



## Interim report for the first quarter of 2010

### This interim report comprises the period January 1 – March 31, 2010

- Net sales amounted to SEK 324.5 M (299.8), up 8.2%
- The gross margin was 29.7% (27.9)
- Operating loss was SEK 11.1 M (profit 0.6)
- Net loss amounted to SEK 14.5 M (loss 3.7)
- Earnings per share were negative SEK 0.8 (neg. 0.2)

### Significant events during the period

- Two new stores were opened, Lahti (Finland) and Haugesund (Norway)
- Svea Distribution AB, purchasing agent and distributor to Byggmax, was acquired on January 2, 2010

Earnings overview	January–March		12 months	Full-year
	2010	2009	April 1, 2009– March 31, 2010	2009
Net sales, SEK M	324.5	299.8	2,468.2	2,443.5
Gross margin, %	29.7	27.9	30.0	29.8
EBIT, SEK M	–11.1	0.6	261.0	272.7
Net profit, SEK M	–14.5	–3.7	150.4	161.2
Earnings per share, SEK	–0.8	–0.2	8.2	8.8
Number of stores at end of period	63	54	63	61
New stores opened during period	2	0	9	7

### President's comments on results

Byggmax continues to expand its store network in the Nordic region. In the first quarter, the company opened two stores and signed contracts for a further seven establishments during the year. Most of these are scheduled to open before the summer. Total sales rose eight percent, primarily due to the opening of nine new stores since the first quarter of 2009. Byggmax's sales vary seasonally throughout the year and the first quarter is generally the Group's weakest. Sales for the first three months of the year were negatively affected by the cold weather, since Byggmax's offering largely comprises products of an outdoor nature.

The gross margin improved during the quarter in relation to the year-earlier period, demonstrating that the work on the offering and purchasing generated results.

Overheads increased during the quarter, mainly as a result of a large number of newly established stores and nonrecurring costs.

Given that the macro economy in the Nordic countries is continuing to recover and disposable income is increasing, our assessment is that consumption will continue to grow. Combined with a continued favorable DIY trend, this will benefit Byggmax.

The company is continuing its goal-oriented venture to establish successful new stores and to strengthen its market position – all with comprehensive cost-awareness.

### Magnus Agervald

President of Byggmax Group AB

## Consolidated sales and earnings

### Revenues

The operation's net sales during the first three months of the financial year amounted to SEK 324.5 M (299.8), up 8.2%. Operating revenue for the first three months of the fiscal year amounted to SEK 325.1 M (301.2), up 7.9%. Net sales for comparable stores<sup>1</sup> declined 0.3% in local currency. Net sales for the period amounted to SEK 267.2 M (254.7) in Sweden and to SEK 57.3 M (45.1) for the other Nordic markets.

#### The sales increase of 8.2% is divided according to the following:

Comparable stores, local currency	-0.3%
Noncomparable units	+8.5%
Exchange-rate effects	0.0%
<b>Total</b>	<b>8.2%</b>

The Group opened two (0) stores during the period. The total number of stores in the Group at March 31, 2010, thus amounted to 63 (54).

### Operating profit/loss

The Group reported an operating loss of SEK 11.1 M (0.6). The operating margin was negative 0.7% (3.0).

The gross margin amounted to 29.7%, compared with 27.9% in the year-earlier period. The stronger gross margin was the result of more efficient purchasing work.

Personnel costs and operating expenses rose a total of SEK 23.1 M. The increase was attributable to SEK 13.8 M in expenses for operations that were not previously part of the Group (the purchasing company Svea Distribution AB and stores not opened in the first quarter of 2009), as well as SEK 2.2 M in higher costs for other stores due to the cold weather (snow removal and heating) and SEK 3.1 M in Group expenses for a possible listing on the stock exchange.

### Profit/loss after financial items

The Group reported a loss after financial items of SEK 27.3 M (loss: 12.0). Net financial items amounted to an expense of SEK 16.2 M (expense: 12.6). Net financial items in the year-earlier period were impacted by larger unrealized exchange-rate effects compared with the same period in 2010.

### Financial position and cash flow

Cash flow from operating activities amounted to negative SEK 44.2 M (neg: 48.1), up SEK 3.9 M compared with the year-earlier period, due to a reduction in current receivables.

At the end of the period, inventory amounted to SEK 318.6 M (255.4). Compared with the end of the year-earlier period, nine new stores were added along with a small warehouse in conjunction with the acquisition of the

purchasing company Svea Distribution AB. The inventory associated with this acquisition amounted to SEK 46.7 M.

At March 31, 2010, consolidated shareholders' equity totaled SEK 333.2 M (171.8). The Group's net indebtedness declined by SEK 142 M compared with the corresponding period in the preceding year. The equity/assets ratio was 50% (38). Unutilized credits totaled SEK 51.9 M (95.0).

Investments during the period amounted to SEK 4.5 M (1.2), of which SEK 3.5 M (0.2) comprised investments in new stores.

### Acquisitions and establishments

Two new stores were opened during the period: Hauge-sund (Norway) and Lahti (Finland). Bygghmax plans to open five new stores during the second quarter: Partille (Sweden), Fredrikstad (Norway), Värnamo (Sweden), Karlshamn (Sweden) and Trollhättan (Sweden). On January 2, 2010, Bygghmax Group AB acquired all shares in Svea Distribution AB. The acquisition is described in Note 3.

### Employees

The number of employees rose to 334 (278) at the end of the period, due to an increase in the number of stores.

### Risks and uncertainties

A number of factors can impact Bygghmax's earnings and operations. Most of these factors can be managed through internal procedures, while certain factors are largely governed by external circumstances. Bygghmax's sales are affected by the weather, since the company's offering largely comprises products of an outdoor nature. This primarily impacts the distribution of sales throughout the year. For a more detailed description of the Group's risks and risk management, refer to the Annual Report for 2009. Besides the risks described in the Annual Report, no material risks arose during the period.

### Parent Company

The Parent Company is a holding company. The Parent Company reported sales of SEK 0.1 M (0.0) during the first quarter and a loss of SEK 14.3 M (loss: 10.2) after financial items. The company's earnings were charged with expenses associated with the preparations for a possible stock exchange listing totaling SEK 3.1 M (0.0).

### Events after the close of the reporting period

No significant events occurred after the close of the reporting period.

*All figures in parentheses above and below refer to the corresponding period or date in the preceding year.*

<sup>1</sup> A store is classified as comparable as of the second year-end after the store was opened. Stores that are relocated to new premises in existing locations are handled in the same manner.

### Accounting policies

Bygghmax Group AB applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1.2 Supplementary Accounting Rules for Groups.

The Parent Company's accounts were prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2.2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The same accounting policies were applied for the Parent Company as for the Group, except in the cases stated under "Parent Company accounting policies" in Note 2.2 of the Annual Report for 2009.

The accounting policies are unchanged since the most recent Annual Report, with the exception of IFRS 3 (revised).

The Group applies IFRS 3 Business Combinations (revised) as of January 1, 2010. The revised standard stipulates the continued application of the acquisition method, but with a number of changes. All payments that are made for the purpose of acquiring a business are to be recognized at fair value on the acquisition date, and any conditional payments that are classified as liabilities are to be revalued through profit and loss. For each individual acquisition, the Group may choose to determine the minority interest in the acquired operation as either the fair value or expressed as the minority interest's proportional share of the operation's net assets. All acquisition-related costs are expensed as they arise.

For a more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report, refer to Notes 1-4 of the Annual Report for the 2009 fiscal year.

**Stockholm, April 12, 2010**

**Fredrik Cappelen**  
Chairman of the Board

**Anders Moberg**  
Board member

**Johannes Lien**  
Board member

**Stefan Linder**  
Board member

**Stig Notlöv**  
Board member

**Magnus Agervald**  
President

### Review report

We have reviewed the interim report of Bygghmax Group AB for the period from January 1, 2010 to March 31, 2010. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim financial information based on our review.

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with Swedish GAAP and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the accompanying interim report has not been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company.

**Stockholm, April 12, 2010**

Öhrlings PricewaterhouseCoopers

**Anna-Carin Bjelkeby**  
Authorized Public Accountant

## **Financial calendar**

Second quarter interim report 2010:	July 20, 2010
Third quarter interim report 2010:	October 25, 2010
Year-end report 2010:	February 23, 2011

## **For further information, please contact**

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Background information about Byggmax and press photos are available at [www.byggmax.com](http://www.byggmax.com)

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Corporate Registration Number: 556656-3531  
Registered office: Solna

## Consolidated summary of comprehensive income

Amounts in SEK M	Note	January 1,2010 –March 31, 2010	January 1,2009– March 31, 2009	January 1,2009– December 31, 2009
Net sales	1	324.5	299.8	2,443.5
Other operating income		0.6	1.3	7.3
<b>Operating income</b>		<b>325.1</b>	<b>301.2</b>	<b>2,450.8</b>
<b>Operating expenses</b>				
Goods for sale		–228.2	–216.2	–1,715.7
Other external and operating expenses		–56.0	–41.6	–248.2
Personnel costs		–43.1	–34.5	–180.3
Depreciation and amortization of tangible and intangible fixed assets		–8.9	–8.3	–33.9
<b>Total operating expenses</b>		<b>–336.2</b>	<b>–300.6</b>	<b>–2,178.1</b>
<b>Operating profit/loss</b>		<b>–11.1</b>	<b>0.6</b>	<b>272.7</b>
<b>Loss after financial items</b>		<b>–16.2</b>	<b>–12.6</b>	<b>–68.8</b>
<b>Loss before tax</b>		<b>–27.3</b>	<b>–12.0</b>	<b>203.9</b>
Income tax		12.8	8.3	–42.7
<b>Profit/loss for the period</b>		<b>–14.5</b>	<b>–3.7</b>	<b>161.2</b>
<b>Other comprehensive income for the period</b>				
Translation differences		–0.6	1.0	1.5
<b>Total other comprehensive income for the period</b>		<b>–0.6</b>	<b>1.0</b>	<b>1.5</b>
<b>Total comprehensive income for the period</b>		<b>–15.1</b>	<b>–2.7</b>	<b>162.7</b>
Earnings per share, SEK		–0.8	–0.2	8.8
Average number of shares, 000		18,420	18,367	18,387
Number of shares at the end of the period		18,423	18,367	18,405

## Consolidated summary of statement of financial position

Amounts in SEK M	Note	March 31, 2010	March 31, 2009	December 31, 2009
<b>ASSETS</b>				
<b>Fixed assets</b>				
Intangible fixed assets		1,061.1	1,055.6	1,055.5
Tangible fixed assets		109.9	125.1	111.8
Financial fixed assets		13.7	2.3	14.3
<b>Total fixed assets</b>		<b>1,184.6</b>	<b>1,182.9</b>	<b>1,181.6</b>
<b>Current assets</b>				
Inventories		318.5	255.4	295.0
Derivatives		1.4	4.9	0.9
Current receivables		64.2	57.4	97.2
Cash and cash equivalents		27.6	69.7	31.6
<b>Total current assets</b>		<b>411.7</b>	<b>387.3</b>	<b>424.7</b>
<b>TOTAL ASSETS</b>		<b>1,596.2</b>	<b>1,570.3</b>	<b>1,606.3</b>

Amounts in SEK M	Note	March 31, 2010	March 31, 2009	December 31, 2009
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>		<b>333.2</b>	<b>171.8</b>	<b>337.8</b>
<b>LIABILITIES</b>				
Borrowing from credit institutions		312.3	482.4	307.3
Loans from related parties		468.9	429.4	458.0
Derivative instruments		7.3	11.8	11.0
Deferred tax liabilities		47.8	33.0	47.3
<b>Long-term liabilities</b>		<b>836.2</b>	<b>956.7</b>	<b>823.7</b>
Borrowing from credit institutions		107.8	122.0	71.3
Accounts payable		247.4	272.4	285.6
Current tax liabilities		9.3	0.0	31.7
Derivative instruments		2.6	0.0	2.9
Other liabilities		11.8	8.2	8.2
Accrued expenses and prepaid income		48.0	39.2	45.2
<b>Current liabilities</b>		<b>426.8</b>	<b>441.8</b>	<b>444.9</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,596.2</b>	<b>1,570.3</b>	<b>1,606.3</b>

## Consolidated statement of changes in shareholders' equity

Amounts in SEK M	Note	January 1, 2010 –March 31, 2010	January 1, 2009 –March 31, 2009	January 1, 2009– December 31, 2009
Opening balance at beginning of period		337.8	174.5	174.5
Comprehensive income				
Translation differences		–0.6	1.0	1.5
Profit/loss for the period		–14.5	–3.7	161.2
Total comprehensive income			–2.7	162.7
Transactions with shareholders				
New issue		0.0		0.6
Unconditional shareholders' contribution		9.0		
Non-cash issue		1.5		
Total transactions with shareholders		10.5		0.6
<b>Shareholders' equity at end of period</b>		<b>333.2</b>	<b>171.8</b>	<b>337.8</b>

## Consolidated cash flow statement

Amounts in SEK M	Note	January 1, 2010 –March 31, 2010	January 1, 2009 –March 31, 2009	January 1, 2009– December 31, 2009
<b>Cash flow from operating activities</b>				
Operating activities		–11.1	0.6	272.7
Non-cash items				
–Depreciation/amortization of tangible and intangible fixed assets		8.9	8.3	33.9
–Capital gains from divestment of subsidiaries		0.0	0.0	4.5
–Other non-cash items		–1.3	–1.6	0.7
Interest received		3.5	7.9	22.9
Interest paid		–8.8	–11.8	–38
Tax paid		–9.5	–3.0	–10.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>–18.2</b>	<b>0.5</b>	<b>286.8</b>
<b>Changes in working capital</b>				
Increase/decrease in inventories and work in progress		–21.6	–24.8	–62.9
Increase/decrease in other current receivables		36.2	10.5	–40.2
Increase/decrease in other current liabilities		–40.6	–34.3	–21.2
<b>Cash flow from operating activities</b>		<b>–44.2</b>	<b>–48.1</b>	<b>162.5</b>
<b>Cash flow from investing activities</b>				
Divestment of subsidiaries		0.0	0.0	6.2
Investment in intangible fixed assets		–0.3	–0.3	–3.2
Investment in tangible fixed assets		–4.3	–1.0	–11.6
Divestment of tangible fixed assets		0.0	0.0	5.2
Acquisition of financial fixed assets		0.1	–0.2	–0.9
Investment in other financial fixed assets		–0.5	0.0	0.0
Investment in subsidiaries		7.2	0.0	0.0
<b>Cash flow from investing activities</b>		<b>2.3</b>	<b>–1.4</b>	<b>–4.3</b>
<b>Cash flow from financing activities</b>				
New issue		0.0	0.0	0.6
Change in overdraft facility		43.1	0.0	0.0
Borrowings		0.0	0.0	0.0
Amortization of loans		–5.1	–5.6	–252.7
<b>Cash flow from financing activities</b>		<b>38.0</b>	<b>–5.6</b>	<b>–252.1</b>
<b>Cash flow for the period</b>		<b>–4.0</b>	<b>–55.1</b>	<b>–93.9</b>
Cash and cash equivalents at the beginning of the period		28.2	122.1	122.1
<b>Cash and cash equivalents at the end of the period</b>		<b>24.3</b>	<b>67.0</b>	<b>28.2</b>

## Parent Company income statement

Amounts in SEK M	Note	January 1, 2010 –March 31, 2010	January 1, 2009 –March 31, 2009	January 1, 2009– December 31, 2009
<b>Operating income</b>				
Operating income		0.1	0.0	0.1
<b>Operating expenses</b>				
Other external expenses		–3.4	–0.1	–2.0
Personnel costs		–0.1	0.0	–0.2
<b>Total operating expenses</b>		<b>–3.5</b>	<b>–0.1</b>	<b>–2.3</b>
<b>Operating loss</b>		<b>–3.4</b>	<b>–0.1</b>	<b>–2.2</b>
<b>Loss from financial items</b>		<b>–10.9</b>	<b>–10.0</b>	<b>–38.6</b>
<b>Loss before tax</b>		<b>–14.3</b>	<b>–10.2</b>	<b>–40.8</b>
Tax on loss		0.3	0.3	10.7
<b>Loss for the period</b>		<b>–13.9</b>	<b>–9.9</b>	<b>–30.1</b>

## Parent Company balance sheet

Amounts in SEK M	Note	March 31, 2010	March 31, 2009	December 31, 2009
<b>ASSETS</b>				
Fixed assets				
Financial fixed assets		674.1	624.3	661.1
<b>Total fixed assets</b>		<b>674.1</b>	<b>624.3</b>	<b>661.1</b>
Current assets				
<b>Total fixed assets</b>		<b>2.1</b>	<b>6.1</b>	<b>4.8</b>
<b>TOTAL ASSETS</b>		<b>676.2</b>	<b>630.3</b>	<b>665.9</b>

Amounts in SEK M	Note	March 31, 2010	March 31, 2009	December 31, 2009
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		204.1	200.0	207.6
Provisions		7.4	8.5	7.7
Total long-term liabilities		460.3	420.9	449.5
Current liabilities		4.3	0.9	1.1
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>676.2</b>	<b>630.3</b>	<b>665.9</b>
Pledged assets		320.1	235.4	307.1
Contingent liabilities		None	None	None



## Notes to the interim report

### Note 1 Segments

Amounts in SEK M	Note	January 1, 2010 –March 31, 2010	January 1, 2009 –March 31, 2009	January 1, 2009– December 31, 2009
Net sales				
Nordic region		324.5	299.8	2,443.5

The Group has only one identified operating segment, which is the Nordic segment.

### Note 2 Disclosures about transactions with related parties

Related parties to Byggmax are Lindorff Customer Services AB and Dustin Financial Services AB. Purchases carried out during the period did not amount to any significant amount. Transactions were conducted on market-based terms.

### Note 3 Acquisition of Svea Distribution AB

On January 2, 2010, Byggmax Group AB acquired 100% of the shares in the acquired company, Svea Distribution AB. Svea Distribution is the purchasing agent and distributor for some of the goods included in the range sold by Byggmax. The main reason for the acquisition of Svea Distribution AB was that 90% of the company's sales were to Byggmax, and there was the possibility of synergy effects in purchasing and administration. During 2009, Svea Distribution reported sales of SEK 80 M and the company reported profits after tax of SEK 2.5 M. The purchase consideration amounted to SEK 13 M and was paid primarily through unconditional shareholders' contribution from Altor 2003 GP Limited, which previously owned 75% of Svea Distribution. In addition to goodwill, which amounted to SEK 6.4 M, no surplus value was identified during the preliminary preparation of the acquisition estimate. Costs for consultation in conjunction with the acquisition amounted to SEK 0.1 M. Svea Distribution AB contributed profit before tax of SEK 0.7 M during the first quarter of 2010. Svea Distribution AB's accounting was prepared in accordance with the Annual Accounts Act and general accounting recommendations of the Swedish Accounting Standards Board.

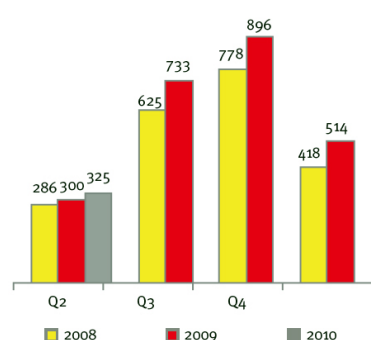
<b>Purchase consideration</b>	
Cash and cash equivalents	2.0
Unconditional shareholders' contribution	9.0
Non-cash issue	1.5
Conditional purchase consideration	0.5
<b>Purchase consideration paid</b>	<b>13.0</b>
<b>Recognized amount of identifiable acquired assets and assumed liabilities</b>	
Inventories	0.4
Accounts receivable	3.3
Current tax receivables	0.2
Other current receivables	0.4
Prepaid expenses and accrued income	0.8
Cash and bank balances	8.2
Deferred tax, untaxed reserves	–0.9
Accounts payable	–3.5
Other current liabilities	–1.4
Accrued expenses and deferred income	–1.0
<b>Total identifiable net assets</b>	<b>6.6</b>
Goodwill	6.4
<b>Total</b>	<b>13.0</b>

## Note 4 Income per quarter

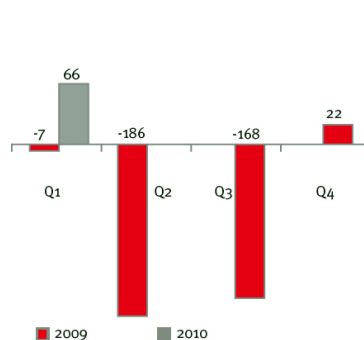
Amounts in SEK oos	2008				2009				2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	286,3	625,1	777,6	418,0	299,8	733,1	896,5	514,1	324,5
Gross margin, %	26.6	27.1	29.6	28.3	27.9	29.9	30.2	29.9	29.7
EBIT					0.6	88.7	145.6	37.8	-11.1
EBIT margin, %					0.2	12.1	16.2	7.4	-3.4
Working capital					-7.1	-186.4	-167.9	21.5	66.1
Number of stores	47	52	54	54	54	55	60	61	63

The Group's income displays seasonal variations. During the fiscal year, the second and third quarters are normally the strongest.

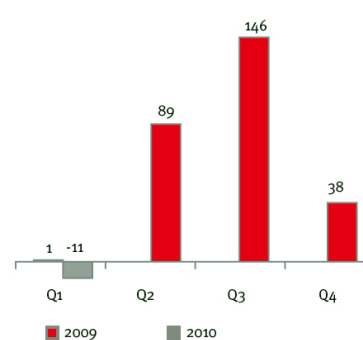
## Net sales (SEK M)



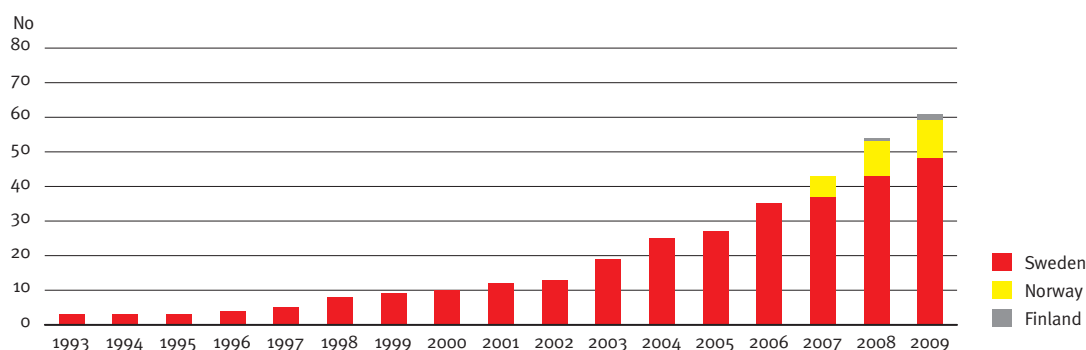
## Working capital, net (SEK M)



## Operating profit/loss (SEK M)



## Number of stores



## Definition of key figures

**Equity/assets ratio:** (shareholders' equity + subordinated shareholders' loans)/ total assets

**Gross margin:** (net sales – goods for sale)/ net sales

**Earnings per share:** Profit after tax/number of outstanding shares at the end of the period

**EBIT margin:** EBIT/net sales

**Working capital:** working capital assets (inventories, current receivables) – working capital liabilities (accounts payable, current tax liabilities, other liabilities, accrued expenses and deferred income)

