ANNUAL REPORT 2014

LIFCO

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2014 IN SUMMARY

NET SALES +12,8%
MSEK 6 802 (6 030) Organic growth +4,4%

EBITA +39,6%
MSEK 966 (692)

EBITA PROFORMA +44,2%
MSEK 998 (692)

PROFIT BEFORE TAX +32,7%
MSEK 763 (575)

PROFIT AFTER TAX +47,0%
MSEK 570 (388)

EARNINGS PER SHARE +48,3%
SEK 6,17 (4,16)

DIVIDEND PER SHARE OF SEK 2,60 IS PROPOSED
Equivalent to MSEK 236,2

KEY PERFORMANCE INDICATORS FOR LIFCO

	2014	2013
Net sales, MSEK	6 802	6 030
Net sales, adjusted for currency effects and acquisitions, MSEK	6 295	6 099
EBITA, MSEK	966	692
EBITA proforma, MSEK	998	692
EBITA margin, %	14,2	11,5
Earnings per share after tax, SEK	6,17	4,16
Number of shares, thousands	90 843	9 084
Capital employed, MSEK	5 564	3 880
Capital employed, excluding goodwill and other intangible assets, MSEK	887	833
Return on capital employed, %	18,8	17,4
Return on capital employed, excluding goodwill and other intangible assets, %	105,4	73,0
Net debt/equity ratio	0,6	0,6
Equity/assets ratio, %	46,7	43,6
Equity per share, SEK	38,0	26,0

EBITA = Operating profit before amortisation of intangible assets arising in conjunction with acquisitions, and restructuring, integration and acquisition costs.

EBITA proforma = EBITA including full-year results for the acquired company, MDH

LIFCO IN BRIEF

Lifco acquires and develops market-leading niche operations with the potential to deliver sustainable profit growth and positive cash flows.

THREE BUSINESS AREAS:

Dental

Demolition & Tools

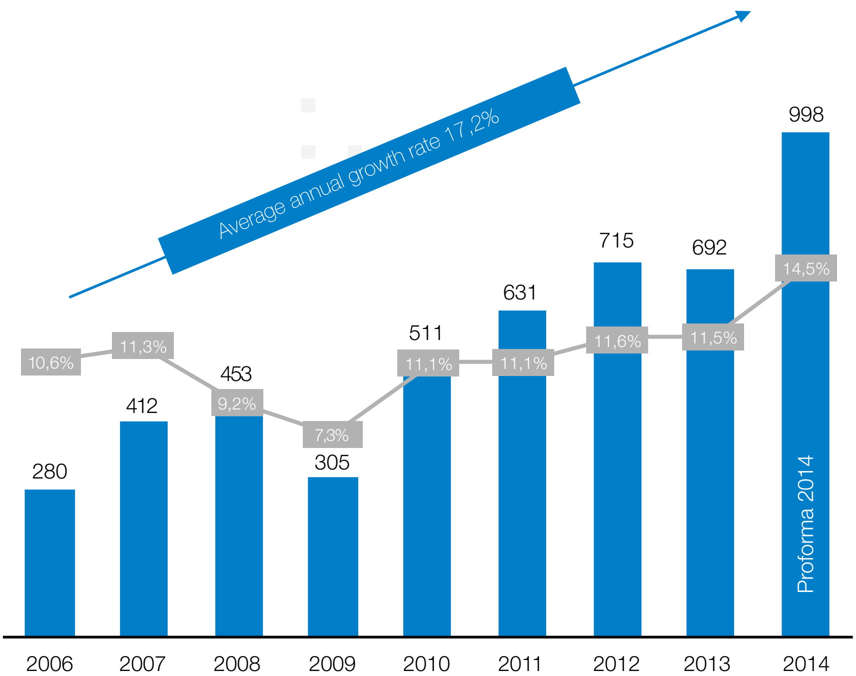
Systems Solutions

EMPLOYEES **3 013**

COUNTRIES **28**

COMPANIES **106**

Listed on the Nasdaq Stockholm main list on 21 November 2014. Included in the Large Cap segment since January 2015.



EBITA (MSEK) and EBITA margin (%)

Comments by the CEO

STRONG GROWTH AND RE-LISTING

2014 was a year of both good organic growth and acquisition-based growth. Lifco purchased the German dental company, MDH. The Demolition & Tools and Systems Solutions business areas showed especially good organic growth. On 21 November, Lifco was listed on Nasdaq Stockholm.

Lifco's net sales increased by 12.8 percent and the EBITA margin increased to 14.2 percent as a result of the acquisitions in tandem with organic growth.

WORLD-LEADING COMPANIES

Our operations in the Dental business area are all leading suppliers of consumables, equipment and technical service to dentists in Europe. We also sell dental technology to dentists in the Nordic region and Germany, and develop and sell record systems in Denmark and Sweden. Dental increased its sales by 15.6 percent and the EBITA margin increased to 16.6 percent (14.1 percent), mainly thanks to the acquisition of MDH. Other operations within Dental showed a stable sales and profitability trend.

MDH is a leading German dental company with around 150 employees. MDH imports and supplies dental technology. The company has approximately 5,000 German dentists as customers and supplies more than 100,000 prostheses every year. Today, there are around 600,000 people in Germany with MDH prostheses. With the acquisition of MDH, we strengthened our market position in Germany.

Demolition & Tools is world-leading in the markets for demolition robots and tools for diggers. We are also one of the leading global manufacturers of tools for cranes. Sales increased by 8.4 percent in 2014, primarily driven by a strong trend in the US. Sales in the US grew due to a generally improved market situation and to increased sales efforts that commenced in 2013 and which began to bear fruit in 2014. The profitability trend was solid and the EBITA margin increased to 22.3 percent (20.7 percent).

The Systems Solutions business area consists of five divisions that are leading in their respective niches. The divisions are: Interiors for Service Vehicles, Contract Manufacturing, Environmental Technology, Sawmill Equipment and Relining, i.e. the renovation of waste water and drain pipes. It is pleasing to see that the structural measures undertaken in Systems Solutions since 2012 are beginning to show results in 2014. Sales in 2014 rose by 11.5% and the EBITA-margin increased to 9.4 percent (5.7 percent).

EFFECTIVE GOVERNANCE MODEL

Lifco is a strongly decentralised organisation in which the subsidiaries have a high degree of self-determination. We want the companies that we acquire to continue working as they have previously worked, simply because they know best what works in their market. We do not want to force central processes on subsidiaries. The coordination that takes place between our subsidiaries has been initiated by the companies, themselves, after they have identified the synergies, with only minor involvement from of the head office.

With our governance model, our subsidiaries can keep their entrepreneurial spirit and rapid decision-making channels. This is an important argument for entrepreneurs when they seek new ownership structures. And it is also an important explanation of how our companies retain and strengthen their market positions in their respective niches.

LISTED AGAIN

2014 was a memorable year for the Group since Lifco was, once again, listed on Nasdaq Stockholm. In 1998, the same year that I began as the CEO, Lifco was listed on the Stockholm Stock Exchange. Two years later, Carl Bennet AB acquired the Company through a public offering and Lifco was delisted. After this point in time, we have conducted a thorough restructuring of the Company. Since 2006 up until March 2015, Lifco has made 27 acquisitions. On average, sales have grown by 12.6 percent per year and EBITA has grown by 16.8 percent per year.

Fredrik Karlsson, CEO

FINANCIALLY STRONG

Prior to the introduction on Nasdaq Stockholm, Lifco received a shareholder contribution of MSEK 500 from the owner, Carl Bennet AB. We have a strong financial position and can continue our strategy of growing through acquisitions. However, we set high demands on any acquisition candidates. They must be stable businesses and leaders in their niche. We also want them to have an attractive position in the value chain without being dependent on specific suppliers or customers. It is also important that they can show documented profitability and that they lack exposure to technology risk.

We are convinced that our decentralised governance model, with a high degree of self-determination for the subsidiaries, is an important factor when we negotiate with potential acquisition candidates. It is also often important for us that the entrepreneur who built the company wants to continue to be involved. These individuals are often key to the customer relationships and they are important to the corporate culture and way of working.

One prerequisite for our decentralised governance model to work is that we have clear Group-wide ethical principles. We have gathered our ethical principles in our Code of Conduct. All CEOs shall ensure that they comply with the Code of Conduct. Group management regularly follows up on compliance with the Code of Conduct. The Code of Conduct covers the relationship to employees, customers, suppliers, society and the environment as well as to shareholders.

CORE VALUES WE LIVE BY

Our core values form the foundation of our Code of Conduct and guide us in our day-to-day work. Our core values are:

Respect for others: All people are created equal and we strive to listen to and respect every individual's opinion, even if we do not share it.

Openness: It is of utmost importance that we create an atmosphere where people have the courage to be open. To achieve this, we have to openly admit our mistakes. It is natural that everyone can make mistakes.

Pragmatism: We strive to make the best possible decisions in each individual case. The decisions should be based solely on facts and without prejudice. Prejudice, conviction and pride should not affect the decisions.

PRIOR TO 2015

The most important part of Lifco is our employees. Today, we have 3,013 employees in 28 countries. I would like to express my sincere gratitude to all of them for their sterling efforts in 2014.

We are already well into 2015. In Lifco, we do not publish forecasts for the simple reason that it is difficult to predict the future. However, we feel that the business situation remains, at this time, stable and we are continuing our strategy to invest in market/leading niche businesses with the potential to provide sustainable profit growth and positive cash flows.

BUSINESS CONCEPT AND OBJECTIVES

Lifco's business concept is to acquire and develop profitable, market-leading niche businesses with the potential to provide sustainable profit growth and strong cash flows. Lifco is governed by a clear philosophy whereby the Company focuses on profitability, a strong, decentralised organisation and a long-term perspective.

THE OBJECTIVE IS SUSTAINABLE PROFIT GROWTH

Lifco's overall objective is to generate sustainable profit growth. The Group's and subsidiaries' target is for the organic growth in EBITA to exceed GDP growth in relevant geographic markets over a business cycle. Additional growth will be achieved through acquisitions.

Effective utilisation of capital is also an important objective in Lifco. The return on capital employed after deduction of goodwill and other intangible assets shall, therefore, exceed 50 percent during the most recent 12-month period. Lifco places great importance on the debt/equity ratio. The target is that net liabilities shall normally amount to two to three times EBITDA for the most recent 12-month period.

DECENTRALISED ORGANISATION

Lifco consists of over a hundred subsidiaries that are organised in 30 operating units. The heads of the operating units report directly to Lifco's CEO or the head of the Dental business area. The operating units work in eight divisions, which are, in turn, organised in the three business areas, Dental, Demolition & Tools and Systems Solutions.

The decentralised organisation is one of the cornerstones of Lifco's governance philosophy. The individual subsidiaries are given considerable freedom, which provides the conditions for a strong entrepreneurial spirit. As the subsidiaries are run independently, each company can preserve its specific culture. They can also continue working according to the methods that prevail in the industries and markets in which the subsidiaries operate.

The strong entrepreneurial spirit is one of the reasons that Lifco has the ability to retain key people in companies that the Group acquires. The key people are often attracted by the decentralised structure in which they can retain a high degree of independence even after the acquisition.

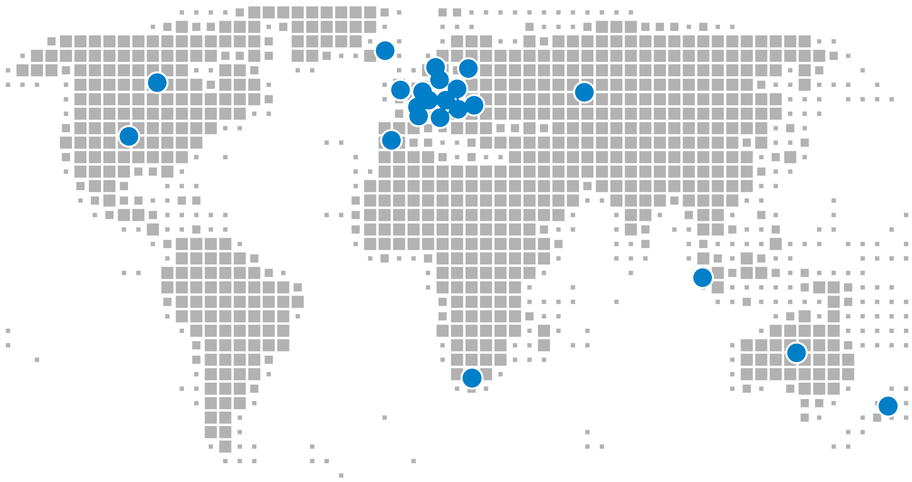
MINIMAL BUREAUCRACY

Lifco has produced a model for development of the subsidiaries. The model is based on Lifco's philosophy on a focus on profits, decentralisation and a long-term perspective. The model builds on many years of experience of corporate development. At its core, the model can be described as follows:

- Motivated and dedicated CEOs in subsidiaries
- Minimal bureaucracy and simple processes
- Focus on customers with the potential for sustainable profit growth
- Efficient cost structure with a focus on value-generating functions
- Monthly reviews of the subsidiaries' income statements and balance sheets, and emphasis on monitoring of EBITA and change in capital employed

CLEAR ACQUISITION STRATEGY

Expansion through acquisitions is a central part of Lifco's business concept. Acquisitions take place, in part, through the purchase of new companies that can form their own divisions, and also through supplemental acquisitions for existing divisions. An acquisition should generate growth with strong profitability and strong cash flows or fulfil a strategic purpose. Risk taking should also be limited for Lifco.



EMPLOYEES
3 013

COUNTRIES
28

COMPANIES
106

LIFCO'S ACQUISITION PROCESS

IDENTIFY ACQUISITION CANDIDATES	ANALYSIS	POST-ACQUISITION ACTION PLAN
Acquisition candidates are identified through various networks, mainly through the subsidiaries. Lifco is often contacted directly by the seller. Lifco is also regularly contacted by professional corporate brokers.	Lifco looks at the company's position of strength in the value chain by conducting discussions with suppliers, customers and industry experts, among others. Lifco also analyses whether the Group is a suitable owner and what Lifco can contribute to the target company.Lifco analyserar bolagets räkenskaper och avtal. Lifco analyses the company's accounts and contracts. Lifco also studies the company's culture and working methods.	Acquired companies have a high degree of independence. However, Lifco gains an overview in order to enhance the efficiency of the acquired business. Normally, the following measures are undertaken: • New remuneration and reporting systems • New Board of Directors • Increased financial awareness with a focus onworking capital and controlled financing of growth opportunities • Short-term and long-term strategic agenda

When Lifco searches for acquisition candidates, such candidates must meet the following criteria:

- Stable operations
- Leader within its niche
- An attractive position in the value chain without being dependent on specific supp liers or customers
- Zero or limited exposure to technology risk
- Documented profitability

The Company can also consider an acquisition in the event that not all of the criteria are met, if the purchase, nonetheless, offers strategic or financially attractive opportunities.

HIGH ETHICAL STANDARDS

A prerequisite for Lifco's decentralised structure is that the subsidiaries conduct their business in accordance with Lifco's ethical principles. The ethical principles are specified in the Code of Conduct with which all subsidiaries are required to comply. Compliance with the Code is regularly followed up by the Group management.

The Code of Conduct also lists Lifco's core values. They are: respect for others, openness and pragmatism.

FINANCIAL RESULTS

For Lifco, 2014 was a year of strong growth. Net sales and profit improved as a result of both acquisitions and organic growth. During the year, the German dental company, MDH, was acquired. Organic growth was strong, mainly in the Demolition & Tools and Systems Solutions business areas.

Net sales increased by 12.8 percent to MSEK 6,802 (6,030). Organic growth was 4.4 percent and acquired growth 5.1 percent. Net sales were positively impacted by currency effects in an amount of 3.3 percent.

EBITA increased by 39.6 percent to MSEK 966 (692). The EBITA margin amounted to 14.2 percent (11.5 percent). The increase is mainly due to the acquisition of MDH, but also to improved profitability in the Demolition & Tools and Systems Solutions business areas. EBITA was positively impacted by currency effects in an amount of 2.6 percent. Of the year's MSEK 966 of EBITA, a total of 55 percent was generated in EUR and DKK. In 2013, intangible assets of MSEK 50 were written down within the Interiors for Service Vehicles division, a part of the Systems Solutions business area.

Investments in intangible and tangible fixed assets amounted to MSEK 1,361 (104).

Net financial items amounted to MSEK -43 (-52). Net financial items for the previous year were affected by capital losses of MSEK 19.6 related to the sale of two subsidiaries in the Systems Solutions business area.

Profit before tax increased by 32.7 percent to MSEK 763 (575). During 2014, profit for the year was negatively impacted by MSEK 110 for non-recurring items, mainly attributable to preparations for listing on Nasdaq Stockholm.

Profit after tax increased by 47.0 percent to MSEK 570 (388). Earnings per share increased by 48.3 percent to SEK 6.17 (4.16). The Group's tax expense amounted to MSEK 193 (187), which corresponds to 25.3 percent (32.5 percent) of profit before tax. Tax paid amounted to MSEK 181 (176), which corresponds to 23.7 percent (30.6 percent) of profit before tax.

Inventories amounted to MSEK 823 (758) and accounts receivable amounted to MSEK 770 (671). Capital employed excluding goodwill and other intangible assets increased by MSEK 54 to MSEK 887 (833). Return on capital employed excluding goddwill and other intangible assets amounted to 105.4 percent (73.0 percent). Goodwill and other intangible assets at year-end amounted to MSEK 4,677 (3,047).

On 29 September 2014, Lifco received a shareholder contribution of MSEK 500 from Carl Bennet AB, intended to strengthen future expansion opportunities.

In 2014, Lifco's interest-bearing net liabilities increased by MSEK 593 to MSEK 2,013 (1,420) in conjunction with acquisitions. The net debt/equity ratio was 0.6 (0.6) at year end. The Group reduced its interest-bearing current liabilities by MSEK 1,548 to MSEK 276 (1,824). At the same time, interest-bearing non-current liabilities including pension provisions increased by MSEK 2,236 to MSEK 2,351 (115). At year-end, 87 percent of the Group's interest-bearing liabilities were denominated in EUR. At year-end, equity amounted to MSEK 3,473 (2,382), which resulted in an equity/assets ratio of 46.7 percent (43.6 percent).

Cash flow from operating activities amounted to MSEK 586 (558). The higher cash flow is mainly due to an improved operating profit. Cash flow from investing activities amounted to MSEK -1,361 (-104), which is primarily related to the acquisition of subsidiaries.

LIFCO'S FINANCIAL TARGETS

Lifco's overall objective is to generate sustainable profit growth. The Group's and subsidiaries' target is for the organic growth in EBITA to exceed GDP growth in relevant geographic markets over a business cycle. Additional growth will be achieved through acquisitions. Effective utilisation of capital is also an important objective in Lifco. The return on capital employed after deduction of goodwill and other intangible assets shall, therefore, exceed 50 percent for the most recent 12-month period. The return on capital employed excluding goodwill and other intangible assets amounted to 105.4 percent (73.0 percent). Lifco places great importance on the debt/equity ratio. The target is that net liabilities shall normally amount to two to three times EBITDA for the most recent 12-month period. Net liabilities amounted to 1.9 times EBITDA as at 31 December 2014.

DIVIDEND

The Board proposes to the Annual General Meeting a dividend of SEK 2.60 per share, or MSEK 236.2 in total. This corresponds to 42 percent of profit after tax, attributable to shareholders in the Parent Company, which is in line with Lifco's dividend policy. The long-term goal with the dividend policy is that dividends shall have an even and steady development and amount to 30-50 percent of profit after tax. Dividends shall be based on the Company's financial performance and profit development, with consideration given to future growth potential and the Company's financial position.

EMPLOYEES

At 31 December 2014, there were 3,009 (2,865) employees in Lifco. The average number of employees during the year was 3,013 (2,940). During the year, around 150 people were added through the acquisition of MDH.

ACQUISITION OF MDH

In March 2014, Lifco acquired the German dental company MDH AB. The company is leading in Germany and had sales of approximately MSEK 380 in 2013, has around 150 employees and around 5 000 German dentists as customers. The business is a part of Lifco's Dental business as of 1 April 2014.

PRODUCT DEVELOPMENT

Innovation and product development are an important part of mainly the Demolition & Tools and Systems Solutions business areas. Through innovation and product development, Lifco strengthens its offering to customers and thereby establishes sustainable organic growth. Acquisitions of companies are a complement to internal product development. Developments in the external environment are continuously monitored by all subsidiaries and a large number of potential projects are evaluated every year. In 2014, development expenses amounted to MSEK 55 (53).

EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2015, Lifco signed an agreement to acquire Sanistål's Danish operation that produces interiors for vehicles. The acquisition makes Lifco the leading player in Denmark of interiors for vehicles. The acquired operations had, in 2014, net sales of approximately MDKK 25 and will be consolidated in the Systems Solutions business area.

On 4 February 2015, Lifco signed an agreement to acquire Auger Torque, a leading global player in Demark of earth drills and other equipment for cranes and trenchers. Auger Torque had net sales of approximately MGBP 10 in 2014. Auger Torque will be consolidated in Kinshofer which is included in the business area Demolition & Tools. With this acquisition, Kinshofer has a new product segment and access to an important distributions channel in, primarily, England, Australia, the USA and China.

On 18 February 2015, Lifco signed an agreement to acquire Rapid Granulator, a leading global manufacturer of granulation solution for producing high quality regrind from plastic waste. Rapid Granulator had net sales in 2014 of approximately MSEK 300. The company will be consolidated in the division Environmental Technique which is included in the Systems Solutions business area.

On 25 March 2015, Lifco signed an agreement to acquire Top Dental, a British dental company which had sales of approximately MGBP 3.4 in 2014. The company will be consolidated in the Dental business area.

No individual acquisition will have any significant effect on Lifco's results and financial position during the current year.

On March 26, Lifco announced that it had resolved to issue unsecured bonds with a tenor of three years. The bonds amount to a total of MSEK 1,050, of which MSEK 700 carries a floating rate of 3 months STIBOR +1.05 per cent per annum, and MSEK 350 carries a fixed rate of 1.11 per cent per annum. The proceeds from the bond issues will be used for refinancing of existing bank loans. Lifco intends to list the bonds at Nasdaq Stockholm.

ENVIRONMENTAL IMPACT

The subsidiaries Modul-System HH AB, Lövånger Elektronik AB, Zetterströms Rostfria AB and Texor AB conduct environmentally hazardous activities that require registration under the Environmental Code, meaning that they are under the supervision of the environmental board in the respective municipality.

Lifco's Code of Conduct also addresses society and the environment. Lifco strives for a business that contributes to society in a positive and sustainable manner.

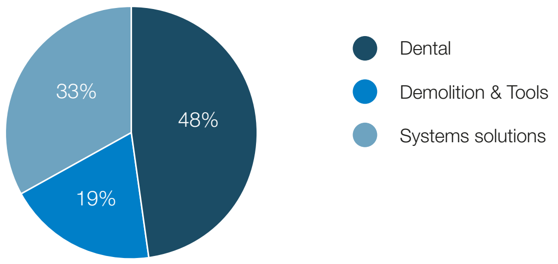
The Company has committed to prevent or minimise and mitigate the harmful effects that the operations or products may have on the environment. Lifco strives to reduce the products' environmental impact throughout their useful life.

FINANCIAL RESULTS

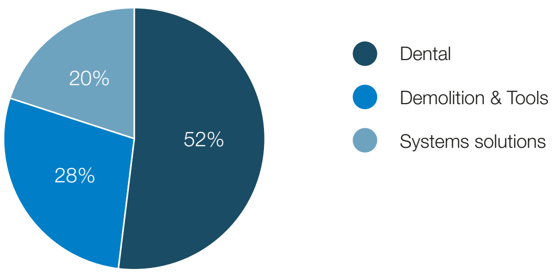
MSEK	2010*	2011*	2012	2013	2014
Net sales	4 591	5 707	6 184	6 030	6 802
EBITA	511	631	715	692	966
EBITA margin	11,2%	11,1%	11,6%	11,5%	14,2%
Earnings per share, SEK	2,59	3,20	5,56	4,16	6,17

*The Annual Reports for 2010 and 2011 were prepared in accordance with the Annual Accounts Act and the general guidelines and recommendations of the Swedish Accounting Standards Board and FAR SRS.

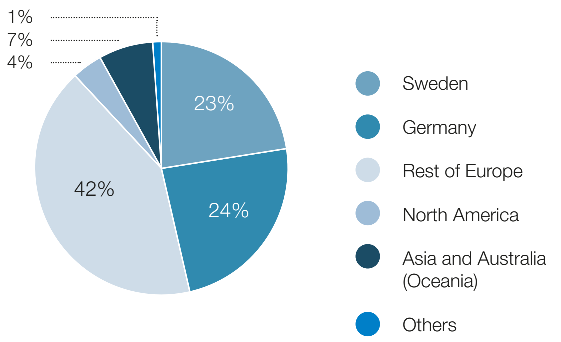
NET SALES BY BUSINESS AREA



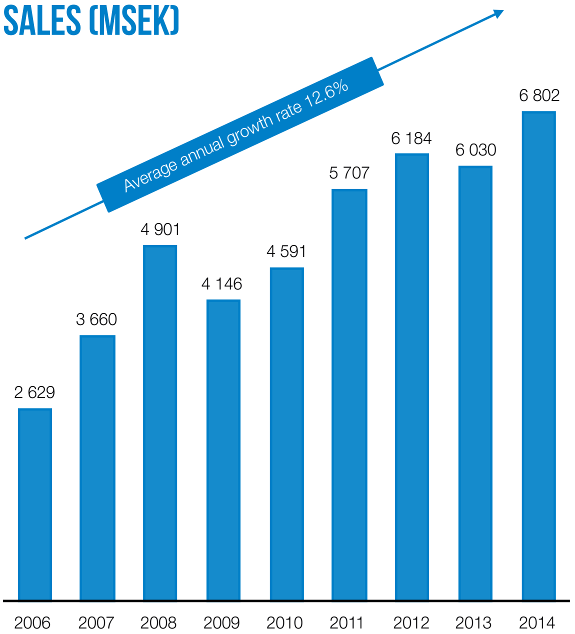
EBITA BY BUSINESS AREA



NET SALES BY GEOGRAPHIC MARKET



SALES (MSEK)




400
BROKK


BROKK

BUSINESS AREA DENTAL

Dental is a leading supplier of consumables, equipment and technical service for dentists mainly in northern and central Europe. Lifco also sells dental technology to dentists mainly in the Nordic region and Germany. The Company develops and sells administrative and record systems for dental clinics in Denmark and Sweden.

On the Nordic market, Lifco offers a broad range of both consumables and technical equipment. The subsidiaries offer a complete range fulfilling a dentist's entire product needs. In Norway, Sweden and Germany, Lifco also has companies specialised in consumables.

STABLE, NON-CYCLICAL MARKET

Dental care is a substantial market and amounts to approximately 0.5 percent of GDP on Lifco's primary markets. Demand for dental care in Europe is stable and relatively non-cyclical. During the period 2007-2012, expenditure for dental care on Lifco's primary markets (excluding Norway) grew by an average of 1.6 percent per year.

A dental clinic needs a large number of products, ranging from consumables like napkins and gloves to advanced technical equipment like X-ray machines and treatment chairs. Lifco fulfils an important function on the market by tying together the fragmented dental market with a large number of suppliers.

The market for dental products can be divided into consumables, equipment and technical service as well as dental technology. Consumables constitute approximately 70 percent of total sales. Demand for consumables is non-cyclical and is characterised by frequent, but small orders, which sets high demands on security of supply and a broad product range. The demand for equipment is relatively stable and depends primarily on the age of the installed equipment, the length of the replacement cycle and the number of new dental clinics.

SHARED INVENTORY

Even if Lifco's subsidiaries largely function independently from one another, they co-operate to some extent in terms of the purchase of goods. There are three Group-wide warehouses for consumables. The warehouses are located in Enköping, Sweden, outside of Århus, Denmark and in Büdingen, Germany. The warehouse in Enköping houses around 44,000 items, the Danish warehouse around 18,000 items and the warehouse in Germany around 58,000 items.

In total, Lifco offers products from around 500 suppliers. Some of the product range consists of private label products. These brands primarily focus on the less complex products. Private label products currently account for 10 percent of the subsidiaries' sales. Lifco actively works to increase the share of private label products.

In dental technology, Lifco is mainly active in Germany, but also in the Nordic region. Lifco provides most products, including crowns and bridges which are manufactured in China and the Philippines. This way, Lifco obtains cost advantages compared with local dental laboratories. Lifco manages the central elements of the process itself, such as the design of the dental prosthetics and the contact with the dentists. This way, the Company maintains good quality and close relationships with the customers.

ONLINE SALES

Sales of dental products primarily take place through three channels: the subsidiaries' sales fleets, catalogue sales and online. Between 20 and 70 percent of sales take place online, depending on market and subsidiary. The remaining orders are mainly made by phone.

ACQUISITION OF MDH

In 2014, Lifco acquired MDH. MDH is a leading German importer and supplier of dental technology. The Company offers a complete range of permanent and removable dental prosthetics as well as implant supported dental prosthetics. MDH has around 5,000 German dentists as customers. Every year, the company supplies more than 100,000 dental prosthetics. Today, there are around 600,000 Germans who have MDH's dental prosthetics. Every year, MDH is contacted by around 60,000 people who want more information on MDH's dental technology. Manufacturing takes place in China according to MDH's standards.

In 2013, MDH had approximately MSEK 380 in sales. The company is consolidated as of 1 April 2014.

STABLE PROFIT 2014

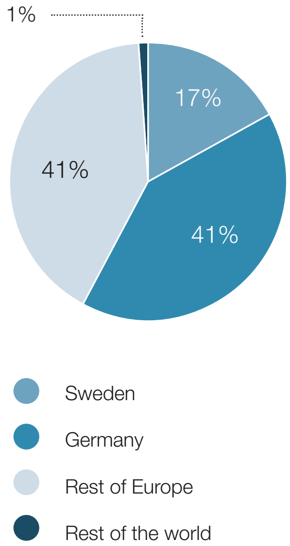
Sales within the Dental business area increased by 15.6 percent to MSEK 3,266 (2,826) during 2014. EBITA rose by 36.3 percent to MSEK 543 (399) and the EBITA margin increased to 16.6% (14.1%) during the same period. Dental's sales and income were positively impacted by MDH, which was consolidated from 1 April 2014.

Other operations within Dental exhibited a continued stable sales development in all regions during the year. Profitability has also developed steadily in 2014 thanks to organic growth and positive exchange rate effects. The Dental market is generally stable. The financial performances of individual companies within Lifco's dental operations may be impacted by significant exchange rate fluctuations, won or lost procurement processes for consumables with public customers or larger private customers, as well as by fluctuations in outgoing deliveries of equipment. There was no such event during 2014 which had a significant impact of the financial performance if the Dental business area as a whole.

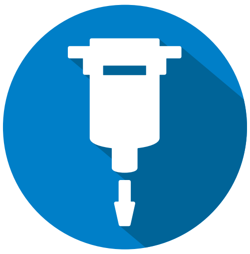
FINANCIAL RESULTS

MSEK	2014	CHANGE	2013	CHANGE	2012
Net sales	3 266	15,6%	2 826	-0,5%	2 840
EBITA	543	36,3%	399	6%	376
EBITA margin	16,6%	2,5	14,1%	0,9	13,2%

NET SALES PER GEOGRAPHIC MARKET, DENTAL



BUSINESS AREA DEMOLITION & TOOLS



Lifco is active within the development, manufacture and sale of machinery for the construction and demolition industry. Lifco is the world's leading manufacturer of demolition robots and crane attachments, as well as being among the global leaders in excavator attachments.

The remote controlled demolition robots are niche products that are suited to demolition in restricted and hazardous spaces. They are also used in the demolition of brick lining in kilns for cement and in the cleaning of smelting furnaces in the process industry.

Lifco's attachments for excavators and cranes enable the use of the same machines for different tasks. Examples of areas of use are construction work, ground work, snow clearance, demolition work, laying pipes and cables, forestry work, scrap handling, and railway work.

GLOBAL, CYCLICAL MARKETS

The primary market is the global construction and demolition industry. Sales follow the trend on the global market for construction machinery. The strong growth in China maintained global demand after the financial crisis and subsequent economic downturn in 2008. However, since 2010, the Chinese market has weakened, while the USA has recovered and exhibited growth. Europe has also shown some weak growth.

Sales of attachments for excavators and cranes largely tally with global machinery sales. As Lifco's attachments entail a minor investment for the customer compared with buying a new machine, the market is less cyclical than for construction machines.

DIRECT SALES AND RETAILERS

Lifco's demolition robots are sold under the Brokk brand. The products are sold directly to the end customers or to selected distributors and agents. The products are assembled in Skellefteå and Norrtälje, while component production takes place at contracted manufacturers. A small amount of manufacturing also takes place in Germany.

Lifco's attachments for excavators and cranes are sold under the Kinshofer, Demarec and RF-System brands. Attachments for cranes are sold directly to crane manufacturers, while attachments for excavators are primarily sold through retailers. Lifco sells its attachments under its own brands, but a large part of the products are also sold under the brands of the crane manufacturers or the excavator manufacturers.

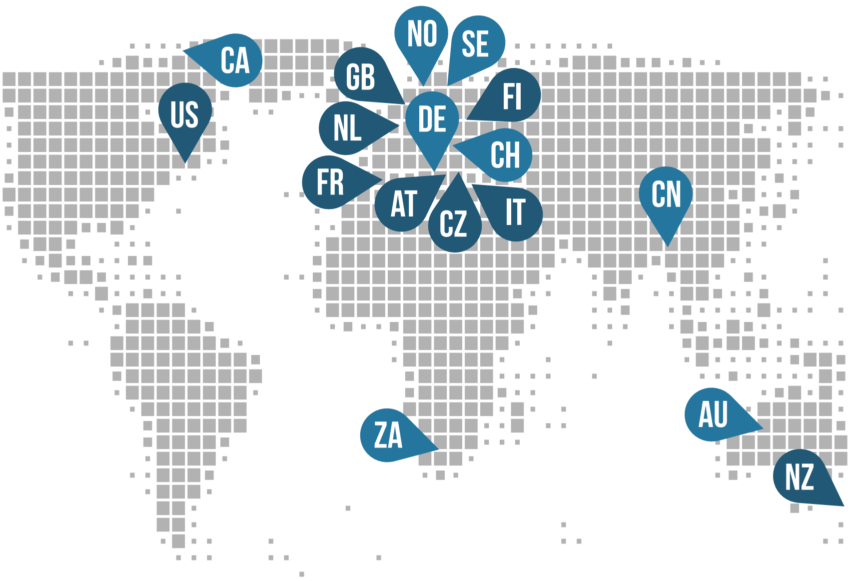
IMPROVED PROFIT 2014

The business area is divided into two divisions – demolition robots and attachments for cranes and excavators – which each account for a similar portion of income. Sales increased by 8.4% during the year to MSEK 1,289 (1,189). The primary driver of growth during the year was the strong development in the USA. Sales in the USA have increased as a result of both the improved market situation and sales efforts initiated in 2013 which began to bear fruit in 2014. Certain customer segments in Europe and Asia have seen a much stronger level of demand in 2014, while demand on the Russian market has experienced a somewhat weaker development.

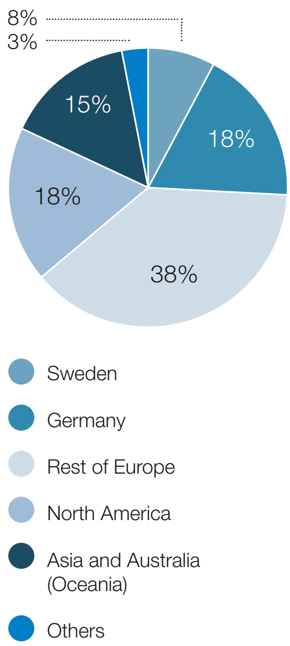
Profitability within the business area has developed solidly, and EBITA increased by 16.9% during the year to MSEK 288 (246). The EBITA margin has improved by 1.6 percentage points during the year to 22.3% (20.7%), thanks to the reworking of the production strategy two years ago and the subsequent increase in volumes. Under the new production strategy, the proportion of manufacturing undertaken by Lifco has been diminished, and the Company now stands primarily for the final assembly of the products.

FINANCIAL RESULTS

MSEK	2014	CHANGE	2013	CHANGE	2012
Net sales	1 289	8,4%	1 189	1%	1 176
EBITA	288	16,9%	246	-8%	268
EBITA margin	22,3%	1,6	20,7%	-2,1	22,8%



NET SALES PER GEOGRAPHIC MARKET, DEMOLITION & TOOLS



BUSINESS AREA SYSTEMS SOLUTIONS

The Systems Solutions business area is divided into five divisions: Interiors for Service Vehicles, Contract Manufacturing, Sawmill Equipment, Relining and Environmental Technology. The companies are leading in their geographical markets or within their product groups.

INTERIORS FOR SERVICE VEHICLES

Under the names Modul-System and Tevo, Lifco offers interior modules for vans and light trucks for the storage of, amongst other things, tools. The Company specialises in interior modules made of stainless steel, combining sustainability with low weight. Lifco offers a superior quality, broad product range which suits, in principle, all light trucks manufactured in Europe.

Operations are undertaken in the Nordic countries and in Belguim, France, the Netherlands, Poland, Great Britain and Germany. Between 40 and 90 percent of the modules are assembled in Lifco's own service workshops. The Company owns workshops in all of these countries except for Finland. The largest clients are found, primarily, within the energy and construction sectors.

The major portion of sales takes place directly with the end customer, but sales also take place through car retailers, car manufacturers and so-called customisers.

Interiors for service vehicles grew in terms of both sales and profitability during the year, thanks to the implementation of measures intended to increase sales activities and improve the product range. Financial performance during 2014 was, nonetheless, not satisfactory, for which reason the considerable focus in the business area will remain on increasing profitability.

CONTRACT MANUFACTURING

Under the Leab, Texor, Wintech and Zetterströms Rostfria brands, Lifco offers contract manufacturing of products used within a large number of industries, amongst others, within the engineering and medical technology industries.

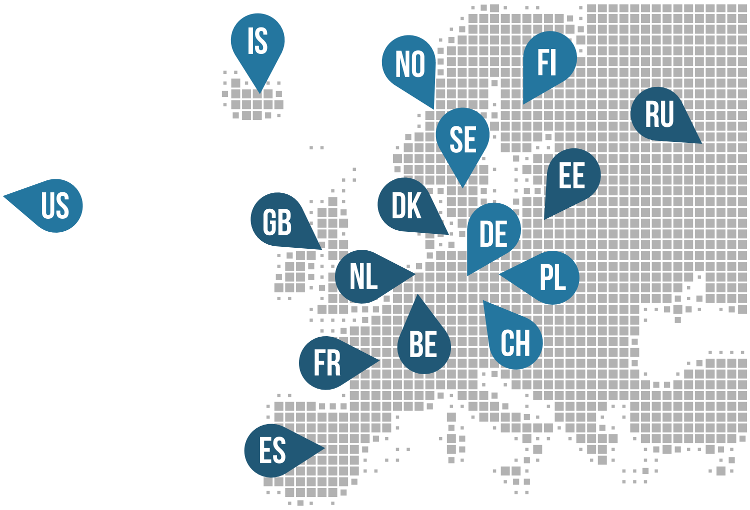
Lifco focuses on products where the requirement of quality and supply service is high and where manufacturing is an important component in the product's value chain. Customers include world-leading producers of technology for the pharmaceutical industry and railway equipment manufacturers, for whom quality requirements in both supply flexibility and documentation are extremely high and of crucial importance. It is important for Lifco that the customers have repetitive volumes and that they place high demands on quality and delivery service. One of Lifco's important strengths is its certified production and quality processes, and its good control over material flows.

Contract manufacturing developed well during the year, in terms of both sales and income. The structured sales work undertaken in 2014 resulted in the acquisition of new customers in tandem with increased volumes among existing cutomers.

SAWMILL EQUIPMENT

Lifco offers sawmill equipment under the brands AriVislanda, Heinola,Hekotek and Renholmen. The companies operate in the Baltic countries, Finland, Russia, Norway and Sweden. Together, Lifco's companies offer a major portion of the equipment required in sawmill operations, such as timber handling, lumber handling, drying equipment and saw lines. A growing portion of the operations includes equipment for pelletizing plants.

Sales often take place in project form and initial discussions usually take place over a number of years before the first delivery is made. Lifco participates, at an early stage, in the construction of new sawmills and is involved in the planning and design of the mill. The division also sells service and spare parts, but the majority of the sales are comprised of new equipment. Lifco designs the products and production lines, while the majority of the manufacturing is contracted to other parties.



Profitability in Sawmill Equipment grew during the year, driven by strong development in Russia. Swedish sawmill operations improved in profitability in 2014, resulting in somewhat reduced orders. The companies in the division noted a slight increase in offer activity during the year.

RELINING

Lifco offers services for the cleaning and sealing of pipes in older buildings under the names Proline and Prosoc. Through relining, waste water pipes can be renovated without the kitchen and bathroom needing to be torn up to access the pipes. Lifco has operations in Finland, Iceland, the Netherlands, Norway, Sweden and Spain.

The customers are comprised of real estate owners and sales take place through the companies' own sales personnel.

Relining established a new organisation in Sweden during 2013, whereby the operations were divided up into regions. The aim of this reorganisation was to shorten decision-making channels and thereby ensure that management had better insight into the operations. These measures resulted in a positive recovery in both sales and profitability during the year.

ENVIRONMENTAL TECHNOLOGY

Under the name Eldan Recycling, Lifco offers the manufacture and delivery of waste recycling machinery for, amongst other things, tires, cables, refrigerators, aluminium products and electronics. The machines are used at recycling plants to break down, separate and sort the various components in the products to be recycled. Eldan Recycling has sales in approximately 70 countries.

Sales take place in project form to recycling plants all over the world. Each order is unique and often implies a major investment on behalf of the customer. An important component in Elda Recycling's offerings is that the company can provide service and reserve parts for the products.

Environmental technology's financial performance improved during 2014 thanks to successfully executed projects, although sales did experience a slight downturn.

TURNAROUND 2014

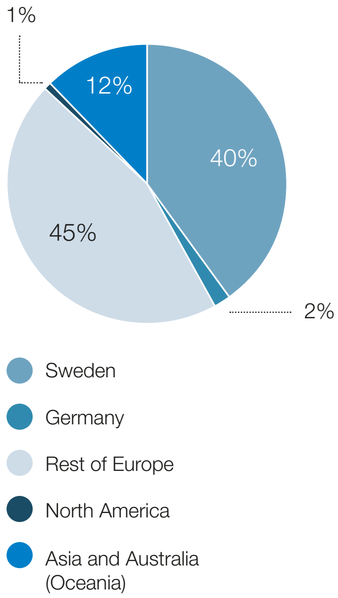
Systems Solutions increased sales by 11.5% to MSEK 2,247 (2,014) and EBITA increased by 82.9% to MSEK 211 (115) during 2014. The EBITA margin increased, thereby, to 9.4% (5.7%). EBITA increased within all divisions during the year.

In 2013, intangible assets of MSEK 50 were written down within the Interiors for Service Vehicles division.

FINANCIAL RESULTS

MSEK	2014	CHANGE	2013	CHANGE	2012
Net sales	2 247	11,5%	2 014	-7%	2 168
EBITA	211	82,9%	115	-15%	136
EBITA margin	9,4%	3,7	5,7%	-0,6	6,3%

NET SALES PER GEOGRAPHIC MARKET, SYSTEMS SOLUTIONS



THE LIFCO SHARE AND THE COMPANY'S LISTING

Lifco's Class B share was listed on Nasdaq Stockholm's main market on 21 November 2014. Since January 2015, the share has been included in Nasdaq Stockholm's Large Cap segment. On 31 December 2014, there were 7,494 shareholders. The percentage of non-Swedish-owned shares amounted to 8.7 percent. The proportion of Swedish institutional ownership was 32.3 percent at year-end, of which mutual funds accounted for 21.2 percent. The Company is traded under the short name LIFCO B.

LISTING

On 27 October 2014, Carl Bennet AB announced its intention to list Lifco. The listing was preceded by a public offering. The offering covered 49.9 percent of the shares in Lifco. The offer price was SEK 93 per Class B share. There was great interest in the offering both among the public in Sweden and among institutional investors inside and outside Sweden. The offering was oversubscribed to more than sevenfold.

The offering originally comprised 34,602,400 Class B shares, but was expanded to a total of 41,209,100 Class B shares. The over-allotment option was also exercised within five trading days. The total offering therefore comprised a total of 45,330,000 Class B shares at a value of approximately SEK 4.2 billion.

Didner & Gerge Fonder AB and the Fourth Swedish National Pension Fund were so-called Cornerstone Investors. This meant that they committed before the public offering to each buy 6,813,200 Class B shares at a price of SEK 93 per share.

LIFCO'S TRADING HISTORY

In 1998, Lifco was allocated to the shareholders of Getinge Industries and was listed on the Stockholm Stock Exchange. In 2000, Carl Bennet AB acquired Lifco through a public takeover bid and Lifco was delisted. The following year, the business was streamlined. Lifco assumed its current form in 2006 through the acquisition of the fellow subsidiary Sorb Industri, which had been bought out from the stock market by Carl Bennet AB in 1999.

PRICE TREND AND LIQUIDITY

At year-end, Lifco was quoted at SEK 134,50. This is an increase of 44.6 percent from the introduction price of SEK 93 on 21 November 2014. The highest price paid in 2014 was SEK 137,00 on 19 December and the lowest was SEK 106,00 on 21 November. At year-end, the market value was SEK 12,2 billion. This is an increase of 44,6 percent from the estimated value of SEK 8,4 billion at the time of the introduction. The number of shares traded from the listing to year-end was 8,700,086, including the shares sold in the IPO.

SHARE CAPITAL

At year-end 2014, the Lifco's share capital amounted to SEK 18,168,652 distributed over 90,843,260 shares. All shares bear an equal right to dividends. Holders of Class A shares are entitled to 10 votes per share and holders of Class B share entitles are entitled to one vote per share.

DIVIDEND POLICY

Lifco's Board of Directors has adopted a dividend policy implying that the dividend shall be based on the Company's earnings trend, considering future development opportunities and the Company's financial position. The long-term objective is for the dividend to have a stable development and amount to 30-50 percent of the profit after tax.

SHAREHOLDER INFORMATION

Financial information about Lifco is available on the Company's website: Questions may also be posed directly to Lifco. Annual reports, interim reports and other information can be ordered from Lifco's head office, from the website, by e-mail or by phone.

Website: www.lifco.se
E-mail: ir@lifco.se
Phone: +46-735 07 9679

SHAREHOLDER VALUE

Lifco's Group management continuously works to develop and improve the financial information on Lifco to provide both current and future owners good conditions to appraise the Company as accurately as possible. This includes participating in meetings with analysts, investors and the media.

ANALYSTS THAT FOLLOW LIFCO

ABG Sundal Collier, Carnegie, Handelsbanken, SEB

LIFCO'S TEN LARGEST SHAREHOLDERS AT 31 DECEMBER 2014

	CLASS A SHARES	CLASS B SHARES	CAPITAL, %	VOTES, %
Carl Bennet AB	6 075 970	39 437 290	50,1	68,9
Fourth Swedish National Pension Fund		6 813 200	7,5	4,7
Didner & Gerge fonder		6 813 200	7,5	4,7
Carnegie fonder		4 578 300	5,0	3,1
Nordstjernan AB		4 545 000	5,0	3,1
SEB fonder		1 960 295	2,2	1,3
Nordea fonder		1 888 793	2,1	1,3
Fidelity fonder		1 694 000	1,9	1,2
Handelsbanken fonder		1 511 308	1,7	1,0
Second Swedish National Pension Fund		1 000 000	1,1	0,7
Others		14 525 904	15,9	10,0
Total	**6 075 970**	**84 767 290**	**100,0**	**100,0**

Source: SIS Ägarservice

This table shows the largest identified shareholders by capital in order according to number of votes.

Individual major shareholders may be registered in the name of a nominee and be included among other shareholders.

DISTRIBUTION OF SHARE CAPITAL

	CLASS A	CLASS B	TOTAL
Number of shares	6 075 970	84 767 290	90 843 260
Number of votes	60 759 700	84 767 290	145 526 990
Capital, %	7	93	100
Votes, %	42	58	100

FIVE LARGEST COUNTRIES, CAPITAL %

Sweden	90,6
USA	3,7
UK	1,4
Norway	1,0
Luxembourg	0,8

SHAREHOLDERS BY CATEGORY, CAPITAL %

Swedish private individuals	59,0
Swedish institutions	11,1
Swedish equity funds	21,2
Non-Swedish shareholders	8,7

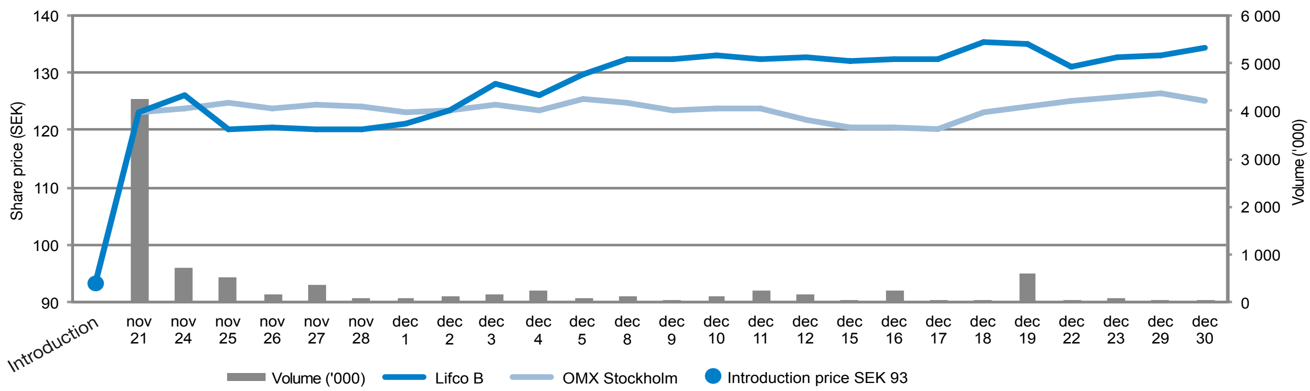
OWNERSHIP STRUCTURE, 31 DECEMBER 2014

FROM	TO	OWNER %	CAPITAL %
1	100	72,8	0,3
101	200	9,4	0,1
201	300	4,9	0,1
301	400	1,4	<0,1
401	500	2,2	<0,1
501	1000	3,6	0,3
1001	2000	1,3	0,2
2001	5000	1,6	0,5
5001	10 000	0,7	0,4
10 001	20 000	0,6	0,7
20 001	50 000	0,4	1,2
50 001	100 000	0,3	1,7
100 001	500 000	0,5	9,3
500 001	1 000 000	0,1	7,2
1 000 001	5 000 000	<0,1	20,2
5 000 001	10 000 000	<0,1	7,5
10 000 001	50 000 000	<0,1	50,1
Total		**100,0**	**100,0**

Source: SIS Ägarservice

DATA PER SHARE	2014	2013
Earnings per share after tax	6,17	4,16
Market price, 31 December	134,50	-
Dividend (proposed)	2,60	-

DIRECT RETURN	2014	2013
P/E ratio	21,8	-
Proportion of profit dividend, %	42	-
Equity	38,0	26,0
No. of shares at 31 December (millions)	90 843 260	-



RISKS AND RISK MANAGEMENT

There are a number of factors that affect, or could affect, Lifco's operations, profit or financial position. Lifco has 106 companies in 28 countries and a large number of customers in various industries. Lifco also has a large number of suppliers in various areas. This spread implies that the commercial risks are limited. A review of identified risks and how they are managed is presented below.

Lifco is dependent on macroeconomic factors such as consumption, corporate investments, public investments, the volatility and strength of the capital market and inflation. However, the dental industry has historically shown lower sensitivity to economic downturns than companies in, for example, the industrial sector. Sales to private individuals are also typically impacted to a lesser degree by the general economic situation. A substantial part of Lifco's sales are, however, directed at customers in the industrial sector. A stronger economy leads to more commercial opportunities for Lifco.

Individual subsidiaries are, to some extent, dependent on one or more customers to be able to maintain their sales. The Group as such is not, however, reliant on any individual customer. Lifco's single largest customer accounts for less than three percent of the Group's total sales.

In acquisitions, Lifco can incur costs that are not compensated by the seller, or can be impacted when anticipated synergies or efficiency effects do not arise. Upon sales of subsidiaries, Lifco may risk incurring costs and losses attributable to the sold company. In order to manage this risk, Lifco undertakes thorough research on the business subject to the acquisition. This analysis includes discussions with suppliers, customers, other parties on the market and industry experts. The analysis also includes a detailed analysis of the target company's accounts and agreements.

The Group's various customer agreements vary in character, in terms of duration, guarantees, liability caps and scope. Guarantees in customer agreements can sometimes take the form of so-called "on demand" guarantees, entailing that Lifco can be called upon to pay a certain sum to the counterparty in the event of a confirmed or claimed fault in the supplied product. Such guarantees may result in significant negative consequences for the Company's financial position and performance. Furthermore, a number of Lifco's customer and supplier relationships are not formalised in written agreements. Consequently, the parties largely rely on customary practice in the relationships, which often stretch far back into the past. The content of such agreements can be difficult to clarify in the event that the parties should have differing opinions on a matter, which can lead to a deterioration in the relationship and even expensive disputes.

Individual subsidiaries may fail to implement new technology or adapt their product range or business model in time to utilise the advantages of new or existing technology. The cause could, for example, be an inability to finance technical investments or stay abreast of the technological development. It is therefore important for Lifco that the subsidiaries have a broad network in their respective industries to ensure that they follow technological development. Lifco always makes financing decisions based on commercial considerations.

Lifco's decentralised organisational model may prove to be less suited to meeting future market challenges. In order to manage this risk, Lifco's Group management and Board review the strategy every year, which includes an analysis of Lifco's strengths and weaknesses. The analysis also includes testing whether the organisation is adapted to future challenges and endeavours.

Lifco's customers or competitors may join forces and form larger entities. In this event, competitors may strengthen their market position at Lifco's expense. This risk can be counteracted through close customer relationships. Close customer relationships are important to Lifco in all operations and, in many cases, Lifco also offers service, which further strengthens the relationship with the customers. Strong customer relationships are important in price negotiations.

The majority of the products that are sold in the Dental business area are covered by the compensation systems applied by private insurance companies, authorities and those entities paying for the healthcare products and services. They could change the systems, reducing the compensation. Dental accounts for around half of the Group's total sales and no single market accounts for more than 41 percent of Dental's sales. The Group's exposure to a single market in the Dental area is, accordingly, limited.

Lifco is dependent on certain key individuals, both in Group management and in the subsidiaries. The acquisition strategy includes the requirement that the companies' key individuals are well motivated and will run the company even after the acquisition. To attract and retain key individuals, Lifco believes in incentive programmes linked to profitability.

Currency risk refers to the risk of unfavourable exchange rate fluctuations. The currency risk is divided up into:

- Transaction exposure, arising when the companies in the Group carry out transactions in currencies other than the local currency.
- Translation exposure, arising when the Group has net investments in foreign currencies through its subsidiaries.

Lifco's operations are conducted in 28 countries. The geographic distribution, in tandem with a large number of customers and products, results in a relatively limited transaction exposure. Within the Group, there is a balance between purchasing and sales in foreign currencies. A reasonable change in the value of the SEK entails no material effect on Lifco's financial position.

Translation exposure is managed to some extent through borrowing in the foreign currencies concerned.

Read more about Lifco's currency policy in Note 3.

Interest rate risk refers to the risk that changes in general interest rates will negatively affect Lifco's net profit. Lifco's policy is to have no borrowing at fixed interest rates. Lifco has not currently taken any hedging measures with regard to interest rate risk.

Credit and counterparty risk is the risk that the counterparty in a financial transaction cannot fulfil its obligations. Lifco's credit risk primarily comprises accounts receivable (commercial credit risk), but there is also some credit risk with regard to the investment of cash and cash equivalents (financial credit risk). Lifco assesses that the financial credit risk is low, as the Group's cash and cash equivalents are deposited in banks with strong credit ratings.

Lifco is dependent on obtaining financing through creditors. Lifco assesses that the Group has a good financial position, considering the existing working capital and existing credit agreements.

CORPORATE GOVERNANCE REPORT

Lifco is a Swedish public limited liability company that was listed on Nasdaq Stockholm on 21 November 2014. Lifco acquires and develops market-leading niche businesses with potential to provide sustainable profit growth and strong cash flows. The Group is governed by a clear philosophy implying that the Company has a long-term perspective, focuses on profitability and has a strongly decentralised organisation. Lifco operates 106 companies in 28 countries.

Corporate governance at Lifco is aimed at ensuring the continued strong development of the Company and, consequently, that the Group fulfils its obligations to shareholders, customers, employees, suppliers, creditors and society.

Lifco's corporate governance and internal regulations are consistently geared toward business objectives and strategies. The Group's risks are well-analysed and risk management is integrated in the work of the Board and in operational activities. Gearing corporate governance so clearly toward the Group's business objectives creates the speed and flexibility in the decision-making process that can so often be decisive to success

Lifco's organisation is designed to enable prompt action when changes occur in the market. A strongly decentralised organisation and a high degree of self-determination in the subsidiaries enable rapid operational decisions. Overriding decisions concerning strategy and direction are made by Lifco's Board and Group management.

EXTERNAL AND INTERNAL REGULATIONS

Lifco's corporate governance is based on Swedish legislation, primarily the Swedish Companies Act, the company's Articles of Association, Nasdaq Stockholm's Rules for Issuers and the rules and recommendations issued by the relevant organisations. Since its listing on Nasdaq Stockholm, Lifco applies the Swedish Corporate governance Code ("the Code"). The Code is based on the "comply or explain" principle, meaning that companies applying the Code may deviate from regulations under the Code, but must provide explanations for each deviation. In a company's first corporate governance report, the company is not required to explain a deviation resulting from non-compliance with a rule for which the application was not necessary during the period covered by the report.

Lifco deviates from the Code on one point, which is that the Chairman of the Board is also the Chair of the Nomination Committee. This deviation is explained below under the heading Nomination Committee.

Internal regulations that affect Lifco's corporate governance include the company's Articles of Association, the Board's formal work plan, the terms of reference from the Board to the CEO, policy documents and the Group's Code of Conduct.

Further information:
About the Code: www.bolagsstyrning.se

Lifco's Code of Conduct and Articles of Association: www.lifco.se

SHAREHOLDERS

At year-end 2014, Lifco had 7,494 shareholders according to the share register maintained by SIS Ägarservice. The share capital of Lifco at year-end comprised 90,843,260 shares, of which 6,075,970 entitling the holder to ten votes per share shares were Class A, entitling holders to ten votes per share, and 84,767,290 shares were Class B, entitling holders to one vote per share. Lifco's market capitalisation amounted to SEK 12.2 billion at 31 December 2014. The Company's largest shareholder is Carl Bennet AB, which represents 68.9 percent of the total number of votes in the Company. Further information concerning such factors as Lifco's listing, ownership structure and share performance can be found on pages 22-23.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of shareholders represents the Company's highest decision-making body. At the General Meeting, shareholders exercise their voting rights in accordance with Swedish corporate legislation and Lifco's Articles of Association. The General Meeting elects the Board of Directors and auditors. The other tasks of the General Meeting include the adoption of the Company's income statements and balance sheets, the appropriation of the Company's profits, and granting discharge from liability for the Board members and CEO. The General Meeting also resolves on remuneration to the Board of Directors, auditors' fees and guidelines for remuneration to senior executives.

The Annual General Meeting (AGM) of shareholders shall be held within six months of the end of the financial year. In addition to the AGM, extraordinary general meetings may also be convened. Lifco's Articles of Association state that a notice of a General Meeting is to be made through publication in the Swedish Official Gazette and on the Company's website. The notice shall also be announced in Dagens Industri. The General Meeting can be held either in Enköping or in Stockholm.

NOMINATION COMMITTEE

The duties of the Nomination Committee are to present proposals regarding the election of the Chairman of the AGM, the Chairman of the Board and other members of the Board, the election of auditors, as well as fees for Board members and auditors.

The composition of the Nomination Committee ahead of the 2015 AGM was published on 20 February 2015 and all shareholders have had the opportunity to submit nomination proposals to the Committee. The Nomination Committee conducts an evaluation of the Board and its work. A proposal for the new Board is subsequently drawn up and submitted with the notice of the forthcoming AGM. For the 2015 AGM, the Nomination Committee comprises the following representatives of the largest shareholders:

- Carl Bennet, Carl Bennet AB
- Tomas Billing, Nordstjernan AB
- Anna-Karin Celsing, representative for minor shareholders
- Per Colleen, Fourth Swedish National Pension Fund
- Hans Hedström, Carnegie Fonder
- Adam Nyström, Didner & Gerge fonder

The Chairman of the Board, Carl Bennet, was appointed as the chair of the Nomination Committee for the 2015 Annual General Meeting, which deviates from the rules of the Code. The reason for this is that it seems natural that a representative of the largest owner by votes is the chair of the Nomination Committee, since this individual should have a decisive influence over the Nomination Committee's composition through his voting majority at the AGM.

Evaluation: As a basis for its proposal to the 2015 AGM, the Nomination Committee has made an assessment as to whether the current Board of Directors is suitably composed and meets the demands that are placed on the Board in view of the Company's position and future focus. The Nomination Committee's proposal will be published not later than in conjunction with the notice of the AGM.

BOARD OF DIRECTORS

The Board of Directors is the Company's second highest decision-making body after the General Meeting and is its highest administrative body. The Board is responsible for the organisation of the Company and the management of its affairs. It is also the Board's duty to ensure that the organisations in charge of accounting and the management of assets are subject to satisfactory controls.

According to Lifco's Articles of Association, the Board shall consist of a minimum of three and a maximum of nine members, with a maximum of nine deputies. The Board members are elected annually at the AGM to serve for the period up to and including the next AGM. The AGM also appoints the Chairman of the Board. The Chairman's role is to head the Board's work and ensure that the work of the Board is well-organised and carried out effectively.

The Board of Directors follows a written formal work plan that is revised annually and established at the constituent Board meeting every year. The formal work plan regulates Board practice, functions and the division of work between the Board and the CEO. According to the formal work plan, the Board shall review its own procedures every year. In conjunction with the constituent Board meeting, the Board also establishes instructions for financial reporting.

The Board meets according to an annually established schedule. In addition to these scheduled Board meetings, additional Board meetings may be convened to address issues that cannot be referred to an ordinary Board meeting. Beyond the

Board meetings, the Chairman of the Board and the CEO have a continuous dialogue regarding the management of the Company. The Board meets the auditor alone a few times per year, without any members of Company management present. The Board held its constituent meeting on 15 May 2014.

During the year, 12 Board meetings were held with an average attendance among the members of 93 percent. With the exception of the CEO, no member of the Lifco Group's Board holds an operational position in the Company. A more detailed description of the Board of Directors and CEO is presented on page 31.

Independence: Lifco fulfils the requirements for independent Board members as stipulated in the Code. It is the opinion of the Company that Fredrik Karlsson, in his capacity as CEO, is not to be regarded as independent in relation to the Company and executive management, and that Carl Bennet and Johan Stern, as representatives and Board members of Lifco's principal owner Carl Bennet AB, are not to be regarded as independent in relation to the largest shareholders. Erik Gabrielson, director of the board of Lifco, is a partner at the law firm Vinge which renders legal services to e.g. Lifco AB and Carl Bennet AB. The nomination committee has, nevertheless, made the overall assessment that Erik Gabrielson is to be deemed independent in relation to the company, the group management and the major shareholders. All other members - Gabriel Danielsson, Sigbrit Franke, Caroline Sundewall and Axel Wachtmeister - are regarded as independent in relation to the Company and executive management, and the largest shareholders.

The secretary at the Board meetings is CFO Therése Hoffman. At its scheduled meetings, the Board addresses permanent items in compliance with the Board's formal work plan, including the business situation, budget, year-end financial statements and interim reports, as well as comprehensive issues concerning the economy and related cost issues, corporate acquisitions and other investments, long-term strategies, financial matters, and structural and organisational changes. In 2014, a significant part of the Board's work concerned preparations for the listing on Nasdaq Stockholm and related matters.

As a part of enhancing efficiency and deepening the Board's work in some issues, there are two committees: The Audit Committee and the Remuneration Committee. The members of the Committees were elected in October 2014. Delegation of responsibility and the right of decision-making to these committees is presented in the Board's formal work plan. The issues addressed and the decisions made at the committee meetings are recorded in minutes and reports are submitted at the next subsequent Board meeting.

AUDIT COMMITTEE

The Board annually appoints Lifco's Audit Committee. Without impacting the other responsibilities and duties of the Board, the Audit Committee shall monitor the financial reporting, monitor the effectiveness of Lifco's internal control, internal audit and risk management, stay abreast of the audit of the annual report and the consolidated financial statements, assess and monitor the auditor's impartiality and independence, taking into account whether the auditor provides the Company services other than auditing services. The Committee is also tasked with evaluating the auditing activities and passing this information on to the Nomination Committee and assisting the Nomination Committee in producing proposals for auditors and fees for auditing services.

The Company's auditor has participated in all of the Audit Committee's meetings. The Committee has discussed and established the scope of the audit together with the auditor.

In 2014, the Audit Committee had the following composition: Caroline Sundewall, Chair, Erik Gabrielson, member, Sigbrit Franke, member and Johan Stern, member.

REMUNERATION COMMITTEE

The Remuneration Committee shall prepare proposals regarding remuneration principles, remuneration and other terms of employment for the CEO and senior executives.

In 2014, the Remuneration Committee had the following composition: Carl Bennet, Chair, Gabriel Danielsson, member, Johan Stern, member and Axel Wachtmeister, member.

PRESIDENT AND CEO

The CEO is subordinate to the Board of Directors and is responsible for the Company's on-going administration and the day-to-day management of Lifco. The division of duties between the Board and the CEO is set forth in the Board's formal work plan and the terms of reference issued to the CEO. The CEO is also responsible for preparing reports and compiling information from the management prior to Board meetings and presents this material at Board meetings.

According to the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and shall ensure that the Board receives adequate information enabling it to evaluate the Company's financial position.

The CEO shall continuously keep the Board informed of the development of the Company's operations, the sales trend, the Company's earnings and financial position, the liquidity and credit situation, important business events and every other event, circumstance and relationship that can be assumed to be of material significance to the Company's shareholders.

FINANCIAL REPORTING

The Board of Directors monitors the quality of the Company's financial reporting through terms of reference for the CEO and the Audit Committee and by establishing requirements concerning the content in the reports relating to financial conditions. These are regularly submitted to the Board through the instructions for financial reporting. The Board studies and assesses financial reporting, such as the year-end reports and annual report, and has delegated to the executive management the task of ensuring the quality of press releases containing financial information and presentation material in conjunction with meetings with the media, owners and financial institutions.

EXTERNAL AUDITORS

The Auditor-in-Charge at PricewaterhouseCoopers AB is Magnus Willfors, Authorised Public Accountant. Magnus Willfors holds no shares in the Company. When PricewaterhouseCoopers is engaged to provide services other than auditing, such assignments take place in accordance with the regulations determined by the Audit Committee for approving the nature and scope of the services and the remuneration for such. Lifco assesses that the execution of these services has not put PricewaterhouseCoopers' independence at risk. Total remuneration to auditors over the past two years is presented in Note 9 in the consolidated financial statements. Lifco's auditor has participated in all of the Audit Committee's meetings in 2014 and in three Board meetings.

According to the Articles of Association, Lifco shall have one or two auditors with a maximum of two deputies. An Authorised Public Accountant or a registered public accounting firm shall be appointed as the auditor.

OPERATING ACTIVITIES

The CEO and other members of Group management hold regular meetings to review monthly results, update forecasts and plans, and to discuss strategic matters. Lifco's Group management comprises three individuals, who are presented on page 33. Group management deals with Group-wide issues, in addition to operative matters, related to each business area. Group management consists of the CEO, the head of the Dental business area and the CFO. The Board is responsible for ensuring that an effective system for internal control and risk management is in place. The CEO has been delegated the responsibility of creating the necessary prerequisites to work with these issues. Both Group management and managers at various levels in the Company hold this responsibility in their respective areas. Authorities and responsibilities are defined in policies, guidelines and descriptions of duties.

BOARD FEES

At the 2014 AGM, it was resolved that fees amounting to a sum total of MSEK 4.4 shall be paid to the Board, of which MSEK 1.1 is payable to the Chairman and SEK 550,000 to each of the members that are not employed in the Company.

SHARE/SHARE-PRICE BASED INCENTIVE PROGRAMMES

There are no outstanding share or share-price based incentive programmes for Board members, the CEO or other senior executives.

REMUNERATION TO SENIOR EXECUTIVES

At the annual shareholders' meeting 2015, a resolution on guidelines for remuneration to the

CEO and other senior executives is proposed as set forth in note 11. Previous remuneration levels have been resolved by the board of directors in respect of the CEO and by the CEO in respect of other senior executives.

Lifco has entered into agreements regarding variable salary with the CEO and certain other key individuals in subsidiaries. Lifco has the possibility to unilaterally cancel or change the terms for the variable salary.

In total, remuneration to senior executives amounted to approximately MSEK 56 (48) in 2014. See Note 11 for further information.

AUDIT FEES

PricewaterhouseCoopers AB is the Company's auditor. The auditing assignment refers to the auditing of the annual report and accounts, including the Board's and the CEO's administration of the Company, other assignments that the Company's auditors are required to perform and advice or other guidance brought about by observations resulting from the audit or related tasks. Other assignments refer mainly to consultancy services related to auditing and taxation issues, as well as assistance in connection with company acquisitions. In 2014, the auditors were engaged as advisers and conducted reviews in connection with the listing on Nasdaq Stockholm. Fees for auditing assignments in 2014 amounted to MSEK 5 (4) and fees for other assignments to MSEK 7 (1). The remuneration for other assignments in 2014 primarily related to advice and reviews in connection with the listing on Nasdaq Stockholm.

INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING

Internal control over financial reporting is an integrated part of the corporate governance in the Lifco Group. It comprises processes and methods to safeguard the Group's assets and accuracy in the financial reporting and, in this manner, protects the shareholders' investment in the Company.

CONTROL ENVIRONMENT

Lifco's organisation is designed to enable prompt action when changes occur in the market. A strongly decentralised organisation and a high degree of self-determination in the subsidiaries enable rapid operational decisions. Overriding decisions concerning acquisitions, divestments, strategy and direction are made by Lifco's Board and Group management. The internal control of financial reporting within Lifco is designed to manage these conditions. The basis of internal control in the financial reporting comprises the control environment, including the organisation, decision-making channels, authorities and the responsibilities that are documented and communicated in governing documents.

Each year, the Board adopts a formal work plan that regulates the duties of the Chairman and the CEO. The Board has established an Audit Committee to increase knowledge of the level of transparency and control of the Company's accounts, financial reporting and risk management, and a Remuneration Committee to manage remuneration to Company management. Each operational unit has one or more administrative centres that are responsible for the day-to-day handling of transactions and accounting. Each operational unit has a financial manager, who is responsible for the financial control of the unit and for ensuring that the financial statements are accurate, complete and submitted in good time prior to consolidated reporting.

RISK ASSESSMENT

Risk assessment is based on the Lifco Group's financial targets. The overall financial risks have been defined and are mostly industry specific. By conducting quantitative and qualitative risk analyses based on the consolidated balance sheet and income statement, Lifco can identify the key risks that could threaten the achievement of business and financial targets. Within the respective operating units, several subsidiaries are analysed to gain a more detailed understanding of the actual application of the existing rules and regulations. Accordingly, measures to minimise identified risks are formulated centrally within the Group.

CONTROL ACTIVITIES

The identified risks related to financial reporting are addressed through the Company's control activities. For example, there are automated controls in IT-based systems that manage permissions and authorisation rights, as well as manual controls, such as duality in the day-to-day recording of transactions and closing entries. Detailed financial analyses of results and follow-ups against budgets and forecasts supplement the operation-specific controls and provide overall confirmation of the quality of the reporting. The Group follows standardised templates and models to identify and document processes and controls.

INFORMATION AND COMMUNICATION

Lifco has information and communication procedures to promote completeness and accuracy in the financial reporting. Policies and instructions are available on the Company's intranet. Information channels were established to monitor how efficiently the internal controls in the Group function and data is regularly presented through the relevant parties within the organisation via implemented reporting tools.

FOLLOW-UP AND MONITORING

The CEO and CFO perform monthly analyses of the financial reporting at a detailed level. The Audit Committee follows up the financial reporting at its meetings and the Company's auditors report on their observations and provide recommendations. The Board receives financial reports on a monthly basis and the Company's financial position is discussed at every Board meeting. The efficiency of the internal control activities is regularly followed up at different levels in the Group and comprises an assessment of the formulation and operative function of key control elements that have been identified and documented.

Lifco has not established a separate audit function. This function is instead fulfilled by Group management and Lifco's financial staff, with support from the external auditors. The Audit Committee also has an important role in the internal control with the task of evaluating the audit activities and internal control.

CONTINUED WORK

The continuing work in the forthcoming year related to internal control in the Lifco Group will primarily be concentrated on risk assessment and control activities.


TOP DENT by

Carl Bennet

Gabriel Danielsson

Sigbrit Franke

Erik Gabrielson

Fredrik Karlsson

Johan Stern

Caroline Sundewall

Axel Wachtmeister

Annika Norlund

Hans-Eric Wallin

Stefan Håkansson

Peter Wiberg

BOARD OF DIRECTORS

CARL BENNET

Chairman of the Board

Born 1951. Elected in 1998.

Education: MBA and Honorary Doctorate of Science

Other assignments: Chairman of the Board of Elanders AB, Getinge AB and Carl Bennet AB. Board member of Holmen AB and L E Lundbergföretagen AB

Previous experience: Numerous board assignments, including Chairman of the Board of Gothenburg University and Boliden AB. Board member SSAB AB, and TeliaSonera.

Holdings via companies as of 31 December 2014: 6 075 970 Class A shares, 39 587 290 Class B shares

Independent of Company and Company management: Yes

Independent of majority shareholder: No

Board meeting attendance: 12/12

Remuneration Committee attendance: 2/2

GABRIEL DANIELSSON

Board Member

Born 1954. Elected in 2006.

Education: Forest supervisor

Other assignments: 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 experience: Entrepreneur, land and forest owner.

Own and related parties' holdings as of 31 December 2014: 32 200 Class B shares

Independent of Company and Company management: Yes

Independent of majority shareholder: Yes

Board meeting attendance: 12/12

Remuneration Committee attendance: 2/2

SIGBRIT FRANKE

Board Member

Born 1942. Elected in 2007.

Education: Ph.D. and professor, Pedagogics

Other assignments: Chairwoman of Sigbrit Franke Consulting AB

Previous experience:University Chancellor at Swedish National Agency for Higher Education, Senior Adviser at Umeå University.

Own and related parties' holdings as of 31 December 2014: 3 800 Class B shares

Independent of Company and Company management: Yes

Independent of majority shareholder: Yes

Board meeting attendance: 12/12

Audit Committee attendance: 2/2

ERIK GABRIELSON

Board Member

Born 1962. Elected in 2001.

Education: LL.B.

Position: Lawyer

Other assignments: Chairman of Allegresse AB. Board Member of Elanders AB, Advokatfirman Vinge AB, Advokatfirman Vinge Skåne AB, ECG Vignoble AB, ECG Vininvest AB, Generic Sweden AB, Rosengård Invest AB and Storegate AB. Deputy Board Member of Lamiflex Group AB

Previous experience: See above.

Own and related parties' holdings as of 31 December 2014: -

Independent of Company and Company management: Yes

Independent of majority shareholder: Yes

Board meeting attendance: 10/12

Audit Committee attendance: 2/2

FREDRIK KARLSSON

Board Member

President and CEO

Born 1962. Elected in 1998.

Education: MBA and Master of Science

Other assignments: Board Member of Royal Swedish Yacht Club, Tysk-Svenska Handelskammaren and Bijaka AB

Previous experience: Management consultant BCG, CEO of Mercatura GmbH

Own and related parties' holdings as of 31 December 2014: 325 000 Class B shares

Independent of Company and Company management: No

Independent of majority shareholder: Yes

Board meeting attendance: 12/12

JOHAN STERN

Deputy Chairman

Born 1951. Elected in 2001.

Education: MBA

Other assignments: Chairman of the Board of Fädriften Invest AB, Healthinvest Partners AB, Skanör Falsterbo Kallbadhus AB. Board Member of Carl Bennet AB, Elanders AB, Estea AB, Getinge AB, Rolling Optics AB, RP Ventures AB, Stiftelsen Harry Cullbergs Fond and Swedish-American Chamber of Commerce, Inc.

Previous experience: Roles within SEB in Sweden and the USA

Own and related parties' holdings as of 31 December 2014: 46 000 Class B shares

Independent of Company and Company management: Yes

Independent of majority shareholder: No

Board meeting attendance: 12/12

Audit Committee attendance: 2/2

Remuneration Committee attendance: 1/1

CAROLINE SUNDEWALL

Board Member

Born 1958. Elected in 2001.

Education: MBA

Other assignments: Chairwoman of the Board of Cloetta AB, Streber Cup Stiftelsen. Board Member of Caroline Sundewall AB, Cramo Oyj, Hemfosa Fastigheter AB, Mertzig Asset Management AB and Södra Skogsägarna economic association

Previous experience: Has previously served on the Boards of TeliaSonera, Electrolux, Haldex, Pågen and Ahlsell, among others. Has also worked at banks in Stockholm and London, as economics editor at magazines including Affärsvärlden and Sydsvenskan and as business controller at Ratos

Own and related parties' holdings as of 31 December 2014: 4 500 Class B shares

Independent of Company and Company management: Yes

Independent of majority shareholder: Yes

Board meeting attendance: 11/12

Audit Committee attendance: 2/2

AXEL WACHTMEISTER

Board Member

Born 1951. Elected in 2006.

Education: Master of Science

Other assignments: Board Member and CEO of Wästerlövs 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 experience: Land and forest owner.

Own and related parties' holdings as of 31 December 2014: 16 200 Class B shares

Independent of Company and Company management: Yes

Independent of majority shareholder: Yes

Board meeting attendance: 11/12

Remuneration Committee attendance: 1/1

ANNIKA NORLUND

Employee Representative, Unionen

Born 1967. Elected in 2013.

Own and related parties' holdings as of 31 December 2014: 300 Class B shares

Board meeting attendance: 12/12

HANS-ERIC WALLIN

Employee Representative, Metall

Born 1952. Elected in 2006.

Own and related parties' holdings as of 31 December 2014: -

Board meeting attendance: 8/12

STEFAN HÅKANSSON

Employee Representative, Unionen

Born 1960. Elected in 2011.

Own and related parties' holdings as of 31 December 2014: 400 Class B shares

Board meeting attendance: 10/12

PETER WIBERG

Employee Representative, Metall

Born 1960. Elected in 2013.

Own and related parties' holdings as of 31 December 2014: 300 Class B shares

Board meeting attendance: 11/12

AUDITOR

PricewaterhouseCoopers AB has been the Company's auditor since 2010 and was re-elected at the annual shareholders' meeting 2014 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 accountants in Sweden).

PricewaterhouseCoopers AB's office address is Torsgatan 21, 113 97 Stockholm.

GROUP MANAGEMENT

Fredrik Karlsson

Therése Hoffman

Per Waldemarson

FREDRIK KARLSSON

President and CEO

Born 1962. Joined the Group as CEO in 1998.

Education: MBA and Master of Science

Other assignments: Board Member of Royal Swedish Yacht Club, Tysk-Svenska Handelskammaren and Bijaka AB

Previous experience: Management consultant BCG, CEO of Mercatura GmbH

Own and related parties' holdings as of 31 December 2014: 325 000 Class B shares

Independent of Company and Company management: No

Independent of majority shareholder: Yes

Board meeting attendance: 12/12

THERÉSE HOFFMAN

CFO

Born 1971. In current position 2011. Employed in 2007.

Education: Upper secondary economics, international marketing

Previous experience: CFO Nordenta AB

Own and related parties' holdings as of 31 December 2014: 300 Class B shares

PER WALDEMARSON

Head of Business Area Dental

Born 1977. In current position 2009. Employed in 2006.

Education: MBA

Previous assignments: Management consultant Bain & Co, CEO of Brokk AB

Own and related parties' holdings as of 31 December 2014: 100,000 Class B shares

PROPOSED APPROPRIATION OF PROFITS

Lifco AB (publ), Corporate Identity Number 556465-3185

THE FOLLOWING PROFITS IN LIFCO AB ARE AT THE DISPOSAL OF THE ANNUAL GENERAL MEETING:	MSEK
Retained earnings	1 925
Net profit for the year	201
Total	**2 126**
The Board of Directors and CEO propose a dividend to shareholders of SEK 2.60 per share	236
To be carried forward	1 889
Total	**2 126**

The Board of Directors opinion is that the proposed dividend can be considered justifiable, with reference to the requirements regarding the size of the Group's equity implied by the nature and scope of the operations, as well as the risk exposure in those operations. The dividend can also be considered justifiable considering the Group's consolidation requirements, liquidity and financial position in general.

For further information regarding the Group's and the Parent Company's results and financial position in general, refer to the annual report. Income statements and balance sheets will be presented for adoption at the Annual General Meeting to be held on 5 May 2015.

The Board of Directors and CEO confirm that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and give a true and fair view of the Group's results and financial position. The annual report has been prepared according to generally accepted accounting principles and gives a true and fair view of the Parent Company's results and financial position.

The administration report for the Group and the Parent Company presents fairly the development of the Group's and the Parent Company's operations, financial position and results, as well as describing the significant risks and factors of uncertainty facing the Parent Company and other companies in the Group.

Enköping, 8 April 2015

Carl Bennet
Chairman

Gabriel Danielsson
Board Member

Sigbrit Franke
Board Member

Erik Gabrielson
Board Member

Fredrik Karlsson
CEO and President,
Board Member

Annika Norlund
Board Member,
Employee Representative for Unionen

Johan Stern
Board Member

Caroline Sundewall
Board Member

Axel Wachtmeister
Board Member

Hans-Eric Wallin
Board Member,
Employee Representative for Metall

Our audit report was presented on 8 April 2015
PricewaterhouseCoopers AB

Magnus Willfors
Authorised Public Accountant
Auditor-in-Charge

Martin Johansson
Authorised Public Accountant

AUDITOR'S REPORT

To the annual general meeting of the shareholders of Lifco AB (publ), Corporate Identity Number 556465-3185

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Lifco AB (publ) for the year 2014, except for the corporate governance statement on pages 25-33. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 8-68.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards , as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 25-33. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Lifco AB (publ) for the year 2014. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the

company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Enköping, 8 April 2015
PricewaterhouseCoopers AB

Magnus Willfors Authorised Public Accountant Auditor-in-Charge	Martin Johansson Authorised Public Accountant

CONSOLIDATED ACCOUNTS

INCOME STATEMENT

MSEK	NOTE	2014	2013
Net sales	5	6 802	6 030
Cost of goods sold		-4 249	-3 908
Gross profit		**2 553**	**2 122**
Selling expenses		-467	-443
Administrative expenses		-1 097	-979
Research and development expenses		-55	-53
Non-recurring items	6	-110	-
Other operating income	7	19	20
Other operating expenses	7	-37	-41
Operating profit	8, 9, 10, 11, 12	**806**	**627**
Financial income	7, 13	11	7
Financial expenses	7, 13	-54	-59
Net financial items		**763**	**575**
Tax on profit for the year	14	-193	-187
Net profit for the year		**570**	**388**
Net profit for the year attributable to:			
Shareholders in the Parent Company		560	378
Non-controlling interests		10	10
Net profit for the year		**570**	**388**
Earnings per share, attributable to shareholders in the Parent Company	34	6,17	4,16

The notes on pages 42 to 61 comprise an integral part of the annual report and consolidated accounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	NOTE	2014	2013
Net profit for the year		**570**	**388**
Other comprehensive income			
Items which can later be reclassified in the income statement:			
Translation differences		131	27
Total comprehensive income for the year		**701**	**415**
Total comprehensive income for the year attributable to:			
Shareholders in the Parent Company		689	405
Non-controlling interests		11	10
Total comprehensive income for the year		**701**	**415**

The notes on pages 42 to 61 comprise an integral part of the annual report and consolidated accounts.

CONSOLIDATED BALANCE SHEET

MSEK	NOTE	31 DEC 2014	31 DEC 2013
ASSETS			
Fixed assets			
Intangible fixed assets	15	4 677	3 047
Tangible fixed assets	16	386	342
Holdings in associated companies	17	4	4
Other non-current financial receivables	18	2	2
Deferred tax assets	19	48	41
Total fixed assets		**5 118**	**3 435**
Current assets			
Inventories	20	823	758
Accounts receivable - trade	18, 21	770	671
Current tax assets		71	67
Other receivables		41	29
Prepaid expenses and accrued income	22	76	67
Cash and cash equivalents	18, 23, 24	536	442
Total current assets		**2 317**	**2 033**
TOTAL ASSETS		**7 435**	**5 468**

The notes on pages 42 to 61 comprise an integral part of the annual report and consolidated accounts.

CONSOLIDATED BALANCE SHEET, CONT.

MSEK	NOTE	2014-12-31	2013-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	25	18	18
Reserves		123	-6
Retained earnings including net profit for the year		3 314	2 354
Equity attributable to shareholders in the Parent Company		**3 455**	**2 366**
Non-controlling interests		18	16
Total equity		**3 473**	**2 382**
Non-current liabilities			
Interest-bearing non-current liabilities	18, 26	2 312	77
Other non-current liabilities		0	1
Interest-bearing pension provisions	27	39	38
Deferred tax liabilities	19	265	38
Other long-term provisions	28	19	16
Total non-current liabilities		**2 635**	**169**
Current liabilities			
Interest-bearing current liabilities	18, 26	276	1 824
Accounts payable - trade	18	344	313
Advance payments from clients		133	114
Liabilities to the Parent Company		-	100
Current tax liabilities		65	63
Short-term provisions	28	36	46
Other current liabilities		124	143
Accrued expenses and deferred income	30	349	314
Total current liabilities		**1 327**	**2 917**
TOTAL EQUITY AND LIABILITIES		**7 435**	**5 468**

The notes on pages 42 to 61 comprise an integral part of the annual report and consolidated accounts.

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

MSEK	SHARE CAPITAL	RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Opening balance per 1 January 2013	**18**	**-33**	**2 154**	**2 140**	**13**	**2 153**
Comprehensive income						
Net profit for the year	-	-	378	378	10	388
Other comprehensive income	-	27	-	27	1	27
Total comprehensive income	-	27	378	405	10	415
Transactions with shareholders						
Group contribution	-	-	-100	-100	-	-100
Tax effect of Group contribution	-	-	22	22	-	22
Dividend	-	-	-100	-100	-8	-108
Closing balance per 31 December 2013	**18**	**-6**	**2 354**	**2 366**	**16**	**2 382**
Comprehensive income						
Net profit for the year	-	-	560	560	10	570
Other comprehensive income	-	129	-	129	1	131
Total comprehensive income	-	129	560	689	11	701
Transactions with shareholders						
Shareholders' contribution	-	-	500	500	-	500
Dividend	-	-	-100	-100	-9	-109
Closing balance per 31 December 2014	**18**	**123**	**3 314**	**3 455**	**18**	**3 473**

CASH FLOW STATEMENT FOR THE GROUP

MSEK	NOTE	2014	2013
Operating activities			
Operating profit		806	627
Depreciation/amortisation		113	124
Other financial items		-6	-3
Interest received		2	2
Interest paid		-39	-31
Income taxes paid		-181	-176
Cash flow from operating activities before changes in working capital		**695**	**544**
Changes in working capital			
Increase/decrease in inventories		-40	-13
Increase/decrease in operating receivables		-84	-12
Increase/decrease in operating liabilities		15	39
Total changes in working capital		**-109**	**15**
Cash flow from operating activities		**586**	**558**
Investing activities			
Investments in intangible fixed assets		-11	-19
Investments in tangible fixed assets		-105	-95
Sales of tangible fixed assets		20	10
Acquisitions of subsidiaries after deduction of cash and cash equivalents		-1 264	-
Cash flow from investing activities		**-1 361**	**-104**
Financing activities			
Increase/decrease in non-current receivables/liabilities		0	-3
Borrowings		1 293	-
Repayments of borrowings		-759	-207
Shareholders' contribution		500	-
Group contribution paid		-100	-100
Dividends paid		-109	-108
Cash flow from financing activities		**825**	**-417**
Cash flow for the year		**50**	**37**
Cash and cash equivalents at the beginning of the year		442	402
Translation differences		44	3
Cash and cash equivalents at year-end		**536**	**442**

The notes on pages 42 to 61 comprise an integral part of the annual report and consolidated accounts.

NOTE 1 GENERAL INFORMATION

Lifco acquires and develops market-leading niche operations within three business areas: Dental, Demolition & Tools and Systems Solutions. The operations are conducted through subsidiaries in 28 countries. The Parent Company, Lifco AB (publ), is a limited liability company with its registered offices in Enköping (Verkmästaregatan 1, 745 85 Enköping). Lifco's Class B share was listed on Nasdaq Stockholm's main list on 21 November 2014, and has been included in Nasdaq Stockholm's Large Cap segment from 1 January 2015.

This annual report was approved for publication by the Board of Directors on 8 April 2015. The income statement and balance sheet of the Parent Company and the Group will be presented for adoption at the Annual General Meeting of shareholders to be held on 6 May 2015.

Under German regulations, the annual reports of German subsidiaries may be exempt from publication requirements, provided that these companies are consolidated at a higher level in another EU country. In order to fulfill the requirements of these regulations, Lifco AB has resolved to absorb any losses in EDP European Dental Partners Holding GmbH, Lübeck, for the financial year 1 January - 31 December 2015, in accordance with § 32 AktG (Aktiengesetz). This resolution will be published according to § 325 HBG in the German official register. The resolution has been made that the exemption rules in § 264 Abs 3 HGB are applicable, as regards the administration report and publication of the financial statements in the German official register for:

-MDH AG Mamisch Dental Health AG, Mülheim an der Ruhr.

Unless stated otherwise, all amounts are reported in millions of Swedish krona (MSEK). 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.

2.1 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. The consolidated accounts have been prepared in accordance with the cost method.

New and amended standards applied by the Group

The following standards have been applied by the Group for the first time for the financial year commencing 1 January 2014; IFRS 10 "Consolidated Financial Statements" and IFRS 12 "Disclosures of Interests in Other Entities". These standards are not deemed to have had any material impact on the Group's accounts.

IFRS 11 "Joint Arrangements" focuses on the rights and obligations incumbent on entities jointly controlling an arrangement, rather than on the legal form of the arrangement. There are two types of joint arrangements: joint operations and joint ventures. A joint operation is an arrangement in which the parties with joint control have direct rights to the assets and obligations for the liabilities relating to that arrangement. Joint operations are accounted for according to the party's relative share of jointly controlled assets, liabilities, income and expenses. A joint venture is an arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity accounting method, as the option to account for joint ventures using proportionate consolidation has been removed. The implementation of IFRS 11 is not deemed to have had any impact on the Group.

New standards and interpretations which have not yet been applied by Lifco AB

A number of new standards and interpretations came into effect for financial years beginning on or after 1 January 2014, and have not been applied in the preparation of these accounts. None of these standards or interpretations is expected to have any material effect on the consolidated accounts, with the exception of the following:

IFRS 9 "Financial instruments" addresses the classification, valuation and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014 and replaces those parts of IAS 39 addressing the classification and valuation of financial instruments. IFRS 9 retains a mixed valuation model, but simplifies certain aspects. There will be three valuation categories for financial assets; amortised cost, fair value through other comprehensive income and fair value through profit and loss. The classification of an asset is based on the Company's business model and the characteristics of the instrument's contractual cash flows. Investments in equity instruments are to be valued at fair value through profit and loss, although the option exists for initial recognition of the instrument at fair value through other comprehensive income. In the event that this option is exercised, no reclassification to the income statement is permitted upon the sale of the instrument. IFRS 9 also introduces a new model for the calculation of credit loss reserves which is based on anticipated credit losses. For financial liabilities, there is no change to classification or valuation, with the exception of cases where a liability is reported at fair value through profit and loss on the basis of the fair value alternative. Changes in value attributable to changes in the entity's own credit risk should, in such cases, be reported in Other comprehensive income. IFRS 9 reduces hedge accounting requirements, in that the criterion is replaced with requirements related to the economic relationship between the hedging instrument and the hedged item, and that the hedge ratio is identical to the ratio applied in risk management. Hedging documentation has also been changed slightly compared with documentation prepared pursuant to IAS 39. The standard is mandatorily effective for financial years beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to evaluate the effects of the implementation of the standard.

IFRS 15 "Revenue from contracts with customers" addresses the manner in which revenues are to be reported. The principles on which IFRS 15 is based provide the user of financial reports with more usable information regarding the entity's revenues. The extended disclosure requirements entail that information regarding type of revenue, date of payment, uncertainties related to the revenue recognition and cash flows attributable to the entity's contracts with customers are to be presented. According to IFRS 15, revenue is to be recognised when the customer assumes control over the sold item or service and has the ability to use and obtain benefit from those items or services. IFRS 15 replaces IAS 18 "Revenues" and IAS 11 "Construction Contracts" and associated SIC and IFRIC. IFRS 15 is effective from 1 January 2017. Early adoption is permitted. The standard has not yet been adopted by the EU. The Group is yet to evaluate the effects of the implementation of the standard.

None of the other IFRS or IFRIC interpretations yet to enter into force are expected to have any significant impact on the Group.

2.2 CONSOLIDATED ACCOUNTS

Subsidiaries

Subsidiaries are those companies (including structured entities) over which the Group exercises a controlling influence. Control is deemed to exist when the Group is exposed to or is entitled to variable returns on the basis of its holding in the company and is able to impact this return through its influence in the company. 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 is relinquished.

The purchase method is applied in reporting the Group's business combinations. The purchase price for the acquisition of a subsidiary is comprised of the fair value of the transferred assets, liabilities and shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities arising as a result of any agreement on a conditional purchase price. All conditional purchase price to be paid by the Group is reported at fair value on the acquisition date. Subsequent changes in fair value of conditional purchase price classified as a liability are reported in accordance with IAS 39 in the income statement. Acquisitionrelated costs are reported as expenses as and when they arise. Identifiable acquired assets and assumed liabilities in a business combination are valued, 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 reported 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 reported as goodwill.

Commitments to acquire non-controlling interests are considered to comprise financial liabilities, with subsequent changes in value reported 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 reported value of net assets in the subsidiary is reported in equity. Gains or losses on sales to non-controlling interests are also reported 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 amounting to between 20% and 50% of the votes. Holdings in associated companies are reported according to the equity method. In accordance with the equity method, investments are initially valued at acquisition cost, after which the reported value is increased or decreased to reflect the Group's share of the profits or losses in the associated company after acquisition date.

2.3 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 at the 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 which comprise net investments, whereby gains or losses arising from the transaction are reported in Other comprehensive income.

Receivables and liabilities in foreign currencies are valued at the closing rate, and unrealised exchange rate gains and losses are reported in the income statement. Exchange rate differences attributable to operating receivables and liabilities are reported as Other operating income (Operating expenses). Exchange rate differences attributable to financial assets and liabilities are reported in Other financial items.

Translation of foreign group companies

The results and financial positions of entities with a functional currency other than the presentation currency are translated to the Group's presentation currency. All assets and liabilities in subsidiaries are translated at the closing rate, while all income statement items are translated at the average exchange rate. Translation differences arising are partly an effect of differences between the income statements' average rates and the closing rates, and partly an effect of a different exchange rate being used in the translation of net assets at the beginning of the year from the rate used at year-end. Translation differences are reported in Other comprehensive income.

External loans borrowed with the intention of reducing translation effects in exposed currencies by meeting the net assets in foreign subsidiaries are reported separately. Exchange rate differences on these borrowings are reported directly in Other comprehensive income for the Group.

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.

2.4 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 reported value of goodwill is compared with the recoverable amount, which is the higher of the value in use and fair value less distribution expenses. In the event that an impairment requirement is identified, the impairment is reported immediately as an expense and is not reversed.

Patents

Individually-acquired patents are reported at acquisition cost less accumulated amortisation. Patents are applied for on 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, trademarks and client relationships

Individually-acquired licences, trademarks and client relationships are reported at acquisition cost, with those acquired in a business combination being reported at fair value at acquisition date. Licences and client relationships which have a definite useful life are reported at acquisition cost less accumulated amortisation. Amortisation is undertaken on a straight-line basis in order to distribute the cost of the assets over their estimated useful lives, which for client relationships is deemed to be 10 years and for licences is deemed to be 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.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at acquisition cost less depreciation. The asset's acquisition cost includes expenditure that is directly attributable to the acquisition of the asset.

Additional expenditure is either added to the reported value of the asset or reported 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 acquisition cost can be reliably estimated. The reported value of any replaced components of an asset is removed from the balance sheet. All other forms of repair and maintenance are reported in the income statement as expenses during the period in which they arise.

Land is not depreciated. Each component of other tangible fixed assets with an acquisition cost which is significant in relation to the asset's total acquisition 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 reported value of an asset is greater than its estimated recoverable amount, the value of 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 reported value of the asset, is reported in Other operating income or Other operating expenses in the income statement.

2.6 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 reported 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 Reported 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).

2.7 FINANCIAL INSTRUMENTS

2.7.1 CLASSIFICATION

The Group classifies its financial assets and liabilities in the following categories: "loans and receivables", "liabilities at fair value through profit and 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 and loss

Financial liabilities at fair value through profit and 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 and 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 reported 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.

2.7.2 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 reported 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 all material 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 valued after initial recognition at amortised cost, using the effective interest method.

2.7.3 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and reported net in the balance sheet only when there is a legally enforceable right to offset the reported 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.

2.7.4 IMPAIRMENT OF FINANCIAL INSTRUMENTS

Assets reported 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 are 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 reported value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's reported value is written down and the impairment amount is reported 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 reported, the reversal of the previously recognised impairment loss is reported in the consolidated income statement.

2.7.5 HEDGING OF NET INVESTMENTS

Hedging of net investments in foreign operations is reported 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 reported in Other comprehensive income. The gain or loss attributable to the ineffective portion is reported in the income statement. Accumulated gains or losses in equity are reported in the income statement when the foreign operations are divested, either in part or in full. No hedge accounting has been undertaken during the financial years 2014 or 2013.

2.8 INVENTORIES

Inventories are valued at the lower of acquisition cost and net realisable value. Acquisition 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.

The acquisition 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.

2.9 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 reported as current assets. Otherwise, these are reported as fixed assets.

Accounts receivable are initially reported at fair value and thereafter at amortised cost, with the application of the effective interest method, less any provision for reductions in value.

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in both the balance sheet and the cash flow statement consist of cash and bank balances.

2.11 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 are reported as non-current liabilities.

Accounts payable are reported at nominal value. The reported value of accounts payable are 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).

2.12 CURRENT AND DEFERRED TAX

Tax expenses for the period comprise current and deferred tax. Tax is reported in the income statement, with the exception of tax referring to items reported in Other comprehensive income or directly in equity. For such items, the associated tax is 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 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, which at the time of the transaction impacts neither the reported nor fiscal results. Deferred tax is calculated using tax rates that have been enacted or substantially enacted as at the 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.

2.13 BORROWINGS

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, using the effective interest method. Overdraft facilities are reported as borrowings underneath Current liabilities in the balance sheet.

2.14 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 which are related to the employee's employment during the 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 reported 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 reported as a liability in the balance sheet.

2.15 PROVISIONS

Provisions are reported 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 collective experience in the form of statistics regarding historical commitments, expected costs for repairs, and the average time between a fault being identified and the claim being lodged with the Group.

2.16 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. Reported income does not include VAT, discounts or returns, and intra-Group sales are eliminated.

Income 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 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 reported over the tenure of the contract, with the application of the effective interest method.

2.17 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 acquires the material risks and benefits of ownership are classified as financial lease agreements. Financial lease agreements are reported 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 premises and cars. None of these lease agreements are currently classified as financial lease agreements.

2.18 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.

2.19 DIVIDENDS

Dividends to shareholders in the Parent Company are reported as a liability in the Group's accounts during the period in which the dividend is approved by the shareholders in the Parent Company. Dividend income is reported when the right to receive the dividends is deemed to be certain.

2.20 SHAREHOLDERS' CONTRIBUTIONS

Shareholders' contributions are reported directly in equity by the receiver and are capitalised in shares and participations by the provider, to the extent that no impairment is required.

2.21 SEGMENT INFORMATION

Segment information is reported 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. Group 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.

2.22 PARENT COMPANY ACCOUNTING PRINCIPLES

In conjunction with the transition to applying IFRS in the preparation of the consolidated accounts, the Parent Company has begun to apply RFR 2, Accounting for legal entities. Those instances in which the accounting principles of the Parent Company differ from those of the Group are described below:

Format

The income statement and balance sheet are consistent with the format stipulated in the Annual Accounts Act. The income statement is divided into two sections, one concerned with profit and loss and the other concerned with comprehensive income. The statement of changes in equity uses the format applied by the Group, but is presented with the columns stipulated in the Annual Accounts Act. The format used by the Parent Company entails differences in the names used for items, compared with the consolidated accounts, mainly referring to financial income and expenses, provisions, and equity items.

Holdings in subsidiaries

Holdings in subsidiaries are reported at acquisition cost less any impairment. The acquisition cost includes acquisition-related expenses and any additional purchase price.

If there is an indication that a holding in a subsidiary has decreased in value, the recoverable amount is calculated. In the event that this is lower than the reported value, the holding is impaired to the recoverable amount. Impairment is reported in the item "Profit from holdings in Group companies".

Financial instruments

The Parent Company does not apply IAS 39 for financial instruments. All financial instruments are classified as belonging to the category "Loans and receivables".

Lease agreements

All lease agreements, regardless of whether they are financial or operational, are classified as operational lease agreements.

Income

The Parent Company's other operating income includes Group-wide expenses invoiced to subsidiaries.

Group contributions

Both paid and received Group contributions are reported as appropriations in the income statement.

NOTE 3 FINANCIAL RISK MANAGEMENT

3.1 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, it 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, denominated 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 28 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 their 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 2013 or 2014 which were of material significance for the Group.

Lifco deems that transaction exposure is limited as 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 2014, exchange rate differences reported in the income statement amounted net to MSEK -1 (-4).

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 +/- MSEK 5 (4).

(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. The Group's average interest rate for the financial year 2014 was 1.1% (1.5%).

All liabilities incur variable interest and amounted as at balance sheet date to MSEK 2 510 (1 824). A change in the interest rate of +/-0.50 percentage points would imply an impact on interest expenses of +/- MSEK 13 (9).

(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 comprise 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 on the basis of 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 a high credit standing. For information regarding the Group's loan losses, see Note 21. 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 not having sufficient liquid funds to cover its commercial commitments. In order to handle on-going payments, there is a cash pool system within the Group which ensures that liquid funds are available in the currencies in which payment is to take place.

As per 31 December 2014, the Group has cash and cash equivalents of MSEK 536 (442). Future impacts on liquidity refer, in general, to payments of accounts payable and other current liabilities, as well as to the amortisation of loans.

3.2 CAPITAL RISK MANAGEMENT

The Group's targets as regards its capital structure are to ensure the Group's capacity to continue 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 liabilities to credit institutions including interest-bearing pension provisions, less cash and cash equivalents. Capital employed is calculated as net liabilities plus equity, excluding non-controlling interest.

	31 DEC 2014	31 DEC 2013
Liabilities to credit institutions including interest-bearing pension provisions	2 549	1 862
Less: Cash and cash equivalents	-536	-442
Net liabilities	2 013	1 420
Equity	3 455	2 366
Total capital	**5 468**	**3 786**
Debt/equity ratio, %	36,8	37,5

3.3 CALCULATION OF FAIR VALUE

The reported 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 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 reported 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 in the reported values of assets and liabilities during the coming financial year is presented below.

Impairment testing for goodwill and intangible assets with indefinite useful lives
Each year, the Group assesses whether goodwill and intangible assets with indefinite useful lives are 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 15).

Valuation of loss carry forwards
The Group assesses each year whether it is appropriate to capitalise de-

ferred tax assets attributable to fiscal loss carry forwards for the year. Deferred tax assets are reported 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.

NOTE 5 NET SALES BY TYPE OF INCOME AND GEOGRAPHIC MARKET

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 presented segments' results 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 valued in the same manner as in the income statement.

MSEK	2014	2013
Income from external clients		
Dental	3 266	2 826
Demolition & Tools	1 289	1 189
Systems Solutions	2 247	2 014
Total	**6 802**	**6 030**
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:		
Dental	543	399
Demolition & Tools	288	246
Systems Solutions	211	115
Common Group functions	-76	-68
Total	**966**	**692**
Amortisation of intangible fixed assets arising in conjunction with acquisitions	-38	-57
Expenses for restructuring, integration and acquisitions	-12	-8
Non-recurring items	-110	-
Net financial items	-43	-52
Profit before tax	**763**	**575**
Net sales by type of income		
Dental Products	3 266	2 826
Machinery and Tools	1 289	1 189
Contract Manufacturing	676	581
Sawmill Equipment	582	543
Interiors for Service Vehicles	393	315
Relining	326	268
Other	270	307
Total	**6 802**	**6 030**
No single client accounts for more than 10% of sales.		
Net sales per geographic market		
Sweden	1 550	1 493
Germany	1 608	1 221
Other Europe	2 839	2 437
Asia and Australia	484	596
North America	272	228
Other	49	56
Total	**6 802**	**6 030**

Total fixed assets, other than financial instruments and deferred tax assets, located in Sweden amounted to MSEK 946 (940), in Germany to MSEK 3 662 (2 023), while the total of such fixed assets located in other countries amounted to MSEK 459 (429).

NOTE 6 NON-RECURRING ITEMS

Non-recurring items refer to events and transactions which have an impact on profit of such magnitude that it is prudent to highlight these when the financial performance of the period is compared with earlier periods. Non-recurring items refer to expenses arising in conjunction with the publication of the prospectus and the listing of the Lifco share on the Nasdaq Stockholm exchange. This item is comprised solely of expenses attributable to this publication and listing. No other items have been classified as non-recurring items.

NOTE 7 EXCHANGE RATE GAINS AND LOSSES, NET

MSEK	2014	2013
Exchange rate differences have been reported in the income statement as follows:		
Other operating income and operating expenses	4	-4
Financial income (see Note 13)	8	5
Financial expenses (see Note 13)	-12	-5
Total	**-1**	**-4**

NOTE 8 DEPRECIATION/AMORTISATION ACCORDING TO PLAN

MSEK	2014	2013
Distribution of depreciation/amortisation between tangible and intangible assets		
Buildings and land improvements	-12	-13
Plant and machinery	-20	-18
Equipment, tools, fixtures and fittings	-34	-30
Total depreciation of tangible fixed assets	**-67**	**-60**
Client relationships	-32	-3
Patents	-6	-3
Other intangible assets	-9	-7
Total amortisation of intangible assets	**-46**	**-14**
Total depreciation/amortisation of fixed assets	**-113**	**-74**
Depreciation/amortisation by function		
Cost of goods sold	-33	-30
Selling expenses	-36	-6
Administrative expenses	-42	-36
Research and development expenses	-2	-3
Total depreciation/amortisation	**-113**	**-74**

NOTE 9 AUDIT FEES

MSEK	2014	2013
PricewaterhouseCoopers		
Audit assignment	5	4
Audit procedures not included in the audit assignment	1	-
Tax advisory services	-	-
Other services	6	1
Total	**12**	**5**

Audit assignment refers to the fee for the statutory audit, i.e. such work as is required for the auditor to submit an audit report. Audit procedures not included in the audit assignment refer to such activities as the review of interim reports. Tax advisory services refer mainly to general corporate tax matters. Other services refer to advice regarding financial reporting, prospectuses and internal control, as well as services rendered in conjunction with acquisitions.

NOTE 10 EXPENSES BY TYPE

MSEK	2014	2013
Goods for resale, raw materials and consumables	3 259	2 962
Personnel costs (Note 11)	1 485	1 353
Depreciation, amortisation and impairment (Notes 8, 15 and 16)	113	124
Expenses for operational lease agreements (Note 12)	72	67
Production expenses and other expenses	1 049	874
Total cost of goods sold, selling expenses, administrative expenses and research and development expenses	**5 978**	**5 382**

NOTE 11 PERSONNEL COSTS AND AVERAGE NUMBER OF EMPLOYEES

MSEK	2014	2013
Salaries and remuneration		
Board of Directors and senior executives	138	122
Other employees	1 040	934
	1 178	1 056
Social security contributions	229	220
Pension expenses for the Board of Directors and senior executives	22	22
Pension expenses for other employees	56	55
Total	**1 485**	**1 353**

REMUNERATION AND OTHER BENEFITS 2014

TSEK	BASIC SALARY/ BOARD FEE	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Carl Bennet	1 100	-	-	-	1 100
Gabriel Danielsson	550	-	-	-	550
Sigbrit Franke	550	-	-	-	550
Erik Gabrielson	550	-	-	-	550
Fredrik Karlsson (in capacity as Board member)	-	-	-	-	-
Johan Stern	550	-	-	-	550
Caroline Sundewall	550	-	-	-	550
Axel Wachtmeister	550	-	-	-	550
Total	**4 400**	**-**	**-**	**-**	**4 400**
Fredrik Karlsson (in capacity as CEO)	18 751	11 000	35	11 067	40 853
Other senior executives (2 individuals)	6 624	6 260	50	1 915	14 849
Total	**25 375**	**17 260**	**85**	**12 982**	**55 702**

REMUNERATION AND OTHER BENEFITS 2013

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 (in capacity as Board member)	-	-	-	-	-
Johan Stern	525	-	-	-	525
Caroline Sundewall	525	-	-	-	525
Axel Wachtmeister	525	-	-	-	525
Total	**4 200**	**-**	**-**	**-**	**4 200**
Fredrik Karlsson (in capacity as CEO)	17 440	9 500	56	10 246	37 242
Other senior executives (2 individuals)	5 419	3 737	54	1 799	11 009
Total	**22 859**	**13 237**	**110**	**12 045**	**48 251**

Remuneration to senior executives

Principles: Fees are paid to the Chairman of the Board and Board Members according to the resolution of the annual general meeting of shareholders. Employee representatives do not receive Board fees. Remuneration to the CEO and other senior executives is comprised of a basic salary, variable remuneration, other benefits and pension benefits. Other senior executives refers to the two individuals who, together with the CEO, comprise Group management. For presentation of Group management, see page 33. The allocation between basic salary and variable remuneration is to be in proportion to the responsibilities and authority of the senior executive in question.

Variable remuneration: For the CEO, the variable remuneration is a maximum of the equivalent of 70 percent of fixed salary and is based on achieved results. For other senior executives, the variable remuneration portion is based on the outcome in relation to the individually determined goals for the respective senior executive.

Pensions: The retirement age of the CEO is 60 at the earliest. Lifco reports a provision equivalent to 60 percent (excluding salary costs) of the CEO's fixed salary to endowment, pension, life and health insurance. Other senior executives have the right to pension benefits equivalent to a maximum of 35 percent of fixed salary and the retirement age is 60 at the earliest. All of the pension benefits are vested, i.e. they are not conditional on future employment in Lifco.

Salary on cancellation of employment: In the event that the CEO's employment is terminated by the Company, a term of notice of 12 months is to apply. 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. In the event that a senior executives's employment is terminated by the Company, a term of notice of a maximum of twelve months is to apply. The right to salary and other benefits is maintained during the notice period.

Preparation and decision-making processes: Decisions on current remuneration levels and other terms of employment for the CEO have been taken by the Board of Directors. Remuneration to other senior executives has been determined by the CEO in consultation with the Chairman of the Board.

During the autumn of 2014, Lifco established a Remuneration Committee comprised of four members. This Remuneration Committee is to prepare proposals for remuneration principles, remuneration and other terms of employment and conditions for the CEO and other senior executives. At the annual shareholders' meeting 2015, a resolution on guidelines for remuneration to the CEO and other senior executives is proposed in accordance with principles above.

AVERAGE NUMBER OF EMPLOYEES, GROUP TOTAL			2014			2013
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Australia	1	4	5	1	3	4
Austria	3	33	36	3	35	38
Belgium	1	2	3	2	3	5
Canada	2	11	13	2	15	17
China	4	11	15	4	9	13
Czech Republic	41	101	142	47	110	157
Denmark	48	153	201	50	149	199
Estonia	113	115	228	118	110	228
Finland	51	156	207	52	165	217
France	8	50	58	9	48	57
Germany	274	344	618	211	279	490
Hungary	5	3	8	5	3	8
Iceland	-	9	9	-	9	9
Italy	-	1	1	-	1	1
Latvia	6	3	9	8	3	11
Lithuania	10	2	12	10	2	12
The Netherlands	2	29	31	3	30	33
Norway	43	67	110	39	59	98
The Philippines	87	165	252	88	170	258
Poland	2	4	6	2	8	10
Russia	2	2	4	1	2	3
Switzerland	3	9	12	4	7	11
Singapore	1	4	5	1	4	5
Slovenia	2	15	17	2	14	16
Spain	-	3	3	-	4	4
Sweden	218	668	886	224	706	930
UK	8	71	79	9	60	69
USA	5	38	43	6	31	37
Group total	**940**	**2 073**	**3 013**	**901**	**2 039**	**2 940**
Parent company						
Sweden	1	2	3	1	1	2

GENDER DISTRIBUTION FOR SENIOR EXECUTIVES AT BALANCE SHEET DATE, %	2014	2013
Women:		
Board members in the Parent Company	25	25
Other individuals in Company management, including CEO	33	33
Men:		
Board members in the Parent Company	75	75
Other individuals in Company management, including CEO	67	67

NOTE 12 LEASE AGREEMENTS

MSEK	2014	2013

Operational lease agreements

The Group's operational lease agreements refer primarily to rental agreements for premises and cars. No sub-leasing is undertaken. Operational leasing expenses in the Group during the financial year amounted to MSEK 72 (67). Leasing expenses for assets held via operational lease agreements are reported as operating expenses.

Future minimum leasing fees for non-cancellable operational lease agreements as at balance sheet date amount to the following:

	2014	2013
Maturity within 1 year	47	48
Maturity 2 to 5 years	86	89
Maturity after 5 years	29	25
Total	**162**	**162**

NOTE 13 FINANCIAL INCOME AND EXPENSES

MSEK	2014	2013
Financial income		
Interest income on cash and cash equivalents	2	2
Exchange rate gains	8	5
Other financial income	1	0
Total financial income	**11**	**7**
Financial expenses		
Interest expenses on liabilities to credit institutions	-39	-31
Exchange rate losses	-12	-5
Capital losses from sales of subsidiaries	-	-20
Other financial expenses	-3	-2
Total financial expenses	**-54**	**-59**
Net financial items	**-43**	**-52**

NOTE 14 TAX ON PROFIT FOR THE YEAR

MSEK	2014	2013
Tax expense		
Current tax for the year	-186	-147
Adjustments regarding previous years' current tax	-6	-44
Total current tax expense	**-192**	**-191**
Deferred tax (see Note 19)		
Arisal and reversal of temporary differences	-1	3
Effect of change in tax rate	0	0
Total deferred tax	**-1**	**4**
Total income tax	**-193**	**-187**

The relationship between the tax expense for the year and the reported profit is presented in the table below. Tax on profit for the year has been calculated with the application of a tax rate of 22% (22%). Tax in other countries has been calculated on the basis of the respective local tax rates. Income tax levied on the Group's profit differs from the theoretical amount that would have arisen upon the application of a weighted average tax rate for the profit reported by the companies consolidated in the Group by the following amounts:

Reported profit before tax	**763**	**575**
Tax according to applicable tax rate in Sweden, 22 %	-168	-127
Tax effect of non-taxable income	15	21
Tax effect of non-deductible expenses	-8	-22
Adjustment for other tax rates in foreign subsidiaries	-28	-17
Utilisation of loss carry forwards from previous years for which no deferred tax asset is reported	2	1
Adjustment attributable to previous years*	-6	-44
Reported tax expense	**-193**	**-187**

The effective tax rate for the Group is 25.3% (25.6%). There is no tax referring to components in Other comprehensive income and no income tax has been reported directly in equity.

* Adjustment attributable to previous years refers to tax reported in the subsidiary group, EDP, which was not approved in the 2013 tax audit.

NOTE 15 INTANGIBLE FIXED ASSETS

MSEK *INDEFINITE USEFUL LIFE	*GOODWILL	*TRADEMARKS	CLIENT RELATIONSHIPS	PATENTS	OTHER INTANGIBLE ASSETS	TOTAL
ACQUISITION COST						
Per 1 January 2013	**3 379**	**12**	**35**	**62**	**50**	**3 537**
Investments	-	-	-	9	9	18
Sales/disposals	-	-	-	-	-15	-15
Reclassifications	-	-	-	-38	44	6
Translation differences	76	-	-	1	3	80
Per 1 January 2014	**3 455**	**12**	**35**	**33**	**91**	**3 626**
Investments	-	-	-	1	10	11
Acquisition of company	814	248	373	13	4	1 452
Sales/disposals	-6	-	-	-2	-	-8
Reclassifications	-	-	-	-	-	-
Translation differences	190	16	24	2	4	236
Per 31 December 2014	**4 453**	**276**	**431**	**48**	**110**	**5 317**
ACCUMULATED AMORTISATION						
Per 1 January 2013	**-439**	**-**	**-3**	**-41**	**-39**	**-521**
Amortisation for the year	-	-	-3	-3	-7	-14
Sales/disposals	-	-	-	-	14	14
Reclassifications	-	-	-	34	-33	-
Translation differences	-6	-	-	-	-2	-9
Per 1 January 2014	**-445**	**-**	**-6**	**-10**	**-67**	**-529**
Amortisation for the year	-	-	-32	-6	-9	-46
Acquisition of company	-	-	-	-	-2	-2
Sales/disposals	6	-	-	2	-	8
Reclassifications	-	-	-	-	-	-
Translation differences	-15	-	-	-1	-4	-20
Per 31 December 2014	**-454**	**-**	**-38**	**-16**	**-82**	**-590**
ACCUMULATED IMPAIRMENT						
Per 1 January 2013	**-**	**-**	**-**	**-**	**-**	**-**
Impairment for the year	-50	-	-	-	-	-50
Per 1 January 2014	**-50**	**-**	**-**	**-**	**-**	**-50**
Impairment for the year	-	-	-	-	-	-
Per 31 December 2014	**-50**	**-**	**-**	**-**	**-**	**-50**
Reported value per 1 January 2013	2 940	12	32	22	11	3 016
Reported value per 31 December 2013	2 960	12	28	23	24	3 047
Reported value per 31 December 2014	**3 949**	**276**	**393**	**32**	**28**	**4 677**

Impairment testing for goodwill and trademarks

Goodwill and intangible assets (trademarks) with indefinite useful lives are allocated to the Group's cash generating units 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 based on the financial budgets adopted by Group 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 2014 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 10.9% (10.7%) for the Dental operating segment and 12.1% (12%) for all other operating segments.

The calculations as at 31 December 2014 illustrate that the value in use exceeds the reported value for all cash generating units, for which reason there are no impairment requirements. 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 business area. Impairment of MSEK 50 impacted profit 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 12%. The recoverable amount for the cash generating unit is its value in use, amounting to MSEK 163.

Sensitivity analysis

A sensitivity analysis shows that the remaining goodwill value for all 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 per cash generating unit:

GROUP	GOODWILL		TRADEMARKS	
MSEK	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
Dental	2 942	1 984	264	-
Demolition & Tools	686	659	12	12
Sawmill Equipment	60	56	-	-
Contract Manufacturing	40	40	-	-
Interiors for Service Vehicles	64	64	-	-
Environmental Technology	157	157	-	-
Total	**3 949**	**2 960**	**276**	**12**

NOTE 16 TANGIBLE FIXED ASSETS

MSEK	BUILDINGS AND LAND	PLANT AND MACHINERY	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	CONSTRUCTIONS IN PROGRESS	TOTAL
ACQUISITION COST					
Per 1 January 2013	**432**	**407**	**336**	**4**	**1 179**
Investments	9	23	47	17	95
Sales/disposals	-27	-47	-69	-2	-145
Reclassifications	2	-6	-2	-1	-7
Translation differences	6	4	5	-	15
Per 1 January 2014	**421**	**382**	**317**	**18**	**1 137**
Investments	8	41	52	4	105
Acquisition of company	3	-	9	-	12
Sales/disposals	-	-21	-24	-	-45
Reclassifications	2	20	3	-20	5
Translation difference	19	16	14	1	50
Per 31 December 2014	**454**	**438**	**371**	**2**	**1 264**
ACCUMULATED DEPRECIATION					
Per 1 January 2013	**-243**	**-343**	**-259**	**-**	**-845**
Depreciation for the year	-13	-18	-30	-	-60
Sales/disposals	20	35	66	-	121
Reclassifications	-	6	-5	-	-
Translation difference	-4	-4	-4	-	-12
Per 1 January 2014	**-240**	**-324**	**-232**	**-**	**-795**
Depreciation for the year	-12	-20	-34	-	-67
Acquisition of company	-2	-	-7	-	-9
Sales/disposals	-	12	21	-	33
Reclassifications	-	-5	-	-	-5
Translation difference	-11	-13	-11	-	-35
Per 31 December 2014	**-265**	**-350**	**-264**	**-**	**-878**
Reported value per 1 January 2013	189	64	77	4	334
Reported value per 31 December 2013	182	58	85	18	342
Reported value per 31 December 2014	**189**	**88**	**107**	**2**	**386**

NOTE 17 HOLDINGS IN ASSOCIATED COMPANIES

MSEK	SHARE OF EQUITY, %	REPORTED VALUE 2014	REPORTED VALUE 2013
The Group reports the following associated company:			
Synerplan OY, Finland, Kerava	30,00	4	4

NOTE 18 FINANCIAL INSTRUMENTS PER CATEGORY

ASSETS IN THE BALANCE SHEET MSEK	LOANS AND RECEIVABLES
Per 31 December 2014	
Accounts receivable - trade	770
Other non-current financial receivables	2
Cash and cash equivalents	536
Total	**1 309**
Per 31 December 2013	
Accounts receivable - trade	671
Other non-current financial receivables	2
Cash and cash equivalents	442
Total	**1 115**

LIABILITIES IN THE BALANCE SHEET MSEK	LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	OTHER FINANCIAL LIABILITIES	TOTAL
Per 31 December 2014			
Interest-bearing borrowings	-	2 510	2 510
Accounts payable - trade	-	344	344
Other liabilities*	30	48	78
Total	**30**	**2 902**	**2 932**
Per 31 December 2013			
Interest-bearing borrowings	-	1 824	1 824
Liabilities to shareholders (Group contribution)	-	100	100
Accounts payable - trade	-	313	313
Other liabilities*	30	47	77
Total	**30**	**2 284**	**2 314**

*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 19 DEFERRED TAX

MSEK	2014	2013
Deferred tax assets are attributable to the following temporary differences and loss carry forwards		
Deferred tax assets attributable to:		
Temporary differences on current assets	13	27
Deductible temporary differences on provisions	33	25
Loss carry forwards	1	2
Other deductible temporary differences	1	3
Total deferred tax assets	**48**	**56**
Deferred tax assets are attributable to the following temporary differences		
Deferred tax liabilities attributable to:		
Temporary differences on fixed assets	-220	-10
Other taxable temporary differences	-45	-43
Total deferred tax liabilities	**-265**	**-53**
Deferred tax assets/liabilities, net	**-217**	**3**

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 MSEK 3 (3), regarding losses amounting to MSEK 10 (13), which can be utilised against a future fiscal surplus. These loss carry-forwards have a maturity in excess of five years.

NOTE 20 INVENTORIES

MSEK	2014	2013
Valued at acquisition cost		
Finished goods and goods for resale	532	487
Raw materials and consumables	179	188
Work in progress	78	68
Contract work in progress	15	8
Advance payments to suppliers	18	7
Total	**823**	**758**
Impairment of inventories reported as an expense in the income statement	-9	-2

NOTE 21 ACCOUNTS RECEIVABLE - TRADE

MSEK	2014	2013
Accounts receivable - trade	800	705
Provision for doubtful debts	-30	-34
Accounts receivable, net	**770**	**671**

As per 31 December 2014, the Group had accounts receivable not yet due amounting to MSEK 495 (429) and accounts receivable which were overdue without being assessed as having an impairment requirement amounted to MSEK 267 (231). 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 MSEK 38 (45) was overdue and had been assessed as having an impairment requirement amounting to MSEK 30 (34). A maturity analysis of these accounts receivable is presented below.

Accounts receivable not yet due	495	429
Overdue 1 - 30 days, no impairment	176	152
Overdue 31 - 60 days, no impairment	91	79
Overdue 61 - 90 days	10	14
Provision	-3	-4
Overdue > 90 days	28	31
Provision	-27	-30
Total accounts receivable, net	**770**	**671**

Changes in the provision for doubtful debts are as follows:		
Per 1 January	**34**	**30**
In acquired companies	1	-
Change for the year reported in the income statement	-3	5
Receivables written off during the year as non-collectible	-2	-1
Per 31 December	**30**	**34**

Transfers to and reversals from the reserve for doubtful debts are included in operating profit in the income statement. The maximum exposure for credit risk as at balance sheet date is 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 2014 or 31 December 2013.

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

MSEK	2014	2013
Prepaid rental charges	9	8
Prepaid insurance contributions	3	3
Prepaid IT expenses	4	6
Other prepaid expenses	14	12
Accrued, non-invoiced income	37	31
Accrued income	8	7
Total	**76**	**67**

NOTE 23 OVERDRAFT FACILITIES

MSEK	2014	2013
Overdraft facilities, utilised portion	56	13
Overdraft facilities, granted limit	266	252

NOTE 24 CASH AND CASH EQUIVALENTS

MSEK	2014	2013
Cash and cash equivalents in the balance sheet and cash flow statement includes the following items:		
Cash and bank balances	536	442

NOTE 25 SHARE CAPITAL

MSEK	NUMBER OF SHARES (THOUSANDS)	SHARE CAPITAL
Per 1 January 2013	9 084	18
Per 31 December 2013	9 084	18
Per 31 December 2014	**90 843**	**18**

On 30 September 2014, the Company executed a share split, through which the number of shares was multiplied by ten. Share capital is comprised of 6 075 970 Class A shares and 84,767,290 Class B shares, a total of 90 843 260 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

MSEK	2014	2013
Non-current interest-bearing liabilities		
Liabilities to credit institutions	2 263	-
Other interest-bearing liabilities	48	77
Total non-current interest-bearing liabilities	**2 312**	**77**
Current interest-bearing liabilities		
Liabilities to credit institutions	191	1 811
Overdraft facilities, utilised portion	56	13
Other interest-bearing liabilities	30	-
Total current interest-bearing liabilities	**276**	**1 824**
Total interest-bearing liabilities	**2 588**	**1 901**

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 classified according to the period of time remaining from the balance sheet date until the contractual maturity date. The amounts in the table comprise the contractual, non-discounted cash flows.

MSEK	LESS THAN 1 YEAR	> 1 YEAR < 3 YEARS	MORE THAN 3 YEARS
Per 31 December 2014			
Liabilities to credit institutions	191	2 263	-
Overdraft facilities, utilised portion	56	-	-
Other interest-bearing liabilities	30	30	18
Accounts payable - trade	344	-	-
Total	**621**	**2 293**	**18**

NOTE 27 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 Reported value of the defined benefit commitments amounts to MSEK 39 (38).

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 2014, the Company did not have access to information which would enable it to report its proportional share of the plan's obligations, plan 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 pension 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 MSEK 9 (9).

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 shall be taken in order to create the conditions for the funding ratio to return to the normal range. At low consolidation, a measure can be to raise the agreed price for new issues and to expand existing benefits. With a 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 amounted to 143 percent (2013: 148 percent).

Lifco has made a pension promise to two individuals and, in conjunction with doing so, has purchased endowment insurance to pledge as collateral for these employees' pensions. The pension promise entails that the individuals receive the value of the endowment insurance, less special employer's contributions. As the remuneration levels that the individuals will receive 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 28 PROVISIONS

MSEK	WARRANTY PROVISION	RESTRUCTURING RESERVE	EXPENSES FOR PREMISES	OTHER PROVISIONS	TOTAL
Per 1 January 2014	**37**	**11**	**3**	**11**	**61**
Additional provisions	27	-	3	4	34
Acquisition of company	13	-	-	-	13
Utilised during the year	-22	-5	-2	-5	-34
Reversal of unutilised funds	-22	-	-	-	-22
Reclassifications	2	-3	-2	3	0
Translation differences	2	-	-	1	3
Per 31 December 2014	**37**	**3**	**2**	**13**	**55**
of which long-term provisions	**12**	**-**	**-**	**7**	**19**
of which short-term provisions	**25**	**3**	**2**	**6**	**36**
Anticipated outflow date					
Within 1 year	25	3	2	6	36
Within 3 years	11	-	-	2	13
Within 5 years	1	-	-	1	2
More than 5 years	-	-	-	4	4
Per 31 December 2014	**37**	**3**	**2**	**13**	**55**
Per 1 January 2013	**26**	**3**	**4**	**10**	**43**
Additional provisions	30	10	3	1	44
Utilised during the year	-11	-2	-1	0	-15
Reversal of unutilised funds	-8	-	-2	0	-11
Per 31 December 2013	**37**	**11**	**3**	**11**	**61**
of which long-term provisions	**6**	**1**	**1**	**7**	**16**
of which short-term provisions	**30**	**10**	**2**	**3**	**46**
Anticipated outflow date					
Within 1 year	30	10	2	3	46
Within 3 years	5	1	1	3	10
Within 5 years	0	-	-	-	0
More than 5 years	1	-	0	4	5
Per 31 December 2013	**37**	**11**	**3**	**11**	**61**

The warranty provision is based on commitments which, as at balance sheet date, were not concluded and the calculation is based on previous experience. Other provisions refer primarily to commission to agents within the Dental products business area. In addition, guarantee commitments have been provided totalling MSEK 1 (2) and there are other contingent liabilities of MSEK 155 (34). 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 32).

NOTE 29 TRANSACTIONS WITH RELATED PARTIES

Transactions between Lifco AB and its subsidiaries, which are associated companies of Lifco AB and, thereby, related parties, are eliminated in the consolidated accounts. Commercial terms and market-based pricing are applied for the delivery of products and services between Group companies. Intra-Group sales amounted to MSEK 1,695 (1,589) during the year. Carl Bennet AB owns 51 % 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 MSEK 3 (3). Disclosures of transactions with senior executives are provided in Note 11.

NOTE 30 ACCRUED EXPENSES AND DEFERRED INCOME

MSEK	2014	2013
Accrued personnel costs	237	211
Commissions and bonuses to clients	41	37
Allocation of expenses	23	3
Accrued interest expenses	6	3
Other deferred income	16	26
Other accrued expenses	25	34
Total	**349**	**314**

NOTE 31 PLEDGED ASSETS

MSEK	2014	2013
Property mortgages	8	6
Floating charges	4	4
Total	**12**	**10**

NOTE 32 CONTINGENT LIABILITIES

MSEK	2014	2013
Warranties	155	29
Repurchase agreements	-	5
Guarantee commitments	1	2
Total	**156**	**36**

Guarantee commitments refer to advance payment and performance guarantees.

NOTE 33 BUSINESS COMBINATIONS

On 27 March 2014, 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 10 are included in administrative costs in the Group's income statement for the second quarter 2014. 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.

NET ASSETS MSEK	ASSETS AND LIABILITIES AT ACQUISITION DATE	ADJUSTMENT TO FAIR VALUE	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
Sum total net assets	**119**	**1 242**	**1 361**

Effect on cash flow, MSEK	
Net outflow of cash and cash equivalents attributable to the acquisition	1 264

No business combinations took place in 2013.

NOTE 34 EARNINGS PER SHARE

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.

MSEK	2014	2013
Profit attributable to shareholders in the Parent Company	560	378
Weighted average number of outstanding ordinary shares	90 843 260	90 843 260
Earnings per share (SEK)	6,17	4,16

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 2014 or 2013. 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 35 DIVIDEND PER SHARE

Dividends paid during 2014 and 2013 amounted to MSEK 100 (SEK 1.10 per share) and MSEK 100 (SEK 1.10 per share), respectively. At the annual general meeting of shareholders to be held on 6 May 2015, a dividend for the financial year 2014 of SEK 2.60 per share, totalling MSEK 236, will be proposed. The proposed dividend has not been reported as a liability in this financial report.

NOTE 36 DIVESTMENT OF SUBSIDIARY

No entities were sold by the Group in 2014.

The operations in Nordautomation OY, which were a part of the Sawmill Equipment division, were sold in June 2013. The sale gave rise to a capital loss of MSEK 5.

The operations in Gallac AB, which were a part of the Contract Manufacturing division, were sold in November 2013. The sale gave rise to a capital loss of MSEK 15.

NOTE 37 EVENTS AFTER THE BALANCE SHEET DATE

On 14 January 2015, Lifco entered into an agreement to acquire Sanistål's Danish auto upholstery operations. With this acquisition, Lifco has become the leading player on the Danish market in interiors for service vehicles. The acquired operations had net sales of approximately MDDK 25 in 2014 and will be consolidated in the Systems Solutions business area.

On 4 February 2015, Lifco signed an agreement to acquire Auger Torque, a leading global manufacturer of drills and other attachments for cranes and diggers, with clients in more than 70 countries and 107 employees. In 2014, Auger Torque had MGBP 10 in sales. Auger Torque will be consolidated in Kinshofer, which is a part of the Demolition & Tools business area.

On 18 February 2015, Lifco signed an agreement to acquire Rapid Granulator, a leading global manufacturer of granulation mills for plastic spill from production processes, with clients in around 150 countries and approximately 160 employees. In 2014, Rapid Granulator had sales of approximately MSEK 300. The company will be consolidated in the Environmental Technology division, a part of the Systems Solutions business area.

On 25 March 2015, Lifco signed an agreement to acquire Top Dental, a British dental company with sales of approximately MGBP 3.4 in 2014. The company will be consolidated in the Dental business area.

A preliminary acquisition analysis will be presented in the interim report for Q1 2015.

On March 26, Lifco announced that it had resolved to issue unsecured bonds with a tenor of three years. The bonds amount to a total of MSEK 1,050, of which MSEK 700 carries a floating rate of 3 months STIBOR +1.05 per cent per annum, and MSEK 350 carries a fixed rate of 1.11 per cent per annum. The proceeds from the bond issues will be used for refinancing of existing bank loans. Lifco intends to list the bonds at Nasdaq Stockholm.

PARENT COMPANY ACCOUNTS

PARENT COMPANY INCOME STATEMENT			
MSEK	NOTE	2014	2013
Administrative expenses*		-197	-65
Other operating income	39, 40	80	54
Operating profit	41, 42, 43, 44	**-117**	**-10**
Profit from holdings in Group companies	45	236	147
Financial income	46	69	53
Financial expenses	46	-95	-34
Profit/loss after financial items		**94**	**156**
Appropriations	47	104	12
Tax on profit for the year	48	3	-5
Net profit for the year		**201**	**163**

* Non-recurring items of MSEK 110 attributable to the listing are included in the item Administrative expenses. See Note 6 for further information.

The Parent Company has no items which are reported in Other comprehensive income, for which reason comprehensive income is equivalent to net profit for the year.

PARENT COMPANY BALANCE SHEET

MSEK	NOTE	31 DEC 2014	31 DEC 2013
ASSETS			
Fixed assets			
Inventories		0	0
Holdings in Group companies	49	1 755	1 755
Non-current receivables from Group companies		1 684	224
Deferred tax assets	50	17	14
Total fixed assets		**3 457**	**1 992**
Current assets			
Receivables from Group companies		1 854	1 861
Current tax assets		24	16
Other current receivables		2	1
Prepaid expenses and accrued income		2	2
Cash and bank balances		417	297
Total current assets		**2 298**	**2 178**
TOTAL ASSETS		**5 755**	**4 170**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		18	18
Statutory reserve		11	11
Total restricted equity		**30**	**30**
Non-restricted equity			
Retained earnings		1 925	1 361
Net profit for the year		201	163
Total non-restricted equity		**2 126**	**1 525**
Total equity		**2 155**	**1 554**
Untaxed reserves	51	**20**	**20**
Non-current liabilities			
Liabilities to credit institutions	52	2 263	-
Total non-current liabilities		**2 263**	**-**
Current liabilities			
Liabilities to credit institutions	52	232	1 811
Accounts payable - trade		3	0
Liabilities to the Parent Company		-	100
Liabilities to Group companies		1 045	657
Other current liabilities		5	8
Accrued expenses and deferred income	53	31	21
Total current liabilities		**1 317**	**2 596**
TOTAL EQUITY AND LIABILITIES		**5 755**	**4 170**
Pledged assets		Inga	Inga
Contingent liabilities	54	39	30

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

MSEK	SHARE CAPITAL	STATUTORY RESERVE	NON- RESTRICTED EQUITY	TOTAL EQUITY
Opening balance per 1 January 2013	**18**	**11**	**1 461**	**1 491**
Dividend	-	-	-100	-100
Net profit for the year	-	-	163	163
Closing balance per 31 December 2013	**18**	**11**	**1 525**	**1 554**
Share holders' contribution	-	-	500	500
Dividend	-	-	-100	-100
Net profit for the year	-	-	201	201
Closing balance per 31 December 2014	**18**	**11**	**2 126**	**2 155**

The Parent Company has no items which are reported in Other comprehensive income, for which reason comprehensive income is equivalent to net profit for the year.

On 30 September 2014, the Company executed a share split, through which the number of shares was multiplied by ten. Share capital is comprised of 6,075,970 Class A shares and 84,767,290 Class B shares, a total of 90,843,260 shares. Class A shares entitle the holder to 10 votes per share and Class B shares entitle the holder to 1 vote per share. The Parent Company holds no treasury shares. For additional information regarding share capital, please refer to Note 25 to the consolidated accounts.

CASH FLOW STATEMENT FOR THE PARENT COMPANY

MSEK	2014	2013
Operating activities		
Operating profit	-117	-10
Depreciation/amortisation	0	0
Other financial items	-1	-1
Interest received	69	46
Interest paid	-40	-33
Income taxes paid	-7	-7
Cash flow from operating activities before changes in working capital	**-95**	**-5**
Changes in working capital		
Increase/decrease in operating receivables	-55	357
Increase/decrease in operating liabilities	442	-87
Cash flow from changes in working capital	**387**	**270**
Cash flow from operating activities	**292**	**266**
Investing activities		
Investments in tangible fixed assets	0	-
Cash flow from investing activities	**0**	**-**
Financing activities		
Change in non-current receivables	-1 355	5
Borrowings	1 292	-
Repayments of borrowings	-759	-214
Group contribution received	183	160
Group contribution paid	-159	-157
Shareholders' contribution	500	-
Dividends received	236	50
Dividends paid	-100	-100
Cash flow from financing activities	**-163**	**-256**
Cash flow for the year	**129**	**10**
Cash and cash equivalents at the beginning of the year	297	292
Translation differences in cash and cash equivalents	-9	-5
Cash and cash equivalents at year-end	**417**	**297**

NOTE 38 PARENT COMPANY ACCOUNTING PRINCIPLES

In conjunction with the transition to applying IFRS in the preparation of the consolidated accounts, the Parent Company has begun to apply RFR 2, Accounting for legal entities. Those instances in which the accounting principles of the Parent Company differ from those of the Group are described below:

Format

The income statement and balance sheet are consistent with the format stipulated in the Annual Accounts Act. The income statement is divided into two sections, one concerned with profit and loss and the other concerned with comprehensive income. The Parent Company has no items which are reported in Other comprehensive income, for which reason comprehensive income is equivalent to net profit for the year. The statement of changes in equity uses the format applied by the Group, but is presented with the columns stipulated in the Annual Accounts Act. The format used by the Parent Company entails differences in the names used for items, compared with the consolidated accounts, mainly referring to financial income and expenses, provisions, and equity items.

Holdings in subsidiaries

Holdings in subsidiaries are reported at acquisition cost less any impairment. The acquisition cost includes acquisition-related expenses and any additional purchase price. If there is an indication that a holding in a subsidiary has decreased in value, the recoverable amount is calculated. In the event that this is lower than the reported value, the holding is impaired to the recoverable amount. Impairment is reported in the item “Profit from holdings in Group companies”.

Financial instruments

The Parent Company does not apply IAS 39 for financial instruments. All financial instruments are classified as belonging to the category “Loans and receivables”.

Lease agreements

All lease agreements, regardless of whether they are financial or operational, are classified as operational lease agreements.

Income

The Parent Company’s other operating income includes Group-wide expenses invoiced to subsidiaries.

Group contributions

Both paid and received Group contributions are reported as appropriations in the income statement.

NOTE 39 THE PARENT COMPANY’S SALES TO AND PURCHASES FROM GROUP COMPANIES

During the year, the Parent Company has invoiced an amount of MSEK 80 (54) to subsidiaries for Group-wide services. The Parent Company has not purchased any services from subsidiaries.

NOTE 40 OTHER OPERATING INCOME

MSEK	2014	2013
Group-wide services	80	54
Other	0	-
Total	**80**	**54**

NOTE 41 EXPENSES BY TYPE

MSEK	2014	2013
Personnel costs (Note 43)	80	56
Depreciation/amortisation	0	0
Expenses for operational lease agreements (Note 44)	1	1
Non-recurring expenses	110	-
Other expenses	6	8
Total	**197**	**65**

NOTE 42 AUDIT FEES

MSEK	2014	2013
PricewaterhouseCoopers		
Audit assignment	1	0
Audit procedures not included in the audit assignment	1	-
Tax advisory services	-	-
Other services	5	0
Total	**7**	**1**

Audit assignment refers to the fee for the statutory audit, i.e. such work as is required for the auditor to submit an audit report. Audit procedures not included in the audit assignment refer to such activities as the review of interim reports. Tax advisory services refer mainly to general corporate tax matters. Other services refer to advice regarding financial reporting, prospectuses and internal control, as well as services rendered in conjunction with acquisitions.

NOTE 43 AVERAGE NUMBER OF EMPLOYEES AND PERSONNEL COSTS

AVERAGE NUMBER OF EMPLOYEES	2014	2013
Women	1	1
Men	2	1
Total	**3**	**2**

PERSONNEL COSTS, MSEK	2014	2013
Salaries and remuneration		
Board of Directors and CEO	35	31
Other employees	13	1
	48	32
Social security contributions, Board of Directors and CEO	13	12
Social security contributions, other employees	5	1
Pension expenses for CEO	11	10
Pension expenses for other employees	2	1
Total	**80**	**56**

For additional information regarding remuneration to senior executives, please refer to Note 11 to the consolidated accounts.

NOTE 44 LEASE AGREEMENTS

MSEK	2014	2013
Operational lease agreements		
Maturity within 1 year	1	1
Maturity between 1 and 5 years	2	1
Total	**2**	**1**

The Parent Company's operational lease agreements refer primarily to rental agreements for premises. No sub-leasing is undertaken. Operational leasing expenses in the Parent Company during the financial year amounted to MSEK 1 (1). Leasing expenses for assets held via operational lease agreements are reported as operating expenses.

NOTE 45 PROFIT FROM HOLDINGS IN GROUP COMPANIES

MSEK	2014	2013
Dividends	236	147
Total	**236**	**147**

NOTE 46 FINANCIAL INCOME AND EXPENSES

MSEK	2014	2013
Financial income		
Interest income on cash and cash equivalents	0	0
Interest income from Group companies	69	46
Exchange rate gains	-	7
Total financial income	**69**	**53**
Financial expenses		
Interest expenses on liabilities to credit institutions	-37	-29
Interest expenses to Group companies	-3	-4
Exchange rate losses	-55	-
Other financial expenses	-1	-1
Total financial expenses	**-95**	**-34**
Net financial items	**-26**	**19**

NOTE 47 APPROPRIATIONS

MSEK	2014	2013
Group contribution received	120	183
Group contribution paid	-16	-159
Change in tax allocation reserve	0	-11
Total	**104**	**12**

NOTE 48 TAX ON PROFIT FOR THE YEAR

MSEK	2014	2013
Current tax for the year	0	-7
Deferred tax	3	3
Total current tax	**3**	**-5**

The relationship between the tax expense for the year and the reported profit is presented in the table below. Tax on profit for the year has been calculated with the application of a tax rate of 22% (22%).

Profit before tax	198	168
Tax according to applicable tax rate in Sweden, 22 %	-44	-37
Tax effect of non-taxable income	52	32
Tax effect of non-deductible expenses	-5	0
Tax on profit for the year	**3**	**-5**

NOTE 49 HOLDINGS IN GROUP COMPANIES

A specification of the Parent Company's direct holdings of shares and participations in subsidiaries:

COMPANY NAME	CORPORATE IDENTITY NUMBER	REGISTERED OFFICES
Lifco Dental International AB	556730-9710	Enköping
Proline Group AB	556543-0971	Sollentuna
PP Greiftechnik GmbH	HR B No 157420	Waakirchen, Germany
Sorb Industri AB	556272-5282	Skellefteå

	SHARE OF EQUITY, %	SHARE OF VOTES, %	NUMBER OF SHARES	REPORTED VALUE 2014	REPORTED VALUE 2013
Lifco Dental International AB	100,00	100,00	252 525	716	716
Proline Group AB	100,00	100,00	12 400	182	182
PP Greiftechnik GmbH	100,00	100,00	25 000	490	490
Sorb Industri AB	100,00	100,00	6 800 000	367	367
Total				**1 755**	**1 755**

	2014	2013
Opening acquisition cost	1 755	1 755
Closing accumulated acquisition cost	1 755	1 755
Closing reported value	1 755	1 755

NOTE 50 DEFERRED TAX

MSEK	2014	2013
The difference between, on one hand, income tax reported in the income statement and, on the other hand, income tax incurred by the operations is comprised of:		
Deferred tax assets on expenses reversed upon taxation and in future non-taxable income	17	14

NOTE 51 UNTAXED RESERVES

MSEK	2014	2013
Tax allocation reserve 2012	9	9
Tax allocation reserve 2013	11	11
Tax allocation reserve 2014	0	-
Total	**20**	**20**

NOTE 52 BORROWINGS

MSEK	2014	2013
Non-current interest-bearing liabilities		
Liabilities to credit institutions	2 263	-
Total non-current interest-bearing liabilities	**2 263**	**-**
Current interest-bearing liabilities		
Overdraft facilities	49	5
Liabilities to credit institutions	183	1 805
Total current interest-bearing liabilities	**232**	**1 811**
Total interest-bearing liabilities	**2 495**	**1 811**

No portion of non-current liabilities falls due for payment later than five years after the balance sheet date. All interest-bearing liabilities are classified in the category ”Other financial liabilities”.

NOTE 53 ACCRUED EXPENSES AND DEFERRED INCOME

MSEK	2014	2013
Accrued interest expenses	2	3
Accrued salary-related expenses	15	10
Accrued holiday pay	4	2
Accrued social security contributions	7	4
Other deferred income	1	1
Other accrued expenses	1	1
Total	**31**	**21**

NOTE 54 CONTINGENT LIABILITIES

MSEK	2014	2013
Contingent liabilities for Group companies’ PRI liabilities	28	28
Guarantee commitments for Group companies	10	-
Other guarantee commitments	1	2
Total	**39**	**30**

COMPARATIVE FIGURES COVERING SEVERAL YEARS

	ACCORDING TO IFRS			ACCORDING TO BFN						
	2014	2013	2012	2012	2011	2010	2009	2008	2007	2006
Net sales, MSEK	6 802	6 030	6 184	6 184	5 707	4 591	4 146	4 901	3 660	2 629
Total growth in net sales, %	12,8%	-2,5%	8,4%	8,4%	24,3%	10,7%	-15,4%	33,9%	39,2%	16,9%
Of which: Organic growth, %	4,4%	-1,4%	-1,8%	-1,8%	7,9%	15,7%	-19,8%	7,4%	14,4%	15,6%
Of which: Acquired growth, %	5,1%	0,1%	11,7%	11,7%	20,5%	0,6%	0,4%	25,2%	25,3%	1,5%
Of which: Exchange rate effects and other, %	3,3%	-1,2%	-1,5%	-1,5%	-4,2%	-5,5%	3,9%	1,3%	-0,5%	-0,2%
EBITA, MSEK	966	692	715	716	631	511	305	453	412	280
EBITA margin, %	14,2%	11,5%	11,6%	11,6%	11,1%	11,1%	7,3%	9,2%	11,3%	10,6%
Depreciation according to plan, MSEK	-75	-68	-71	-71	-67	-63	-64	-62	-49	-36
Amortisation of intangible fixed assets arising in conjunction with acquisitions, MSEK	-38	-7	-3	-175	-141	-81	-84	-79	-48	-21
Items affecting comparability, MSEK	-122	-58	1	0	0	-6	4	-6	-	-1
Acquisitions of tangible fixed assets, MSEK	105	95	75	76	56	55	55	132	64	44
Acquisitions of subsidiaries after deduction of cash and cash equivalents, MSEK	1 264	-	90	95	1 771	663	76	182	843	103
Capital employed excluding goodwill and other intangible assets, MSEK	887	833	832	-	-	-	-	-	-	-
Capital employed, MSEK	5 564	3 880	3 848	-	-	-	-	-	-	-
Return on capital employed excluding goodwill and other intangible assets, %	105,4%	73,0%	71,0%	-	-	-	-	-	-	-
Return on capital employed, %	18,8%	17,4%	18,1%	-	-	-	-	-	-	-
Net liabilities, MSEK	2 013	1 420	1 618	1 618	1 912	1 180	823	1 095	914	178
Net liabilities/equity ratio	0,6x	0,6x	0,8x	0,8x	1,0x	1,2x	0,8x	1,0x	1,0x	0,3x
Net liabilities/EBITDA	1,9x	1,9x	2,1x	2,1x	2,7x	2,1x	2,2x	2,1x	2,0x	0,6x
Equity/assets ratio	46,7%	43,6%	39,9%	38,2%	34,6%	28,5%	34,9%	33,5%	27,9%	39,1%
Profit per share	6,17	4,16	5,56	3,57	3,20	2,59	0,84	2,10	3,68	1,83
Equity per share	38,0	26,0	23,6	21,5	20,1	10,6	9,5	10,2	8,4	5,9

ACQUISITION HISTORY 2006-2014

YEAR	COMPANY	OPERATIONS	BUSINESS AREA	SALES (AT ACQUISITION DATE)	COUNTRY
2006	Dental Prime	Dental products	Dental	MEUR 3	Finland
2006	Elektronikprodukter i Järlåsa	Contract manufacturing	Systems Solutions	MSEK 30	Sweden
2006	Darda	Demolition tools	Demolition & Tools	MEUR 8	Germany
2007	Kinshofer	Accessories for cranes and excavators	Demolition & Tools	MEUR 66	Germany
2007	Safe Dental	Dental products	Dental	MSEK 2	Sweden
2007	Proline	Relining (renovation of sewers)	Systems Solutions	MSEK 120	Sweden
2007	Oriola Dental	Dental products	Dental	MEUR 45	Finland
2007	Hekotek	Sawmill equipment	Systems Solutions	MEUR 13	Estonia
2007	Zetterström Rostfria	Contract manufacturing	Systems Solutions	MSEK 50	Sweden
2007	Plass Data Dental	Dental products	Dental	MDKK 7	Denmark
2008	Endomark	Products in areas such as diagnostics and root canals	Dental	MSEK 9	Sweden
2008	XO Care Denmark	Dental products	Dental	MDKK 77	Denmark
2008	Tevo	Interiors for service vehicles	Systems Solutions	MGBP 8	United Kingdom
2009	Ellman Produkter	Dental products	Dental	MSEK 43	Sweden
2009	Aponox	Tilt buckets	Demolition & Tools	-	Finland
2009	Interdental	Dental products	Dental	MSEK 10	Norway
2010	ATC	Retailer	Demolition & Tools	MEUR 5	France
2011	RF-System	Products for railway, land and construction contracts	Demolition & Tools	MSEK 80	Sweden
2011	Wintech	Contract manufacturing	Systems Solutions	MSEK 125	Sweden
2011	EDP	Dental products	Dental	MEUR 119	Germany
2011	Net Dental	Distributor	Dental	MEUR 20	Germany
2012	Ahlberg Cameras	Camera systems for NPPs	Demolition & Tools	MSEK 73	Sweden
2014	MDH	Dental technology, distributor	Dental	MEUR 44	Germany

QUALITY AND ENVIRONMENTAL CERTIFICATION

COMPANY	COUNTRY	PRODUCTION	CERTIFICATION		
			ISO 9001	ISO 13485	ISO 14001
DAB	Sweden	Medical technology equipment	•	•	•
Dentamed	Czech Republic	Dental products	•	•	
Dreizehn4acht5service	Germany	Dental products		•	
Hammasväline	Finland	Dental products	•		
Hekotek	Estonia	Sawmill equipment	•		
InteraDent	Germany	Dental products	•		
Leab	Estonia	Contract manufacturing	•		•
Leab	Sweden	Contract manufacturing	•		•
Lohrmann Dental	Germany	Dental products	•		
Lövånger Elektronik	Sweden	Contract manufacturing	•	•	•
M+W Dental	Germany	Dental products		•	
Netdental	Germany	Dental products	•		
Nordenta	Sweden	Dental products	•	•	•
Zetterströms	Sweden	Contract manufacturing	•		
Wintech	Denmark	Contract manufacturing	•		•
Wintech	Sweden	Contract manufacturing	•		

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DEFINITIONS

Return on equity	Profit after tax attributable to shareholders in the Parent Company and non-controlling interests divided by average equity
Return on capital employed	EBITA divided by average capital employed
Return on capital employed excl. goodwill and other intangible assets	EBITA divided by average capital employed excluding goodwill and other intangible assets
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 margin	EBITA divided by net sales
EBITDA	Operating profit before depreciation/amortisation and expenses for restructuring, integration and acquisitions
EBITDA margin	EBITDA divided by net sales
Net liabilities/equity ratio	Interest-bearing net liabilities divided by equity
Earnings per share	Profit after tax attributable to shareholders in the Parent Company divided by average number of outstanding shares
Interest-bearing net liabilities	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 cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities

ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

The annual general meeting of shareholders in Lifco AB will take place on 6 May 2015 at 3pm at the Stockholm Waterfront Congress Center, Nils Ericsons plan 4, Stockholm.

REGISTRATION

Shareholders wishing to attend the annual general meeting shall

- Be listed in the shareholder register maintained by Euroclear by no later than 29 April 2015, and
- Notify Lifco of their participation by no later than 29 April 2015

The following three methods can be used to register for the meeting

- On Lifco's website www.lifco.se
- Via post to F.A.O: Årsstämma, Lifco AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm
- Via telephone on +46 (0) 8 402 92 82

You have to provide name and address at registration.

TRUSTEE-REGISTERED SHARES

Shareholders whose shares are registered with a nominee are required to have their shares temporarily registered in their own name in order to be entitled to participate in the annual general meeting. Shareholders represented by a proxy must send their authorisation to Lifco prior to the meeting. Representatives of legal entities are required to provide a copy of the entity's certificate of incorporation or equivalent authentication document naming the entity's authorised signatories.

NOMINATION COMMITTEE AND MATTERS TO BE ADDRESSED AT THE MEETING

Information regarding Lifco's Nomination Committee can be found in the year-end report for 2014.

Lifco's interim report for Q3 2014 and the year-end report provide information regarding the actions to be taken by shareholders to request that a matter be addressed at the meeting.

DIVIDEND

The Board of Directors and CEO propose a dividend of SEK 2.60 for 2014, equivalent to MSEK 236.2. The proposed record day is 8 May 2015. Euroclear expects to be able to distribute the dividend to shareholders on 13 May 2015, subject to the approval of the proposal by the meeting.

FINANCIAL INFORMATION

Lifco's annual report, year-end report and interim reports are published in Swedish and English.

The reports are available to download from www.lifco.se/investors.

The printed version of Lifco's annual report is distributed only to those shareholders who have expressly requested a copy.

The annual report can be ordered from:

www.lifco.se

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FINANCIAL CALENDAR

6 May 2015	Interim report January – March
16 July 2015	Interim report January – June
3 November 2015	Interim report January – September
17 February 2016	Year-end report for 2015
April 2016	Annual report for 2015

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Lifco acquires and develops market-leading niche operations with the potential to deliver sustainable profit growth and positive cash flows.