deemed to be a reasonable estimate of their fair values.

Note 3. Revenues per industry

Revenue per industry	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
Public sector	146	131	444	471	624	652
Trading & Services	124	147	419	452	584	617
Telecom	56	81	300	318	417	435
Manufacturing	66	89	251	254	367	370
Bank and Finance	61	52	209	185	284	260
Oil and Energy	24	48	117	138	146	167
Media	26	16	53	76	72	95
Other	91	53	261	144	323	206
Total revenue	594	617	2,053	2,038	2,817	2,802

Note 4. Depreciations and write-downs of fixed assets

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	12 mths Oct-Sep	Full Year 2015
Depreciation intangible fixed assets	7.3	7.1	21.7	19.7	28.9	26.9
Depreciation tangible fixed assets	5.8	6.8	18.5	22.5	24.9	28.8
Total	13.1	13.9	40.2	42.2	53.7	55.7

Note 5. Income tax

The group's tax expense includes total current tax and deferred tax calculated on the basis of applicable tax rates in the respective countries. The revised tax cost for first nine months 2016 amounts to SEK 21.1 (22.0) million.

Note 6. Transactions with related parties

No transactions between Proact and related parties which have significantly affected the Group's position and profits have taken place during the period.

Note 7. Operating segments

Nordics:	Sweden, Norway, Finland, USA and Denmark
UK:	United Kingdom
East:	Estonia, Latvia, Lithuania, Czech Republic and Slovakia
West:	Nederlanderna, Belgien, Spanien och Tyskland
Proact Finance:	Proact's finance company under its own auspices is reported separately as this company supports all geographical regions.

Jan-Sep 2016	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
Total revenue	1,105	474	374	108	62	88	-158	2,053
Profit before tax and items affecting comparability	66.9	11.0	9.9	8.8	5.9	-12.6	-	89.8
Items affecting comparability	-	-	-0.1	-	-	-5.7	-	-5.8
Profit before tax	66.9	11.0	9.7	8.8	5.9	-18.3	-	84.0
Tax								-21.1
Comprehensive income for the period								62.9

Jan-Sep 2015	Nordics	UK	West	East	Proact Finance	Group-wide	Eliminations	Group
Total revenue	1,165	486	321	86	58	96	-175	2,038
Profit before tax	67.4	8.4	3.3	2.6	3.6	-10.4	-	74.9
Tax								-22.0
Comprehensive income for the period								52.9

Note 8. Five-year summary

	Jul-Jun 2015/2016	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2012
Total revenue, MSEK	2,817	2,802	2,325	2,305	2,433
EBITDA, MSEK	172.8	169.2	144.2	128.0	144.5
EBITDA margin, %	6.1	6.0	6.2	5.6	5.9
EBITA, MSEK	148.0	140.4	109.5	82.8	93.1
EBITA margin, %	5.3	5.0	4.7	3.6	3.8
EBIT, MSEK	119.1	113.5	84.9	54.0	70.7
EBIT margin, %	4.2	4.1	3.7	2.3	2.9
Profit before tax, MSEK	113.2	104.1	85.2	43.7	61.0
Net margin, %	4.0	3.7	3.7	1.9	2.5
Profit after tax, MSEK	88.4	78.4	59.9	27.2	41.8
Profit margin, %	3.1	2.8	2.6	1.2	1.7
Equity ratio, %	21.8	19.2	17.5	16.9	15.3
Capital turnover rate, times	2.0	1.8	1.6	1.6	1.6
Return on equity, %	29.3	26.8	23.4	11.6	18.9
Return on capital employed, %	24.9	25.6	21.3	13.8	17.4
Dividend to shareholders of the Parent company, MSEK ¹⁾	25.1	15.6	11.2	10.2	9.3
Investments in fixed assets, MSEK	142.2	150.4	69.1	54.8	62.0
Financial costs included in net financial items, SEK millions	10.9	14.2	3.7	13.2	12.3
Profit before tax per employee, SEK thousands	161	156	132	67	92
Average number of employees	701	669	646	649	660
Earnings per share for the period, SEK ²⁾	9.22	8.20	6.16	2.36	3.96

2) Calculated on the basis of the weighted average number of outstanding shares. Proact does not have any outstanding warrants, convertible debentures or other instrument that could give rise to dilution.

Note 9. Events after balance sheet date

No events of significance to the Group have occurred since the end of the report period.