

Interim Report

January-March
2017



” Earnings for the first quarter developed according to plan. It was also gratifying that the cash flow was strong and that the growth in light packaging continued. Our strategy, to increase the focus on light packaging while working on improving and making the envelope operations more efficient, remains, says Bong’s CEO Håkan Gunnarsson. ”

January – March 2017

- Net sales decreased with 4 percent to SEK 545 million (567)
- Operating profit before depreciation increased to SEK 30 million (24)
- Operating profit increased to SEK 19 million (11)
- Non-recurring items amounted to SEK 0 million (430)
- Earnings after tax amounted to SEK 4 million (343)
- Earnings per share amounted to SEK 0.01 (1.75)
- Cash flow after investing activities amounted to SEK 22 million (7)

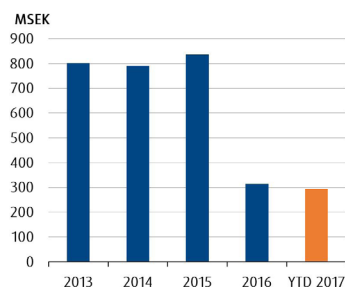
Key Ratios

MSEK	Jan-Mar 2017	Jan-Mar 2016	Apr 2016- Mar 2017	Jan-Dec 2016
Net sales	545	567	2,113	2,135
EBITDA	30	24	67	61
Non-recurring items	-	-	-18 ¹⁾	-18 ¹⁾
Adjusted EBITDA	30	24	85	79
Adjusted EBITDA - margin, %	5.5%	4.2%	4.0%	3.7%
EBIT	19	11	16	9
Non-recurring items, financial net	-	430 ²⁾	- ⁵⁾	430 ²⁾
EBT	7	432	-32	393
Earnings after tax	4	343	-42	297
Earning per share, SEK	0.01	1.75	-0.20	1.42
Cash flow after investing activities	22	7	48	30
Equity/ asset ratio, %	43.9%	45.4%	43.3%	43.3%

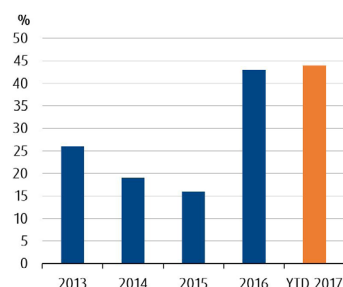
1) Restructuring cost SEK -18.2 million

2) Refinancing transaction SEK 430 million

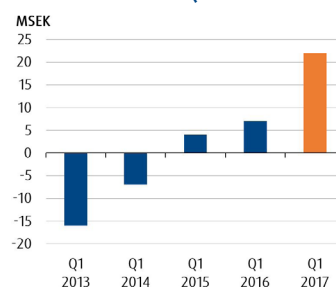
Net debt



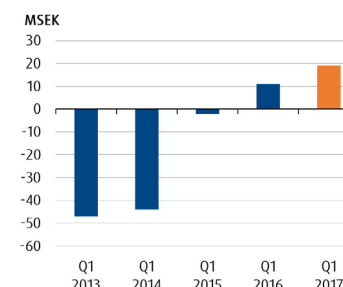
Equity ratio



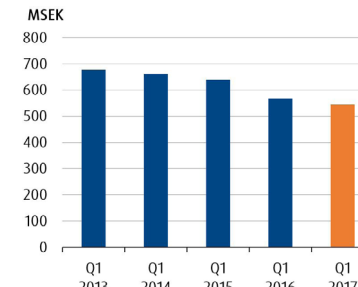
Cash flow after investing activities - Q1



Operating profit/loss - Q1



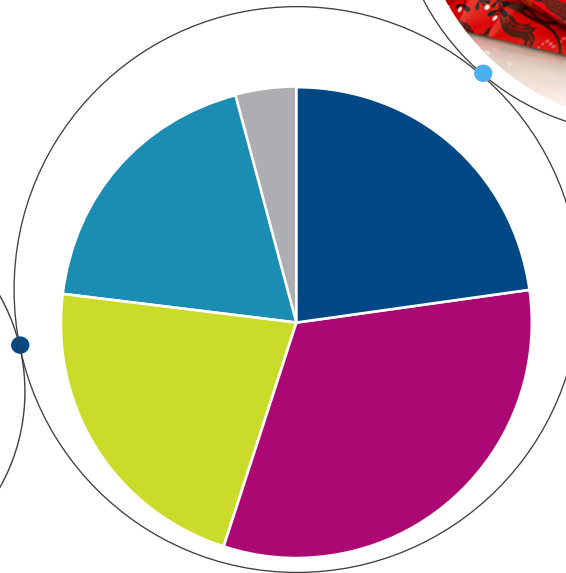
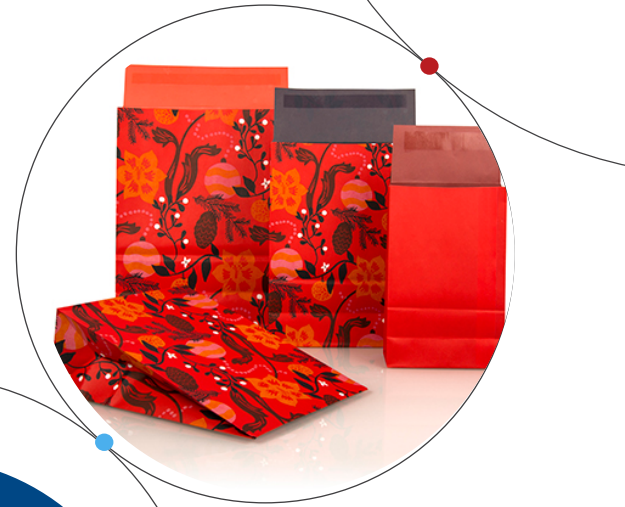
Net sales - Q1



This is the Bong Group

Bong is one of the leading providers of specialty packaging and envelope products in Europe and offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are packaging within retail and e-commerce and the envelope market within Eastern Europe. The Group has annual sales of approximately SEK 2.1 billion and about 1,500 employees in 15 countries.

Bong has strong market positions in most of the important markets in Europe and the Group sees interesting possibilities for continued development. Bong is a public limited company and its shares are listed on Nasdaq Stockholm (Small Cap).



Sales to geographical areas 2017

- Nordic/Baltics/Russia, 22%
- Central Europe, 33%
- France and Spain, 24%
- United Kingdom, 17%
- Others, 4%



- Production and sales
- Sales

Market and industry

During the first quarter of 2017, FEPE statistics shows that the European envelope market volume have decreased by approximately 3%. The reduced decline in the market is affected by an “easter effect” compared to 2016. Bongs estimation is that the market will decline approximately 5% during 2017.

The restructuring process and consolidation of the industry will continue, but at a slower pace than the market decline. Large overcapacity will remain. One of our main competitors on the European market, Mayer Kuvert, sold their production site for overprinting in Austria to IMARCO-Group. Furthermore, BlessOF in Germany, which is part of Mayer Kuvert, has applied for the opening of a self-administration procedure in order to pursue necessary restructuring and restructuring measures without insolvency administrators. This will reduce the overcapacity in the German market.

While the envelope market continues to decline the light packaging market, where Bong is present, is still growing and is a large and fragmented market. During the first quarter 2017 Bongs sales of Light Packaging products have increased with approximately 10% compared to the same period previous year. The machines for production of paper carrier are still producing at high capacity and is a product that Bong see large opportunities for due to the EU-legislation that will ban usage of plastic bags in Europe within a few years. This ban has already been implemented in a number of European countries.

Sales and profit

January – March 2017

Consolidated sales for the period reached SEK 545 million (567). Exchange rate fluctuations had a positive impact on sales of SEK 4 million compared with 2016. The main reason for the drop in sales is the continued downturn in the envelope market, which resulted in both lower volumes and pricing pressures which had a negative impact on Bong's gross earnings.

Despite lower sales, operating profit amounted to SEK 19 million (11), due to the lower cost structure as a result of the previous restructuring programs. During the period operating profit was affected by a non-recurring profit of SEK 5 million attributable to renegotiated pension agreements in Norway. Furthermore, it has been decided to move all the production from Tönsberg in Norway to Kristianstad in Sweden. This action will result in annual savings of approximately SEK 8 million. No provisions for restructuring costs has been made.

Net financial items for the period, excluding non-recurring items, amounted to SEK -11 million (-6). Non-recurring items for 2016, related to the refinancing transaction, amounted to SEK 430 million, note 1.

Earnings before tax were SEK 7 million (432) and reported earnings after tax were SEK 4 million (343). Excluding the refinancing transaction 2016 earnings before tax in the first quarter 2016 amounted to SEK 2 million and earnings after tax amounted to SEK -2 million.

Bong's total light packaging sales amounted to SEK 98 million (89). Currency fluctuations had a positive impact on light packaging sales of SEK 0.3 million compared with the corresponding period in 2016.

Cash flow and investments

The cash flow after investing activities improved to SEK 22 million (7) compared to previous year. An improved cash flow from operating activities and decrease in investments had a positive effect.

Restructuring programs had negative impact of SEK -8 million (-17). Investments had a negative impact amounting to SEK -2 million (-11). Only minor asset sales were made in the period.

Financial position

Cash and cash equivalents at 31 March 2017 amounted to SEK 108 million, including the escrow account of SEK 15 million (SEK 90 million at 31 December 2016, including the escrow account of SEK 12 million). The Group had unutilized credit facilities of SEK 10 million on the same date. Total available cash and cash equivalents thus amounted to SEK 118 million, including the escrow account of 15 MSEK (87 million at 31 December 2016, including the escrow account of SEK 12 million). Consolidated equity at the end of March 2017 was SEK 702 million (SEK 697 million at 31 December 2016). Translation of the net asset value of foreign subsidiaries to Swedish krona and changes in the fair value of pension debt and derivative instruments increased consolidated equity by SEK 2 million. The interest bearing net loan debt decreased during the period by SEK -21 million to SEK 294 million (SEK 315 million at 31 December 2016).

Employees

The average number of employees during the period was 1,474 (1,605). The Group had 1,462 (1,597) employees at the end of March 2017. Bong has intensively worked on improving productivity and adjusting staff to meet current demand and the reduction is the result of the implemented restructuring measures.

Parent Company

The Parent Company's business extends to management of operating subsidiaries and certain Group management functions. Sales were SEK 0.9 million (0.2) and earnings before tax for the period were SEK -6 million (-245). Non-recurring items, related to the refinancing transaction, amounted to SEK 229 million.

Events after the end of the period

No material events have occurred after the end of the period.

Risks and opportunities

Business risks for the Bong Group are primarily related to market development and various types of financial risks. There has not been any change to significant risks and uncertain positions since Bong's annual report for 2016 was released. For further information, please refer to Bong's annual report and website bong.com.

Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Application was consistent with the accounting principles outlined in the 2016 annual report and the interim report should be read along with those principles. Please refer to Bong's 2016 annual report for a specification of the new amendments, interpretations and standards that took effect 1 January 2017.

Kristianstad 17 May 2017

Håkan Gunnarsson

Chief Executive Officer

Additional information

Håkan Gunnarsson, CEO for Bong AB. Tel +46 44-20 70 00 (switchboard)

Financial Calendar:

- Interim Report January–June 2017, 12 July 2017
- Interim Report January–September, 2017, 16 November 2017
- Year End Report 2017, 15 February 2018

Income statement in summary

MSEK	Note	Jan-Mar 2017 3 month	Jan-Mar 2016 3 month	Apr 2016- Mar 2017 12 month	Jan-Dec 2016 12 month
Revenue		545.2	566.7	2,113.0	2,134.5
Cost of goods sold		-445.4	-465.8	-1,741.3	-1,761.7
Gross profit		99.8	100.9	371.7	372.9
Selling expenses		-45.3	-49.4	-187.2	-191.4
Administrative expenses		-34.8	-40.2	-149.8	-155.2
Other operating income and expenses		-1.0	0.2	-18.6	-17.4
Operating profit		18.6	11.4	16.0	8.8
Net financial items		-11.5	-6.4	-48.4	-45.8
Non-recurring items, financial net	1	-	427.4	-	429.9
Result before tax		7.2	432.4	-32.4	392.9
Income tax		-3.5	-89.5	-9.8	-95.8
Net result		3.7	342.9	-42.1	297.1
Total comprehensive income attributable to:					
Share holders in Parent Company		3.0	342.7	-44.5	295.2
Non-controlling interests		0.7	0.2	2.4	1.9
Basic earnings per share		0.01	1.75	-0.20	1.42
Diluted earnings per share		0.01	1.49	-0.20	1.26
Basic earnings per share, excluding non-recurring items		-	0.00	-	-0.64
Diluted earnings per share, excluding non-recurring items		-	0.00	-	-0.64
Average number of shares, basic		211,205,058	196,053,543	207,417,179	207,417,179
Average number of shares, diluted		251,205,058	232,518,189	246,533,341	246,533,341
STATEMENT OF COMPREHENSIVE INCOME					
MSEK		Jan-Mar 2017	Jan-Mar 2016	Apr 2016- Mar 2017	Jan-Dec 2016
Net result for the year		3.7	342.9	-42.1	297.1
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial loss on post employment benefit obligations		0.0	-7.6	-11.6	-19.2
		0.0	-7.6	-11.6	-19.2
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	2	0.0	-0.9	0.0	-0.9
Hedging of net investments		1.1	-7.2	-3.0	-11.3
Exchange rate differences		1.4	-6.6	23.8	15.9
Income tax relating to components of other comprehensive income		-0.2	3.8	2.4	6.4
		2.2	-10.9	23.2	10.1
Other comprehensive income for the period, net of tax		2.2	-18.5	11.6	-9.1
Total comprehensive income		5.9	324.4	-30.5	288.0
Total comprehensive income attributable to:					
Share holders in Parent Company		-319.8	324.2	-32.9	286.1
Non-controlling interests		0.7	0.2	2.4	1.9

Balance sheet in summary

MSEK	Note	31 Mar 2017	31 Mar 2016	31 Dec 2016
Assets				
Intangible assets	3	599.4	597.4	600.7
Tangible assets		221.5	236.6	228.8
Financial assets	4	146.4	146.3	147.1
Inventories		185.1	204.8	186.5
Current receivables		337.7	363.4	356.2
Cash and cash equivalents	5	108.3	74.1	89.9
Total assets		1.598.4	1.622.5	1.609.2
Equity and liabilities				
Equity	6	701.6	737.4	697.3
Non-current liabilities	7	428.3	403.5	430.1
Current liabilities	8	468.5	481.7	481.8
Total equity and liabilities		1.598.4	1.622.5	1.609.2

CHANGES IN EQUITY

MSEK	Note	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Opening balance for the period		697.3	317.1	317.1
New share issue		-	99.1	99.1
Bond loan / Convertible loan		-0.8	9.1	6.6
Dividend		-0.8	-	-1.5
Transaction cost		-	-13.0	-12.0
Non-controlling interests		0.0	0.6	0.0
Total comprehensive income		5.9	324.4	288.0
Closing balance for the period	9	701.6	737.4	697.3

Cash flow statement

MSEK	Jan-Mar 2017 3 month	Jan-Mar 2016 3 month	Apr 2016- Mar 2017 12 month	Jan-Dec 2016 12 month
Operating activities				
Operating profit	18.6	11.4	16.0	8.8
Depreciation amortisation and impairment	11.8	13.0	50.5	51.8
Financial items	-11.5	421.0	-48.4	384.1
Tax paid	-7.0	-3.4	-9.0	-5.4
Other non-cash items	-7.6	-449.9	17.9	-427.4
Cash flow from operating activities before changes in working capital	4.3	-7.8	27.1	11.9
Changes in working capital				
Inventories	1.8	5.7	24.5	28.5
Current receivables	9.6	8.1	18.0	16.4
Current operating liabilities	7.2	11.8	-7.3	-2.7
Cash flow from operating activities	22.9	17.8	62.3	54.2
Cash flow from investing activities				
Acquisition of intangible and tangible assets incl. advanced payments to suppliers	-2.2	-11.1	-18.8	-27.7
Disposal of intangible and tangible assets	1.1	0.4	4.1	3.4
Cash flow from investing activities	-1.1	-10.7	-14.7	-24.3
Cash flow after investing activities	21.8	7.1	47.5	29.9
Cash flow from financing activities				
Proceeds from borrowings	-2.9	2.8	4.6	10.3
Amortization of loans	0.0	-180.0	-15.0	-195.0
Dividend*	-0.8	-	-2.3	-1.5
Cash flow from financing activities	-0.5	-177.2	-9.6	-186.2
Cash flow for the period	18.1	-170.0	34.8	-156.3
Cash and cash equivalents at beginning of period	89.9	244.3	74.1	244.3
Exchange rate difference in cash and cash equivalents	0.4	-0.2	-0.6	1.9
Cash and cash equivalents at end of period	108.3	74.1	108.3	89.9

*Dividend to external owner in subsidiary

Notes

(MSEK)

Note 1 - Non recurring items

During the same period 2016 Bong completed the aquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 429.9 million affect the financial income and SEK 85 million have been expensed as a tax expense related to deferred tax assets on loss carried forward.

Note 2 - Financial assets and liabilities

The table below shows the Group's financial assets and liabilities in the form of derivatives measured at fair value. All financial derivatives measured at fair value are in Category 2. These include interest rate swaps and foreign exchange contracts and the valuation is based on the forward interest rates derived from observable yield curves.

2017-03-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0,0	0,0
Currency forwards - cash flow hedges	0,0	0,0
Currency forwards - held for trading	0,1	0,4
Total	0,1	0,4

2016-03-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0,0	0,0
Currency forwards - cash flow hedges	0,0	0,0
Currency forwards - held for trading	0,0	0,7
Total	0,0	0,7

2016-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0,0	0,0
Currency forwards - cash flow hedges	0,0	0,0
Currency forwards - held for trading	0,0	0,3
Total	0,0	0,3

2015-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0,0	0,3
Currency forwards - cash flow hedges	1,3	-0,1
Currency forwards - held for trading	0,3	0,5
Total	1,6	0,7

* For the above contracts, the following amounts are found in the hedge reserve under Total comprehensive income; interest rate swaps - cash flow hedges SEK 0 million, currency forwards - cash flow hedges SEK 0 million.

Other financial assets and liabilities

Fair value of the following financial assets and liabilities is estimated to be equal to book value:

- Trade receivables and other receivables
- Other current receivables
- Cash and cash equivalents
- Long-term and short-term loans
- Trade payables and other liabilities
- Other financial assets and liabilities

Information about netting of financial assets and liabilities

The Group does not apply net recognition for any of its other significant assets and liabilities and has no netting agreements with financial counterparties.

Note 3 - Intangible assets	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Goodwill	562.8	553.1	563.3
Other intangible assets	36.6	44.3	37.5
Total	599.4	597.4	600.7

Note 4 - Financial assets	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Deferred tax	144.5	140.2	144.2
Other financial assets	1.9	6.1	2.9
Total	146.4	146.3	147.1

The deferred tax asset has been decreased with SEK 85.0 million due to the aquisition of the banks claim.

Note 5 - Cash and cash equivalent	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Cash and cash equivalent	93.3	74.1	77.9
Escrow account	15.0	-	12.0
Total	108.3	74.1	89.9

Note 6 - Equity	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Non-controlling interests	11.0	8.3	10.5

Note 7 - Non-current liabilities	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Interest-bearing loans	387.8	367.4	389.8
Deferred tax	24.4	23.3	24.5
Other liabilities	16.1	12.8	15.8
Total	428.3	403.5	430.1

In connection with the issuance 2016 of the bonds, the bondholders also were awarded shares and options without consideration with a total fair value of SEK 37.3 million. This is considered to be a bundled transaction in which the proceeds from the bond issue will be allocated on the relative fair value of the respective financial instrument that the bondholder received. Thus, a total of about SEK 37.3 million of the total proceeds was allocated to shares and options, which are recognized in equity and a corresponding amount is reduced the value of the loan. The difference, compared to the principal amount of the loan at the time of issue will be accrued as an additional financial expense debit the income statement respectively the equity.

Note 8 - Current liabilities

	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Interest-bearing	0.0	0.0	2.9
Other current liabilities	468.5	481.7	478.8
Total	468.5	481.7	481.8

Note 9 - Changes in equity

The number of shares at the end of the period was 211,205,058 with a quotient value of approximately SEK 1.12. The share capital amounts to approximately SEK 236,549,664.32.

Bong completed in 2016 the aquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 95.2 million affected the equity.

QUARTERLY DATA. GROUP

MSEK	1/2017	4/2016	3/2016	2/2016	1/2016	4/2015	3/2015	2/2015	1/2015	4/2014	3/2014	2/2014	1/2014	4/2013	3/2013	2/2013
Net Revenue	545.2	579.0	489.0	499.8	566.7	612.8	560.2	532.7	639.3	676.7	600.6	593.6	662.0	664.2	594.6	627.9
Operating expenses	-526.5	-564.2	-498.9	-507.3	-555.3	-612.3	-557.4	-539.0	-641.5	-729.8	-610.0	-610.2	-705.7	-677.9	-622.9	-648.1
Operating profit	18.6	14.8	-9.9	-7.5	11.4	0.6	2.9	-6.2	-2.2	-53.1	-9.4	-16.6	-43.7	-13.7	-28.3	-20.3
Net financial items	-11.5	-14.6	-12.1	-10.2	421.0	-15.8	-12.1	-13.5	-13.6	-13.4	-13.3	-13.0	-15.8	-18.7	-15.0	-16.7
Profit before tax	7.2	0.2	-22.0	-17.7	432.4	-15.3	-9.2	-19.7	-15.8	-66.5	-22.6	-29.6	-59.5	-32.4	-43.3	-37.0

KEY RATIOS

	Jan-Mar 2017	Jan-Mar 2016	Apr 2016- Mar 2017	Jan-Dec 2016
Operating margin, %	3.4	2.0	0.4	0.4
Return on equity, %*	-	-	neg	neg
Return on capital employed, %* 1)	-	-	0.6	1.8
Equity/assets ratio, %*	43.9	45.4	45.4	43.3
Net debt/equity ratio times*	0.42	0.40	0.40	0.45
Net loan debt/EBITDA*	-	-	3.74	-
Capital employed, SEK M*	1,088.7	1,104.8	1,104.8	1,090.0
Interest-bearing net loan debt, SEK M*	294.5	293.3	293.3	314.8

1) Return on capital employed

Earnings after financial revenues

Average capital employed

19

20

-

20

1,089

1,159

-

1,159

For the key figures above, are those marked * considered to be APM (Alternative Performance Measures) and not follow IFRS. They are judged however by management to be important to show shareholders the Group's underlying performance, profitability and financial position. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. For definitions see page 10.

DATA PER SHARE

	Jan-Mar 2017	Jan-Mar 2016	Apr 2016- Mar 2017	Jan-Dec 2016
Basic earnings per share, SEK	0.01	1.75	1.79	1.42
Diluted earnings per share, SEK 2)	0.01	1.49	1.56	1.42
Basic earnings per share, excluding non-recurring items	-	0.00	-0.26	-0.64
Diluted earnings per share, excluding non-recurring items	-	0.00	-0.26	-0.64
Basic equity per share, SEK	3.32	3.49	3.49	3.30
Diluted equity per share, SEK	3.32	3.12	3.12	2.96
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	251,205,058	251,205,058	251,205,058	251,205,058
Average number of shares basic	251,205,058	196,053,543	166,508,089	207,417,179
Average number of shares diluted	251,205,058	232,518,189	196,078,796	246,533,341

2) The number of options amounts to maximum 40,000,000. Each option gives the right to subscribe for one share in Bong. All options were used before 29 February 2016. Subscription for shares based on the options shall take place by 1 February 2019. Upon subscription, the price per share is 1.15 SEK. Bongs average share price during the year is below 1.15 SEK which is why no dilution effect is taken into consideration.

Five-year summary

Key ratios	2016	2015	2014	2013	2012
Net sales. MSEK	2,135	2,345	2,533	2,564	2,946
Operating profit/loss. MSEK	9	-5	-123	-109	15
Extraordinary items. financial net. MSEK	430				
Profit/loss after tax. MSEK	297	-64	-150	-141	-55
Cash flow after investing activities. MSEK	30	-75	94	-91	-38
Operating margin. %	0.4	-0.2	-4.8	-4.3	0.5
Capital turnover rate. times	1.3	1.2	1.3	1.2	1.3
Return on equity. %	neg	neg	neg	neg	neg
Average capital employed. MSEK	1,159	1,343	1,375	1,586	1,527
Return on capital employed. %	1.8	neg	neg	neg	1.0
Equity ratio. %	43	16	19	26	17
Net loan debt. MSEK	315	837	790	802	1,005
Net loan debt/equity. times	0.45	2.64	2.09	1.54	2.70
Net debt/EBITDA. times	5.2	11.9	neg	neg	8.6
Average number of employees	1,556	1,763	1,873	2,051	2,271
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	156,659,604	156,659,604	156,659,604	17,480,995
Diluted number of shares outstanding at end of period	251,205,058	183,932,331	183,932,331	183,932,331	18,727,855
Average basic number of shares	207,417,179	156,659,604	156,659,604	63,873,865	17,480,995
Average diluted number of shares	246,533,341	183,932,331	183,932,331	73,796,014	18,727,855
Earnings per share					
Before dilution. SEK	1.42	-0.41	-0.96	-2.20	-3.20
After dilution. SEK	1.42	-0.41	-0.96	-2.20	-3.20
Earnings per share. before dilution. excluding non-recurring items	-0.64	-	-	-	-
Earnings per share. after dilution. excluding non-recurring items	-0.64	-	-	-	-
Equity per share					
Before dilution. SEK	3.30	2.02	2.41	3.33	21.25
After dilution. SEK	3.30	1.95	2.27	3.06	20.50
Cash flow from operating activities per share					
Before dilution. SEK	0.26	-0.95	0.62	-0.40	-0.10
After dilution. SEK	0.26	-0.81	0.53	-0.34	-0.09
Other data per share					
Dividend. SEK ¹⁾	0.00	0.00	0.00	0.00	0.00
Quoted market price on the balance sheet date. SEK	0.9	1.3	1.1	1.5	9.7
P/E-ratio. times	0.61	neg	neg	neg	neg
Adjusted P/E-ratio. times	neg	-	-	-	-
Price/Equity before dilution. %	27	62	46	45	45
Price/Equity after dilution. %	27	65	49	49	47

1) Board proposal

2) For definitions see page 10

Definitions

This Report includes both financial ratios based on concepts defined in IFRS, APMs (Alternative Performance Measures) according to ESMA's definition and other company-specific ratios. The ratios are defined below.

ADJUSTED EARNINGS PER SHARE BEFORE AND AFTER DILUTION

Profit after tax, excluding extraordinary net financial item divided by average number of shares before and after dilution.

AVERAGE CAPITAL EMPLOYED

Capital employed at beginning of year plus capital employed at year-end divided by two.

AVERAGE EQUITY

Shareholders' equity at beginning of year plus equity at year-end divided by two.

ADJUSTED P/E RATIO, TIMES

Share price divided by adjusted earnings per share.

AVERAGE TOTAL ASSETS

Total assets at beginning of year plus total assets at year-end divided by two.

CAPITAL TURNOVER, TIMES

Net sales by average total assets. Capital Asset turnover is a measure of how effectively the Group uses its assets.

EARNINGS PER SHARE BEFORE AND AFTER DILUTION

Profit after tax divided by the average number of shares before and after dilution.

EQUITY TO ASSETS RATIO, PER CENT

Shareholders' equity divided by total assets. Equity to assets ratio is a measure of the Group's financial strength.

EBITDA

Operating income before depreciation and amortization.

ESMA

The European Securities and Markets Authority. ESMA is the Euro-pean Union's body for monitoring the financial markets.

EXTRAORDINARY NET FINANCIAL ITEM

Net total gain from the refinancing transactions in 2016.

IFRS

International Financial Reporting Standards. An International accounting standard that Bong applies.

NET DEBT

Interest-bearing liabilities and provisions less liquid funds and interest-bearing receivables.

NET DEBT/EBITDA, TIMES

Net debt divided by EBITDA. Net debt/EBITDA is a measure of the Group's financial strength.

NET DEBT TO EQUITY, TIMES

Net debt divided by equity. Net debt to equity is a measure of the Group's financial strength.

OPERATING MARGIN, PER CENT

Operating profit divided by net sales. Operating margin is a measure of profitability. It measures how much of revenues remains after operating expenses.

P/E RATIO, TIMES

Share price divided by earnings per share.

RETURN ON CAPITAL EMPLOYED, PER CENT

Earnings after financial income divided by average capital employed. For 2016 the extraordinary net financial item has been excluded. This measure shows the return of the Group's total balance sheet, excluding non-interest-bearing debt. It is a profitability measure independent of the Group's indebtedness. It comple-ments the measure return on equity.

RETURN ON EQUITY, PER CENT

Earnings after tax divided by average equity. For 2016 the extraordinary net financial item has been excluded. This measure measures the return on shareholders' funds for the year and is useful in comparisons of other investments with the same risk profile.

SHARE PRICE/EQUITY, PER CENT

Price per share divided by equity per share.

Parent company

INCOME STATEMENT IN SUMMARY

MSEK	Jan-Mar 2017	Jan-Mar 2016
Revenue	0.9	0.2
Gross profit	0.9	0.2
Administrative expenses	-4.4	-2.4
Other operating income and expenses	0.0	0.0
Operating profit/loss	-3.5	-2.2
Non-recurring itemsm finance net	0.0	228.5
Net financial items	-2.1	18.5
Result	-5.6	244.8
Income tax	0.0	-15.9
Net result	-5.6	228.8

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Mar 2017	Jan-Mar 2016
Net Result for the year	-5.6	228.8
Other comprehensive income		
Net financial items reported directly in consolidated equity:		
Cash flow hedges	0.0	0.0
Income tax relating to components of other comprehensive income	0.0	0.0
Net result, Other comprehensive income	0.0	0.0
Total comprehensive income	-5.6	228.8

BALANCE SHEET IN SUMMARY

MSEK	31 Mar 2017	31 Dec 2016
Assets		
Financial assets	1,563.0	1,564.0
Current receivables	3.5	1.6
Cash and cash equivalents	15.1	12.0
Total Assets	1,581.5	1,577.6
Equity and liabilities		
Equity	1,205.4	1,211.9
Non-current liabilities	172.5	168.5
Current liabilities	203.6	197.1
Total equity and liabilities	1,581.5	1,577.6