INTERNATIONAL SUPPLEMENT

Lifco AB (publ)

(incorporated in Sweden as a public company with limited liability)

Offering of up to 34,602,000 Shares

This international supplement, together with the underlying prospectus (the "**Offering Memorandum**"), relates to the offering and sale (the "**Offering**") of 34,602,400 existing series B shares (the "**Firm Shares**") in Lifco AB (the "**Company**") with a quota value of SEK 0.20 per share by Carl Bennet AB (the "**Principal Shareholder**").

The Offering consists of: (i) a public offering to investors in Sweden; and (ii) private placements to institutional investors in various jurisdictions, including a private placement in the United States to qualified institutional buyers ("**QIBs**") in reliance on Rule 144A ("**Rule 144A**") or another available exemption from the registration requirements under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**").

The Principal Shareholder has reserved the right, in the event of sufficient demand, to increase the number of Firm Shares in the Offering with up to 6,606,700 additional existing series B shares and has also granted the Managers an option to, at the request of the Global Coordinator, purchase 4,120,900 additional existing series B shares in the Company (the "**Additional Shares**") at the Offer Price (less agreed commissions) to cover potential over-allotments in connection with the Offering. The over-allotment option is exercisable, in whole or in part, for a period of 30 days from the first day of trading of the Shares on Nasdaq Stockholm. The Firm Shares and the Additional Shares, if any are sold hereunder, shall be referred to as the "**Offer Shares**" and the term "**Shares**" shall refer to the Company's series B shares.

As part of the Offering, Didner & Gerge Fonder AB and The Fourth Swedish National Pension Fund have committed to purchase 6,813,200 Firm Shares, respectively, at the Offer Price.

Prior to the Offering, there has been no public market for the Shares. Application has been made for the admission of the Shares to trading on Nasdaq Stockholm under the trading symbol "LIFCO B." The first day of trading in, and the official listing of, the Shares is expected to be November 21, 2014.

The Offer Price (the "**Offer Price**") is set forth below. The number of Offer Shares sold is expected to be announced through a press release on or about November 21, 2014.

Offer Price: SEK 93 per Offer Share

Investing in the Offer Shares involves risks. See "Risk Factors" beginning on page 11 for a discussion of certain risks you should consider before investing in the Offer Shares.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to purchase any of the Offer Shares in any jurisdiction to or from any person to whom it would be unlawful to make such an offer in such a jurisdiction.

The Offer Shares have not been and will not be registered under the Securities Act or any securities laws of any state within the United States, and may be sold in the United States only to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or a transaction not subject to, the registration requirements under the Securities Act, and offered and sold outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. For a description of certain restrictions on offers and sales, and resale or transfer, see "*Selling and transfer restrictions*."

The Managers expect to deliver the Offer Shares on or about November 25, 2014 through the book-entry facilities of Euroclear Sweden AB ("**Euroclear Sweden**"), against payment for the Offer Shares in immediately available funds. The Shares will be eligible for clearing through the facilities of Euroclear Sweden.

Global Coordinator and Bookrunner

SEB

Co-Lead Managers

ABG Sundal Collier **Carnegie**

The date of this Offering Memorandum is November 7, 2014

INTERNATIONAL SUPPLEMENT

In this Offering Memorandum, the terms "**Company**" and "**Lifco**" refer to Lifco AB (publ) and the group in which Lifco AB (publ) is the parent company, as the context requires.

No representation or warranty, express or implied, is made by Skandinaviska Enskilda Banken AB (publ) ("**SEB**" or the "**Global Coordinator**"), ABG Sundal Collier AB ("**ABG Sundal Collier**") or Carnegie Investment Bank AB ("**Carnegie**" and, together with the Global Coordinator and ABG Sundal Collier, the "**Managers**") as to the accuracy or completeness of any information contained in this Offering Memorandum. In making an investment decision, investors must rely on their own assessment of the Company and the terms of this Offering, including the merits and risks involved. No person is or has been authorized to give any information or make any representation in connection with the offer or sale of the Offer Shares other than those contained in this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by the Company, the Principal Shareholder or the Managers and none of them accept any liability with respect to any such information or representation.

IN CONNECTION WITH THE OFFERING, THE GLOBAL COORDINATOR, AS THE STABILIZING MANAGER, OR ITS AGENTS, ON BEHALF OF THE MANAGERS, MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SHARES FOR UP TO 30 DAYS FROM THE FIRST DAY OF TRADING OF THE SHARES ON NASDAQ STOCKHOLM. SPECIFICALLY, THE MANAGERS MAY OVER-ALLOT SHARES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. THE STABILIZING MANAGER AND ITS AGENTS ARE NOT REQUIRED TO ENGAGE IN ANY OF THESE ACTIVITIES AND, AS SUCH, THERE IS NO ASSURANCE THAT THESE ACTIVITIES WILL BE UNDERTAKEN; IF UNDERTAKEN, THE STABILIZING MANAGER OR ITS AGENTS MAY END ANY OF THESE ACTIVITIES AT ANY TIME AND THEY MUST BE BROUGHT TO AN END AT THE END OF THE 30-DAY PERIOD MENTIONED ABOVE. SAVE AS REQUIRED BY LAW OR REGULATION, THE STABILIZING MANAGER DOES NOT INTEND TO DISCLOSE THE EXTENT OF ANY STABILIZATION TRANSACTIONS UNDER THE OFFERING.

The Offering is not directed to the general public in any country other than Sweden. Nor is the Offering directed to such persons whose participation requires additional prospectuses, registrations or measures other than those prescribed by Swedish law. No measures have been or will be taken in any jurisdiction other than Sweden, that would allow any offer of the shares to the public, or allow holding and distribution of this Offering Memorandum or any other documents pertaining to the Company or shares in such jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Persons into whose possession this Offering Memorandum comes are required by the Company and the Managers to inform themselves about and to observe such restrictions. Neither the Company nor any of the Managers accepts any legal responsibility for any violations by any person, whether or not a prospective investor, of any such restrictions. For further information with regard to restrictions on offers and sales of the Offer Shares and the distribution of this Offering Memorandum, see "*Selling and transfer restrictions*."

The Managers are acting for the Principal Shareholder and the Company and no one else in relation to the Offering. The Managers will not be responsible to anyone other than the Principal Shareholder and the Company for providing the protections afforded to clients of the Managers nor for providing advice in relation to the Offering.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

The Offer Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Offer Shares are being: (i) sold in the United States only to QIBs in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or another available exemption from the registration requirements of the Securities Act; and (ii) offered and sold outside the United States in compliance with Regulation S. For certain restrictions on the sale and transfer of the Offer Shares, see "*Selling and transfer restrictions*."

In the United States, this Offering Memorandum is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Offering Memorandum has been provided by the Company and other sources identified herein. Distribution of this Offering Memorandum to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of this Offering Memorandum in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Offering Memorandum is personal to each offeree and does not constitute any offer to any other person or to the general public to acquire shares in the Offering.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In any Member State of the European Economic Area ("**EEA**") other than Sweden that has implemented the Prospectus Directive, this Offering Memorandum is only addressed to, and is only directed at, investors in that EEA Member State who fulfill the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of the Prospectus Directive as implemented in each such EEA Member State.

This Offering Memorandum has been prepared on the basis that all offers of Offer Shares, other than the offer contemplated in Sweden, will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of Offer Shares. Accordingly any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the placement contemplated in this Offering Memorandum should only do so in circumstances in which no obligation arises for the Company, the Principal Shareholder or any of the Managers to produce a prospectus for such offer. Neither the Company, the Principal Shareholder nor the Managers have authorized, nor do the Company, the Principal Shareholder or the Managers authorize, the making of any offer of Offer Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Offering Memorandum.

The Offer Shares have not been, and will not be, offered to the public in any Member State of the EEA that has implemented the Prospectus Directive, excluding Sweden (a "**Relevant Member State**"). Notwithstanding the foregoing, an offering of the Offer Shares may be made in a Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Principal Shareholder or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to purchase Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

Offers of the Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000.

Any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with persons who: (i) are investment professionals falling within Article 19(5); or (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc."), of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Offering Memorandum and should not act or rely on it.

SELLING AND TRANSFER RESTRICTIONS

The Offer Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

The Offer Shares may only be resold (i) in the United States only to QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S and in accordance with applicable law. Each purchaser of Offer Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

(5) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(6) the purchaser acknowledges that the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions;

(7) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(8) the purchaser acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser: (i) is a QIB, (ii) is aware that the sale to it is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB;

(4) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

(5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in compliance with Regulation S; or (iii) in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(6) the purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any Offer Shares;

(7) the purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser acknowledges that the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions;

(9) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

(10) the purchaser acknowledges that the Company, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

This Offering Memorandum has been prepared in accordance with Swedish format and style, which differs from U.S. format and style. In particular, unless otherwise indicated, the financial information contained in the Offering Memorandum has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union, and thus may not be comparable to financial statements of U.S. companies prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

Investors must not construe the contents of this Offering Memorandum as legal, investment or tax advice. Each investor should consult such investor's own counsel, accountant or business advisor as to legal, investment and tax advice and related matters pertaining to the Offering. You are strongly urged to consult your tax advisors regarding the risk of having a taxable distribution as a result of the receipt of the Offer Shares.

ENFORCEABILITY OF LIABILITIES

The Company is a company limited by shares, organized under the laws of Sweden with its domicile in Enköping, Sweden and the Company's assets are predominantly located outside of the United States. In addition, none of the Company's Board of Directors or officers and other executives are citizens or residents of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or most of such persons, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws or otherwise. The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments rendered in connection with civil and commercial disputes. As a result, a final judgment for the payment of damages based on civil liability rendered by a U.S. court, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in Sweden. If the party in whose favor the final judgment is rendered brings a new suit in a competent Swedish court, the party may submit to the Swedish court the final judgment that has been rendered in the United States. Such judgment will only be regarded by a Swedish court as evidence of the outcome of the dispute to which the judgment relates, and a Swedish court may choose to rehear the dispute *ab initio*.

ADDITIONAL INFORMATION

The Company has agreed that, for so long as any Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to the reporting requirements of Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities, or to any prospective purchaser designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

EXCHANGE RATE AND OTHER INFORMATION

Fluctuations in the exchange rate between the SEK and the USD will affect the USD amounts received by owners of Shares on conversion of dividends, if any, paid in SEK on the Shares.

Investors with a reference currency other than the SEK will become subject to certain foreign exchange risks when investing in the Shares. The Company's equity capital is denominated in SEK, and all returns will be distributed in SEK. Investors whose reference currency is a currency other than the SEK may be adversely affected by a reduction in the value of the SEK relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting SEK into another currency. Investors whose reference currency is a currency other than the SEK are therefore urged to consult their financial advisors with a view to determining whether they should enter into hedging transactions to offset these currency risks.

The following tables sets forth, for the periods indicated, certain information concerning the European Central Bank (the "**ECB**") daily reference rate published by the ECB (the "**ECB Daily Reference Rate**") for SEK, expressed in SEK per EUR, and USD, expressed in USD per EUR, in each case rounded to the nearest four decimal places. The average rate is the average of the daily mid-rates from January 1 of each year up to and including the last trading day of each month. The period end rate represents the mid-rate on the last business day of each applicable period. These exchange rates are provided only for the convenience of the reader. No representation is made that amounts in EUR have been, could have been, or could be converted into SEK or USD, or vice versa, at the mid-rate or at any other rate. As of 5 November, 2014, the ECB Daily Reference Rates were SEK 9.2164 per €1.00 and USD 1.2480 per €1.00.

Year	SEK per €1.00 Period End	Average	High	Low
2011	8.9120	9.0298	9.3127	8.7090
2012	8.5820	8.7041	9.1356	8.2077
2013	8.8591	8.6515	9.0604	8.2931
January 2014	8.8509	8.8339	8.9260	8.7661
February 2014	8.8525	8.8521	8.9953	8.7661
March 2014	8.9483	8.8569	8.9953	8.7661
April 2014	9.0723	8.8993	9.1091	8.7661
May 2014	9.0823	8.9257	9.1091	8.7661
June 2014	9.1762	8.9535	9.1962	8.7661
July 2014	9.2261	8.9969	9.3286	8.7661
August 2014	9.1658	9.0206	9.3286	8.7661
September 2014	9.1465	9.0405	9.3286	8.7661
October 2014	9.2664	9.0554	9.3630	8.7661
November 2014 (through 1-5)	9.2164	9.0579	9.3630	8.7661

Year	USD per €1.00 Period End	Average	High	Low
2011	1.2939	1.3920	1.4882	1.2889
2012	1.3194	1.2848	1.3454	1.2089
2013	1.3791	1.3281	1.3814	1.2768
January 2014	1.3516	1.3610	1.3687	1.3516
February 2014	1.3813	1.3633	1.3813	1.3495
March 2014	1.3788	1.3696	1.3942	1.3495
April 2014	1.3850	1.3724	1.3942	1.3495
May 2014	1.3607	1.3726	1.3953	1.3495
June 2014	1.3658	1.3703	1.3953	1.3495
July 2014	1.3379	1.3678	1.3953	1.3379
August 2014	1.3188	1.3633	1.3953	1.3177
September 2014	1.2583	1.3549	1.3953	1.2583
October 2014	1.2524	1.3455	1.3953	1.2524
November 2014 (through 1-5)	1.2480	1.3441	1.3953	1.2480

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in this Offering Memorandum concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial position and earnings, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read this Offering Memorandum including the following sections: "*Summary,*" "*Risk factors,*" "*Market description,*" "*Business description*" and "*Comments to the financial information,*" which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which it operates. None of the Company, the Principal Shareholder, or the Managers can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in this Offering Memorandum may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in this Offering Memorandum may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, lack of attractive products to sell, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents, environmental damages or systematic supply deficiencies.

After the date of this Offering Memorandum, none of the Company, the Principal Shareholder, or the Managers assumes any obligation, except as required by law or Nasdaq Stockholm's Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

MARKET DATA

This Offering Memorandum includes industry and market data pertaining to the Company's business and markets. If not otherwise stated, such information is based on the Company's analysis of multiple sources.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurance as to the accuracy of industry and market data contained in this Offering Memorandum that were extracted or derived from these industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

None of the Company, the Principal Shareholder or the Managers assumes any responsibility for the correctness of any business or market data included in this Offering Memorandum. Information provided by third parties has been accurately produced and, as far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

LIFCO

INVITATION TO ACQUIRE SHARES IN LIFCO AB (PUBL)

GLOBAL COORDINATOR AND BOOKRUNNER

SEB

CO-LEAD MANAGER

ABG SUNDAL COLLIER

CO-LEAD MANAGER

Carnegie

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the "Prospectus") has been prepared in connection with the Offering to the general public in Sweden and institutional investors in Sweden and abroad of the series B shares in Lifco AB (publ) (a Swedish public limited liability company) and listing on Nasdaq Stockholm of the shares (the "Offering"). In this Prospectus, "Lifco", the "Company" or the "Group" refers to Lifco AB (publ) or the Group in which Lifco AB (publ) is the parent company, as the context may require. The "Principal Shareholder" refers to Carl Bennet AB. Skandinaviska Enskilda Banken AB (publ) ("SEB") is Global Coordinator and Bookrunner ("Global Coordinator") in connection with the Offering. ABG Sundal Collier AB ("ABG Sundal Collier") and Carnegie Investment Bank AB (publ) ("Carnegie") are Co-Lead Managers ("Co-Lead Managers") in connection with the Offering. The "Managers" refers to Global Coordinator and Co-Lead Managers jointly.

The figures included in this Prospectus have, in certain cases, been rounded off and, consequently, the tables contained in this Prospectus do not necessarily add up. All financial amounts are in Swedish kronor ("SEK"), unless indicated otherwise, and "KSEK" means thousands of SEK and "MSEK" means millions of SEK. "EUR" means euro and "MEUR" means millions of euro. "USD" means American dollars.

The Offering is not directed to the general public in any country other than Sweden. Nor is the Offering directed to such persons whose participation requires additional prospectuses, registrations or measures other than those prescribed by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden, that would allow any offer of the shares to the public, or allow holding and distribution of this Prospectus or any other documents pertaining to the Company or shares in such jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Persons into whose possession this Prospectus comes are required by the Company and the Managers to inform themselves about and to observe such restrictions. Neither the Company nor any of the Managers accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions. The shares in the Offering have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. The shares in the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") or any securities laws of any state within the United States, and may be sold in the United States only to qualified institutional buyers in reliance on Rule 144A ("Rule 144A") under the Securities Act or pursuant to another available exemption from, or a transaction not subject to, the registration requirements under the Securities Act, and offered and sold outside the United States in compliance with Regulation S under the Securities Act. Prospective purchasers are hereby notified that sellers of the shares in the Offering may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

A Swedish prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) in accordance with Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument). This prospectus has been prepared in two versions, of which one is in Swedish and one in English. In the event of discrepancies between this English Prospectus and the Swedish prospectus, the Swedish prospectus shall prevail.

STABILIZATION

In connection with the Offering, the Global Coordinator may carry out transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilization transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. The Global Coordinator is, however, not required to undertake any stabilization and there is no assurance that stabilization will be undertaken.

Stabilization, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. Within one week of the end of the stabilization period, the Global Coordinator will make public whether or not stabilization was undertaken, the date at which stabilization started, the date at which stabilization last occurred and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in this Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial position and earnings, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read this Prospectus, including the following sections: "Summary", "Risk factors", "Market description" , "Business description" and "Comments to the financial information", which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which it operates. None of the Company, the Principal Shareholder, or the Managers can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in this Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in this Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, lack of attractive products to sell, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents, environmental damages or systematic supply deficiencies.

After the date of this Prospectus, none of the Company, the Principal Shareholder, or the Managers assumes any obligation, except as required by law or Nasdaq Stockholm's Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

BUSINESS AND MARKET DATA

This Prospectus includes industry and market data pertaining to Lifco's business and markets. If not otherwise stated, such information is based on the Company's analysis of multiple sources. Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in this Prospectus that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

None of the Company, the Principal Shareholder or the Managers assumes any responsibility for the correctness of any business or market data included in this Prospectus. Information provided by third parties has been accurately reproduced and, as far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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SUMMARY OF THE OFFERING

NUMBER OF SHARES OFFERED

The Offering includes 34,602,400 existing series B shares in Lifco, offered for sale by the Principal Shareholder. The Offering does not include any series A shares in Lifco. The Principal Shareholder has reserved the right to further expand the Offering with not more than 6,606,700 additional series B shares. In addition, the Principal Shareholder has, at the request of the Global Coordinator, undertaken to sell not more than 4,120,900 additional series B shares to cover potential over-allotment in connection with the Offering (the "Over-allotment option").

OFFERING PRICE

The price in the Offering has been determined by the Principal Shareholder in consultation with Lifco's board of directors and the Global Coordinator to SEK 93 per series B share, based on discussions with certain institutional investors and a comparison with the market price of other comparable listed companies. Given the undertakings from the Cornerstone Investors, the price is deemed to be marketable (for more information refer to the section "Legal considerations and supplementary information – Subscription undertakings"). Brokerage commission will not be charged.

INDICATIVE TIMETABLE

Application period for the general public in Sweden	10-19 November 2014
Application period for institutional investors in Sweden and abroad	10-20 November 2014
First day of trading on Nasdaq Stockholm	21 November 2014
Settlement date	25 November 2014

MISCELLANEOUS

Short name (ticker) on Nasdaq Stockholm	LIFCO B
ISIN code for the B shares	SE0006370730

FINANCIAL CALENDAR

Year-end report 2014	20 February 2015
Annual shareholders' meeting 2015	6 May 2015
Interim report for the period 1 January – 31 March 2014	6 May 2015

IMPORTANT INFORMATION ABOUT THE SELLING OF SHARES

Note that allotment notifications to the general public in Sweden will be made through distribution of contract notes, as soon as possible after 21 November 2014. After payments for the allocated shares have been processed by the Managers, the duly paid shares will be transferred to the securities depository account, the securities account (*Sw. VP-konto*) or the service account specified by the acquirer. The time required to transfer payments and transfer duly paid shares to the acquirers of shares in Lifco means that these acquirers will not have shares available in the specified securities depository account, he securities account or the service account until 25 November 2014, at the earliest. Trading in Lifco's shares on Nasdaq Stockholm is expected to commence on or around 21 November 2014. Accordingly, since shares are not available in an acquirer's securities account, securities depository account or service account until 25 November 2014 at the earliest, the acquirer may not be able to sell these shares on the stock exchange as from the time trading in the shares commences, but firstly when the shares are available in the securities account, the securities depository account or the service account.

SUMMARY

The summary is drawn up in accordance with information requirements in the form of a number of "paragraphs" which shall include certain information. The paragraphs are numbered in sections A–E (A.1–E.7). This summary contains all the paragraphs required in a summary for the relevant type of security and issuer. However, as certain paragraphs are not required, there may be gaps in paragraph numbering sequences. Even if it is necessary to include a paragraph in the summary for the security and issuer in question, it is possible that no relevant information can be provided for that paragraph. In such instances, the information has been replaced by a brief description of the paragraph, along with the specification "not applicable".

SECTION A – INTRODUCTION AND WARNINGS

A.1	**Introduction and warnings**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. Where statements in respect of information contained in a prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the prospectus before legal proceedings are initiated. Civil liability may attach to those persons who produced the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent with other parts of the Prospectus or it fails to provide key information to help investors when considering investing in the securities offered.
A.2	**Consent for use of the Prospectus by financial intermediaries**	Not applicable. Financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.

SECTION B – ISSUER AND PROSPECTIVE GUARANTOR

B.1	**Company and trading name**	Lifco AB (publ), Reg. No. 556465-3185. The Company's series B shares will be traded on Nasdaq Stockholm under the short name (ticker) LIFCO B.
B.2	**Issuer's registered office and corporate form**	Lifco's registered office is in Enköping, Sweden. The Company is a Swedish public limited liability company founded in Sweden under Swedish law and operating under Swedish law. The Company's legal form of association is governed by the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*).
B.3	**Description of the issuer's operations**	Lifco is a global corporate group that develops market leading niche businesses with potential to deliver sustained profit growth. Lifco is guided by a clear philosophy, focusing on profitability, a highly decentralised organisation, and a long-term perspective. The Group comprises approximately hundred independent subsidiaries in approximately 30 countries organised into three business areas: Dental, Demolition & Tools and Systems Solutions Dental is a leading supplier of dental products in Northern and Central Europe. In 2013, the business area represented 47 per cent of the Group's net sales and 52 per cent of the Group's EBITA before group functions. Demolition & Tools develops, produces, sells and distributes remote controlled demolition machines, tools and accessories for the demolition and construction industry. In 2013, the business area represented 20 per cent of the Group's net sales and 32 per cent of the Group's EBITA before group functions. Systems Solutions consists of businesses which deliver systems solutions to niche markets and includes Interiors for service vehicles, Contract manufacturing, Environmental technology, Relining of plumbing pipes and Saw mill equipment. In 2013, the business area represented 33 per cent of the Group's net sales and 15 per cent of the Group's EBITA before group functions. Through its business areas, Lifco holds market-leading positions and the Group is constantly seeking opportunities to enhance its competitive advantages through both organic growth and acquisitions.

B.4a **Trends influencing the issuer and the industries in which it is active**

Generally, the Company's operations within distribution of dental products have been very stable over time, while the industrial operations have followed GDP growth in the Company's various markets. The Company's greatest market exposures are the European market for dental care products and the global construction and demolition industry. In addition, the Company is exposed to a number of smaller markets. These smaller market exposures derive from a large number of subsidiaries within the Group with a high level of diversification.

The European market for distribution of dental care products follows the European dental care market and is affected by a number of trends and factors. The Company is of the opinion that the distribution operations are affected mainly by an aging population, an increased awareness of dental health, chaining in the presently fragmented dental care market, increased online sales, consolidation at the supplier level and an increased share of private label products. In the area dental prosthetics, with its main market in Germany, there are, in addition to the trends described above, some other area specific trends such as increased demand for aesthetic dental treatments and increased awareness of imported dental prosthetics.

The primary market for the subsidiaries within Demolition & Tools is the global construction and demolition industry. The majority of the business area's products comprise machinery and tools for this market and sales can therefore generally be said to be in line with the growth of the global construction equipment market. In recent years, demand for construction equipment has recovered since the global economic downturn in 2008-2009, and has reached a stable level, albeit with weak negative growth. The Company assesses that the sale of demolition machines mainly is affected by demands of increased safety awareness, increased productivity and identification of new fields of application. Tools for excavators and cranes face the same trends as the demolition machines area, but are also driven by consolidation in the supplier chain.

B.5 **Description of the Group and the Company's position within the Group**

The Group comprises the parent company Lifco AB (publ) and some hundred directly and indirectly owned subsidiaries.

B.6 **Major shareholders, control over the Company and notifiable individuals, larger shareholders and control**

As of the date of this Prospectus, Lifco is wholly-owned by the Principal Shareholder, Carl Bennet AB. Following completion of the Offering, provided that all shares in the Offering are acquired and that the right to expand the Offering and the Over-allotment option are fully exercised, the Principal Shareholder will hold approximately 50.1 per cent of the number of shares and approximately 68.9 per cent of the number of votes, distributed on 6,075,970 series A shares and 39,437,290 series B shares.

Didner & Gerge Fonder AB and The Fourth Swedish National Pension Fund (the Cornerstone Investors) have each agreed to acquire 6,813,200 series B shares each in the Offering. The Cornerstone Investors will thereby each, following completion of the Offering, hold approximately 7.5 per cent of the number of shares and approximately 4.7 per cent of the number of votes in the Company.

B.7 **Financial information in summary**

Summary of consolidated statement of income

	IFRS				GAAP[1]	
MSEK	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011
Net sales	4,901	4,351	6,030	6,184	6,184	5,707
Gross income	1,829	1,514	2,122	2,134	2,134	1,904
Operating income	642	474	627	713	541	490
Income before tax	611	447	575	671	499	453
Net income	**458**	**282**	**388**	**511**	**324**	**291**

Summary of consolidated statement of financial position

	IFRS				GAAP	
MSEK	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011
Non-current assets	4,973	3,401	3,435	3,383	3,145	3,320
Current assets	2,840	1,963	2,033	2,010	2,010	1,985
Total assets	**7,814**	**5,364**	**5,468**	**5,392**	**5,155**	**5,305**
Equity	3,294	2,322	2,382	2,153	1,971	1,835
Non-current liabilities	2,605	182	169	183	1,887	2,091
Current liabilities	1,915	2,861	2,917	3,057	1,297	1,380
Equity and liabilities	**7,814**	**5,364**	**5,468**	**5,392**	**5,155**	**5,305**

1) In accordance with the Swedish Annual Accounts Act (Sw. Årsredovisningslag (1995:1554)) and general advices and recommendations from the Swedish Accounting Standards Board (Sw. Bokföringsnämnden) and FAR SRS.

B.7 | **Financial information in summary cont.**

Summary of consolidated statement of cash flows

	IFRS				GAAP	
MSEK	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011
Cash flow from operating activities	470	312	558	609	644	506
Cash flow from investing activities	-1,333	-68	-104	-157	-152	-1,813
Cash flow from financing activities	1,381	-324	-417	-377	-427	1,415
Total cash flow for the year	**519**	**-79**	**37**	**76**	**64**	**109**

Selected segment information

	IFRS				GAAP	
MSEK	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011
Net sales						
Dental	2,348	2,062	2,826	2,840	2,840	2,439
Demolition & Tools	934	875	1,189	1,176	1,176	992
Systems Solutions	1,619	1,415	2,014	2,168	2,168	2,276
Total net sales	**4,901**	**4,351**	**6,030**	**6,184**	**6,184**	**5,707**
EBITA						
Dental	394	293	399	376	376	312
Demolition & Tools	196	178	246	268	269	194
Systems Solutions	157	59	115	136	136	190
HQ costs	-54	-50	-68	-64	-64	-66
Total EBITA	**692**	**480**	**692**	**715**	**716**	**631**

MSEK						
EBITA margin						
Dental	16.8%	14.2%	14.1%	13.2%	13.2%	12.8%
Demolition & Tools	21.0%	20.4%	20.7%	22.8%	22.9%	19.6%
Systems Solutions	9.7%	4.2%	5.7%	6.3%	6.3%	8.3%
Total EBITA margin	**14.1%**	**11.0%**	**11.5%**	**11.6%**	**11.6%**	**11.1%**

B.7 **Financial information in summary cont.**

Selected key performance indicators

	IFRS				GAAP	
	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011
Net sales, MSEK	4,901	4,351	6,030	6,184	6,184	5,707
Total growth in net sales, %	12.6%	-4.0%	-2.5%	8.4%	8.4%	24.3%
Of which: Organic growth, %	4.6%	-2.4%	-1.4%	-1.8%	-1.8%	7.9%
Of which: Acquisative growth, %	4.7%	0.1%	0.1%	11.7%	11.7%	20.5%
Of which: Conversion effects and other, %	3.3%	-1.8%	-1.2%	-1.5%	-1.5%	-4.2%
EBITA, MSEK	692	480	692	715	716	631
EBITA-marginal, %	14.1%	11.0%	11.5%	11.6%	11.6%	11.1%
Capital employed excl. goodwill and other intangible assets, MSEK	841	970	833	832	-	-
Capital employed, MSEK	5,403	4,000	3,880	3,848	-	-
Return on capital employed excl. goodwill and other intangible assets, %	100.1%	71.7%	73.0%	71.0%	-	-
Return on capital employed, %	19.2%	17.1%	17.4%	18.1%	-	-

Per share data

	IFRS				GAAP	
SEK	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011
Earnings per share	4.97	3.04	4.16	5.56	3.57	3.20
Equity	36.1	25.4	26.0	23.6	21.5	20.1

Significant changes

No events of significant importance for Lifco's financial position or market position have occurred since 30 September 2014.

B.8 **Pro forma accounting**

On 27 March 2014 Lifco, through its German subsidiary European Dental Partners Holding GmbH, acquired MDH AG Mamish Dental Health. The consideration was financed through an external loan and liquid assets.

The purpose of the pro forma accounting is to present a schematic illustration regarding how the net profit of the Group for the period from 1 January until 31 December 2013 and 1 January to 30 September 2014, may have been should the acquisition occurred on January 1 in each period.

The pro forma accounting is only meant to describe a hypothetical situation and has been produced in an illustrative purpose only, aimed to inform and is not intended to show actual period performance should the above event occurred at the above stated times. Neither does the pro forma accounting show the Company's results at any future time.

Statement of income pro forma 1 January – 31 December 2013

MSEK	Lifco[2]	MDH[3]	Adjustments	Pro forma
Gross income	2,122	250	0	2,372
Operating income	627	141	-36	731
Income before tax	575	141	-48	666
Result of the year	388	94	-31	450

Statement of income pro forma 1 January – 30 September 2014

MSEK	Lifco[4]	MDH[5]	Justeringar	Pro forma
Gross income	1,829	64	0	1,893
Operating income	642	27	-4	665
Income before tax	611	27	-8	630
Period income	458	18	-3	473

2) Based on the annual report for the financial year 2013, audited by the Company's auditors.
3) Based on MDH's annual report for the financial year 2013, audited by MDH's auditors and recalculated with an average conversion rate of 8.649 SEK/EUR.
4) Based on the interim report for the period 1 January to 30 September 2014, reviewed by the Company's auditors.
5) Based on non-reviewed internal reports drawn up by MDH.

B.9 **Profit/loss forecast**

Not applicable. The Company does not present any profit/loss forecast.

B.10 **Audit remarks**

Not applicable. There are no remarks in the audit reports.

B.11 **Net working capital**

The board of directors of Lifco is of the opinion that the working capital is sufficient for the Group's present requirements during the coming twelve-month period.

SECTION C – THE SECURITIES

C.1	**Securities offered**	The Offering concerns series B shares in Lifco, reg. ISIN number SE0006370730.
C.2	**Denomination**	The shares are denominated in SEK.
C.3	**Total number of shares in the Company**	On the date of this Prospectus, the Company's share capital amounts to SEK 18,168,652, distributed on 6,075,970 series A shares and 84,767,290 series B shares. The share's quota value is 0.20 SEK. The shares carry 145,526,990 votes in aggregate. As no new shares in Lifco will be issued in connection with the Offering, the share capital, the number of shares and the number of votes will be unaltered following completion of the Offering.
C.4	**Rights associated with the securities**	At shareholders' meetings of Lifco, one series A share carries ten votes and one series B share carries one vote. Series A shares and series B shares carry equal rights to the Company's assets and profits. Each shareholder is entitled to vote for the entire number of shares held in the Company. The Offering comprises series B shares only. Should the Company issue new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have pre-emptive rights to subscribe for such securities, proportionally to the number and series (A or B) of shares held prior to the issue.
C.5	**Restrictions in free transferability**	Not applicable. The shares of the Company are not subject to any restrictions on transferability.
C.6	**Admission to trading**	Nasdaq Stockholm's listing committee has on 23 October 2014 decided to admit the Company's series B shares to trading on Nasdaq Stockholm, subject to certain conditions, such as that the dispersion requirements in respect of the Company's shares being fulfilled no later than on the first day of trading. Trading is expected to begin on or about 21 November 2014.
C.7	**Dividend policy**	Lifco's board of directors has adopted a dividend policy implying that dividends will be based on the Company's profit development with regard to future growth potential and financial position. The long-term goal is that dividends shall have a steady development and amount to 30-50 per cent of the profits after tax.

SECTION D – RISKS

D.1	**Main risks related to the issuer and the industry**	An investor should carefully consider the risk factors described in the Prospectus before deciding to invest in Lifco. There are certain factors that affect, or could affect, Lifco's operations, earnings or financial position which may lead to a significant reduction of the value of the Company's shares and that the investors risk to lose all or part of their investments. The main risk factors related to Lifco and its operations are: • the risk of an adverse development of macroeconomic factors such as consumption, business investment, public investment, volatility and strength of the capital market and inflation having significant adverse effects on the Company; • the risk of one or several of the major customers of Lifco's subsidiaries totally or partially reducing its purchases from the Group, going bankrupt or delaying major contracts, which could significantly affect the respective subsidiary within the Group negatively and hence also Lifco; • the risk of Lifco, in connection with company acquisitions, incurring costs not reimbursed by the seller or the Company not being able to realise assumed synergy and efficiency effects and also the risk of the Company, in connection with company divestments, incurring costs and losses attributable to the divested company; • the risk of the subsidiaries within the Group being unable to implement new technologies or adapt their respective product ranges and business models in due time in order to profit from new or existing technology or that the costs of such implementation or adaptation are too extensive; and • the risk of the Company's decentralised organisational model proving less suitable to meet future market challenges and that of Lifco's competitiveness and market position being weakened as a result.

D.3	**Main risks related to the securities**	Risks related to the Offering and Lifco's shares mainly involve: • the risk of the price in the Offering not being correspondent to the price at which the shares of Lifco will be traded on the stock exchange following completion of the Offering and the risk of an active and liquid market not developing for the Lifco share; • the risk of the Principal Shareholder's interests, after completion of the Offering, differing significantly from or competing with Lifco's and/or other shareholders' interests; and • the risk of future rights issues reducing the price of the Lifco share and/or diluting the holdings of the Company's shareholders and the risk of shareholders in certain jurisdictions being subject to limitations which restrict or complicate their participation in such issues.

SECTION E – THE OFFERING

E.1	**Issue proceeds and issue costs**	As no new shares in Lifco will be issued in connection with the Offering, Lifco will not be provided any issue proceeds in connection with the Offering. Lifco has instead, shortly prior to the Offering, obtained an unconditional shareholders' contribution of MSEK 500 from the Principal Shareholder in order to strengthen future expansion prospects and the Company's balance sheet. Lifco's costs associated with the listing of the series B shares on Nasdaq Stockholm and the Offering are expected to amount to approximately MSEK 110.
E.2a	**Motive and use of proceeds**	The Principal Shareholder, with the support of Lifco's board of directors, is of the opinion that this is an appropriate time to list Lifco on the stock exchange. Lifco has established a stable platform in which it continues to have potential for substantial growth in the future and improved results. The listing gives Lifco access to the Swedish and international capital markets, which, it is believed, will promote the Company's continued growth and development.
E.3	**Offering terms and conditions**	**General –** The Offering comprises 34,602,400 existing series B shares in Lifco, offered for sale by the Principal Shareholder. The Principal Shareholder has reserved the right to further expand the Offering with not more than 6,606,700 additional series B shares. Furthermore, the Offering may be increased with not more than 4,120,900 additional series B shares should the Over-allotment option be exercised. The Offering is directed to the general public in Sweden and to institutional investors in Sweden and abroad. The Offering does not comprise any series A shares in Lifco. **The price in the Offering** – SEK 93 per series B share. The price in the Offering has been determined by the Principal Shareholder in consultation with Lifco's board of directors and the Global Coordinator to SEK 93 per series B share, based on discussions with certain institutional investors and a comparison with the market price of other comparable listed companies. **Subscription period –** Subscription of shares in the Offering will take place during the period 10-19 November 2014 for the general public in Sweden. Subscription of shares in the Offering will take place during the period 10-20 November 2014 for institutional investors in Sweden and abroad. **Application –** The general public's in Sweden application shall comprise not less than 100 and not more than 10,000 series B shares and shall be made on a certain registration form that can be obtained from SEB's offices or ordered from Lifco. The registration form is also available on Lifco's website www.lifco.se or SEB's prospectus website, www.sebgroup.com/prospectuses. Completed and signed registration form shall be obtained by SEB on 19 November 2014 at 17:00 at the latest, either by handing it in to SEB's offices, or by sending it to: SEB Emissioner R B6 SE-106 40 Stockholm Sweden Institutional investors in Sweden or abroad apply for subscription in accordance with specific instructions. **Allotment –** The allotment of shares in the Offering is determined by the Principal Shareholder in consultation with the board of directors of Lifco and the Global Coordinator, with the intention to reach a good institutional ownership base and a wide distribution of the shares among the general public to enable a regular and liquid trade with the Lifco series B share on Nasdaq Stockholm. The allotment to the general public is not dependent on when the application is made and only one application per person will be considered. Allotment to institutional investors will be made on a wholly discretionary basis. The Cornerstone Investors are however guaranteed allotment in accordance with their respective undertakings. **Account day –** The account day is estimated to occur on 25 November 2014.

E.4	**Interests and conflict of interests**	There are no family ties between any board member or senior executives in Lifco, except for Carl Bennet and Gabriel Danielsson who are cousins. All board members are independent in relation to the Company and the senior executives, except for Fredrik Karlsson, CEO of Lifco. All board members are independent in relation to Lifcos largest shareholders, except for Carl Bennet, owner of Carl Bennet AB, and Johan Stern, board member of Carl Bennet AB. SEB is Global Coordinator and ABG Sundal Collier and Carnegie are Co-Lead Managers in the Offering. SEB, ABG Sundal Collier and Carnegie provide financial advisory and other services to the Company and the Principal Shareholder in connection with the Offering. From time to time, SEB, ABG Sundal Collier and Carnegie may provide services in the ordinary course of business to the Principal Shareholder and parties affiliated to the Principal Shareholder in connection with other transactions. In addition thereto, SEB is also a creditor to the Company and the Principal Shareholder.
E.5	**Selling shareholder/ Lock-up agreements**	The Principal Shareholder will sell up to 45,330,000 series B shares of Lifco, including exercise of the right to expand the Offering and of the Over-allotment option, in the Offering. The Principal Shareholder has undertaken, with a few exceptions, following completion of the Offering, not without the consent of the Managers, to sell or in any other way dispose of its holdings in Lifco during 180 days after the trading of the Company's shares has commenced on Nasdaq Stockholm. Senior executives in Lifco will be committing to the same undertaking.
E.6	**Dilution effect**	Not applicable. As no new shares in Lifco will be issued in connection with the Offering, no dilution effect arises.
E.7	**Costs imposed on investors**	Not applicable. Brokerage commission will not be charged.

RISK FACTORS

An investment in Lifco's shares involves various risks. A number of factors affect, or could affect, Lifco's business, both directly and indirectly. Described below, in no particular order and without claim to be exhaustive, are some of the risk factors and significant circumstances considered to be material to Lifco's business and future development. The risks described below are not the only risks to which Lifco and its shareholders may be exposed. Additional risks that are not currently known to Lifco may also adversely affect Lifco's operations, earnings or financial position. Such risks could also cause the price of Lifco's shares to fall significantly, and investors could potentially lose all or part of their investment.

In addition to this section, investors should also take into consideration the other information provided in this Prospectus in its entirety. The Prospectus also contains forward-looking statements that are subject to future events, risks and uncertainties. As a result of many factors, including the risks described below and elsewhere in this Prospectus, Lifco's actual results could differ materially from those anticipated in these forward-looking statements.

RISKS RELATED TO LIFCO AND ITS BUSINESS

MACROECONOMIC FACTORS

The subsidiaries within the Group operate in a variety of sectors, such as the dental, environmental and industrial sector. Lifco depends on the products produced or traded within the Group being successful and in demand by consumers and industrial purchasers, which in turn depends on factors such as functionality, price, design, and general market demand. The market demand is in turn largely affected by macroeconomic factors outside Lifco's control. Conditions in the global capital market and the economy in general affect the Company's operations. The dental industry has historically demonstrated a lower sensitivity to a deteriorating economic climate than, for example, companies in the industrial sector have. Sales to consumers are also typically less affected by the general economic situation. However, there is a risk that previous consumer patterns change in the future, and that those sectors that currently have been or presently are subject to less cyclical influences show greater economic fluctuations in the future. Consumer demand is affected by, among other things, the households' disposable income. The demand among industrial purchasers is affected by, among other things, the willingness of companies to invest and access to financing. An example is the stress that the global capital market suffered during the second half of 2008 and 2009, which also negatively affected Lifco's industrial activity significantly. Factors such as consumption, business investment, public investment, the volatility and strength of the capital market and inflation affect the business climate and the economic environment. A deterioration of these conditions on all or some of the markets that the Group operates in may lead to significant adverse effects on the Company's operations, financial position and earnings, specifically given that several of Lifco's major customers operate in the industrial sector.

CUSTOMER CONCENTRATION

The subsidiaries within the Group have a large number of direct or indirect customers, from consumers and small private practicing dentists to large industrial companies. The underlying customer agreements involve a vast number of products and services and comprise different durations. The single largest customers are found in contract manufacturing and sawmill equipment. The ten largest customers represented approximately 9 per cent of Lifco's turnover in 2013. The corresponding figure in 2012 was approximately 10 per cent. The Group as such is thus not dependent on any single customer. The individual subsidiaries, however, are to a varying extent more dependent on relationships to major customers, and are to some extent dependent on keeping one or several major customers in order to maintain their sales and operations, at least in the short to medium term. In the event one or several of these major customers fully or partially reduce their purchases from the Group, go bankrupt or become subject to similar procedures, postpone a major contract or if the customer relationship deteriorates, this could adversely affect the relevant subsidiary's operations, financial position and earnings, which in turn may also negatively affect Lifco's financial position and earnings.

The agreements that subsidiaries within the Group have entered with its customers do normally not contain any volume or minimum commitments from each customer. Instead, the customer agreements often have the character of framework or call-off contracts, often with relatively short maturities. In such cases, the Company cannot surely predict how large orders and purchases customers will make. There is thus a risk that the expected orders and purchases will be lower than expected, or that the respective subsidiary allocates or invests in production capacity which subsequently cannot be fully utilised. This may entail that the relevant subsidiary's operations, financial position and earnings will be adversely affected, which in turn could have an adverse effect on Lifco's financial position and earnings.

SUPPLIER RISK

In order to manufacture, sell and deliver goods and services, the subsidiaries within the Group depend on external suppliers' availability, production, quality assurance and delivery. Incorrect or delayed deliveries or even non-deliveries from suppliers of various types could entail that Lifcos' deliveries in turn are delayed, incomplete or incorrect or that they have to be discontinued, which could result in reduced sales and an adverse impact on the Company's customer relations, which in turn could negatively affect Lifo's financial position and earnings.

The Group's ten largest suppliers accounted for approximately 23 per cent of the total purchases of the Group in 2013. The corresponding figure for 2012 was approximately 22 per cent. From a long-term perspective, Lifco is not dependent on any single supplier for conducting its business. However, there is a risk that defective or delayed deliveries or loss of one or several suppliers can have negative consequences for the relevant subsidiary's operations, financial position and earnings, which in turn could negatively affect Lifo's financial position and earnings.

RISKS RELATED TO THE ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES

An essential part of Lifco's growth strategy is to expand through acquisitions, which either complement or broaden the Group's existing business. Over the past five years, ten new companies have been added to the Group through acquisitions in different parts of the world. Acquisitions are often large and complex and involve substantial costs for, among other things, financing, but also for financial, legal and other advisors. A large part of such costs are charged to the Company even in the case the acquisition, for various reasons, cannot be completed. Hence, there is a risk that Lifco incurs substantial costs even if the planned acquisition is not completed, whereby the Company has not gained any value.

Acquisitions also involve high risk in relation to the acquired company. Lifco ordinarily conducts a comprehensive financial, legal and organisational review of the target company, but there is a risk of potential problems and future losses not being detected in the course of such a review. Hence, the target company may suffer from customer losses, regulatory problems or unforeseen costs following the acquisition, which in turn may lead to Lifco being forced to make additional capital contributions or that the subsidiary in one way or another must limit or restructure its operations. There is also the risk that Lifco may not receive compensation from the seller for such costs, for example due to contractual or legal limitations. Such events may therefore have a material adverse effect on the subsidiary's operations, financial position and earnings, which in turn could negatively affect Lifco's financial position and earnings. There is also a risk that expected synergy and efficiency effects do not materialize to the extent that has been anticipated, or at all, which could have negative effects on Lifco's financial position and earnings.

The subsidiaries within the Group that are not performing as expected, that do not fit into the Group's other operations or which have reached their maximum expected performance, may be divested by Lifco. Over the past five years, Lifco has divested two subsidiaries. Divestments also give rise to risks for costs and unforeseen events. In connection with divestments of companies, Lifco normally provides certain warranties to the purchaser in respect of the divested company's legal and financial status and development. Hence, there is a risk that Lifco may need to compensate a purchaser for costs and losses incurred in the divested company, which could have a material adverse effect on the Company's financial position and earnings.

As all subsidiaries within the Group are unlisted companies, there is a risk that Lifco may fail to sell all or parts of its holdings at a time desirable from a financial perspective, or that the selling price – if a divestment can be realised – is lower than the estimated maximum value, which may give rise to adverse effects on the Company's financial position and earnings.

PARTLY OWNED SUBSIDIARIES WITHIN THE GROUP

A limited number of subsidiaries within the Group are not, directly or indirectly, wholly-owned by Lifco, but one or several other shareholders hold shares to a varying extent. For example, as regards the subsidiaries Al dente Software A/S, AS Hekotek and Ahlberg Cameras AB, Lifco holds 50 per cent, 82.5 per cent and 70 per cent of the shares, respectively. Lifco has in such cases entered shareholders' agreements or similar arrangements with the minority shareholder/s, through which the shareholders' internal relationship is governed, and through which Lifco is granted control over more important decisions regarding the subsidiary, e.g. direction of operations, changes in share capital and corporate governance. Some shareholders' agreements or similar arrangements do, however, contain provisions granting the minority shareholder/s rights that are more far-reaching than their share ownership would qualify for if there were no shareholders' agreement or similar arrangement. Under certain circumstances, these minority rights may entail that Lifco cannot exercise such control over the subsidiary that would be desirable, e.g. in relation to changes in the operation due to new market conditions or to raise new capital. There is thus a risk that the relevant subsidiary's operations, financial position and earnings are adversely affected therefrom, which in turn could have an adverse effect on Lifco's financial position and earnings. Moreover, shareholders' agreements and similar arrangements may sometimes be difficult to enforce, specifically abroad. Although Lifco regularly engages local legal counsel in connection with such agreements and arrangements, there is a risk that one or more provisions therein may be deemed invalid by a local court or authority. Lifco may thus come to lose control of the relevant subsidiary, which could have an adverse effect on the Company's financial position and earnings.

STRUCTURAL CHANGES AND GEOGRAPHICAL EXPANSION

Lifco conducts a continuous effort to revise and streamline the structure and production in the subsidiaries. Lifco has historically implemented a number of structural measures, such as moving or closing down production units and expanding geographically to strengthen the relevant subsidiary's market position and competitiveness. Any future changes, such as close-downs and startups of production units, may entail that the relation to employees, suppliers and customers deteriorates and that unpredicted problems in the adjustment process or interruptions in the production arise and that the costs thereby become higher than predicted. There is thus a risk that the expected benefit of a structural measure or geographic expansion will not materialise, which could adversely affect the Company's operations, financial position and earnings.

There is also a risk that Lifco's competitors or customers initiate or are part of larger structural changes, where one or more companies merge to form larger units. Such larger units typically have better access to financing and greater financial, technical, marketing and personnel resources. Lifco's competitors can thereby strengthen their respective market position on Lifco's expense. In the event that major structural changes occur among customers of the Group, there is a risk that Lifco may be exposed to demands for price reductions with reduced margins as a result. There is thus a risk that structural changes among Lifco's competitors and customers can lead to adverse effects on the Company's operations, financial position and earnings.

PRODUCT LIABILITY AND PRODUCT RECALL

Some of the subsidiaries within the Group manufacture products which, if mishandled, can cause personal injuries and property damages with the customers. For example, the subsidiary Brokk AB manufactures and sells remote controlled demolition machines and Kinshofer manufactures and sells tools for excavators and cranes. The Company may thus be exposed to product liability claims and demand for product recalls in the event that use of the relevant subsidiary's products causes, is reported to cause or is likely to cause personal injuries or property damages. Although each subsidiary provides training and instruction for the correct use of its products, Lifco has no control over how the products are actually being used, and end-users may use the products in a manner that causes personal injuries or property damages. There is a risk that deficiencies in the Group's products or improper use of the products could lead to product liability, which in turn could result in significant financial commitments and negative publicity that could result in adverse effects on the Company's financial position and earnings. Although Lifco possesses common liability and product liability insurances, there is a risk that the protection Lifco obtains through such insurances is limited due to, for example, limitations as to reimbursement amounts and the requirement to pay excess.

RISKS RELATED TO TECHNOLOGY CHANGES

To remain competitive, the various subsidiaries within the Group must continue to launch new products and services and enhance and improve the functionality and features of existing products. There is a risk that the various subsidiaries within the Group are unable to implement new technologies or adapt its product range and its business model in time to be able to take advantage of the benefits of new or existing technology. Any such failure could have a material adverse effect on the relevant subsidiary's operations, financial position and earnings, which in turn could have an adverse effect on Lifco's financial position and earnings.

The costs associated with keeping up with technology and product development can be high and is influenced by factors wholly or partially beyond the Company's control. The level and timing of future operating expenses and capital requirements may differ materially from current estimates. Inability to finance, or a decision not to fund, these costs could have a material adverse effect on the relevant subsidiary's operations and earnings, which in turn could have an adverse effect on Lifco's financial position and earnings.

DECENTRALISED ORGANISATION

Lifco applies a decentralised organisational model, which means that the subsidiaries are largely responsible for and conduct the business independently, and that the number of collaborations within the Group is limited. The Group management governs, controls and monitors the activities of the subsidiaries mainly by appointing CEOs (or similar) in the subsidiaries and by continually monitoring the development based on, among other things, a few key ratios and procedures for financial reporting. However, there is no coordination in terms of the use of standard contracts etc. within the Group, see below under "Customer and supplier agreements". The Group management is also represented on the boards of all operational units through Lifco's CEO or, alternatively, through the head of each respective business area. The subsidiaries' CEOs have, however, a far-reaching result and profitability responsibility and responsibility for the balance sheet, and they report directly to Lifco's CEO or, alternatively, to the head of each respective business area.

Corporate governance in a decentralised organization such as Lifco's sets high requirements for financial reporting and follow-up. The subsidiaries within the Group use various accounting systems which demands increased accuracy requirements and may entail an increased risk. The decentralised organisational model has historically been of benefit to the Group, particularly in light of the different subsidiaries' far-reaching autonomy. However, there is a risk that the organisation model proves less suitable to meet future market challenges and that Lifco's competitiveness and market position thus can be weakened. There is also a risk that the lack of specific expertise in the various subsidiaries, in areas such as law and finance, may lead to incomplete, slow or inaccurate business decisions. These risks could have significant negative consequences for Lifco's operations, financial position and earnings.

DEPENDENCE ON REIMBURSEMENT SYSTEMS

Lifco is through its subsidiaries within the Dental business area a leading supplier of consumables, equipment and technical services to dentists, particularly in the Nordics and Germany. Several of the products distributed by the Group in this business area are covered by the reimbursement systems administered by private insurance companies, government agencies and other payers of healthcare products and services. The Group's customers thereby receive, directly or indirectly, compensation from such contributors for the entire or part of the costs associated with the products purchased from Lifco. There is a risk that one or more such payers implement changes in the existing reimbursement system, or that new laws or compensation regulations are introduced, whereby the available reimbursement decreases or disappears entirely. In such cases, the Group's customers may wholly or partially reduce its purchases from the Group, which could entail material adverse effects for Lifco's operations, financial position and earnings.

COMPETITION

The majority of the subsidiaries within the Group operate in sectors with significant competition from local, national as well as international operators. In some cases, the subsidiaries compete with operators who can offer a more complete range of products and services, are larger and have better access to financing, as well as greater financial, technical, marketing and personnel resources. The future competitiveness of each subsidiary depends among other things on their ability to meet current and future market needs. There is a risk that the Company will not be able to develop or offer new competitive products and services successfully or that costly investments, restructurings and/or price cuts need to be made in order to adapt to a new competitive situation. Intensified competition from existing and new operators, or an inability of the subsidiaries to meet demands for their products and services, could have a negative impact on the respective subsidiary's operations, financial position and earnings, which in turn could have an adverse effect on Lifco's operations, financial position and earnings.

CUSTOMER AND SUPPLIER AGREEMENTS

The subsidiaries within the Group are operating in highly differentiated markets and their customers and suppliers are of very different sizes. Some of the subsidiaries sell products and services directly to end users, while others distribute their products and services through resellers, distributors or agents, or a combination thereof. The Group's suppliers are also found in various areas, including both smaller local suppliers as well as large international companies.

The various customer contracts are of varying nature regarding, among other things, contract length, warranties, liability limitations and scope. The customer agreements have, however, generally rather short contract terms, usually between one and two years, alternatively current contracts with six to twelve months' notice periods. The supplier contracts also regularly run with relatively short maturity. To minimise the risk of disputes, the subsidiaries within the Group to some extent use applicable standard terms and conditions.

There is a risk that the large variation in the Group's customer and supplier agreements makes them difficult to grasp, which may cause difficulties in planning and forecasting the different subsidiaries' operations and development. There is also a risk that the variation leads to unforeseen liability exposures for the Group, specifically in cases where no standard terms and conditions are applicable or in cases where no particular liability limitations have been inserted in the customer agreements, which sometimes is the case. These risks could, if they materialise, lead to significant adverse consequences for the respective subsidiaries' operations, financial position and earnings, which also may have negative consequences for Lifco's operations, financial position and earnings.

Moreover, some of the customer and supplier relationships in the Group are not formalised in written agreements. Hence, the parties thereto rely to a large extent on customary practice between the parties, which often extends far back in time. The content of such agreements may be difficult to determine should the parties have different opinions, which may lead to deteriorating customer relations and expensive litigation. There is thus a risk that the lack of written agreements may lead to adverse effects on the Company's operations, earnings and financial position.

INTELLECTUAL PROPERTY RIGHTS

The Group's intellectual property rights consist of registered patents and patent applications, registered trademarks and trademark applications, registered designs and domain names. The Group's operations are not considered to be directly dependent on any single intellectual property right. However, there is a risk that competitors, in different ways, may challenge or circumvent the Group's intellectual property protection, which could affect the operations of the Group or the relevant subsidiary negatively.

The Company does not, in Lifco's opinion, infringe the intellectual property rights of any third party. Nevertheless, there is a risk that Lifco henceforth, for instance as a result of launching new products or in connection with expansion into new geographical markets, could come to infringe, or be accused of infringing, the intellectual property rights of any third party. In such cases, the Company may be involved in disputes regarding the intellectual property rights. The same applies when any third party could come to infringe, or be accused of infringing, Lifco's intellectual property rights. The outcome of such disputes is often difficult to predict and the costs may be significant, also with a positive result for Lifco. Lifco may also be required to devote significant personnel resources for purposes of such disputes. In the event that the Company's protection of its intellectual property rights is insufficient or if Lifco is infringing the intellectual property rights of a third party, or if a third party is infringing Lifco's intellectual property rights, it may have an adverse effect on Lifco's operations, financial position and earnings.

RISKS RELATING TO OPERATING EXPENSES

The Group's main expense items are raw material and operation supplies and personnel expenses. These expenses represented approximately 80 per cent of the total costs in 2013. The corresponding figure for 2012 was approximately 79 per cent. A large part of the total costs of the Group, including personnel costs, interest rates, rental costs and fiscal charges, are relatively fixed. As far relates to personnel costs, the salary development for employees mainly follows the general trend in the labour market in each respective country, which in turn is largely attributable to the general economic climate. Unforeseen large salary increases could have an adverse effect on the Company's financial position and earnings. Furthermore, in the event that the Company fails to reduce its fixed costs during periods of general economic decline or otherwise in connection with a decrease in the demand for the Company's products and services, Lifco's financial position and earnings may be adversely affected.

OPERATIONAL RISKS

The Group is dependent on reliable and efficient production units in order to produce and deliver products to its customers in due time and with the desired and expected quality. Production disturbances in the Group's production units due to, for example, delayed or incorrect deliveries, technical faults, labour action, accidents or incorrect administrative procedures could have a negative impact on the Company's operations. If production disturbances were to occur, and not quickly remedied, Lifco's financial position and earnings may be adversely effected.

INSURANCES

The Group's insurance coverage is, in the Company's opinion, adequate in relation to the costs for the coverage and the risks that exist in the various areas in which the Group operates. However, there is a risk that Lifco's current insurance coverage is not sufficient for potential future needs and that Lifco will not be able to maintain the existing insurance coverage at a reasonable cost or at all in the future. Furthermore, the coverage that Lifco receives through the insurances can be limited due to, for instance, amount limitations and requirements for excess payment. It can also be difficult and time-consuming to receive reimbursement from insurance companies concerning losses that are covered by Lifco's insurances. Furthermore, it is not certain that Lifco can receive the entire lost amount from the insurance company. There is thus a risk that Lifco's insurance coverage does not cover all potential losses, regardless the cause, or that relevant insurance coverage is not always available at an acceptable cost, which could have a negative impact on the Company's financial positions and earnings.

REGULATORY AND ENVIRONMENTAL RELATED RISKS

A limited number of subsidiaries within the Group pursue operations that are under the supervision of different authorities, e.g. AB Nordenta, DAB Dental AB and Directa AB that manufacture and distribute medical devices, which falls under the Swedish Medical Products Agency's (Sw. Läkemedelsverket) supervision. Furthermore, the subsidiaries Modul-System HH AB, Lövånger Elektronik AB, Zetterströms Rostfria AB and Texor AB engage in notifiable hazardous activities under the Swedish Environmental Code (Sw. Miljöbalken (1998:808)), which means that they are under the supervision of the environmental committee in each municipality.

The operations within the Group are, as of the date of this Prospectus and to best of Lifco's board of director's knowledge, conducted in accordance with applicable laws, regulations and administrative requirements and the Company holds all necessary approvals for conducting the business. If the Company's interpretation of current regulations proves to be incorrect, or if the Company violates current regulations due to defects in the operations or because of changes in the regulatory framework, which sometimes can be effected with short notice, there is a risk that the Company's existing permits may be suspended, restricted or not renewed, which could impose the Company with fines or other administrative penalties and negative publicity, which in turn may cause the Company's operations, financial position and earnings to be significantly negatively affected.

Lifco's operations, specifically within the business area Demolition & Tools, are conducted in several different jurisdictions and are thus subject to the local laws and regulations that apply in each jurisdiction as well as paramount international regulations. If changes in the regulatory framework occur, especially with regard to customs and export controls, other trade barriers such as price and currency controls and other governmental policies in the countries where the subsidiaries, primarily within Demolition & Tools, conduct business, or if subsidiaries within the Group are not deemed to fulfill such applicable requirements, it could adversely affect each subsidiary's operations, financial position and earnings, which also may have negative consequences for Lifco's operations, financial position and earnings.

RISKS RELATED TO PERSONNEL AND KEY EMPLOYEES

The majority of the approximately 3,000 employees within the Group are connected to and represented by different trade union organisations, in Sweden and abroad. As per the date of this Prospectus, there are no material disputes or disagreements with any relevant trade union organisations and the relationship between Lifco and such organisations is deemed to be good. However, there is a risk that disputes and disagreements may arise in the future, which can result in strikes, lock-outs or other labour law actions. Such actions could have a material negative effect on the Company's earnings and financial position.

Furthermore, Lifco is dependent on certain key employees, both in the Group management and in the different subsidiaries within the Group. There is a risk that one or several key employees leave the Company on short notice. In the case that Lifco fails to retain such key employees, and/or fails to recruit suitable replacements for such key employees or new future key employees, it could have negative consequences on the Company's earnings and financial position.

DISPUTES

Lifco's operations are associated with a risk for disputes with, inter alia, customers, potential partners, suppliers, employees, authorities and potential acquirers or transferors of subsidiaries within the Group that may assert that Lifco has not fulfilled its legal, contractual or other obligations. Although the Company believes that, as of the date of this Prospectus, there is no such dispute or process of a material nature, there is a risk that such disputes may arise in the future which may have significant adverse effects on the Company's financial position and profitability. The exposure of disputes, fines and other obligations that may be imposed by relevant authorities can also affect Lifco's reputation and repute, although the financial effects may not be substantial.

FINANCIAL RISKS

CURRENCY RISK

Currency risk means the risk of exchange rate fluctuations affecting the Group's financial position negatively. Currency risk can be divided into transaction exposure and translation exposure.

Transaction exposure arises as a result of companies within the Group carrying out transactions in a different currency than the local currency, for instance by importing products for sale on the domestic market and/or by selling products in foreign currency. Translation exposure arises as Lifco, through its foreign subsidiaries, has net investments in foreign currencies. The Company can be exposed to negative effects when recounting the net result and net assets in such foreign subsidiaries to the Group currency SEK.

Thus, significant reductions in the value of any foreign currency in relation to SEK may have negative effects on Lifco's earnings and financial position.

INTEREST RATE RISK

Interest rate risk means the risk of changes in the general level of interest rates negatively affecting Lifco's net results. Lifco's policy is not to have loans at fixed interest rates. At present, Lifco has not made any hedging arrangements regarding the interest rate risk, which means that the Company's earnings and financial position may be negatively affected in case the general level of interest rates rises. Even if Lifco henceforth would make any form of hedging arrangements, for instance by entering into forward contracts, it may turn out that such measures are insufficient or do not have the intended effect. Further, hedging arrangements are generally limited in time, which means that they may expire or be terminated with such notice that Lifco may negatively suffer from a change in interest rate levels.

PRICE RISK

Certain subsidiaries within the Group are dependent on purchases of raw material such as steel and sheet-iron, stainless steel and gold. The global market price for different raw materials sometimes fluctuates heavily and it is difficult to foresee the price development. Lifco does not use any derivative instruments or similar to secure raw material prices. There is thus a risk that Lifco's financial position and earnings may be adversely affected if the price of one or more raw materials that are needed in the Group's operations rises. Even if Lifco henceforth would use derivative instruments to hedge raw material prices, there is a risk that the measures taken prove to be ineffective or insufficient.

CREDIT RISK

Credit risk or counterparty risk means the risk of a counterparty in a financial transaction not fulfilling its obligations on the relevant day of maturity. Lifco's credit risk mainly includes claims on customers (commercial credit risk), but a certain credit risk also exists concerning the allocation of cash (financial credit risk). Lifco currently estimates that primarily the financial credit risk is low, as the Group's cash is placed with large banks with good credit rating. However, there is a risk that Lifco's assessment in this regard is wrong and/or that the financial conditions for one or more counterparties change negatively. In such case, Lifco's earnings and financial position could be significantly adversely affected.

FINANCING RISK

Lifco is dependent on receiving financing from lenders. The Company's financial needs include both the continuing operations as well as readiness for possible future investments. The access to financing is affected by factors such as the general access to risk capital and the Group's credit rating.

Lifco has on 6 October 2014 entered into a credit facility agreement with SEB entailing the replacement of the existing facility, with a maximum loan amount of MSEK 660 and MEUR 307, respectively, with a new facility as per 21 November 2014 with a maximum loan amount of MSEK 200 and MEUR 236, respectively. The new facility has a maturity of 15 months with the possibility of two additional 12 month extensions. Lifco has also entered an overdraft facility with SEB totaling MSEK 150, MEUR 6 and MUSD 8, respectively. In the agreements there are certain conditions concerning, among other things, the Group's financial position (so called covenants). As of the date of this Prospectus, all those conditions are, in the Company's opinion, fulfilled with a sufficient margin. However, Lifco may henceforth violate any of these conditions, which may make the debt under the facility arrangements due for immediate repayment, entirely or partly.

Lifco estimates that the Group, in consideration of existing operating funds and the aforementioned facility arrangements, has a good financial position. However, if the Group's development departs from the existing strategic direction, this may lead to a situation where the Company needs to obtain new funds. If Lifco in such a situation fails to raise enough funds on favorable terms, or at all, it may have a negative impact on the Company's operations and its ability to fulfill its financial obligations, which could have a material adverse effect on Lifco's earnings and financial position.

TAX

The Group conducts business in more than 30 countries. The operations, including transactions between the subsidiaries when applicable, are made in accordance with Lifco's and its advisers' interpretation of existing tax laws, tax agreements and regulations in the relevant countries as well as concerned tax authorities' provisions. However, there is a risk that Lifco's and its advisers' interpretations of applicable laws, tax agreements and regulations, frameworks applicable to international transactions, or the concerned tax authorities' interpretation of these and their administrative practice, are not entirely correct or that such rules, interpretations and practice change, possibly with retroactive effect. In such case, Lifco could be subject to demands for payment and possibly be forced to carry out costly and time consuming procedures in court to dispute submitted claims. Such circumstances could have an adverse effect on the Company's financial position and earnings.

In the spring of 2014, the German subsidiary EDP European Dental Partners Holding GmbH acquired all shares in the German company MDH AG Mamish Dental Health. In connection with the due diligence preceding the acquisition a number of potential tax exposures were identified. These exposures are covered by an indemnity from the sellers in the share purchase agreement, which may be invoked until the end of 2018, and a bank guarantee of MEUR 2.8, which is valid until 1 April 2019. These measures are intended to cover any additional tax requirements from relevant authorities. There is however a risk that the measures are not adequate and that any dispute with the relevant authorities may entail that considerable resources must be used by the companies involved, which may have a negative impact on Lifco's earnings and financial position.

RISKS RELATING TO THE OFFERING AND LIFCO'S SHARES

THE FUTURE SHARE PRICE TREND

Prior to the Offering, there is no public market for Lifco's shares. The price in the Offering has been determined by the Principal Shareholder in consultation with Lifco's board of directors and the Global Coordinator to SEK 93 per series B share, based on discussions with certain institutional investors and a comparison with the market price of other comparable listed companies. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following completion of the Offering. There is thus a risk that the Offering price will not correspond to the price at which the shares of Lifco will be traded on the stock market following completion of the Offering.

There is a risk that an active and liquid market will not develop or, if developed, that it will not remain following completion of the Offering. In addition, the stock market has experienced significant price and volume fluctuations in the past, which have often been unrelated or disproportionate to the listed companies' results and financial performances. General economic and industry factors may significantly affect the market price of a company's shares, including Lifco's, regardless of its actual results. These fluctuations may be even more pronounced in the trading of the shares shortly after completion of the Offering. An investor who purchases shares in the Offering or in the secondary market may lose part of or the entire investment.

SALES OF SHARES

The market price of Lifco's share could decline if there are, or is expected to be, substantial sales of the Company's shares, in particular sales by the Principal Shareholder or other major shareholders, the Company's directors or Group management.

The Principal Shareholder has undertaken, with certain exceptions and during a certain period of time following the Offering, not to sell its shares or in any other way enter into transactions with similar effect without Global Coordinator's prior written consent. Lifco's senior executives will be committing to the same undertaking. However, following the lock-up period, the Principal Shareholder will be free to sell its shares in Lifco. Sales of large quantities of shares by the Principal Shareholder after the expiration of the lock-up period, or the expectation that such sales will occur, could cause the price for Lifco's shares to decline. Moreover, sales of large quantities of shares by shareholders other than the Principal Shareholder may adversely affect the market price of the shares and may make it difficult for other shareholders to sell shares in Lifco at a time and a price that they deem appropriate.

THE PRINCIPAL SHAREHOLDER'S SUBSTANTIAL INFLUENCE OVER LIFCO

Following completion of the Offering, the Principal Shareholder will hold approximately 50.1 per cent of the shares in the Company, corresponding to approximately 68.9 per cent of the votes, provided that all shares in the Offering are acquired and that the right to expand the Offering and the Over-allotment option are fully exercised. The Principal Shareholder will therefore continue to have a significant influence over all matters concerning the Company requiring shareholder approval. This applies, for example, to approvals of any share capital increases and profit distribution. The Principal Shareholder can also, through its representation in the Company's board of directors, exercise a certain control over the board and thereby influence the direction of the Company's operations and other business.

The interests of the Principal Shareholder may differ significantly from or compete with Lifco's interests or those of other shareholders, and the Principal Shareholder may come to exercise its influence over Lifco in a manner that is not in the interest of other shareholders. Such conflicts could have a material adverse effect on the Company's operations, earnings and financial position and might delay, postpone or prevent changes of control in the Company, and also impact mergers, consolidations, acquisitions or other forms of collaborations.

DIVIDEND

Those investors who acquire shares in Lifco in the Offering will be entitled to any dividends resolved upon after the listing of the Lifco share, including dividends relating to the financial year 2014. The occurrence and amount of any future dividends to Lifco's shareholders will, however, depend upon a number of factors, such as future earnings, financial position, cash flows, working capital requirements, investment costs and other factors. The board of directors of Lifco, the Principal Shareholder and/or other major shareholders may be of the opinion that the Company does not have sufficient distributable funds to resolve on any dividends. If no dividend is distributed, any return to an investor depends on the future development of the market price of the share.

CURRENCY EXCHANGE DIFFERENCES' EFFECT ON THE VALUE OF SHAREHOLDINGS OR DIVIDENDS

The shares in Lifco will be quoted in SEK only, and any future dividends will be paid in SEK. In case SEK depreciates against foreign currencies, shareholders outside Sweden may experience adverse effects on the value of their shareholding in Lifco and any distributed dividends. In addition, such investors might face transaction costs when exchanging SEK to another currency.

RIGHTS ISSUES

Lifco may in the future try to raise new capital through the issuance of debt instruments, shares or share related securities. Any issuance of shares or other securities, convertible or transferable into shares, would, if carried out with deviation from the shareholders' pre-emptive rights, dilute the economic and voting-related rights for existing shareholders and may also have an adverse effect on the market price of the shares in Lifco. Since the timing and terms of any future issues will depend on Lifco's situation and the general market conditions at that time, the Company cannot predict or estimate the amount, timing or other terms of any such new issues. Lifco's shareholders thus bear the risk of any future issues that can negatively affect the price of the Lifco share and/or dilute their holdings in the Company.

If Lifco henceforth issues new shares or other share related securities, shareholders have, as a general rule, pre-emptive rights to subscribe for the new securities proportionally to their existing holdings. Shareholders in certain jurisdictions may however be subject to restrictions pursuant to the securities legislation in their respective countries, which prevent them from participating in such rights issues or which otherwise make participation in such rights issues difficult or limited. For example, shareholders in the United States may be unable to exercise any such pre-emptive rights unless the securities and subscription rights have been registered under the Securities Act or an exemption from the registration requirements under the Securities Act is available. Shareholders in other jurisdictions outside of Sweden may be similarly affected if the securities or subscription rights have not been registered with, or approved by, the relevant authorities in such jurisdictions. Lifco is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside of Sweden, and doing so may be impractical and costly. To the extent that Lifco's shareholders in jurisdictions outside of Sweden are not able to exercise their rights to subscribe for new securities in any future rights issues, their holdings in Lifco will be diluted.

INCREASED COSTS

In connection with the listing of Lifco on Nasdaq Stockholm, Lifco will be subject to certain laws, regulations and requirements, which are more extensive than the framework of rules that applies to unlisted companies. As a result, the Company will incur costs for, among other things, legal advice, accounting and reporting which the Company did not have as an unlisted company. Lifco may also be required to increase their personnel resources to handle the increased regulatory burden.

SUBSCRIPTION UNDERTAKINGS

Didner & Gerge Fonder AB and The Fourth Swedish National Pension Fund (the "Cornerstone Investors") have each agreed to acquire 6,813,200 series B shares in the Offering, corresponding in total to approximately 15 per cent of the number of shares and approximately 9.4 per cent of the number of votes in the Company. The Cornerstone Investors undertakings are however not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement. Hence, there is a risk that the Cornerstone Investors will not be able to fulfil their undertakings. Furthermore, the Cornerstone Investors ' undertakings are associated with certain conditions relating to, among other things, that a certain dispersion of the Company's series B shares is achieved in connection with the Offering. In the event that any of these conditions are not fulfilled, there is a risk that the Cornerstone Investors do not fulfil their undertakings, which could have an adverse effect on the completion of the Offering.

INVITATION TO ACQUIRE SHARES IN LIFCO

In order to facilitate Lifco's continued development and expansion, and as a consequence of the Company's application to list the series B shares of the Company on Nasdaq Stockholm, the Principal Shareholder has decided to diversify the share ownership of the Company by means of a sale of 34,602,400 existing series B shares. The price in the Offering has been determined by the Principal Shareholder in consultation with Lifco's board of directors and the Global Coordinator to SEK 93 per series B share, based on discussions with certain institutional investors and a comparison with the market price of other comparable listed companies. Given the undertakings from the Cornerstone Investors, the price is deemed to be marketable (for more information refer to the section "Legal considerations and supplementary information – Subscription undertakings"). The Principal Shareholder has reserved the right to further expand the Offering with not more than 6,606,700 additional series B shares.

Accordingly, the Principal Shareholder has decided to make this Offering to the general public in Sweden and institutional investors in Sweden and abroad concerning the acquisition of series B shares in the Company.

In addition to the aforementioned, the Principal Shareholder has undertaken, at the request of the Global Coordinator, to sell not more than an additional 4,120,900 existing series B shares in order to cover any over-allotment in connection with the Offering (the "Over-allotment option"). Furthermore, subject to certain exceptions, the Principal Shareholder will undertake – apart from the shares covered by the Over-allotment option – not to sell or otherwise transfer its shareholding for a certain period following commencement of trading on Nasdaq Stockholm (the "lock-up period"). The lock-up period for the Principal Shareholder is 180 days from the first day of trading in the Company's shares on Nasdaq Stockholm and concerns all shares in the Company which the Principal Shareholder holds following completion of the Offering, but not shares in the Company acquired by the Principal Shareholder on the market following such completion. Lifco's Group management will make the corresponding undertaking. Furthermore, the Company will undertake to the Managers, among other things, during a period of 180 days from the first day of trading in the Company's shares on Nasdaq Stockholm, not to adopt any resolution, or propose that the shareholders adopt any resolution at a general meeting, to increase the share capital through an issue of new shares or other financial instruments without the Global Coordinator's written consent (see further the section "Legal considerations and supplementary information" – "Placing Agreement").

Investors are hereby invited to acquire 34,602,400 series B shares in Lifco in accordance with the terms and conditions of the Prospectus, corresponding to approximately 38.1 per cent of the shares and approximately 23.8 per cent of the votes in the Company, provided that all shares in the Offering are acquired. Should the Principal Shareholder exercise the right to expand the Offering and the Over-allotment option be exercised in full, the Offering comprises 45,330,000 series B shares in Lifco, corresponding to approximately 49.9 per cent of the number of shares and approximately 31.1 per cent of the votes in Lifco.

Didner & Gerge Fonder AB and The Fourth Swedish National Pension Fund (the Cornerstone Investors) have agreed, on the same terms and conditions as for other investors, to acquire 6,813,200 series B shares each in the Offering, corresponding to approximately 15 per cent of the number of shares and approximately 9.4 per cent of the number of votes in the Company in aggregate.

If the Offering is fully subscribed and the right to expand the Offering and the Over-allotment option are exercised in full, the value of the Offering is estimated to be approximately MSEK 4,216.

Gothenburg, Sweden, 7 November 2014

Carl Bennet AB[6]

6) Carl Bennet AB's company registration number is 556379-0715 and its address is P.O. Box 7171, SE-402 33 Gothenburg, Sweden.

BACKGROUND AND REASONS

In August 2000, Lifco was acquired by Carl Bennet AB through a public takeover bid. At that time, Lifco was a listed company, and Carl Bennet AB was the principal shareholder, with 20.0 per cent of the share capital and 50.1 per cent of the voting rights. The Company's operations were focused on the distribution of dental products and health and self-care products. Since the acquisition, and following an initial streamlining of the operations through a disposal of large parts of the health and self-care operations in 2001, the Company, with Fredrik Karlsson as CEO, has invested in expanding and developing the dental operations, both through organic growth and acquisitions. Some ten companies in total have been acquired within the dental operations. In 2006, Lifco merged with its sister company Sorb Industri AB, which contributed the Demolition & Tools and Systems Solutions business areas, and created a diversified industrial group focusing on leading businesses within specific niche areas. The Company's strong market positions and diversified operations helped Lifco to successfully navigate the financial turbulence after 2009, retaining profitability, and since then the Company has continued to grow with good profitability.

Since 2006, Lifco has reported a compound annual sales growth of 12.6 per cent and, during the same period, the Company has reported compound annual average EBITA growth of 13.8 per cent. The strong rate of growth – both in terms of sales and EBITA – is a result of the Company's business concept to acquire and develop market leading niche companies with potential to deliver sustained profit growth and attractive cash flows. Today, Lifco is active with approximately 30 operative units in approximately 30 countries with net sales of MSEK 6,030 and EBITA of MSEK 692[7]. Lifco is organized in three business areas: Dental, Demoliton & Tools and Systems Solutions.

The Principal Shareholder, with the support of the board of directors of Lifco, is of the opinion that this is an appropriate time to list Lifco. Lifco has established a stable platform in which it continues to have potential for substantial growth in the future and improved results. The listing gives Lifco access to the Swedish and international capital markets, which, it is believed, will promote the Company's continued growth and development.

Furthermore, a diversification of the ownership of Lifco facilitates and contributes to employee ownership in the Company, provides improved conditions for increasing awareness about the Company and strengthens Lifco's brand. The listing will also be a stamp of quality for the Company which is expected to generate a positive effect on relationships with customers and other parties.

In other respects, reference is made to the description in this Prospectus which has been prepared by the board of directors of Lifco in connection with the application for listing of the Company's series B shares on Nasdaq Stockholm and the Offering made in connection therewith.

The board of directors of Lifco is responsible for the contents of this Prospectus. The board of directors hereby declares that it has taken all reasonable care to ensure that, as far as the board of directors is aware, the information contained in the Prospectus is in accordance with actual facts and that nothing has been omitted which might affect the interpretation of the Prospectus.

Enköping, Sweden, 7 November 2014

Lifco AB (publ)
The board of directors

The board of directors of Lifco AB (publ) is solely responsible for the contents of this Prospectus as set forth herein. However, the Principal Shareholder acknowledges that it is bound by the terms and conditions of the Offering in accordance with the contents of the section entitled "Invitation to acquire shares in Lifco" and "Terms and conditions".

Gothenburg, Sweden, 7 November 2014

Carl Bennet AB

7) Net sales and EBITA (operating profit after amortization and depreciation, but before deductions for goodwill write-downs and amortization/depreciation and write-downs of other tangible assets which have arisen in conjunction with corporate acquisitions) relates to the full year 2013.

TERMS AND CONDITIONS

THE OFFERING

The Offering comprises 34,602,400 existing series B shares in Lifco, and is divided into two parts:

- The Offering to the general public in Sweden[8]
- The Offering to institutional investors in Sweden and abroad[9]

The outcome of the Offering will be published by way of a press release on or about 21 November 2014.

EXPANSION OF THE OFFERING

The Principal Shareholder has reserved the right to further expand the Offering with not more than 6,606,700 additional series B shares, corresponding to not more than approximately 7.3 per cent of the number of shares in the Company.

OVER-ALLOTMENT OPTION

The Offering may include up to an additional 4,120,900 series B shares, corresponding to approximately 10 per cent of the maximum number of series B shares in the Offering, if the Over-allotment option, as described in the section "Legal considerations and supplementary information – Placing agreement", is exercised to cover possible over-allotment in the Offering.

DISTRIBUTION OF SHARES

The allotment of shares for each part of the Offering will be based on demand. The allotment will be determined by the Principal Shareholder in consultation with the board of directors of Lifco and the Global Coordinator.

BOOK-BUILDING PROCESS

Institutional investors will be offered the opportunity to participate in the Offering in a form of book-building process by submitting expressions of interest. The book-building process will take place during the period 10-20 November 2014. The book-building process for institutional investors may be terminated earlier. Announcement of such possible termination will be made by way of a press release through one or more international news agencies. Refer to the section "Application – The Offering to institutional investors" below.

SELLING PRICE

The price in the Offering has been determined by the Principal Shareholder in consultation with Lifco's board of directors and the Global Coordinator to SEK 93 per series B share, based on discussions with certain institutional investors and a comparison with the market price of other comparable listed companies. Brokerage commission will not be charged.

APPLICATION

THE OFFERING TO THE GENERAL PUBLIC

Applications for acquisition of shares within the terms of the Offering to the general public shall be made during the period 10-19 November 2014 and relate to a minimum of 100 series B shares and a maximum of 10,000 series B shares[10] in even lots of 50 shares each. Applications shall be made using the special application form which can be obtained at the offices of SEB or can be ordered from Lifco. Application can also be made through SEB's internet bank, see further below. Application forms are available on Lifco's website, www.lifco.se, as well as on SEB's website for prospectuses, www.sebgroup.com/prospectus. The application must have been received by SEB no later than on 19 November 2014, by 5:00 p.m. Note that certain bank offices close before 5:00 p.m. Applications received late, as well as incomplete or incorrectly filled in application forms, may be discarded. No amendments or additions may be made to pre-printed text. Only one application per person may be made and only the application that SEB receives first will be considered. Note that the application is binding.

APPLICATIONS VIA SEB

Applicants applying to acquire shares with SEB must have a securities account, service account or a securities depository account with a securities institution of their choice or an investment savings account with SEB. Applicants who do not have a securities account, service account, a securities depository account with a securities institutions of their choice or an investment savings account with SEB, must open such an account prior to submission of the application form. Please note that it may take some time to open a securities account, service account, securities depository account or an investment savings account.

Applicants with an investment savings account or securities depository account with specific rules on securities transactions, such as within an endowment insurance, must check with the bank or institution managing the account, or providing the insurance, if acquisition of shares within the terms of the Offering is possible. Note that the application must be submitted via the bank or institution managing the account.

Applicants applying through SEB must also have a bank account with SEB. The account with SEB must be a

8) The offer to the general public refers to the offer of shares to private individuals and legal entities who subscribe for not more than 10,000 series B shares.
9) The institutional offer refers to private individuals and legal entities who subscribe for more than 10,000 series B shares.
10) Parties who wish to subscribe for more than 10,000 series B shares must contact SEB, ABG Sundal Collier or Carnegie in accordance with what is stipulated in the section "The Offering to institutional investors".

"Privatkonto", "Enkla sparkontot", "Företagskonto" or "Enkla sparkontot företag". Note that information about bank account with SEB is mandatory only if the shares are to be registered in a securities account or a service account or if the shares are to be registered in a securities depository account in an institution that is not SEB.

Only one account may be specified for payment and the account holder must be the same person applying for acquisition of shares. In connection with the acquisition of securities that are to be registered in an investment savings account, payment must always be made using the funds available in the investment savings account.

Customers of SEB's internet bank that have a so called "Digipass", "BankID" or "Mobilt BankID" can also apply via SEB's internet bank. Instructions for participating in the Offering via SEB's internet bank are available on www.seb.se.

In other respects, the application shall be made using the specific application form and be handed in at one of SEB's offices in Sweden or be sent by post to:

SEB
Emissioner R B6
SE-106 40 Stockholm
Sweden

The balance on the bank account with SEB or the securities depository account or the investment savings account with SEB stated on the application form must correspond to not less than the amount referred to in the application, calculated on the basis of the price in the Offering, during the period from 00:00 a.m. on 20 November 2014 until 24:00 p.m. on 25 November 2014. Accordingly, the funds must be available in or deposited in the specified bank account, securities depositary account or investment savings account no later than 19 November 2014 to ensure that the necessary amount is available in the stated bank account, securities depository account or investment savings account. This means that the account holder undertakes to keep this amount available in the specified account, securities depository account or investment savings account for the aforementioned period and that the holder is aware that no allotment of shares will take place if the amount is insufficient during this period. Note that the amount may not be used during the stated period.

As soon as possible after allotment has taken place, the funds will be freely available for those who do not receive allotment. Funds which are not available will also give the right to interest during the specified period in accordance with the terms and conditions of the account, securities depository account or investment savings account specified in the application.

For SEB customers with an investment savings account, SEB will, if the application results in allotment, acquire the corresponding number of shares in the Offering for further sale to the customer at the price per share determined in the Offering.

APPLICATION VIA AVANZA AND NORDNET

Securities depository account and internet customers of Avanza Bank AB (publ) or Nordnet AB (publ) can also apply via Avanza's or Nordnet's internet service. Instructions are available on www.avanza.com or www.nordnet.se. Applications via Avanza's or Nordnet's internet services can be made from 10 November 2014 until 19 November 2014 at 11.59 p.m.

THE OFFERING TO INSTITUTIONAL INVESTORS

Institutional investors in Sweden and abroad are offered the opportunity to participate in the Offering in a form of book-building process from 10-20 November 2014 in accordance with specific instructions. Applications from institutional investors in Sweden and from abroad shall be submitted to SEB Equities (+46 (0)8 522 295 00), ABG Sundal Collier (in accordance with certain instructions) or Carnegie (in accordance with certain instructions).

EMPLOYEES WITHIN THE GROUP

Employees within the Group who wish to acquire shares in the Offering shall follow specific instructions from the Company.

ALLOTMENT

Decision on allotment of series B shares is made by the Principal Shareholder in consultation with Lifco's board of directors and the Global Coordinator, whereby the aim will be to achieve a good institutional ownership base and a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in Lifco's series B shares on Nasdaq Stockholm. The allotment does not depend on when the application is submitted during the application period. Only one application per person will be considered.

THE OFFERING TO THE GENERAL PUBLIC

In the event of over-subscription, allotment may take place with a lower number of series B shares than the application concerns, at which allotment wholly or partly may take place by random selection. Allotment to those persons receiving shares will occur, in the first place, so that a certain number of shares are allotted per application. In addition thereto, allotment takes place with a certain, the same for all, percentage share of the excess number of shares that the application concerns and will only take place in even lots of 50 shares. Note that to qualify for allotment, the balance of the bank account, securities depository account or investment savings account with SEB must correspond to the lowest amount the application concerns, based on the price in the Offering. In addition, employees of the Group and certain related parties to the Company as well as customers of SEB, ABG Sundal Collier and Carnegie may be considered separately during allotment. Allotment may also be made to employees of the Managers, however, without prioritising them. In such cases, the allotment takes place in accordance with the rules of the Swedish Securities Dealers Association and the Swedish Financial Supervisory Authority's regulations.

THE OFFERING TO INSTITUTIONAL INVESTORS

Decision on the allotment of series B shares within the Offering to institutional investors in Sweden and abroad will, as mentioned above, be made with the aim of achieving a good institutional ownership base in Lifco. Allotment among institutions that have submitted expressions of interest will be made on a wholly discretionary basis. The Cornerstone Investors are however guaranteed allotment in accordance with their respective undertakings.

EMPLOYEES WITHIN THE GROUP

Allotment to employees within the Group will be made of shares with a value of not more than SEK 30,000 per employee. In addition, certain senior executives of the Company and its subsidiaries may be allotted shares to a higher value, for example the CEO, Fredrik Karlsson, and the head of business area Dental, Per Waldemarson, who intend to apply for acquisition of shares in the Offering at a value of approximately MSEK 30 and MSEK 7.5 respectively.

INFORMATION REGARDING ALLOTMENT AND SETTLEMENT

THE OFFERING TO THE GENERAL PUBLIC

Allotment is expected to take place around 21 November 2014. Shortly thereafter, a contract note will be sent to those that have received allotment in the Offering. Those persons who have not been allotted shares will not be notified.

Information about allotment is also expected to be provided from 9.00 a.m. on 21 November 2014 for applications received by SEB via telephone +46 (0)8 639 27 50. To receive information regarding allotment the following information must be provided: name, personal identity number/corporate registration number, securities account, service account, investment savings account or depository account number with a bank or other securities institution. Information about allotment for applications via SEB's internet bank will also be provided around 9.00 a.m. on 21 November 2014 through the internet bank.

Payment is expected to be deducted from the bank account stated on the application form around 24 November 2014 and from the specified securities depositary account or investment savings account around 25 November 2014.

PAYMENT FOR SHARES ALLOTTED THROUGH SEB

Payment is expected to be deducted from the bank account specified on the application form around 24 November 2014, and from the securities depository account or investment savings account around 25 November 2014.

PAYMENT FOR SHARES ALLOTTED THROUGH AVANZA OR NORDNET

Securities depository account customers with Avanza or Nordnet are estimated to have their allotted shares available on their securities depository account on 21 November 2014. Liquid funds for payment of the allotted shares shall be available on the account from and including 19 November at 5:00 p.m. up to and including the settlement date on 24 November 2014.

INSUFFICIENT OR INCORRECT PAYMENT

If sufficient funds are not available on the bank account, securities depository account or investment savings account on the settlement date or if full payment is not made in due time, allotted shares may be transferred and sold to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the price in the Offering.

THE OFFERING TO INSTITUTIONAL INVESTORS

Institutional investors are expected to receive information regarding allotment in a particular order around 21 November 2014, after which contract notes will be distributed. Full payment for allotted shares shall be paid in cash no later than 25 November 2014. Note that if full payment is not made in due time, allotted shares may be transferred to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the price in the Offering.

REGISTRATION OF ALLOTTED AND PAID-UP SHARES

Registration with Euroclear of allotted and paid-up shares is expected to take place around 25 November 2014 for both institutional investors and the general public, after which Euroclear will distribute a so called VP notice stating the number of Lifco series B shares that have been registered in the recipient's securities account. Shareholders whose holdings are nominee-registered will be notified in accordance with the procedures of the respective nominee.

LISTING ON THE STOCK EXCHANGE

The board of directors of Lifco has applied for a listing of the Company's series B shares on Nasdaq Stockholm. Nasdaq Stockholm's listing committee decided on 23 October 2014 to admit Lifco to trading on Nasdaq Stockholm provided that certain conditions, including the dispersion requirement in respect of the Company's series B shares, are fulfilled on the listing day at the latest.

Trading is expected to begin around 21 November 2014. Paid-up shares will be transferred to the securities depository account or securities account specified by the acquirer, following processing of the payment by the Managers. The time that is required to transfer the payment and transfer of paid-up shares to such acquirers implies that the acquirer will not have such shares available in the specified securities depository account or securities account until around 25 November 2014.

The event that series B shares are not available on the acquirer's securities account, service account or securities depositary account until on or about 25 November 2014 may entail that the acquirer cannot sell these shares on Nasdaq Stockholm as from the first day of trading, i.e. around 21 November 2014, but at the earliest when the shares are available on the securities account, service account or securities depository account. Moreover, trading will commence before the terms and conditions for the completion of the Offering have been fulfilled. Trading will thus be conditional thereof and should the Offering not be completed, any series B shares transferred shall be returned and any payments reverted. Trading which takes place on 21 November 2014 is expected to occur with delivery and settlement on 25 November 2014.

In connection with the Offering, the Global Coordinator may carry out transactions on Nasdaq Stockholm which stabilise the market price of the share or maintain the price at a level that deviates from what would otherwise prevail in the market. Refer to the section "Legal considerations and supplementary information – Stabilisation".

ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING

The final outcome of the Offering will be announced by way of a press release which will be available on Lifco's website, www.lifco.se, around 21 November 2014.

RIGHT TO DIVIDEND

For acquirers, the shares carry a right to dividend for the first time on the record date for the dividend that occurs immediately after the completion of the Offering. For directly-registered shareholders payment will be administered by Euroclear, and for nominee-registered shareholders in accordance with the procedures of the individual nominee. For more information, refer to the section "Share capital and ownership structure".

TERMS AND CONDITIONS FOR COMPLETION OF THE OFFERING

The Principal Shareholder, the Company and the Managers intend to enter an agreement on the placing of shares in Lifco on or about 20 November 2014 (the "Placing agreement"). The Offering is conditional upon that the interest in the Offering, in the opinion of the Global Coordinator, is sufficient for an appropriate trading in the share, that the Placing agreement is entered into, that certain terms and conditions in the agreement are fulfilled and that the agreement is not terminated. Pursuant to the Placing agreement, the Managers' commitment to indicate purchasers to or, if the Managers fail to do so, themselves acquire the shares comprised by the Offering is conditional upon, inter alia, that no events occur which have such a materially adverse impact on the Company that it would be inappropriate to complete the Offering ("material adverse events") and certain other customary conditions. The Global Coordinator may terminate the Placing agreement up until the settlement date, if any material adverse events occur, if the warranties that the Company and the Principal Shareholder have given the Managers should not be true and correct or if any other condition stipulated by the Placing agreement is not fulfilled. The Offering can be suspended if the above stated conditions are not fulfilled or if the Global Coordinator terminates the Placing agreement. In such case, neither delivery of nor payment for shares will be affected under the Offering. Refer to the section "Legal considerations and supplementary information – Placing agreement" for more information on the Placing agreement.

OTHER INFORMATION

The fact that SEB, ABG Sundal Collier and Carnegie are issuer agents and/or Managers does not imply that SEB, ABG Sundal Collier and Carnegie regard any person that has applied for acquisition of shares in the Offering (the "Acquirer") as a client of the Manager for the investment. For the investment the Acquirer is only regarded as a client of the respective Manager if the Manager has advised the Acquirer about the investment or has otherwise contacted the Acquirer individually about the investment or if the Acquirer has applied via the Manager's office or internet bank. The outcome of the Manager not regarding the Acquirer as a client for the placement is that the rules for protecting investors under the Securities Market Act (*Sw. lagen (2007:528) om värdepappersmarknaden*) will not be applied to the placement. Among other things, this means that neither so-called client classification nor so-called suitability assessment will be applied to the placement. As a result, the Acquirer itself is responsible for having adequate experience and knowledge to understand the risks associated with the placement.

INFORMATION ABOUT HANDLING PERSONAL INFORMATION

Anyone acquiring shares in the Offering will submit personal information to SEB, ABG Sundal Collier and/or Carnegie. Personal information submitted to SEB, ABG Sundal Collier and/or Carnegie will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal information obtained from sources other than the customer may also be processed. The personal information may also be processed in the data systems of companies or organisations with which SEB, ABG Sundal Collier or Carnegie cooperate. Information pertaining to the treatment of personal information can be obtained from SEB's, ABG Sundal Collier's or Carnegie's offices, which also accept requests for the correction of personal information.

Address details may be obtained from SEB, ABG Sundal Collier and Carnegie through an automatic procedure executed by Euroclear.

MARKET DESCRIPTION

The information regarding market growth and market size, as well as Lifco's market position relative to its competitors, as stated in this Prospectus, is Lifco's overall assessment based on internal as well as external sources. The sources on which Lifco has based its assessment comprise, among other things, information derived from industry associations such as the Association of Dental Dealers in Europe (ADDE), the Federation of European Dental Industry (FIDE), the Council of European Dentists (CED), and independent research institutes such as Off-Highway Research. The information obtained from third party sources has been accurately reproduced and, as far as Lifco is aware and is able to ascertain from other information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.



Business areas	DENTAL	DEMOLITION & TOOLS	
Divisions	**Dental**	**Remote controlled demolition machines**	**Attachments for excavators and cranes**
Share of Lifco's sales (2013)	47%	10%	10%
Products	Consumables, equipment for dental clinics Dental prosthetics Medical record systems	Remote controlled demolition machines	Attachments for excavator and cranes
Customers	Dental clinics	Building contractors and demolition contractors Process industry	Manufacturers and distributors of excavators and cranes
Primary geographic markets	Nordic region and Germany	Global	Global
Primary drivers	Demand for dental care	Development of the global construction and demolition industry	Development of the global construction and demolition industry
Results trend	2011-2013 →	2011-2013 ↗	2011-2013 ↗
	2014 →	2014 →	2014 ↗
Lifco's position	Lifco is one of the leading companies on the markets on which it operates	Lifco is one of the leading companies globally	Lifco is one of the leading companies globally
Examples of competitors	Henry Schein (US) Plandent (FI)	Avant Tecno (FI) Giant (CN) Husqvarna (SE) TopTec (DE)	International Equipment Solutions (US) LaBounty (US) Rozzi (IT) Ferrari International 2 (IT)

OVERVIEW

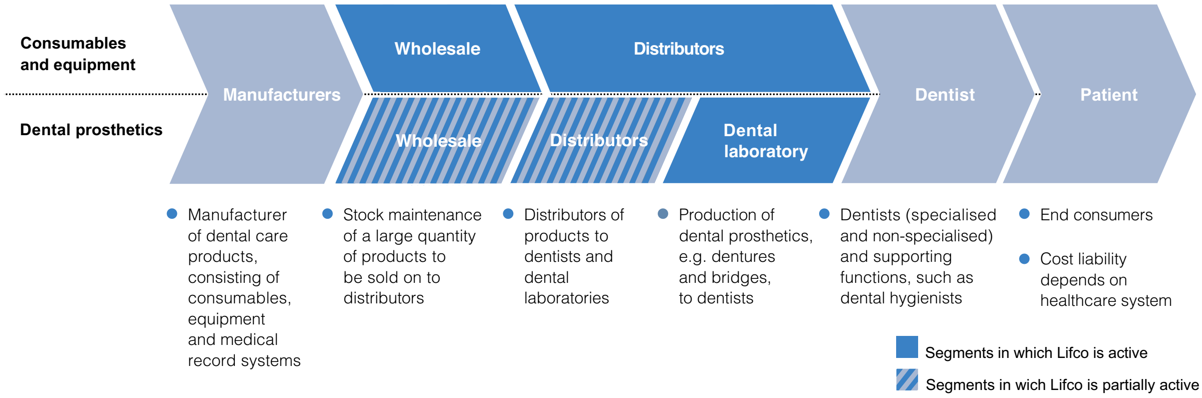
Lifco is a global group operating on a large number of markets, which are characterised by different drivers and trends. It can generally be said that the Company's organic growth within distribution of dental products has been very stable over time, while the industrial operations have, as a whole, followed GDP growth in the Company's various markets. The Company's greatest market exposures are the European market for dental care products and the global construction and demolition industry. In addition, the Company is exposed to a number of smaller markets. These smaller market exposures derive from a vast number of subsidiaries with high level of diversification.





SYSTEMS SOLUTIONS				
Interiors for service vehicles	**Contract manufacturing**	**Sawmill equipment**	**Relining (of plumbing pipes)**	**Environmental technology**
5%	10%	9%	4%	5%
Fittings for vans and light goods vehicles	Contract manufacturing in respect of electrical components and products as well as components and products in stainless steel	Equipment for sawmills	Sealing of plumbing pipes	Equipment for recycling plants
Primarily energy companies and construction companies	Primarily companies operating in the fields of heavy industry and medical technology	Sawmills	Property owners	Recycling companies
Europe	Europe	Nordic region, Baltic region and Russia	Europe	Global
Sales of light goods vehicles	Demand for, and outsourcing of, manufacturing services	Construction and rearmament of sawmills	Renovation of properties	Construction of recycling plants which, in turn, is primarily driven by metal prices, gate fees and recycling fees
2011-2013 ↘	2011-2013 ↘	2011-2013 ↘	2011-2013 ↘	2011-2013 ↘
2014 ↗	2014 ↗	2014 ↗	2014 ↘	2014 ↗
Lifco is one of the leading companies on the markets on which it operates	Lifco is one of the leading companies within selected product groups	Lifco is one of the leading companies on the markets on which it operates	Lifco is one of the leading companies on the markets on which it operates	Lifco is one of the leading companies within selected product groups
Bott (DE) Sortimo (DE)	Note (SE) Partner Tech (SE)	Linck (DE) Springer (AT) Söderhamn Eriksson (SE) Veisto (FI)	Aarsleft (DK) Tubus System (SE)	Andritz (AT) Columbus McKinnon (US) MTB (FR)

THE VALUE CHAIN FOR DENTAL CARE PRODUCTS



DENTAL

The primary market for the subsidiaries within Dental is the European dental care market. Dental care is a substantial market and, on Lifco's primary markets (including the Nordics and Germany), amounts on average to approximately 6 per cent of the total health care costs, corresponding to approximately 0.5 per cent of GDP. The market can be can be divided into various levels from producers of dental care products, wholesalers, distributors, dentists and to the patients, who are the end consumers.

Sales of Lifco's products are dependent on demand for dental care within the markets on which it operates. In general, the demand for dental care in Europe has been stable and relatively non-cyclical. During the period 2007-2012, expenditure on dental care on Lifco's primary markets (excluding Norway) grew on average by 1.6 per cent per year[11].

A dental clinic needs a large number of products for its day-to-day operations, including everything from basic consumables, such as napkins and gloves, to more advanced technical equipment, such as x-ray machines and treatment chairs. Distributors fulfil an important function on the market by connecting the fragmented dentists market with a large number of suppliers.

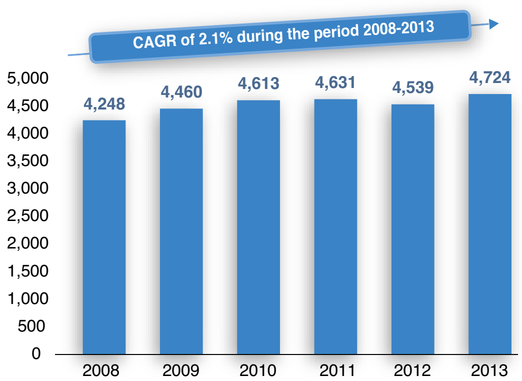
It is estimated that total sales for dental care products to dentists and dental laboratories on the European market amounted to EUR 4.7 billion in 2013 and grew on average by 2.1 per cent per year during the period 2008-2013[12].

The market for dental care products can be broken down into consumables, equipment and technical service as well as dental technology. Consumables account for the largest share of the market, representing approximately 70 per cent of total sales.

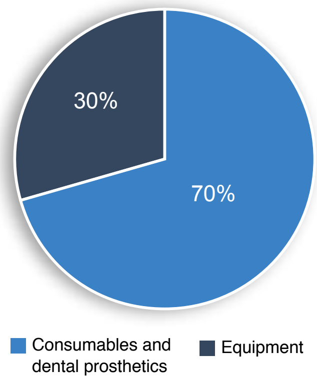
GEOGRAPHIC MARKETS

Dental's primary markets are the Nordic region and Germany which, in 2013, together accounted for more than 87 per cent of sales in this business area. Dental care is a well-developed service on all of Lifco's primary markets. On all Nordic markets, services are performed both in the public and private sector, with the public element being largest in Finland and Sweden. On all of Lifco's primary markets, there is an element of state subsidies for dental treatments; however, the scope

SALES GROWTH ON THE EUROPEAN MARKET FOR DENTAL CARE PRODUCTS, MEUR (2008-2013)[12]



BREAKDOWN OF THE EUROPEAN MARKET FOR DENTAL CARE PRODUCTS (2013)[12]



11) OECD (2011).
12) ADDE 2014 Survey on the European Dental Trade. Relates to sales of consumables (including dental technology) and equipment. Includes the following countries: Austria, Belgium, Bulgaria, the Czech Republic, France, Germany, Ireland, Italy, the Netherlands, Spain, Switzerland, and the United Kingdom. Data for additional countries not available.

and structure of the subsidies differ between the markets. Demand for dental care and, ultimately, demand for Lifco's products, is affected by national rules and regulations governing dental care benefits. In recent years, no major healthcare reforms have taken place on Lifco's markets that have affected the Dental business.

Common to the Nordic countries is the fact that dental care is free for children and young people. Certain special groups are also entitled to free dental care. A large proportion of the dental care is organised via the public sector. In Denmark and Finland municipalities are responsible, in Norway the counties, and in Sweden the county councils.[13] Approximately 50 per cent of private dentists in Sweden are affiliated with Praktikertjänst, Sweden's largest private dental care practitioner.[14] PlusTerveys is a similar operator in Finland. There are no corresponding associations operating on the other Nordic markets.

In Germany, the federal dental health authority is responsible for dental care, which is organised by regional dental care associations within the various states. Dental care costs are covered by a mandatory health insurance which is compulsory for every citizen and long-term resident in Germany. The insurance covers basic examinations and treatments. Patients are required to pay a portion of the costs of more advanced treatments. Most dental care is provided by private dentists who are members of one of the regional dental care associations, which allows them to be compensated from healthcare insurance.

MARKET SEGMENTS

DISTRIBUTION OF CONSUMABLES AND EQUIPMENT

Consumables include a broad range of products, such as hygiene products, fillers, impression materials and rotary instruments. Demand for consumables is non-cyclical and characterised by frequent but small orders from dental clinics, imposing high demand for delivery certainty and a broad range of products. Most clinics prefer to make purchases via a limited number of suppliers. The European consumables market is characterised by a large number of articles and suppliers, and a fragmented group of customers. In 2013, sales in the European consumables market amounted to approximately EUR 3.3 billion.[16]

Equipment includes a broad range of products such as treatment chairs, lighting and x-ray equipment, dental handpieces and dental drills, and also cleaning and sterilisation equipment. The equipment market also includes technical servicing of the equipment. The demand for equipment is relatively stable and largely dependent on the age of the existing installed equipment, the length of the replacement cycle, and the number of new dental clinics. Demand may increase as a consequence of significant technological developments and if dentists and dental surgeons can provide additional, quicker and more sought-after services. Since investments in equipment represent a significant share of total investments made by dental clinics, a general downturn in the economic climate may result in a reduction in purchases of equipment, primarily replacement investments. Due to the more complex products, the market among suppliers of dental care equipment is not as fragmented as the market for consumables. In 2013, sales in the European market for equipment amounted to approximately EUR 1.4 billion.[17]

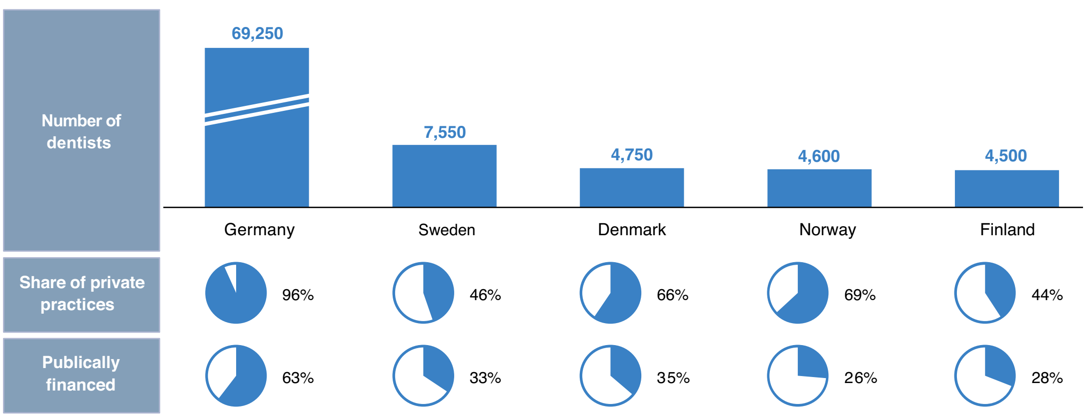
Trends

The European market for distribution of dental care products follows the European dental care market and is affected by a number of trends and factors. Lifco is of the opinion that the following trends are of importance for the distribution of dental care products.

Aging population

As the number of older people becomes greater, the customer group which is in more continual need of dental care increases. This is also the customer group where the most extensive dental care is needed.

OVERVIEW OF THE CUSTOMER GROUPS IN LIFCO'S MAIN MARKETS[15]



13) CED EU Manual of Dental Practice (2014).
14) Praktikertjänst.
15) OECD and EU Manual of Dental Practice (2014).
16) ADDE 2014 Survey on the European Dental Trade. Relates to sales of consumables (including dental technology) and equipment. Includes Belgium, Bulgaria, France, Ireland, Italy, the Netherlands, Switzerland, Spain, United Kingdom, Czech Republic, Germany and Austria. Data for additional countries not available.
17) See note 12.

PRODUCT EXAMPLES

Consumables

Equipment

Dental prosthetics

Better dental health

In Europe in general, and on Lifco's primary markets in the Nordic region and Germany specifically, the market for dental care is well-developed and people in all ages generally take good care of their teeth by, among other things, regularly going for check-ups at the dentist. Awareness of the importance of maintaining good dental health also continues to increase.

Dental clinic chains

Dental clinic chains represent an increasing share of the dental care market. However, the increase is relatively slow and the market is still very fragmented, with a large number of independent dental clinics.

Increased online sales

As in the retail trade in general, an increasing proportion of sales of dental care products takes place online.

Consolidation at the supplier level

A gradual consolidation is taking place among suppliers of dental care products. Large global suppliers are acquiring smaller suppliers to extend their range of products. However, the consolidation is slow and there continues to be a very large total number of suppliers, particularly the total number of suppliers with whom dentists place orders.

Increased share of private label products

As in the retail trade in general, the share of private label products relative to total sales is increasing. This trend is particularly noticeable in respect of more basic products where there are a large number of suppliers and few opportunities for a supplier to differentiate themselves

DENTAL PROSTHETICS

Lifco also operates (primarily in Germany) on the market for dental prosthetics, which relates to the production and sales of products, such as crowns, bridges and implants. Every product is unique and tailor-made for the patient. Since the products manufactured shall be able to replace a natural tooth and function for a long period of time, there are high demands on quality.

The process begins at the dentist clinic, where the dentist examines the patient and makes an impression of the patient's teeth or jaw. The impression is sent to a dental technician, using it to create a detailed mould of the teeth or jaw. Production can take place manually or using modern CAD/CAM technology where much of the process can be automated. After the finished product has been sent to the dentist, he or she inserts the finished product in the patient's jaw.

Traditionally, the production of dental prosthetics has taken place in dental laboratories in proximity to the dentist's. The market is very fragmented, with a large number of small, local dental laboratories. Consequently, dentists who are satisfied with their producer are reluctant to change to a new one, which makes the market inert. Since such a large amount of the work is manual, a trend has arisen in recent years where the production process is outsourced to low-cost countries. Thanks to lower salary costs in these countries, manufacturers can offer significantly lower prices than local competing dental laboratories.

Trends

In addition to the trends described above under trends for distribution of dental care products, there are a number of specific trends affecting the dental technology market.

Increased demand for aesthetic dental treatments

Aesthetic dental treatments are a rising trend on Lifco's markets. The treatments include both orthodontics and purely cosmetic treatments, such as reneers.

Increased awareness of imported dental prosthetics

As the quality of the dental prosthetics which is produced in low-cost countries is increased, the acceptance and awareness of imported dental technology among both dentists and patients has also increased. More efficient logistics solutions and technical advances have also contributed to making imported dental technology an attractive option.

OTHER

In Sweden and Denmark, Lifco develops and sells administration and medical record systems to dental clinics. These systems are a key element of the day-to-day work at the dental clinic since they collect much of the information in one place and facilitate administration. In general, clinics with functioning systems are reluctant to change them since employees have to learn a new way of working. New installations occur primarily when new clinics open or when an operating system is changed.

DEMOLITION & TOOLS

The primary market for the subsidiaries within Demolition & Tools is the global construction and demolition industry. The majority of products in this business area comprise machinery and tools for this market and sales can therefore generally be said to be in line with the growth of the global construction equipment market. In recent years, demand for construction equipment has recovered since the global economic downturn in 2008-2009, and has reached a stable level, albeit with weak negative growth.

GEOGRAPHIC MARKETS

In the last five years, global demand for construction equipment has been characterised by developments on the Chinese market. Strong Chinese demand in 2009 and 2010 contributed both to soften the downturn resulting from the financial crisis and to a quicker recovery for global demand. Since demand in China has come to play an increasingly important role for the global market, the downturn in China since 2010 has resulted in a weaker global market growth for construction machinery.

Measured in terms of the value of sold units, North America is considered the largest market for construction machinery. After a significant decline in the number of machines sold on the North American market between 2006 and 2009, the market has recovered and demonstrated growth since 2009. The European market has recovered from the 2009 levels, but demonstrated weak growth in 2011-2013.

MARKET SEGMENTS

REMOTE CONTROLLED DEMOLITION MACHINES

A demolition machine is a niche product specially adapted for demolition work in narrow, hazardous areas. Demolition machines also have a number of alternative fields of application, such as demolishing brick lining in cement kilns and cleaning smelting furnaces in the processing industry. In many applications, demolition machines are an alternative to hand-held tools or larger machines, such as excavators. The advantage of demolition machines is that they can combine a compact design with great strength, which means that they can be used in areas where it is difficult to use larger machines, but at the same time hazardous to use hand-held tools.

Trends

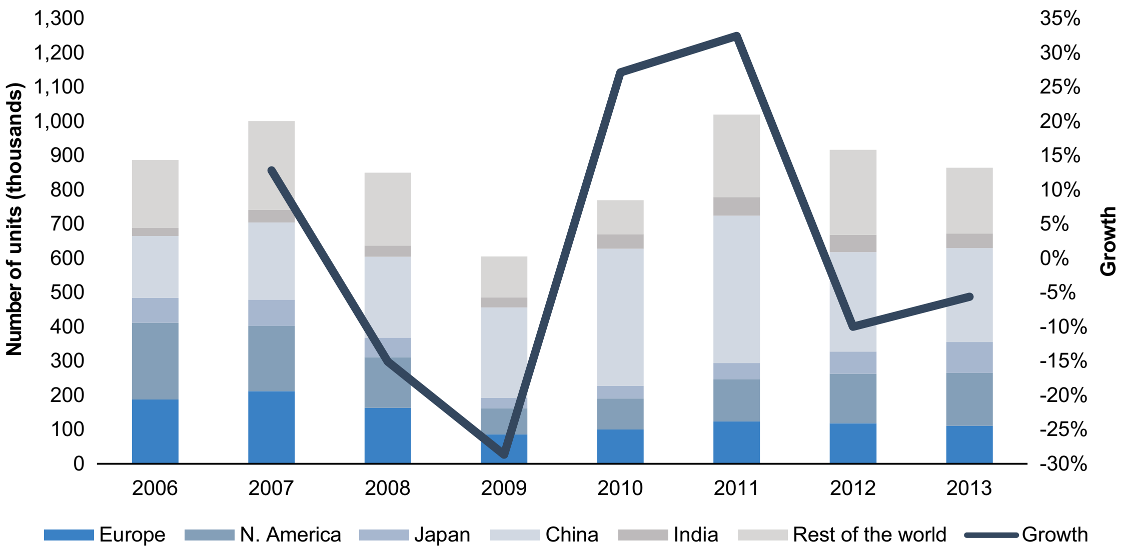
Increased safety awareness

Hand-held tools can involve a direct risk of injury to the user. An example of this is HAVS (hand-arm-vibration syndrome), which is a vibration injury that can arise in fingers, hands and arms when working with vibrating tools. To avoid this type of injury, it is becoming increasingly common to replace hand-held tools with machines for prolonged work. In some countries there are now also legal restrictions relating to hand-held tools. The flexibility of demolition machines means they can also be used for work in positions where it would be difficult or uncomfortable to use hand-held tools, which also contributes to reducing the risk of injury.

Increased productivity

Since a demolition robot is specially constructed for demolition work, it can often achieve much higher productivity than other solutions. In fields of application where time is a critical factor, demolition machines are therefore an attractive alternative option. An example of such a field of application is in the cleaning of smelting furnaces in the processing industry, where the whole process often comes to a standstill while awaiting completion of the cleaning. An additional factor is increasing salary costs which make demolition machines an alternative for time-consuming tasks.

GROWTH IN DEMAND FOR CONSTRUCTION EQUIPMENT[18]



18) Sold units, Off-Highway Research (2014).

New fields of application

Demolition machines can be equipped with a number of different tools which makes them suitable for a number of different fields of application. Historically, broadening the fields of applications, where demolition machines are being used instead of alternative methods such as excavators and hand-held tools, has been an important source of growth.

ATTACHMENTS FOR EXCAVATORS AND CRANES

Excavators and cranes can be equipped with a number of different attachments which allow them to be used for different applications. Examples of such attachments include buckets, gripples, forks and shears. The attachments enable usage of the same machines for different tasks. Examples of such fields of application include general construction work, ground work and snow clearance, demolition work, laying pipes and cables, forestry work, scrap handling, and railway work.

Sales of attachments largely follow the sales of machinery. However, since attachments involve a smaller investment than a new machine, the Company is of the opinion that the market is less cyclical and the end user often orders new attachments to raise the productivity of existing machines before making a decision to invest in a new machine.

Trends

Increased productivity

An important driver for sales of attachments is owners wanting to use their machines for several different tasks in order to increase productivity and utilisation. Using attachments which are specifically constructed for the purpose can also reduce the time it takes to complete an individual task.

Gradual consolidation

Even though the market for crane attachments is relatively consolidated, the market for excavator attachments is very fragmented, with a large number of producers focusing on either individual product groups or individual regions. Consolidation is taking place on the market towards suppliers who can offer a larger range of products and services.

Increased safety awareness

Health and safety regulations for manual work is anticipated to become stricter going forward, which is considered to result in an increased demand for attachments for excavators and cranes with the purpose of replacing work that previously has been done manually. In addition, health and safety regulations are expected to lead to increased labour costs, which are expected to further increase the demand for attachments for excavators and cranes.


DRS 75
KINSHOFER

BUSINESS DESCRIPTION

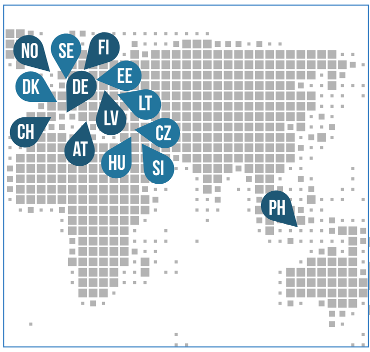
THE GROUP

Lifco is a global corporate group that acquires and develops market leading niche companies with potential to deliver sustained profit growth and attractive cash flows. Lifco is guided by a clear philosophy, focusing on profitability and a highly decentralised organisation, and a long-term perspective. The Group comprises approximately one hundred independent subsidiaries organised into three business areas: Dental, Demolition & Tools and Systems Solutions.

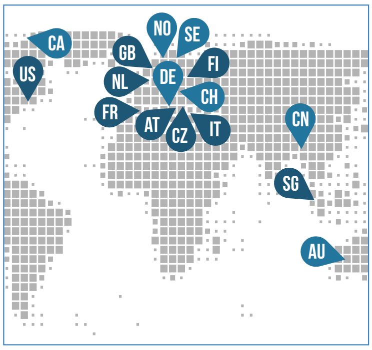
Dental is a leading supplier of dental products in Northern and Central Europe. In 2013, this business area represented 47 per cent of the Group's net sales and 52 per cent of the Group's EBITA before group functions.

Demolition & Tools develops, produces, sells and distributes demolition machines, tools and accessories for the demolition and construction industry. In 2013, this business area represented 20 per cent of the Group's net sales and 32 per cent of the Group's EBITA before group functions.

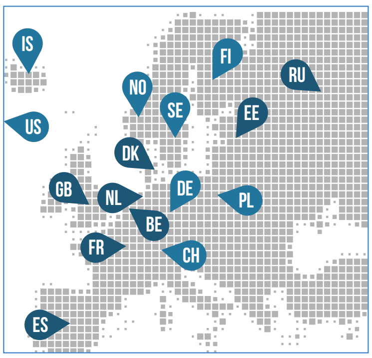
DENTAL

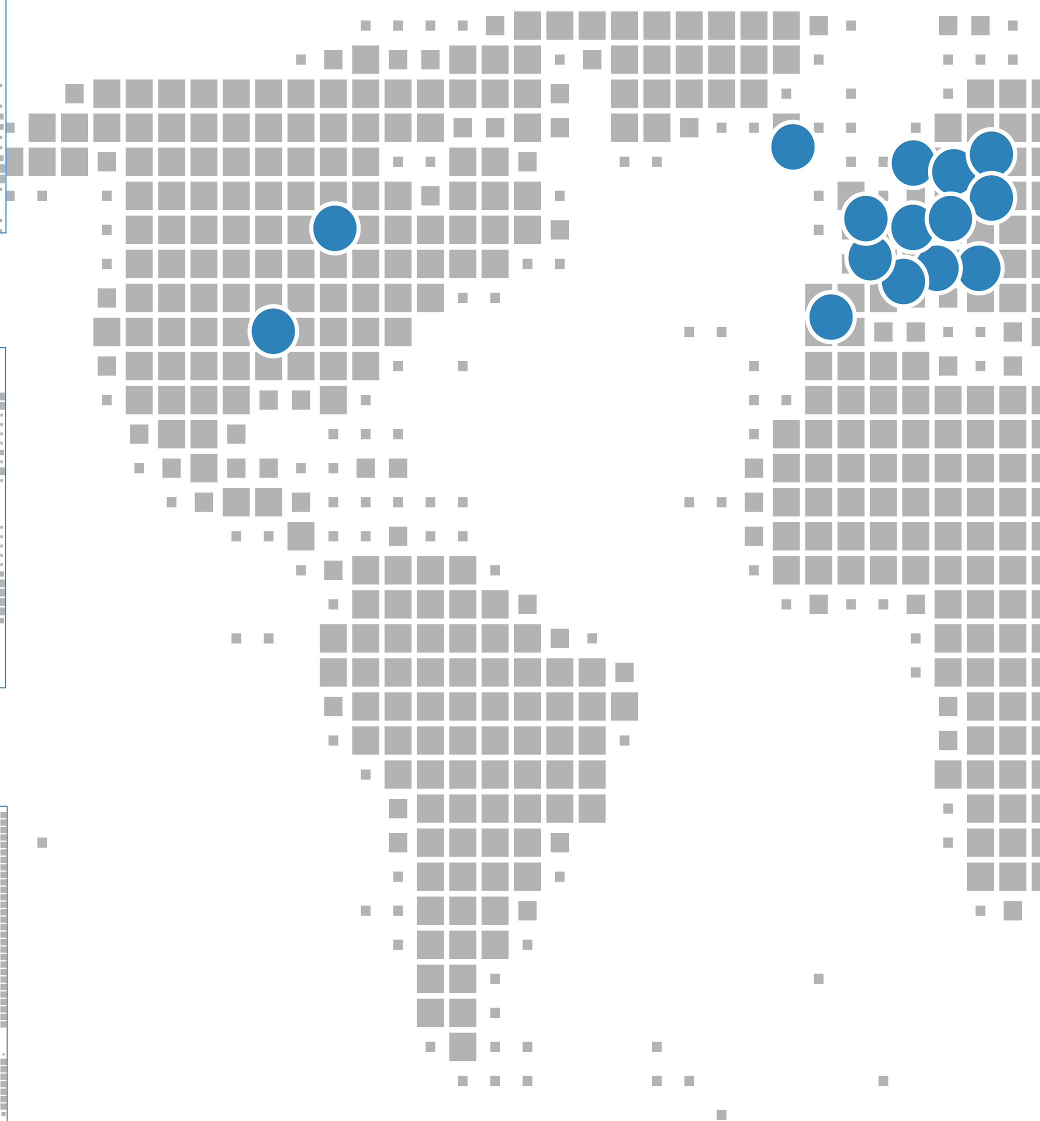


DEMOLITION & TOOLS



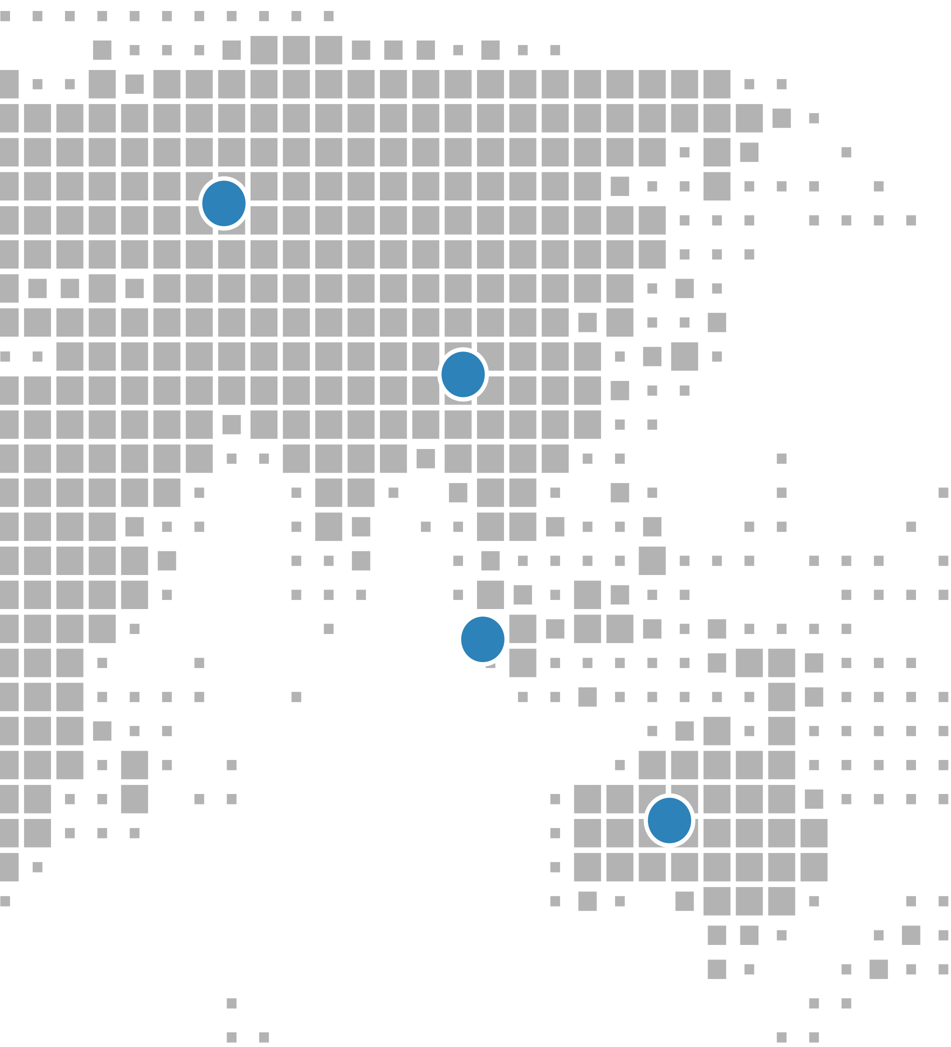
SYSTEMS SOLUTIONS



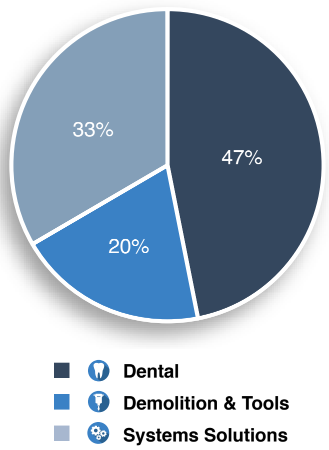


Systems Solutions consists of businesses which deliver systems solutions to niche markets, and includes Interiors for service vehicles, Contract manufacturing, Environmental technology, Relining, and Saw mill equipment. In 2013, this business area represented 33 per cent of the Group's net sales and 15 per cent of the Group's EBITA before group functions.

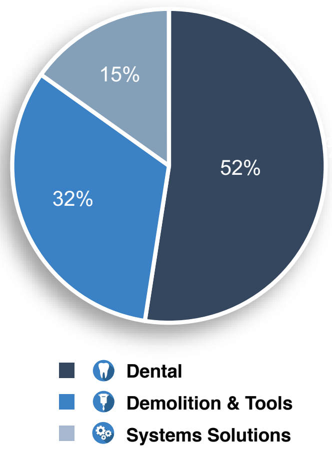
Lifco holds market-leading positions via its business areas and the Group is constantly seeking out opportunities to enhance its competitive advantages through both organic growth and acquisitions. Lifco's diversified structure entails less dependence on individual customers and suppliers. In 2013 the single largest customer accounted for 2 per cent of the Group's sales and the largest supplier for 4 per cent of the Group's purchases.



NET SALES BY BUSINESS AREA (2013)



EBITA BY BUSINESS AREA* (2013)



* Before group functions

BUSINESS CONCEPT AND CORPORATE PHILOSOPHY

Lifco's business concept is to acquire and develop market leading niche companies with potential to deliver sustainable profit growth and attractive cash flows.The businesses are developed according to Lifco's corporate philosophy, which is based on three core principles:

Lifco's corporate philosophy

- **Long-term perspective**
  Lifco has a long-term perspective on corporate development
- **Focus on profitability**
  The subsidiaries are evaluated based on profit growth
- **Decentralised organisation**
  High level of independency among the subsidiaries to create a strong entrepreneurial spirit. All subsidiaries must meet Lifco's requirements on profitability and comply with Lifco's ethical principles

OBJECTIVES

Lifco's objective is to create sustainable profit growth.

Lifco is convinced that profitability is a prerequisite for long-term growth. A profitable business has the strength to deliver quality products and services to its customers. At the same time, the business can offer a good place of work for its employees. A profitable business can also invest in product development, distribution and service for the purpose of satisfying the needs of its customers and employees also in the long-term.

Lifco's subsidiaries are market leaders within their niche areas and position themselves as quality brands. To retain its competitiveness and deliver long-term profitability, a strong focus on costs is also required. Accordingly, Lifco endeavours to minimise costs that do not directly contribute to the development of the businesses within manufacturing, sales or product development. In Lifco's experience, this results not only in lower costs but also a greater commitment from employees.

FINANCIAL OBJECTIVES

Earnings' growth

The organic growth in EBITA shall exceed the GDP growth on relevant geographic markets over an economic cycle. Additional growth shall be achieved through acquisitions.

Return on capital employed

The return on capital employed after deductions for goodwill and other intangible assets shall exceed 50 per cent for the most recent 12-month period.

Equity/debt ratio

The net debt shall under normal circumstances amount to 2-3 times EBITDA for the most recent 12-month period.

Dividend policy

Lifco's board of directors has adopted a payout policy implying that dividends will be based on Lifco's profit development with regard to future growth potential and financial position. The long-term goal is that dividends will have a steady development and amount to 30-50 per cent of profits after tax.

ORGANISATION AND MANAGEMENT

The Group comprises approximately one hundred operational subsidiaries within 8 divisions and presided by around one hundred subsidiary heads. Lifco's philosophy is based on a decentralised organisation where individual subsidiaries are afforded a significant amount of freedom, which creates the conditions for a strong entrepreneurial spirit. The subsidiaries are organised into approximately 30 operating units presided over by the head of one of the subsidiaries, whereby all of the units report directly to the CEO or head of the Dental business area.

The subsidiaries are run independently meaning that each subsidiary can preserve its specific culture and working methods which have been formed based on the conditions prevailing in the industries and markets in which the subsidiaries operate. This is also an explanation for why the Group is able to retain key individuals in companies it acquires. They are often attracted by the decentralised structure where they are able to retain a high degree of independency also after an acquisition.

GROUP MANAGEMENT

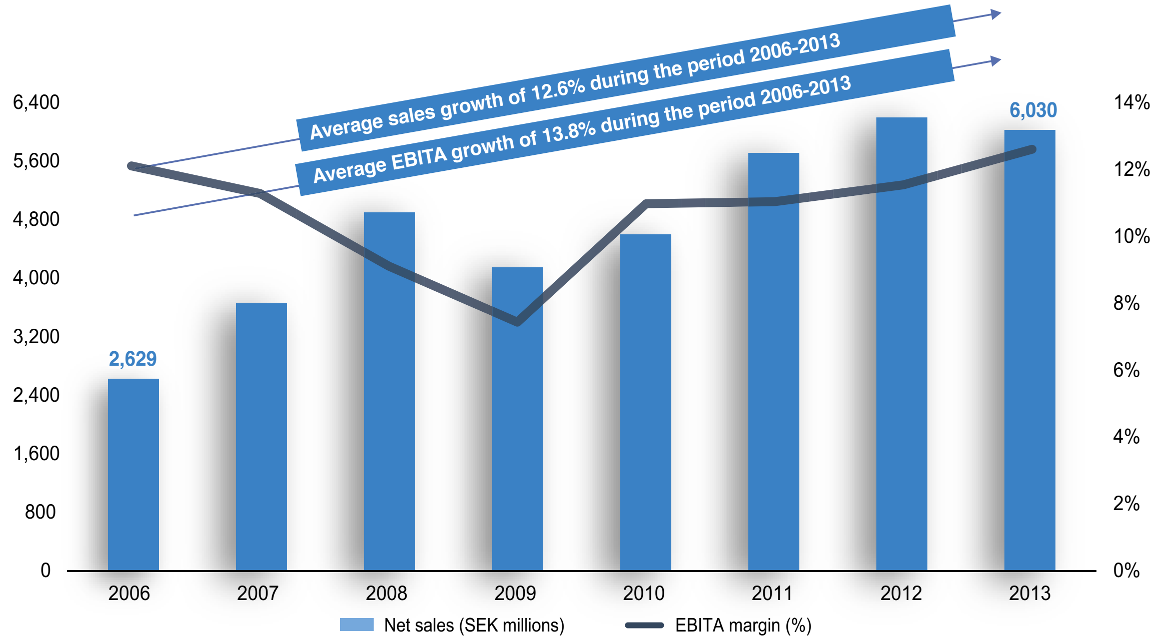
Lifco's group management consists of the CEO, CFO and the head of the Dental business area. The CEO is also head of the Demolition & Tools and Systems Solutions respectively. Group management has overall responsibility for, among other things, strategy issues, business development, major investment decisions, monitoring of financial performance, and HR and IR issues. All in all, Lifco's group management has solid business development experience within a broad spectrum of industries and extensive experience of successfully carrying out acquisitions. Further information about group management can be found in the section entitled “Board of directors, senior executives and auditors”.

MANAGEMENT MODEL

The Group management manages the operations primarily by appointing managing directors of Lifco's operating units and by regularly monitoring the performance of the subsidiaries by means of monthly reviews of the subsidiaries' income and balance sheets.

All managing directors are responsible for the financial performance and balance sheet of the subsidiary. Group management is represented through the CEO or head of the Dental business area in the boards of directors of all operating units and is responsible for producing a compensation model for the managing directors of the subsidiaries. The Group management representative acts as a sounding board for the head of the subsidiary through regular discussions during the year and also monitors the performance of the business through the fora described in further detail below:

LIFCO'S DEVELOPMENT SINCE 2006



- **Monthly financial reporting and monitoring**
  - Financial summaries with related comments describing and explaining the performance of the subsidiary for the past month and past year, and the forecast for the upcoming year
- **Board meetings held at least twice a year**
  - Monitoring of the operations and discussions regarding strategy issues with Lifco's Group management
  - Financial review, including any major investments and acquisitions, and budget review for the full year
- **Management conferences**
  - Lifco's group management invites the heads of the subsidiaries to attend annual conferences to exchange experiences and discuss joint opportunities and challenges

In addition to providing support and control to the heads of the subsidiaries, the Group supports the operative units with financial reporting, financing and cash management, and a limited number of central purchases, such as purchasing insurance.

Lifco's management model is based on direct communications between group management and the heads of the subsidiaries, which simplifies decision-making and makes it more efficient, and ensures that the number of lost business opportunities resulting from an inefficient decision-making process is minimised.

COMPANY DEVELOPMENT

Lifco has produced a model for developing the Group's subsidiaries based on Lifco's philosophy of focusing on financial results, decentralisation and a long-term strategy. The model is based on the Group's experience of developing companies and does not consist of any individual measures, but may however be described by means of the following principles:

Lifco's principles for developing companies

- Motivated and dedicated managing directors
- Minimal bureaucracy and simple processes
- Focus on customers with the potential for sustainable profit growth
- Efficient costs structure with a focus on value-creating functions
- Monthly reviews of the subsidiaries' income and balance sheets and monitoring of a few clear performance indicators

The two performance indicators on which Lifco specifically focuses are EBITA and development of capital employed.

ACQUISITION STRATEGY

Expansion via acquisitions is a key aspect of Lifco's business concept. Acquisitions take place both through acquisitions of new companies which can create independent divisions as well as through add-on acquisitions for existing divisions. An investment must generate growth with healthy profitability and cash flows or, alternatively, fulfil a strategic purpose. Also, there should be limited risk for Lifco.

Since the acquisition of Sorb Industri AB in 2006, when Lifco assumed its current form, Lifco has increased the sales from MSEK 2,629 to MSEK 6,030, and EBITA from MSEK 318 to MSEK 760, which corresponds to a compound average growth of 12.6 per cent and 13.8 per cent, respectively. Lifco's strong growth – both in terms of sales and EBITA – is largely the result of the Company's strategy to continually seek out attractive acquisition opportunities. During the period 2006-2013, Lifco has acquired approximately 20 companies with aggregate sales in excess of SEK 3 billion. In addition, Lifco has made a number of business acquisitions primarily from distributors operating on different markets. The majority of the acquisitions have taken place within existing divisions. Since 2006, the Company has acquired two companies which have created their own divisions: Kinshofer (Attachments for excavators and cranes) and Proline (Relining).

Year	Company	Type	Sales at the time of acquisition	Country
2006	Dental Prime	Dental	MEUR 3	Finland
2006	Elektronikprodukter i Järlåsa	Systems Solutions	MSEK 30	Sweden
2006	Darda	Demolition & Tools	MEUR 8	Germany
2007	Kinshofer	Demolition & Sools	MEUR 66	Germany
2007	Safe Dental	Dental	MSEK 2	Sweden
2007	Proline	Systems Solutions	MSEK 120	Sweden
2007	Oriola Dental	Dental	MEUR 45	Finland
2007	Hekotek	Systems Solutions	MEUR 13	Estonia
2007	Zetterström Rostfria	Systems Solutions	MSEK 50	Sweden
2007	Plass Data Dental	Dental	MDKK 7	Denmark
2008	Endomark	Dental	MSEK 9	Sweden
2008	XO Care Denmark A/S	Dental	MDKK 77	Denmark
2008	Tevo	Systems Solutions	MGBP 8	United Kingdom
2009	Ellman Produkter	Dental	MSEK 43	Sweden
2009	Aponox	Demolition & Tools	-	Finland
2009	Interdental	Dental	MSEK 10	Norway
2010	ATC	Demolition & Tools	MEUR 5	France
2011	RF-System	Demolition & Tools	MSEK 80	Sweden
2011	Wintech	Systems Solutions	MSEK 125	Sweden
2011	EDP	Dental	MEUR 119	Germany
2011	Net Dental	Dental	MEUR 20	Germany
2012	Ahlberg Cameras	Demolition & Tools	MSEK 73	Sweden
2014	MDH	Dental	MEUR 44	Germany

Lifco regularly evaluates potential acquisition candidates and primarily seeks out businesses that fulfil below criteria:

- Stable operations
- Leader within their niche
- An attractive position in the value chain without being dependent on specific suppliers or customers
- No or limited exposure to technology risk
- Documented profitability

Lifco evaluates each potential target on a case-by-case basis to retain flexibility, allowing the Company to carry out acquisitions that offer a strategic or financially attractive opportunity despite the fact that one or more of the above criteria are not met.

The acquisition process can be broken down into three stages: identification of potential acquisition candidates, analysis of the acquisition candidate, and action plan in connection with the acquisition.

IDENTIFICATION OF POTENTIAL ACQUISITION CANDIDATES

The identification of suitable acquisition candidates takes place both through the Group's network within the industries in which Lifco operates and through Lifco being contacted externally. In the internal identification process, the subsidiaries play a key role through their employees' knowledge of the market and day-to-day market contacts. Within these industries, Lifco has a good knowledge of potential acquisition candidates, which the Group monitors continually. In higher priority cases, regular discussions are also often held with the candidates. Another important source of potential acquisition candidates is where the Company is contacted directly by the seller, for example a founder who intends to sell his or her company, or by a professional corporate broker. In its capacity as an active acquirer, Lifco is regularly contacted by professional corporate brokers with proposals for acquisition candidates.

In Lifco's experience, the Company often constitutes an attractive option for sellers and company management because of its business model, which allows the subsidiaries to be run independently while at the same time continued investments ensure continued development and survival. Furthermore, in Lifco's experience, its ownership structure, with a strong, clear principal shareholder with a long-term perspective, is viewed in a very positive light. Lifco's management believes that this often means that the Company can be prioritised in sales situations and that these factors enable Lifco to stand out from its competitors in other ways than through the purchase price.

ANALYSIS OF ACQUISITION CANDIDATES

When Lifco has identified an acquisition candidate and begun discussions with the target company regarding a potential acquisition, a due diligence of the business is carried out. A key aspect of Lifco's evaluation of the target company is understanding of its position of strength in the value chain, which is achieved through an in-depth commercial analysis, including discussions with suppliers, customers, other parties operating in the market, and industry experts. A further dimension which is analysed is whether Lifco is a suitable owner and what Lifco can contribute to the target company after the acquisition. During the analysis, a detailed review of the target company's accounts and contracts is carried out to ascertain the company's earnings capacity and identify potential risks associated with the business (both financial and legal). The analysis stage also usually gives Lifco the opportunity to get to know key individuals working in the business and to obtain better insight into the company's culture and working methods. When the analysis stage has been carried out, and if Lifco is still interested in acquiring the company, an agreement can be reached with the seller and a transaction concluded.

ACTION PLAN IN CONNECTION WITH THE ACQUISITION

Lifco's business model is based on the subsidiaries largely being run as independent units; however, in connection with the acquisition of a subsidiary, a review is carried out to streamline and optimise the acquired business. Lifco usually implements the following measures in acquired subsidiaries to ensure that the company operates in accordance with Lifco's principles for company development:

- New compensation system
- New reporting system
- New board of directors, including the appointment of a representative from Lifco's group management
- Increased financial awareness
  - Efficient management of working capital
  - Controlled financing of growth opportunities
- Short-term and long-term strategic agenda
  - Focus on customer categories where there are conditions for long-term profit growth
  - Review of the cost structure to streamline the business and enhance focus on the functions that create value in the organisation.

ETHICS

In order for Lifco's decentralised structure to work, the subsidiaries must conduct their operations in accordance with Lifco's ethical principles. Lifco's ethical principles are stated in the Company's code of conduct, which all heads of subsidiaries must ensure the subsidiaries comply with. The code of conduct has been adopted to underscore Lifco's core principles and include the relationship to employees, customers, suppliers, society and the environment, as well as shareholders. The code is available on the Company's website (www.lifco.se). Lifco's code of conduct also contains the company's core values: respect for others, openness and pragmatism:

- **Respect for others**
  - In all our dealings with customers, employees and other stakeholders we must respect them as human beings of equal value regardless of rank, race, religion, age, national origin, gender, sexual orientation, political opinion, union membership, marital status or disability. Thus, we have to make our best efforts to listen to and respect each individual's opinions even if we ourselves are of a different opinion
- **Openness**
  - It is of the utmost importance that we create an atmosphere where people dare to be open. In achieving this we openly have to concede our mistakes. It is natural that every human being makes mistakes.
- **Pragmatism**
  - We should aim to make the best possible decision in every single case. The decisions should purely be based on facts and without prejudice. Further, preconceived opinions and persuasions or pride should not influence decisions.

ENVIRONMENT

Lifco's code of conduct also includes the society and environment. Lifco seeks to have a business that in a positive and sustainable way contributes to the society. The Company endeavours to provide competitive products with the minimum environmental impact possible. Lifco aspires to reduce its products' environmental impact throughout their life cycle. Each managing director is responsible for ensuring the respective subsidiary complies with the environmental policy.

EMPLOYEES

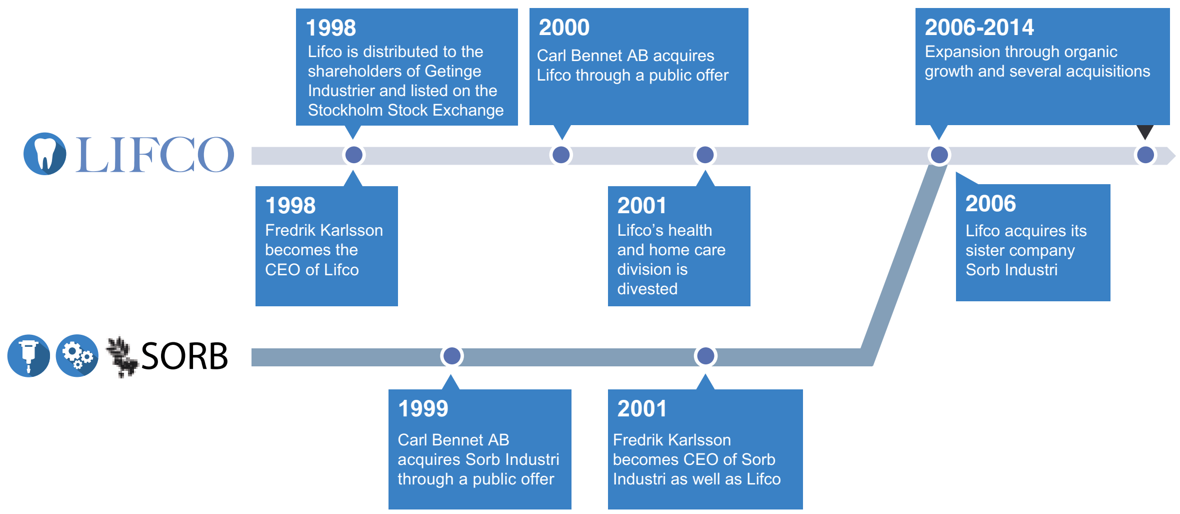
As of 30 September 2014, Lifco had 3,033 employees.

HISTORY

Lifco has its roots in the county councils' joint purchasing association which was formed in 1946. During the 1990s, the Company underwent a number of changes of ownership and name, and the current parent company was formed in 1993 in connection with the acquisition of the Company by its corporate management at that time together with private equity firm Procuritas. After having been a division within Getinge since 1995, the Company was spun off to the shareholders in 1998 in connection with a change in strategy at Getinge. In that same year, Fredrik Karlsson was appointed CEO of the Company.

Carl Bennet AB (also the principal shareholder of Getinge) became the Principal Shareholder of Lifco in connection with the IPO in 1998 and a few years later he made the assessment that the Company was in need of restructuring and would develop best off the stock market. Hence, in 2000 Lifco became a wholly owned subsidiary to Carl Bennet AB. In 2001, the healthcare and self-care operations were sold which, at that time, represented approximately 40 per cent of the Company's sales, and the Company's focus moved to the operations relating to the distribution of dental products.

Lifco obtained its current shape in 2006 through the acquisition of its affiliate, Sorb Industri AB, an industrial conglomerate owned by Carl Bennet AB. Carl Bennet AB acquired Sorb Industri AB through a public takeover in 1999. In 2001 Fredrik Karlsson became the CEO of Sorb Industri AB, and since then the companies have worked according to the same principles. Sorb industry AB is the basis for large parts of the operations in Demolition & Tools and Systems Solutions. Since 2006, Lifco has carried out approximately 20 acquisitions, which have expanded all business areas. The Company has focused on acquiring and developing market leading niche companies with potential to deliver sustained profit growth and attractive cash flows.



DENTAL BUSINESS AREA

Through the subsidiaries in the Dental business area, Lifco is a leading supplier of consumables, equipment and technical services to dentists in, primarily, Northern and Central Europe. In addition, some of the subsidiaries within this business area also provide dental prosthetics, such as dentures, crowns and bridges, to dentists in, primarily, Norway and Germany, and develop and sell administration and medical record systems for dental clinics in Denmark and Sweden.

PRODUCT OFFER

DISTRIBUTION OF CONSUMABLES AND EQUIPMENT

On the Nordic market, Lifco offers, through its subsidiaries, a wide range of dental care products, including both consumables and technical equipment. This is achieved through full-range companies which seek to meet a dentist's full range of product needs. In Germany, Norway and Sweden, Lifco also has companies specialising in consumables. Distribution takes place under a number of business names, such as DAB, Jacobsen Dental, LIC Scadenta, M+W Dental and Nordenta.

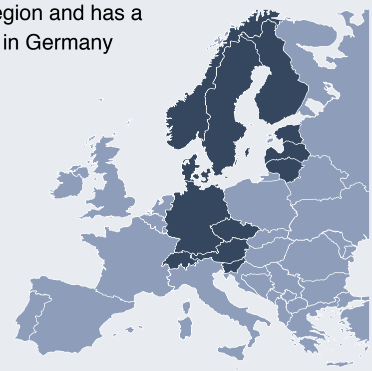
Even though the subsidiaries to a large extent work independently of each other, they cooperate to a certain extent with respect to purchases of products. The Company has three main warehouses for consumables, located in Enköping in Sweden, outside Århus in Denmark, and in Büdingen in Germany, where products are distributed to the various geographic markets. The warehouse in Enköping, which distributes products to Sweden, Finland and parts of Norway, has approximately 30,000 articles, with a total offering of approximately 44,000 articles; the Danish warehouse has

DIVISION DENTAL

BRANDS
E.g. DAB, Jacobsen Dental, LIC Scadenta, M+W Dental and Nordenta

PRIMARY GEOGRAPHIC MARKETS
Nordic, Baltics, Germany, Austria, Switzerland, Czech Republic, Hungary and Slovenia

MARKET POSITION
Lifco is one of the leading companies in the Nordic region and has a strong position in Germany

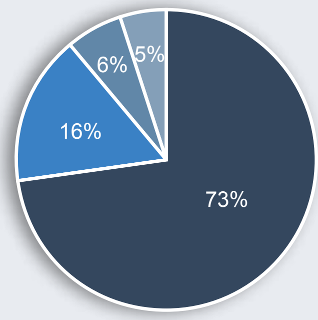


DENTAL BUSINESS AREA

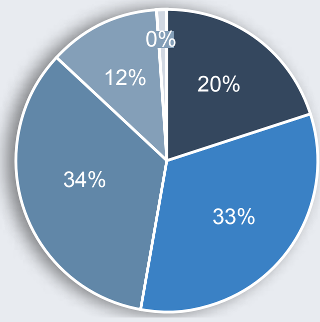
FINANCIAL OVERVIEW

	IFRS		GAAP
MSEK	**2013**	**2012**	**2011**
Net sales	2,826	2,840	2,439
EBITA	399	376	312
EBITA-margin	14.1%	13.2%	12.8%

NET SALES BY PRODUCT CATEGORY (2013)



NET SALES BY GEOGRAPHIC MARKET (2013)




RDA 120
DIRECTA


Pour éliminer la
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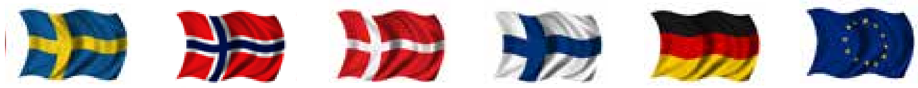
OVERVIEW OF THE DENTAL BUSINESS AREA



	Sweden	Norway	Denmark	Finland	Germany	RoE
Distribution of consumables	●	●	●	●	●	●
Distribution of equipment	●	●	●	●		●
Prosthetics		●			●	
Administration and medical record systems	●		●			

approximately 13,000 articles with a total offering of approximately 18,000 articles; and the German warehouse has approximately 29,000 articles, with a total offering of approximately 58,000 articles. In addition to these warehouses, the Company has smaller warehouses in other markets. Delivery times between warehouse and customer is short, usually within one day.

Part of Lifco's product range consists of its private label products. These brands complement the other products and focus primarily on less complicated products. The Company's private label products enable it to offer customers a lower price, whilst maintaining a satisfactory margin. Private label products today constitute approximately 10 per cent of the subsidiaries' sales. The Company is taking active measures to increase the share of its private label products in the total range.

DENTAL PROSTHETICS

Lifco primarily operates on the German dental technology market. Lifco provides most products in the area of dental prosthetics, including crowns and bridges. In order to achieve cost benefits compared to local dental laboratories the companies have selected to outsource a significant portion of the manufacturing to Asia, both through a cooperating partner in China and a majority owned subsidiary in the Philippines. However, by retaining key elements of the process, such as the design of prosthetics and a relationship with the dentists in Germany, the companies are able to maintain high quality products and proximity to the market. In Germany, Lifco provides dental prosthetics under business names Interadent and MDH.

OTHER

Under the Almasoft and Al Dente brands, Lifco provides administration and medical record systems to dentists, dental hygienists and dental technicians on the Swedish and Danish markets.

In addition to the operations described above, this business area also includes companies that manufacture and import dental care products. However, these companies only account for a small proportion of the business area's sales and profit.

CUSTOMERS, MARKETING AND SALES

The majority of Lifco's customers within the Dental business area are dental clinics. Lifco reaches a large number of dentists on each market through the various companies in this business area. The largest single market in this business area is Germany. A significant number of the Company's customers in Sweden are affiliated with Praktikertjänst or operate in the public sector, where a significant proportion of the purchases take place by means of a procurement process. If the clinics within these various groups are viewed as a single customer, Praktikertjänst is the business area's largest customer, accounting for approximately 15 per cent of the business area's sales in Sweden, but a much smaller part of the business area's total sales.

Sales of dental care products take place primarily through three channels: sales force at the subsidiaries, catalogue sales, and online. Between 20 per cent and 70 per cent of the sales take place online, depending on the market and subsidiary. The remaining orders are placed primarily by telephone. The role of the sales force is to build up a relationship with the dentists to understand their individual needs and preferences, and to inform them about products. In conjunction with sales of equipment, high demands are also placed on technical expertise since the products are technically complex and constitute a major investment for the clinics. Visits to customers, trade fairs and events are important points of communication in the work performed by the sales force.

Most of the products distributed by the Group within the business area Dental are covered by the compensation schemes used by private insurance companies, government agencies and other payers of healthcare products and services. The Group's customers thereby gain, directly or indirectly, compensation from such payers for the whole or part of the products purchased from Lifco. There is a risk that one or more of such payers carry out changes in the existing compensation scheme, or that new laws or compensation regulations are introduced, whereby the available compensation decreases or disappears entirely. In such cases, the Group's customers may fully or partially reduce its purchases from the Group, which could have material adverse effects for Lifco's operations, financial position and earnings.

PRODUCTION AND SUPPLIERS

The subsidiaries within Dental offer products from a large number of suppliers. In total, Lifco offers products from approximately 500 suppliers. The 10 largest suppliers account on average for approximately 50 per cent of sales by Lifco's subsidiaries.

COMPETITORS

In addition to Lifco, the largest companies on the European market for dental care products are the US company Henry Schein and the Finnish company Plandent. On Lifco's primary markets, Plandent has a strong position in the Nordic region and Germany, and Henry Schein has a strong position in Germany. In addition to these companies, there are a number of smaller companies on each individual market or on a small number of markets. Within consumables, Lifco believes it is one of the two largest suppliers in the Nordic countries and one of the five largest suppliers in Germany. Within equipment, Lifco believes it is one of the two largest suppliers in Denmark and Finland, one of the three largest in Norway, and one of the five largest in Sweden.

On the dental prosthetics market, the competitive landscape is different, with the largest share of the market being occupied by a large number of smaller, local dental laboratories. Lifco believes it is one of the leading suppliers of dental prosthetics and the leading supplier of imported dental prosthetics in Germany.

CASE STUDY: MDH

MDH is a leading German importer and distributor of dental prosthetics. MDH offers a full range of fixed and removable dental prosthetics as well as implant supported dental prosthetics. The customer base consists of approximately 5,000 German dentists. MDH delivers more than 100,000 dental prosthetics and have an aggregated user group consisting of approximately 600,000 patients already using MDH's prosthetics. Manufacturing is carried out through a Chinese partner in Shenzhen, China and the headquarters are in Mülheim, Germany.

MDH's manufacturing is carried out by a longstanding Chinese partner. The laboratory is situated in Shenzhen, China. In the laboratory there are 1,300 Chinese employees working with manufacturing and quality assurance. The manufacturing process is monitored by eight German dental technicians and one German quality assurance manager. The laboratory strives to have the highest possible quality with regards to equipment, materials, technology and working conditions. MDH has an exclusive agreement with the Chinese partner meaning they only deliver to MDH in Germany, as well as to MDH's European affiliates.

According to a market report[19] published in 2009, 12.3 per cent of German dentists stated they regularly use foreign dental prostheses while 49 per cent stated they do not use foreign dental prostheses and 23.4 per cent stated they barely ever use these. Although the usage of foreign dental prosthetics is assumed to have increased since 2009, MDH assesses that there is good potential for an increased share of foreign dental prosthese in the future.

The market for foreign dental prosthetics in Germany is fragmented with many small, local players. MDH estimates that the 10 largest suppliers represent approximately one third of the total market. MDH is the leader within this group of suppliers.

Sales of dental prosthetics in Germany are primarily done in two ways: 1) patient requests MDH's product or 2) a dentist suggests MDH's product. Hence, MDH's marketing efforts are focused on two target groups: patients and dentists. Marketing towards patients is primarily done through online and TV campaigns and marketing towards dentists is primarily done through MDH's own sales organisation and through industry related publications.

OVERVIEW OF LOGISTICS NETWORK

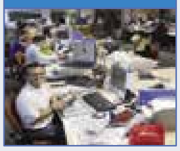
Dental practice

1 Patient visits dentist who diagnoses the need for dental prostheses

2 Dentist recommends MDH or the patient asks the dentist to use MDH

3 MDH picks up imprints and delivers them to Mülheim

Lab Mülheim



4 First quality check; in case of questions consultancy between German technicians and dentist; air shipment to Shenzhen, China

Chinese partner

Lab Shenzhen

5 Manufacturing in Shenzhen supervised by MDH's German dental technicians team

6 Quality check through German dental technicians

Lab Mülheim

7 Transport back to Mülheim and final quality check by specialized German quality management team

Dental practice

8 Shipment of final product to dentist; consultancy between service technicians and dentists

9 Implementation of dental prostheses by dentist to the patient

19) Institut der Deutschen Zahnärtze (IDZ), Dentaltourismus und Auslandszahnersatz (2009).

DEMOLITION & TOOLS BUSINESS AREA

Through the subsidiaries in the Demolition & Tools business area, Lifco operates in the development, manufacturing and sales of equipment primarily to the construction and demolition industry. The operations can be broken down into two divisions: remote-controlled demolition machines and attachments for excavators and cranes.

DEMOLITION MACHINES

Under the Brokk brand, Lifco develops, assembles and markets remote-controlled demolition machines. The division also includes the business names Ahlberg Cameras, Brokk Bricking Solutions and Darda. Brokk was founded in 1976 in Skellefteå and is a pioneer and global leader in the demolition robot sector. Brokk became part of Lifco through the acquisition of Sorb Industri AB in 2006.

Brokk's demolition machines are primarily used for specialist demolition work for construction and renovation projects in narrow, hazardous environments. There are also a number of alternative fields of application in which Brokk's demolition machines have proven capable of being used, such as in the demolition of brick lining in kilns used in the cement industry.

Brokk is constantly seeking out additional acquisitions in order to enhance its position in existing and new product areas and geographic markets, and has added further breath to its range of products and services through the acquisitions of the subsidiaries Darda, Bricking Solutions and Ahlberg Cameras. The acquisition of Darda contributed own production of attachments such as concrete axes, mountain crackers and steel axes which are commonly used at Brokk's demolition machines. Bricking Solutions manufactures

DIVISION DEMOLITION MACHINES

BRANDS
Ahlberg Cameras, Brokk, Brokk Bricking Solutions, Darda

PRIMARY GEOGRAPHIC MARKETS
Global

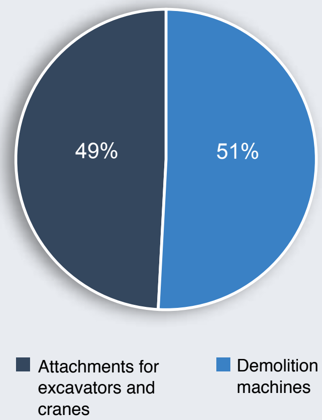
MARKET POSITION
Lifco is one of the leading companies globally

DEMOLITION & TOOLS BUSINESS AREA

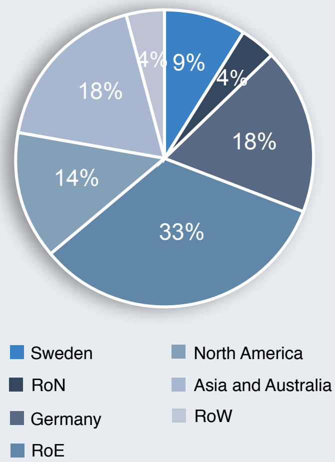
FINANCIAL OVERVIEW

	IFRS		GAAP
MSEK	2013	2012	2011
Net sales	1,189	1,176	992
EBITA	246	268	194
EBITA-margin	20.7%	22.8%	19.6%

NET SALES BY DIVISION (2013)



NET SALES BY GEOGRAPHIC MARKET (2013)



equipment used in the maintenance of cement kilns and has contributed to an expansion within the market for Brokk's demolition machines. Ahlberg Cameras was acquired in 2012 and has brought to the division a leading supplier of camera and lighting equipment for radioactive environments.

CUSTOMERS, MARKETING AND SALES

Brokk's customers are found in a number of industries, of which the construction sector is the single largest. Brokk markets its products and services either directly to end customers or to selected distributors and agents. Brokk has its own subsidiaries on the primary markets as well as distributors on other markets. Since Brokk's products consist of niche solutions, most customers only buy a small number of units at a time and the Company believes that Brokk is not dependent on any individual customer. In 2013, the ten largest customers accounted for approximately 11 per cent of Brokk's sales.

PRODUCTION AND SUPPLIERS

Brokk's products are assembled in Skellefteå, and Ahlberg Cameras' products are assembled in Norrtälje, but the individual components are, for the most part, produced by contract manufacturers. Darda produces its products itself at its factory in Blumberg, Germany. Since the robots must be flexible, small and durable to perform the tasks for which they are intended, Brokk places high demands on its suppliers. However, the Company believes that it is not dependent on any individual supplier.

COMPETITORS

Brokk's competitors comprise both companies which have a similar range of products and geographic scope to Brokk's and companies with a local presence or who specialise in one or a handful of product areas. The main competitors operating within a number of product areas and geographic markets are Avant Tecno, Giant, Husqvarna and TopTec. The Company believes that Brokk is a market leader within the production of remote-controlled demolition machines, with a market share of over 70 per cent. The main competition is however consisting of alternative methods such as excavators, mini excavators and hand-held tools.

ATTACHMENTS FOR EXCAVATORS AND CRANES

Under the Kinshofer, Demarec and RF-System business names, Lifco develops, assembles and markets attachments for excavators and cranes. Kinshofer offers a large number of attachments for different applications, including buckets, tilt arms for excavators and cranes, scrap handling attachments for cranes and demolition attachments for cranes. The business was founded by Alfred Kinshofer in 1971 and has grown to a market-leading global supplier of excavator and crane tools. The company was acquired by Lifco in 2007 from a private equity firm. Under the Demarec and RF-System business names, concrete and scrap shears, as well as railway tools, are also offered.

Kinshofer puts great importance to product development, since a key aspect of the company's strategy consists of offering technically advanced high-quality products. Product development regarding attachments for excavators and cranes primarily takes place in Germany, while product development of concrete and scrap shears and railway attachments takes place in the Netherlands and Sweden, respectively.

Kinshofer also wants to stand out from its competitors by offering a broad portfolio of products and short delivery times and by providing a high level of service and support to its customers.

CUSTOMERS, MARKETING AND SALES

Kinshofer markets its products and services either directly to manufacturers or to selected distributors and agents or end-customers. Within the product area crane attachments, most sales are made directly to manufacturers and, within the excavator attachments product area, the majority of sales are made to distributors. The products are sold under their own brands while a significant proportion of the products are also sold under the brands of the crane manufacturers and excavator manufacturers. The Company believes that Kinshofer is not dependent on any individual customer and, in 2013, the ten largest customers accounted for approximately 30 per cent of Kinshofer's sales.

PRODUCTION AND SUPPLIERS

Kinshofer carries out production and assembly in the Netherlands, Sweden, Czech Republic, Germany and Austria. Scrap handling and demolitions products are primarily manufactured in Austria and in the U.S. Products for track laying are primarily manufactured in Sweden. In addition, Kinshofer has assembly facilities for the North American market in

DIVISION ATTACHMENTS FOR EXCAVATORS AND CRANES

BRANDS
Demarec, Kinshofer, RF-System

PRIMARY GEOGRAPHIC MARKETS
Global

MARKET POSITION
Lifco is one of the leading companies globally

Canada and the U.S. Kinshofer uses local and international suppliers for components which are subsequently assembled at one of the company's assembly plants. Own production also takes place in manufacturing facilities in Germany and Czech Republic. The Company believes that it is not dependent on any individual supplier.

COMPETITORS

Kinshofer's competitors comprise primarily other manufacturers of crane and excavator tools. The markets are fragmented both within excavator and crane tools, with a number of small companies operating within specific product sectors and markets. Examples of larger competitors within excavator tools include US manufacturers, International Equipment Solutions and LaBounty (part of Stanley Black & Decker), both of whom have products that compete with Kinshofer. The Company believes that Kinshofer is the leading manufacturer of crane tools worldwide, with a market share of over 75 per cent. Examples of competitors within crane tools include Italian manufacturers Rozzi and Ferrari International 2. The Company believes that Kinshofer has a limited market share within excavator tools of less than 5 per cent.


400
BROKK


BROKK

SYSTEMS SOLUTIONS BUSINESS AREA

Through the subsidiaries in the Systems Solutions business area, Lifco operates in industries all of which offer systems solutions. The operations are broken down into five divisions: Interiors for service vehicles, Contract manufacturing, Saw mill equipment, Relining, and Environmental technology.

INTERIORS TO SERVICE VEHICLES

Under the Modul-System and Tevo brands, Lifco offers fittings for vans and light goods vehicles which facilitate storage of, among other things, tools. The operations are conducted in the Nordic region, as well as in Belgium, France, the Netherlands, Poland, United Kingdom and Germany, with own workshops in all markets except Finland. The company specialises in fittings made of specialty steel, combining durability with low weight. The aim is to provide a broad, quality leading range of products suitable for essentially all light goods vehicles produced in Europe.

CUSTOMERS, MARKETING AND SALES

This business area is aimed at customers with stringent demands as regards low weight, durability and safety, and the company's largest customers are found primarily within the energy and construction sectors.

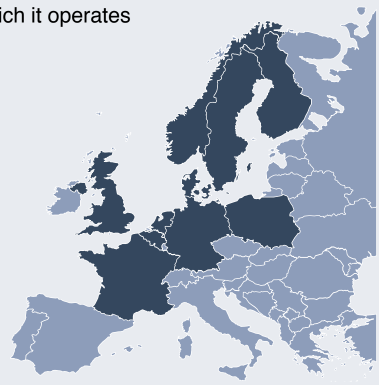
The greatest proportion of sales takes place directly to end customers, but the company's sales also take place through car dealers, automotive manufacturers and companies specialising in vehicle modifications, commonly referred to as bodybuilders. A significant proportion of the sales made directly to end customers originate from procurement processes.

DIVISION INTERIORS TO SERVICE VEHICLES

BRANDS
Modul-System and Tevo

PRIMARY GEOGRAPHIC MARKETS
Belgium, Denmark, Finland, France, the Netherlands, Norway, Poland, Sweden, the United Kingdom, Germany

MARKET POSITION
Lifco is one of the leading companies on the markets on which it operates

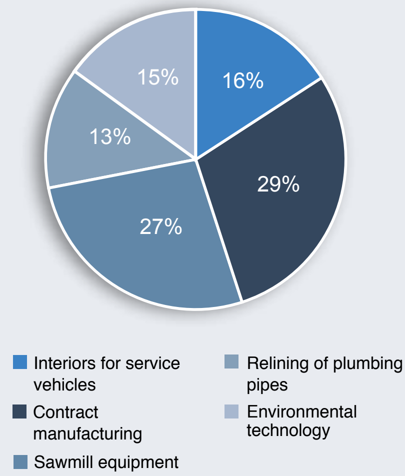


SYSTEMS SOLUTIONS BUSINESS AREA

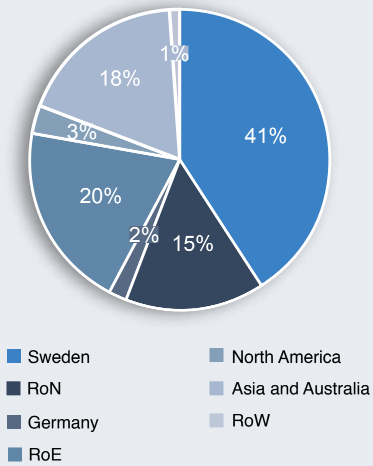
FINANCIAL OVERVIEW

	IFRS		GAAP
MSEK	2013	2012	2011
Net sales	2,014	2,168	2,276
EBITA	115	136	190
EBITA-margin	5.7%	6.3%	8.3%

NET SALES BY DIVISION (2013)



NET SALES BY GEOGRAPHIC MARKET (2013)



PRODUCTION AND SUPPLIERS

Between 40 per cent and 90 per cent of the products are produced at the company's workshops, depending on the country. Anything not produced at the workshops is purchased from third parties. The largest proportion of the company's purchases consists of input goods where the supply on the market is deemed to be good. The Company believes that it is not dependent on any individual supplier.

COMPETITORS

On the European market, Modul-System competes with German companies Bott and Sortimo. In addition to these companies, there are smaller local competitors on the company's other markets.

CONTRACT MANUFACTURING

Under the Leab, Texor, Wintech and Zetterströms Rostfria brands, Lifco offers contract manufacturing in respect of products for use within a large number of industries, including engineering and medical technology. A feature the companies have in common is that they focus on products where there are high demands for quality and delivery service and where manufacturing is therefore an important aspect of the product's value chain.

CUSTOMERS, MARKETING AND SALES

Within contract manufacturing, Lifco focuses on customers with recurring volumes and stringent demands as regards quality and delivery service. A large proportion of sales are linked to the fact that the companies have certified production and quality processes and that they are able to demonstrate sound control over their flow of materials.

PRODUCTION AND SUPPLIERS

Since demands for quality are placed on Lifco's products, Lifco, in turn, places stringent demands on its suppliers. Consequently, there is a degree of reliance on suppliers of certain key components.

COMPETITORS

Lifco's competitors within contract manufacturing primarily comprise other contract manufacturers in the Nordic region, such as Note and PartnerTech. Within some product areas, Lifco's customers also partly have their own manufacturing.

SAWMILL EQUIPMENT

Under the AriVislanda, Heinola, Hekotek and Renholmen brands, Lifco offers equipment for sawmills. The companies operate in the Baltic region, Finland, Russia, Norway and Sweden. Together the companies offer a large proportion of the equipment needed by sawmills, such as timber handling, drying equipment and saw-lines equipment. A growing share of the operations also consists of equipment for pellet mills.

CUSTOMERS, MARKETING AND SALES

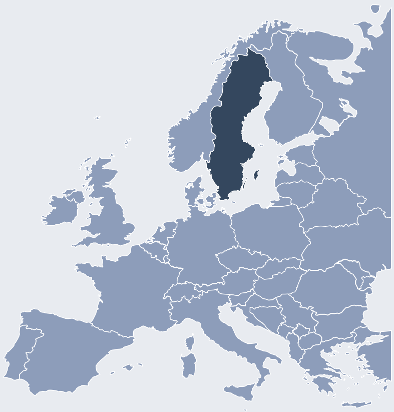
Customers primarily comprise sawmills in the Baltic region, Finland, Russia, Norway and Sweden. There is a consolidation trend among sawmills on all markets. Sales take place in

DIVISION CONTRACT MANUFACTURING

BRANDS
Leab, Texor, Wintech and Zetterströms Rostfria

PRIMARY GEOGRAPHIC MARKETS
Sweden

MARKET POSITION
Lifco is one of the leading companies within selected product groups



DIVISION SAW MILL EQUIPMENT

BRANDS
AriVislanda, Heinola, Hekotek and Renholmen

PRIMARY GEOGRAPHIC MARKETS
Finland, Sweden, Norway, the Baltic states and Russia

MARKET POSITION
Lifco is one of the leading companies on the markets on which it operates

the form of projects, often taking several years from the initial discussions to final delivery. The companies participate at an early stage in the construction of a new sawmill and often participate in the planning and design of the sawmill. A large proportion of sales is generated from customers with whom the company has an existing relationship. Sales mainly consist of the delivery of new equipment but also include service and spare parts.

PRODUCTION AND SUPPLIERS

The companies themselves design the products and production lines which are sold to customers, while the largest proportion of the manufacturing is outsourced to a third party. Due to the companies' niche products, some of the companies are assessed to be dependent on specialized software suppliers.

COMPETITORS

Few competitors on the relevant markets can offer a comprehensive concept since most of them specialise in individual products. Examples of competitors include Linck, Springer, Söderhamn Eriksson and Veisto. In continental Europe, the Austrian company Springer is leading within timber and wood handling equipment and Linck within sawlines.

RELINING

Under the Proline and Prosoc brands, Lifco offers cleaning and sealing of plumbing pipes for older properties. This service allows for the renovation of plumbing pipes without needing to demolish kitchens and bathrooms to reach the pipes. The companies have operations in Finland, Iceland, the Netherlands, Norway, Sweden and Spain.

CUSTOMERS, MARKETING AND SALES

Proline's customers consist of property owners, extending from professional property owners to cooperative apartment associations. Sales take place primarily through the company's own sales force, the primary channels being telephone sales and meetings with customers.

PRODUCTION AND SUPPLIERS

Proline's main input good is the sealant it uses. Lifco believes that it today is dependent on individual suppliers to a certain extent, but also that such suppliers can be replaced over time.

COMPETITORS

Proline's competitors comprise primarily local companies operating on the company's various markets. Examples of competitors include the Danish company Aarsleft and the Swedish company Tubus System.

DIVISION RELINING

BRAND
Proline and Prosoc

PRIMARY GEOGRAPHIC MARKETS
The Nordic region, the Netherlands and Spain

MARKET POSITION
Lifco is one of the leading companies on the markets on which it operates

ENVIRONMENTAL TECHNOLOGY

Under the Eldan Recycling brand, Lifco offers manufacturing and delivery of recycling machines for e.g. tyres, cables, refrigerators, aluminium products and electronics. The company's products are used in recycling plants to break down, separate and sort the various components contained in the products to be recycled. Eldan Recycling sells its products in around 70 countries around the world. Under the Eleiko brand, the company also offers waste management systems primarily for large blocks of flats, hospitals and healthcare establishments.

CUSTOMERS, MARKETING AND SALES

Eldan Recycling's sales are primarily made in the form of projects to recycling plants worldwide. There are a number of larger companies operating in the recycling industry in the Nordic region, whilst the global market is characterised by a large number of smaller companies, which are often family-owned. Every order is unique and often involves a major investment for the customer. An important component in Eldan Recycling's offering is that it can provide service and spare parts for its products. The company primarily markets its products via industry journals and trade fairs.

PRODUCTION AND SUPPLIERS

Eldan Recycling has its own manufacturing in its factory in Faaborg, Denmark. Eldan Recycling's main input good is steel. The Company assesses that there is a certain dependency of suppliers of specific input goods.

COMPETITORS

The Company believes that there is no competitor offering the same range of products as Eldan Recycling. However, there are global companies that compete with the company within one or more product segments, such as Andritz, Columbus McKinnon and MTB. There are also a number of smaller local competitors on the Company's other markets. The Company believes that Eldan Recycling is a world leader in machinery for recycling tyres as well as large cable and electronics lines.

DIVISION ENVIRONMENTAL TECHNOLOGY

BRAND
Eldan Recycling and Eleiko

PRIMARY GEOGRAPHIC MARKETS
Global

MARKET POSITION
Lifco is one of the leading companies within selected product groups

FINANCIAL INFORMATION IN SUMMARY

The financial information in summary below has been obtained from Lifco's annual reports for the 2013, 2012, and 2011 financial years and from the interim report for the third quarter 2014, which also contains comparative information for the corresponding period 2013. The annual reports for 2013, 2012 and 2011 have been audited by Lifco's auditors. The interim report for the third quarter 2014 has been briefly reviewed by Lifco's auditors. The financial information for 2013 has been prepared in accordance with International Financial Reporting Standards ("IFRS") published by International Accounting Standards Board (IASB) as adopted by the EU and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The annual reports for 2012 and 2011 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. Årsredovisningslagen (1995:1554)) and general advices and recommendations from the Swedish Accounting Standards Board (Sw. Bokföringsnämnden) and FAR SRS (Swedish GAAP). The financial information for 2012 has been restated in accordance with IFRS. The financial information for 2011 has not been restated in accordance with IFRS. The financial information for the financial year 2012 is thereby presented, for comparative purposes, also without IFRS-related adjustments.

For comments on the financial information below, please refer to the section "Comments to the financial information". The information below shall be read together with the Company's complete accounts for the financial years 2013, 2012, and 2011, including notes, and the interim report for the third quarter 2014 that can be found in the section "Historical financial information" or, alternatively, have been incorporated into the Prospectus by reference. For further information on the document incorporated by reference, refer to the section "Legal considerations and supplementary information - Incorporation through reference".

SUMMARY OF CONSOLIDATED STATEMENT OF INCOME

	IFRS				GAAP	
MSEK	**Jan-Sep 2014**	**Jan-Sep 2013**	**FY 2013**	**FY 2012**	**FY 2012**	**FY 2011**
Net sales	4,901	4,351	6,030	6,184	6,184	5,707
Cost of goods sold	-3,072	-2,838	-3,908	-4,050	-4,050	-3,802
Gross income	**1,829**	**1,514**	**2,122**	**2,134**	**2,134**	**1,904**
Selling expenses	-329	-353	-443	-465	-637	-569
Administrative expenses	-792	-639	-979	-899	-899	-806
Research and development expenses	-41	-40	-53	-52	-52	-47
Non-recurring costs	-14	-	-	-	-	-
Other operating income	17	9	20	17	17	26
Other operating expenses	-28	-16	-41	-22	-22	-19
Operating income	**642**	**474**	**627**	**713**	**541**	**490**
Interest income	8	5	7	17	17	63
Interest expenses	-39	-32	-59	-60	-60	-101
Income after financial items	**-31**	**-27**	**-52**	**-43**	**-43**	**-38**
Income from investments in associated companies	0	0	0	1	1	1
Income before tax	**611**	**447**	**575**	**671**	**499**	**453**
Income taxes	-153	-165	-187	-160	-164	-155
Net income	**458**	**282**	**388**	**511**	**335**	**298**
Attributable to:						
Equity holders of the Company	451	276	378	505	324	291
Minority interests	7	5	10	6	11	7
Net income	**458**	**282**	**388**	**511**	**335**	**298**

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	IFRS				GAAP	
MSEK	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011
ASSETS						
Non-current assets						
Intangible assets	4,562	3,030	3,047	3,016	2,790	2,943
Property, plant and equipment	365	340	342	334	334	347
Investments in associates	4	4	4	4	4	7
Other non-current assets	2	2	2	2	2	2
Deferred tax assets	41	26	41	27	15	21
Total non-current assets	**4,973**	**3,401**	**3,435**	**3,383**	**3,145**	**3,320**
Current assets						
Inventories	813	807	758	753	753	772
Accounts receivable	784	624	671	662	662	674
Tax receivables	111	79	67	83	83	91
Other receivables	53	53	29	35	35	35
Prepaid expenses and accrued income	89	84	67	74	74	76
Cash and cash equivalents	991	315	442	402	402	338
Total current assets	**2,840**	**1,963**	**2,033**	**2,010**	**2,010**	**1,985**
TOTAL ASSETS	**7,814**	**5,364**	**5,468**	**5,392**	**5,155**	**5,305**
EQUITY						
Equity attributable to equity holders of the Company						
Shareholder's equity	18	18	18	18	18	18
Reserves	55	-38	-6	-33	11	11
Retained earnings including net comprehensive income	3,205	331	2,354	2,154	1,920	1,793
Minority interests	15	11	16	13	22	13
TOTAL EQUITY	**3,294**	**2,322**	**2,382**	**2,153**	**1,971**	**1,835**
LIABILITIES						
Non-current liabilities						
Non-current interest-bearing liabilities	2,324	77	77	77	1,760	1,950
Other non-current liabilities	0	2	1	4	34	37
Pension provisions, interest-bearing	41	39	38	38	38	38
Deferred tax liabilities	240	64	38	21	12	17
Other provisions	-	-	16	43	43	49
Total non-current liabilities	**2,605**	**182**	**169**	**183**	**1,887**	**2,091**
Current assets						
Current interest-bearing liabilities	736	1,877	1,824	1,983	223	262
Accounts payable	385	339	313	314	314	367
Advances from customers	163	108	114	114	114	113
Liabilities to parent company	-	-	100	100	100	110
Current tax liabilities	104	72	63	92	92	97
Current provisions	62	56	46	-	-	-
Other liabilities	143	119	143	131	131	126
Accrued expenses and deferred income	322	289	314	323	323	306
Total current liabilities	**1,915**	**2,861**	**2,917**	**3,057**	**1,297**	**1,380**
TOTAL EQUITY AND LIABILITIES	**7,814**	**5,364**	**5,468**	**5,392**	**5,155**	**5,305**

CONSOLIDATED STATEMENT OF CASH FLOWS

	IFRS				GAAP	
MSEK	**Jan-Sep 2014**	**Jan-Sep 2013**	**FY 2013**	**FY 2012**	**FY 2012**	**FY 2011**
Cash flow from operating activities						
Profit before tax	642	474	627	713	541	490
Depreciations and amortisations	81	56	124	74	246	208
Minorities	-	-	-	-	-5	-3
Other financial items	0	1	-3	0	-2	10
Received interest	1	1	2	4	4	44
Other provisions	-	-	-	-	-80	-35
Translation differences	-	-	-	-	45	3
Interest paid	-32	-24	-31	-45	-45	-93
Tax paid	-159	-137	-176	-134	-160	-198
Cash flow from operating activities before change in working capital	**533**	**371**	**544**	**610**	**545**	**427**
Cash flow from change in working capital						
Increase/decrease in inventory	-44	-59	-13	25	22	-30
Increase/decrease in receivables	-109	0	-12	25	25	37
Increase/decrease in payables	89	0	39	-50	52	73
Cash flow from operating activities after change in working capital	**-63**	**-58**	**15**	**-1**	**99**	**79**
Cash flow from operating activities	**470**	**312**	**558**	**609**	**644**	**506**
Cash flow from investing activities						
Acquisition of subsidiaries net of cash and cash equivalents	-1,264	-	-	-90	-95	-1,771
Investments in tangible assets	-74	-60	-95	-75	-76	-56
Sale of tangible assets	13	4	10	18	18	15
Investments in intangible assets	-7	-12	-19	-9	0	0
Cash flow investing activities	**-1,333**	**-68**	**-104**	**-157**	**-152**	**-1,813**
Cash flow financing activities						
Shareholder contribution	500	-	-	-	-	729
Dividends received	-	-	-	-	1	1
Change in non-current receivables/liabilities	-1	-	-3	1	-	-
Borrowings	1,248	-	-	86	-	1,005
Repayment of debt	-157	-116	-207	-258	-228	-169
Dividend paid	-109	-108	-108	-95	-90	-85
Group contribution paid	-100	-100	-100	-110	-110	-65
Cash flow from financing activities	**1,381**	**-324**	**-417**	**-377**	**-427**	**1,415**
Total cash flow for the year	**519**	**-79**	**37**	**76**	**64**	**109**
Cash and cash equivalents at beginning of period	442	402	402	338	338	229
Re-calculation differences	31	-7	3	-12	-	-
Cash and cash equivalents at end of period	991	315	442	402	402	338

KEY PERFORMANCE INDICATORS

The Group's key performance indicators for the period comprised by the historical financial information, i.e. the financial years 2013, 2012 and 2011 and the third quarters of 2014 and 2013, are presented in the section "Key performance indicators and certain quarterly information and segment information". Investors are encouraged to particularly observe the information provided in connection therewith as far relates to key performance indicators for other periods than the period comprised by the historical financial information.

DEFINITIONS

Definitions of certain financial ratios utilised above are provided below in the section "Key performance indicators and certain quarterly information and segment information".

KEY PERFORMANCE INDICATORS AND CERTAIN QUARTERLY INFORMATION AND SEGMENT INFORMATION

MULTI-ANNUAL OVERVIEW OF KEY PERFORMANCE INDICATORS

The Group's key performance indicators for the period comprised by the historical financial information, i.e. the financial years 2013, 2012 and 2011 and the third quarters of 2014 and 2013, are presented in the table below, refer to the coloured area. These key performance indicators are based on information from Lifco's annual reports for the financial years 2013, 2012 and 2011 and from the interim report for the third quarter 2014, which also contains comparative information for the corresponding period 2013.

In addition thereto, Lifco has chosen to present the corresponding indicators for the financial years 2006 – 2010 in the table below. The reason thereto is that Lifco believes that it facilitates an investor's evaluation of the Offering to present certain information indicating the Company's performance over an entire business cycle, in particular including the financial crisis. The information is based on Lifco's annual reports for the relevant financial years. The annual reports for the financial years 2006 – 2010 have been prepared in accordance with prepared in accordance with the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen* (1995:1554)) and general advices and recommendations from the Swedish Accounting Standards Board (Sw. *Bokföringsnämnden*) and FAR SRS (Swedish GAAP). The annual reports have been audited by the Company's auditors. The key performance indictors for the financial years 2006-2010 presented below are not, however, included in the audit made for the respective financial year, which means that investors should not place undue reliance on the key performance indicators in connection with an investment in the Offering.

Lifco utilises certain key performance indicators when analysing the operating income, which are not calculated in accordance with IFRS, for example EBITA and EBITDA. The Company considers that these indicators provide valuable information to investors as they enable an evaluation of current trends in a better manner in combination with other indicators calculated in accordance with IFRS. Since listed companies do not always calculate these indicators in the same way, there is no guarantee that the information is comparable to other companies key performance indicators with the same names.

	IFRS				GAAP						
	Jan-Sep 2014	Jan-Sep 2013	FY 2013	FY 2012	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
Net sales, MSEK	4,901	4,351	6,030	6,184	6,184	5,707	4,591	4,146	4,901	3,660	2,629
Total growth in net sales, %	12.6%	-4.0%	-2.5%	8.4%	8.4%	24.3%	10.7%	-15.4%	33.9%	39.2%	16.9%
Of which: Organic growth, %	4.6%	-2.4%	-1.4%	-1.8%	-1.8%	7.9%	15.7%	-19.8%	7.4%	14.4%	15.6%
Of which: Acquisative growth, %	4.7%	0.1%	0.1%	11.7%	11.7%	20.5%	0.6%	0.4%	25.2%	25.3%	1.5%
Of which: Currency effect and other, %	3.3%	-1.8%	-1.2%	-1.5%	-1.5%	-4.2%	-5.5%	3.9%	1.3%	-0.5%	-0.2%
EBITA, MSEK	692	480	692	715	716	631	511	305	453	412	280
EBITA-margin, %	14.1%	11.0%	11.5%	11.6%	11.6%	11.1%	11.1%	7.3%	9.2%	11.3%	10.6%
Depreciation according to plan, MSEK	-56	-50	-68	-71	-71	-67	-63	-64	-62	-49	-36
Amortisation of acquisition related intangible fixed assets, MSEK	-25	-6	-7	-3	-175	-141	-81	-84	-79	-48	-21
Items affecting comparability, MSEK	-25	0	-58[20]	1	0	0	-6	4	-6	-	-1
Acquisition of property, plant and equipment, MSEK	74	60	95	75	76	56	55	55	132	64	44
Acquisition of subsidiary operations. net of cash acquired, MSEK	1,264	-	-	90	95	1,771	663	76	182	843	103
Capital employed excl. goodwill and other intangible assets, MSEK	841	970	833	832	-	-	-	-	-	-	-
Capital employed, MSEK	5,403	4,000	3,880	3,848	-	-	-	-	-	-	-
Return on capital employed excl. goodwill and other intangible assets, %	100.1%	71.7%	73.0%	71.0%	-	-	-	-	-	-	-
Return on capital employed	19.2%	17.1%	17.4%	18.1%	-	-	-	-	-	-	-
Net debt	2,032	1,602	1,420	1,618	1,618	1,912	1,180	823	1,095	914	178
Debt/equity ratio. MSEK	0.6x	0.7x	0.6x	0.8x	0.8x	1.0x	1.2x	0.8x	1.0x	1.0x	0.3x
Net debt/EBITDA	2.1x	2.1x	1.9x	2.1x	2.1x	2.7x	2.1x	2.2x	2.1x	2.0x	0.6x
Equity/asset ratio	42.2%	43.3%	43.6%	39.9%	38.2%	34.6%	28.5%	34.9%	33.5%	27.9%	39.1%
Earnings per share, SEK[21]	4.97	3.04	4.16	5.56	3.57	3.20	2.59	0.84	2.10	3.68	1.83
Equity per share, SEK[21]	36.1	25.4	26.0	23.6	21.5	20.1	10.6	9.5	10.2	8.4	5.9

20) Including depreciation of goodwill of MSEK 50.
21) Based on the number of shares outstanding as of the date of this Prospectus.

SEGMENT INFORMATION

During 2014, Lifco has changed it segment reporting. The below financial information regarding the different segments within the Group are, accordingly, not directly obtained from Lifco's audited annual reports for the relevant financial years, but instead presented in accordance with the Company's new segment reporting. The information as such has thereby not been audited by the Company's auditors, which means that investors should not place undue reliance on the information in connection with an investment in the Offering.

	IFRS				GAAP						
MSEK	**Jan-Sep 2014**	**Jan-Sep 2013**	**FY 2013**	**FY 2012**	**FY 2012**	**FY 2011**	**FY 2010**	**FY 2009**	**FY 2008**	**FY 2007**	**FY 2006**
Net sales											
Dental	2,348	2,062	2,826	2,840	2,840	2,439	1,674	1,663	1,435	1,048	890
Demolition & Tools	934	875	1,189	1,176	1,176	992	862	736	1,039	743	373
Systems Solutions	1,619	1,415	2,014	2,168	2,168	2,276	2,055	1,747	2,428	1,869	1,366
Total	**4,901**	**4,351**	**6,030**	**6,184**	**6,184**	**5,707**	**4,591**	**4,146**	**4,901**	**3,660**	**2,629**
Total growth in net sales											
Dental	13.9%	0.0%	-0.5%	16.5%	16.5%	45.7%	0.7%	15.9%	36.9%	17.8%	8.0%
Demolition & Tools	6.8%	2.5%	1.1%	18.5%	18.5%	15.1%	17.1%	-29.1%	39.9%	99.0%	51.0%
Systems Solutions	14.4%	-12.6%	-7.1%	-4.7%	-4.7%	10.7%	17.7%	-28.1%	29.9%	36.8%	15.9%
Total	**12.6%**	**-4.0%**	**-2.5%**	**8.4%**	**8.4%**	**24.3%**	**10.7%**	**-15.4%**	**33.9%**	**39.2%**	**16.9%**
Organic growth in net sales											
Dental	0.7%	1.9%	0.7%	0.3%	0.3%	-2.5%	5.0%	8.9%	11.1%	6.6%	8.0%
Demolition & Tools	2.9%	4.7%	2.8%	6.9%	6.9%	17.7%	23.2%	-34.6%	-4.5%	14.8%	38.5%
Systems Solutions	11.3%	-11.5%	-6.3%	-7.8%	-7.8%	12.3%	22.7%	-30.3%	10.1%	19.4%	16.1%
Total	**4.6%**	**-2.4%**	**-1.4%**	**-1.8%**	**-1.8%**	**7.9%**	**15.7%**	**-19.8%**	**7.4%**	**14.4%**	**15.6%**
Growth by acquisition in net sales											
Dental	10.0%	-	-	18.5%	18.5%	52.7%	0.6%	1.4%	24.4%	11.3%	0.2%
Demolition & Tools	-	0.4%	0.3%	12.1%	12.1%	3.3%	1.9%	-	43.7%	86.6%	12.9%
Systems Solutions	-	-	-	4.2%	4.2%	1.6%	-	-	18.3%	17.6%	-
Total	**4.7%**	**0.1%**	**0.1%**	**11.7%**	**11.7%**	**20.5%**	**0.6%**	**0.4%**	**25.2%**	**25.3%**	**1.5%**
Currency and other effects in net sales											
Dental	3.2%	-1.9%	-1.2%	-2.3%	-2.3%	-4.5%	-4.9%	5.6%	1.4%	-0.1%	-0.2%
Demolition & Tools	3.9%	-2.7%	-2.0%	-0.5%	-0.5%	-5.9%	-8.1%	5.5%	0.6%	-2.5%	-0.5%
Systems Solutions	3.1%	-1.1%	-0.7%	-1.2%	-1.2%	-3.2%	-5.1%	2.3%	1.5%	-0.2%	-0.1%
Total	**3.3%**	**-1.8%**	**-1.2%**	**-1.5%**	**-1.5%**	**-4.2%**	**-5.5%**	**3.9%**	**1.3%**	**-0.5%**	**-0.2%**
EBITDA											
Dental	410	307	417	396	396	329	264	204	123	122	109
Demolition & Tools	212	191	264	285	286	211	172	93	176	192	115
Systems Solutions	181	83	147	169	169	223	190	122	262	194	132
Group functions	-54	-50	-68	-64	-64	-66	-52	-49	-47	-49	-40
Total	**749**	**530**	**760**	**786**	**787**	**698**	**574**	**371**	**515**	**460**	**315**
Depreciation according to plan											
Dental	-16	-14	-18	-20	-20	-17	-11	-11	-10	-9	-7
Demolition & Tools	-16	-13	-18	-17	-17	-17	-17	-14	-15	-8	-5
Systems Solutions	-24	-23	-32	-34	-34	-33	-35	-38	-36	-32	-24
Total	**-56**	**-50**	**-68**	**-71**	**-71**	**-67**	**-63**	**-64**	**-62**	**-49**	**-36**

EBITA											
Dental	394	293	399	376	376	312	253	193	113	114	102
Demolition & Tools	196	178	246	268	269	194	155	77	160	185	111
Systems Solutions	157	59	115	136	136	190	155	83	227	162	106
Group functions	-54	-50	-68	-64	-64	-66	-52	-49	-47	-49	-39
Total	**692**	**480**	**692**	**715**	**716**	**631**	**511**	**305**	**453**	**412**	**280**
EBITA-margin											
Dental	16.8%	14.2%	14.1%	13.2%	13.2%	12.8%	15.1%	11.6%	7.9%	10.9%	11.4%
Demolition & Tools	21.0%	20.4%	20.7%	22.8%	22.9%	19.6%	17.9%	10.5%	15.4%	24.9%	29.7%
Systems Solutions	9.7%	4.2%	5.7%	6.3%	6.3%	8.3%	7.5%	4.8%	9.3%	8.7%	7.7%
Total	**14.1%**	**11.0%**	**11.5%**	**11.6%**	**11.6%**	**11.1%**	**11.1%**	**7.3%**	**9.2%**	**11.3%**	**10.6%**
Amortisation of acquisition related intangible fixed assets											
Dental	-21	-1	-1	-	-106	-78	-17	-10	-11	-7	-4
Demolition & Tools	-4	-5	-6	-3	-44	-38	-38	-44	-39	-22	-5
Systems Solutions	0	-	0	-	-25	-25	-26	-30	-28	-19	-11
Total	**-25**	**-6**	**-7**	**-3**	**-175**	**-141**	**-81**	**-84**	**-79**	**-48**	**-21**
Items affecting comparability											
Dental	-10	-	0	0	0	0	0	-4	-6	-	-1
Demolition & Tools	-	-	-	1	-	-	-	-	-4	-	-2
Systems Solutions	0	0	-59[22]	0	0	0	-5	8	3	-	1
Group functions	-15	-	-	-	-	-	-	-	-	-	-
Total	**-25**	**-**	**-58[23]**	**1**	**0**	**0**	**-6**	**4**	**-6**	**-**	**-1**
EBIT											
Dental	363	292	398	376	270	234	236	179	96	107	97
Demolition & Tools	192	173	240	266	225	156	117	33	117	163	104
Systems Solutions	157	59	56	136	111	165	124	61	202	143	96
Group functions	-69	-50	-68	-64	-64	-66	-52	-49	-47	-49	-39
Total	**642**	**474**	**627**	**713**	**541**	**490**	**424**	**225**	**368**	**364**	**258**
Acquisition of property, plant and equipment											
Dental	16	11	18	13	13	5	5	8	28	17	7
Demolition & Tools	30	21	30	21	21	27	30	25	29	11	6
Systems Solutions	28	28	47	42	42	23	19	23	75	25	31
Group functions	-	-	-	-	-	-	-	-	-	11	-
Total	**74**	**60**	**95**	**75**	**76**	**56**	**55**	**55**	**132**	**64**	**44**
Acquisition of subsidiary operations, net of cash acquired											
Dental	1,264	-	0	-	-	1,616	644	68	13	66	23
Demolition & Tools	-	-	-	90	95	100	19	-	93	493	15
Systems Solutions	-	-	-	-	-	55	-	8	76	285	65
Total	**1,264**	**0**	**0**	**90**	**95**	**1,771**	**663**	**76**	**182**	**843**	**103**

22) Including depreciation of goodwill of MSEK 50.
23) Including depreciation of goodwill of MSEK 50.

QUARTERLY INFORMATION

Lifco's first interim report was made public for the third quarter 2014, which means that financial information for prior quarters has not been audited or briefly reviewed by the Company's auditors. Accordingly, apart from the financial information for the period January – September 2014, the below financial information has not been audited or briefly reviewed by the Company's auditors. Investors should thereby not place undue reliance on the information in connection with an investment in the Offering.

Lifco

	IFRS								GAAP									
MSEK	**Jul-Sep 2014**	**Apr-Jun 2014**	**Jan-Mar 2014**	**FY 2013**	**Okt-Dec 2013**	**Jul-Sep 2013**	**Apr-Jun 2013**	**Jan-Mar 2013**	**FY 2012**	**Okt-Dec 2012**	**Jul-Sep 2012**	**Apr-Jun 2012**	**Jan-Mar 2012**	**FY 2011**	**Okt-Dec 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**
Net sales	1,653	1,710	1,539	6,030	1,678	1,392	1,559	1,401	6,184	1,650	1,374	1,616	1,544	5,707	1,697	1,496	1,369	1,145
EBITA	227	252	214	692	211	167	174	139	715	201	132	215	167	631	191	144	178	118
EBITA-margin, %	13.7%	14.7%	13.9%	11.5%	12.6%	12.0%	11.2%	9.9%	11.6%	12.2%	9.6%	13.3%	10.8%	11.1%	11.3%	9.6%	13.0%	10.3%

Dental

	IFRS								GAAP									
MSEK	**Jul-Sep 2014**	**Apr-Jun 2014**	**Jan-Mar 2014**	**FY 2013**	**Okt-Dec 2013**	**Jul-Sep 2013**	**Apr-Jun 2013**	**Jan-Mar 2013**	**FY 2012**	**Okt-Dec 2012**	**Jul-Sep 2012**	**Apr-Jun 2012**	**Jan-Mar 2012**	**FY 2011**	**Okt-Dec 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**
Net sales	766	828	755	2,826	764	637	721	703	2,840	779	606	707	748	2,439	803	722	493	421
EBITA	127	147	120	399	106	92	96	106	376	106	72	86	112	312	111	79	60	63
EBITA-margin, %	16.6%	17.8%	15.9%	14.1%	13.8%	14.4%	13.3%	15.1%	13.2%	13.6%	11.9%	12.1%	15.0%	12.8%	13.8%	10.9%	12.1%	14.9%

Demolition & Tools

	IFRS								GAAP									
MSEK	**Jul-Sep 2014**	**Apr-Jun 2014**	**Jan-Mar 2014**	**FY 2013**	**Okt-Dec 2013**	**Jul-Sep 2013**	**Apr-Jun 2013**	**Jan-Mar 2013**	**FY 2012**	**Okt-Dec 2012**	**Jul-Sep 2012**	**Apr-Jun 2012**	**Jan-Mar 2012**	**FY 2011**	**Okt-Dec 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**
Net sales	298	328	309	1,189	314	279	326	270	1,176	322	263	324	266	992	265	252	265	210
EBITA	57	68	71	246	68	59	69	50	269	84	51	88	45	194	56	47	58	33
EBITA-margin, %	19.1%	20.7%	23.1%	20.7%	21.7%	21.2%	21.3%	18.4%	22.9%	26.3%	19.4%	27.1%	17.0%	19.6%	20.9%	18.7%	21.9%	15.9%

Systems Solutions

	IFRS								GAAP									
MSEK	**Jul-Sep 2014**	**Apr-Jun 2014**	**Jan-Mar 2014**	**FY 2013**	**Okt-Dec 2013**	**Jul-Sep 2013**	**Apr-Jun 2013**	**Jan-Mar 2013**	**FY 2012**	**Okt-Dec 2012**	**Jul-Sep 2012**	**Apr-Jun 2012**	**Jan-Mar 2012**	**FY 2011**	**Okt-Dec 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**	**Jul-Sep 2011**
Net sales	589	554	475	2,014	600	476	512	427	2,168	549	505	584	530	2,276	628	522	611	515
EBITA	61	55	41	115	56	32	26	2	136	30	24	57	24	190	48	32	75	35
EBITA-margin, %	10.3%	9.9%	8.7%	5.7%	9.3%	6.7%	5.1%	0.4%	6.3%	5.4%	4.8%	9.8%	4.6%	8.3%	7.7%	6.1%	12.2%	6.8%

DEFINITIONS

Return on equity	Profit after tax attributable to equity holders of the Company and minority interests divided by average equity	$\frac{\textit{Profit after tax}^{24}}{\textit{Average equity}}$
Return on capital employed	EBITA divided by average capital employed	$\frac{\textit{EBITA}}{\textit{Average capital employed}}$
Return on capital employed excluding goodwill and other intangible assets	EBITA divided by average capital employed excluding goodwill and other intangible assets	$\frac{\textit{EBITA}}{\textit{Average capital employed excluding goodwill and other intangible assets}}$
EBIT	Operating income/Income before financial items and taxes	
EBITA	Operating income before amortisation of intangible assets arinsing from acquisitions and restructuring, integration and acquisition related costs	
EBITA-margin	EBITA divided by net sales	$\frac{\textit{EBITA}}{\textit{Net sales}}$
EBITDA	Operating income before depreciations, amortisations and restructuring, integration and acquisition related costs	
EBITDA-margin	EBITDA divided by net sales	$\frac{\textit{EBITDA}}{\textit{Net sales}}$
Net gearing	Interest-bearing net debt divided by equity	$\frac{\textit{Interest-bearing debt}}{\textit{Equity}}$
Earnings per share	Profit after tax attributable to equity holders of the Company divided by average number of outstanding shares	$\frac{\textit{Profit after tax}^{25}}{\textit{Average number of outstanding shares}}$
Interest-bearing net debt	Liabilities to financial institutions including interest-bearing pension provisions less cash and cash equivalents	
Equity ratio	Equity divided by total assets	$\frac{\textit{Equity}}{\textit{Total assets}}$
Capital employed	Total assets less cash and cash equivalents and non interest-bearing liabilities	
Capital employed excluding goodwill and other intangible assets	Total assets less cash and cash equivalents and non interest-bearing liabilities excluding goodwill and other intangible assets	

Equity is constituted by equity attributable to equity holders of the Company and minority interests.

24) Profit after tax attributable to equity holders of the Company and minority interests.
25) Profit after tax attributable to equity holders of the Company.

COMMENTS TO THE FINANCIAL INFORMATION

The following information should be read together with the section entitled "Financial information in brief", and the Company's audited annual reports and the generally reviewed interim report for the third quarter of 2014 which are found elsewhere in this Prospectus or which are incorporated through reference.

JANUARY – SEPTEMBER 2014 COMPARED WITH JANUARY – SEPTEMBER 2013

NET SALES

Lifco's net sales increased MSEK 550 to MSEK 4,901 for the first nine months of 2014, compared with MSEK 4,351 for the same period in 2013, an increase of 12.6 per cent. The increase is primarily due to the acquisition of MDH and organic growth in the business areas Demolition & Tools and Systems Solutions.

DENTAL

Net sales for Dental increased by MSEK 286 to MSEK 2,348 for the first nine months of 2014, compared with MSEK 2,062 for the same period in 2013, an increase of 13.9 per cent. The increase is primarily explained by the acquisition of MDH.

DEMOLITION & TOOLS

Net sales for Demolition & Tools increased by MSEK 59 to MSEK 934 for the first nine months of 2014, compared with MSEK 875 for the same period in 2013, an increase of 6.8 per cent. The increase was primarily due to solid growth in North America within Attachment for excavators and cranes as a result of the Company's investment in strengthening its sales force in the region in 2013. Weak growth in Russia was offset by strong growth in other markets.

SYSTEMS SOLUTIONS

Net sales for Systems Solutions increased by MSEK 204 to MSEK 1,619 for the first nine months of 2014, compared with MSEK 1,415 for the same period in 2013, an increase of 14.4 per cent. Growth was positive primarily within Relining, Contract Manufacturing and Interiors for service vehicles. Within Contract Manufacturing, the Company regained one of the customers it lost in 2013, at the same time as new contracts were won. The restructuring of the Relining operations yielded results during the periods and contributed to the increase in net sales. The conscious investment in in a high qualitative offering seems to generate positive results within Interiors for service vehicles.

EBITA

Lifco's EBITA increased by MSEK 212 to MSEK 692 for the first nine months of 2014, compared with MSEK 480 for the same period in 2013. The EBITA margin was 14.1 per cent for the first nine months of 2014, compared with 11.0 per cent for the same period in 2013. The increase is primarily due to the acquisition of MDH but also improved profitability within Demolition & Tools and Systems Solutions.

DENTAL

EBITA for Dental increased by MSEK 101 to MSEK 394 for the first nine months of 2014, compared with MSEK 293 for the same period in 2013. The EBITA margin was 16.8 per cent for the first nine months of 2014, compared with 14.2 per cent for the same period in 2013. The acquisition as well as the existing operations in Finland and Norway had the most positive effect on the Dental business.

DEMOLITION & TOOLS

EBITA for Demolition & Tools increased by MSEK 18 to MSEK 196 for the first nine months of 2014, compared with MSEK 178 for the same period in 2013. The EBITA margin was 21.0 per cent for the first nine months of 2014, compared with 20.4 per cent for the same period in 2013. The increase is primarily explained by a change in the product strategy during 2012 and increased volumes.

SYSTEMS SOLUTIONS

EBITA for Systems Solutions increased by MSEK 98 to MSEK 157 for the first nine months of 2014, compared with MSEK 59 for the same period in 2013. The EBITA margin was 9.7 per cent for the first nine months of 2014, compared with 4.2 per cent for the same period in 2013. All divisions had a positive development during the first nine months of 2014. All five divisions within the business area have contributed to the EBITA increase during the period.

INVESTMENTS AND AMORTISATION/DEPRECIATION

Investments in intangible and tangible fixed assets amounted to MSEK 81 for the first nine months of 2014, compared with MSEK 72 for the same period in 2013. Amortization and depreciation of intangible and tangible fixed assets amounted to MSEK 81 for the first nine months of 2014, compared with MSEK 56 for the same period in 2013.

LIQUIDITY AND FINANCIAL POSITION

Cash flow from operations before changes in working capital was positively affected by an improvement in the operating profit, amounting to MSEK 533 for the first nine months of 2014, compared with MSEK 371 for the same period in 2013.

Changes in working capital affected cash flow negatively by the amount of MSEK 63 for the first nine months of 2014, compared with a negative change of MSEK 58 for the same period in 2013. Cash flow from changes in working capital was primarily affected by an increase of current receivables.

Cash flow from the investment operations amounted to MSEK -1,333 for the first nine months of 2014, compared with MSEK -68 for the same period in 2013. The difference is primarily explained by the acquisition of MDH in the beginning of 2014.

Cash flow from financing activities amounted to MSEK 1,381 for the first nine months of 2014, compared with MSEK -324 for the same period in 2013. During the first nine months of 2014, the Company paid MSEK 109 in dividend compared with MSEK 108 for the first nine months of 2013. The Company paid MSEK 100 in group contributions for the first nine months of 2014 compared to MSEK 100 in 2013. Net borrowing/amortisation amounted to MSEK 1,091 for the first nine months of 2014 compared to MSEK -116 for the same period in 2013.

Cash flow for the first nine months of 2014 was MSEK 519, compared with MSEK -79 for the same period in 2013. Interest-bearing liabilities amounted to MSEK 3,060 as of the end of the first nine months of 2014, compared with MSEK 1,954 at the same time in 2013. The debt/equity ratio was 0.6 as of the end of the first nine months of 2014, compared with 0.7 on the same date in 2013. Net debt/EBITDA during the first nine months of 2014 was 2.1 compared to 2.1 for 2013.

ASSETS AND CAPITAL EMPLOYED

The Group's total assets increased by MSEK 2,450 to MSEK 7,814 as of the end of the first nine months of 2014, compared with MSEK 5,364 on the same date in 2013. The increase was primarily due to the acquisition of MDH in the beginning of 2014.

The Group's total fixed assets amounted to MSEK 4,973 as of the end of the first nine months of 2014, compared with MSEK 3,401 on the same date in 2013. Current assets, excluding cash and equivalents, increased by MSEK 202 to MSEK 1,849 as of the end of the first nine months of 2014, compared with MSEK 1,648 on the same date in 2013. Inventory after the third quarter of 2014 in relation to net sales the past twelve months was 12.4 per cent compared to 13.5 per cent for the same period 2013. Account receivables after the third quarter of 2014 in relation to net sales for the past twelve months were 11.9 per cent compared to 10.4 per cent for the same period 2013.

Cash and equivalents increased by MSEK 676 to MSEK 991 for the first nine months of 2014, compared with MSEK 315 for the same period in 2013.

Capital employed excluding goodwill and other intangible assets after the first nine months 2014 amounted to MSEK 841, compared to MSEK 970 at the same date 2013. Return on capital employed excluding goodwill and other intangible assets after the first nine months 2014 was 100.1 per cent, compared to 71.7 per cent at the same date 2013. Capital employed after the first nine months 2014 amounted to MSEK 5,403, compared to MSEK 4,000 at the same date 2013. Return on capital employed after the first nine months 2014 was 19.2 per cent, compared to 17.1 per cent at the same date 2013.

COMPARISON BETWEEN THE 2013 FINANCIAL YEAR AND THE 2012 FINANCIAL YEAR

NET SALES

Lifco's net sales decreased by MSEK 154 to MSEK 6,030 for 2013, compared with MSEK 6,184 for 2012, a decline of 2.5 per cent. The decline is primarily explained by a decline in net sales in the Systems Solutions business area as a consequence of a weaker growth for the Contract Manufacturing and Environmental technology divisions.

DENTAL

Net sales for Dental decreased by MSEK 14 to MSEK 2,826 for 2013, compared with MSEK 2,840 for 2012, a decline of 0.5 per cent. The decline was primarily due to lost procurement bids on the Finnish market and weak growth in the German low-price operations. However, this performance was compensated largely by favourable growth in the rest of the Nordic region.

DEMOLITION & TOOLS

Net sales for Demolition & Tools increased by MSEK 13 to MSEK 1,189 for 2013, compared with MSEK 1,176 for 2012, an increase of 1.1 per cent. The increase is primarily explained by strong growth for Remote controlled demolition machines in Asia and the United Kingdom.

SYSTEMS SOLUTIONS

Net sales for Systems Solutions decreased by MSEK 154 to MSEK 2,014 for 2013, compared with MSEK 2,168 for 2012, a decline of 7.1 per cent. The decline was primarily due to weaker growth for the Contract Manufacturing and Environmental Technology. Within Contract Manufacturing, the Company lost three major customers, which was partly driven by active efforts to focus deals with potential for sustained profit growth. The Sawmill equipment market in Sweden and Finland continued its weak performance. Within Environmental technology there was a lack of large, profitable projects.

EBITA

Lifco's EBITA decreased by MSEK 23 to MSEK 692 for 2013, compared with MSEK 715 for 2012. The EBITA margin was 11.5 per cent for 2013, compared with 11.6 per cent for 2012. The decline is primarily explained by negative growth within Demolition & Tools and Systems Solutions, which was partly compensated by positive growth for Dental.

DENTAL

EBITA for Dental increased by MSEK 23 to MSEK 399 for 2013, compared with MSEK 376 for 2012. The EBITA margin was 14.1 per cent for 2013, compared with 13.2 per cent for 2012. The increase is primarily explained by the strong performance of the operations in the Nordic region.

DEMOLITION & TOOLS

EBITA for Demolition & Tools decreased by MSEK 21 to MSEK 246 for 2013, compared with MSEK 268 for 2012. The EBITA margin was 20.7 per cent for 2013, compared with 22.8 per cent for 2012. The decrease is primarily explained by the operations within Attachments for excavators and cranes, where costs increased due to a restructuring of the factory in Germany and an investment in strengthening the sales force in North America. The decline was also due to weaker growth for the operations within camera and lighting equipment for radioactive environments.

SYSTEMS SOLUTIONS

EBITA for Systems Solutions decreased by MSEK 21 to MSEK 115 for 2013, compared with MSEK 136 for 2012. The EBITA margin was 5.7 per cent for 2013, compared with 6.3 per cent for 2012. The decrease is primarily explained by the decline in sales within Contract Manufacturing as well as Environmental technology. The Company initiated an adjustment to lower volumes, but the effect was not visible during the year. The operations within Interiors for service vehicles and Relining made only a very limited contribution to the Group's earnings.

INVESTMENTS AND AMORTISATION/DEPRECIATION

Investments in intangible and tangible fixed assets amounted to MSEK 114, compared with MSEK 85 for 2012. During the year, the Company decided to terminate its leasing operations in most of its markets, which contributed to an increase in the level of investment. Amortization/depreciation of intangible and tangible fixed assets amounted to MSEK 124 for 2013, compared with MSEK 74 for 2012.

LIQUIDITY AND FINANCIAL POSITION

Cash flow from operations before changes in working capital was negatively affected by a decline in the operating profit after financial items, amounting to MSEK 544 for 2013, compared with MSEK 610 for 2012.

Changes in working capital positively affected cash flow by the amount of MSEK 15 for 2013, compared with MSEK -1 for 2012. Cash flow from changes in working capital was primarily affected by an increase in operating liabilities.

Cash flow from investment activities amounted to MSEK -104 for 2013, compared with MSEK -157 for 2012.

Cash flow from financing activities amounted to MSEK -417 for 2013, compared with MSEK -377 for 2012. In 2013, the Company paid 108 in dividend compared with 95 in 2012. The Company paid 100 in group contributions in 2013 compared to 110 in 2012.

Cash flow was negatively affected by a one-off tax payment in Germany of MEUR 5 relating to the acquisition of EDP.

Cash flow was MSEK 37 for 2013, compared with MSEK 76 for 2012, and cash and equivalents amounted to MSEK 442 for 2013, compared with MSEK 402 for 2012. Interest-bearing liabilities amounted to MSEK 1,901 for 2013, compared with MSEK 2,059 for 2012; consequently, net debt amounted to MSEK 1,420 for 2013, compared with MSEK 1,618 for 2012. The debt/equity ratio was 0.60 for 2013, compared with 0.75 for 2012. Net debt/EBITDA in 2013 was 1.9 compared with 2.1 in 2012.

ASSETS AND CAPITAL EMPLOYED

The Group's total assets increased by MSEK 76 to MSEK 5,468 for 2013, compared with MSEK 5,392 for 2012.

The Group's total fixed assets amounted to MSEK 3,435 for 2013, compared with MSEK 3,383 for 2012. Current assets, excluding cash and equivalents, decreased by MSEK 16 to MSEK 1,592 for 2013, compared with MSEK 1,608 for 2012. Inventories relative to net sales were 12.6 per cent for 2013, compared with 12.2 per cent for 2012. Account receivables in relations to sales were 11.1 per cent in 2013 compared to 10.7 per cent in 2012.

Cash and equivalents increased by MSEK 40 to MSEK 442 for 2013, compared with MSEK 402 for 2012.

Capital employed excluding goodwill and other intangible assets for 2013 amounted to MSEK 833, compared to MSEK 832 for 2012. Return on capital employed excluding goodwill and other intangible assets for 2013 was 73.0 per cent, compared to 71.0 per cent for 2012. Capital employed for 2013 amounted to MSEK 3,880, compared to MSEK 3,848 for 2012. Return on capital employed for 2013 was 17.4 per cent, compared to 18.1 per cent for 2012.

COMPARISON BETWEEN THE 2012 FINANCIAL YEAR AND THE 2011 FINANCIAL YEAR (NOT IN ACCORDANCE WITH IFRS)

NET SALES

Lifco's net sales increased by MSEK 477 to MSEK 6,184 for 2012, compared with MSEK 5,707 for 2011, an increase of 8.4 per cent. The increase is explained by the acquisitions of Ahlberg Cameras and RF-System within the Demolition & Tools business area and by the acquisition of European Dental Partners ("EDP") within the Dental business area.

DENTAL

Net sales for Dental increased by MSEK 401 to MSEK 2,840 for 2012, compared with MSEK 2,439 for 2011, an increase of 16.5 per cent. The increase was primarily due to the acquisition of German dental Group, EDP. Organic growth was tempered by lost procurement bids on the Finnish market and weak growth for the German low-price operations.

DEMOLITION & TOOLS

Net sales for Demolition & Tools increased by MSEK 184 to MSEK 1,176 for 2012, compared with MSEK 992 for 2011, an increase of 18.5 per cent. The increase is primarily explained by organic growth and the acquisition of Ahlberg Cameras, which provides camera and lighting equipment for radioactive environments, and by the fact that RF-System, which was acquired in November 2011, contributed a whole year's sales.

SYSTEMS SOLUTIONS

Net sales for Systems Solutions decreased by MSEK 108 to MSEK 2,168 for 2012, compared with MSEK 2,276 for 2011, a decline of 4.7 per cent. The decline was primarily due to a weak demand for operations within the sawmill industry, which was characterized by weak markets in Finland and Sweden.

EBITA

Lifco's EBITA increased by MSEK 85 to MSEK 716 for 2012, compared with MSEK 631 for 2011. The EBITA margin was 11.6 per cent for 2012, compared with 11.1 per cent for 2011. The increase was primarily due to organic growth and acquired earnings growth within the Dental and Demolition & Tools business areas.

DENTAL

EBITA for Dental increased by MSEK 64 to MSEK 376 for 2012, compared with MSEK 312 for 2011. The EBITA margin was 13.2 per cent for 2012, compared with 12.8 per cent for 2011. The increase is primarily explained by the acquisition of EDP and solid growth in Denmark.

DEMOLITION & TOOLS

EBITA for Demolition & Tools increased by MSEK 75 to MSEK 269 for 2012, compared with MSEK 194 for 2011. The EBITA margin was 22.9 per cent for 2012, compared with 19.6 per cent for 2011. The increase is primarily explained by the acquisitions of Ahlberg Cameras and RF-System.

SYSTEMS SOLUTIONS

EBITA for Systems Solutions decreased by MSEK 54 to MSEK 136 for 2012, compared with MSEK 190 for 2011. The EBITA margin was 6.3 per cent for 2012, compared with 8.3 per cent for 2011. The decline is explained by a weak performance primarily for operations within Sawmill equipment, and Environmental technology. Within Environmental technology, profitability returned to normal levels after a very strong performance in 2011. The operations within Interiors for service vehicles and Relining made only a very limited contribution to the Group's earnings.

INVESTMENTS AND AMORTISATION/DEPRECIATION

Investments in intangible and tangible fixed assets amounted to MSEK 84 for 2012, compared with MSEK 56 for 2011. Amortization/depreciation of intangible and tangible fixed assets amounted to MSEK 246 for 2012, compared with MSEK 208 for 2011.

LIQUIDITY AND FINANCIAL POSITION

Cash flow from operations before changes in working capital was positively affected by an improvement in the operating profit, amounting to MSEK 545 for 2012, compared with MSEK 427 for 2011.

Changes in working capital affected cash flow by the amount of MSEK 99 for 2012, compared with MSEK 79 for 2011. Cash flow from changes in working capital was primarily affected by an increase in stock.

Cash flow after investments amounted to MSEK -152 for 2012, compared with MSEK -1,813 for 2011.

Cash flow from financing activities amounted to MSEK -427 for 2012, compared with MSEK 1,415 for 2011. In 2012, the Company paid MSEK 90 in dividend compared with MSEK 85 in 2011. The Company paid MSEK 110 in group contributions in 2012 compared to MSEK 65 in 2011. During 2012, the Company received MSEK 0 in contributions compared to MSEK 729 in 2011.

Cash flow was MSEK 64 for 2012, compared with MSEK 109 for 2011, and cash and equivalents amounted to MSEK 402 for 2012, compared with MSEK 338 for 2011. Interest-bearing liabilities amounted to MSEK 1,983 for 2012, compared with MSEK 2,212 for 2011; consequently, net debt amounted to MSEK 1,618 for 2012, compared with MSEK 1,912 for 2011. The debt/equity ratio was 0.82 for 2012, compared with 1.04 for 2011. Net debt/EBITDA in 2012 was 2.1 compared for 2.7 in 2011.

ASSETS AND CAPITAL EMPLOYED

The Group's total assets decreased by MSEK 151 to MSEK 5,155 for 2012, compared with MSEK 5,305 for 2011. The decline was primarily due to goodwill impairments.

The Group's total fixed assets amounted to MSEK 3,145 for 2012, compared with MSEK 3,320 for 2011.

Current assets, excluding cash and equivalents, decreased by MSEK 40 to MSEK 1,608 for 2012, compared with MSEK 1,648 for 2011. Inventories relative to net sales were 12.2 per cent for 2012, compared with 13.5 per cent for 2011. Account receivables in relations to sales were 10.7 per cent in 2012 compared to 11.8 per cent in 2011.

Cash and equivalents increased by MSEK 64 to MSEK 402 for 2012, compared with MSEK 338 for 2011.

CAPITAL STRUCTURE AND OTHER FINANCIAL INFORMATION

CAPITAL STRUCTURE AND NET INTEREST-BEARING LIABILITIES

The tables below present the Company's capital structure on a group level as per 30 September 2014. Refer to section "Share capital and ownership" for additional information on the Company's share capital and shares. The tables in this section should be read together with the section "Comments to the financial information" and the Company's financial statements, with pertaining notes, which are found elsewhere in this Prospectus or have been incorporated into the Prospectus by reference.

EQUITY AND LIABILITIES

Lifco is financed with equity and debt, where most of the debt comprises non-current interest-bearing liabilities. As per 30 September 2014, total equity amounted to MSEK 3,294. At the same date, Lifco had current interest-bearing liabilities of MSEK 736 and non-current interest-bearing liabilities, including pension provisions, of MSEK 2,365. Of the total debts of MSEK 4,520, MSEK 3,101 was interest-bearing. The non-interest-bearing liabilities totalling MSEK 1,419 were composed of deferred taxes, provisions, accounts payable, current tax liabilities, advance payments from clients, interim liabilities and other short term liabilities.

Presented below is Lifco's capital structure based on interest-bearing liabilities as of 30 September 2014.

MSEK	30 September 2014
Total current interest-bearing liabilities	
As guarantee	0
As security	6
Unsecured credit	730
Total current interest-bearing liabilities	**736**
Total non-current interest-bearing liabilities	
As guarantee	30[26]
As security	0
Unsecured credit	2,335
Total non-current interest-bearing liabilities	**2,365**
Equity	
Share capital	18
Other contributed capital	0
Other reserves	56
Retained earnings including profit for the year	3,220
Total equity	**3,294**

FINANCIAL NET INDEBTEDNESS

Presented below is Lifco's net financial indebtedness as of 30 September 2014

MSEK	30 September 2014
(A) Cash	0
(B) Other cash and cash equivalents	989
(C) Current investments	2
(D) Liquidity (A)+(B)+(C)	**991**
(E) Current receivables	**0**
(F) Current bank loans	56
(G) Current part of non-current liabilities	680
(H) Other current financial liabilities	0
(I) Current interest-bearing liabilities (F)+(G)+(H)	**736**
(J) Net current interest-bearing liabilities (I)-(E)-(D))	**-255**
(K) Non-current bank loans	2,246
(L) Issued bonds	0
(M) Other non-current bank loans	41
(N) Non-current interest-bearing liabilities (K)+(L)+(M)	**2,287**
(O) Net interest-bearing liabilities (J)+(N)	**2,032**

In addition to the commitments described above, the Company has made provisions for additional acquisition considerations of a total of MSEK 78, the outcome of which is related to the acquired companies' development since the acquisitions. Based on the companies' current development, Lifco believes that the provisions are sufficient.

REPORT ON WORKING CAPITAL MANAGEMENT AND CAPITAL REQUIREMENT

In the opinion of the board of directors of Lifco, the existing working capital is adequate for the Group's current needs for the coming 12-month period. Working capital refers to Lifco's possibility of obtaining access to cash and cash equivalents in order to meet its payment obligations as they fall due.

CREDIT AGREEMENTS

Lifco has on 6 October 2014 entered into a credit facility agreement with SEB entailing the replacement of the existing facility, with a maximum loan amount of MSEK 660 and MEUR 307 respectively, with a new facility as per 21 November 2014 with a maximum loan amount of MSEK 200 and MEUR 236, respectively. As per 30 September 2014 MSEK 487 and MEUR 266 was outstanding under the present loan. Lifco has also entered into an overdraft facility

26) The guarantee refers to pension liabilities associated with credit insurances and PRI.

agreement with SEB totaling MSEK 150, MEUR 6 and MUSD 8, respectively. As per 30 September 2014, MSEK 50 of the overdraft facility was utilised. For more information on Lifco's credit agreements, refer to the section "Legal considerations and supplementary information – Material agreements"

As of 30 September 2014, Lifco had MSEK 2,982 in interest-bearing liabilities to credit institutions, which corresponds to an indebtedness of approximately 38 per cent. The average interest rate on the credit facilities was approximately 1.3 per cent.

As of 30 September 2014, the average fixed-rate period amounted to 3 months.

By the end of 2013, Lifco estimated that a 1 per cent change in interest rates would result in an effect on interest costs of +/- MSEK 18. As of 30 September 2014, Lifco estimated that a 1 per cent change in interest rates would result in an effect on interest costs of +/- MSEK 29. This effect is estimated to be materially unchanged as of the date of this Prospectus.

INVESTMENTS

The table below presents Lifco's total investments for the financial years 2013, 2012 and 2011 as well as for the three first quarters of 2014 and 2013. The investments primarily comprise equipment, tools and fittings. Lifco's total investments for the financial years 2013, according to IFRS, 2012, according to IFRS, and 2011, according to Swedish GAAP, amounted to MSEK 114, MSEK 84 and MSEK 56 respectively. For the first three quarters of 2014 and 2013 Lifco's total investments amounted to MSEK 81 and MSEK 72, respectively.

	IFRS				GAAP	
MSEK	**Jan-Sep 2014**	**Jan-Sep 2013**	**FY 2013**	**FY 2012**	**FY 2012**	**FY 2011**
Investments in tangible fixed assets	74	60	95	75	76	56
Investments in intangible fixed assets	7	12	19	9	0	0
Total investments	**81**	**72**	**114**	**84**	**76**	**56**

In addition to the investments already made during 2014, the Company has resolved to make additional investments of approximately MSEK 20 during 2014.

FIXED ASSETS

Lifco's tangible fixed assets as of 30 September 2014 amounted to MSEK 365. Out of total fixed assets, MSEK 183 comprised buildings and land, MSEK 75 machines and other technical plants, MSEK 98 equipment, tools and fittings and MSEK 9 construction in progress.

Lifco's intangible fixed assets as of 30 September 2014 amounted to MSEK 4,562. The majority of the intangible fixed assets comprised goodwill, which as of 30 September 2014 amounted to MSEK 3,848. Of the remaining intangible fixed assets MSEK 389 comprised customer relations, MSEK 298 patents and trademarks and MSEK 26 other intangible fixed assets.

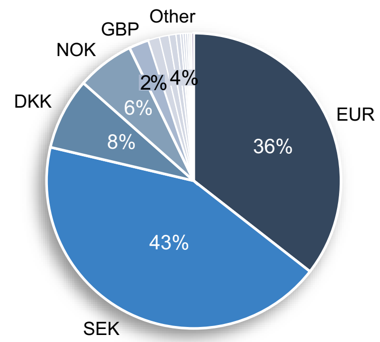
CURRENCY EXPOSURE

By the end of 2013, Lifco estimated that the Company's conversion exposure implied that a change of 1 per cent of the SEK in comparison to other currencies would affect the equity with +/- MSEK 4. As of 30 September 2014, Lifco estimated that the Company's conversion exposure implied that a change of 1 per cent of the SEK in comparison to other currencies would affect the equity with +/- MSEK 5. This effect is estimated to be materially unchanged as of the date of this Prospectus.

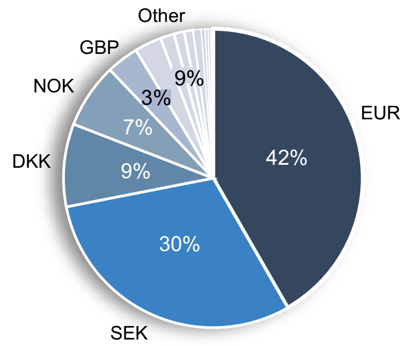
SIGNIFICANT CHANGES

No events of material significance to Lifco's financial position or position in the market have occurred since 30 September 2014.

CURRENCY EXPOSURE AS PER CENTAGE OF EBITA (2013)



CURRENCY EXPOSURE AS PER CENTAGE OF SALES (2013)



PRO FORMA FINANCIAL STATEMENTS

PURPOSE OF THE PRO FORMA FINANCIAL STATEMENTS

On 27 March 2014, Lifco, through its Germany subsidiary EDP European Dental Partners Holding GmbH, acquired MDH AG Mamish Dental Health (”MDH”). The consideration was financed through an external loan and liquid funds.

The purpose of the pro forma financial statements is to provide an overall presentation of the results for the Group, for the period 1 January to 31 December 2013 and for 1 January to September 2014, as if the acquisition had taken place on 1 January in the respective periods.

The pro forma financial statements are only intended to describe a hypothetical situation and have been prepared solely with the illustrative purpose to inform, and are not intended to report the period's actual results if the above events had taken place at the above stated points in time. Neither do the pro forma financial statements indicate the results of the operations at some future point in time.

BASIS FOR THE PRO FORMA FINANCIAL STATEMENTS

The pro forma financial statements for the period 1 January to 31 December 2013 are based on Lifco's audited consolidated accounts for the financial year 2013 and MDH's audited annual report for the financial year 2013.

For the period 1 January to 30 September 2014, the pro forma financial statements are based on the Group's interim report for the third quarter 2014, which has been reviewed by the Company's auditors, and the financial information for MDH for the period 1 January to 31 March 2014, due to the fact that MDH is consolidated in the Group from the second quarter 2014. This information is compiled from internally prepared financial reports which have not been examined by the Company's auditors.

Lifco applies IFRS, as adopted by the EU, while MDH has applied German accounting principles (German GAAP). The pro forma financial statements have been prepared in accordance with Lifco's accounting principles as described the annual report for the financial year 2013. The accounting principles and calculation methods for the current period are unchanged compared with those described in the 2013 annual report.

In preparing the pro forma financial statements, Lifco has executed an analysis to determine if there any significant differences between the accounting principles applied by Lifco according to IFRS and those applied by MDH. Lifco's assessment is that there are no significant differences that ought to be considered.

PRO FORMA FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2013

EXCHANGE RATES

The income statement for financial year 2013 for MDH and the pro forma adjustments in the income statement have been re-calculated at an exchange rate of 8.649 SEK/EUR, which is equivalent to the average rate applied by Lifco in the financial year 2013.

AMORTISATION

In conjunction with the acquisition, a total surplus value of MEUR 138.8 was identified which has been allocated as follows: goodwill, MEUR 92.4 (MSEK 826) and intangible assets MEUR 69.4 (MSEK 621), divided into brands, MEUR 27.7 (MSEK 248.4) and customer relationships, MEUR 41.6 (MSEK 372.5) and reduced by deferred tax, MEUR 23.0 (MSEK 205.5). The brand has been deemed to have an indefinite useful life and its value is not amortized. Client relationships are deemed to have a useful life of 10 years. The pro forma income statement has, therefore, been adjusted for 2013 with an additional annual amortization of intangible assets totalling MEUR 4.16 (MSEK 36).

INTEREST EXPENSES

Pro forma adjustments have been undertaken in order to reflect the impact of the acquisition of MDH and the impact of the loan financing. The pro forma financial statements have been prepared on the assumption that a bank loan is raised in conjunction with the acquisition. This loan is amortised on a straight line basis over 10 years, in accordance with the contractual terms, which implies quarterly amortisations of 2.5% of the nominal amount of the loan, equivalent to approximately MEUR 3.5.

The pro forma income statement has been charged with additional interest expenses attributable to the loan raised in conjunction with the acquisition. The bank loan incurs a variable interest rate and interest expenses are calculated to amount to MEUR 1.4 (MSEK 12.4) for the period January-December 2013, based on the development of 3 month's EURIBOR during 2013, with a mark-up of 85 basis points in accordance with the terms of the agreement.

TAXES

The pro forma expenses, regarding additional write-offs (MSEK 36) and interest expenses (MSEK 12.4), imply a positive impact on tax expenses in the Group, equivalent to MSEK 17.1. As regards the write-off of intangible assets, the calculation is based on a tax rate of 33.1 per cent which is the current tax rate for MDH, and the additional interest expenses, on the basis of an effective tax rate of 42 per cent.

PRO FORMA FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2014

EXCHANGE RATES

The income statement for the period 1 January - 30 September 2014 for MDH and the pro forma adjustments in the income statement have been re-calculated at the exchange rate 8.857 SEK/EUR which is equivalent to the average rate applied by Lifco in the period 1 January - 31 March 2014.

AMORTISATION

With the same starting point as above, the income statement has been adjusted to consider the additional amortisation, as MDH is included in the Group from April 2014, for the first quarter 2014 of MSEK 9.2 based on one quarter's amortisation totalling MEUR 1.04.

INTEREST EXPENSES

The pro forma income statement has been charged with interest expenses attributable to the loan raised in conjunction with the acquisition as if it had been raised as at 1 January 2014. The bank loan incurs variable interest and interest expenses are calculated to total MSEK 3.5 for the period January – March 2014, based on the development of 3 month's EURIBOR during the first quarter 2014, with a mark-up of 85 base points, in accordance with the terms of the agreement.

TRANSACTION EXPENSES

Transaction expenses of MSEK 5 have been adjusted for since these expenses would have impacted the income statement in an earlier period if the acquisition had taken place on 1 January. Due to the fact that these expenses are not deductible, the adjustment results in no tax consequences. This pro forma adjustment is of a one-off nature and is not recurring.

TAXES

The pro forma costs attributable to additional write-offs (MSEK 9.2) and interest expenses (MSEK 3.5) result in a positive result on tax expenses in the Group, equivalent to MSEK 4.2. The calculation is based on a 33.1 per cent tax rate concerning write-off of intangible assets, which is the current tax rate for MDH, and the additional interest expenses, on the basis of an effective tax rate of 40 per cent.

INCOME STATEMENT PRO FORMA 1 JANUARY – 31 DECEMBER 20133

MSEK	Lifco[27] Jan-Dec 2013	MDH[28] Jan-Dec 2013	Adjustments	Pro forma
Net sales	6,030	385		6,415
Cost of goods sold	-3,908	-135		-4,043
Gross profit	**2,122**	**250**	**0**	**2,372**
Selling expenses	-443	-17		-460
Administrative expenses	-979	-90	-36[29]	-1,105
R&D Expenses	-53	0		-53
Other income	20	8		28
Other expense	-41	-10		-51
Operating profit	**627**	**141**	**-36**	**731**
Financial income	7	1		8
Financial expens	-59	-2	-12[30]	-73
Financial items net	**-52**	**-1**	**-12**	**-65**
Share of profit in associates	0			0,0
Profit before tax	**575**	**141**	**-48**	**666**
Income tax	-187	-47	17[31]	-216
Profit for the period	**388**	**94**	**-31**	**450**
Profit attributable to:				
Owners of the parent	378	94	-31	441
Non-controlling interests	10			9
Profit for the period	**388**	**94**	**-31**	**450**

27) Based on audited financial statements for the financial year 2013.
28) Based on MDH's audited annual report for the financial year 2013 recalculated with an average rate of 8.649 SEK/EUR.
29) In conjunction with the acquisition customer relations was recognised at MEUR 41.6 as an intangible asset, which is amortized on straight line basis and with a useful life of 10 years. This implies an additional amortization of MEUR 4.16, corresponding to an additional expense of MSEK 36 recalculated with the average EUR/SEK rate used by the Group in 2013.
30) The acquisition was financed through a bank loan which shall be repaid over 10 years. The loan terms are 3 month's EURIBOR plus 85 basis points. This leads to an additional interest expense of MSEK 12.4 (1.4 MEUR).
31) Represent reduction in tax expense for the Group calculated with a tax rate of 33.1 per cent regarding the additional amortization of MSEK 36 and with an effective tax rate of 42 per cent regarding interest cost of MSEK 12.4. In total it amounts to a reduction of tax expense of MSEK 17.1.

INCOME STATEMENT PRO FORMA 1 JANUARY – 30 SEPTEMBER 2014

MSEK	Lifco[31] Jan-Sep 2014	MDH[32] Jan-Mars 2014	Justeringar	Pro forma
Net sales	4,901	96		4,997
Cost of goods sold	-3,072	-32		-3,104
Gross profit	**1,829**	**64**	**0**	**1,893**
Selling expenses	-329	-11		-340
Administrative expenses	-792	-25	-4[33]	-822
R&D Expenses	-41	0		-41
Non-recurring items	-14	0	0	-14
Other income & expenses	-11	-1		-12
Operating profit	**642**	**27**	**-4**	**665**
Financial items, net	-31	-0	-4[34]	-35
Profit before tax	**611**	**27**	**-8**	**630**
Income tax	-153	-9	5[35]	-158
Profit for the period	**458**	**18**	**-3**	**473**
Profit attributable to:				
Owners of the parent	451	18	-3	466
Non-controlling interests	7			7
Profit for the period	**458**	**18**	**-3**	**473**

32) Based on the interim report for 1 January – 30 September 2014, reviewed by the Company's auditor.
33) Based on internal reports prepared by the Company for the period 1 January – 31 March 2014 which has not been reviewed.
34) In conjunction with the acquisition customer relations was recognised at MEUR 41.6 as an intangible asset, which is amortised on straight line basis and with a useful life of 10 years. This leads to a yearly amortisation of MEUR 4.16, corresponding to a quarterly amortisation of MSEK 9.2 recalculated with the average EUR/SEK rate 8.857. As the acquisition is presented in the pro forma as of 1 January the profit or loss is adjusted for transaction costs of MSEK 5 which has affected profit and loss as they would have been expensed in an earlier period if the transaction had taken place on 1 January. In total this entails a net effect of MSEK -4.2 on administrative expenses and operating profit.
35) The acquisition was financed through a bank loan which shall be repaid over 10 years. The loan terms are 3 month's EURIBOR plus 85 basis points. Should the acquisition had been completed on 1 January, this had led to an additional interest expense of MSEK 3.5
36) Represent reduction in tax expense for the Group calculated with a tax rate of 33.1 per cent regarding the additional amortisation and with an effective tax rate of 40 per cent regarding the interest cost. In total it amounts to a reduction of tax expenses with MSEK 4.5.

AUDITORS' REPORT ON THE PRO FORMA FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF LIFCO AB (PUBL)

We have audited the pro forma financial information set out on pages 71-74 in Lifco's prospectus dated on 7 November 2014.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how the acquisition of MDH AG Mamish Dental Health ("MDH") might have affected the consolidated income statement for the Group for the period 1 January -31 December 2013 and 1 January – 30 September 2014 if the acquisition had occurred on 1 January in the respective period.

THE BOARD OF DIRECTORS' RESPONSIBILITY

It is the board of directors' responsibility to prepare the pro forma financial information in accordance with the requirements of the Prospectus Regulation (EC) No 809/2004.

THE AUDITOR'S RESPONSIBILITY

It is our responsibility to provide an opinion required by Annex II item 7 of Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. In particular, we do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor´s reports regarding historical financial information issued in the past.

WORK PERFORMED

We have performed our work in accordance with FAR´s Recommendation RevR 5 *Examination of Prospectuses*. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on page 71, and in accordance with the accounting principles applied by the company.

OPINION

In our opinion the pro forma financial information has been properly compiled on the basis stated on page 71 and in accordance with the accounting principles applied by the company.

Stockholm 7 November 2014

PricewaterhouseCoopers AB

Magnus Willfors
Authorized public accountant
Auditor in charge

Martin Johansson
Authorized public accountant

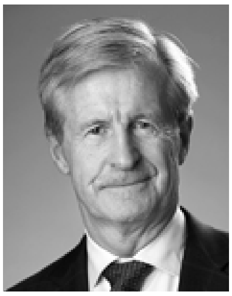
BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITOR

BOARD OF DIRECTORS

According to Lifco's articles of association, the board of directors shall be composed of not less than three and not more than nine members elected by the shareholders' meeting, with not more than nine deputy members. As per the date of this Prospectus, Lifco's board of directors is composed of eight ordinary members including the chairman of the board, with no deputy members, all of whom are elected for the period up until the end of the annual shareholders' meeting 2015. Additionally, two ordinary employee representatives, with two deputies, have been appointed. The table below sets forth the members of the board of directors elected by the shareholders' meeting as well as their position in relation to the Company, the Group management and the Principal Shareholder.

		Independent of	
Name	**Position**	**the Company and Group management**	**the Principal Shareholder**
Carl Bennet	Chairman of the board	Yes	No
Gabriel Danielsson	Board member	Yes	Yes
Sigbrit Franke	Board member	Yes	Yes
Erik Gabrielson[37]	Board member	Yes	Yes
Fredrik Karlsson	Board member and CEO	No	Yes
Johan Stern	Board member, deputy chairman of the board	Yes	No
Caroline Sundewall	Board member	Yes	Yes
Axel Wachtmeister	Board member	Yes	Yes

CARL BENNET



Chairman of the board since 2000. Chairman of the remuneration committee.

Born: 1951.
Education: MBA and Dr. Technol. h.c.
Other assignments: Chairman of the board and CEO of Carl Bennet AB. Chairman of the board of Elanders AB and Getinge AB. Board member of Holmen AB and L E Lundbergföretagen AB.
Previous assignments (last five years): Chairman of the board of Gothenburg University until 2013. Board member of Boliden AB until 2009 and SSAB AB until 2011.
Shareholding in the Company: Carl Bennet holds all the shares of Carl Bennet AB which, as of the date of this Prospectus, holds all the shares of Lifco.

GABRIEL DANIELSSON

Board member since 2006. Member of the remuneration committee.

Born: 1954.
Education: Forest officer and entrepreneur.
Other assignments: Board member and CEO of Linköpings Skogstjänst AB. Deputy board member and CEO of Slottstornet AB. Board member of Boxholms Skogar AB, Dylta Bruk Förvaltnings AB, Gustafsborgs Säteri AB, Kårehatt AB, Linköpings Skogstjänst Förvaltning AB, Wanås Gods AB, Wasaskog AB and Wasatornet AB. Deputy board member of Gripenbergs Skogar AB.
Previous assignments (last five years): Board member of Bordsjö Skogar AB and Fargalt AB until 2011 and Örmo Skogar AB until 2014.
Shareholding in the Company: None.

37) The board member Erik Gabrielson is a partner of Vinge law firm that renders legal services to Lifco, the Principal Shareholder and certain subsidiaries within the Group. The board of directors has made the overall assessment that Erik Gabrielson, nevertheless, is to be deemed independent in relation to the Company, the Group management and the Principal Shareholder.

SIGBRIT FRANKE

Board member since 2007.
Member of the audit committee.

Born: 1942.
Education: Ph.D. and professor, pedagogics.
Other assignments: Chairman of the board of Sigbrit Franke Consulting AB.
Previous assignments (last five years): Board member of Akademiska Hus AB until 2011.
Shareholding in the Company: None.

ERIK GABRIELSON

Board member since 2001.
Member of the audit committee.

Born: 1962
Education: LL.M.
Other assignments: Chairman of the board of Allegresse AB. Board member of Elanders AB, Advokatfirman Vinge AB, Advokatfirman Vinge Skåne AB, ECG Vignoble AB, ECG Vinivest AB, Generic Sweden AB, Rosengård Invest AB and Storegate AB. Deputy board member of Lamiflex Group AB.
Previous assignments (last five years): Deputy board member of Lamiflex International AB until 2013.
Shareholding in the Company: None.

FREDRIK KARLSSON

Board member since 1998.

Born: 1962.
Education: MBA and Master of Science.
Other assignments: Board member of the Royal Swedish Yacht Club and the German-Swedish Chamber of Commerce.
Previous assignments (last five years): Deputy board member of International One Design Group AB until 2012.
Shareholding in the Company: None.[38]

JOHAN STERN

Board member since 2001. Deputy chairman of the board since 2014. Member of the audit committee and the remuneration committee.

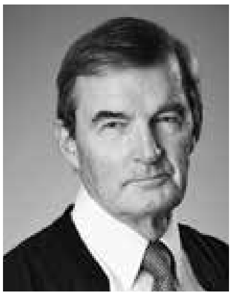
Born: 1951.
Education: MBA.
Other assignments: Chairman of the board of Fädriften Invest AB, Healthinvest Partners AB and Skanör Falsterbo Kallbadhus AB. Board member of Carl Bennet AB, Elanders AB, Estea AB, Getinge AB, Rolling Optics AB, RP Ventures AB, Foundation Harry Cullbergs Fond and Swedish-American Chamber of Commerce, Inc.
Previous assignments (last five years): None.
Shareholding in the Company: None.

CAROLINE SUNDEWALL

Board member since 2001.
Chairman of the audit committee.

Born: 1958.
Education: MBA.
Other assignments: Chairman of the board of Cloetta AB and Svolder AB and Streber Cup Foundation. Board member of Caroline Sundewall AB, Cramo Oyj, Hemfosa Fastigheter AB, Mertzig Asset Management AB and Södra Skogsägarna economic association.
Previous assignments (last five years): Board member of TeliaSonera AB until 2010, AB Electrolux and BorgWarner TorqTransfer Systems Holding AB until 2011, Haldex AB, SJ AB and Nybrojarl New 2 AB until 2012, TradeDoubler AB until 2013, Södra Cell AB and Pågengruppen AB until 2014.
Shareholding in the Company: None.

AXEL WACHTMEISTER



Board member since 2006.
Member of the remuneration committee.

Born: 1951.
Education: Master of Science.
Other assignments: Board member and CEO of Wästerslöv AB. Board member of Kilmartin Estate AB and Symbrio AB. Deputy board member of HAWAJ Holding AB and Sydsvensk Form Reklam i Höör AB.
Previous assignments (last five years): Board member of Biotech Invest i Albano AB until 2013.
Shareholding in the Company: None.

38) Fredrik Karlsson intends to subscribe for shares in the Offering for a value of approximately MSEK 30.

ANNIKA NORLUND

Employee representative since 2013.

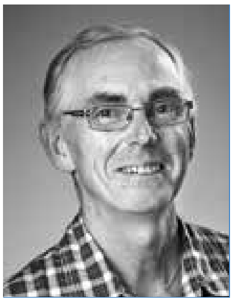
Born: 1967.
Other assignments: None.
Previous assignments (last five years): None.
Shareholding in the Company: None.

HANS-ERIC WALLIN

Employee representative since 2006.

Born: 1952.
Other assignments: Board member of Fastighets AB Polaris and Skellefteå Stadshus AB.
Previous assignments (last five years): Board member of Skellefteå City Airport AB until 2011.
Shareholding in the Company: None.

STEFAN HÅKANSSON



Employee representative (deputy) since 2011.

Born: 1960.
Other assignments: None.
Previous assignments (last five years): None.
Shareholding in the Company: None.

PETER VIBERG

Employee representative (deputy) since 2013.

Born: 1960.
Other assignments: None.
Previous assignments (last five years): None.
Shareholding in the Company: None.

SENIOR EXECUTIVES

FREDRIK KARLSSON

CEO since 1998.

For more information about Fredrik Karlsson, see above under the heading "Board of directors".

THERÉSE HOFFMAN

CFO since 2011.

Born: 1971.
Education: Upper secondary economics degree and International marketing at Mälardalen University.
Other assignments: None.
Previous assignments (last five years: None.
Shareholding in the Company: None.

PER WALDEMARSON

Head of the business area Dental since 2009.

Born: 1977.
Education: MBA.
Other assignments: None.
Previous assignments (last five years: None.
Shareholding in the Company: None.[39]

39) Per Waldemarson intends to subscribe for shares in the Offering for a value of approximately MSEK 7.5.

AUDITOR

PricewaterhouseCoopers AB has been the Company's auditor since 2010 and was, at the annual shareholders' meeting 2014, re-elected until the end of the annual shareholders' meeting 2015. Magnus Willfors (born 1963) is the auditor-in-charge. Magnus Willfors is an authorised public accountant and a member of FAR (professional institute for authorised public accountants). PricewaterhouseCoopers AB's office address is Torsgatan 1, SE-113 97 Stockholm, Sweden. PricewaterhouseCoopers AB has been auditor throughout the entire period covered by the historical financial information in this Prospectus.

UNDERTAKING TO ACQUIRE SHARES OF SENIOR EXECUTIVES

Fredrik Karlsson and Per Waldemarson have undertaken to acquire shares in Lifco in the Offering, for such amounts as set forth below. Apart therefrom, no board member or senior executive has undertaken to acquire any shares in the Company.

Name	Amount (SEK)
Fredrik Karlsson	30,000,000
Per Waldemarson	7,500,000

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

There are no conflicts of interest or potential conflicts of interest between the board members' and the senior executives' obligations towards the Company and their private interests and/or other undertakings (although Carl Bennet has financial interests in the Company due to his indirect shareholding in the Company). None of the board members or the senior executives has entered into agreements or any other arrangements with Lifco regarding benefits upon termination of their assignment. Carl Bennet and Gabriel Danielsson are cousins. In other respects, there are no family ties between any of the board members or the senior executives.

Over the past five years, no board member or senior executive has (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation, (iii) been subject of sanctions or accused by authorities or bodies acting for particular professional groups under public law or (iv) been subject to injunctions against carrying on business.

All board members and the senior executives can be contacted via the Company's main office at Verkmästaregatan 1, SE-745 85 Enköping, Sweden.

CORPORATE GOVERNANCE

GENERAL

Lifco is a Swedish public limited liability company. Prior to the listing on Nasdaq Stockholm, corporate governance in the Company was based on Swedish law and internal rules and directions. Once the Company has been listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and apply the Swedish Corporate Governance Code (the "Code"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be fully applied from the first annual shareholders' meeting held the year following the year of the listing. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (the so-called "comply or explain principle").

The Company will apply the Code from the time of the listing of the shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the financial year 2014. However, in the first corporate governance report, the Company is not required to explain non-compliance with such rules that have not been relevant during the period covered by the corporate governance report. The Company does not expect to report any deviations from the Code in the corporate governance report, with the exception of the chairman of the board of directors being the chairman of the nomination committee. According to the Company, it seems natural that a representative of the major shareholder in terms of votes is chairman of the nomination committee as the shareholder, nevertheless, has a decisive influence on the composition of the nomination committee through its majority of votes at the annual shareholders' meeting.

SHAREHOLDERS' MEETING

According to the Swedish Companies Act (2005:551) (*Sw. aktiebolagslagen*), the shareholders' meeting is the Company's ultimate decision-making body. At the shareholder's meeting, the shareholders exercise their voting rights in the key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's results, discharge from liability of board members and the CEO, election of board members and auditors and remuneration to the board of directors and the auditors.

The annual shareholders' meeting must be held within six months from the end of the financial year. In addition to the annual shareholders' meeting, extraordinary shareholders' meetings may be convened. According to Lifco's articles of association, shareholders' meetings are convened by publication of the convening notice in the Swedish National Gazette (*Sw. Post- och Inrikes Tidningar*) and on the Company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Dagens Industri. The shareholders' meeting may be held in either Enköping or Stockholm.

RIGHT TO PARTICIPATE IN SHAREHOLDERS' MEETINGS

Shareholders who wish to participate in a shareholders' meeting must be registered in the share register maintained by Euroclear on the day which occurs five business days prior to the meeting, and notify their participation to the Company no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the shareholders' meetings in person or by proxy and may be accompanied by a maximum of two advisors. Typically, it is possible for a shareholder to register for the shareholders' meeting in several different ways, as indicated in the notice of the meeting. A shareholder may vote for all shares in the Company held by the shareholder.

SHAREHOLDER INITIATIVES

Shareholders who wish to bring a matter before the shareholders' meeting must submit a written request to the board of directors of the Company. Such request must normally be received by the board of directors no later than the time specified on the Company's website and, at the latest, when the interim report for the third quarter of the year is published.

NOMINATION COMMITTEE

Companies applying the Code shall have a nomination committee. According to the Code, the shareholders' general meeting shall appoint the members of the nomination committee or resolve on procedures for appointing the members. The nomination committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to the Company and Group management. At least one member of the nomination committee shall be independent in relation to the largest shareholder in terms of voting rights or group of shareholders who cooperates in terms of the company's management.

Lifco's nomination committee intends to be formed of representatives of the largest shareholders of the Company and one representative of the minority shareholders. The nominating committee will be constituted and will meet well in advance of the annual general meeting in 2015 and its proposals will be presented in the notice of the annual general meeting and on the Company's website.

BOARD OF DIRECTORS

The board of directors is the second-highest decision-making body after the shareholders' meeting and the Company's highest executive body. According to the Swedish Companies Act, the board of directors is responsible for the organisation of the company and the management of the Company's affairs, which means that the board of directors is responsible for, among other things, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the financial position and results as well as evaluating the operating management. The board of directors is also responsible for ensuring that annual reports and interim reports are prepared in due time. The board of directors also appoints the Company's CEO.

The board members are normally appointed by the annual shareholders' meeting for the period up until the end of the next annual shareholders' meeting. According to the Company's articles of association, the board members elected by the shareholders' meeting shall be not less than three and not more than nine members with not more than nine deputy members.

According to the Code, the chairman of the board is to be elected by the shareholders' meeting and has a special responsibility for leading the work of the board of directors and for ensuring that the work of the board of directors is efficiently organised.

The board of directors applies written rules of procedure, which are revised annually and adopted by the constituent board meeting every year. Among other things, the rules of procedure govern the practice of the board of directors, functions and the division of work between the members of the board of directors and the CEO. At the constituent board meeting, the board of directors also adopts instructions for the CEO, including instructions for financial reporting.

The board of directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the board of directors and the CEO continuously discuss the management of the Company.

Currently, the Company's board of directors consists of eight ordinary members, who are presented in the section "Board of directors, senior executives and auditor".

AUDIT COMMITTEE

Lifco has an audit committee consisting of four members: Caroline Sundewall (chairman), Johan Stern, Sigbrit Franke and Erik Gabrielson. The audit committee shall among other things and without it affecting the responsibilities and tasks of the board of directors, monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal auditing and risk management, keep itself informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditor and pay close attention to whether the auditor are providing other services besides audit services for the Company. The committee is also tasked with examining the work of the auditors and providing this information to the nomination committee and to assist the nomination committee in preparing the proposal for auditor and remuneration for the audit services.

REMUNERATION COMMITTEE

Lifco has a remuneration committee consisting of four members: Carl Bennet (chairman), Johan Stern, Gabriel Danielson and Axel Wachtmeister. The remuneration committee shall prepare proposals concerning remuneration principles, remuneration and other employment terms for the CEO and the Group management.

THE CEO AND OTHER SENIOR EXECUTIVES

The CEO is subordinated to the board of directors and is responsible for the day-to-day management and the daily operations of Lifco. The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and the instructions for the CEO. The CEO is also responsible for the preparation of reports and compiling information for the board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the board of directors receives adequate information for the board to be able to continuously evaluate the Company's financial position.

The CEO shall continuously keep the board of directors informed of developments in the Company's operations, the development of sales, the Company's results and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions which can be of significance to the Company's shareholders.

REMUNERATION TO BOARD MEMBERS, THE CEO AND OTHER SENIOR EXECUTIVES

REMUNERATION TO THE BOARD MEMBERS

Remuneration and other compensation to the board members, including the chairman, are resolved by the annual shareholders' meeting. At the annual shareholders' meeting held on 15 May 2014, it was resolved that the remuneration to the board of directors should be in total SEK 4,400,000, to be distributed among the members of the board.

REMUNERATION DURING THE FINANCIAL YEAR 2013

The table on the next page presents an overview of the remuneration to the board of directors and other senior executives for the financial year 2013.

KSEK	Basic wages/ remuneration of directors	Variable remuneration	Other benefits	Pension costs	Total
Carl Bennet	1,050	-	-	-	1,050
Gabriel Danielson	525	-	-	-	525
Sigbrit Franke	525	-	-	-	525
Erik Gabrielson	525	-	-	-	525
Fredrik Karlsson (as board member)	-	-	-	-	0
Johan Stern	525	-	-	-	525
Caroline Sundewall	525	-	-	-	525
Axel Wachtmeister	525	-	-	-	525
Total	**4,200**	**0**	**0**	**0**	**4,200**
Fredrik Karlsson (as CEO)	17,440	9,500	56	10,246	37,242
Other senior executives	5,419	3,737	54	1,799	11,009
Total	**22,859**	**13,237**	**110**	**12,045**	**48,251**

GUIDELINES FOR REMUNERATION TO THE CEO AND OTHER SENIOR EXECUTIVES

At the annual shareholders' meeting 2015, it will be resolved on guidelines which shall apply in relation to remuneration to the CEO and the other senior executives.

Within the Group, agreements on variable salary with the CEO and certain other key persons in the subsidiaries exist. Lifco has the unilateral right to rescind or amend the terms of the variable salary. During the 2013 financial year approximately MSEK 29.5 was paid in such variable salary.

EMPLOYMENT AGREEMENT FOR THE CEO

Decisions as to the current remuneration levels and other conditions of the employment for the CEO have been resolved by the board of directors. In connection with the stock exchange listing, a remuneration committee will be established.

Lifco's CEO Fredrik Karlsson is entitled to a variable salary equivalent to not more than 70 per cent of the fixed salary. The variable salary is based on achieved results. In addition, Lifco allocates an amount equivalent to 60 per cent (salary cost not included) of the CEO's fixed salary to insurances for capital, pension, life and health. Employment agreements for the CEO may be terminated by the Company subject to twelve months' notice and by the CEO subject to six months' notice. During the notice period, the CEO is entitled to salary and all other benefits according to the terms and conditions of the employment agreement.

INTERNAL CONTROL

Lifco has not established a separate function for internal control and has presently not any intentions of doing so. This task is performed by the group management and Lifco's finance department, with the support of the external auditors. The audit committee also fulfils an important function in the internal control with the task of, among other things, evaluating the auditing and assessing the internal control.

For more information regarding the internal control and governance within the Group, refer to the section "Business overview – Management model"

AUDITING

The auditor shall review the Company's annual report and accounts, as well as the management of the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the annual shareholders' meeting.

According to the Company's articles of association, the Company shall have not less than one and not more than two auditors with not more than two deputy auditors. An authorised public accountant or a registered accounting firm shall be appointed as auditor. The Company's auditor is PricewaterhouseCoopers AB, with Magnus Willfors as auditor-in-charge.

In 2013, the total remuneration to the Company's auditor amounted to approximately MSEK 5.3, whereof approximately MSEK 4.3 concerned the audit assignment and approximately MSEK 1.0 concerned other assignments.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

GENERAL

Lifco is a Swedish public limited-liability company, with corporate registration number 556465-3185. The Company was incorporated on 30 March 1993, and its registered office is located in Enköping, Sweden.

According to the Company's articles of association, adopted by the extraordinary shareholders' meeting on 23 September 2014, the Company's share capital may not be less than SEK 10,000,000 and not more than SEK 40,000,000, and the number of shares may not be less than 50,000,000 and not more than 200,000,000 shares. As of the date of this Prospectus, the Company's share capital amounts to SEK 18 168 652, divided into a total of 90,843,260 shares, of which 6,075,970 are series A shares and 84,767,290 B shares. The shares are denominated in SEK each share has a quota value of SEK 0.20.

All shares in the Company have been issued in accordance with Swedish law. All shares issued have been fully paid for and are freely transferable. The rights of shareholders associated with the shares may only be amended in accordance with procedures set out in the Swedish Companies Act.

The shares included in the Offering are not subject to offers submitted due to mandatory offerings, redemption rights or sell-out obligations. No public takeover offer has been made for the offered shares during the current or preceding financial year. There are no shareholders' agreements or similar agreements with the aim of exercising joint control over the Company, nor are there any shareholders' agreements or similar agreements that could lead to changes in control over the Company.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

VOTING RIGHTS

At a shareholders' meeting in Lifco, one A share carries ten votes and one B share carries one vote. Each shareholder is entitled to cast votes for all the shares held by the shareholder in the Company.

PRE-EMPTIVE RIGHTS TO NEW SHARES ETC.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities in proportion to the class (A or B shares) and to the number of shares held prior to the issue.

Should the Company decide to, through a cash issue or a set-off issue, issue shares of one class only, every shareholder is entitled to subscribe for new shares in proportion to the number of shares previously owned, irrespective of the class (A or B shares) held.

RIGHTS TO DIVIDEND AND LIQUIDATION PROCEEDS

All shares in Lifco carry equal rights to dividends and the Company's assets and possible surplus in the event of liquidation.

Resolutions regarding dividends are determined by the shareholders' meeting. All shareholders registered in the share register maintained by Euroclear on the record date adopted by the shareholders' meeting are entitled to receive dividends. Dividends are normally distributed to shareholders as a cash amount per share, administered by Euroclear, but may also comprise forms other than cash dividends (in-kind dividends). If shareholders cannot be reached through Euroclear, such shareholder still retains its claim on the Company to the dividend amount, subject to a limitation of ten years. Upon limitation, the full dividend amount accrues to the Company.

There are no restrictions regarding the right to dividends payable for shareholders resident outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax; see also the section "Tax issues in Sweden".

CENTRAL SECURITIES REGISTER

Lifco's shares are connected to an electronic securities system, the VP system, in accordance with the Swedish Financial Instruments Accounts Act (1998:1478). This register is managed by Euroclear. No share certificates are issued for the Company's shares. The ISIN code for the Company's A share is SE0006370722. The ISIN code for the Company's B share is SE0006370730.

SHARE CAPITAL DEVELOPMENT

The table below shows historic changes in Lifco's share capital since its incorporation.

Year	Event	Changes in number of shares		Number of shares upon completion of the transaction			Share capital Changes	Share capital Total
1993	Incorporation		500			500	50,000	50,000
1993	Split 1:50		24,500			25,000	-	50,000
1993	Issue of new shares		4,975,000			5,000,000	9,950,000	10,000,000
1993	Issue of new shares		1,735,874			6,735,874	3,471,748	13,471,748
1993	Issue of new shares		821,746			7,557,620	1,643,492	15,115,240
		A shares	B shares	A shares	B shares	Total		
1998	Bonus issue	607,597	919,109	607,597	8,476,729	9,084,326	3,053,412	18,168,652
2014	Split 1:10	5,468,373	76,290,561	6,075,970	84,767,290	90,843,260	-	18,168,652

CONVERTIBLES, WARRANTS, ETC.

There are no outstanding warrants, convertibles or other share-related financial instruments in Lifco.

OWNERSHIP STRUCTURE

As of the date of this Prospectus, Lifco is wholly-owned by Carl Bennet AB. The table below sets forth Lifco's ownership structure directly after completion of the Offering, provided that all shares in the Offering are acquired and the right to expand the Offering and the Over-allotment option are fully exercised.

Shareholder	A shares	B shares	Total amount of shares	Total amount of votes
Carl Bennet AB	6,075,970	39,437,290	45,513,260	100,196,990
Övriga aktieägare	-	45,330,000	45,330,000	45,330,000
Total	**6,075,970**	**84,767,290**	**90,843,260**	**145,526,990**

LOCK UP-ARRANGEMENT

Through the placing agreement, which is expected to be entered into on or about 20 November 2014, the Principal Shareholder and the senior executives of the Company will undertake, with some reservations, not to sell or otherwise dispose of its respective holdings in the Company as per the date of completion of the Offering for a period of 180 days after trading on Nasdaq Stockholm has commenced (the "Lock-up period"). After the expiration of the Lock-up period, the shares may be offered for sale, which may affect the market price of Lifco's B share. Furthermore, the Company will in the placing agreement, towards the Managers, undertake not, without the prior written consent of the Global Coordinator, to resolve or propose to the shareholders' general meeting to decide on an increase of the share capital through the issuance shares or other financial instruments for a period of 180 days from the first day of trading in the Company's shares on Nasdaq Stockholm. Refer to the section "Legal considerations and supplementary information" – "Placing agreement".

ARTICLES OF ASSOCIATION

§ 1 The company's name is Lifco AB. The company is public limited liability company (publ).

§ 2 The company's shall have its registered office in Enköping, Sweden.

§ 3 The object of the company's business is, directly or indirectly, to own and manage immovable and movable property, and any other activities compatible therewith.

§ 4 The share capital shall be not less than SEK 10,000,000 and not more than SEK 40,000,000.

§ 5 The number of shares shall be not less than 50,000,000 and not more than 200,000,000.

§ 6 Two classes of shares may be issued: class series A shares which carry ten votes per share and class series B shares which carry one vote per share. Shares of either class may be issued up to an amount corresponding to the entire share capital.

If the company resolves to issue new shares of class A and class B, through a cash or set-off issue, shareholders of class A and class B shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (subsidiary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the subsidiary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.

If the company resolves only to issue shares of one class through a cash or set-off issue, all shareholders shall, irrespective of share class held, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.

If the company resolves to issue warrants or convertible debentures through a cash or set-off issue, the shareholders shall have pre-emption rights to subscribe for warrants as if the issue applied to the shares that may be subscribed for pursuant to the right of warrant and pre-emption rights to subscribe for convertible debentures as if the issue applied to the shares that the convertible debentures may be converted to, respectively.

The above shall not limit the right to resolve upon a cash or set-off issue with deviation from the shareholders' pre-emption rights.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In this connection, the shareholders of existing shares of a certain class shall have pre-emption rights to new shares of the same class. This shall not restrict the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendment to the articles of association.

§ 7 The board of directors elected by the shareholders' meeting shall consist of not less than three members and not more than nine members with not more than nine deputy members.

§ 8 The company shall have not less than one and not more than two auditors and not more than two deputy auditors. The elected auditor shall be an authorised public accountant or a registered public accounting firm.

§ 9 Notices of shareholders' meetings shall be made through announcement in Post- och Inrikes Tidningar (the Swedish Official Gazette) and be kept available on the company's website. It shall be announced in Dagens Industri that a notice of a shareholders' meeting has been issued.

§ 10 Shareholders who wish to participate in a shareholders' meeting shall be registered as shareholders on a transcript of the entire share register as stipulated in Chapter 7, Section 28, third paragraph of the Swedish Companies Act (2005:551) that relates to the conditions prevailing five workdays prior to the meeting and shall also provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the shareholders' meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be earlier than the fifth weekday prior to the meeting.

The shareholder is allowed to bring one or two counsels to the shareholders' meeting, provided that the shareholder gives notice thereof in accordance with the preceding paragraph.

Shareholders' meetings shall be convened in either Enköping or Stockholm.

§ 11 The following business shall be addressed at annual shareholders' meetings:

1. Election of chairman of the meeting
2. Preparation and approval of the voting list
3. Election of one or two persons to approve the minutes of the meeting
4. Approval of the agenda
5. Determination of whether the meeting has been duly convened
6. Submission of the annual report and the auditors' report and the consolidated financial statements and the auditors' report for the Group
7. Resolutions regarding
   a) adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet,
   b) allocation of the company's profits and losses in accordance with the adopted balance sheet,
   c) discharge of liability for the members of the board and the managing director
8. Determination of fees for members of the board and auditors
9. Election of members of the board and, when such election shall be conducted, auditors
10. Any other business that may come before the annual shareholders' meeting in accordance with the Swedish Companies Act

§ 12 The company's financial year shall be the calendar year.

§ 13 The company's shares shall be registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

The articles of association were adopted on the extraordinary shareholders' meeting on 23 September 2014.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

LEGAL GROUP STRUCTURE

Lifco is the parent company of a group comprising some hundred directly or indirectly, wholly or partly, owned subsidiaries. For a complete overview of all subsidiaries in the Group, see section "Group structure".

MATERIAL AGREEMENTS

MERGERS AND ACQUISITIONS

An essential part of Lifco's growth strategy is to expand through acquisitions, which either complement or broaden the Group's existing business. Lifco's strategy also entails that such subsidiaries in the Group that are not performing as expected, does not fit into the Group's other operations or which have reached their maximum expected performance may be divested. Below is an account of the acquisition agreements entered during the recent financial years, and which are of major importance to the Group or may entail a right or obligation of substantial importance for the Group.

EDP EUROPEAN DENTAL PARTNERS HOLDING GMBH

In June 2011 Lifco, through its subsidiary Lifco Dental International AB, acquired all shares in EDP European Dental Partners Holding GmbH ("EDP") from Silverfleet Capital, among others. EDP consists of two business areas in the dental industry; dental distribution and dental prosthetics production. EDP's largest unit is Muller & Weygandt, one of Germany's leading distributors of dental supplies with operations also in Austria, Switzerland and Hungary. In addition, EDP has, through other wholly-owned subsidiaries, a substantial presence within distribution to dentists in the Czech Republic and Slovakia (Dentamed), Slovenia (Prodent) and Croatia (Dentatus). EDP's operations within the dental prosthetics production area are conducted through the company InteraDent which is one of Germany's largest dental prosthetics laboratories with import operations and a large laboratory in Manila, Philippines. The acquisition agreement contains customary warranties from the sellers of EDP, most of them expired however thirteen months after completion of the acquisition. No warranty claims or other claims have been raised by Lifco towards the sellers.

MDH AG MAMISH DENTAL HEALTH

In March 2014 Lifco, through its German subsidiary EDP, acquired all shares in MDH AG Mamish Dental Health ("MDH"). MDH is Germany's largest importer of high-quality dental work. MDH's turnover in 2013 amounted to approximately MEUR 44 and the company has 150 employees and about 5,000 German dentists as customers. The acquisition agreement contains customary representations and warranties from the sellers of MDH. The sellers' responsibility in case of any breach of the representations or warranties is however limited to 7.5 per cent of the purchase price and the guarantees are subject to certain threshold amounts. Any warranty claims and demands must as a general rule be made within thirteen months from closing. No warranty claims or other demands have been raised by Lifco towards the sellers.

In connection with the due diligence process made prior to the acquisition, a number of potential tax exposures were identified. These exposures are covered by an indemnity issued by the sellers, which may be invoked by Lifco until the end of 2018, and a bank guarantee of MEUR 2.8, which is valid until 1 April 2019.

AHLBERG CAMERAS AB

In February 2012 Lifco, through its subsidiary Brokk AB, acquired 70 per cent of the shares in Ahlberg Electronics AB (later renamed Ahlberg Cameras AB), a manufacturer of camera and lamp systems for radioactive environments, operating in Norrtälje and Varberg in Sweden and the United States. The acquisition agreement contains customary representations and warranties from the sellers of Ahlberg Cameras. As per the date of this Prospectus, most of them have however expired. No warranty claims or other demands have been raised by Lifco towards the sellers.

In connection with the acquisition, the seller and Brokk also entered a mutual option agreement giving the seller the right to sell the remaining 30 per cent of the shares in Ahlberg Cameras to Brokk during the period 1 February to 31 March 2017. From 1 March – 30 April 2017 Brokk has the corresponding option of acquiring the remaining shares in Ahlberg Cameras. The consideration for such transfer shall correspond to 30 per cent of five times the average EBITA for Ahlberg Cameras and its subsidiaries for the financial years 2014 to 2016.

The ownership of Ahlberg Cameras is governed by a shareholders' agreement containing customary provisions, including certain veto rights for the minority shareholders regarding material decisions concerning Ahlberg Cameras.

NORDAUTOMATION OY

In June 2013, all shares in Nordautomation Oy ("Nordautomation") were divested by Lifco's subsidiary Sorb Industri AB. Acquirer of the shares was Nordautomations CEO. The price amounted to EUR 1 and gave rise to a capital loss for Sorb Industri of MSEK 5.7. Sorb Industri did not provide any warranties in connection with the divestment. The acquirer is obliged to pay an additional consideration to Sorb Industri equivalent to 40 per cent of Nordautomation's EBITA for the financial years 2013, 2014 and 2015. For the financial year 2013 no additional consideration was paid.

GALLAC AB

In November 2013, all shares in Gallac AB ("Gallac") were divested by Lifco's subsidiary Sorb Industri AB. Acquirer of the shares was an employee of Gallac. The price amounted to SEK 1 and gave rise to a capital loss for Sorb Industri of MSEK 14.6. Sorb Industri did not provide any essential warranties in connection with the acquisition, but has issued a guarantee for a line of credit of MSEK 1.5 raised by Gallac in connection with the acquisition.

RF-SYSTEM HOLDING AB

In November 2011, the subsidiary Kinshofer GmbH acquired all shares of RF-System Holding AB ("RF-System"), a company developing and marketing tools and products in areas such as rail, cable and line, demolition and sorting, cranes and crane trucks and ground and building constructions. The acquisition agreement contains customary representations and warranties from the sellers of RF-Systems, which representations and warranties however essentially have expired as per the date of this Prospectus. No warranty claims or other claims have been raised by Lifco towards the sellers. In addition to the initial consideration paid by Kinshofer in connection with the acquisition, additional consideration may be paid. The additional consideration is based on RF-System's and its subsidiaries' consolidated average profit before financial items during 2012-2014 and shall be paid no later than one month after the annual shareholders' meeting of RF-System has adopted the financial statements for the financial year 2014.

SHAREHOLDERS' AGREEMENTS

A number of subsidiaries within the Group are jointly owned with one or several other shareholders. However, Lifco exerts control of all subsidiaries within the Group in material respects. Listed below are the shareholders' agreement relating to the most significant jointly owned subsidiaries of the Group.

AL DENTE SOFTWARE A/S

Lifco's subsidiary Dansk Nordenta A/S holds 50 per cent of the shares in Al dente Software A/S ("Al dente") which develops, markets, sells and supports business systems for dental clinics. The remaining 50 per cent of the shares is held by two external owners, with 25 per cent each. The shareholders have entered a shareholders' agreement containing customary provisions, including giving the parties certain veto rights relating to significant decisions concerning Al dente and a mutual purchase right should any party wish to divest its shares in the company. The shareholders' agreement also includes an option for Dansk Nordenta A/S to acquire the remaining 50 per cent of the shares in Al dente during the period 1 January 2020 to 31 December 2021. The consideration of such acquisition shall amount to 50 per cent of five times Al dente's average EBIT for the five preceding financial years.

AS HEKOTEK

Lifco's subsidiary Sorb Industri AB holds 82.5 per cent of the shares in AS Hekotek ("Hekotek") which manufactures and sells equipment for sawmills in inter alia the Baltics. The remaining 17.5 per cent of the shares are held by one other shareholder. The shareholders have entered into a shareholders' agreement giving the minority shareholder certain veto rights relating to significant decisions concerning Hekotek and a mutual purchase right should the other party wish to divest its shares in the company. The shareholders' agreement further contains a so called "tag along" clause, giving the minority shareholder, where applicable, the right to divest its shares on the same terms and conditions as Sorb Industri AB.

AHLBERG CAMERAS AB

Lifco's ownership in Ahlberg Cameras is governed by a shareholders' agreement in accordance with what is stated in the section "Mergers and acquisitions" – "Ahlberg Cameras AB" above.

CUSTOMER AGREEMENTS

The Group's customers are present in highly differentiated industries and are of very different sizes. Some of the subsidiaries sell products and services directly to end users, while others distribute their products and services through resellers, distributors or agents, or a combination thereof.

The various customer agreements are thus, in view of what is stated above, of varying nature regarding among other things contract length, warranties, liability limitations and scope. The individual subsidiaries are to a certain extent dependent on retaining one or several larger customers in order to maintain their sales and operations, at least in the short or medium term. The Group itself however is not considered to be dependent on any single customer agreement, but the customer agreements set forth below are deemed to be of a significant importance for the Group.

RENHOLMEN AB

In February 2014 Lifco's subsidiary Renholmen AB entered an agreement with Lappi Timber Oy ("Lappi Timber") regarding delivery and installation of equipment for timber handling to a new sawmill in Kemijärvi, Finland. The overall contract value amounts to more than MSEK 100 and Renholmen's deliveries shall be completed during the first quarter of 2015. The agreement contains provisions entitling Lappi Timber to, in whole or in part, terminate the contract if a delivery delay of a certain extent occurs or if the delivery is subject to certain quality or performance deficiencies. Upon such termination Lappi Timber may be entitled to a refund and certain penalties and/or compensation for damages.

TEXOR AB

Lifco's subsidiary Texor AB specialises in the manufacture of production equipment in stainless steel for among others the Life Science industry. An essential part of Texor's revenues derive from an agreement for contract manufacturing with a major operator in the pharmaceutical industry. During 2013, the agreement, which was entered 2007, entailed revenues of more than MSEK 100. The agreement is valid until further notice with nine months' notice.

SUPPLIER AGREEMENTS

As is the case with the Group's customers, its suppliers are found in diverse areas, including smaller local suppliers and large international companies. The agreements with the Group's suppliers are therefore, as well as its customer agreements, of varying nature in terms of, inter alia, contract length, warranties, liability limitations and scope. The individual subsidiaries are to a certain extent dependent on retaining one or several larger suppliers in order to maintain its sales and operations, at least in the short or medium term. The Group itself is however not considered to be dependent on any single supplier, but the supplier agreement set forth below is deemed to be of a significant importance for the Group.

MDH AG MAMISH DENTAL HEALTH

MDH, which was acquired by Lifco's subsidiary EDP in March 2014, has entered into an agreement with Perfect Ceramic Dental Co. Ltd. ("PCD") relating to manufacture, repair and service of dental products. The agreement is an exclusivity agreement, meaning that PCD is only allowed to deliver to MDH in Germany or to any of the European partners linked to MDH. The agreement is valid until further notice with twelve months' notice period. PCD can however terminate the contract at the end of the 2015 at the earliest. The agreement includes inter alia certain volume commitment for MDH.

CREDIT AGREEMENTS

Lifco has on 6 October 2014 entered into a credit facility agreement with SEB entailing the replacement of the existing facility with a maximum loan amount of MSEK 660 and MEUR 307 respectively, with a new facility as per 21 November 2014 with a maximum loan amount of MSEK 200 and MEUR 236, respectively. The new loan has a maturity of 15 months with possibility of two additional 12 month extensions, subject to SEB's approval. As per 30 September 2014 MSEK 487 and MEUR 266 was outstanding under the present loan. In connection with the new credit agreement entering into force in November 2014, Lifco will make a repayment of the difference between the current debt and the maximum amounts of the new credit agreement. The agreement is not subject to any collateral, but contains customary terms (covenants) relating to, among other things, certain financial ratios of the Group. The agreement contains a control clause, which means that if one or several persons (excluding the Principal Shareholder) acting in concert acquire shares in the Company to the extent that a mandatory offer obligation arises or acquire shares in the Company to the extent that they hold or control more than 50 per cent of the voting rights, the credit agreement may be terminated by the lender and due for repayment. The credit agreement may also be terminated and due for repayment should the Lifco share no longer be listed on Nasdaq Stockholm.

Lifco has also entered into an overdraft facility agreement with SEB totaling MSEK 150, MEUR 6 and MUSD 8, respectively. The agreement is valid until 31 December 2014 with the right of additional 12 months extensions from each extension occasion, provided that SEB has not terminated the overdraft facility agreement with one month's notice. As per 30 September 2014, MSEK 50 of the overdraft facility was utilised.

INTELLECTUAL PROPERTY

The Group's intellectual property rights consist of registered patents and patent applications, registered trademarks and trademark applications, registered designs and domain names. The Group's operations are not considered to be directly dependent on any single intellectual property right. No company within the Group is currently subject to any material claims relating to any liability or similar by reason of any alleged infringement of third party intellectual property rights.

ENVIRONMENTAL MATTERS

The subsidiaries Modul-System HH AB, Lövånger Elektronik AB, Zetterströms Rostfria AB and Texor AB conduct notifiable hazardous activities under the Swedish Environmental Code (Sw. Miljöbalken), meaning that they are under the supervision of the environmental Committee in each respective municipality.

No company within the Group is currently involved in any environmental litigation or subject to any requirements regarding remediation or liability due to environmental pollution.

DISPUTES

No company within the Group is, and has not been over the past twelve months, a party to any legal or arbitration procedures that have had or could have significant effects on the Company or the Group's financial position or profitability.

INSURANCES

Lifco has, for its own account and for the Swedish companies within the Group, entered into customary business insurances, including, inter alia, property and business interruption insurance, product liability insurance, liability insurance for the board of directors and the CEO, cargo insurance and business journey insurance. The subsidiary Proline Group AB are however covered by a separate insurance program. The non-Swedish subsidiaries of the Group have, pursuant Lifco's insurance policies, a customary insurance coverage that covers damage comprising at least 10,000,000 SEK, 1,000,000 EUR or 1,000,000 USD.

Over the past three years there have only been a few insurance claims, and no such claim has been significant to the Group or the relevant subsidiary.

Lifco considers the insurances in the Group to be in line with those of other companies in the same business and that they are sufficient for the risks normally associated with the Company's business. However, there is no guarantee that the Company will not suffer losses that may not be covered by its insurances.

REAL ESTATE

Most of the subsidiaries within the Group conduct their operations in leased premises. The lease terms are in the Company's view customary and in accordance with the market price for the relevant type of leases. No such leases have, as of the date of this Prospectus, been terminated or are under renegotiation. No single subsidiary within the Group is considered to be dependent of the premises that are currently leased. Instead, they are deemed to be able to find new premises during the relevant notice period.

A number of subsidiaries within the Group own the property or properties where the subsidiary operates. As of the date of this Prospectus, there are no property disputes or environmental disputes regarding these properties.

PLACING AGREEMENT

Under the terms of the Placing agreement, which is expected to be entered into on or about 20 November 2014 between the Company, the Principal Shareholder and the Managers, the Principal Shareholder accepts to divest 34,602,400 shares of series B in the Company to the buyers designated by the Managers. In the event that the Managers fail to provide such buyers, the Managers have committed to acquire the shares in the Offering themselves. Furthermore, the Placing agreement grants the Principal Shareholder the right to expand the Offering with not more than 6,606,700 series B shares in the Company. The Placing agreement further comprises an Over-allotment option containing a commitment from the Principal Shareholder to, at the request of the Global Coordinator and no later than 30 days from the first day of trading of the Company's series B shares on Nasdaq Stockholm, sell an additional amount of not more than 4,120,900 series B shares in the Company, representing approximately 10 per cent of the maximum number of series B shares in the Offering. The over-allotment option may be exercised only in order to cover any over-allotment in the Offering.

In accordance with the placing agreement, the Company provides customary warranties to the Managers, primarily relating to the correctness of the information in the Prospectus and that the Prospectus and the Offering meet the relevant requirements of laws and regulations and that no legal or other impediments for the Company to enter into the agreement or fulfilling the Offering exists. The placing agreement provides that the Manager's obligations to arrange for buyers or, in the event that the Managers fail to do so, buy the shares in the Offering themselves, is conditional upon, inter alia, that the guarantees provided by the Company and the Principal Shareholders are correct. According to the placing agreement, the Company will, with usual reservations and under certain conditions, hold the Managers harmless against certain claims.

According to the placing agreement, the Principal Shareholder and the senior executives of the Company undertake, with some reservations, not to sell or otherwise dispose of its holdings in the Company as per the day of completion of the Offering during the Lock-up period (see also the section "Share capital and ownership structure" – "Lock up-arrangement"). Pursuant to the placing agreement the Company will additionally undertake, not to (i) issue, offer, pledge, sell, commit to sell, or otherwise transfer or dispose of, directly or indirectly, any shares in the Company or any other securities convertible, exercisable or exchangeable into shares, or (ii) purchase or sell any option or other instrument or enter into swap agreements or other arrangements to transfer all or part of the financial risk associated with the ownership of shares in the Company to another person prior to 180 days after the date on which trading in the Company's series B shares on Nasdaq Stockholm commences. The Global Coordinator may, however, grant exemptions from these restrictions.

STABILISATION

In connection with the Offering, the Global Coordinator may effect transactions aimed at supporting the market price of the Lifco shares at levels above those which would otherwise have prevailed on the open market. Such stabilisation transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the series B shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. However, the Global Coordinator are not required to undertake any stabilisation measures and there is no guarantee that stabilisation will be effected.

If undertaken, stabilisation may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. Within one week of the end of the stabilisation period, the Global Coordinator will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH THE PRINCIPAL SHAREHOLDER

Lifco purchases certain administrative services from the Principal Shareholder, such as services in leadership, sales, marketing, finance and accounting, tax and legal matters. Compensation therefor is paid to the Principal Shareholder in accordance with a pre-agreed cost, which is adjusted annually. In 2013, the Company has purchased such administrative services from the Principal Shareholder for a value of approximately MSEK 2.6. The corresponding figures for 2012 and 2011 were MSEK 2.6 and MSEK 2.5 respectively. The preliminary compensation for 2014 amounts to MSEK 2.7.

In 2011, Lifco received a conditional shareholder contribution from the Principal Shareholder of MSEK 729. The Principal Shareholders has subsequently declared the contribution unconditional. Lifco has also received an unconditional shareholder contribution from the Principal Shareholder of MSEK 500 in the third quarter of 2014 in order to strengthen future expansion prospects and the Company's balance sheet.

Lifco has during 2013, 2012 and 2011 distributed group contributions to the Principal Shareholder amounting to a total of MSEK 310.

OTHER RELATED PARTY TRANSACTIONS

All transactions between companies within the Group are conducted on normal commercial terms and at market prices. In 2013, intra-Group sales of goods and services amounted to MSEK 1,589.The corresponding figure for 2012 and 2011 was MSEK 1,652 and MSEK 1,520 respectively.

One of the directors of the board of Lifco, Erik Gabrielson, is a partner at the law firm Vinge which renders legal services to Lifco, the Principal Shareholder and certain subsidiaries within the Group. In 2013, Vinge received MSEK 3.1 in compensation for such services from the Company. The corresponding figures for 2012 and 2011 were MSEK 4.3 and MSEK 6.9 respectively.

Neither Lifco nor its subsidiaries have made any extended loans, guarantees or surety warrants in favour of any member of the board of directors or the group management in the Company. No such person has directly or indirectly participated in any business transaction with any company in the Group, or any other affiliated company, that is uncharacteristic in nature or in respect of its conditions.

INTERESTS OF ADVISORS

The Managers provide financial advisory and other services to Lifco and the Principal Shareholder in connection with the Offering and the listing on Nasdaq Stockholm, for which they will receive a pre-determined commission. The total compensation is dependent on the success of the Offering. From time to time, the Managers may provide services, in the ordinary course of business and in connection with other transactions, to the Company, the Principal Shareholder and parties affiliated with the Principal Shareholder. SEB is also a creditor to Lifco and the Principal Shareholder. For more information, see section "Credit agreements" above.

COSTS RELATED TO THE OFFERING

Lifco's costs associated with the listing on Nasdaq Stockholm and the Offering, which include the compensation to financial, legal, economical and tax advisors, as well as the printing and distribution of documentation relating to the Offering, are expected to amount to approximately MSEK 110.

SUBSCRIPTION UNDERTAKINGS

The Cornerstone Investors have on 6 November 2014 agreed with the Global Coordinator to acquire 6,813,200 series B shares each in the Offering. The Cornerstone Investors will thereby, following completion of the Offering, each hold approximately 7.5 per cent of the number of shares and approximately 4.7 per cent of the number of votes in the Company. Hence, the Offering is secured up to approximately 30.1 per cent (provided full exercise of the right to expand the Offering and of the Over-allotment option).

The Cornerstone Investors will not receive any compensation for their respective undertakings and the Cornerstone Investors' investments are made on the same terms and conditions as for other investors in the Offering. The Global Coordinator, the Principal Shareholder and the Company's board of directors deem the Cornerstone Investors' credit worthiness sound and that they will be able to meet their respective undertakings. The undertakings are however not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement. The Cornerstone Investors ' undertakings are associated with certain conditions relating to, among other things, that a certain dispersion of the Company's series B shares is achieved in connection with the Offering. In the event that any of these conditions are not fulfilled, there is a risk that the Cornerstone Investors do not meet their undertakings.

Cornerstone Investor	Subscription undertaking (SEK)	Number of series B shares	Address
Didner & Gerge Fonder AB	633,627,600	6,813,200	P.O. Box 1008, SE-751 40 Uppsala, Sweden
The Fourth Swedish National Pension Fund	633,627,600	6,813,200	P.O. Box 3069, SE-103 61 Stockholm, Sweden
Total	**1,267,255,200**	**13,626,400**	

DESCRIPTION OF CORNERSTONE INVESTORS

THE FOURTH SWEDISH NATIONAL PENSION FUND

The Fourth Swedish National Pension Fund is a Swedish government agency with the mission of contributing to the stability of the retirement pension system through the management of the fund capital. The fund is focused on creating long-term returns through active management and at the end of 2013 the fund had SEK 276 billion under management.

DIDNER & GERGE FONDER

Didner & Gerge Fonder is an independent fund management company engaged in active management with the aim of generating long-term returns. The company's philosophy is to evaluate companies in terms of their future potential for profitable development and then be a persistent owner and not consider short-term fluctuations in the stock market.

DOCUMENTS INCORPORATED BY REFERENCE ETC.

INCORPORATION BY REFERENCE

The below information is incorporated in the Prospectus by reference and is thereby an integral part of this Prospectus and shall be read as a part hereof. The parts of the below document which is not explicitly referred to is either irrelevant for an investor or reproduced in other parts of the Prospectus.

Information	**Document and pages**
The Group's financial information with pertaining notes and audit report for the financial year 2011.	Lifco's annual report for the financial year 2011, pages 6–9, 14–23 and 25.

The above mentioned annual report has been audited by the Company's auditors PricewaterhouseCoopers AB, with authorised public accountant Magnus Willfors as auditor in charge. The audit report contains no remarks.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may under the valid period of the Prospectus be obtained, free of charge, at the Company's offices or by telephone +46 (0) 735 07 96 79.

- Lifco's articles of association.
- The interim report for the third quarter 2014.
- The annual reports for the financial years 2011 – 2013, including audit reports.

The documents are also available at Lifco's webpage, www.lifco.se.

TAX CONSIDERATIONS IN SWEDEN

The following is a summary of certain Swedish tax consequences that may arise from the Offering. The summary is based on current legislation and only intended as general information. This description does not deal comprehensively with all tax consequences that may occur in this context. For instance, the summary does not address shares held on a so-called investment savings account and that are subject to special rules on standardized taxation or shares held by partnerships or as current assets in business operations. Moreover, the summary does not address the specific rules on tax-exempt capital gains and dividends (including non-deductibility for capital losses) in the corporate sector that may be applicable when shares are considered to be held for business purposes (Sw. näringsbetingade andelar) by the shareholder. Neither are the specific rules covered that could be applicable to holdings in companies that are, or have previously been, closely held companies or shares acquired on the basis of such holdings. Special tax rules apply to certain categories of taxpayers, for example, investment companies, mutual funds and insurance companies. The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of Shares should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties. Potential taxation in other jurisdictions, of dividends and/or capital gains, is not covered by this summary and should be analysed based on each investor's particular circumstances

SHAREHOLDERS WHO ARE TAX RESIDENT IN SWEDEN

INDIVIDUALS

DIVIDEND TAXATION

For individuals, dividends on listed shares are taxed as income from capital at a rate of 30 per cent. A preliminary tax of 30 per cent is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear or, regarding nominee-registered shares, by the Swedish nominee.

A Swedish tax resident individual who is residing abroad might be regarded as a tax treaty resident of the other country, based on the applicable tax treaty. Following the rules of the treaty, the Swedish taxation of dividends may be reduced.

ALLOTMENT TO EMPLOYEES

Normally, no taxation is made in connection with allotment of shares. However, as far regards employees of the Group, allotment of shares may in certain cases lead to benefit taxation. No benefit taxation should be applicable if the employees (including board members, deputy board members, existing shareholders and closely related parties) acquire, on same terms as other parties, not more than 20 per cent of the total number of shares comprised by the Offering and the employee does not acquire shares for more than SEK 30,000.

CAPITAL GAINS TAXATION

Upon the sale or other disposal of listed shares a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as income from capital at a tax rate of 30 per cent. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the average cost method or, alternatively, shareholders may choose to use 20 per cent of the sales proceeds after deducting sales costs, as the tax basis for the sale of listed shares.

Capital losses on listed shares, except for units in securities funds or special funds that consist solely of Swedish receivables ("interest funds"), are fully deductible against taxable capital gains on shares, other listed equity-related securities and non-listed shares in Swedish limited liability companies and foreign legal entities. Up to 70 per cent of capital losses on shares that cannot be offset in this way are deductible against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30 per cent is allowed on the portion of such net loss that does not exceed SEK 100,000 and of 21 per cent on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

A Swedish tax resident individual who is residing abroad might be regarded as a tax treaty resident of the other country, based on the applicable tax treaty. Following the rules of the treaty, the Swedish taxation of capital gains may be limited.

LIMITED LIABILITY COMPANIES

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a tax rate of 22 per cent. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares and other equity-related securities may only be deducted against taxable capital gains on other securities that are taxed in the same manner as shares. Under certain circumstances such capital losses may also be deducted against capital gains in another company in the same group, provided that the companies can tax consolidate (*Sw. koncernbidragsrätt*). A capital loss that could not be utilized during a given year may be carried forward and offset taxable capital gains on shares and other equity-related securities during subsequent fiscal years without any limitation in time.

SHAREHOLDERS WHO ARE NOT TAX RESIDENT IN SWEDEN

DIVIDEND TAXATION

For shareholders not tax resident in Sweden who receive dividends from a Swedish limited liability company, Swedish withholding tax is normally payable. In Sweden, normally Euroclear, or in the case of nominee-registered shares, the nominee, carries out the deduction of withholding tax.

The withholding tax rate is 30 per cent. However, the tax rate is generally reduced for shareholders resident in other jurisdictions with which Sweden has entered a tax treaty. The majority of Sweden's tax treaties enable an at-source reduction of the Swedish withholding tax to the tax rate stipulated in the treaty at the time of payment of dividends, provided that necessary information is made available to Euroclear in relation to the person entitled to such dividends.

If a 30 per cent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or in case too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

CAPITAL GAINS TAXATION

Shareholders not tax resident in Sweden and who are not operating a business from a permanent establishment in Sweden are normally not liable for Swedish capital gains taxation on the disposal of shares. Under a specific tax rule, individuals that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or stayed permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The applicability of this rule may, however, be limited by tax treaties between Sweden and other countries.

HISTORICAL FINANCIAL INFORMATION

FINANCIAL INFORMATION FOR THE PERIOD JANUARY – SEPTEMBER 2014

FINANCIAL INFORMATION FOR THE FINANCIAL YEARS 2013 AND 2012

INTERIM REPORT FOR THE PERIOD JANUARY – SEPTEMBER 2014

INTERIM REPORT JANUARY - SEPTEMBER 2014

Reporting period: January - September

- Net sales increased 12.6% to MSEK 4,901 (4,351), organic growth 4.6%
- EBITA increased 44.1% to MSEK 692 (480)
- EBITA margin increased to 14.1% (11.0%)
- Profit before tax increased 36.8% to MSEK 611 (447)
- Net profit increased 62.8% to MSEK 458 (282)
- Earnings per share increased by 62.6% to SEK 4.97 (3.04)
- German dental company MDH acquired in March
- Lifco received a shareholder contribution of MSEK 500 from Carl Bennet AB
- The Board of Directors has made a decision in principle to list Lifco on Nasdaq Stockholm in November

Reporting period: July - September

- Net sales increased 18.8% to MSEK 1,653 (1,392), organic growth 6.8%
- EBITA increased 35.6% to MSEK 227 (167)
- EBITA margin increased to 13.7% (12.0%)
- Profit before tax increased 21.8% to MSEK 193 (158)

Summary of financial development

	NINE MONTHS			THIRD QUARTER			Last 12 months		FULL YEAR
MSEK	2014	2013	change	2014	2013	change		change	2013
Net sales	4 901	4 351	12.6%	1 653	1 392	18.8%	6 580	9.1%	6 030
EBITA	692	480	44.1%	227	167	35.6%	904	30.7%	692
EBITA margin	14.1%	11.0%	3.1	13.7%	12.0%	1.7	13.7%	2.2	11.5%
Profit before tax	611	447	36.8%	193	158	21.8%	740	28.6%	575
Profit for the period	458	282	62.8%	145	72	102%	564	45.6%	388
Earnings per share[1]	4.97	3.04	63.5%	1.57	0.75	109%	6.09	46.3%	4.16
Return on capital employed[2]	19.2%	17.1%	2.1	19.2%	17.1%	2.1	19.2%	-	17.4%
Return on capital employed, ex. goodwill[3]	100%	71.7%	28.3	100%	71.7%	28.3	100%	-	73.0%

[1] Referring to shareholders in the Parent Company
[2] Last twelve months
[3] Last twelve months

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LIFCO

COMMENTS FROM THE CEO

Lifco's growth continued during the first nine months of the year. Net sales last twelve months including acquisitions amounted to MSEK 6,774 and EBITA to MSEK 974. We gained positive traction in our business area Dental from the acquisition of MDH, a leading German dental company. At the same time, both business areas Demolition & Tools and Systems Solutions developed favourably. It is particularly pleasing to note that our structural measures undertaken in Systems Solutions during the last two years have now begun to show results.

Lifco acquired MDH in March and the company has developed according to plan. MDH is the leading player in Germany within distribution of dental products to dentists and the largest importer of high quality technical dental work. During the nine month period, net sales for business area Dental increased by 13.9% to MSEK 2,348 (2,062) and EBITA increased by 34.5% to MSEK 394 (293).

Business area Demolition & Tools increased its net sales by 6.8%to MSEK 934 (875) during the nine month period, primarily due to stronger sales in the US. EBITA grew by 9.9% to MSEK 196 (178) during the nine month period. The improvement in profitability is a result of increased volumes and decreased in-house manufacturing.

Business area Systems Solutions has shown a strong recovery this year proving that our structural measures are creating positive effects. Net sales increased by 14.4% to MSEK 1,619 (1,415) and EBITA grew by 164% to MSEK 157 (59) during the nine month period.

All in all, our business environment is stable. We will continue our strategy of investing in market-leading niche operations with the potential to deliver a sustainable profit growth and positive cash flows.

LIFCO IN BRIEF

Lifco acquires and develops market-leading niche operations with the potential to deliver sustainable profit growth and positive cash flows. The Group has three business areas: Dental, Demolition & Tools and Systems Solutions. Lifco is managed on the basis of a clear philosophy which implies that the Company works on the basis of a long-term perspective, has focus on profits and has a strongly decentralised organisation. Lifco has approximately 100 companies in 30 countries. The Group had net sales during 2013 of more than SEK 6 billion, EBITA of MSEK 692 and had an EBITA margin of 11.5%.

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FINANCIAL PERFORMANCE JANUARY - SEPTEMBER

Net sales increased 12.6% to MSEK 4,901 (4,351), driven primarily by the acquisition of the dental company MDH and by organic growth in business areas Demolition & Tools and Systems Solutions. Organic growth was 4.6% and positive exchange rate changes amounted to 3.3%.

EBITA increased 44.1% to MSEK 692 (480) as a result of the acquisition of MDH and improved profitability within both Demolition & Tools and Systems Solutions. EBITA margin was 14.1% (11.0%). EBITA was positively impacted by 3.5 % due to changes in exchange rates during the period.

Net financial items amounted to MSEK -31 (-27). Previous year's financial net was negatively impacted by a capital loss of MSEK 5 referring to the sale of Nordautomation OY in June 2013, reported in business area Systems Solutions.

Profit before tax increased 36.8% to MSEK 661 (447). Profits were negatively impacted by MSEK 10 in expenses for the acquisition of MDH in the second quarter and by MSEK 14 in the third quarter, related to non-recurring items, including costs for preparation of a listing on Nasdaq Stockholm. Profit after tax increased 62.8% to MSEK 458 (282).

Average capital employed excluding goodwill decreased during the period by MSEK 44.8 to MSEK 903 (948). EBITA in relation to average capital employed exclusive goodwill amounted to 100% (73%).

On September 29, Lifco received a shareholder contribution of MSEK 500 from Carl Bennet AB in order to strengthen Lifco's future growth opportunities.

During the first nine months, the Group's interest-bearing net liabilities increased by MSEK 612 to MSEK 2,032 due to the acquisition of MDH. Net debt/equity ratio of 0.6 at the end of the quarter, equalled the ratio at the end of 2013. The Group decreased its interest-bearing current liabilities by MSEK 1,088 to MSEK 736. At the same time, long-term interest-bearing liabilities including pension provisions increased by MSEK 2,250 to MSEK 2,365.

Cash flow from ongoing operations amounted to MSEK 470 (312). The increased cash flow is mainly due to improved operating income. Cash flow from investment activities amounted to MSEK -1,333 (-68).

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FINANCIAL PERFORMANCE IN THE THIRD QUARTER

Net sales increased 18.8% to MSEK 1,653 (1,392), driven primarily by the acquisition of the dental company MDH and by organic growth in business areas Demolition & Tools and Systems Solutions. Organic growth was 6.8% and positive exchange rate changes amounted to 4.9%.

EBITA increased 35.6% to MSEK 227 (167) as a result of improved gross profit and the EBITA margin increased to 13.7% (12.0%). EBITA was impacted positively during the quarter by exchange rate changes of 4.5%.

Financial net amounted to MSEK -8 (-7).

Profit before tax increased 21.8% to MSEK 193 (158). Profits have been negatively impacted by non-recurring items of MSEK 14. Profit after tax increased 102% to MSEK 145 (72).

Cash flow from ongoing operations amounted to MSEK 246 (136) in the quarter. The higher cash flow is due to improved profits and decreased working capital. Cash flow from investment activities amounted to MSEK -23 (-19). No acquisitions were made during the third quarter.

BUSINESS AREAS FINANCIAL DEVELOPMENT

Dental

	NINE MONTHS			THIRD QUARTER			Last twelve months		FULL YEAR
MSEK	2014	2013	*change*	2014	2013	*change*		*change*	2013
Net sales	2 348	2 062	13.9%	766	637	20.2%	3 113	10.1%	2 826
EBITA	394	293	34.5%	127	92	38.7%	500	25.3%	399
EBITA margin	16.8%	14.2%	2.6	16.6%	14.4%	2.2	16.1%	2.0	14.1%

The operations within Dental consist of leading suppliers of consumable goods, equipment and technical services to dentists in Europe. Lifco is also marketing dental technology in the Nordic Region and Germany and develops and sells journal systems in Denmark and Sweden.

Dental's net sales increased 13.9% to MSEK 2,348 (2,062) during the first nine months. EBITA rose 34.5% to MSEK 394 (293) and EBITA margin increased to 16.8% (14.2%) during the same period. Dental's net sales and profit were positively impacted by the consolidation of the German dental company MDH AG from April 1.The company is a leading dental company in Germany and had net sales of approximately MSEK 380 in 2013, has about 150 employees and approximately 5,000 German dentists as clients. The company has reported a well evidenced profitability and with this

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acquisition Lifco significantly improves its position in Germany. MDH is developing according to plan and the company continues its strategy to achieve organic growth in its home market through increased marketing activities.

Other operations within Dental showed a continued stable sales development in all regions during the nine month period. Profitability has also developed stable thanks to organic growth and positive exchange rate changes.

Demolition & Tools

	NINE MONTHS			THIRD QUARTER			Last twelve months		FULL YEAR
MSEK	2014	2013	change	2014	2013	change		change	2013
Net sales	934	875	6.8%	298	279	6.6%	1 248	5.0%	1 189
EBITA	196	178	9.9%	57	59	-4.0%	264	7.2%	246
EBITA margin	21.0%	20.4%	0.6	19.1%	21.2%	-2.1	21.1%	0.4	20.7%

The operations in Demolition & Tools comprise development, manufacturing and sale of equipment to the construction and demolition industries. Lifco is the world's leading player within the markets for demolition robots and crane attachments. The excavator attachment division is one of the world's leading suppliers of such products.

Net sales increased 6.8% during the nine month period to MSEK 934 (875). Growth during the first nine months was primarily driven by strong developments in the US. Net sales in the US have increased partly due to a generally improved market situation and partly due to increased sales activities which were initiated in 2013 and which are now beginning to show an effect. Certain client segments in Europe and Asia have shown a stronger demand this year while the Russian market has shown a weak development.

Profitability development within the business area continues to be solid and EBITA increased 9.9% in the nine month period to MSEK 196 (178). EBITA amounted to MSEK 57 (59) in the quarter due to slightly lower volumes in July.

The EBITA margin has improved 0.6 percentage points during the nine month period to 21.0% (20.4%), thanks to the fact that the supply strategy was changed two years ago and also due to increased volumes. The new supply strategy implies that the share of in-house manufacturing has decreased and today Lifco is primarily assembling the products.

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Systems Solutions

MSEK	NINE MONTHS 2014	NINE MONTHS 2013	*change*	THIRD QUARTER 2014	THIRD QUARTER 2013	*change*	Last twelve months	*change*	FULL YEAR 2013
Net sales	1 619	1 415	14.4%	589	476	24.0%	2 219	10.1%	2 014
EBITA	157	59	164.3%	61	32	91.5%	213	84.8%	115
EBITA margin	9.7%	4.2%	5.5	10.3%	6.7%	3.6	9.6%	3.9	5.7%

Systems Solutions is divided into five divisions and, through these operational units, offers solutions within the following industries: interiors for service vehicles, contract manufacturing, environmental technology, sawmill equipment and relining (renovation of wastewater and drain pipes). The divisions are market leaders in their respective niches.

Systems Solutions increased net sales 14.4% to MSEK 1,619 (1,415) and EBITA increased by more than 164% to MSEK 157 (59) during the first nine months. The EBITA margin, thereby, increased to 9.7% (4.2%). Within all divisions, both net sales and EBITA increased during the year.

Interiors for service vehicles has grown both in terms of net sales and profits. This improvement is a result of strategic activities initiated to increase sales activities and improve the product portfolio. Profits have improved but levels are still unsatisfactory so focus on profitability is still strong.

Contract manufacturing had a good development during the nine month period, both in net sales and profits. During the year, structured sales work has resulted in new clients and, at the same time, volumes have increased from existing clients. Clients include, amongst others, world-leading manufacturers of equipment to the pharmaceutical industry and manufacturers of railway equipment, placing high demands on quality in terms of flexibility of delivery and documentation.

Environmental technology increased both net sales and profits during the nine month period.

Saw mill equipment increased profitability, driven by strong development in Russia. Swedish saw mills have strengthened their profitability during the year which has resulted in a number of smaller orders. The companies within the division have noted cautious increased levels of tender activities during the year.

Relining established a new organisation in Sweden last year where the operation was split up in regions. The aim of the new organisation was to shorten the decision-making process and ensure

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that management are more involved in daily operations. These measures have already resulted in a positive recovery, both in terms of net sales and profitability.

In June 2013, the Finnish timber handling company, Nordautomation OY, was sold resulting in a capital loss of MSEK 5, which negatively impacted financial net.

ACQUISITIONS

No acquisitions have taken place in the third quarter. On 27 March 2014, the German company MDH AG was acquired and consolidated from April 1 within business area Dental.

OTHER FINANCIAL INFORMATION

Employees

The average number of employees was 3,006 (2,904) during the period. At the end of the period, the number of employees was 3,033 (2,901). A total of 150 employees were added through the acquisition of MDH AG.

Events after closing of the reporting period

The Board of Directors has taken a decision in principle to list Lifco on Nasdaq Stockholm in November 2014.

Parent Company

The Parent Company's operating profit amounted to MSEK -22 (-20) during the nine month period and profit after financial net amounted to MSEK 209 (94) during the same period due to a stronger financial net. Profit after tax for the period was MSEK 211 (85).

The Parent Company's assets amounted 30 September to MSEK 5,931, an increase of MSEK 1,761 since the beginning of the year. Equity during the same period increased by MSEK 611 to MSEK 2,165 and current interest-bearing liabilities decreased by MSEK 1,086 to MSEK 724. The Parent Company raised long-term loans during the period by MSEK 2,179.

On September 30 a share split of 1:10 took place. The number of shares amount to 90,843,260 after the split.

Related Party Transactions

On September 29 Lifco received a shareholder contribution of MSEK 500 from Carl Bennet AB.

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Risks and uncertainties

The operational risks of greatest significance to Lifco are the competitive landscape, structural changes in the market and the general economic development. Lifco is also exposed to financial risks such as currency risks, interest rate risk, credit risk and counterparty risk.

The Parent Company is impacted by the above risks and uncertainties through its role as owner of the subsidiaries.

Accounting principles

The Lifco Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting principles applied agree with those described in Lifco's annual report for 2013, which is available from www.lifco.se. This Interim Report has been prepared according to IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The Parent Company applies the Annual Accounts Act and RFR 2, Accounting for legal entities. The application of RFR 2 implies that the Parent Company, in the interim report for the legal entity, applies all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation.

From 1 January 2014, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities have been applied. The application of these standards has not resulted in any significant impact on the Group.

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BOARD OF DIRECTORS AFFIRMATION

The Board of Directors and CEO certify that the nine month report provides a true and fair view of the Parent Company's and Group's operations, financial position and results and that it describes the significant risks and uncertainties to which the Parent Company and companies included in the Group are exposed.

Enköping 14 October 2014

Carl Bennet
Chairman of the board

Gabriel Danielsson
Board member

Sigbrit Franke
Board member

Erik Gabrielson
Board member

Fredrik Karlsson
President and CEO, Board member

Annika Norlund
Board member, Employee representative

Johan Stern
Board member

Caroline Sundewall
Board member

Axel Wachtmeister
Board member

Hans-Erik Wallin
Board member, Employee representative

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Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 of January 2013 to 30 September 2014 for Lifco 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 International Standard on Review Engagements ISRE 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, 14 October 2014

PricewaterhouseCoopers AB

Magnus Willfors
Authorized Public Accountant
Auditor in charge

Martin Johansson
Authorized Public Accountant

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FINANCIAL CALENDAR

The year-end report and report for the fourth quarter 2014 will be published on 20 February 2015
The annual report for 2015 will be published 8 April 2015
The report for the first quarter 2015 will be published on 6 May 2015
The report for the second quarter 2015 will be published on 16 July 2015
The report for the third quarter will published on 3 November 2015

SHAREHOLDERS' MEETING

The annual general meeting of shareholders in Lifco AB will take place on 6 May 2015 at 3pm at the World Trade Center, Klarabergsviadukten 70A, Stockholm. Shareholders requesting that a matter be addressed at the meeting on 6 May 2015 can present a proposal to Lifco's Chairman of the Board via e-mail to : ir@lifco.se or via post at Lifco AB, Att: Bolagsstämmoärenden, Verkmästaregatan 1, 745 85 Enköping. In order to be certain that the matter can be included in the notice of the meeting and, thereby, in the agenda, the proposal shall have been received by the Company on no later than 6 March 2015.

FURTHER INFORMATION

CEO Fredrik Karlsson, ir@lifco.se, telephone 0730 24 48 72
Media and investor relations: Åse Lindskog, ir@lifco.se, telephone 0730 24 48 72

This information was made public on 15 October at 11.00 am, and according to the Securities Market Act, the Financial Instruments Trading Act and/or the regulatory framework of NASDAQ OMX Stockholm.

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CONSOLIDATED INCOME STATEMENT

MSEK	NINE MONTHS 2014	NINE MONTHS 2013	change	THIRD QUARTER 2014	THIRD QUARTER 2013	change	FULL YEAR 2013
Net sales	4 901	4 351	12.6%	1 653	1 392	18.8%	6 030
Cost of goods sold	-3 072	-2 838	8.3%	-1 061	-905	17.3%	-3 908
Gross profit	**1 829**	**1 514**	**20.9%**	**591**	**487**	**21.5%**	**2 122**
Selling expenses	-329	-353	-6.9%	-107	-111	-4.1%	-443
Administrative expenses	-792	-639	23.8%	-256	-196	30.2%	-979
R&D expenses	-41	-40	1.8%	-13	-12	2.9%	-53
Non-recurring items	-14	-	-	-14	-	-	-
Other income & expenses	-11	-7	62.1%	-1	-2	-47.5%	-21
Operating profit	**642**	**474**	**35.4%**	**201**	**165**	**21.9%**	**627**
Financial items, net	-31	-27	13.7%	-8	-7	25.7%	-52
Profit before tax	**611**	**447**	**36.8%**	**193**	**158**	**21.8%**	**575**
Income tax	-153	-165	-7.5%	-48	-87	-44.4%	-187
Profit for the period	**458**	**282**	**62.8%**	**145**	**72**	**102.0%**	**388**
Profit attributable to:							
Owners of the parent company	451	276	63.3%	143	68	110%	378
Non-controlling interests	7	5	36.0%	2	4	-47.1%	10
Earnings per share before dilution, attributable to owners of the parent company	4.97	3.04	63.5%	1.57	0.75	109%	4.16
Earnings per share after dilution, attributable to owners of the parent company	4.97	3.04	63.5%	1.57	0.75	109%	4.16
EBITA	692	480	44.1%	227	167	35.6%	692
Depreciation of tangible assets	50	47	7.3%	19	15	26.2%	60
Amortisation of intangible assets	32	9	242%	14	4	259%	64

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	NINE MONTHS 2014	NINE MONTHS 2013	change	THIRD QUARTER 2014	THIRD QUARTER 2013	change	FULL YEAR 2013
Profit for the period	458	282	62.8%	145	72	102%	388
Other comprehensive income							
Items that may be subsequently reclassified to profit or loss:							
Translation differences	62	-5	-	5	-17	-129%	27
Total comprehensive income for the period	**520**	**277**	**88.2%**	**150**	**54**	**175%**	**415**
Total comprehensive income attributable to:							
Owners of the parent company	513	271	89.4%	147	51	191%	405
Non-controlling interests	8	6	31.1%	2	4	-46.2%	10
	520	**277**	**88.2%**	**150**	**54**	**175%**	**415**

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SEGMENT INFORMATION

The CEO is the Group's ultimate executive decision-maker. Company management has determined operating segments based on the information used by the CEO and which serves as the basis for the allocation of resources and evaluation of results. The CEO assesses the operations on the basis of two operating segments: Dental and Demolition & Tools. Furthermore, another operating segment is presented and called Systems Solutions. This operating segment is a combination of divisions of similar economic characteristics and they do not individually meet the quantitative requirements. These divisions are the interiors for service vehicles, contract manufacturing, environmental technology, sawmill equipment and relining.

NET SALES TO EXTERNAL CUSTOMERS

There are no sales between operating segments

	NINE MONTHS			THIRD QUARTER			Last twelve months		FULL YEAR
MSEK	2014	2013	*change*	2014	2013	*change.*		*change*	2013
Dental	2 348	2 062	13.9%	766	637	20.2%	3 113	10.1%	2 826
Demolition & Tools	934	875	6.8%	298	279	6.6%	1 248	5.0%	1 189
Systems Solutions	1 619	1 415	14.4%	589	476	24.0%	2 219	10.1%	2 014
Group	**4 901**	**4 351**	**12.6%**	**1 653**	**1 392**	**18.8%**	**6 580**	**9.1%**	**6 030**

RECONCILIATION EBITA

The allocation of profit per segment takes place up to and including EBITA. EBITA is reconciled against profit before tax according to the following:

	NINE MONTHS			THIRD QUARTER			Last twelve months		FULL YEAR
MSEK	2014	2013	*förändr.*	2014	2013	*förändr.*		*förändr.*	2013
Dental	394	293	34.5%	127	92	38.7%	500	25.3%	399
Demolition & Tools	196	178	9.9%	57	59	-4.0%	264	7.2%	246
Systems Solutions	157	59	164%	61	32	91.5%	213	84.8%	115
Common Group functions	-54	-50	8.4%	-17	-15	16.2%	-72	6.2%	-68
EBITA	**692**	**480**	**44.1%**	**227**	**167**	**35.6%**	**904**	**30.7%**	**692**
Amortisation of intangible fixed assets arising in conjunction with acquisitions	-25	-6	322%	-11	-2	358%	-76	33.9%	-57
Expenses for restructuring, integration and acquisitions	-25	0	-	-15	0	-	-33	29.3%	-8
Financial items, net	-31	-27	12.8%	-8	-7	23.4%	-55	6.8%	-52
Profit before tax	**611**	**447**	**36.8%**	**193**	**158**	**21.8%**	**740**	**28.6%**	**575**

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CONSOLIDATED BALANCE SHEET

MSEK	30 Sep 2014	30 Sep2013	31 Dec 2013
ASSETS			
Intangible fixed assets	4 562	3 030	3 047
Tangible fixed assets	365	340	342
Financial fixed assets	46	31	46
Inventories	813	807	758
Accounts receivable - trade	784	624	671
Current receivables	253	216	163
Cash and cash equivalents	991	315	442
TOTAL ASSETS	**7 814**	**5 364**	**5 468**
EQUITY AND LIABILITIES			
Equity	3 294	2 322	2 382
Non-current interest-bearing liabilities incl. pension provisions	2 365	117	115
Other non-current liabilities and provisions	240	65	54
Current interest-bearing liabilities	736	1 877	1 824
Accounts payable - trade	385	339	313
Other current liabilities	794	645	779
TOTAL EQUITY AND LIABILITIES	**7 814**	**5 364**	**5 468**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders in the Parent Company

MSEK	30 Sep 2014	30 Sep2013	31 Dec 2013
Opening equity	2 366	2 140	2 140
Total Comprehensive income for the period	513	271	405
Transactions with owners	500	-	-100
Tax effect of transactions with owners	-	-	22
Dividend	-100	-100	-100
Closing equity	**3 279**	**2 310**	**2 366**
Equity, attributable to:			
Owners of the Parent	3 279	2 310	2 366
Non-controlling interests	15	12	16
	3 294	**2 322**	**2 382**

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CONSOLIDATED CASH FLOW STATEMENT

MSEK	NINE MONTHS 2014	NINE MONTHS 2013	THIRD QUARTER 2014	THIRD QUARTER 2013	FULL YEAR 2013
Operating activities					
Operating profit	642	474	201	165	627
Non-cash items	82	56	27	19	124
Interest and financial items, net	-31	-22	-8	-7	-31
Tax paid	-159	-137	-58	-53	-176
Cash flow before changes in working capital	533	371	162	124	544
Changes in working capital					
Inventories	-44	-59	35	0	-13
Current receivables	-109	0	7	59	-12
Current liabilities	89	0	42	-47	39
Cash flow from operating activities	**470**	**312**	**246**	**136**	**558**
Business combinations and divestments	-1 264	-	-	-	-
Net investment in fixed assets	-69	-68	-23	-19	-104
Cash flow from investing activities	**-1 333**	**-68**	**-23**	**-19**	**-104**
Borrowings/repayments of borrowings, net	1 090	-116	-38	-10	-210
Shareholder contribution	500	-	500	-	-
Dividends paid	-109	-108	-	-	-108
Group contributions paid	-100	-100	-	-	-100
Cash flow from financing activities	**1 381**	**-324**	**462**	**-10**	**-417**
Cash flow for the period	**519**	**-79**	**686**	**107**	**37**
Cash and cash equivalents at beginning of period	442	402	321	232	402
Translation differences	31	-7	-15	-24	3
Cash and cash equivalents at end of period	**991**	**315**	**991**	**315**	**442**

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BUSINESS COMBINATIONS DURING 2014

On 27 March 2013, all of the shares in the German dental company, MDH AG were acquired. The company had net sales in 2013 of approximately MSEK 380, has approximately 150 personnel and about 5,000 German dentists as clients. The company is leading in Germany within the distribution of dental products to dentists and is the country's largest importer of high quality technical dental work. With the acquisition, Lifco's business area Dental has strengthened its market position in Germany. Goodwill related to the acquisition is attributable to the synergy effects expected to be achieved through the combination of the Group's and MDH AG's operations. The goodwill is not tax deductible.

The expenses related to the acquisition, MSEK 5 are included in administrative costs in the Group's income statement for the second quarter 2014. In the third quarter 2014, MDH AG contributed with MSEK 99 in net sales and MSEK 37 in profits before tax. The company is consolidated as of 1 April 2014. If MDG AG had been consolidated from 1 January 2014, the Group's net sales would have been positively impacted by MSEK 96 and profit before tax by MSEK 27.

Acquired net assets

Net assets, MSEK	Book value	Value adjustment	Fair value
Intangible assets	14	621	635
Tangible assets	17	-	17
Accounts receivable and other receivables	47	-	47
Accounts payable and other liabilities	- 56	- 205	- 261
Cash and cash equivalents	97	-	97
Total net assets	**119**	**416**	**535**
Goodwill	-	826	826
Total acquisitions with cash and cash equivalents	**119**	**1 242**	**1 361**

Cash flow effect, MSEK	
Net cash effect due to acquisition	1 264

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FINANCIAL INSTRUMENTS

	CARRYING VALUE		FAIR VALUE	
MSEK	30 Sep 2014	30 Sep 2013	30 Sep 2014	30 Sep 2013
Loans and receivables				
Accounts receivable - trade	784	624	784	624
Other non-current financial receivables	2	2	2	2
Cash and cash equivalents	991	315	991	315
Total	**1 777**	**942**	**1 777**	**942**
Liabilities valued at fair value through profit and loss				
Other liabilities	30	30	30	30
Other financial liabilities				
Interest-bearing borrowings	2 982	1 878	2 982	1 878
Accounts payable - trade	385	339	385	339
Other liabilities	48	47	48	47
Total	**3 445**	**2 293**	**3 445**	**2 293**

Financial instruments valued at fair value are categorised into various levels depending on the manner in which the fair value has been determined. All of the Lifco Group's financial instruments valued at fair value are classified as belonging to the category "Level 3", i.e. non-observable data. The fair value of current borrowings is equal to the reported value, as the discount effect is insignificant. Other liabilities classified as financial instruments consist of additional purchase price and mandatory call/put options held by non-controlling interests. Changes in financial liabilities attributable to mandatory call/put options are reported in equity.

FINANCIAL KEY RATIOS

Rolling twelve months ending	30 Sep 2014	31 Dec 2013	30 Sep 2013
Net sales, MSEK	6 580	6 030	6 002
Change in net sales, %	9.1	-2.5	-3.7
EBITA, MSEK	904	692	680
EBITA margin, %	13.7	11.5	11.3
EBITDA, MSEK	978	760	747
EBITDA margin, %	14.9	12.6	12.4
Capital employed, MSEK	4 716	3 984	3 976
Return on capital employed, %	19.2	17.4	17.1
Return on capital employed excl goodwill, %	100.1	73.0	71.7
Return on equity, %	21.0	17.0	19.9
Interest-bearing net debt, MSEK	2 032	1 420	1 602
Net debt/equity ratio	0.6	0.6	0.7
Net debt/EBITDA	2.1	1.9	2.1
Equity/assets ratio, %	42.2	43.6	43.3
Average number of employees	3 006	2 940	2 904

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PARENT COMPANY INCOME STATEMENT

	NINE MONTHS		THIRD QUARTER		FULL YEAR
MSEK	2014	2013	2014	2013	2013
Administrative expenses	-63	-48	-20	-14	-65
Non-recurring items	-14	-	-14	-	-
Other operating income	55	27	0	27	54
Operating profit	**-22**	**-20**	**-34**	**13**	**-10**
Financial items, net	231	115	9	14	166
Profit after financial items	**209**	**94**	**-25**	**27**	**156**
Appropriations	-	-	-	-	12
Income tax	2	-10	5	-6	-5
Profit for the period	**211**	**85**	**-19**	**21**	**163**

PARENT COMPANY BALANCE SHEET

MSEK	30 Sep 2014	30 Sep 2013
ASSETS		
Tangible fixed assets	0	0
Financial fixed assets	3 347	1 992
Current receivables	1 730	1 881
Cash and cash equivalents	853	297
TOTAL ASSETS	**5 931**	**4 170**
EQUITY AND LIABILITIES		
Equity	2 165	1 554
Untaxed reserves	20	20
Long-term interest bearing liabilities	2 179	-
Short-term interest bearing liabilities	724	1 811
Short-term interest free liabilities	843	785
TOTAL EQUITY AND LIABILITIES	**5 931**	**4 170**
Pledged assets	-	-
Contingent liabilities	32	30

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DEFINITIONS

Return on equity	Profit after tax attributable to the Parent Company's shareholders and holdings without controlling influence divided by average equity
Return on capital employed	EBITA divided by average capital employed
Return on capital employed excl goodwill	EBITA divided by average capital employed excluding goodwill
EBIT	Operating profit/Profit before financial items and taxes
EBITA	Operating profit before amortisation of intangible fixed assets arising in conjunction with acquisitions and expenses for restructuring, integration and acquisitions
EBITA-marginal	EBITA divided by net sales
EBITDA	Operating profit before depreciation/amortisation and expenses for restructuring, integration and acquisitions
EBITDA-marginal	EBITDA divided by net sales
Net debt/equity ratio	Interest-bearing net debt divided by equity
Earnings per share	Profit after tax attributable to the Parent Company's shareholders divided by the average number of outstanding shares
Interest-bearing net debt	Liabilities to credit institutions including interest-bearing pension provisions less cash and cash equivalents
Equity/assets ratio	Equity divided by total assets (balance sheet total)
Capital employed	Total assets less liquid funds, interest-bearing pension provisions and non-interest-bearing liabilities

Equity is comprised of capital attributable to owners of the Parent and capital attributable to non-controlling interests.

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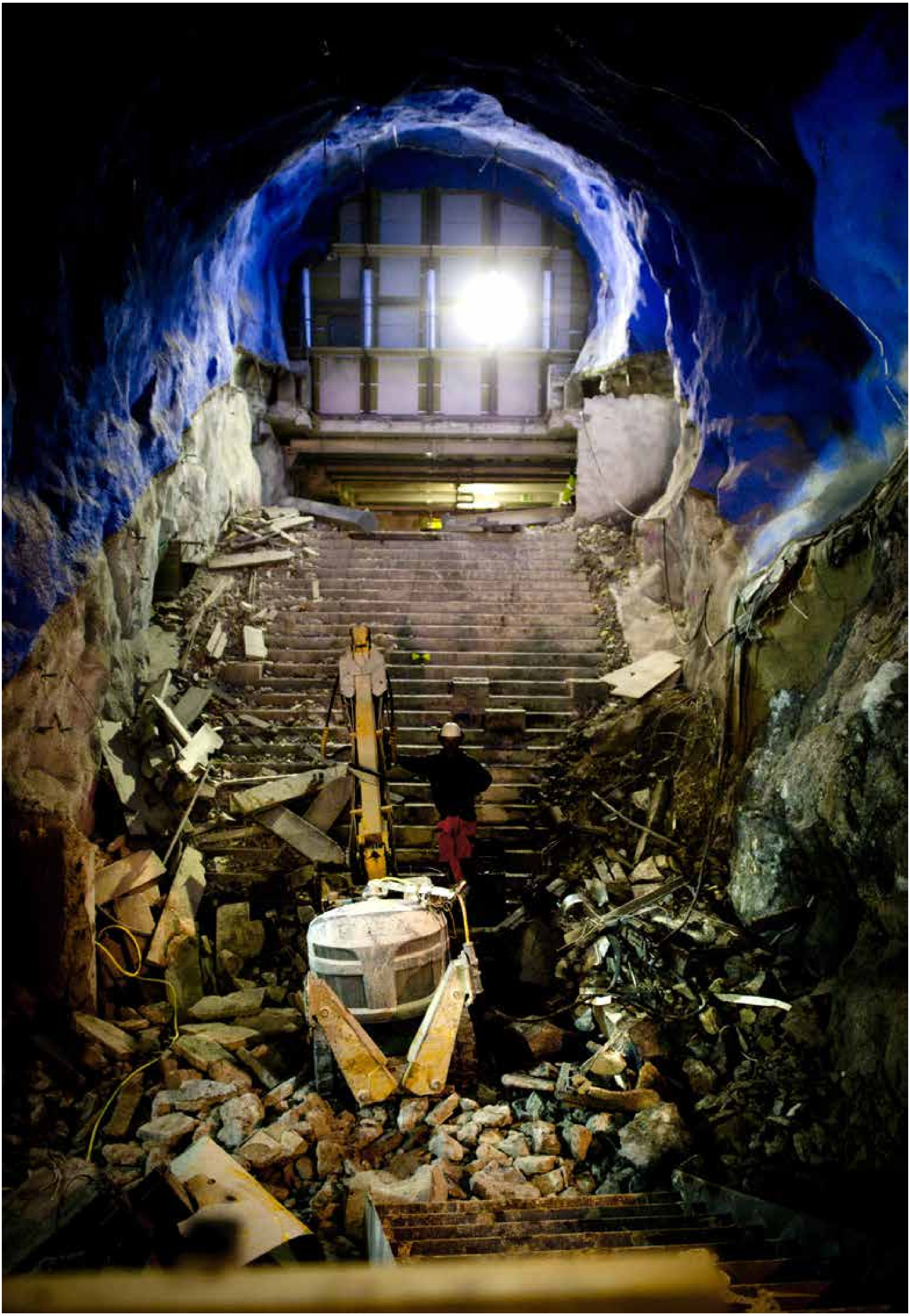


FINANCIAL INFORMATION FOR THE FINANCIAL YEARS 2013 AND 2012

Lifco's financial information for the financial years 2013 and 2012 are presented below. The accounts for 2013 have been prepared in accordance with IFRS published by International Accounting Standards Board (IASB) as adopted by the EU and interpretations from International Financial Reporting Interpretations Committee (IFRIC). The accounts for 2012 were originally prepared in accordance with the Swedish Annual Accounts Act (Sw. Årsredovisningslag (1995:1554)*) and general advices and recommendations from the Swedish Accounting Standards Board (*Sw. Bokföringsnämnden*) and FAR SRS (Swedish GAAP), but have been recalculated in accordance with IFRS. Lifco's annual report for the financial year 2011 forms part of the Prospectus and shall be read as a part thereof. For more information, refer to the section "Documents incorporated by reference etc.".*

CONSOLIDATED INCOME STATEMENT

Amounts in TSEK	**Note**	**2013**	**2012**
Net sales	5	6,029,640	6,183,702
Cost of goods sold	6	-3,907,515	-4,049,581
Gross profit		**2,122,125**	**2,134,121**
Selling expenses	6	-442,501	-465,053
Administrative expenses	6	-978,982	-899,406
Research and development expenses	6	-52,622	-52,132
Other operating income	11	19,753	17,498
Other operating expenses	11	-41,049	-22,439
Operating profit		**626,724**	**712,589**
Financial income	12	6,942	16,991
Financial expenses	12	-58,666	-59,912
Net financial items	12	-51,724	-42,921
Share of profits in associated companies		-	1,440
Profit before tax		**575,000**	**671,108**
Income tax	14	-187,431	-160,166
Net profit for the year		**387,569**	**510,942**
Net profit for the year attributable to:			
Shareholders in the Parent Company		377,946	504,937
Non-controlling interests		9,623	6,005
Net profit for the year		**387,569**	**510,942**
Earnings per share before and after dilution, based on profit for the year attributable to shareholders in the Parent Company (expressed as SEK per share)	33	4.16	5.56

The Notes on pages 120-142 comprise an integrated part of these financial statements.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in TSEK	Note	2013	2012
Net profit for the year		**387,569**	**510,942**
Other comprehensive income			
Items which can later be reclassified in the income statement:			
Translation differences		27,336	-34,453
Hedging of net investments		-	2,396
Deferred tax on hedges of net investments		-	359
Other comprehensive income for the year, net after tax		**27,336**	**-31,698**
Total comprehensive income for the year		**414,905**	**479,244**
Total comprehensive income for the year attributable to:			
Shareholders in the Parent Company		404,563	472,098
Non-controlling interests		10,342	7,146
Total comprehensive income for the year		**414,905**	**479,244**

The Notes on pages 120-142 comprise an integrated part of these financial statements.

CONSOLIDATED BALANCE SHEET

Amounts in TSEK	Note	31 Dec 2013	31 Dec 2012	1 Jan 2012
ASSETS				
Fixed assets				
Intangible assets	15,16	3,046,799	3,015,787	2,960,108
Tangible fixed assets	17	342,037	334,013	347,023
Holdings in associated companies	18	3,516	3,516	6,709
Other non-current financial receivables	30	1,880	2,214	2,192
Deferred tax assets	19	40,747	27,154	29,318
Total fixed assets		**3,434,979**	**3,382,684**	**3,345,350**
Current assets				
Inventories	20	757,593	752,916	771,760
Accounts receivable - trade	21,30	671,220	662,327	673,841
Current income taxes recoverable		66,696	83,159	91,095
Other receivables	22	28,966	35,274	35,252
Prepaid expenses and accrued income	23	67,038	74,165	75,661
Cash and cash equivalents	24,30	441,653	401,959	337,875
Total current assets		**2,033,166**	**2,009,800**	**1,985,484**
TOTAL ASSETS		**5,468,145**	**5 392,484**	**5,330,834**

The Notes on pages 120-142 comprise an integrated part of these financial statements.

CONSOLIDATED BALANCE SHEET, CONT.

Amounts in TSEK	Note	31 Dec 2013	2012-12-31	2012-01-01
EQUITY				
Equity attributable to shareholders in the Parent Company				
Share capital (9,084,326 shares)	25	18,169	18,169	18,169
Reserves		-6,222	-32,839	0
Retained earnings including net profit for the year		2,354,159	2,154,213	1,813,243
Non-controlling interests		16,016	13,213	11,432
Total equity		**2,382,122**	**2,152,756**	**1,842,844**
LIABILITIES				
Non-current liabilities				
Interest-bearing non-current liabilities	26	77,215	76,587	47,219
Other non-current liabilities		683	4,158	6,537
Provisions for pensions, interest-bearing	32	38,047	37,733	38,457
Deferred tax liabilities	19	37,592	21,441	17,386
Other provisions	28	15,933	43,224	48,752
Total non-current liabilities		**169,470**	**183,143**	**158,351**
Current liabilities				
Interest-bearing current liabilities	26	1,824,094	1,982,621	2,211,895
Accounts payable - trade	30	313,122	313,924	367,204
Advance payments from clients		114,190	114,056	112,732
Liabilities to the Parent Company	30	100,000	100,000	110,000
Current tax liabilities		62,613	92,089	96,607
Current provisions	28	45,504	-	-
Other liabilities		142,792	131,133	125,514
Accrued expenses and deferred income	29	314,238	322,762	305,687
Total current liabilities		**2,916,553**	**3,056,585**	**3,329,639**
TOTAL EQUITY AND LIABILITIES		**5,468,145**	**5,392,484**	**5,330,834**

The Notes on pages 120-142 comprise an integrated part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

Attributable to shareholders in the Parent Company

Amounts in TSEK	Note	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance per 1 Jan 2012 (according to previous accounting principles)		18,169		1,803,941	1,822,110	12,613	1,834,723
Effect of change of accounting principles to IFRS	40			9,302	9,302	-1,181	8,121
Opening balance IFRS 1 Jan 2012		**18,169**	**-**	**1,813,243**	**1,831,412**	**11,432**	**1,842,844**
Comprehensive income							
Net profit for the year				504,937	504,937	6,005	510,942
Other comprehensive income			-32,839		-32,839	1,141	-31,698
Total comprehensive income			**-32,839**	**504,937**	**472,098**	**7,146**	**479,244**
Transactions with shareholders							
Group contribution				-100,000	-100,000		-100,000
Tax related to Group contribution				26,300	26,300		26,300
Revaluation of liabilities, put-options				-267	-267		-267
Dividends				-90,000	-90,000	-5,365	-95,365
Closing balance per 31 Dec 2012		**18,169**	**-32,839**	**2,154,213**	**2,139,543**	**13,213**	**2,152,756**
Opening balance per 1 Jan 2013		**18,169**	**-32,839**	**2,154,213**	**2,139,543**	**13,213**	**2,152,756**
Comprehensive income							
Net profit for the year				377,946	377,946	9,623	387,569
Other comprehensive income			26,617		26,617	719	27,336
Total comprehensive income			**26,617**	**377,946**	**404,563**	**10,342**	**414,905**
Transactions with shareholders							
Group contribution				-100,000	-100,000		-100,000
Tax effect of Group contribution				22,000	22,000		22,000
Dividends				-100,000	-100,000	-7,539	-107,539
Closing balance per 31 Dec 2013		**18,169**	**-6,222**	**2,354,159**	**2,366,106**	**16,016**	**2,382,122**

The Notes on pages 120-142 comprise an integrated part of these financial statements.

CASH FLOW STATEMENT FOR THE GROUP

Amounts in TSEK	Note	2013	2012
Cash flows from operating activities			
Operating profit before financial items		626,724	712,589
Depreciation/amortisation		124,325	73,636
Other financial items		-2,573	-333
Interest received		1,818	4,159
Interest paid		-30,618	-45,307
Income taxes paid		-175,886	-134,423
Cash flow from operating activities before changes in working capital		**543,790**	**610,321**
Cash flow from changes in working capital			
Increase/decrease in inventories		-12,992	25,000
Increase/decrease in trade and other receivables		-11,732	24,536
Increase/decrease in trade and other liabilities		39,231	-50,475
Total changes in working capital		**14,507**	**-939**
Cash flow from operating activities		**558,297**	**609,382**
Cash flow from investing activities			
Acquisition of subsidiaries, after deduction of cash and cash equivalents		-	-90,144
Acquisition of tangible fixed assets		-95,334	-75,120
Disposal of tangible fixed assets		9,709	17,887
Acquisition of intangible fixed assets		-18,657	-9,445
Cash flow from investing activities		**-104,282**	**-156,822**
Cash flow from financing activities			
Increase/decrease in non-current liabilities/receivables		-3,141	792
Proceeds from borrowings		-	85,721
Repayment of borrowings		-206,650	-258,078
Dividends paid		-107,539	-95,365
Group contribution paid		-100,000	-110,000
Cash flow from financing activities		**-417,330**	**-376,930**
Decrease/increase in cash and cash equivalents		**36,685**	**75,630**
Cash and cash equivalents at the beginning of the year	24	401,959	337,875
Translation differences		3,009	-11,546
Cash and cash equivalents at year-end	24	441,653	401,959

The Notes on pages 120-142 comprise an integrated part of these financial statements.

NOTE 1 – "GENERAL INFORMATION"

Lifco AB (the Parent Company) and its subsidiaries (referred to collectively as the Group) form an industrial group organised into six business areas. Operations are conducted in subsidiaries in 30 countries and are described in detail in the Administration Report.

This financial report was approved for publication by the Board of Directors on 7 November 2014.

Unless stated otherwise, all amounts are presented in thousands of Swedish krona (TSEK). Information within parentheses refers to the previous year.

NOTE 2 – SUMMARY OF IMPORTANT ACCOUNTING PRINCIPLES

The most important accounting principles applied in the preparation of these consolidated accounts are described below. These principles have been applied consistently for all years presented, unless stated otherwise.

Basis of preparation for the reports

The consolidated accounts for the Lifco Group have been prepared in accordance with IFRS (International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB) and the interpretation statements of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Regulations for Groups and the Swedish Annual Accounts Act have been applied. This annual report is Lifco AB's first financial report to be prepared in accordance with IFRS. Historical financial information has been translated from 1 January 2012, the date of the transition to reporting in accordance with IFRS. Explanations regarding the transition from the previously applied accounting principles to IFRS and regarding the effects of the restatement on the income statement and equity are presented in Note 40.

The consolidated accounts have been prepared in accordance with the cost method. The most important accounting principles applied in the preparation of these consolidated accounts are described below. These principles have been applied consistently for all years presented, otherwise stated otherwise.

Standards, changes and interpretations of existing standards which have not yet entered into force and which have not been early adopted by Lifco AB.

A number of new standards and changes in interpretations and current standards came into effect for financial years beginning after 1 January 2014, and have not been applied in the preparation of these financial statements. None of these standards or interpretations is expected to have any material effect on the consolidated accounts, with the exception of the following:

IFRS 12 "Disclosures of Interests in Other Entities" includes disclosure requirements for subsidiaries, joint arrangements, associated companies and "structured entities" which have not been consolidated. The Group intends to apply IFRS 12 for the financial year beginning on 1 January 2014 and is yet to assess the full effect on the financial statements.

None of the other IFRS or IFRIC interpretations yet to enter into force are expected to have any significant impact on the Group.

Consolidation

Subsidiaries

Subsidiaries are those companies in which the Group has the power to govern the financial and operating policies (control), in a manner usually corresponding to a holding of more than 50 per cent of the voting rights. Subsidiaries are included in the consolidated accounts as of the date on which control is transferred to the Group and deconsolidated as of the date on which control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is comprised of the fair value of the transferred assets, shares issued or liabilities incurred by the Group. The consideration transferred also includes the fair value of all assets or liabilities arising as a result of any agreement on a conditional purchase price. Acquisition-related costs are recognised as expenses as incurred. Identifiable acquired assets and assumed liabilities in a business combination are measured, initially, at fair value on acquisition date. For each separate acquisition, the Group determines whether all non-controlling interest in the acquired company is to be recognised at fair value or at the holding's proportional share of the acquired company's net assets.

The amount by which the purchase price, any possible non-controlling interest and the fair value at acquisition date of any previous share of equity in the acquired company exceeds the fair value of the identifiable acquired net assets is recognised as goodwill.

Commitments to acquire non-controlling interests are considered to comprise financial liabilities, with subsequent changes in value recognised in equity.

Intra-Group transactions, balance sheet items, income and expenses, and unrealised gains and losses on transactions between Group companies are eliminated. The accounting principles of subsidiaries have been changed where necessary to ensure consistency with the principles adopted by the Group.

Change in participating interests in subsidiaries without loss of controlling influence

Transactions with non-controlling interests in subsidiaries which do not entail a loss of control are treated as equity transactions, i.e. as transactions with owners in their role as owners. For any purchases from non-controlling interests, the difference between the fair value of the amount paid and the acquired proportion of the fair value of net assets in the subsidiary is recognised in equity. Gains or losses on sales to non-controlling interests are also recognised in equity.

Associated companies

Associated companies are those companies in which the Group has a significant influence, but not a controlling influence, which, in principle, applies to a holding equalling between 20 per cent and 50 per cent of the votes. Holdings in associated companies are accounted for according to the equity method. In accordance with the equity method, investments are initially valued at cost, after which the value is increased or decreased to reflect the Group's share of the profits or losses and comprehensive income in the associated company after acquisition date.

Translation of foreign currencies

Functional currency and presentation currency

The various entities within the Group use the local currency as their functional currency, whereby the local currency is defined as the currency of the primary economic environment in which the respective entity operates. The consolidated accounts are presented in Swedish krona (SEK), which is the functional currency of the Parent Company and the presentation currency of the Group.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency using the exchange rates prevailing on transaction dates. Exchange rate gains and losses arising from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate, are reported in the income statement. An exception is made to this principle for transactions comprising net investments, whereby gains or losses arising from the transaction are recognised in Other comprehensive income.

Exchange rate gains and losses attributable to lending/borrowing and cash and cash equivalents are recognised in the income statement as financial income or expenses. All other exchange rate gains and losses are recognised as other operating income or other operating expenses in the income statement.

Translation of foreign group companies

The profit/loss and the financial position of all entities with functional currencies other than the presentation currency are translated to the Group's presentation currency. Assets and liabilities for each of the entities' balance sheets are translated from the foreign operations' functional currency to the Group's presentation currency, SEK, at the exchange rate applicable on the closing date. Income and expenses for each of the entities' income statements are translated into SEK at the average exchange rate. Translation differences arising on the translation of foreign operations are recognised in Other comprehensive income.

Goodwill and adjustments to fair value arising on the acquisition of a foreign entity are treated as assets and liabilities attributable to this entity, and are translated at the closing rate.

Intangible assets

Goodwill

Goodwill arises on acquisitions of subsidiaries and is comprised of the amount by which the purchase price exceeds Lifco's share in the fair value of the acquired company's identifiable assets, liabilities and contingent liabilities, along with the fair value of non-controlling interest in the acquired company. All acquisitions are considered to comprise strategic, long-term investments.

Goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies from the business combination. Each unit or group of units to which goodwill is allocated represents the lowest level in the Group at which the goodwill in question is monitored according to internal governance procedures.

Goodwill is tested annually for evidence of an impairment requirement, or more often if events or changes in circumstances indicate the possibility of a decrease in value. The goodwill value is compared with the recoverable amount, which is the higher of the value in use and fair value less cost to sell. In the event that an impairment requirement is identified, the impairment is recognised immediately as an expense and is not reversed.

Patents

Individually-acquired patents are recognised at cost less accumulated amortisation. Patents are applied for for unique constructions and technical solutions inherent to products developed by the Company. Amortisation is undertaken on a straight-line basis in order to distribute the cost of the patent over its estimated useful life, which is the shorter of the patent's duration of legal protection and the period of time during which the product to which the patent relates is expected to be produced. The useful life of a patent cannot, as a general rule, exceed 5 years.

Licences and trademarks

Individually-acquired licences and trademarks are recognised at cost. Trademarks and licences acquired in a business combination are recognised at fair value at acquisition date. Trademarks and licences have a definite useful life and are measured at cost less accumulated amortisation. Amortisation is undertaken on a straight-line basis in order to distribute the cost of the trademarks and licences over their estimated useful lives of 2-20 years.

Acquired software licences are capitalised on the basis of the costs arising upon the acquisition and initial operation of the software in question. These capitalised costs are amortised over the software's estimated useful life of 3-5 years.

Tangible fixed assets

Tangible fixed assets are recognised at cost less depreciation. The asset's cost includes expenditure that is directly attributable to the acquisition of the asset.

Additional expenditure is either added to the value of the asset or recognised as a separate asset, depending on whichever is the most suitable, although only when the future economic benefits associated with the asset will accrue to Lifco and the asset's cost can be reliably estimated. The value of any replaced components of an asset is removed from the balance sheet. All other forms of repair and maintenance are recognised in the income statement as expenses during the period in which they arise. Land is not depreciated. As regards other tangible fixed assets, each component within the asset with a cost which is significant in relation to the asset's total cost, is depreciated separately. Depreciation is undertaken on a straight-line basis as follows:

Buildings	25–40 years
Plant and machinery	5–10 years
Equipment, tools, fixtures and fittings	3–6 years

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each balance sheet date. If the book value of an asset is greater than its estimated recoverable amount, the asset is immediately written down to the recoverable amount.

A gain or loss on the disposal of a tangible fixed asset, comprised of the difference between the sale price and the book value of the asset, is recognised in Other operating income or Other operating expenses in the income statement.

Impairment of non-financial fixed assets

Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. If an impairment requirement is identified, the amount of impairment is determined as the difference between the recoverable amount of the asset and its book value. The recoverable amount is the higher of the asset's fair value less distribution expenses and its value in use. When assessing impairment requirements, the assets are grouped at the lowest level at which it is possible to identify independent cash flows (cash-generating units).

Financial instruments

Classification

The Group classifies its financial assets and liabilities in the following categories: "loans and receivables", "liabilities at fair value through profit or loss" and "other financial liabilities". The classification depends on the purpose for which the financial asset or liability was acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. These items are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as fixed assets. Loans and receivables in the Group are comprised of other non-current receivables, accounts receivable, and cash and cash equivalents.

Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trade. A financial liability is classified as belonging to this category when it is acquired with the primary objective to be sold within the short-term. Liabilities in in this category are classified as current liabilities if they are expected to be settled within twelve months; if not, the liabilities are classified as non-current liabilities. Liabilities at fair value through profit or loss in the Group are primarily comprised of financial liabilities in the form of additional purchase price.

Other liabilities at fair value

Other liabilities at fair value are comprised of liabilities deriving from put-options or combined put/call-options regarding acquisitions of non-controlling interests. Changes in these liabilities are recognised in equity.

Other financial liabilities

The Group's liabilities to credit institutions, accounts payable, overdraft facilities and liabilities to the Parent Company are classified as other financial liabilities.

Recognition and valuation

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial instruments are initially recognised at fair value plus transaction costs. Financial instruments are removed from the balance sheet when the right to receive cash flows from the instrument has expired or has been transferred, and when the Group has transferred significant risks and rewards of ownership. Financial liabilities are removed from the balance sheet when the obligations in the agreement have been fulfilled or otherwise extinguished. Loans and receivables and other financial liabilities are measured after initial recognition at amortised cost, using the effective interest method.

Offsetting of financial instruments

Financial assets and liabilities are offset and presented net in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and when there is an intention to settle the balances on a net basis, or to simultaneously realise the asset and settle the liability.

Impairment of financial instruments

Assets recognised at amortised cost (loans and receivables).

The Group assesses, at the end of each reporting period, whether there is objective evidence of an impairment requirement for a financial asset or a group of financial assets. A financial asset or a group of financial assets is impaired only if there is objective evidence of an impairment requirement as a result of one or several events having occurred after the initial recognition of the asset, and if this event impacts the expected future cash flows from the financial asset or group of financial assets in a manner which can be reliably estimated.

The impairment is calculated as the difference between the asset's book value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's book value is written down and the impairment amount is recognised in the consolidated income statement. If the impairment requirement decreases in a subsequent period, and the decrease can objectively be attributed to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Hedging of net investments

Hedging of net investments in foreign operations is recognised in a similar manner to cash flow hedging. The portion of the gain or loss on a hedging instrument which is considered to comprise an effective hedge is recognised in Other comprehensive income. The gain or loss attributable to the ineffective portion is recognised in the income statement. Accumulated gains or losses in equity are recognised in the income statement when the foreign operations are divested, either in part or in full.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The value of inventories includes an attributable portion of indirect costs. The value of finished goods comprises raw materials, direct labour, other direct costs and indirect production overheads, including depreciation/amortisation.

Cost consists of the purchase price from subcontractors and costs for customs and freight. The net realisable value is the estimated selling price in the ordinary course of business, less applicable variable completion costs and distribution expenses. Obsolescence in the inventory is continually monitored and assessed throughout the year.

Accounts receivable – trade

Accounts receivable are amounts to be paid by clients for products sold or services rendered in the course of the Group's normal operating activities. If payment is expected within one year, the accounts receivable are presented as current assets. Otherwise, these are presented as fixed assets.

Accounts receivable are initially recognised at fair value and thereafter at amortised cost, with the application of the effective interest method, less any provision for reductions in value.

Cash and cash equivalents

Cash and cash equivalents in both the balance sheet and the cash flow statement consist of cash and bank balances.

Accounts payable – trade

Accounts payable are obligations to pay for goods and services acquired from suppliers in the course of the Group's normal operating activities. Accounts payable are classified as current liabilities if they mature within one year. Otherwise, these items are presented as non-current liabilities.

Accounts payable are reported at nominal value. The reported value of accounts payable is deemed to be equivalent to the fair value as this item is short-term in nature.

Accounts payable are initially reported at fair value and thereafter at amortised cost, with the application of the effective interest method (see financial instruments above).

Current and deferred tax

Tax expenses for the period comprise current and deferred tax. Tax expenses are reported in the income statement, with the exception of those tax expenses referring to items reported in Other comprehensive income or directly in equity. For these items, the associated tax expenses are also reported in Other comprehensive income or directly in equity, respectively. Current tax for the period is calculated on the basis of the tax laws enacted, or substantively enacted, as at the balance sheet date in those countries in which the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised, using the liability method, on all temporary differences arising between the tax base of the assets and liabilities and their reported values in the consolidated accounts. However, deferred tax is not reported if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, and which, at the time of the transaction, impacts neither reported nor fiscal results. Deferred tax is calculated using tax rates that have been enacted, or substantially enacted, as at balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets referring to loss carry-forwards are reported to the extent that it is likely that a future fiscal surplus will be available against which the loss carry-forwards can be utilised.

Deferred tax assets and liabilities are offset when there is a legal right to offset the tax assets and tax liabilities in question, when the deferred tax assets and liabilities refer to taxes charged by one and the same tax authority and when they refer either to the same taxpayer or different taxpayers, and when there is the intention to settle the balances on the basis of net payments.

Borrowing

Borrowings are initially reported at fair value, net after transaction costs. Borrowings are reported thereafter at amortised cost, with any difference between the received amount (net after transaction costs) and the amount to be repaid reported in the income statement over the tenure of the loan, applying the effective interest method. The Group's borrowings are comprised of short-term loans, all of which mature within 12 months from balance sheet date.

Overdraft facilities are presented as borrowings amongst Current liabilities in the balance sheet.

Employee benefits

Pension commitments

The Group has both defined benefit and defined contribution pension plans. The Group's main defined benefit plan is the ITP plan, secured via payments to Alecta (for further information regarding Alecta, see below).

A defined contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligation to pay further contributions if the legal entity in question does not have sufficient assets to pay all employee benefits related to the employee's employment during current or previous periods. For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel costs when they fall due for payment. Prepaid premiums are presented as an asset to the extent to which the Group may benefit from cash repayments or decreases in future payments

The few pension commitments which have not been transferred to an insurance company, or which have not been secured by some other means through funding with an external party, are presented as a liability in the balance sheet.

Provisions

Provisions are recognised when the Group has a legal or informal obligation as a result of an event which has occurred, when it is more likely than not that an outflow of resources will be required to settle the obligation and when this amount can be reliably estimated.

Provisions for guarantee expenses are estimates regarding guarantee commitments provided, and are made on the basis of accumulated experience evidenced by statistics from historical commitments, expected costs for repairs, and the average time between a fault being identified and the claim being lodged with the Group.

Revenue recognition

Income comprises the fair value of the amounts received, or which will be received, for the sale of goods and services in the course of the Group's operating activities. Revenue does not include VAT, discounts or returns, and intra-Group sales are eliminated.

Revenue from sales of goods is recognised when all of the material risks and rights associated with ownership have been transferred to the purchaser, which usually takes place in conjunction with delivery, and when the income and associated expenditure can be reliably estimated and it is likely that the economic benefits associated with the sale of the items will accrue to the Group.

A certain portion of the Group's operations are conducted in project form, whereby the percentage of completion method is applied, in accordance with IAS 18, Revenue. When calculating earnings from such projects, the degree of completion has been calculated as the expenditure on the project as per the balance sheet date in relation to the total estimated expenses required to fulfil the assignment.

Interest income is recognised over the tenure of the contract, with the application of the effective interest method.

Leasing

Lease agreements under which a significant portion of the risks and benefits of ownership are retained by the lessor are classified as operational lease agreements. Payments made during the lease period are expensed in the income statement on a straight-line basis over the tenure of the lease.

Lease agreements under which the Group retains significant risks and rewards of ownership are classified as financial lease agreements. Financial lease agreements are recognised at the beginning of the lease period at the lower of the fair value of the leased object and the present value of the minimum lease payments.

The Group's lease agreements consist primarily of leases for cars. None of these leasing agreements are currently classified as financial lease agreements.

Cash Flow Statement

The cash flow statement has been prepared using the indirect method. This implies that operating profit/loss is adjusted for transactions which have not resulted in incoming or outgoing payments during the period, as well as for any income and expenses attributable to cash flows from investing or financing activities.

Dividends

Dividends to shareholders in the Parent Company are recognised as a liability in the Group's financial reorts during the period in which the dividend is approved by the shareholders in the Parent Company. Dividend income is recognised when the right to receive the dividends is deemed to be certain.

Shareholders' contributions

Shareholders' contributions are recognised directly in equity by the receiver and are capitalised in shares and participations by the provider, to the extent that no impairment is required.

Segment information

Segment information is presented in the same manner as the internal reporting to the highest executive decision-making body. The highest executive decision-making body is the function responsible for the allocation of resources to, and evaluation of performance by, the operating segments. In the Group, this function is defined as the CEO who makes strategic decisions. Company management has determined the operating segments on the basis of the information processed by the CEO, and which is used as the basis for decisions regarding the allocation of resources and evaluation of performance.

The CEO evaluates the performance of the operations on the basis of three operating segments: Dental, Demolition & Tools and Systems Solutions. Systems Solutions is an amalgamation of business areas with similar financial characteristics but which, individually, do not fulfil specific quantitative limits.

NOTE 3 – FINANCIAL RISK MANAGEMENT

Financial risk factors

Through its operations, the Group is exposed to various types of financial risks: Market risk (consisting of foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed in accordance with Lifco's finance policy which is adopted by the Company's Board of

Directors. Based on this policy, the Group does not apply hedge accounting, but rather, instead focuses on decreasing potentially unfavourable effects on the Group's financial results through an extensive Group-wide account system in which surpluses in certain currencies are matched against payments in those currencies.

a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that unfavourable exchange rate fluctuations impact net profit for the year and equity, measured in SEK:

- Transaction exposure arises as a result of the Group having incoming and outgoing payments in foreign currencies.
- Translation exposure arises as a result of the Group's foreign exchange exposure from net assets in the Group's foreign operations.

The Lifco Group engages in operations in 30 countries. The geographical spread, in tandem with a large number of clients and products, ensures a relatively limited transaction risk exposure. The Lifco Group's transaction exposure arises when subsidiaries import products for sale in the domestic market and/or sell products in foreign currency. The effect of exchange rate fluctuations is managed, as far as possible, through the application of exchange rate clauses in client contracts and through sales and purchases being made in the same currencies.

The Group's policy is that each company is to handle its currency flows as regards exposure to unforeseen exchange rate fluctuations. Foreign exchange risk is managed primarily through a Group account system, with accounts in various currencies where the surplus in the system is used to settle transactions in certain currencies. No derivative instruments are utilised to manage foreign exchange risk. There were no forward agreements in place in either 2012 or 2013.

Lifco deems that transaction exposure is limited due to the fact that within the Group there is a balance between purchases and sales in foreign currencies. Consequently, a reasonable change in the value of the Swedish krona against other currencies implies no material impact on the Group's financial position. During 2013, exchange rate differences recognised in the income statement amounted net to TSEK -4,374 (-3,002).

Translation risk arises in the translation of foreign subsidiaries to the presentation currency, SEK. The Group has a number of holdings in foreign operations, the net assets of which are exposed to exchange rate risk. The exchange rate exposure arising from the net assets in the Group's foreign operations is managed to a certain degree through borrowing in the foreign currencies concerned.

Lifco estimates that translation exposure implies that a 1 percent change in the value of the Swedish krona against other currencies would result in an effect on the Company's equity of +/- TSEK 4,041 (3,187).

(ii) Interest rate risk

Interest rate risk is the risk that changes in interest rates negatively impact the Group's net profit. The borrowings in place incur variable interest, which exposes the Group to interest rate risk in its cash flows. This risk is partly neutralised by the fact that liquid funds also incur variable interest. As a policy, the Group does not borrow on the basis of fixed interest rates. Lifco's borrowings currently have a tenure of one year and are, therefore, renegotiated annually.

All liabilities incur variable interest and amounted as at balance sheet date to TSEK 1,824,094 (1,982,621). A change in the interest rate of +/-0.50 percentage points would imply an impact on interest expenses of +/- TSEK 9,120 (9,913).

(iii) Price risk

The Group is exposed to price risk regarding raw materials, primarily steel and sheet metal, stainless steel and gold. The Group does not use derivative instruments in order to hedge the prices of raw materials. As raw materials are included in a relatively small portion of the goods manufactured by the Group, and due to the fact that a number of contracts include clauses stipulating that the price can change depending on fluctuations in raw material prices, the impact of price risk on the Group is deemed to be low.

b) Credit risk

Credit risk, or counterparty risk, is the risk that the counterparty in a financial transaction does not fulfil its obligations by the due date. Lifco is exposed to credit risk primarily via its accounts receivable, but also to a certain extent via cash and cash equivalents. Each Group company is responsible for following up and analysing credit risk and for undertaking credit rating assessments for each new client. A provision for doubtful debts is determined based on a schedule adopted throughout the Group. Lifco deems that the risk of bad debt losses is low as sales are, to a large degree, to clients with whom the Group has had extensive cooperation and/or a positive experience of payment capacity. The Group monitors, on an on-going basis, the clients' credit ratings and reassesses, as required and in accordance with established guidelines, the credit terms and conditions offered. As regards cash and cash equivalents, the credit risk is deemed to be low as the counterparties are large, well-known banks with high credit ratngs. For information regarding the Group's loan losses, see Note 25. No significant credit risks exist.

c) Liquidity risk

Liquidity risk is the risk that the Group has insufficient liquid funds for the payment of its obligations regarding financial liabilities. The Company's liquidity management is designed to minimise the risk of the Group failing to have sufficient liquid funds to cover its commercial commitments. In order to handle on-going payments, there is a cash pool system within the Group ensuring that liquid funds are available in the currencies in which payment is to take place.

As per 31 December 2013, the Group had cash and cash equivalents of TSEK 441,653 (401,959). Future impacts on liquidity refer, in general, to payments of accounts payable and other current liabilities, as well as to the amortisation of loans. Loans are renegotiated each year. Lifco deems that the renegotiation possibilities are very positive, for which reason the Group has chosen to apply short-term fixed interest rate periods.

Capital risk management

The Group's targets as regards its capital structure are to ensure the capacity to carry on its operations in order to continue to generate returns to the shareholders and benefits to other stakeholders, and to maintain an optimal capital structure, keeping the cost of capital at a minimum.

The Group assesses its capital requirements on the basis of its net indebtedness and strives to ensure that liabilities never exceed total equity. This key ratio is calculated through dividing net liabilities by capital employed. Net liabilities are calculated as total borrowings (including the items short-term borrowings and long-term borrowings in the consolidated balance sheet, excluding additional purchase prices and forward agreements referring to the future acquisition of non-controlling interests) less cash and cash equivalents. Capital employed is calculated as net liabilities plus equity, excluding non-controlling interests.

	2013-12-31	2012-12-31
Total borrowings (Note 26)	1,939,356	2,096,941
Less: Additional purchase prices and forward agreements	-77,215	-76,587
Less: Cash and cash equivalents (Note 24)	-441,653	-401,959
Net liabilities	1,420,488	1,618,395
Equity	2,366,106	2,139,543
Total capital	**3,786,594**	**3,757,938**
Debt/equity ratio	37.5 %	43.1 %

Calculation of fair value

The recognised values, after any possible impairment, of accounts receivable and other receivables, as well as accounts payable and other liabilities, are presumed to be equivalent to their fair value, as these items are short-term in nature.

The financial instruments valued at fair value in the Group are comprised of financial liabilities in the form of call/put-options (forward agreements) for the future acquisition of non-controlling interests and additional purchase prices arising on acquisitions. The fair value of these instruments is based on the Company's future earnings. Both of these items are in category three in the fair value hierarchy. During the year, no significant changes took place regarding these items.

NOTE 4 – IMPORTANT ESTIMATES AND ASSUMPTIONS

Estimations regarding the valuations of balance sheet items and assumptions required in the application of the accounting principles are evaluated on an on-going basis and are based on historical experience and other factors, including expectations concerning future events considered to be reasonable under prevailing circumstances.

Critical accounting estimates and judgments

The Group undertakes estimations and makes assumptions regarding future developments. The resulting accounting estimates will, by definition, seldom correspond to the actual results. A summary of the estimates and judgments implying a considerable risk of significant adjustments of assets and liabilities during the coming financial year is presented below.

Impairment testing for goodwill

Each year, the Group assesses whether goodwill is subject to an impairment requirement, in accordance with the accounting principles described in Note 2. The recoverable amount for cash generating units has been established via a calculation of the value in use. Certain estimates are necessary when undertaking these calculations (see Note 16). An impairment requirement of TSEK 50,000 was identified during 2013 in the cash generating unit Modul-System, which is a part of the Systems Solutions operating segment.

Valuation of loss carry forwards

The Group assesses each year whether it is appropriate to capitalise deferred tax assets attributable to fiscal loss carry forwards for the year. Deferred tax assets are recognised only for loss carry forwards for which it is probable that a future fiscal surplus and/or fiscal temporary differences will be available against which the loss carry forwards can be utilised. The remaining unrecognised loss carry forwards refer to the companies Modul-System Poland and Mars Greiftechnik and amounted as at 31 December 2013 to TSEK 57 (2012: TSEK 56, 1 January 2012: TSEK 582). No deferred tax assets have been recognised regarding these loss carry forwards, as it is not deemed probable that these losses can be utilised against future taxable income (for further information see Note 22).

NOTE 5 – SEGMENT INFORMATION

The CEO is the Group's ultimate executive decision-maker. Company management has determined the operating segments on the basis of the information processed by the CEO, and which is used as the basis for decisions regarding the allocation of resources and evaluation of performance.

The results of the segments are assessed based on a measure referred to as EBITA (Earnings before the amortisation of intangible assets arising in conjunction with acquisitions, restructuring costs, integration costs and acquisition costs, as well as before interest and taxes).

Income

No sales take place between the segments. Income from external parties reported to the CEO is presented in the same manner as in the income statement.

Income from external clients	2013	2012
Dental	2,826,324	2,839,946
Demolition & Tools	1,188,892	1,175,814
Systems Solutions	2,014,424	2,167,942
Total	**6,029,640**	**6,183,702**

The allocation of profit per segment takes place up to and including EBITA. No division of assets and liabilities takes place per segment as no such amount is regularly reported to the ultimate executive decision-maker.

EBITA is reconciled against profit before tax according to the following:

	2013	2012
Dental	398,648	375,988
Demolition & Tools	246,209	267,648
Systems Solutions	115,131	135,647
Common Group functions	-68,113	-64,416
Total	**691,875**	**714,867**
Amortisation of intangible fixed assets arising in conjunction with acquisitions	-56,700	-2,896
Expenses for restructuring, integration and acquisitions	-8,451	618
Net financial items	-51,724	-41,481
Profit before tax	**575,000**	**671,108**

	Group	
Net sales	**2013**	**2012**
Dental Products	2,826,324	2,839,947
Machinery and Tools	1,188,894	1,175,814
Contract Manufacturing	580,702	683,924
Sawmill Equipment	543,274	577,902
Interiors for Service Vehicles	315,389	325,390
Relining	267,805	258,661
Other	307,252	322,059
Total	**6,029,640**	**6,183,702**

No single client accounts for more than 10% of sales.

The Group's registered offices are located in Sweden. Income from external clients in Sweden and in other countries is specified in the table below:

	Group	
Net sales per geographic market	**2013**	**2012**
Sweden	1,492,580	1,605,937
Germany	1,220,614	1,253,810
Other Europe	2,437,466	2,728,823
North America	227,819	216,591
Asia and Australia	595,596	300,515
Other	55,565	78,026
Total	**6,029,640**	**6,183,702**

Total fixed assets, other than financial instruments and deferred tax assets, located in Sweden amounted to TSEK 940,292 (994,784), in Germany to TSEK 2,023,203 (1,950,312), while the total of such fixed assets located in other countries amounted to TSEK 428,857 (408,220).

NOTE 6 – EXPENSES BY TYPE

	Group	
	2013	**2012**
Raw materials and consumables	2,962,406	2,964,496
Expenses for employee benefits (Note 7)	1,353,276	1,366,916
Depreciation, amortisation and impairment (Notes 8, 15, 16 and 17)	124,325	73,636
Expenses for operational lease agreements (Note 9)	67,244	68,793
Other expenses	874,369	992,331
Total cost of goods sold, distribution expenses, administrative expenses and research and development expenses	**5,381,620**	**5,466,172**

NOTE 7 – EMPLOYEE BENEFITS, ETC.

	Group	
	2013	**2012**
Salaries and other remuneration	1,056,479	1,076,202
Social security contributions	195,016	217,568
Pension expenses	101,781	73,146
Total	**1,353,276**	**1,366,916**

	2013		2012	
Salaries, other remuneration and social security contributions, Group	**Salaries and other remuneration**	**Social security contributions inc. pension**	**Salaries and other remuneration**	**Social security contributions inc. pension**
Board members, CEOs and other senior executives	124,896	53,696	119,614	50,365
Other employees	931,583	243,101	956,588	240,349
Group total	**1,056,479**	**296,797**	**1,076,202**	**290,714**

The remuneration received by Board Members and senior executives during the financial year 2013 is shown below.

TSEK	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension expenses	Total
Carl Bennet	1,050	-	-	-	1,050
Gabriel Danielsson	525	-	-	-	525
Sigbrit Franke	525	-	-	-	525
Erik Gabrielson	525	-	-	-	525
Fredrik Karlsson (as Board Member)	-	-	-	-	0
Johan Stern	525	-	-	-	525
Caroline Sundewall	525	-	-	-	525
Axel Wachtmeister	525	-	-	-	525
Total	**4,200**	**0**	**0**	**0**	**4,200**
Fredrik Karlsson (as CEO)	17,440	9,500	56	10,246	37,242
Other senior executives	5,419	3,737	54	1,799	11,009
Total	**22,859**	**13,237**	**110**	**12,045**	**48,251**

	2013			2012		
	Women	Men	Total	Women	Men	Total
Gender distribution in the Group for Board Members and other senior executives	6	77	83	7	82	89
Group total	**6**	**77**	**83**	**7**	**82**	**89**

	2013			2012		
Average number of employees per country	Women	Men	Total	Women	Men	Total
Sweden	1	1	2	1	1	2
Parent Company total	**1**	**1**	**2**	**1**	**1**	**2**
Subsidiaries						
Sweden	223	705	928	274	699	973
Australia	1	3	4	1	3	4
Austria	3	35	38	4	37	41
Belgium	2	3	5	2	3	5
Canada	2	15	17	1	9	10
China	4	9	13	4	8	12
Czech Republic	47	110	157	48	125	173
Denmark	50	149	199	47	144	191
England	9	60	69	10	61	71
Estonia	118	110	228	151	112	263
Finland	52	165	217	55	196	251
France	9	48	57	9	50	59
Germany	211	279	490	202	301	503
Hungary	5	3	8	6	3	9
Iceland	-	9	9	-	8	8
Italy	-	1	1	-	1	1
Latvia	8	3	11	7	3	10
Lithuania	10	2	12	10	2	12
Netherlands	3	30	33	3	28	31
Norway	39	59	98	40	62	102
Philippines	88	170	258	91	175	266
Poland	2	8	10	2	9	11
Russia	1	2	3	1	2	3
Switzerland	4	7	11	4	4	8
Singapore	1	4	5	-	4	4
Slovenia	2	14	16	5	13	18
Spain	-	4	4	-	3	3
USA	6	31	37	7	32	39
Total, subsidiaries	**900**	**2,038**	**2,938**	**984**	**2,097**	**3,081**
Group total	**901**	**2,039**	**2,940**	**985**	**2,098**	**3,083**

Termination of employment and severance pay, CEO

In the event that the CEO's employment is terminated by the Company, a term of notice of 12 months is to apply, with the CEO retaining the right to salary and benefits during the notice period. In the event that the CEO informs the Company of his/her intention to terminate employment, a term of notice of 6 months is to apply, with the equivalent salary and benefits.

NOTE 8 – DEPRECIATION/AMORTISATION ACCORDING TO PLAN

	Group	
Distribution of depreciation/ amortisation between tangible and intangible assets	**2013**	**2012**
Buildings and land	-12,632	-12,726
Plant and machinery	-18,024	-22,081
Equipment, tools, fixtures and fittings	-29,660	-30,139
Constructions in progress and advance payments	-	-
Total depreciation of tangible fixed assets	**-60,316**	**-64,946**
Client relationships	-3,475	-2,896
Patents	-3,226	-5,199
Other intangible assets	-7,308	- 595
Total amortisation of intangible assets	**-14,009**	**-8,690**
Total depreciation/amortisation of fixed assets	**-74,325**	**-73,636**

Depreciation/amortisation by function	**2013**	**2012**
Cost of goods sold	-29,942	-27,475
Distribution expenses	-6,297	-9,405
Administrative expenses	-35,502	-34,518
Research and development expenses	- 2,584	-2,238
Total depreciation/amortisation	**-74,325**	**-73,636**

NOTE 9 – LEASE AGREEMENTS

Operational leasing

The Group's operational lease agreements refer primarily to cars and rental agreements for premises. No sub-leasing is undertaken. The future minimum leasing fees incurred on non-cancellable operational lease agreements in place at the end of the reporting period fall due for payment as follows:

	Group	
	2013	**2012**
Maturity within 1 year	48,000	67,000
Maturity between 1 and 5 years	89,000	110,000
Maturity after 5 years	25,000	50,000
Total	**162,000**	**227,000**

Costs for operational leases in the Group amounted to TSEK 67,244 (68,793) during the financial year. Leasing fees for assets held via operational lease agreements are presented in operating expenses.

The Parent Company's lease agreements are comprised of rental agreements for office premises. No sub-leasing is undertaken. Expenses for operational leasing in the Parent Company amounted to TSEK 629 (576) during the financial year.

NOTE 10 – AUDIT FEES

Audit assignment refers to the auditing of the annual report and accounting records, as well as of the administration of the Board of Directors and CEO, the execution of other tasks required of the Company's auditors, and the provision of advice and other assistance arising due to observations made during such auditing procedures or during the execution of other such tasks. All other activities undertaken by the auditors are referred to as Other services.

	Group	
	2013	**2012**
PwC		
Audit assignment	4,335	4,431
Audit procedures not included in the audit assignment	141	126
Tax advisory services	207	96
Other services	560	294
Other auditors		
Audit assignment	138	139
Audit procedures not included in the audit assignment	-	-
Tax advisory services	-	-
Other services	-	-
Total	**5,381**	**5,086**

NOTE 11 – OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

	Group	
Other operating income	**2013**	**2012**
Exchange rate gains	3,925	-
Other operating income	15,828	17,498
Other operating income	**19,753**	**17,498**

	Group	
Other operating expenses	**2013**	**2012**
Exchange rate losses	-7,676	-2,471
Other operating expenses	-33,373	-19,968
Other operating expenses	**-41,049**	**-22,439**

NOTE 12 – FINANCIAL INCOME AND EXPENSES/INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS AND INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	Group	
Financial income / Interest income and similar profit/loss items	**2013**	**2012**
Interest income on cash and cash equivalents	1,818	4,159
Interest income from Group companies	-	-
Exchange rate gains	4,635	11,633
Other financial income	489	1,199
Financial income	**6,942**	**16,991**

	Group	
Financial expenses / Interest expenses and similar profit/loss items	**2013**	**2012**
Interest expenses on liabilities to credit institutions	-30,618	-45,307
Interest expenses to Group companies	-	-
Exchange rate losses	-5,258	-12,164
Other financial expenses	-2,439	-2,441
Capital losses from sales of subsidiaries	-20,351	-
Financial expenses	**-58,666**	**-59,912**
Net financial items	**-51,724**	**-42,921**

NOTE 13 – EXCHANGE RATE GAINS AND LOSSES, NET

	Group	
Exchange rate differences have been recognised in the income statement as follows:	**2013**	**2012**
Other operating income and operating expenses	-3,751	-2,471
Financial income	4,635	11,633
Financial expenses	-5,258	-12,164
Summa	**-4,374**	**-3,002**

NOTE 14 – INCOME TAX /TAX ON PROFIT FOR THE YEAR

	Group	
Tax expense	**2013**	**2012**
Current tax on profit for the year	-147,189	-159,942
Adjustments regarding previous years' current tax	-43,848	322
Total current tax	**-191,037**	**-159,620**

Deferred tax (see Note 19)		
Occurrence and reversal of temporary differences	3,349	-486
Effect of change in tax rate	257	-60
Total deferred tax	**3,606**	**-546**
Total income tax	**-187,431**	**-160,166**

The relationship between tax expenses for the year and the profit for the year is presented in the table below. Estimated tax on net profit for the year has been calculated with the application of a tax rate of 22% (26.3%). Income tax levied on the Group's profit differs from the theoretical amount which would have arisen with the application of a weighted average tax rate on the profit reported by the companies consolidated in the Group as follows:

	Group	
	2013	**2012**
Profit before tax	575,000	671,108
Tax according to applicable tax rate, 22 % (26.3 %)	-126,500	-176,501
Tax effects of:		
- Non-taxable income	21,248	3,631
- Non-deductible expenses	-22,286	-5,319
Tax losses for the year for which no deferred tax asset is recognised	-218	-249
Utilisation of loss carry forwards from previous years for which no deferred tax asset is recognised	969	1,937
Adjustment attributable to previous years*	-43,848	322
Adjustment for different tax rates in foreign subsidiaries	-16,796	16,013
Tax expense	**-187,431**	**-160,166**

* Adjustment attributable to previous years refers to deductions previously reported in the subsidiary group, EDP, which was not approved in the 2013 tax audit.

The weighted average tax rate for the Group is 25.6% (23.88%). The Parent Company's tax rate amounts to 22% (26.3%). There is no tax regarding components in Other comprehensive income and no income tax has been reported directly in equity.

NOTE 15 – GOODWILL

Per 1 januari 2012	**Group**
Acquisition cost	3,372,351
Accumulated amortisation and impairment	-449,428
Opening balance	**2,922,923**
Financial year 2012	
Acquisition of company	94,766
Translation difference	-65,982
Closing balance	**2,951,707**
Per 31 December 2012	
Acquisition cost	3,390,234
Accumulated amortisation and impairment	-438,527
Opening balance	**2,951,707**
Financial year 2013	
Translation difference	70,121
Impairment	-50,000
Closing balance	**2,971,828**
Per 31 December 2013	
Acquisition cost	3,466,455
Accumulated amortisation and impairment	-494,627
Closing balance	**2,971,828**

The table above includes trademarks with an indefinite useful life totalling TSEK 11,584 (11,584).

The reported value of goodwill referring to the Systems Solutions segment has been written down to its recoverable amount. This write down is included in the item Distribution expenses in the income statement.

Impairment testing for goodwill and trademarks

Goodwill and intangible assets (trademarks) with indefinite useful lives are allocated to the Group's cash generating units (CGU), identified per operating segment. The assumptions applied in calculating the value in use are the same for both goodwill and trademarks.

The recoverable amount for a cash generating unit has been determined based on a calculation of the value in use. These calculations are based on the estimated future cash flows before tax according to the financial budgets adopted by Company management, and which cover a five year period. The cash flows following the five year period are extrapolated on the basis of an estimated growth rate. The assessed growth rate is assumed to be equal to the growth rate during the fifth year of the budget period, which is estimated at approximately 2% for all operating segments in both 2012 and 2013. Furthermore, assumptions have been made regarding gross margins, overheads, working capital requirements and investment requirements. The parameters have been set to represent a growth rate of 2 (2) percent per year for all operating segments. The applied discount rate before tax is 8% (8%) for the Dental operating segment and 9% (9%) for all other business areas (operating segments).

The calculation as at 31 December 2012 illustrates that the value in use exceeds the reported value at segment level. The calculation of the recoverable amount, based on a calculation of the value in use as at 31 December 2013, indicates an impairment requirement in the cash generating unit, Interiors for Service Vehicles, which is a part of the Systems Solutions segment. Impairment of TSEK 50,000 negatively impacted results in 2013. No impairment requirement was identified for any category of assets other than goodwill. The impairment was a result of the decrease in sales and the drop in profitability. The discount rate before tax applied in the calculation in question was 9% and the discount rate applied in previous years amounted to 9%. The recoverable amount for the cash generating unit is its value in use, amounting to TSEK 163,000.

Sensitivity analysis

If the discount rate applied in the calculation of value in use for the cash generating unit, Interiors for Service Vehicles, had been 0.5% higher than the management's assessment as at 31 December 2013, i.e. 9.5% instead of 9%, the Group would have undertaken a further impairment of goodwill in an amount of TSEK 10,700.

A sensitivity analysis shows that the remaining goodwill value for other cash generating units would remain justifiable if the discount rate were to increase by 1 percentage point or if the long-term growth rate were to decrease by 1 percentage point.

The following is a summary of the goodwill and intangible assets with indefinite useful lives allocated to each cash generating unit:

	Goodwill		Varumärken	
	31 Dec 2013	**31 Dec 2012**	**31 Dec 2013**	**31 Dec 2012**
Dental Products	1,984,142	1,931,764		
Demolition & Tools	658,577	642,931	11,584	11,584
Sawmill Equipment	56,485	54,388		
Contract Manufacturing	40,379	40,379		
Interiors for Service Vehicles	63,531	113,531		
Environmental Technology	157,130	157,130		
Total	**2,960,244**	**2,940,123**	**11,584**	**11,584**

NOTE 16 – CUSTOMER RELATIONS, PATENTS & OTHER INTANGIBLE ASSETS

	Group		
	Customer relations	**Patents**	**Other intangible assets**
Per 1 januari 2012			
Acquisition cost	-	60,711	51,910
Accumulated amortisation and impairment	-	-37,024	-38,412
Opening balance	**-**	**23,687**	**13,498**
Financial year 2012			
Purchases	-	5,794	1,033
Acquisition of company	34,752	-	-
Sales/disposals	-	-1,924	-2,860
Reclassifications	-	-30	51
Translation difference	-	-783	-448
Amortisation	-2,896	-5,199	-595
Closing balance	**31,856**	**21,545**	**10,679**
Per 31 December 2012			
Acquisition cost	34,752	62,083	49,714
Accumulated amortisation and impairment	-2,896	-40,538	-39,035
Balance	**31,856**	**21,545**	**10,679**
Financial year 2013			
Purchases	-	8,546	9,234
Sales/disposals	-	-	-224
Reclassifications	-	-4,304	10,763
Translation difference	-	354	531
Amortisation	-3,475	-3,226	-7,308
Closing balance	**28,381**	**22,915**	**23,675**
Per 31 December 2013			
Acquisition cost	34,752	33,205	91,172
Accumulated amortisation and impairment	-6,371	-10,290	-67,497
Closing balance	**28,381**	**22,915**	**23,675**

NOTE 17 – TANGIBLE FIXED ASSETS

	Group		
	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings
Per 1 January 2012			
Acquisition cost	433,567	414,764	325,140
Accumulated depreciation	-241,708	-340,494	-248,410
Opening balance	**191,859**	**74,270**	**76,730**
Financial year 2012			
Purchases	16,062	16,608	42,563
Sales/disposals	-3,246	-2,963	-9,843
Reclassifications	177	-	-670
Translation difference	-3,528	-1,726	-1,418
Depreciation	-12,726	-22,081	-30,139
Closing balance	**188,598**	**64,108**	**77,223**
Per 31 December 2012			
Acquisition cost	431,755	406,681	336,275
Accumulated depreciation	-243,157	-342,573	-259,052
Balance	**188,598**	**64,108**	**77,223**
Financial year 2013			
Purchases	8,641	23,179	46,592
Sales/disposals	-7,097	-11,699	-2,768
Reclassifications	2,015	-487	-7,013
Translation difference	1,981	797	712
Depreciation	-12,632	-18,024	-29,660
Closing balance	**181,506**	**57,874**	**85,086**
Per 31 December 2013			
Acquisition cost	421,306	381,558	316,902
Accumulated depreciation	-239,800	-323,684	-231,816
Closing balance	**181,506**	**57,874**	**85,086**

NOTE 18 – HOLDINGS IN ASSOCIATED COMPANIES

	Group	
	2013	2012
Per 1 January	3,516	6,709
Sales	-	-3,193
Per 31 December	**3,516**	**3,516**

The Group reports the following associated company:

Name	Registered country of domicile	Participating interest, %	Book value
Synerplan OY	Finland, Kerava	30 %	3,516

NOTE 19 – DEFERRED TAX

Deferred tax assets are attributable to the following temporary differences and loss carry forwards	31 Dec 2013	31 Dec 2012
Deferred tax assets attributable to:		
Temporary differences on non-current financial receivables	-	679
Temporary differences on current assets	26,827	26,357
Deductible temporary differences on provisions	25,239	12,582
Loss carry forwards	1,661	1,029
Other deductible temporary differences	2,733	1,776
Total deferred tax assets	**56,460**	**42,423**
Deferred tax liabilities attributable to:		
Temporary differences on fixed assets	10,088	9,272
Other taxable temporary differences	43,217	27,438
Total deferred tax liabilities	**53,305**	**36,710**
Deferred tax assets, net	**3,155**	**5,713**

Deferred tax assets are reported for fiscal loss carry forwards to the extent to which it is probable that a future fiscal surplus will be available against which the loss carry forwards can be utilised. The Group has not reported deferred tax assets amounting to TSEK 57 (31 Dec 2012: TSEK 56, 1 Jan 2012: TSEK 582), regarding losses amounting to TSEK 300 (31 Dec 2012: TSEK 294, 1 January 2012: TSEK 2,326), which can be utilised against a future fiscal surplus.

Maturity structure for loss carry forwards	31 Dec 2013	31 Dec 2012
Mature within 1 to 3 years	34	33
Mature within 4 years	23	23
Total	**57**	**56**

NOTE 20 – INVENTORIES

	Group	
	31 Dec 2013	31 Dec 2012
Raw materials and consumables	187,544	179,457
Work in progress	67,892	78,590
Finished goods and goods for resale	486,831	469,694
Contract work in progress	8,140	20,848
Advance payments to suppliers	7,186	4,327
Total	**757,593**	**752,916**

	31 Dec 2013	31 Dec 2012
Impairment of inventories reported as an expenses in the income statement	-1,606	-
Reversal of previous impairment of inventories	-	7,398

NOTE 21 – ACCOUNTS RECEIVABLE - TRADE

	Group	
	31 Dec 2013	31 Dec 2012
Accounts receivable - trade	705,106	692,234
Provision for doubtful debts	-33,886	-29,907
Accounts receivable, net	**671,220**	**662,327**

As per 31 December 2013, the Group had accounts receivable amounting to TSEK 231,040 (229,205) which were overdue without being assessed as having an impairment requirement. These overdue receivables were connected to a number of clients which had no previous record of problems with meeting payment deadlines. A further amount of TSEK 44,993 (37,361) was overdue and had been assessed as having an impairment requirement amounting to TSEK 33,886 (29,907).

	Group	
	31 Dec 2013	31 Dec 2012
Accounts receivable not yet due	429,073	425,668
Overdue 1 - 30 days, no impairment	152,486	151,275
Overdue 31 - 60 days, no impairment	78,554	77,930
Overdue 61 - 90 days	13,582	8,532
Provision	-3,478	-2,206
Overdue > 90 days	31,411	28,829
Provision	-30,408	-27,701
Total accounts receivable, net	**671,220**	**662,327**

Changes in the reserve for doubtful debts are as follows:

	Group	
	31 Dec 2013	31 Dec 2012
Per 1 January	**29,907**	**28,076**
In newly-acquired companies	-	1,434
Change for the year reported in the income statement	5,393	397
Receivables written off during the year as non-collectible	-1,414	-
Per 31 December	**33,886**	**29,907**

Transfers to and reversals from the reserve for doubtful debts are included in operating profit in the income statement. The maximum exposure to credit risk as at balance sheet date is equal to the reported value of accounts receivables as shown above. No collateral or other guarantees for accounts receivables outstanding at balance sheet date have been pledged. There were no other significant overdue receivables per either 31 December 2013 or 31 December 2012.

NOTE 22 – OTHER RECEIVABLES

	Group	
	31 Dec 2013	31 Dec 2012
VAT recoverables	12,608	13,746
Other personnel-related receivables	7,968	7,789
Deposits	1,532	1,136
Other receivables	6,858	12,603
Total	**28,966**	**35,274**

NOTE 23 – PREPAID EXPENSES AND ACCRUED INCOME

	Group	
	31 Dec 2013	31 Dec 2012
Prepaid leasing fees	2,034	2,424
Prepaid rental charges	5,915	6,388
Prepaid insurance contributions	3,444	3,488
Other prepaid IT expenses	5,599	4,388
Other prepaid expenses	11,910	9,279
Other accrued income	38,136	48,198
Total	**67,038**	**74,165**

NOTE 24 – CASH AND CASH EQUIVALENTS/CASH AND BANK BALANCES

Cash and cash equivalents in the balance sheet and cash flow statement includes the following items:

	Group	
	31 Dec 2013	31 Dec 2012
Cash and bank balances	441,653	401,959
Total	**441,653**	**401,959**

NOTE 25 – SHARE CAPITAL

	Number of shares (thousands)	Share capital
Per 1 January 2012	9,084	18,169
Per 31 December 2012	9,084	18,169
Per 31 December 2013	**9,084**	**18,169**

Share capital is comprised of 607,597 Class A shares and 8,476,729 Class B shares. Class A shares entitle the holder to 10 votes per share and Class B shares entitle the holder to 1 vote per share. All shares issued by the Parent Company have been paid for in full.

NOTE 26 – BORROWINGS

	Group	
	31 Dec 2013	31 Dec 2012
Long-term		
Liabilities to credit institutions	-	-
Other interest-bearing liabilities	77,215	76,587
Total long-term borrowings	**77,215**	**76,587**
Short-term		
Liabilities to credit institutions	1,811,482	1,974,274
Overdraft facilities, utilised portion	12,612	8,347
Total short-term borrowings	**1,824,094**	**1,982,621**
Total borrowings	**1,901,309**	**2,059,208**

The reported amounts for all of the above items are equal to the fair value of those items.

The following table analyses the Group's financial liabilities allocated according to the period time remaining from the balance sheet date until the contractual maturity date. The amounts in the table comprise the contractual, non-discounting cash flows. The loans are renegotiated annually, for which reason the contractual maturity date for both the loans and the interest is less than 1 year.

Per 31 December 2013	Less than 1 year	> 1 year < 3 years	More than 3 years
Liabilities to credit institutions (incl. interest)	1,823,718	-	-
Overdraft facilities, utilised portion	12,612	-	-
Other interest-bearing liabilities	-	60,000	17,215
Accounts payable - trade	313,122	-	-
Total	**2,149,452**	**60,000**	**17,215**

NOTE 27 – OVERDRAFT FACILITIES

	Group	
	2013	2012
Overdraft facilities, utilised portion	12,612	8,347
Overdraft facilities, granted limit	252,447	249,197

NOTE 28 – LONG-TERM/SHORT-TERM PROVISIONS

	Warranty provision	Restructuring reserve	Expenses for premises	Other provisions	Total
Value according to opening balance	26,367	2,915	3,790	10,152	43,224
Additional provisions	29,533	9,820	3,384	840	43,577
Utilised during the year	-11,003	-1,876	-1,362	-287	-14,528
Reversal of unutilised funds	-8,362	-	-2,465	-9	-10,836
Total value	**36,535**	**10,859**	**3,347**	**10,696**	**61,437**
of which long-term provisions	**6,440**	**955**	**1,215**	**7,323**	**15,933**
of which short-term provisions	**30,095**	**9,904**	**2,132**	**3,373**	**45,504**

Anticipated outflow date:	Warranty provision	Restructuring reserve	Expenses for premises	Other provisions	Total
Within 1 year	30,095	9,904	2,132	3,373	45,504
Within 3 years	5,489	955	917	2,897	10,258
Within 5 years	295	-	-	-	295
More than 5 years	656	-	298	4,426	5,380
Value according to closing balance	**36,535**	**10,859**	**3,347**	**10,696**	**61,437**

The warranty provision is based on commitments which, as at balance sheet date, were not concluded and the calculation is based on previous experience. The restructuring reserve refers to restructuring expenses in the operations. Other provisions refer primarily to commission to agents within the Dental products business area.

In addition, guarantee commitments have been provided totalling TSEK 1,500 (TSEK 0) and there are other contingent liabilities of TSEK 34,793 (43,270). As it has been assessed that no outflow of funds will take place as regards these commitments, no provision has been reported (see further information in Note 31).

NOTE 29 – ACCRUED EXPENSES AND DEFERRED INCOME

	Group	
	31 Dec 2013	31 Dec 2012
Accrued personnel expenses	211,207	217,756
Commissions and bonuses to clients	37,310	43,701
Allocation of expenses	2,840	8,202
Accrued interest	3,344	1,588
Other deferred income	25,553	27,651
Other accrued expenses	33,984	23,864
Total	**314,238**	**322,762**

NOTE 30 – FINANCIAL INSTRUMENTS PER CATEGORY

Group **Assets in the balance sheet**	**Loans and receivables**	**Total**
31 Dec 2013		
Accounts receivable - trade	671,220	671,220
Other non-current financial receivables	1,880	1,880
Cash and cash equivalents	441,653	441,653
Total	**1,114,753**	**1,114,753**
31 Dec 2012		
Accounts receivable - trade	662,327	662,327
Other non-current financial receivables	2,214	2,214
Cash and cash equivalents	401,959	401,959
Total	**1,066,500**	**1,066,500**

Group **Liabilities in the balance sheet**	**Liabilities at fair value through profit or loss**	**Other financial liabilities**	**Total**
31 Dec 2013			
Interest-bearing borrowings		1,824,094	1,824,094
Liabilities to shareholders (Group contribution)		100,000	100,000
Accounts payable - trade		313,122	313,122
Other liabilities*	30,000	47,215	77,215
Total	**30,000**	**2,284,431**	**2,314,431**
31 Dec 2012			
Interest-bearing borrowings		1,982,621	1,982,621
Liabilities to shareholders (Group contribution)		100,000	100,000
Accounts payable - trade		313,924	313,924
Other liabilities*	30,000	46,587	76,587
Total	**30,000**	**2,443,132**	**2,473,132**

*Other liabilities are comprised of financial instruments which refer to additional purchase prices and mandatory call/put-options referring to non-controlling interests. Changes in financial liabilities attributable to mandatory call/put-options are reported in equity.

NOTE 31 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group	
	31 Dec 2013	31 Dec 2012
Pledged assets		
Property mortgages	5,978	5,032
Floating charges	4,000	4,000
Other pledged assets	100	1,367
Total pledged assets	**10,078**	**10,399**

	Group	
	31 Dec 2013	31 Dec 2012
Contingent liabilities		
Warranties	29,359	35,996
Repurchase agreements	5,000	5,000
Guarantee commitments	1,500	-
Other contingent liabilities	434	2,274
Total contingent liabilities	**36,293**	**43,270**

Guarantee commitments refer to advance payment and performance guarantees.

NOTE 32 – POST-EMPLOYMENT BENEFITS

The amounts reported in the balance sheet refer to defined benefit pensions in Sweden and Germany for employees who are no longer working in the Company. The book value of the defined benefit commitments amounts to TSEK 38,047 (37,733).

Pension obligations for retirement pensions and family pensions related to the defined benefit ITP 2 plan for employees in Sweden are secured through insurance with Alecta. According to a statement made by the Swedish Financial Accounting Council, UFR 3 Classification of ITP plans financed by insurance in Alecta, this is a defined benefit plan covering several employers. For the financial year 2013, the Company did not have access to information which would enable it to report its proportional share of the plan's total obligations, assets and expenses, implying that it has not been possible to report this plan as a defined benefit plan. The ITP 2 pension plan which is insured through insurance premiums with Alecta is, therefore, reported as a defined contribution plan. The premium for the defined benefit retirement and family pensions is calculated on an individual basis and is dependent on the salary, previously vested pension and expected remaining length of service of the employee. The expected fees for the next reporting period for ITP 2 insurance with Alecta amount to TSEK 8,590.

The collective funding ratio corresponds to the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally allowed to vary between 125 and 155 percent. If Alecta's collective funding ratio is less than 125 percent, or greater than 155 percent, measures are to be taken in order to create the conditions for the funding ratio to return to its normal range. With low consolidation, one measure could be to raise the agreed price for new subscriptions and to expand current benefits. With high consolidation, one measure could be to introduce premium reductions. At the end of 2013, Alecta's surplus in the form of the collective funding ratio was 148 per cent (2012: 129 percent).

Lifco has established pension commitments for two individuals and, in conjunction with this, has purchased endowment insurance to pledge as collateral for these employees' pensions. The pension commitment entails that the individuals receive the value of the benefits provided by the endowment insurance, less special employer's contributions. As the remuneration levels of these benefits are not guaranteed, the Group's net commitment will always be zero. The endowment insurance is treated as a plan asset and is reported net against the commitment.

NOTE 33 – EARNINGS PER SHARE

(a) Before dilution

Earnings per share before dilution is calculated by dividing the profit attributable to the shareholders of the Parent Company by the weighted average number of outstanding ordinary shares during the period. No shares have been repurchased by the Parent Company during the period which are held as treasury shares.

	2013	2012
Profit attributable to shareholders in the Parent Company	377,946	504,937
Total	**377,946**	**504,937**
Weighted average number of outstanding ordinary shares	**90,843,260**	**90,843,260**

(b) After dilution

Earnings per share after dilution is calculated by adjusting the weighted average number of outstanding ordinary shares for the dilution effect of all potential ordinary shares. There have been no potential ordinary shares with dilution effect during either 2013 or 2012. Earnings per share amounts, therefore, to the same both before and after dilution.

The Company executed a share split on 30 September 2014, by means of which the number of shares was multiplied by 10. Following the completion of the split, earnings per share has been calculated on the new number of shares, 90,843,260, which Lifco's share capital is comprised of after the split.

NOTE 34 – BUSINESS COMBINATIONS

No business combinations have taken place during 2013

Business combinations during 2012

On 28 February 2012, the Group acquired 70 % of the share capital in Ahlberg Electronics AB, with a compulsory purchase option for the remaining shares. As a result of the acquisition, the Group is expected to increase its presence in these markets and reduce costs through synergy effects.

The goodwill of TSEK 79,697 arising from the acquisition is attributable to the synergy effects anticipated to be achieved through the merger of the Group's and Ahlberg Electronics AB's operations. No portion of this goodwill is deductible for tax purposes.

The table below summarises the purchase price paid for Ahlberg Electronics AB, as well as the fair value of acquired assets and assumed liabilities.

Purchase price per 28 February 2012	
Cash and cash equivalents	70,000
Conditional purchase price	24,282
Total purchase price paid	**94,282**

Reported values of identifiable acquired assets and assumed liabilities	
Cash and cash equivalents	4,138
Intangible assets	46,336
Tangible fixed assets	1,563
inventories	6,029
Accounts receivable and other receivables	11,675
Accounts payable and other liabilities	-44,959
Deferred tax liabilities	-10,194
Total identifiable net assets	**14,588**
Goodwill	**79,697**

Cash and cash equivalents paid for the acquisition	70,000
Conditional consideration paid 2012	24,282
Cash and cash equivalents in the acquired company on the acquisition date	-4,138
Net outflow of cash and cash equivalents attributable to the acquisition	**90,144**

Acquisition/related expenses. of TSEK 340 are included in administrative expenses in the consolidated income statement for 2012.

In conjunction with the acquisition, an agreement was entered into regarding the mandatory purchase/sale of the remaining 30% of the shares, which are currently owned by minority shareholders. A forward agreement has been reported, with an estimated fair value amounting to TSEK 30,000. Due to the reporting of this forward agreement, no non-controlling interest has been reported in connection with this acquisition.

Income from Ahlberg Electronics, included in the consolidated income statement since 28 February 2012, amounts to TSEK 53,942. During the same period, Ahlberg Electronics contributed profit of TSEK 20,241.

Had Ahlberg Electronics been consolidated from 1 January 2014, the consolidated income statement would have reported income of TSEK 6,185,993 and profit of TSEK 665,641

NOTE 35 – DIVIDEND PER SHARE

Dividends paid during 2013 and 2012 amounted to TSEK 100,000 (SEK 11.01 per share) and TSEK 90,000 (SEK 9.91 per share), respectively., A dividend for financial year 2013 of SEK 11.01 per share, totalling TSEK 100,000, will be proposed at the annual general meeting of shareholders to be held on 15 May 2014. The proposed dividend has not been reported as a liability in this financial report.

NOTE 36 – TRANSACTIONS WITH RELATED PARTIES

Carl Bennet AB owns 100 % of the shares in Lifco and is deemed to exercise a controlling influence over the Group. Other related parties include all subsidiaries within the Group and senior executives in the Group, i.e. the Board of Directors and the CEO.

Lifco AB, the Parent Company of the Lifco Group, has purchased administrative services from Carl Bennet AB at a value of TSEK 2,624 (2,550).

Disclosures of transactions with senior executives are provided in Note 7, Employee benefits, etc.

NOTE 37 – DIVESTMENT OF SUBSIDIARY

The operations in Nordautomation OY, which were a part of the Sawmill Equipment business area, were sold in June. The sale resulted in a capital loss of TSEK 5,720.

The operations in Gallac AB, which were a part of the Contract Manufacturing business area, were sold in November. The sale resulted in a capital loss of TSEK 14,631.

NOTE 38 – EVENTS AFTER THE BALANCE SHEET DATE

On 27 March 2014, all of the shares in the German dental company, MDH AG, were acquired. The company reported net sales in 2013 of approximately TSEK 380,500, has 150 employees and approximately 5,000 German dentists as clients. The company is leading in Germany within the distribution of dental products to dentists and is the country's largest importer of high quality dental technology work. With this acquisition, Lifco's Dental business area has strengthened its market position in Germany. Goodwill arising in conjunction with the acquisition refers to the synergy effects expected to be achieved through the combining of the Group's and MDG AG's operations. No portion of this reported goodwill is tax deductible.

Acquired net assets

Net assets, TSEK	Fair value
Intangible assets	634,835
Tangible assets	17,386
Accounts receivable and other receivables	46,799
Accounts payable and other liabilities	-261,537
Cash and cash equivalents	97,410
Total net assets	**534,893**
Goodwill	826,406
Total acquisition with cash and cash equivalents	**1,361,299**

Effect on cash flow, TSEK	
Net outflow of cash and cash equivalents due to the acquisition	**1,263,889**

Acquisition-related expenses arising in conjunction with the acquisition amount to TSEK 5,370. The company has been included in Lifco's sales and operating profit as of 1 April 2014.

NOTE 39 – EFFECTS OF THE TRANSITION TO IFRS FOR THE PARENT COMPANY

The Parent Company executed the transition to reporting according to RFR 2 on 1 January 2012, the same date on which the Group began reporting according to IFRS. The effects of this transition which apply to the Parent Company are as follows: Group contributions are now to be reported as an appropriation rather than in equity, and long-term borrowings are to be reclassified to short-term borrowings, as the loan agreement is short-term in nature. The transition to reporting in accordance with RFR 2 has not, therefore, had any impact on the Parent Company's equity.

NOTE 40 – EFFECTS OF THE TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

This is the first annual report for the Lifco Group prepared in accordance with IFRS. The accounting principles described in Note 2 have been applied in the preparation of the consolidated accounts as per 31 December 2013 and for the comparative information presented as per 31 December 2012, as well as in the preparation of the report for the period's financial position (opening IFRS balance sheet) per 1 January 2012 (the date on which the Group implemented IFRS).

The preparation of an opening IFRS balance sheet requires the adjustment of amounts which have been reported in previous annual reports in accordance with the Swedish Accounting Standards Board's general advice. An explanation of the manner in which the transition from the previous accounting principles to IFRS has impacted the Group's results and financial position is provided in the tables below and in the accompanying Notes. Total cash flow has not been affected by the transition to IFRS.

Choices made in conjunction with the transition to IFRS

The transition to IFRS is reported in accordance with IFRS 1 "First time Adoption of International Financial Reporting Standards". The general rule is that all applicable IFRS and IAS standards, which have entered into force and have been approved by the EU, will be applied with retroactive effect. IFRS 1 does, however, include transitional regulations providing companies with a certain amount of freedom of choice.

The permitted exceptions from full retroactive application are presented below for all of the IFRS standards which the Group has chosen to apply in the transition from the previous accounting principles to IFRS.

Exception for business combinations

The standard IFRS 1, which regulates the manner in which a transition to IFRS is to take place, offers the possibility of applying the principles stipulated in the standard IFRS 3 "Business Combinations", either prospectively from the transition date to IFRS or from a specific date before the date of the transition. This provides relief from full retroactive application, which would necessitate the recalculation of all business combinations undertaken before the transition date. The Group has chosen to apply IFRS prospectively for business combinations taking place after the transition date. Consequently, business combinations taking place prior to the transition date have not been recalculated.

Exception for accumulated translation differences

IFRS 1 permits accumulated translation differences reported in equity to be reset to zero on transition date. This provides relief compared with determining accumulated translation differences in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" from the date on which a subsidiary or associated company was founded or acquired. The Group has chosen to report all accumulated translation differences in the reserve in equity at zero, and, instead, these items will remain in retained earnings on the date of transition to IFRS.

Reconciliation between previous accounting principles and IFRS

According to IFRS 1, the Group is to present a reconciliation between equity and Total comprehensive income, reported in accordance with the previous accounting principles for earlier periods, with the corresponding items reported in accordance with IFRS. The transition from the previous accounting principles to IFRS has not had any effect on the reporting of cash flows generated by the Group. The tables below show the reconciliation between the reporting of equity and Total comprehensive income, for the respective periods according to previous accounting principles and according to IFRS.

Reconciliation of equity per 1 January 2012 and 31 December 2012

		1 January 2012			31 December 2012			
(TSEK)	**Note**	**Opening balance (in accordance with previous accounting principles)**	**Total effect of transition to IFRS**	**In accordance with IFRS**	**Note**	**Closing balance (in accordance with previous accounting principles)**	**Total effect of transition to IFRS**	**In accordance with IFRS**
ASSETS								
Fixed assets								
Intangible assets	a)	2,943,346	16,762	2,960,108	a)	2,790,338	225,449	3,015,787
Tangible fixed assets		347,023	-	347,023		334,013	-	334,013
Holdings in associated companies		6,709	-	6,709		3,516	-	3,516
Other non-current financial receivables		2,192	-	2,192		2,214	-	2,214
Deferred tax assets	b)	20,741	8,577	29,318	b)	14,953	12,201	27,154
Current assets		**1,985,484**	**-**	**1,985,484**		**2,009,800**	**-**	**2,009,800**
Total assets		**5,305,495**	**25,339**	**5,330,834**		**5,154,834**	**237,650**	**5,392,484**

(TSEK)	**Note**	**Opening balance (in accordance with previous accounting principles)**	**Total effect of transition to IFRS**	**In accordance with IFRS**	**Note**	**Closing balance (in accordance with previous accounting principles)**	**Total effect of transition to IFRS**	**In accordance with IFRS**
EQUITY AND LIABILITIES								
Equity attributable to shareholders in the Parent Company	c)				c			
Share capital		18,169	0	18,169		18,169	0	18,169
Other contributed capital		0	0	0		0	0	0
Reserves	d)	0	0	0	d)	0	-32,839	-32,839
Retained earnings, including net profit for the year		1,803,941	9,302	1,813,243		1,931,320	222,893	2,154,213
Non-controlling interests	f)		11,432	11,432	f)	0	13,213	13,213
Total equity		**1,822,110**	**20,734**	**1,842,844**		**1,949,489**	**203,267**	**2,152,756**
Minority shareholding	f)	12,613	-12,613	0	f)	21,761	-21,761	0
Non-current liabilities								
Interest-bearing long-term borrowings	c) g)	1,949,690	-1,902,471	47,219	c) g)	1,759,966	-1,683,379	76,587
Deferred tax liabilities	b)	17,386	0	17,386	b)	11,884	9,557	21,441,
Provisions		87,209	0	87,209		80,957	0	80,957
Other non-current liabilities	g)	36,537	-30,000	6,537	g)	34,158	-30,000	4,158
Current liabilities								
Interest-bearing short-term borrowings	g)	262,206	1,949,689	2,211,895	g)	222,655	1,759,966	1,982,621
Accounts payable and other current liabilities		812,057	0	812,057		751,202	0	751,202
Accrued expenses and deferred income		305,687	0	305,687		322,762	0	322,762
Total equity and liabilities		**5,305,495**	**25,339**	**5,330,834**		**5,154,834**	**237,650**	**5,392,484**

Reconciliation of total comprehensive income per 2012

Total comprehensive income		2012		
(TSEK)	**Notes**	**Income statement (in accordance with previous accounting principles)**	**Total effect of transition to IFRS**	**In accordance with IFRS**
Net sales		6,183,702	-	6,183,702
Cost of goods sold		-4,049,581	-	-4,049,581
Total		**2,134,121**	**-**	**2,134,121**
Distribution expenses	a)	-637,177	172,124	-465,053
Administrative expenses	a)	-899,066	-340	-899,406
Research and development expenses		-52,132	-	-52,132
Other income and expenses within operating profit		-4,941	-	-4,941
Operating profit		**540,805**	**171,784**	**712,589**
Financial income		16,991	-	16,991
Financial expenses		-59,912	-	-59,912
Net financial items		-42,921	-	-42,921
Share of profits in associated companies		1,440	-	1,440
Profit before tax		**499,324**	**171,784**	**671,108**
Income tax	b)	-164,068	3,902	-160,166
Minority share of net profit for the year	f)	-10,989	10,989	-
Net profit for the year		**324,267**	**186,675**	**510,942**
Items which can later be reclassified in the income statement:				
Translation differences	h)	-	-34,453	-34,453
Hedging of net investments	h)	-	2,396	2,396
Tax effect	b)	-	359	359
Other comprehensive income for the year, net after tax		-	-31,698	-31,698
Total comprehensive income for the year		**324,267**	**154,977**	**479,244**

Notes

a) Intangible assets

The adjustment in conjunction with the transition to IFRS (1 Jan 2012) consists of additional goodwill, arising due to the fact that, at the point in time of the transition to IFRS, a put-option was reported (see minority put-option below) attributable to the purchase of a minority in an amount of TSEK 16,762.

The amortisation of goodwill reported during 2012 has been reversed due to the fact that goodwill is treated as having an indefinite useful life under IFRS and, instead of being amortised, is tested annually for impairment, or more often if there is an indication of a decline in value. Only amortisation of goodwill undertaken from 1 January 2012 has been reversed. Additional adjustments as per 31 December 2012 consist primarily of the reversal of goodwill amortised during 2012 which amounted to TSEK 175,020. An acquisition took place during 2012 (Ahlberg Electronics), which was not previously reported according to IFRS “Business Combinations”. This acquisition has now been recalculated and reported in accordance with IFRS 3 “Business Combinations”, and the “full goodwill method” has been applied, resulting in an increase in the goodwill item. Intangible assets have been identified within the goodwill item in the form of client relationships and trademarks. The recalculation of the acquisition has resulted in an increase of TSEK 34,281 in intangible assets (including additional amortisation of client relationships). Furthermore, as a part of the acquisition, an agreement was entered into regarding the buyout of minority shareholdings (a so-called minority put-option, see below for detailed description). The technical accounting effect of this is that these minority shareholdings are reported as though they had been owned by Lifco from the date of acquisition of Ahlberg Electronics. As this agreement on minority shareholdings is part of the acquisition of the company, the effect attributable to these shareholdings being seen to have been owned by Lifco from acquisition date is reported in goodwill. This increase in goodwill is included in the increase in intangible assets as stated above. In addition, the recalculation of the acquisition has resulted in an adjustment in the income statement attributable to acquisition-related expenses, amounting to TSEK 340. In total, adjustments arising due to the transition to IFRS as per 31 December 2012 amount to TSEK 225,449.

b) Deferred tax

Deferred tax is reported on all IFRS adjustments where such adjustments result in temporary differences in the balance sheet. Deferred tax is reported with the application of a tax rate of 26.3% as per transition date and with the application of a tax rate of 22% as per 31 December 2012 as regards all adjustments.

There are no deferred tax assets attributable to IFRS adjustments. However, additional deferred tax assets attributable to items reported in accordance with the currently applied accounting principles do exist. The following IFRS adjustments give rise to deferred tax assets/liabilities:

Deferred tax assets

(TSEK)	1 Jan 2012	31 Dec 2012
Exchange rate differences, acquisition loan and shareholder loan	-5,421	-5,062
Endowment insurance	13,998	17,263
Total	**8,577**	**12,201**

Deferred tax liabilities

(TSEK)	1 Jan 2012	31 Dec 2012
Intangible assets (arising via translation of acquisitions undertaken during 2012), client relationships	-	9,557
Total	**-**	**9,557**

Changes occur to deferred tax liabilities and tax recoverables in line with changes to the underlying item to which the tax is attributable. Income tax in the statement of comprehensive income is attributable to the following IFRS adjustments:

Deferred tax income and expenses

(TSEK)	2012
Amortisation of intangible assets added via translation of acquisitions	637
Endowment insurance	3,265
Total effect on income tax in the income statement	**3,902**
Other comprehensive income	
Exchange rate differences, acquisition loan and shareholder loan, net investments	359
Effect on Other comprehensive income	**359**
Total effect of additional deferred tax	**4,261**

c) Financial instruments

Minority put-option (included in interest-bearing long-term borrowings and other liabilities)

If an agreement exists in connection with an acquisition of a company involving the mandatory buyout of minority shares, this is referred to as a "minority put-option". The technical implication of such an agreement on the accounts is that the acquired company is reported as though the Parent Company already owns the minority shares. Therefore, no minority interest is reported but, instead, a financial liability. As per the transition date to IFRS, a financial liability of TSEK 17,219 is reported (included in the item interest-bearing long-term borrowings) referring to such a "minority put-option". As per 31 December 2012, one additional agreement involving a "minority put-option" had been entered into, resulting in a financial liability of TSEK 30,000. The total adjustment to interest-bearing long-term borrowings due to "minority put-option" agreements amounts to TSEK 47,219. During 2012, dividends amounting to TSEK -267 had been paid to non-controlling interests. This is deemed to have had no impact on the fair value of the financial liability attributable to "minority put-options" but, instead, the payment of the dividends has resulted in a revaluation of the liability, which is reported in equity. In addition, the results are reclassified in equity, whereby the profit/loss previously accounted for as a minority share of profit or loss is now, according to IFRS, to be reported against equity attributable to shareholders in the Parent Company. This total reclassification amounted to TSEK 725 per 1 January 2012 and to TSEK 5,709 per 31 December 2012.

d) Reserves

The item Reserves includes all items which IFRS stipulates are to be reported in Other comprehensive income. Per 31 December 2012, the transition effect consists primarily of translation differences attributable to 2012 of TSEK -34,453 which have been reclassified from retained earnings to reserves. In addition, a smaller item attributable to the hedging of net investments and the associated tax effect also contributes to the transition effect. All of these translation differences have been reset to zero as at the point in time of the transition to IFRS.

e) Changes in equity

	2012-01-01	2012-12-31	Note
Equity attributable to shareholders in the Parent Company according to current accounting principles	**1,822,110**	**1,949,489**	
Reclassification of profit between non-controlling interests and shareholders in the Parent Company attributable to minority put-option*	725	5,709	c)
Additional deferred tax	8,577	12,201	b)
Revaluation of financial liability attributable to minority put-option	-	-267	c)
Translation of acquisitions (acquisition-related expenses)	-	-340	
Additional amortisation, client relationships	-	-	
(translated acquisition, including deferred tax)	-	-2,259	a)
Reversal of amortisation, goodwill	-	175,020	a)
Other	-	-10	
Equity attributable to shareholders in the Parent Company according to IFRS	**1,831,412**	**2,139,543**	

* Refers to holdings with a "minority put-option", which in technical, accounting terms are reported as though the shareholders in the Parent Company already owned 100% (see minority put-option above). Adjustment against retained earnings refers to the profit/loss which was previously reported as attributable to minority shares.

f) Minority interest

Enligt tidigare tillämpade redovisningsprinciper redovisas Under the previous accounting principles, minority interest was reported as a separate item among liabilities in the balance sheet. According to IFRS, minority interest is to be reported as a component of equity designated "Non-controlling interest". As per 1 January 2012, liabilities referring to minority interests have been reclassified to an item in equity designated "Non-controlling interest". As per 31 December 2012, the adjustment refers partly to the reclassification described above and partly to the removal of non-controlling interests, with associated reclassification of net profit for the year from minority interests to shareholders in the Parent Company, resulting from the agreements involving minority put-options (see above for a description of the accounting treatment for these). This adjustment implies that these holdings are reported as though Lifco had owned the shares covered by the agreement directly upon the acquisition, for which reason no non-controlling interest is reported for these holdings.

Under IFRS, net profit for the year includes both profit/loss attributable to the shareholders in the Parent Company and profit/loss attributable to non-controlling interests. Therefore, the row designated Minority share of net profit for the year is removed in conjunction with the transition to IFRS, giving rise to an adjustment in the income statement attributable to minority interests amounting to TSEK 10,989.

g) Reclassifications

Balance sheet

The following balance sheet items have been renamed; "Cash and bank balances" is now referred to as "Cash and cash equivalents" and "Provisions for deferred tax" is now referred to as "Deferred tax liabilities". According to IFRS, provisions are to be reported under non-current or current liabilities and not under as a separate heading designated "Provisions".

Equity is now to be reported in accordance with the Swedish Financial Accounting Council's recommendation, UFR 8 "Accounting for Group Equity". Equity is no longer categorised as either restricted or non-restricted. Certain reclassifications have been implemented in equity. Equity is now classified as "Share capital", "Reserves" or "Retained earnings including net profit for the year". There are currently no items listed under "Other contributed capital".

Interest-bearing, long-term borrowings of TSEK 1,949,690 have been reclassified to short-term borrowings, as the loan agreement has a tenure of only one year. An additional purchase price of TSEK 30,000 has been reclassified to interest-bearing, long-term borrowings, as this is seen to comprise a portion of the financing. Therefore, revaluations of this liability are reported in net financial items. As per 31 December 2012, an identical reclassification of loans amounting to TSEK 1,759,966 took place and this reclassification included an adjustment of TSEK 30,000 to the additional purchase price as the value of the liability was deemed to be unchanged as per 31 December 2012.

Income statement

Profit/loss from other securities has been reclassified to financial income.

h) Other comprehensive income

Under IFRS, only items referring to transactions with shareholders are to be reported in equity. Other items are to be reported in Other comprehensive income. Items in Other comprehensive income are classified either as "Items which will not be reclassified in the income statement" or "Items which can subsequently be reclassified in the income statement". All items were previously included in the equity item "Translation differences, etc." During 2012, Other comprehensive income consists, in its entirety, of translation differences, comprised partly of translation differences attributable to the translation of subsidiaries and partly of the hedging of net investments, and the associated tax effects of this translation.

AUDITORS' REPORT REGARDING HISTORICAL FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF LIFCO AB (PUBL)

AUDITORS' REPORT ON HISTORICAL FINANCIAL INFORMATION

We have audited the financial statements for Lifco AB (publ) on pages 115-142, comprising the consolidated statement of financial position at 31 December 2013 and 2012 and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the years then ended, as well as a summary of significant accounting policies and other disclosures.

THE BOARD OF DIRECTORS' AND THE MANAGING DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The board of directors and the managing director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The board is also responsible for the preparation and fair presentation in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

THE AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR´s Recommendation RevR 5 Examination of Prospectuses. This recommendation requires that we comply with ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit in accordance with FAR´s Recommendation RevR 5 Examination of Prospectuses involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the board of directors and the managing director and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion the financial statements provide a fair view in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act and supplementary applicable standards of Lifco AB (publ)'s financial position for the years ending 31 December 2013 and 31 December 2012 and the earnings, statement of changes in equity and cash flows for the years then ended.

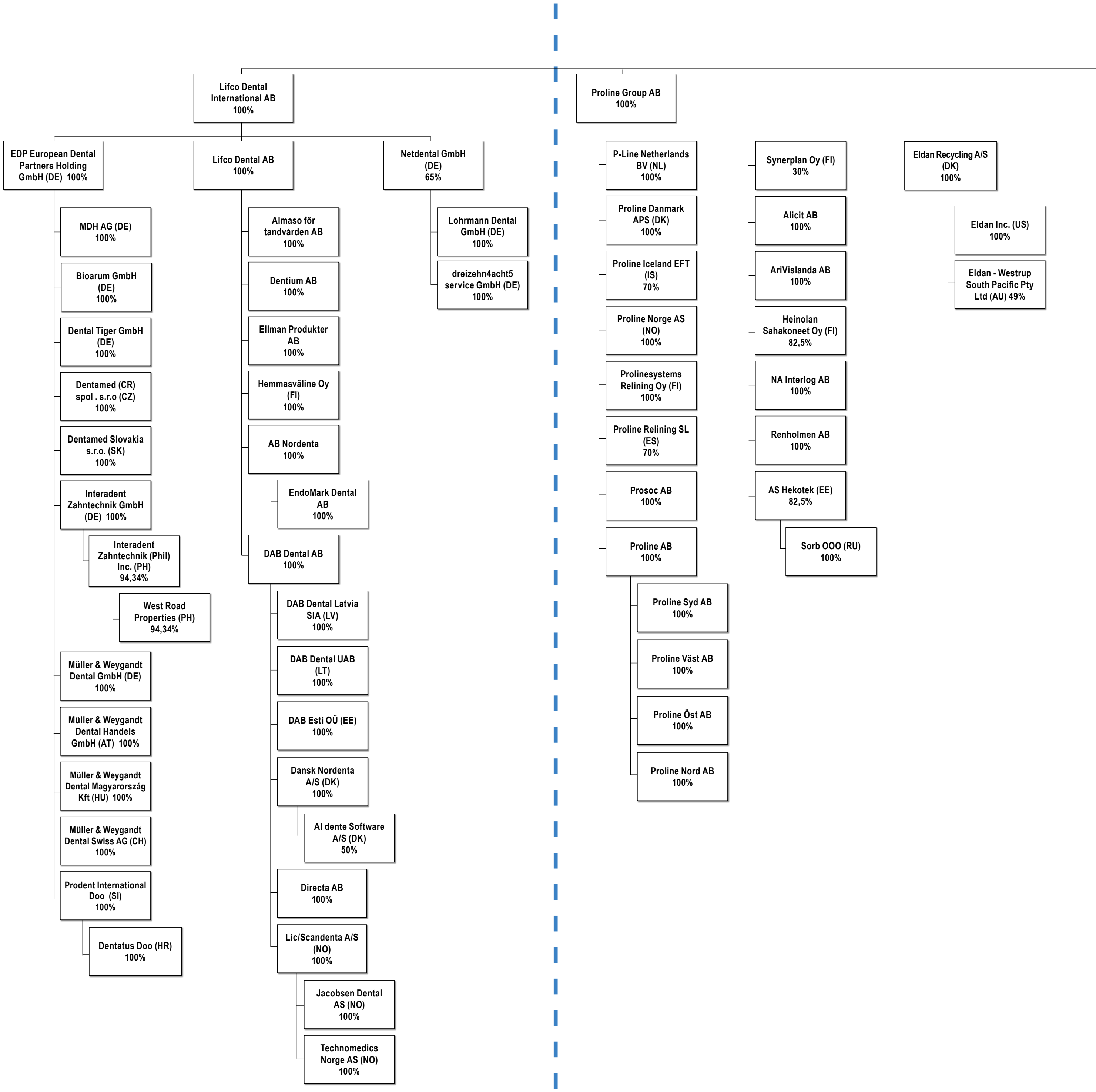
Stockholm 7 November 2014

PricewaterhouseCoopers AB

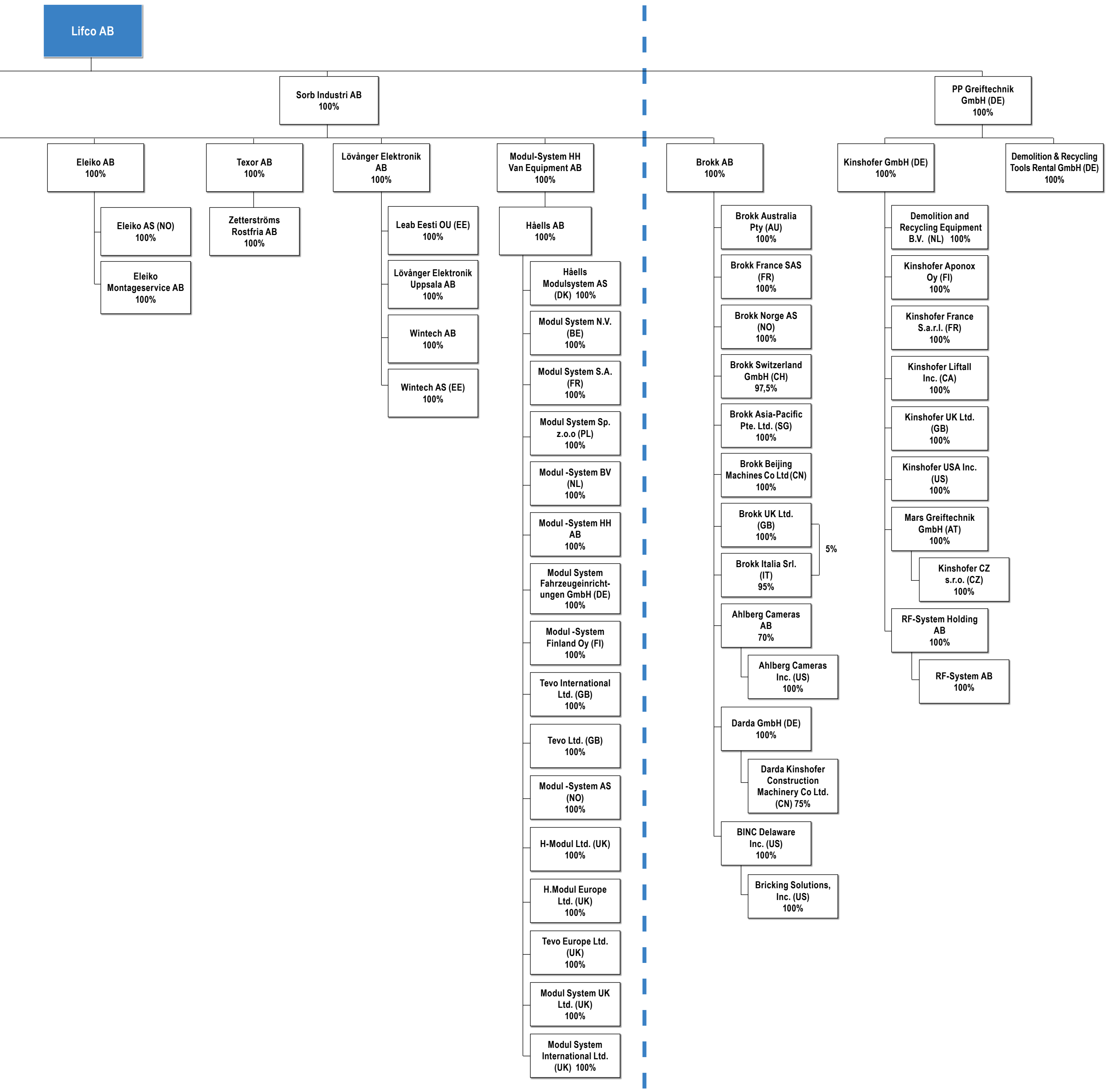
Magnus Willfors
Authorized public accountant
Auditor in charge

Martin Johansson
Authorized public accountant

GROUP STRUCTURE



BUSINESS AREA
DENTAL



BUSINESS AREA
SYSTEMS SOLUTIONS

BUSINESS AREA
DEMOLITION & TOOLS

DEFINITIONS

Co-Lead Managers refers to ABG Sundal Collier AB and Carnegie Investment Bank AB (publ).

Euroclear refers to Euroclear Sweden AB (former VPC AB), Box 191, SE-101 23 Stockholm, Sweden.

EUR refers to euro and **MEUR** refers to million euros.

Global Coordinator or **SEB** refers to Skandinaviska Enskilda Banken AB (publ).

Lifco, the Company or **the Group** refers to Lifco AB (publ), org nr 556465-3185, or, depending on the context, the group in which Lifco AB (publ) is the parent company.

Managers refers to Global Coordinator and Co-Lead Managers

Nasdaq Stockholm refers to the principal market of Nasdaq Stockholm.

Offering refers to the offering to subscribe for series B shares in Lifco in accordance with this Prospectus.

Principal Shareholder refers to Carl Bennet AB, org nr 556379-0715.

Prospectus refers to this prospectus.

SEK refers to the Swedish krona, **KSEK** refers to thousand Swedish krona and **MSEK** refers to million Swedish krona.

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