

Interim Report

1 July – 31 December 2017

Value-creating acquisition and strong quarter for Industrial trading

Second quarter 1 October – 31 December 2017

In accordance with the rules of IFRS for reverse acquisitions, all comparative data refer to Business Area Fibre only.

- Profit after taxes amounted to MSEK 64.8 (4.1), including value-creating effects in connection with the acquisition of Bonar Agro in an approximate amount of MSEK 45.
- Net revenue for the quarter amounted to MSEK 573.9 (418.2). The acquisition of Bonar Agro's business contributed approximately MSEK 40.1 during the quarter.
- Other operating income essentially consists of reversal of real value-creating negative goodwill.
- Operating profit for the quarter amounted to MSEK 41.6 (4.0), of which the fibre operations accounted for MSEK 34.7 (4.0).
- Cash flow from operating activities for the quarter amounted to MSEK -4.4 (-28.6).
- The Group's net liabilities amounted to MSEK 10.6 (5.3).
- Earnings per share was SEK 1.66 (0.12) for the quarter.
- The Group has tax loss carryforwards in the approximate amount of MSEK 900, only a small portion of which has been capitalised. The lower corporate tax rate in the United States is expected to have a positive effect for Duroc, because of its U.S. subsidiary with historically good profitability.

First six months 1 July – 31 December 2017

- Profit after taxes amounted to MSEK 70.4 (16.9), including value-creating effects in connection with the acquisition of Bonar Agro in an approximate amount of MSEK 45.
- Net revenue for the six months amounted to MSEK 1,083.4 (851.2).
- Six-month operating profit amounted to MSEK 53.9 (23.5).
- Cash flow from operating activities for the six months amounted to MSEK -13.3 (5.4).
- Six-month earnings per share was SEK 1.81 (0.50).

In order to show the new Duroc Group's comparative data, the table below contains pro forma information.

Group	2017 OCT-DEC	2016 OCT-DEC Pro forma	2017 JUL-DEC	2016 JUL-DEC Pro forma	2017 R12 DEC Pro forma	2017 12M JUL-JUN Pro forma
Net revenue, MSEK	573.9	533.5	1,083.4	1,069.5	2,255.2	2,239.7
Operating profit, MSEK	41.6	10.4	53.9	24.5	121.1	88.6
Profit after taxes	64.8	11.8	70.4	13.0	107.8	54.3

For further information, contact

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The information in this Interim Report is of the type Duroc AB (publ) is under obligation to publish in accordance with EU's Market Abuse Regulation, EU/596/2014. The information herein was provided for publication at 7:15 a.m., 9 February 2018.

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The Duroc Group acquires, manages and develops industrial and trading companies. With deep knowledge of technology and market, the Group's companies strive to achieve a leading position in their respective industries. As owner Duroc contributes actively to the development. Consolidated revenue amounts to approximately MSEK 2,400. The Group has approximately 700 employees. Duroc is listed on NASDAQ OMX Stockholm (symbol: Duroc). www.duroc.se

DUROC

CEO's statement

Comparative data refer to pro forma data, including all business areas.

Duroc's profit after taxes for the quarter amounted to MSEK 64.8 (11.8) and includes value-creating effects in connection with the acquisition of Bonar Agro in an approximate amount of MSEK 45.

The overall economic situation in the segments and markets where Duroc is active continues to be good. Growth in manufacturing industry in both the Nordic Region and the Baltic States is strong and the investment climate among the customer base is positive. Industrial trading had a strong quarter compared to the year before. Sales during the quarter amounted to MSEK 115.7 (88.2), with Finland, the Baltic States and Sweden making the largest contributions. Strong sales combined with previously reported lower costs resulted in an operating profit of MSEK 8.1 (1.6) for the business area.

Market demand for fibre was weaker towards the end of the quarter, especially in Europe. Our expectation is that the slowdown is temporary and linked to customer base inventory adjustments. Business area Fibre generated an operating profit of MSEK 34.7 (4.0).

Cold winters mean more wear on railway wheels. A mild winter 2016/2017 led to a slow start of the quarter for the markedly seasonal business of Duroc Rail. As a result, invoicing was unusually low during the quarter. Operating profit for Other Industry was MSEK 0.8 (4.9). One-time costs related to educational activities, maintenance and quality certifications had a negative effect on operating result. Towards the end of the year volumes returned to more normal levels for the season and expectations for the current quarter are much higher.

Duroc's strategy is based on two basic components:

- Value-creation through a well-developed acquisition process where ability to analyse, timing, financial preparedness and a strong network are deciding factors.
- Strong long-term returns from business activities in subsidiaries driven by strong entrepreneurship.

Duroc invested MSEK 74 in acquisitions during the quarter, and in increased machinery capacity in the United States and Austria, as well as in action to improve work environment conditions in fibre manufacturing.

The acquisition of Bonar Agro, a supplier to the cultivation industry, with products for climate control in greenhouses, was closed according to plan on 1 November 2017. A new management team has taken over and sales during the past two months were according to plan. The focus going forward will be on making production more efficient and launching new products, together with trimming the sales force. On the American market existing resources in the IFG group will be applied to the logistics chain to adapt the products to the customers.

The effects of the transaction has meant that significant values in Bonar Agro have been acquired at levels allowing for value-creation for Duroc. Excellent cash flows from existing inventory combined with tax loss carryforwards in Belgium are expected to make significant contributions to financial performance and consolidated cash flow during the next twelve months.

Changes to the American tax system during the quarter meant that MUS\$ 1.4 previously recognised as a liability now has been restored in the income statement. The tax rate will be significantly lower and future profits will rise in the historically profitable Drake Extrusion Inc.

John Häger
Chief Executive Officer

Duroc Group pro forma (IFG + Duroc)

Amounts in MSEK	170101- 171231	160701- 170630	150701- 160630	140701- 150630	130701- 140630
Net revenue	2,253.6	2,258.4	2,327.7	2,348.7	2,158.7
Other operating income	33.0	3.3	7.5	5.1	12.0
Changes in inventories	-5.9	-0.1	2.7	-5.5	4.0
Raw materials and supplies	-1,141.4	-1,238.9	-1,324.0	-1,369.9	-1,296.3
Goods for resale	-230.1	-242.5	-212.9	-230.4	-198.0
Other external costs	-254.0	-184.6	-211.2	-200.1	-180.5
Personnel costs	-346.7	-328.0	-332.8	-335.2	-307.1
Other operating costs	-151.5	-129.8	-124.2	-104.0	-93.6
Profit before depreciation, amortisation and impairment losses	157.0	137.8	132.8	108.7	99.2

The above pro forma statement has been prepared to provide an overview of how Duroc's and IFG's data would have looked for each financial year if they had been combined. This data has not been audited. The prior Duroc Group's profit has been distributed over IFG's accounting periods.

Profit is presented before depreciation, amortisation and impairment charges in order to provide an indication of the Group's financial performance.

The purpose of the pro forma statement is not intended to provide a detailed picture of the performance trend.

The Group's development

Net revenue increased during the second quarter compared to the corresponding year-ago quarter. Business Area Industrial Trading grew strongly. Good sales in Sweden, Finland and the Baltic States, combined with lower costs, generated a substantial increase in profitability over the performance in the second quarter of last year. In Business Area Fibre volumes declined towards the end of the quarter. Our expectation is that this was a temporary decline due to customer base inventory adjustments. Volumes were lower than during the corresponding year-ago period. The previously announced acquisition of Bonar Agro was completed according to plan in November.

The Group's capital expenditures during the quarter amounted to MSEK 74.

Other Industry is strongly affected by the development in Duroc Rail. Rail's business is seasonal, which means that autumn/winter is the period that generates the greatest profit during the year. The reason for this is that the wear on components that Rail assists its customer with is the greatest when it is cold and when there is snow. A mild winter last year made for low volumes of processing during the first months of the second quarter.

One-time costs related to educational activities, maintenance and quality certifications contributed to lower operating earnings compared to 2016/17. The quarter was unusually weak for these reasons. Volumes and results in Duroc Laser Coating showed a positive development according to plan.

Duroc's six-month net financial items amounted to MSEK -1.7 as of 31 December 2017. A net amount of MSEK 0.4 was in the form of exchange rate losses and net interest expense was MSEK -2.1. Duroc is financially strong and has net liabilities of MSEK 10.6 at the end of the six-month period. Capital expenditures during the first six months of the financial year amounted to approximately MSEK 85, mainly in the form of acquisitions and capacity increases in Business Area Fibre.

Cash flow from operating activities showed a negative development during the six-month period. This is explained by an increase in inventories and a decline in other liabilities.

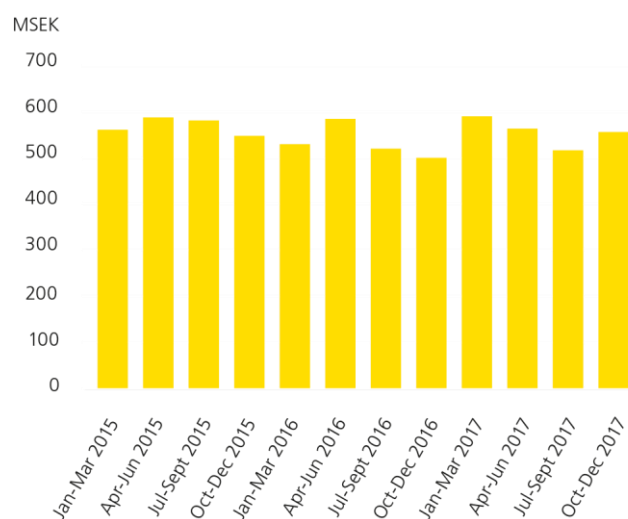
Presented below is a combined pro forma summary of Duroc and IFG financial statement that provides an overview of the earnings performance of the Duroc Group.

Group	2017 OCT-DEC	2016 OCT-DEC Pro forma	2017 JUL-DEC	2016 JUL-DEC Pro forma	2017 R12 DEC Pro forma	2017 12M JUL-JUN Pro forma
Net revenue, MSEK	573.9	533.5	1,083.4	1,069.5	2,253.6	2,239.8
Operating profit, MSEK	41.6	10.4	53.9	24.5	119.9	99.4
+Net liabilities/-Net cash and cash equivalents	10.6	8.9	10.6	8.9	10.6	-81.8
Average number of employees	715	589	653	587	617	572

The charts below show revenue and operating result by quarter, combined for Fibre, Industrial Trading and Other Industry.

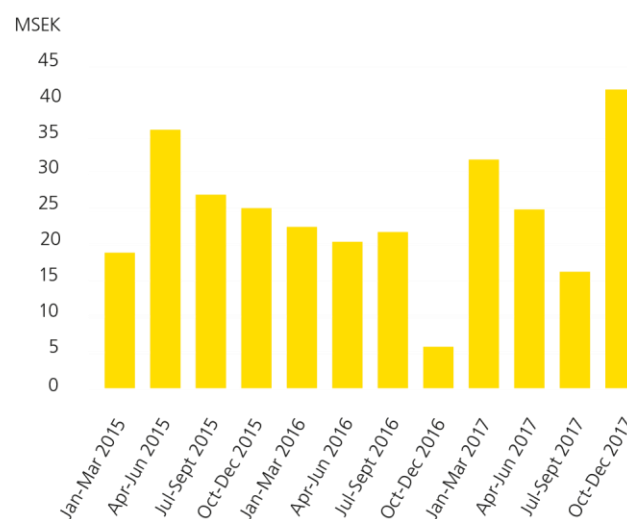
CONSOLIDATED REVENUE

(Converted using the exchange rate at the reporting date)



CONSOLIDATED OPERATING PROFIT

(Converted using the exchange rate at the reporting date)



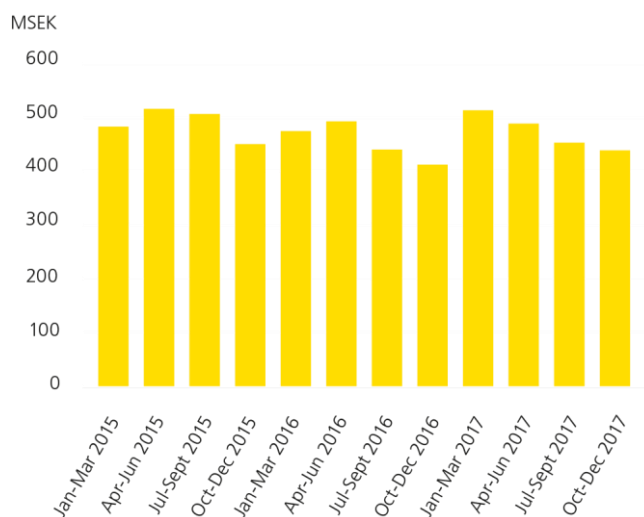
Business Area Fibre

- Operating profit for the quarter amounted to MSEK 34.7 (4.0)
- The sales volume expressed in tons declined by 10 percent for fibre and yarn compared to the corresponding year-ago quarter. The primary reason is believed to be customer base inventory adjustments, but the decline is expected to be temporary.
- Revenue for the quarter amounted to MSEK 431.8 (418.2). Cresco (formerly Bonar Agro) contributed with sales during November and December of approximately MSEK 40.
- The operating result for the fibre and yarn businesses was reduced by one-time charges in the amount of approximately:
 - MSEK 1.6 for work environment improvement measures in the American subsidiary;
 - MSEK 1.7 MSEK in negative exchange rate effects;
 - MSEK 1.4 in one-time costs in connection with acquisitions.
- Lower volume and rising raw materials prices affected operating profit by approximately MSEK 3.7.

Fibre	2017 OCT-DEC	2016 OCT-DEC	2017 JUL-DEC	2016 JUL-DEC	2017 R12 DEC	2017 12M JUL-JUN
Net revenue, MSEK	431.8	418.2	866.2	851.2	1,865.7	1,849.1
Operating profit, MSEK	34.7	4.0	51.4	23.5	111.8	83.9
Average number of employees	597	461	534	459	495	458

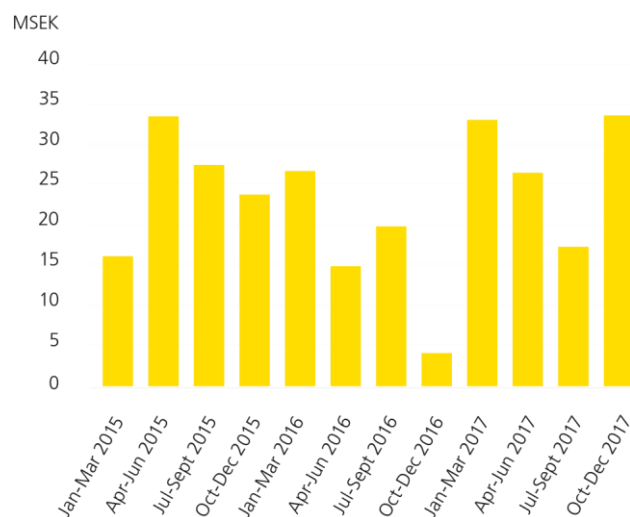
REVENUE, BUSINESS AREA FIBRE

(Converted using the exchange rate at the reporting date)



OPERATING PROFIT, BUSINESS AREA FIBRE

(Converted using the exchange rate at the reporting date)

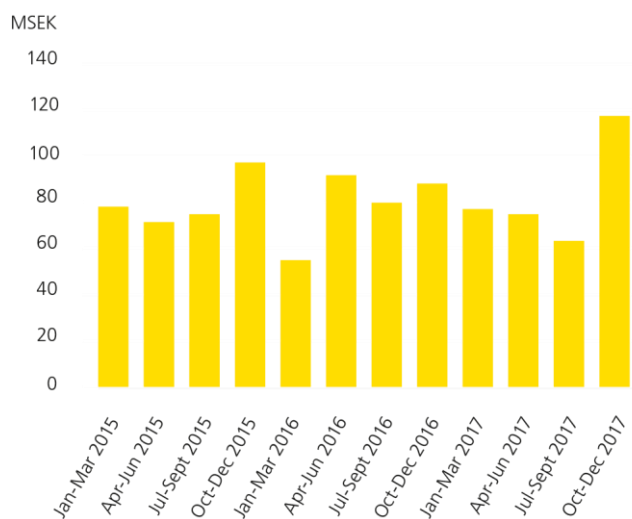


Business Area Industrial Trading

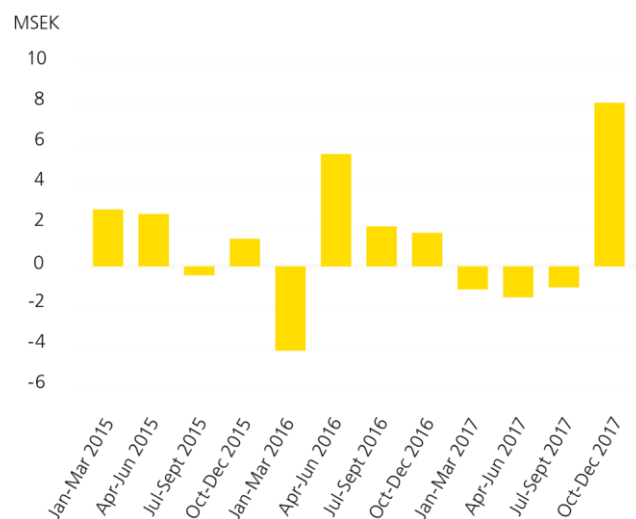
- Sales were significantly higher than last year. For the quarter sales increased by 31.1 percent compared to the previous year.
- The profit margin for October-December was 7.0 percent (1.8).
- The business area shows significant seasonal variations. The period October-December is traditionally the strongest quarter of the year.
Refer to the diagram below.
- The gross margin has been stable but decreased slightly towards the end of the quarter due to the product mix.
- Action was taken during the quarter to improve efficiency and to lower costs, especially on the Swedish market. This had positive effect on earnings.
- Strong demand, especially in Sweden and Finland, augurs for good sales in coming quarters.

Industrial Trading	2017 OCT-DEC	2016 OCT-DEC Pro forma	2017 JUL-DEC	2016 JUL-DEC Pro forma	2017 R12 DEC Pro forma	2017 12M JUL-JUN Pro forma
Net revenue, MSEK	115.7	88.2	175.6	166.7	289.4	280.5
Operating profit, MSEK	8.1	1.6	7.0	3.5	4.4	0.9
Average number of employees	75	75	75	72	75	72

BUSINESS AREA INDUSTRIAL TRADING, REVENUE
(Converted using the exchange rate at the reporting date)



BUSINESS AREA INDUSTRIAL TRADING OPERATING PROFIT
(Converted using the exchange rate at the reporting date)

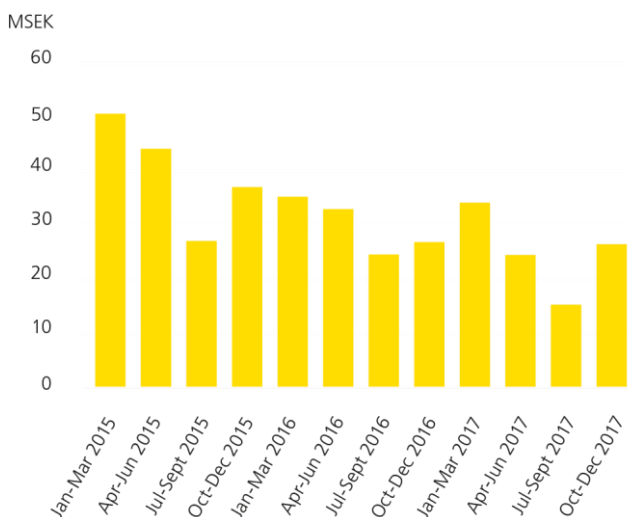


Business Area Other Industry

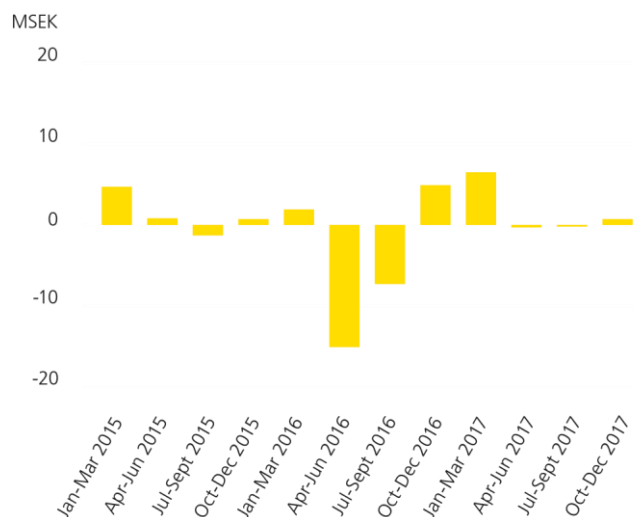
- Business Area Other Industry's sales during the quarter were in line with the previous year.
- Operating profit was lower compared to the year before. This is primarily due to one-time costs for training of personnel and costs related to quality certifications. However, the cumulative operating profit for the past six months improved compared to the year before.
- An abnormally warm winter reduced the need for maintenance of railroad wheels during the quarter, reducing anticipated revenue.

Other Industry	2017 OCT-DEC	2016 OCT-DEC Pro forma	2017 JULY-DEC	2016 JUL-DEC Pro forma	2017 R12 DEC Pro forma	2017 12M JUL-JUN Pro forma
Net revenue, MSEK	26.4	27.1	41.6	51.6	100.1	110.1
Operating result, MSEK	0.8	4.9	-1.4	-2.5	4.9	3.8
Average number of employees	43	53	44	56	46,5	42

BUSINESS AREA OTHER INDUSTRY, REVENUE
(Converted using the exchange rate at the reporting date)



BUSINESS AREA OTHER INDUSTRY, OPERATING PROFIT
(Converted using the exchange rate at the reporting date)



Revenue and operating profit for previous years includes now discontinued operations.

In accordance with IFRS rules on reverse acquisitions, all comparative data refer to Business Area Fibre only.

Parent Company

Duroc AB's (publ) main functions are business development, acquisitions and financial reporting.

Profit and financial position

Net revenue for the quarter amounted to MSEK 573.9 (418.2). The corresponding number for the first six months of the financial year was MSEK 1,083.4 (851.2). Profit after taxes amounted to MSEK 64.8 (4.1) for the quarter and MSEK 70.4 (16.9) for the six-month period and includes value-creating effects in connection with the acquisition of Bonar Agro estimated at approximately MSEK 45.

Capital expenditures

The Group had capital expenditures during the period of MSEK 73.9 (15.4). Approximately MSEK 65 of this investment refers to the acquisition of Bonar Agro.

Cash flow

The Group's cash flow from operating activities was MSEK -4.4 (-28.6). The corresponding figure for the first six months of the financial year was MSEK -13.3 (5.4).

Cash and cash equivalents

The Group's cash and cash equivalents amounted to MSEK 180.9 at the end of the six-month period (112.4). Since interest-bearing liabilities amounted to MSEK 191.5 (117.7), the Group's net liability amounts to MSEK 10.6 (5.3).

Equity ratio

At the end of the first six months of the financial year the Group's equity amounted to MSEK 766.9 (434.5).

At the end of the six-month period the equity ratio stood at 53.5 percent (48.7). Following a theoretical repayment of interest-bearing liabilities (see above) the equity ratio rises to 62.1 percent, everything else alike.

Personnel

The average number of employees during the six-month period was 653 (459). The average number of employees in the Parent Company is 3 (2).

Transactions with closely related parties

During the period Duroc has, on market terms, sold machinery and tools valued at MSEK 0.1 to closely related parties.

Significant risks and uncertainty factors for the Parent Company and the Group

Duroc AB (publ) and its subsidiaries are through their operations subject to both financial and operative risks, which the companies themselves can affect to a major or lesser degree. There are ongoing processes in the companies to identify existing risks and to determine how they are to be managed.

A detailed description of the Parent Company's and the subsidiaries' risks and risk management is provided in Duroc's Annual Report 1 January - 30 June 2017.

Accounting policies

The Group and the Parent Company applies the same accounting policies and calculation methods as in the Annual Report for 2017. The interim report has been compiled in accordance with IAS 34. The interim report for the Parent Company has been compiled in accordance with Chapter 9 of the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities.

Fair value of financial instruments

There have been no transfers between levels or valuation categories during the period. The fair value of the Group's other assets and liabilities is judged to be the same as their carrying value.

Stockholm, 9 February 2018

Peter Gyllenhammar
Chairman

Johan Öberg
Director

Ola Hugosson
Director

Carina Heilborn
Director

Carl Östring
Director

John Häger
Chief Executive Officer

This report has not been subject to review by the Company's auditors.

Schedule of future information

Interim Report January-March	7 May 2018
Year-end Report	27 August 2018

Summary Consolidated Income Statement

Amounts in MSEK	OCT-DEC 2017	OCT-DEC 2016	JUL-DEC 2017	JUL-DEC 2016	JAN-JUN 2017
Net revenue	573.9	418.2	1083.4	851.2	1 170.3
Other operating income *	31.2	0.0	31.8	0.0	1.1
Change in inventories	0.5	0.0	0.0	0.0	-5.9
Raw materials and supplies	-288.7	-270.1	-580.1	-554.8	-561.3
Goods for resale	-83.6	0.0	-125.7	0.0	-104.4
Other external costs	-46.2	-37.0	-90.5	-72.6	-163.5
Personnel costs **	-94.5	-60.0	-171.4	-117.3	-175.3*
Depreciation and amortisation of tangible and intangible non-current assets	-11.4	-8.7	-23.0	-17.2	-19.8
Other operating costs	-39.6	-38.4	-70.6	-65.8	-80.9
Operating profit	41.6	4.0	53.9	23.5	60.3
Financial income	1.3	1.5	3.1	1.6	4.6
Financial expense	-1.9	-1.7	-4.8	-3.1	-10.1
Net finance items	-0.6	-0.2	-1.7	-1.5	-5.5
Profit before taxes	41.0	3.8	52.2	22.0	54.8
Deferred taxes	27.1	6.8	28.9	-13.2	-21.5
Current taxes	-3.3	-6.5	-10.7	8.1	4.1
NET PROFIT FOR THE PERIOD	64.8	4.1	70.4	16.9	37.4
Of which the period's profit attributable to:					
The Parent Company's equity holders	64.8	4.1	70.4	16.9	37.4
NET PROFIT FOR THE PERIOD	64.8	4.1	70.4	16.9	37.4
Earnings per share					
Before dilution (SEK)	1.66	0.12	1.81	0.50	1.01
after dilution (SEK)	1.66	0.12	1.81	0.50	1.01
Average number of shares outstanding before dilution	39,000,000	34,125,000	39,000,000	34,125,000	37,167,775
Average number of shares outstanding after dilution	39,000,000	34,125,000	39,000,000	34,125,000	37,167,775

* Other operating income includes reversal of negative goodwill in the amount of MSEK 30.6.

**Reclassification of personnel costs has taken place as an effect of changed performance monitoring principle.

Consolidated Statement of Comprehensive Income

PROFIT FOR THE PERIOD	64.8	4.1	70.4	16.9	37.4
Other comprehensive income					
Items that may be reclassified to the income statement					
Translation differences	11.0	10.1	-0.2	16.4	-13.1
Reserves (net)	1.7	-5.3	4.1	-5.3	50.7
Hedge accounting (net)	-0.9	0.0	0.1	0.0	-0.3
Dividend	0.0	-4.0	0.0	-4.0	0.0
Total other comprehensive income	11.8	0.8	4.0	7.1	37.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	76.6	4.9	74.4	24.0	74.7
Of which attributable to:					
The Parent Company's equity holders	76.6	4.9	74.4	24.0	74.7
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
COMPREHENSIVE INCOME FOR THE PERIOD	76.6	4.9	74.4	24.0	74.7

Summary Consolidated Balance Sheet

Amounts in MSEK	2017-12-31	2016-12-31	2017-06-30
ASSETS			
Non-current assets			
Intangible non-current assets	79.8	2.0	79.2
Tangible non-current assets	406.6	332.1	362.9
Long-term securities holdings	2.4	0.0	8.8
Long-term receivables	6.9	2.9	2.3
Deferred tax assets	55.2	46.3	49.5
Total non-current assets	550.9	383.3	502.7
Current assets			
Inventories	342.8	147.6	168.9
Advance payments to suppliers	0.0	0.0	1.5
Trade receivables	317.2	218.8	314.4
Prepaid expenses and accrued income	11.0	2.6	12.9
Current tax assets	0.0	0.0	5.2
Other receivables	29.4	28.5	19.8
Cash and cash equivalents	180.9	112.4	295.4
Total current assets	881.3	509.9	818.1
TOTAL ASSETS	1,432.2	893.2	1,320.8
EQUITY AND LIABILITIES			
Equity			
Share capital	39.0	10.0	39.0
Other contributed capital	260.5	106.3	260.5
Translation reserve	74.7	77.0	63.6
Retained earnings including profit for the year	392.7	241.2	329.3
Equity attributable to the Parent Company's equity holders	766.9	434.5	692.4
Total equity	766.9	434.5	692.4
Long-term liabilities			
Long-term interest-bearing liabilities	96.7	53.6	56.4
Other long-term liabilities	5.9	4.3	0.0
Provision for guarantees	1.9	0.0	1.8
Pension provision	57.9	117.9	58.4
Deferred tax liabilities	30.9	31.0	38.8
Other provisions	31.5	5.2	1.4
Total long-term liabilities	224.8	212.0	156.8
Current liabilities			
Current interest-bearing liabilities	94.8	64.1	157.2
Advance payments from customers	21.6	0.0	15.1
Trade payables	169.7	82.3	157.0
Current tax liabilities	4.2	3.0	4.8
Other liabilities	106.3	69.1	79.1
Accrued expenses and prepaid income	43.9	28.2	58.4
Total current liabilities	440.5	246.7	471.6
Total liabilities	665.3	458.7	628.4
TOTAL EQUITY AND LIABILITIES	1,432.2	893.2	1,320.8

Summary of Changes in Consolidated Equity

Amounts in MSEK	JUL-DEC 2017	JUL-DEC 2016	JAN-JUN 2017
Opening balance	692.4	410.5	434.5
Profit for the period	70.4	16.9	37.4
Translation differences	0.1	16.4	-13.1
Actuarial gains and losses (net)	3.5	-5.3	50.7
Hedge accounting (net)	0.5	0.0	-0.3
Non-cash issue	0.0	0.0	183.2
Dividend	0.0	-4.0	0.0
Closing balance	766.9	434.5	692.4

Summary Consolidated Statement of Cash Flow

Amounts in MSEK	OKT-DEC 2017	OKT-DEC 2016	JUL-DEC 2017	JUL-DEC 2016	JAN-JUN 2017
OPERATING ACTIVITIES					
Profit before taxes	41.0	3.8	52.2	22.0	54.8
Adjustment for items not included in cash flow	6.7	3.8	16.9	7.8	15.3
Income tax paid	-5.6	-10.3	-6.8	-12.4	0.8
Cash flow from operating activities before changes in working capital	42.1	-2.7	62.3	17.4	70.9
Changes in working capital	-46.5	-25.9	-75.6	-12.0	36.2
Cash flow from operating activities	-4.4	-28.6	-13.3	5.4	107.1
Cash flow from acquisitions	-64.7	0.0	-64.7	0.0	6.8
Cash flow from other investment activities	-9.2	-11.4	-21.0	-24.0	8.2
Dividend	0.0	-4.0	0.0	-4.0	0.0
Cash flow from investment activities	-73.9	-15.4	-85.7	-28.0	15.0
Cash flow from financing activities (not including dividend)	58.8	5.6	-19.9	-3.1	63.0
Dividend	0.0	-4.0	0.0	-4.0	0.0
Cash flow for the period	-19.5	-38.4	-118.9	-25.7	185.1
Cash and cash equivalents at beginning of period	191.8	149.7	295.4	136.2	112.4
Translation difference in cash and cash equivalents	8.6	1.1	4.4	1.9	-2.1
Cash and cash equivalents at end of period	180.9	112.4	180.9	112.4	295.4

Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief decision maker. The Board of Directors and the Chief Executive Officer is the Group's chief decision maker and evaluates the Group's financial position and performance and makes strategic decisions. Management has determined the operating segments based on the information dealt with by the Board of Directors and the Chief Executive Officer and which is used as a basis for distributing resources and evaluate results.

Three reportable segments have been identified based on this reporting, Fibre, Other Industry and Industrial Trading. Other Industry and Industrial Trading are deemed to have been added in their entirety as a consequence of the reverse acquisition. For this reason information for this segment is presented from the time of acquisition only.

Amounts in MSEK	OCT-DEC 2017	OCT-DEC 2016	JUL-DEC 2017	JUL-DEC 2016	JAN-JUN 2017
Net revenue					
Fibre	431.8	418.2	866.2	851.2	999.5
<i>of which external</i>	431.8	418.2	866.2	851.2	999.5
<i>of which internal</i>	0.0	0.0	0.0	0.0	0.0
Industrial Trading	115.7	0.0	175.6	0.0	113.8
<i>of which external</i>	115.7	0.0	175.6	0.0	113.8
<i>of which internal</i>	0.0	0.0	0.0	0.0	0.0
Other Industry	26.4	0.0	41.6	0.0	58.0
<i>of which external</i>	26.4	0.0	41.6	0.0	58.0
<i>of which internal</i>	0.0	0.0	0.0	0.0	0.0
Group-wide functions	2.0	0.0	4.0	0.0	4.8
Eliminations	-2.0	0.0	-4.0	0.0	-4.0
Total net revenue	573.9	418.2	1 083.4	851.2	1 171.3
Operating profit	34.7	4.0	51.4	23.5	60.4
Fibre	8.1	0.0	7.0	0.0	-2.6
Industrial Trading	0.8	0.0	-1.4	0.0	2.5
Other Industry	-2.0	0.0	-3.1	0.0	0.0
Eliminations	0.0	0.0	0.0	0.0	0.0
Total operating profit	41.6	4.0	53.9	23.5	60.3
Net finance items	-0.6	-0.2	-1.7	-1.5	-5.5
Profit before taxes	41.0	3.8	52.2	22.0	54.8
Operating margin					
Fibre	8.0%	1.0%	5.9%	3.4%	6.0%
Industrial Trading	7.0%	n/a	4.0%	n/a	-2.3%
Other Industry	3.0%	n/a	-3.4%	n/a	4.3%
Total	7.2%	1.0%	5.0%	3.4%	5.1%

Summary Parent Company Income Statement

Amounts in MSEK	OKT-DEC 2017	OKT-DEC 2016	JUL-DEC 2017	JUL-DEC 2016	JAN-JUN 2017
Net revenue	2.0	1.5	4.0	3.0	4.0
Other external costs	-3.1	-0.7	-3.9	-1.1	-3.6
Personnel costs	-2.1	-0.8	-3.1	-2.0	-2.7
Depreciation and amortisation	-0.1	0.0	-0.1	0.0	0.0
Operating result	-3.3	0.0	-3.1	-0.1	-2.3
Result from shares in Group companies	0.0	-9.3	0.0	-9.3	0.0
Financial income	0.3	0.2	0.5	0.3	0.5
Financial expense	-0.1	-0.1	-0.2	-0.1	-0.2
Net finance items	0.2	-9.2	0.3	-9.1	0.3
Group contributions received/rendered	0.0	9.7	0.0	9.7	-7.9
Result before taxes	-3.1	0.5	-2.8	0.5	-9.9
Taxes on the period's result	0.1	-0.2	0.0	-0.2	0.2
RESULT AFTER TAXES	-3.0	0.3	-2.8	0.3	-9.7

Summary Report of Parent Company Comprehensive Result

RESULT FOR THE PERIOD	-3.0	0.3	-2.8	0.3	-9.7
Other comprehensive result	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	-3.0	0.3	-2.8	0.3	-9.7

Summary Parent Company Balance Sheet

Amounts in MSEK	2017-12-31	2016-12-31	2017-06-30
ASSETS			
Non-current assets			
Other intangible non-current assets	0.7	0.0	0.0
Shares in Group companies	856.5	64.7	856.5
Other equities	0.4	0.0	0.0
Deferred tax assets	25.4	24.7	24.8
Total non-current assets	883.0	89.4	881.3
Current assets			
Due from Group companies	31.8	33.4	35.7
Prepaid expenses and accrued income	0.5	0.3	0.5
Other receivables	0.8	0.3	0.7
Cash and cash equivalents	7.0	8.9	11.8
Total current assets	40.1	42.9	48.7
TOTAL ASSETS	923.1	132.3	930.0
EQUITY AND LIABILITIES			
Equity			
Restricted equity	40.1	8.4	40.1
Unrestricted equity	858.1	110.1	860.4
Total equity	898.2	118.5	900.5
Current liabilities			
Liabilities to credit institutions	5.7	8.5	7.1
Trade payables	0.5	0.2	0.0
Due to Group companies	17.0	3.8	20.9
Other liabilities	0.2	0.5	0.3
Accrued expenses and prepaid income	1.5	0.8	1.2
Total current liabilities	24.9	13.8	29.5
Total liabilities	24.9	13.8	29.5
TOTAL EQUITY AND LIABILITIES	923.1	132.3	930.0

DEFINITION OF KEY FINANCIAL INDICATORS

Equity	Sum total of share capital, reserves and retained earnings at year-end.
Equity ratio	Equity divided by the balance sheet total.
Earnings per share	Result after taxes divided by the average number of shares outstanding.
ROCE	Result after net finance items, plus finance costs, in percent of average capital employed.
Capital employed	Equity plus interest-bearing liabilities.
+Net liabilities/Net cash and cash equivalents	Interest-bearing liabilities, less cash and cash equivalents.

Acquisition Analysis Bonar Agro

Amounts in MSEK	
Total purchase price	71,545
Cash settled purchase price	71,545
Total acquisition value	71,545
Fair value of acquired net assets	102,148
Negative goodwill	-30,603

Assets and liabilities arising from the acquisition are as follows

Land	34,860
Buildings	14,951
Tangible non-current assets	2,159
Inventories	102,721
Provisions	-32,997
Pension provisions	-3,788
Deferred tax asset	14,509*
Deferred tax liability	-30,267*
Fair value of net assets	102,148

* This net tax liability must be regarded as hypothetical since the Group in Belgium has relevant tax loss carryforwards of approximately MSEK 800. In accordance herewith the net value of acquired assets could be carried at a MSEK 16 higher amount.

The formal takeover of Bonar Agro's assets took place on 1 November 2017. The business will be conducted in the newly formed company Cresco NV as a part of Business Area Fibre. The acquisition complements Duroc's business in textile fibre, both in terms of product offerings and selling channels. The existing infrastructure can also be utilised to support sales to the cultivation industry in, for instance, North America. Since the assets in this acquisition have been acquired at on what is judged to be favourable terms, negative goodwill reported as other revenue arises as a consequence of current accounting rules. This is reported as other revenue. As the acquired inventory is sold, strong cash flow will be generated in the Group, mainly during the current year. Since the Belgian business has significant tax loss carryforwards, no tax will be payable as a result of these flows. The acquisition is expected to generate sales of approximately MSEK 200. Cresco's sales for the quarter amounted to approximately MSEK 40 for an operating loss of MSEK -1.5, which is better than expected. The acquisition analysis is preliminary and will be established within one year of the time of acquisition.