

Monstra Mihi Pecuniam

A Report on Projecting and Quantifying Operational Synergies in a Group Merger¹

Carl Magnus Liungman² and Jakob Eliasson³

4 June 2008

Master Thesis in Accounting and Financial Management
Department of Accounting and Business Law
Stockholm School of Economics

Tutor: Peter Jennergren, Professor of management (1946 Donation Chair)⁴

Abstract

Synergy projection and quantification is a key issue in every strategic M&A transaction. In 2006, acquirers are estimated to have paid over US\$ 1 trillion in synergy deal premiums. However, synergy projection and quantification is an underdeveloped academic field. This case report has developed three models in order to project and quantify operational synergies in an anonymous entity, referred to as The Group. This has been done in order to identify the capital requirements for The Group in regard to a set of acquisitions The Group aims to execute. This report estimates that approximately SEK 12.6M in cash flow will be derived from synergy effects by 2010. In regard to The Group's planned acquisitions, there is no need for additional equity. On the contrary, The Group can support further acquisitions to a maximum value of SEK 230.1M by 2010.

¹ *lat. Monstra Mihi Pecuniam* eq. "Show me the Money".

² 19523@student.hhs.se.

³ 19766@student.hhs.se.

⁴ The authors gratefully acknowledge Professor Peter Jennergren for helpful comments and guidance.

Table of Contents

TABLE OF CONTENTS.....	II
1 INTRODUCTION.....	1
1.1 BACKGROUND	1
1.2 THE CASE OF “THE GROUP”	1
1.3 PROBLEM DEFINITION	2
1.4 DELIMITATIONS.....	2
1.5 DEFINITIONS.....	2
2 THEORY.....	4
3 METHOD	7
3.1 CASH FLOWS FROM STAND-ALONE PROJECTIONS	7
3.2 IDENTIFY AND CALCULATE SYNERGIES	7
3.2.1 <i>Identify and Calculate Sales Synergies: Cross Sales</i>	8
3.2.2 <i>Synergy from Increased Customer Generation</i>	13
3.2.3 <i>Cost Synergies</i>	14
4 EMPIRICAL DATA.....	16
4.1 BACKGROUND.....	16
4.2 THE DIVISIONS.....	16
4.2.1 <i>HD</i>	16
4.2.2 <i>CD</i>	17
4.2.3 <i>ITD</i>	19
4.2.4 <i>OD</i>	20
4.3 QUANTITATIVE DATA	21
4.3.1 <i>Number of Projects Cross Sold 2007 and 2008 (Actual)</i>	21
4.3.2 <i>Maximum Potential of Cross Sales 2008</i>	21
4.3.3 <i>Hit-Rate</i>	22
4.3.4 <i>Sales Distribution</i>	22
4.3.5 <i>Contribution</i>	22
4.3.6 <i>Stand-Alone Projections</i>	22
4.4 ACQUISITION STRATEGY.....	23
5 ANALYSIS	24
5.1 CASH FLOW FROM STAND-ALONE OPERATIONS	24
5.1.1 <i>Forecasting and Projecting</i>	24
5.1.2 <i>Results</i>	24
5.2 CASH FLOW FROM SYNERGIES.....	25
5.2.1 <i>Define a Baseline</i>	25
5.2.2 <i>Identify and Calculate Cost Synergies</i>	25
5.2.3 <i>Identify New Cost Ratios</i>	26
5.2.4 <i>Identify and Calculate Sales Synergies</i>	26
5.2.5 <i>Calculate the Tax Burden for all Synergies</i>	37

5.2.6 Calculate Changes in the Balance Sheet for all Synergies	37
5.2.7 Calculate Cash Flow from Investing Activities.....	38
5.2.8 Total Cash Flow from Synergies	38
5.2.9 Sensitivity Analysis	39
5.3 CAPITAL REQUIREMENTS.....	40
5.3.1 Total Cash Flow	40
5.3.2 Valuation of the Identified Targets	41
5.3.3 Required Equity for Acquisitions (Multiple Valuation)	41
5.3.4 Required Equity for Acquisitions (DCF valuation).....	43
6 CONCLUSION	45
BIBLIOGRAPHY.....	46
APPENDIX	48
APPENDIX 1A - CD FINANCIAL STATEMENTS	48
APPENDIX 1B - CD ASSUMPTIONS	49
APPENDIX 1C - CD KEY DRIVERS	50
APPENDIX 2A - ITD FINANCIAL STATEMENTS	51
APPENDIX 2B - ITD ASSUMPTIONS	52
APPENDIX 2C - ITD KEY DRIVERS	53
APPENDIX 3A - OD FINANCIAL STATEMENTS	54
APPENDIX 3B - OD ASSUMPTIONS.....	55
APPENDIX 3C - OD KEY DRIVERS.....	56
APPENDIX 4A - HD FINANCIAL STATEMENTS.....	57
APPENDIX 4B - HD ASSUMPTIONS.....	58
APPENDIX 4C - HD KEY DRIVERS	59
APPENDIX 5A - ALPHA VALUATION	60
APPENDIX 5B - ALPHA FINANCIAL STATEMENTS.....	61
APPENDIX 5C - ALPHA ASSUMPTIONS.....	62
APPENDIX 5D - ALPHA KEY DRIVERS	63
APPENDIX 6A - BETA VALUATION	64
APPENDIX 6B - BETA FINANCIAL STATEMENTS	65
APPENDIX 6C - BETA ASSUMPTIONS.....	66
APPENDIX 6D - BETA KEY DRIVERS	67
APPENDIX 7A - GAMMA VALUATION.....	68
APPENDIX 7B - GAMMA FINANCIAL STATEMENTS	69
APPENDIX 7C - GAMMA ASSUMPTIONS	70
APPENDIX 7D - GAMMA KEY DRIVERS	71
APPENDIX 8A - CAPITAL REQUIREMENTS MULTIPLE VALUATION.....	72
APPENDIX 8B - CAPITAL REQUIREMENTS DCF VALUATION	73
APPENDIX 9 - CASH FLOW FROM SYNERGIES	74
APPENDIX 10 - CROSS SALES	75
APPENDIX 11 - NEGATIVE SALES SYNERGIES	77
APPENDIX 12 - COST SYNERGIES	77
APPENDIX 13 - TOTAL CASH FLOWS	77
APPENDIX 14 - EXPLANATION OF THE VALUATION MODEL IN APPENDIX 1-7	78

Table of Figures

Equations

EQUATION 1 - THE MODEL, CROSS SALES	10
EQUATION 2 - NUMERICAL EXAMPLE, YEAR 2008, CROSS SALES.....	11
EQUATION 3 - NUMERICAL EXAMPLE, YEAR 2009, CROSS SALES	11
EQUATION 4 - NUMERICAL EXAMPLE, YEAR 2010, CROSS SALES.....	12
EQUATION 5 - THE MODEL, INCREASED CUSTOMER GENERATION.....	14
EQUATION 6 - NUMERICAL EXAMPLE, INCREASED CUSTOMER GENERATION.....	14
EQUATION 7 - THE MODEL, COST SYNERGIES	15
EQUATION 8 - NUMERICAL EXAMPLE, COST SYNERGIES	15
EQUATION 9 - THE MODEL, CROSS SALES	27
EQUATION 10 - THE MODEL, CROSS SALES	34
EQUATION 11 - EXAMPLE CALCULATING CONTRIBUTION FROM CROSS SALES 2009, KAM TO CD	35
EQUATION 12 - EXAMPLE CALCULATING CONTRIBUTION FROM CROSS SALES 2009, KAM TO CD	35
EQUATION 13 - EXAMPLE CALCULATING CONTRIBUTION FROM CROSS SALES 2009, KAM TO CD	35

Tables

TABLE 1 - CUSTOMERS CROSS SOLD 2007 AND 2008	21
TABLE 2 - MAXIMUM POTENTIAL OF CROSS SALES 2008	21
TABLE 3 - HIT-RATE 2008	22
TABLE 4 - MONTHLY SALES DISTRIBUTION FOR THE GROUP	22
TABLE 5 - CONTRIBUTION FOR CUSTOMER SEGMENTS 2007	22
TABLE 6 - KEY FIGURES FOR ACQUISITION TARGETS.....	23
TABLE 7 - STAND ALONE CASH FLOW	24
TABLE 8 - COST SYNERGIES 2008-2018.....	25
TABLE 9 - COORDINATION COSTS 2008-2018.....	26
TABLE 10 - CONTRIBUTION PER CUSTOMER 2008-2018	28
TABLE 11 - NUMBER OF NEW CUSTOMERS 2008.....	30
TABLE 12 - MAXIMUM POTENTIAL 2008-2018	31
TABLE 13 - REDUCED OR ELIMINATED OBSTACLES 2008-2018.....	34
TABLE 14 - VARIABLES TO CALCULATE CROSS SALES CONTRIBUTION FROM KAM TO CD 2008-2018	34
TABLE 15 - TOTAL CONTRIBUTION FROM CROSS SALES 2008-2018	36
TABLE 16 - NEGATIVE SALES SYNERGIES.....	37
TABLE 17 - TAX BURDEN.....	37
TABLE 18 - WORKING CAPITAL REQUIREMENTS.....	38
TABLE 19 - TOTAL CASH-FLOW FROM SYNERGIES	38
TABLE 20 - SENSITIVITY ANALYSIS	40
TABLE 21 - TOTAL CASH-FLOW	40
TABLE 22 - KEY DATA FOR ACQUISITIONS	41
TABLE 23 - REQUIRED EQUITY FOR PLANNED ACQUISITIONS USING MULTIPLES VALUATION.....	42
TABLE 24 - REQUIRED EQUITY FOR ADDITIONAL ACQUISITIONS USING MULTIPLES VALUATION	42
TABLE 25 - REQUIRED EQUITY FOR PLANNED ACQUISITIONS USING DCF VALUATION	43
TABLE 26 - EQUITY FOR ADDITIONAL ACQUISITIONS USING DCF VALUATION	44

Figures

FIGURE 1 - ACCUMULATED NUMBER OF CUSTOMERS, CROSS SALES	13
FIGURE 2 - CONTRIBUTION, CROSS SALES.....	13
FIGURE 3 - ORGANIZATIONAL CHART OF THE GROUP.....	16
FIGURE 4 - OVERVIEW OF CASH FLOWS FROM SYNERGIES.....	39

1 Introduction

1.1 Background

Synergy projection and quantification is a key issue in every strategic M&A⁵ transaction. Projected synergies often constitute the deal premium paid by the acquirer. In the first quarter 2006, the average deal premium⁶ was 24%.⁷ Given that the global M&A deal value in 2006 was US\$ 3.7 trillion^{8,9} this implies that projected synergies could constitute as much as US\$ 1 trillion. However, despite the importance the projection of synergies seem to have on the global economy, and the business community in particular, the academic research on this topic is limited^{10,11}. The intention of this case report is to enhance the knowledge and understanding on this topic, and possibly to inspire others to engage in this area of well needed research.

1.2 The Case of “The Group”

The Group was founded in 2005 with the business idea of becoming a full-assortment supplier of supply chain management services.¹² By 2006, five companies had been acquired and integrated into three divisions: the Consulting Division (CD), the IT Division (ITD) and the Outsourcing Division (OD). Increased coordination costs associated with controlling multiple companies were to be outweighed by the realization of synergies. Primarily, The Group focused on cross selling, increased customer generation and cost reductions. In 2007, The Group started to integrate the divisions. The integration involved creating a Key Account Management (KAM) team, centralizing parts of the economic and administrative functions and implementing incentive systems for cross selling.¹³ In parallel, The Group discussed the possibility to acquire new, larger companies to further strengthen The Group’s market position and further the realization of synergies.¹⁴

⁵ *ab.* M&A eq. Mergers and Acquisitions.

⁶ For deals over US\$ 100M.

⁷ McIntosh, J, Merger pace slows to allow big business into the ring, *Financial Times*, May 19th 2008.

⁸ One (1)trillion equals 10¹².

⁹ http://www.metrics2.com/blog/2006/12/21/global_ma_at_all_time_high_in_2006_37_trillion.html.

¹⁰ Knyphausen-Aufsess, D. et al. Identifying synergies ahead of mergers and acquisitions. *International Journal of Financial Services Management*, 2(4): Dec. 2007: p. 346.

¹¹ Svante Schriber, Affiliated Assistant Professor at the Center for People and Organization. Interview held at Stockholm School of Economics.

¹² Founder, interview held at Group Headquarters, April 2008.

¹³ CEO, interview held at Group Headquarters, April 2008.

¹⁴ Founder, interview held at Group Headquarters, April 2008.

1.3 Problem Definition

The new acquisitions have been posing a problem to The Group as the current capital structure may not support all of the acquisitions planned.¹⁵ This report will derive The Group's equity capital requirement in regard to these new acquisitions (Objective 2). This will be done by calculating The Group's stand-alone cash-flows (Objective 1b) together with the cash flows from synergy effects. As management has no projections of the latter cash flows, the main task of this report is to project and quantify these cash flows (Objective 1a).

1.4 Delimitations

This report will delimit itself in three ways. First, the report will not analyze synergies *within* the two divisions that consist of two companies respectively. These companies have already been fully integrated, and the management team's stand-alone projections already include these synergies¹⁶. Second, the report will only analyze *operational* synergies, thereby excluding both financial and managerial synergies¹⁷. Third, the report will only analyze synergy effects that are planned to be achieved by The Group. However, should the report find synergy effects outside of this delimitation that have a direct and quantifiable impact on the cash flow, those synergy effects will be included.

1.5 Definitions

<i>Cross Sales</i>	A (division's) increased sales from new customers, gained from another division's customer base
<i>Synergy</i>	"Merger-induced improvements in cash flow that go beyond cash flow improvements which the two companies [divisions] would be expected to generate in their current, stand-alone, constellation" ¹⁸
<i>Stand-alone</i>	A division's independent operations, i.e. excluding merger-induced effects
<i>Customer generation</i>	The flow of new customers to an entity, i.e. customers that are "new" to all parts of an entity

¹⁵ Founder, interview held at Group Headquarters, April 2008.

¹⁶ CEO, interview held at Group Headquarters, April 2008.

¹⁷ Knyphausen-Aufsess, D. et al. Identifying synergies ahead of mergers and acquisitions. *International Journal of Financial Services Management*, 2(4): Dec. 2007: p. 346.

¹⁸ Ibid. p. 346.

KAM

“The management of the customer relationships that are most important to a company [The Group]”¹⁹

¹⁹ <http://dictionary.bnet.com/definition/key+account+management.html>.

2 Theory

Synergies are defined as “merger-induced improvements in cash flow that go beyond cash flow improvements which the two companies would be expected to generate in their current, stand-alone, constellation”²⁰. There are many types of synergies that could be derived from acquisitions: geographic expansion, obtain economies of scale or economies of scope, increase market share or create barriers to entry.²¹ However, these effects can all be categorized as “financial”, “operational” or “managerial synergies”²². As previously mentioned, operational synergies will be the only synergy category covered in this report. Within operational synergies there are two types of synergies: “sales synergies” and “cost synergies”²³.

Economic theory on M&A is one of “the most frequently studied areas of economic research/.../the mainstream of studies has focused on M&A performance”²⁴. However, “little attention has been paid to how companies go about quantifying synergies”²⁵. This lack of theories was confirmed by Svante Schriber, an affiliated Assistant Professor at Stockholm School of Economics²⁶. In addition, extensive searches in different databases using keywords such as “projecting-”, “calculating-” or “quantifying synergies” resulted in only one relevant hit.

However, Knyphausen²⁷ has developed a framework for a *process* to calculate synergies. This framework contains ten steps, each discussed below. Even though it lacks theory on quantification and projection, it could assist in the process to quantify and project synergies in The Group.

²⁰ Knyphausen-Aufsess, D. et al. Identifying synergies ahead of mergers and acquisitions. *International Journal of Financial Services Management*, 2(4): Dec. 2007: p. 346.

²¹ Häkkinen, I. *Operations Integration and Value Creation in Horizontal Cross-Border Acquisitions*, Publication of the Turku School of Economics and Business Administration, 2005, p.36.

²² Ibid. p.346.

²³ Ibid. p.346.

²⁴ Nupponen, P. *Post-Acquisition Performance*, Helsinki School of Economics, 1995, p 11.

²⁵ Ibid. p. 358.

²⁶ Svante Schriber, Affiliated Assistant Professor at the Center for People and Organization. Interview held at Stockholm School of Economics.

²⁷ Knyphausen-Aufsess, D. et al. Identifying synergies ahead of mergers and acquisitions. *International Journal of Financial Services Management*, 2(4): Dec. 2007: p. 350.

1. Define a baseline

An extraction of future stand-alone projections is required in order to avoid counting for the projected synergies twice. These can be obtained from planning- or budgeting figures for the medium term.

2. Identify and calculate cost synergies

Forecasted cost synergies are extracted by combining financial statements, checklists, interviews and workshops. These quantified cost synergies are distributed across the forecast period.

3. Identify new cost ratios

The calculated cost synergies are applied to the stand-alone forecasts before any sales synergies are calculated.

4. Identify and calculate sales synergies

Potential sales synergies are calculated and distributed over the forecasting period. The one-off costs incurred by initiating the synergies in the beginning of the forecasting period must be included.

5. Calculate tax burden

The additional tax burden caused by realizing forecasted synergies, must be subtracted from the projected synergies in order to extract the synergy effects after tax.

6. Calculate changes in balance sheet

The synergies calculated in step 3 and 4 could require more or less capital driving changes on the current balance sheet such as working capital and provisions. These changes will have an impact on the cash flow statement and consequently on cash flow.

7. Calculate cash flows from investing activities

As in step 6, the synergies could have an impact on investing activities and consequently on the future balance sheets and cash flow statements. Extra investments in tangible and intangible assets, as well as depreciation and amortization due to synergies, must be accounted for.

8. Calculate cash flows for synergies the whole forecasting period

By summarizing all synergy effects, the total cash flow each year of the forecasting period, can be calculated.

9. Identify the cost of capital

The weighted average cost of capital (WACC) for the new entity is calculated as the weighted WACC for the merging entities.

10. Calculate the discounted cash flows

All future cash flows originating from extracted synergies are discounted by the WACC, calculated for The Group, to a present value. This gives an indication on what maximum premium can be paid in order maintain positive NPV of the acquisition.

3 Method

This report will use two subsets of models. First, the report will calculate The Group's stand-alone cash flows. Second, the report will apply a modified version of the framework from Knyphausen et al in order to calculate the cash flows from synergies. As previously described, this framework does not include a model to project or quantify synergies. Therefore, the report has focused on developing such methods in order to project and quantify synergies of different types.

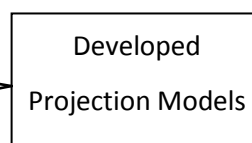
3.1 Cash Flows from Stand-Alone Projections

The Group has sales and income estimates for the coming five years, 2008-2012²⁸. In order to calculate the cash flow each of these years, these estimates have been applied to a three statement model including income statement, balance sheet and cash flow statement. The main items in the balance sheet have been calculated in the following way. First, key drivers have been identified and quantified from historical data. Second, these key drivers have been applied to forecast balance sheet items. The cash flow has been calculated in the following way. First, net income has been adjusted for depreciation, amortization, changes in working capital and provisions. This results in operating cash flow. Second, this result has been adjusted for changes in fixed assets. Third, changes in owners' equity have been accounted for to produce annual cash flows²⁹.

3.2 Identify and Calculate Synergies

The framework of Knyphausen³⁰, includes ten steps, of which only eight is applicable to this report (excluding steps 9-10). Step 9-10 were excluded since the purpose of this report is not to calculate the present value but rather the cash flow from The Group.

1. Define a baseline
2. Identify and calculate cost synergies
3. Identify new cost ratios
4. Identify and calculate sales synergies
5. Calculate tax burden
6. Calculate changes in balance sheet



²⁸ See Appendix 14 - Explanation of the Valuation Model in Appendix 1-7.

²⁹ See "Appendix 1a - CD Financial Statements", "Appendix 2a - ITD Financial Statements", "Appendix 3a - OD Financial Statements", "Appendix 4a - HD Financial Statements".

³⁰ Knyphausen-Aufsess, D. et al. Identifying synergies ahead of mergers and acquisitions. *International Journal of Financial Services Management*, 2(4): Dec. 2007: p. 347.

7. Calculate cash flows from investing activities
8. Calculate cash flows for synergies the whole forecast period
9. Identify the cost of capital
10. Discount the cash flows

As previously described, the Knyphausen-framework³¹ does not supply projection models for step 2 and step 4. As such projection models have not been found, this report has developed three different projection models: two for sales synergies and one for cost synergies that will constitute step 4 and step 2, respectively.

3.2.1 Identify and Calculate Sales Synergies: Cross Sales

The report has developed a method in order to calculate the sales synergy from cross sales between two divisions: Division Y (Y) and Division X (X). The variable t_0 is the initial year in the projection model; t is any future year in the projection model. The method involves the following variables:

C_t Average contribution³² per cross sold customer to Y from X at time= t

Example: A cross sold customer increases Y's sales by SEK 1.0M, and Y's costs by SEK 0.5M in year t . This implies that contribution equals SEK 1.0M - SEK 0.5M = SEK 0.5M. Hence,
 $C_t = 500\,000$.

N_0 The number of customers Y, has received from X in $t=0$

Example: Y has been able to cross sell their services to five of X's customers in $t=0$. Hence $N_0 = 5$.

P_0 Maximum potential: The lower of (the number of customers in Division X with a need of Division X's services at $t=0$; and the number of customers that Division Y can service at $t=0$)

Example: X has 20 customers that have a need of Y's services at $t=0$. However, Y already has 50 customers and can only handle 60 customers in total. This implies that Y is limited in regard to the amount of customers Y can accept from X. This limit is $(60 - 50 = 10)$ ten customers.
Hence, $P_0 = \text{Min}(20; 10) = 10$.

³¹ Knyphausen-Aufsess, D. et al. Identifying synergies ahead of mergers and acquisitions. *International Journal of Financial Services Management*, 2(4): Dec. 2007: p. 347.

³² Contribution equals increased earnings before tax.

- P_t Maximum potential: The lower of (the number of customers in Division X with a need of Division X's services at t; and the number of customers that Division Y can service at t)**
 Example: Resources to Y increase. Hence, Y's maximum potential increases linearly by, say, five customers every year. Assuming that X has 30 customers that have a need of Y's services and $P_0 = 10$: then, at $t=2$, $P_2 = \text{Min}(10 + 5 * 2; 30) = 20$.
- H_t Division Y's hit-rate per customer type at time=t**
 Example: X has (10) ten customers with a need of Y's services at t. Y succeed to sell its services to every second $\left(\frac{1}{2}\right)$ of these ten customers that year. This implies that Y has a hit-rate of $\left(\frac{1}{2}\right)$ = 50% on cross sold customers from X at t. Hence, $H_t = 0.5$.
- O_t Projections of reduced or eliminated obstacles between Division X and Division Y at time=t**
 Example: There are currently two obstacles (Obstacles A and B) hindering further cross sales between X and Y, at t-1. The obstacles constitute 50% each of the total obstacles respectively (100% in total). Y is planning to implement an initiative that reduces Obstacle A by 40% the next year. This implies that total obstacles at t are $(50\% + 50\% * (1 - 40\%) = 80\%)$ 80% of the obstacles in t-1. The obstacles are thereby reduced by $(50\% * 40\% = 20\%)$ 20% in t. Hence, $O_t = 0.2$.
- R_t Retention, the percentage of the total customers in Division Y, t-1 that remain as customers time=t.**
 Example: Y has 20 customers in t-1 that they have received from X the past years. In t, 20% of those customers terminate their customer relationship. This implies that the retention rate is $(1 - 20\% = 80\%)$ 80%. Hence, $R_t = 80\%$.

Explanation of the method in general

Equation 1 - The model, Cross sales

$$F(t) = C_t * \text{Min} \left(P_t; \underbrace{\sum_{i=0}^t \left(\underbrace{P_i}_{\text{D}} \left(\underbrace{\left(\frac{N_0}{P_0} \right)}_{\text{E}} + \underbrace{O_i * H_i}_{\text{F}} * \left(1 - \frac{N_0}{P_0} \right) \right)}_{\text{B}} - \underbrace{\frac{F(i-1)^{33}}{C_{i-1}} * (1 - R_i)}_{\text{C}} \right)}_{\text{A}} \right)$$

$F(t)$, i.e. the contribution earned year t from cross sales in Y , received from X , equals the average contribution per customer at year t , C_t , multiplied by the net total number of cross sold customers in the division at year t (A). The net total number of cross sold customers in the division equals the amount of new customers gained in years 0 to t (B), and the number of customers that have terminated their contracts years 0 to t (C). However, if $P_t < (B-C) \rightarrow (A) = P_t$, i.e. if the maximum potential is below the amount of customers the division would have if there were no limitations on maximum potential, the division will not be able to have more customers than P_t .

The formula for “customers gained” each year (B) can be described as follows. There are two main parts of the formula, E and F. E illustrates the ratio of cross sales between two divisions year 0 as a percentage of the maximum potential at year 0; i.e. the current utilization of the potential. If $\left(\frac{N_0}{P_0}\right) < 1$, this method assumes that there are obstacles hindering a full utilization of the potential. Hence, assuming ceteris paribus, B will only grow with the growth in P_t . However, this method also incorporates potential reductions in the obstacles that could increase the number of received customers above the growth in P_t . This is illustrated in F. F illustrates the probability to extract the remaining potential by reducing obstacles. O_t defines the percentage of the reduced obstacles year t compared to the obstacles in year 0, whilst $H_t * \left(1 - \frac{N_0}{P_0}\right)$ illustrates the remaining potential multiplied with the hit-rate.

The customers that terminate their contracts year t , (C), is calculated through multiplying the total number of cross sold customer in division Y at year $t-1$ with one (1) minus the retention rate year t ($1 - R_t$). The total number of cross sold customers at $t-1$, equals $\left(\frac{F(t-1)}{C_{t-1}}\right)$, i.e. contribution from cross

³³ Where $\frac{F(0-1)}{C_{0-1}}$ is defined as zero (0).

sales at t-1 divided by contribution per customer at t-1. The retention rate is the percentage of the customers at year t-1 remaining in the company year t.

An extended numerical example

Example: In order to illustrate how the model works, the previous examples supplied in the definitions of the variables will be incorporated in the model. The following, additional assumptions are made: current year (t_0) is 2008; the model projects cross sales in 2010; contribution per customer is constant.

- New customers acquired
- Customer that terminate their contracts
- Total effect³⁴

Total number of customers in 2008

Equation 2 - Numerical Example, Year 2008, Cross Sales

$$F(0) = 500\,000 * \text{Min} \left(10^{35}; \left(10 \left(\left(\frac{5}{10} \right) + 0 * 0.5 * \left(1 - \frac{5}{10} \right) \right) - \frac{0}{0} * (1 - 0) \right) \right) = 2\,500\,000$$

In 2008, no obstacles have been reduced, hence $O_t=0$. In addition, as there are no cross sales from 2007 ($F(t-1)=0$), there are no customers from last year. Consequently, there are no terminations of contracts.

Total number of customers in 2009

Equation 3 - Numerical Example, Year 2009, Cross sales

$$F(1) = 500\,000 * \text{Min} \left(15^{36}; \left(\left(10 \left(\left(\frac{5}{10} \right) + 0 * 0.5 * \left(1 - \frac{5}{10} \right) \right) - \frac{0}{0} * (1 - 0) \right) + \left(15 \left(\left(\frac{5}{10} \right) + 0.2 * \right. \right. \right. \\ \left. \left. \left. 0.5 * \left(1 - \frac{5}{10} \right) \right) - \frac{2\,500\,000}{500\,000} * (1 - 0.8) \right) \right) \right) = 500\,000 * \text{Min}(15; 11.25) = 500\,000 * 11.25 = \\ 5\,625\,000$$

³⁴ In the equations and Figure 2 - Contribution, Cross Sales, total effect refers to total contribution.

³⁵ 10 equals the maximum potential at year 0 (exogenous variable) see page 9.

In 2009, the division has received additional customers. However, it loses some of the customers gained in 2008.

Total number of customers in 2010

Equation 4 - Numerical Example, Year 2010, Cross Sales

$$F(2) = 500\,000 * \text{Min} \left(20^{37}; \left(\left(10 \left(\left(\frac{5}{10} \right) + 0 * 0.5 * \left(1 - \frac{5}{10} \right) \right) - \frac{0}{0} * (1 - 0) \right) + \left(15 \left(\left(\frac{5}{10} \right) + 0.2 * 0.5 * \left(1 - \frac{5}{10} \right) \right) - \frac{2\,500\,000}{500\,000} * (1 - 0.8) \right) + \left(20 \left(\left(\frac{5}{10} \right) + 0.2 * 0.5 * \left(1 - \frac{5}{10} \right) \right) - \frac{5\,625\,000}{500\,000} * (1 - 0.8) \right) \right) \right) = 500\,000 * \text{Min}(20; 20) = 500\,000 * 20 = 10\,000\,000$$

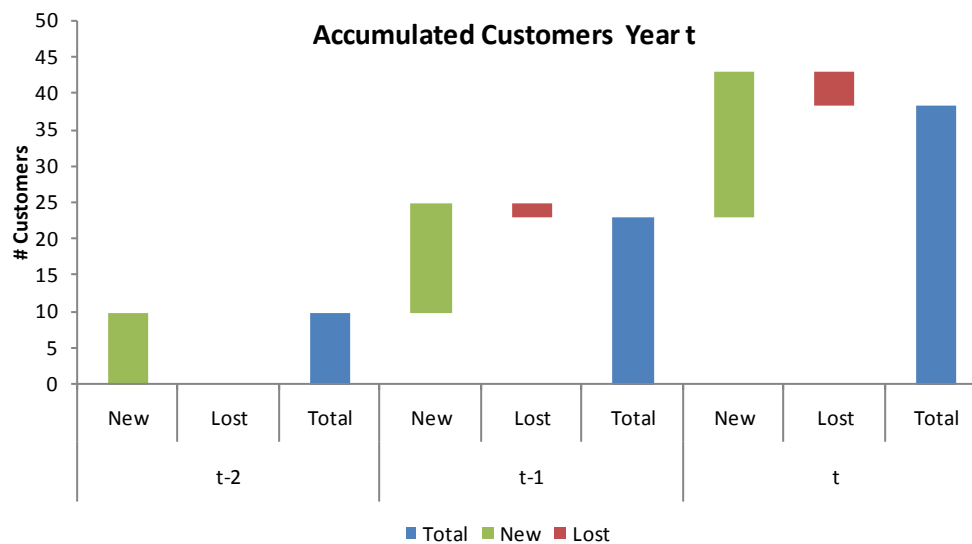
In 2010, the division receives additional customers, but loses a percentage of the customers that it has gained over the past two years. The development of cross sold customers and contribution is illustrated in the figures below³⁸.

³⁶ 15 equals the maximum potential at year 1 (exogenous variable) see page 9.

³⁷ 20 equals the maximum potential at year 2 (exogenous variable) see page 9.

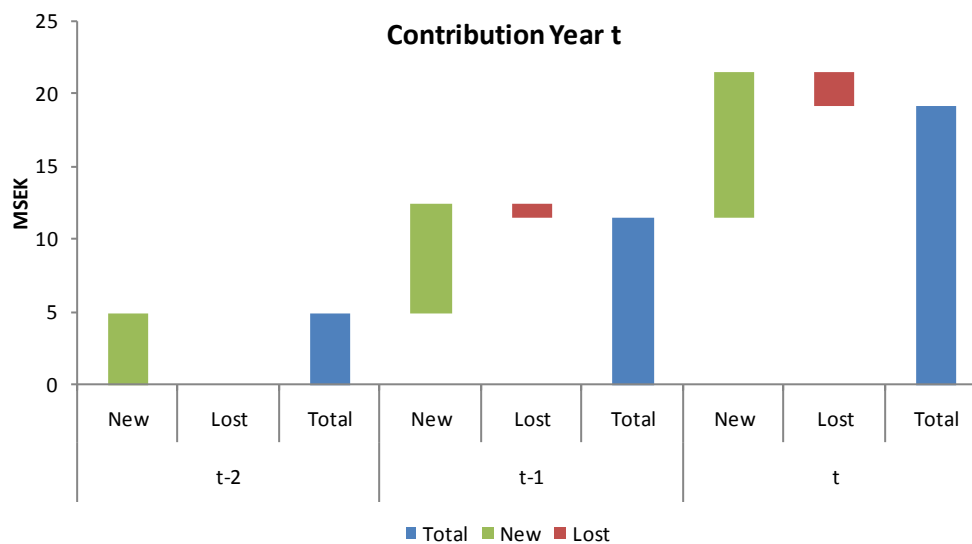
³⁸ See Figure 1 - Accumulated Number of Customers.

Figure 1 - Accumulated Number of Customers, Cross sales



In turn this results in the following contribution, each of the projected years:

Figure 2 - Contribution, Cross Sales



3.2.2 Synergy from Increased Customer Generation³⁹

“Increased customer generation” and cross sales are two different types of synergies. Whilst cross sales concern how a division may profit from another division’s customer, increased customer generation

³⁹ As the analysis will show, this synergy effect will equal zero (0) for The Group.

concerns The Groups ability to gain new customers. This synergy will be approximated by using the following variables:

NS_t **The number of full-time sales people offering all The Group's services at time=t**

Example: Four sales people in Y offer all of the entities' services at t. Hence, $N_t = 4$

CS_t **Contribution per sales person at time=t**

Example: The average sales person in Y increases contribution by SEK 2.0M at year t. Hence, $C_t = 2\,000\,000$.

HA_t **Increased hit rate, due to offering all the combined entities' services at time=t**

Example: By offering The Groups entire range of products, sales person in Y increase their hit-rate by 20%. Hence, $H_t=0.2$

Equation 5 - The Model, Increased Customer Generation

$$G(t) = NS_t * CS_t * HA_t$$

An extended numerical example

Example: In order to illustrate how the model works, the previous examples supplied in the definitions of the variables will be used. The example will illustrate a projection in year t. Year t is 2011 and the current year is 2008.

Equation 6 - Numerical Example, Increased Customer Generation

$$G(3) = 4 * 2\,000\,000 * 0.2 = 1\,600\,000$$

Hence, in 2011, increased customer generation will generate SEK 1.6M in contribution.

3.2.3 Cost Synergies

First, initiatives to realize cost synergies are analyzed. Second, the implications of these initiatives are quantified. Third, the model below is applied. If an initiative is expanded, the expansion is seen as a new cost synergy and projected independently.

S Realized cost synergy at t=0

Example: Due to the integration and merger effects, Y reduces costs in SG&A by SEK 1.0M in 2010. Hence, $S=1\ 000\ 000$.

CS_0 Costs in respective cost synergy at t=0

Example: Y has total costs in SG&A of SEK 5.0M in 2010.

CS_t Costs in respective cost synergy at t

Example: Y has total costs in SG&A of SEK 6.0M in 2012.

Equation 7 - The Model, Cost Synergies

$$H(t) = \left(\frac{S}{CS_0} \right) * CS_t$$

An Extended Numerical Example

Example: In order to illustrate the model, the previous examples will be incorporated in the model. The following, additional assumptions are made: current year is 2008 (t_0); the model projects cost synergies in 2012; cost synergies are realized in 2010; contribution per customer is constant.

Equation 8 - Numerical Example, Cost Synergies

$$H(2) = \left(\frac{1\ 000\ 000}{5\ 000\ 000} \right) * 6\ 000\ 000 = 1\ 200\ 000$$

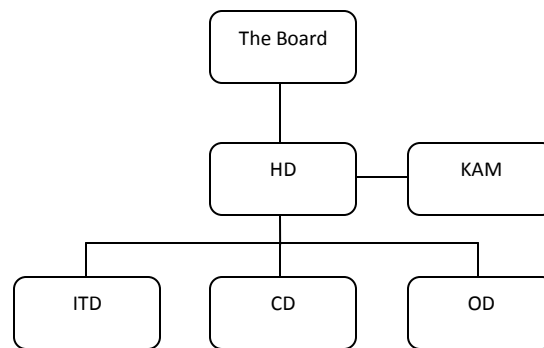
Hence, projected cost synergies equal SEK 1.2M in 2012.

4 Empirical Data

4.1 Background

The Group was founded in 2005. Its founders are two entrepreneurs together with one institutional investor and one private investor. The business idea of The Group is to become a full-service supplier within supply chain management. The goal was to be achieved by acquiring suitable companies, from which synergies could be realized. Since then, five companies have been acquired. These five companies have integrated so that they now constitute three divisions: the Consulting Division (CD), the IT Division (ITD) and the Outsourcing Division (OD).⁴⁰ Below, data will be supplied on each division. All quantitative data will be illustrated under section 4.3 Quantitative Data.

Figure 3 - Organizational Chart of The Group



4.2 The Divisions

4.2.1 HD

HD is managing The Group's divisions. It consists of a Chief Executive Officer (CEO), a Chief Financial Officer (CFO) and a Chief Marketing Officer (CMO) together with an IT support employee.⁴¹ The CMO is responsible for the centralization of the marketing activities.⁴² He is also responsible for the KAM team. This team consists of the Presidents of the respective divisions together with key employees. The KAM team was initiated in January 2008. Potential KAM customers are defined as CD customers with sales over SEK 2.0M, ITD customer with annual sales above SEK 1.0M and OD customer with annual sales of SEK 10.0M. KAM customers can also be selected on other variables. The goal of the KAM team is to approach primarily companies already connected with The Group and offer the services of all the

⁴⁰ Founder, interview held at Group Headquarters, April 2008.

⁴¹ CEO, interview held at Group Headquarters, April 2008.

⁴² CMO, interview held at Group Headquarters, April 2008.

divisions; “a customer often has one problem, if we have three solutions, the probability of sales increases”⁴³. By April 2008, the KAM team has been able to sell additional services to four KAM customers. Currently, ten companies have been targeted as potential KAM customers. According to the CMO, KAM will not be able to handle more than ten potential KAM customers per year. The CMO projects that the KAM group will have a hit-rate of 50%. Due to time constraints, the CMO predicts only one more KAM-potential customer to be successfully targeted in 2008.

HD has also implemented an incentive program to induce cross selling between the divisions. The employee that gives a lead to another division gets an economic compensation called a “finders fee”⁴⁴. HD has also been able to induce cost savings. This has been done by centralizing economy and administrative functions. This task has been undertaken in 2007. However, no financial results were gained during that period. The result of that rationalization will instead be evident in 2008 financials. Two full-time employee positions have been eliminated, saving SEK 1.0M per year⁴⁵.

Even though HD has initiated several synergy programs, HD has been careful not to integrate the divisions “too much”⁴⁶. Rather, management aims at making the divisions profitable independently: “all the divisions need to have an independent justification for existing”⁴⁷.

The Group predicts that the planned realization of the operational synergies will not affect fixed assets⁴⁸.

4.2.2 CD

CD is a professional management consulting organization. Its customers are often large, global companies with a Swedish headquarter.⁴⁹ CD has approximately 100 customers of which nine customers fulfill the criteria of being KAM customers. Its employees are highly educated, and the majority has university education. CD conducts a wide variety of consulting projects for its customers. They conduct both operational projects as well as strategic projects. The majority of the projects are strongly correlated to supply chain management, but they also conduct a few projects outside this area.

⁴³ CMO, interview held at Group Headquarters, April 2008.

⁴⁴ CEO, interview held at Group Headquarters, April 2008.

⁴⁵ CFO, interview held at Group Headquarters, April 2008.

⁴⁶ CEO, interview held at Group Headquarters, April 2008.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ President of CD, interview held at CD Headquarters, April 2008.

In 2007, the integration process began for CD. The integration consisted of two parts. First, HD requested that CD should change its name to The Group name. However, this was not accepted by the management of CD. Their argument was that CD could lose their independence.⁵⁰ Second, CD was to begin to cross sell the other division's services using CD's current customer base. According to both the President and the Vice President of CD, the synergy potential is greatest between CD and ITD. "We speak the same language"⁵¹; "ITD and CD are on the same level in terms of competence, education and quality"⁵². In parallel, the synergy potential between CD and OD is low. OD is too small and not effective enough to deliver to CD's customers⁵³. CD tried to initiate collaboration with OD. However, the result was "terrible". One of world's largest corporations approached CD in regard to a project. The customer wanted CD to perform an analysis of potential distributors. CD gave the task to OD. The customer being used to receive a full report including power point presentations etc. received an e-mail from OD with a list of names and cell phone numbers: "one of the names was Charlie"⁵⁴. It took CD six months to rebuild the trust between them and the customer.

Even though the synergy potential is greater between CD and ITD than between CD and OD, there are two obstacles that hinder reaching the full potential of the CD-ITD relationship.⁵⁵ Firstly, according to the President of CD, ITD's services are complex. This is confirmed by the Vice President of CD. Few of CD's employees are acquainted enough with ITD to know which of the customers are in need of ITD's services. Secondly, CD's confidence in ITD halts⁵⁶. Even though CD and ITD are closer to each other in terms of quality, the consultants at CD are risking their reputation amongst their customer by recommending other divisions' services. Many of the consultants are not acquainted with the people at ITD, and hence, they do not recommend ITD.

Another issue in regard to cross sales is CD's attempt to remain objective. Both the President and the Vice President expressed concerns that CD might jeopardize its independence, essential for consultancy agencies. This is the reason why CD did not want to change its name to The Group's name.⁵⁷ HD

⁵⁰ Vice President of CD, interview held at CD Headquarters, April 2008.

⁵¹ Ibid.

⁵² President of CD, interview held at CD Headquarters, April 2008.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

conducted a market survey which illustrated this reluctance.⁵⁸ According to that survey, only 10% of CD's customers knew that CD was a part of The Group. The equivalent numbers for ITD and OD were 50%. "Consultants are naturally hesitant towards selling; if you sell as a consultant you lose your credibility".⁵⁹

CD was also negative in regard to the other division's ability to sell CD's services⁶⁰. According to the President, there are no synergies between ITD and CD, even though the KAM has given CD contracts worth SEK 12.5M from ITD customers. "The synergies lie between the CEO [the Key Account Manager for the customers gained] and CD"⁶¹. "We will only receive synergies through the KAM, not through the other division's sales force"⁶². The reasons were that a successful sales person has to have extensive knowledge in consulting. "The only person with that knowledge in The Group is the CEO"⁶³.

The acquisition and integration process has also implied costs for CD. Seven senior consultants, including the President have decided to leave CD due to The Group's acquisition of CD⁶⁴. This will affect CD negatively. These seven people billed approximately SEK 1.3M a month in 2007. The direct costs associated with their employment were SEK 0.5M in the same period.

4.2.3 ITD

ITD supplies consultancy services and software within supply chain management and logistics. They have approximately 70 customers. These customers are often mid- to large-cap companies⁶⁵.

ITD and OD are competitors⁶⁶. When a customer acquires ITD's services, they do so because they intend to handle their transportation administration internally. Hence, there exist little or no sales synergies between ITD and OD. In contrast, there exists sales synergy potential between ITD and CD since "both divisions target the same type of customers" and the overlap in the current customer base is low, approximately 30%.

⁵⁸ CMO, interview held at Group Headquarters, April 2008.

⁵⁹ CEO, interview held at Group Headquarters, April 2008.

⁶⁰ President of CD, interview held at CD Headquarters, April 2008.

⁶¹ Ibid.

⁶² Ibid.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ President of ITD, interview held at ITD Headquarters, April 2008.

⁶⁶ Ibid.

However, there exist some obstacles between ITD and CD in terms of cross sales potential.⁶⁷ First, ITD's sales persons have a narrow perspective of their customers compared to the helicopter-perspective of CD's strategy consultants. Hence, it is more difficult for ITD's sales persons to sell CD's services, than the opposite; "you need consultants to sell consultancy services"⁶⁸. Second, ITD's sales persons are new hires and do not have the knowledge to sell CD's services. Third, as they are new, they lack the confidence to suggest the customer to hire CD. Hence, it is believed that no cross selling from the division's sales people would occur within the next one to two years⁶⁹. However, after this time it is believed that ITD's sales persons would have the possibility to approach at least 20% of ITD's customers⁷⁰ in regard to cross sales to CD.

4.2.4 OD

The OD was acquired by The Group in 2005. The OD conducts three primary tasks: they handle the customer's transportation administration, customs administration and procurement.⁷¹ Their customers are primarily customers with a turnover of SEK 20M to 100M. They have approximately 60 customers today. Over the past years, OD has been growing rapidly, from SEK 8M to 209M in ten years. The division is "what gives us profit"⁷². The OD is positive to integration and the realization of sales synergies. However, the President is uncertain whether there is a common understanding within The Group that integration is the goal. "There is a lot of talk, but few actions". In comparison with CD, OD has full confidence in the other divisions of The Group. However, OD does not have confidence in the division's ability to work together with other divisions.

In regard to the sales synergy potential, "it is unlikely that OD could supply CD with customers"⁷³. The OD targets smaller customers than CD. With the same argument, it was unlikely that CD will give OD many customers.

⁶⁷ President of ITD, interview held at ITD Headquarters, April 2008.

⁶⁸ President of CD, interview held at CD headquarters, April 2008.

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ President of OD, interview held at ITD Headquarters, April 2008.

⁷² CEO, held at Group Headquarters, April 2008.

⁷³ Ibid.

4.3 Quantitative Data

The Management Group, the Divisional Presidents and Divisional Administrators have supplied the following data.

4.3.1 Number of Projects Cross Sold 2007 and 2008 (Actual)

The table below illustrates the number of cross sold projects from the autumn 2007 to year end, and from January 2008 to April 2008.

Table 1 - Customers Cross Sold 2007 and 2008

Cross sold projects		
# Projects	2007	2008
ITD to OD	0	0
ITD to CD	0	0
OD to ITD	1	1
OD to CD	0	0
CD to ITD	3	1
CD to OD	4	0
KAM to OD	0	0
KAM to ITD	0	2
KAM to CD	0	3
Total	8	7

4.3.2 Maximum Potential of Cross Sales 2008

Table 2 - Maximum Potential of Cross Sales 2008

Maximum Potential	
# Customers	2008
ITD to OD	0
ITD to CD	35
OD to ITD	0
OD to CD	12
CD to ITD	50
CD to OD	5
KAM to OD	0
KAM to ITD	5
KAM to CD	5
Total	112

4.3.3 Hit-Rate

Table 3 - Hit-Rate 2008

Hit-rate	
%	2008
ITD to OD	40%
ITD to CD	20%
OD to ITD	20%
OD to CD	50%
CD to ITD	20%
CD to OD	5%
KAM to OD	50%
KAM to ITD	50%
KAM to CD	50%

4.3.4 Sales Distribution

Table 4 - Monthly Sales Distribution for The Group

Sales Distribution												
SEK millions	Jan	Feb	Mar	Apr	Maj	Jun	Jul	Aug	Sep	Okt	Nov	Dec
CD	10%	10%	10%	10%	10%	0%	0%	10%	10%	10%	10%	10%
OD	10%	10%	10%	10%	10%	0%	0%	10%	10%	10%	10%	10%
ITD	10%	10%	10%	10%	10%	0%	0%	10%	10%	10%	10%	10%

4.3.5 Contribution⁷⁴

Table 5 - Contribution for customer segments 2007

Contribution			
SEK millions	CD	OD	ITD
Contribution KAM customers	20.1	11.2	10.4
# KAM customers	9	4	3
Contribution non-KAM customers	13.5	5.3	13.7
# non-KAM customers	91	70	57

4.3.6 Stand-Alone Projections

The Group's projections of the stand-alone development together with historical performance can be found in Appendix 1a - CD Financial Statements, Appendix 2a - ITD Financial Statements, Appendix 3a - OD Financial Statements and Appendix 4a - HD Financial Statements. The Founder expects that it will take ten years for The Group to reach a steady state level⁷⁵.

⁷⁴ The Group assumes no impact on balance sheet items except working capital (CEO, interview held at Group Headquarters, April 2008).

⁷⁵ Founder, interview held at Group Headquarters, April 2008.

4.4 Acquisition Strategy

According to the board of directors, there are three companies that The Group is interested in acquiring.

These companies are Alpha, Beta and Gamma. The acquisitions will be made in the beginning of 2009.

All of these companies are consultancy companies. Below, key figures for these companies are illustrated. Detailed historical financial information on the targets can be found in appendix⁷⁶.

Table 6 - Key Figures for Acquisition Targets

Key Figures for Targets						
	2006			2005		
	Revenue	Profit b.t.	Profit a.t.	Revenue	Profit b.t.	Profit a.t.
Alfa	36.7	6.1	4.3	34.3	6.8	5
Beta *	18.1	1.7	1.2	5.1	1.5	1.1
Gamma **	102.7	2.1	1.4	66.5	1.7	1.2

*⁷⁷, **⁷⁸

Currently, The Group pays an interest premium of 1.8% above the REPO interest rate on previous acquisitions.⁷⁹ This interest rate is projected to remain constant. It is estimated that The Group will be able to leverage the acquisitions to 50.0% of the acquisition value. The acquisition value is projected to equal seven times net income, i.e. a price to earnings ratio of seven. In addition to these three companies, The Group plans to acquire additional companies. However, The Group has not decided upon which companies that should be acquired. The projected installment rate is 5% annually.

⁷⁶ See Appendix 5a - Alpha Valuation.

⁷⁷ 2006 data is for four months only.

⁷⁸ FYE June 30th.

⁷⁹ Founder, interview held at Group Headquarters, April 2008.

5 Analysis

The analysis will be divided in three parts. First, the report will calculate the cash flow from the stand-alone operations (Objective 1b). Second, the synergy effects will be projected using the pre-defined models (Objective 1a). This will result in cash flow projections from synergies. Third, the report will analyze the capital requirements (Objective 2).

5.1 Cash Flow from Stand-Alone Operations

5.1.1 Forecasting and Projecting

The forecasting period is set to ten years as The Group's divisions experience strong growth and the founder expects The Group to generate excess profits for ten years, until 2017. Consequently, 2018 is the first year of steady state. As The Group only has sales growth projections for the first five of these ten years, the remaining five years' sales growths have been assumed to converge linearly towards steady state⁸⁰. The projections that this report has developed from 2014 to 2018 have been confirmed by The Group⁸¹ as probable.

5.1.2 Results

This report has derived the cash flow from The Group's profit and loss projections. Below, The Group's accumulated, stand-alone cash flow is illustrated year 2008 to 2018⁸². The only adjustment made, is that costs for HD has been eliminated. The reason for this is that these costs constitute negative cost synergies and consequently calculated as such. These will be included in section 5.2.2.2 Negative Cost Synergies".

Table 7 - Stand alone cash flow

Stand-alone cash-flow												
SEK millions	Forecasts ->											
	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
OD	1.0	1.9	2.5	3.2	4.0	4.8	5.6	6.4	7.2	7.9	8.2	22.9%
CD	4.6	8.6	7.3	7.9	8.4	9.0	9.6	10.1	10.7	11.2	11.7	9.7%
ITD	0.3	-0.7	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	14.4%
Total	6.0	9.8	10.8	12.1	13.4	14.8	16.3	17.7	19.0	20.3	21.1	13.4%

⁸⁰ See Appendix 14 - Explanation of the Valuation Model in Appendix 1-7 for more information.

⁸¹ Founder, interview held at Group Headquarters, April 2008. (not included in section 4)

⁸² See Appendix 1a - CD Financial Statements to Appendix 4c - HD Key Drivers for detailed results.

5.2 Cash Flow from Synergies

The analysis to calculate the cash flow from synergy effects will follow the modified Knyphausen framework described in section 3.

5.2.1 Define a Baseline

The baseline has been defined as the stand-alone projections supplied by The Group (2008-2012) and as the stand-alone projections modified in this report (2013-2018)⁸³.

5.2.2 Identify and Calculate Cost Synergies

5.2.2.1 Positive Cost Synergies

No cost synergies have been achieved in 2007. However, in 2008, two employee positions were rationalized as a result of the centralization of SG&A. The direct costs associated with these positions equaled SEK 1.0M. Hence, S equals SEK 1.0M. In turn, C_0 , total SG&A for The Group in 2008, is projected to equal SEK 88.1M. Hence $\left(\frac{S}{C_0}\right)$ is 1.2%. This ratio is assumed to be held constant over the projection period. The Group's total SG&A for the forecasted period, with the corresponding cost synergy for the respective year, is illustrated in the table below. No other initiative that could reduce costs as a result of integration is planned today.

Table 8 - Cost Synergies 2008-2018

SG&A	Forecasts ->											
	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
SEK millions												
Total Group SG&A	-88.1	-101.9	-112.9	-124.5	-136.5	-148.5	-160.1	-170.8	-180.2	-187.9	-193.4	8.2%
SG&A Reduction	1.0	1.2	1.3	1.5	1.6	1.8	1.9	2.0	2.1	2.2	2.3	8.2%
- % of Total SG&A	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	0.0%

5.2.2.2 Negative Cost Synergies

The Group's costs for the realization of synergies, i.e. the negative synergies, are carried by HD. These costs include salaries for the CMO, responsible for the KAM and joint marketing activities, the CEO responsible for the coordination of the divisions, and all other costs that would not be found, were the

⁸³ See 5.1 Cash Flow from Stand-Alone Operations.

divisions independent. The estimated cost for 2008 is SEK 14.1 M. These costs are estimated to grow by inflation (2.0%) each year⁸⁴.

Table 9 - Coordination Costs 2008-2018

Coordination costs												
	Forecasts ->											
SEK millions	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Coordination costs	-14.1	-14.4	-14.6	-14.9	-15.2	-15.5	-15.8	-16.2	-16.5	-16.8	-17.2	2.0%
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%

This report assumes that all the costs associated with the realization of synergies and coordination of The Group, are accounted for in HD's income statement. However, since the divisions also carry some of these costs, e.g. the divisional presidents' work in the KAM team, the stand-alone cash flow may be understated and the synergy cash flow may be exaggerated. These divisional negative cost synergies are excluded since they are difficult to identify and quantify reliably. In addition, these costs will not affect the total cash flow from The Group.

5.2.3 Identify New Cost Ratios

As the cost synergies calculated above is not included in the contribution data supplied by The Group, analyzing new cost ratios will not add value to the remaining analysis. Hence, this step is neglected.

5.2.4 Identify and Calculate Sales Synergies

This report will analyze three different sales synergies: cross sales, increased customer generation and negative sales synergies.

⁸⁴ See Appendix 4a - HD Financial Statements.

5.2.4.1 Cross Sales, $F(t)$

The method to project synergies from cross sales follows the following formula⁸⁵:

Equation 9 - The Model, Cross Sales

$$F(t) = C_t * \text{Min} \left(P_t; \sum_{i=0}^t \left(P_i \left(\left(\frac{N_0}{P_0} \right) + O_i * H_i * \left(1 - \frac{N_0}{P_0} \right) \right) - \frac{F(i-1)^{86}}{C_{i-1}} * (1 - R_i) \right) \right)$$

This report defines $t=0$ as year 2008, i.e. 2008 is the basis for the projection model, even though only approximately 35% of the 2008 data is available. This is due to two reasons. First, the integration began in the latter half of 2007, which has resulted in that there is limited data for 2007 as well. Second, KAM had not begun to cross sell in 2007.

The variables H_t , R_t and P_0 , i.e. data on hit-rate, retention rates and maximum potential for 2008 have been supplied by The Group. The former two variables are assumed to be constant over the projection period. Hence, the variables that remain to be identified are C_t , N_0 , P_t and O_t , i.e. average contribution per customer at time t , number of cross sold customers in 2008, maximum potential at time t and the reduced obstacles at time t . These variables will be estimated and analyzed in the sections below.

5.2.4.1.1 Average Contribution per Customer Type, C_{t-1} & C_t

The average contribution per customer type and per division has been calculated from each division's financial data from 2007. First, the customers in each division were categorized into KAM potential customers and non-KAM potential customers based on the sales limitations mentioned in section 4.2. Second, in each category, the contribution was accumulated. Third, the total contribution of each category was divided with the number of customers in each group. In turn, this resulted in contribution per customer for each customer-category and each division for 2008. It is assumed that the contribution increases by inflation each year. As contribution is equal to increased sales minus increased costs associated with gaining new customers, the increased contribution equals increased earnings before tax (EBT).

⁸⁵ See Section 3.2.1 for definition of variables.

⁸⁶ Where $\frac{F(0-1)}{C_{0-1}}$ is defined as zero (0).

This method assumes that the contribution for a cross sold, non-KAM customer to a division is independent of which division the cross sold customer comes from. This might not be the case as CD has generally larger customers than OD. However, as the historical cross sales data is limited, analyzing the correlation between the size of companies and contribution within each division is not meaningful. In addition, such analysis is outside the scope of this report.

An additional assumption incorporated in this method, is that the contribution per customer is independent of the number of new customers. It is likely that some costs are semi-fixed, meaning that after a certain amount of customers, the contribution margin decreases as a resource becomes scarce and the resource have to be increased. This report has not adjusted for such potential cost increases. As such, this assumption could have significant impact on potential divisions in which cross sales will constitute a large portion of the division's total cash flows, implying an exaggerated cash flow. However, there is not enough data to reliably quantify these semi-fixed costs. Additionally, The Group has not indicated that the contribution margin might change as a function of number of new customers. Finally, using the current profit margin as an approximation of future contribution margin lacks relevance. The reason for this is that, all divisions have business models implying economies of scale. Thereby, the future profit margin is likely to be higher than the current profit margin, if cross sales increase.

Table 10 - Contribution per Customer 2008-2018

Contribution per customers												
SEK millions	Forecasts ->											
	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
ITD to OD	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.0%
ITD to CD	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.0%
OD to ITD	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0%
OD to CD	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.0%
CD to ITD	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.0%
CD to OD	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.0%
KAM to OD	3.5	3.5	3.6	3.7	3.7	3.8	3.9	4.0	4.1	4.1	4.2	2.0%
KAM to ITD	2.8	2.9	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4	3.4	2.0%
KAM to CD	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.0%

5.2.4.1.2 Number of Customers Received $t=0$, N_0

As The Group started with cross sales between the operating divisions (CD, OD and ITD) in Q3 2007, and with KAM in Q1 2008, the historical data is limited. In addition, since the report has more data from

2008 than from 2007, data from both years will be used to estimate 2008 figures. In order to calculate the cross sales between the operating divisions⁸⁷, the sales data must be adjusted for the sales distribution throughout the year. The sales distribution is even throughout ten months of the year (June and July excluded). This implies that the accumulated cross sales from August 2007 and April 2008 (9 months) be multiplied by the number of months sales occur throughout one year (10 months) divided by 9 months⁸⁸. Thereby, the sales figures from the past nine months have been extrapolated into annual sales figures, representing 2008. However, this assumes that cross sales in 2008 are not projected to change compared to 2007. This assumption could be erroneous. Still, it is believed that using 2007 to approximate 2008 data will be more accurate than the using 2008 and/or 2007 data independently.

The same process cannot be used in order to estimate 2008 KAM cross sales data. In 2008, four out of ten approached KAM customers bought services from one or more of the divisions. This resulted in five cross sales projects⁸⁹ distributed amongst the divisions as illustrated in Table 1 - Customers Cross Sold 2007 and 2008. However, this does not imply that KAM is estimated to sell to four customers every four months. The main threshold in KAM is lack of employee resources. Once KAM signs a contract with the customer, that customer requires more time from KAM, especially in the year in which the customer becomes a KAM customer. In turn, this implies that KAM have less time for potential KAM customers. The CMO estimated that KAM would gain one additional customer in 2008, implying five customers in total 2008. It is assumed that the new customer will have the same distribution as the other four customers, in regard to how many projects it results in. The table below illustrates the estimated number of projects in 2008, both for KAM and for the operating divisions.

⁸⁷ From CD, ITD or OD to CD, ITD or OD.

⁸⁸ $Sales\ in\ 9\ months * \left(\frac{10\ months}{9\ months} \right) = N_0$

⁸⁹ One customer bought services from two divisions.

Table 11 - Number of New Customers 2008

Number of Customers	
# Customers	2008
ITD to OD	0.0
ITD to CD	0.0
OD to ITD	2.2
OD to CD	0.0
CD to ITD	4.4
CD to OD	4.4
KAM to OD	0.0
KAM to ITD	2.5
KAM to CD	3.8
Total	17.4

5.2.4.1.3 Maximum Potential, P_t

The maximum potential identified for $t=0$ (2008), has been estimated to grow each year by the growth in number of total customers gained from stand-alone operations⁹⁰. The growth in customers has been approximated by dividing inflation⁹¹ from annual stand-alone, growth rates in the respective divisions⁹². This assumes that the stand-alone growth does not include price changes. As the stand-alone projections for the operating divisions imply growth rates above inflation, the maximum potential will increase in the forecasted period. However, this is not the case for the KAM. The number of KAM customers is restricted by employee resources. As there are no current initiatives to increase these resources, the maximum potential of KAM customers will remain constant.

⁹⁰ Growth= g .

⁹¹ Inflation= p .

⁹² $\frac{(1+g)}{(1+p_i)} = g_{\text{customers}}$

Table 12 - Maximum Potential 2008-2018

Maximum Potential												
# Customers	Forecasts ->											
	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
ITD to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
ITD to CD	35.0	36.6	43.6	50.9	58.3	65.5	72.1	77.7	82.0	84.6	85.5	9.3%
OD to ITD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
OD to CD	12.0	12.6	14.9	17.5	20.0	22.5	24.7	26.6	28.1	29.0	29.3	9.3%
CD to ITD	50.1	52.4	62.3	72.8	83.4	93.6	103.0	111.1	117.2	121.0	122.3	9.3%
CD to OD	4.6	4.8	5.7	6.6	7.6	8.5	9.4	10.1	10.7	11.0	11.1	9.3%
KAM to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
KAM to ITD	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	0.0%
KAM to CD	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	0.0%

5.2.4.1.4 Reduced Obstacles, O_t

A percentage equaling zero will imply that no obstacles will be reduced or eliminated. As the obstacles differ between the different divisional relationships, and also differ within a relationship due to which direction the cross sales occur, each direction of each relationship will be analyzed independently.

5.2.4.1.4.1 CD to OD

The main obstacle for further realization of cross selling potential between CD and OD is CD's lack of confidence in OD. This has been illustrated in both of the interviews with CD management. The origin of this opinion is the unsuccessful cross sales in 2007, resulting in damaged customer relationships.

According to the CEO of CD, CD informally decided to stop giving OD further leads. The unsuccessful projects were according to the CEO, a result of the large discrepancies between the divisions. CD has large corporations as customers, works for the top management and delivers consulting reports and suggestions. The OD works for small and medium sized companies, works for the logistics department and delivers transportation administration services. Since almost all of the consultants at CD have a sales responsibility, they are negative towards giving leads that might jeopardize their relationship to the customer. Hence, even if the consultants receive an economic compensation, they consider the risk of cross sales higher than the benefits. This is illustrated by the marketing survey in which only 10% of CD's customers were aware of the existence of OD.

The report has not been able to identify an initiative from management on how to counter these obstacles. Such an initiative could be to homogenize the employees in the respective divisions, for example by replacing some of the employees of OD with people more similar to employees in the other divisions. Rather, management aims at making the divisions profitable independently. Today, OD is very

profitable: “It is what gives us profit”⁹³. The Group has no plans to make significant personnel changes. Therefore the obstacles mentioned above are assumed not to decrease in the future. As a result of that conclusion, the report projects no obstacle-reduction in the future.

5.2.4.1.4.2 CD to ITD

There are two main obstacles in the cross-selling between CD and ITD according to CD. First, and most importantly, CD’s consultants are hesitant to cross sell due to that it might jeopardize their relationship with their customer. Today, only 10% of CD’s customers are aware of the existence of ITD. “Consultants are naturally hesitant towards selling; if you sell as a consultant you lose your credibility”.⁹⁴ In addition, even though CD and ITD are more similar in terms of operations, employees and culture than CD and OD is, lack of confidence still poses an obstacle for further synergy realization. Second, there is an information problem between CD and ITD. CD’s consultants are not so familiar with what ITD can offer. ITD’s services are considered complex. However, this is an obstacle that the report believes to be a function of time. The longer CD and ITD collaborate, the more interaction they will have with each other. In turn, this will lead to greater knowledge.

The report has not been able to identify an initiative to deal with the first problem, the confidence and the hesitance towards cross selling. Even though no such active initiative has been found for the second problem either, that problem can be seen as a function of time. Still, reducing the information problem can only be seen to affect the 10% of CD’s customers that are aware the existence of ITD. Assuming that the information problem can be solved to 50% in five years implies a 5% obstacle reduction in five years⁹⁵. The annual reduction until year five is assumed to be proportional to time.

5.2.4.1.4.3 OD to ITD

Not applicable since the potential of this relationship is zero.

5.2.4.1.4.4 OD to CD

After interviews with the President of OD the report has not been able to identify any significant obstacles in cross-sales from OD to CD. OD expresses full confidence in CD’s operations, knowledge and quality. In addition, even though OD and CD may experience difficulties in collaborating illustrated by

⁹³ CEO, interview held at Group Headquarters, April 2008.

⁹⁴ Ibid.

⁹⁵ The quantified assumption is made entirely by the authors of this report. In lack of other data, 50% is an average of 100% and the best assumption that can be made given the data gathered through interviews.

the quote, “I don’t have full confidence in our collaboration”, the president of OD “is willing to try”. Instead the obstacles might be explained by the statement of the president of CD “we will only receive synergies through the KAM, not through the other division’s sales force”. As the sales people at OD are much less familiar with consulting due to the operations of OD, their possibility to sell CD’s services should be even lower than ITD’s possibility. As in the case for obstacles between ITD and CD, the report has not found any initiatives to reduce these obstacles.

5.2.4.1.4.5 ITD to OD

Not applicable since the potential of this relationship is zero.

5.2.4.1.4.6 ITD to CD

The main obstacle identified in this relationship is the current status of the sales force. The sales people in ITD have only recently been recruited. All their focus is currently on learning to sell ITD’s services. “It will take 1-2 years to enhance the staffs’ knowledge about CD and consequently will be able to cross-sell CD’s services”⁹⁶. That could explain the fact that only 50% of ITD’s customers are aware of the existence of CD.

However, “you need consultants to sell consultancy services”⁹⁷. As stated in regard to OD’s ability to sell CD’s services, selling consultancy services is difficult. Still, as ITD and CD are closer than OD with CD, it seems likely that with more experience, ITD’s sales people will be able to take more initiatives in order to cross sell CD’s services. As the ITD President assumes that the sales persons could approach at least 20% of ITD’s customers to cross sell to CD, this implies that the reduced obstacles is 20%. However, as this is a continuous process, it is assumed that the time to reach this obstacle reduction takes three years, i.e. five years from now.

5.2.4.1.4.7 KAM to divisions

According to the CMO there exist no obstacles today in regard to the maximum potential. This can be verified by comparing the maximum potential with the achieved sales in KAM. The maximum potential of 2008 was 5 customers, i.e. cross sales, and KAM has so far sold projects to four customers. Since there does not seem to exist any obstacles for cross sales, there are consequently no obstacles to be reduced.

⁹⁶ President of ITD, interview held at ITD Headquarters, April 2008.

⁹⁷ President of CD, interview held at ITD Headquarters, April 2008.

5.2.4.1.4.8 Summary of Reduced Obstacles

Table 13 - Reduced or Eliminated Obstacles 2008-2018

Reduced or eliminated obstacles												
%	Forecasts ->											
	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
ITD to OD	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
ITD to CD	0%	0%	7%	13%	20%	20%	20%	20%	20%	20%	20%	N/A
OD to ITD	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
OD to CD	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
CD to ITD	1%	2%	3%	4%	5%	5%	5%	5%	5%	5%	5%	17.5%
CD to OD	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
KAM to OD	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
KAM to ITD	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A
KAM to CD	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	N/A

5.2.4.1.5 Synergy from Cross Sales

The report has now identified all the variables the developed cross sales projection model. In order to clarify the model, the application of the model on cross sales from “KAM to CD” will be illustrated.

Equation 10 - The Model, Cross Sales

$$F(t) = C_t * \min \left(P_t; \sum_{i=0}^t \left(P_i \left(\left(\frac{N_0}{P_0} \right) + O_i * H_i * \left(1 - \frac{N_0}{P_0} \right) \right) - \frac{F(i-1)^{98}}{C_{i-1}} * (1 - R_i) \right) \right)$$

Below, all the variables necessary to calculate cross sales from KAM to CD is illustrated:

Table 14 - Variables to Calculate Cross Sales Contribution from KAM to CD 2008-2018

KAM to CD												
	Forecasts ->											
	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Ct - Contribution	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.0%
1- (Rt - Retention)	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	0.0%
N ₀ - Number of customers	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Pt - Maximum potential	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	0.0%
Ht - Hit-rate	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	0.0%
Ot - Reduced Obstacles	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%
F(t) - Total Contribution	8.4	14.2	17.4	17.8	18.1	18.5	18.9	19.2	19.6	20.0	20.4	4.1%

⁹⁸ Where $\frac{F(0-1)}{C_{0-1}}$ is defined as zero (0).

For example, total contribution 2009 was calculated as:

Equation 11 - Example Calculating Contribution from Cross Sales 2009, KAM to CD

$$F(1) = 2.3 * \text{Min} \left(7.5; \left(\sum_{t=0}^1 7.5 * \left(\left(\frac{3.8}{7.5} \right) + 0 * 0.5 * \left(1 - \frac{3.8}{7.5} \right) \right) - \frac{8.4}{2.2} * \left(\frac{1}{3} \right) \right) \right)$$

Equation 12 - Example Calculating Contribution from Cross Sales 2009, KAM to CD

$$F(1) = 2.3 * \text{Min} \left(7.5; 7.5 - \frac{8.4}{2.2} * \frac{1}{3} \right)$$

Equation 13 - Example Calculating Contribution from Cross Sales 2009, KAM to CD

$$F(1) = 2.3 * 6.3 = 14.2$$

Applying the same method to all the divisions implied the following results:

Table 15 - Total Contribution from Cross Sales 2008-2018

Total Contribution												
SEK millions	Forecasts ->											
	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
ITD to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
ITD to CD	0.0	0.0	0.1	0.3	0.7	1.1	1.6	2.2	2.8	3.5	4.2	N/A
OD to ITD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
OD to CD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
CD to ITD	0.3	0.6	1.0	1.3	1.7	2.0	2.4	2.8	3.2	3.5	3.8	N/A
CD to OD	1.1	1.2	1.4	1.7	2.0	2.3	2.5	2.8	3.0	3.1	3.2	11.8%
KAM to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
KAM to ITD	7.0	12.5	14.6	14.9	15.2	15.5	15.8	16.1	16.5	16.8	17.1	0.0%
KAM to CD	8.4	14.2	17.4	17.8	18.1	18.5	18.9	19.2	19.6	20.0	20.4	9.3%
Total Contribution	16.8	28.6	34.5	36.0	37.7	39.4	41.3	43.2	45.1	47.0	48.8	11.2%

As Table 12 illustrates, the total contribution equals SEK 16.8M in year 2008 and grows by a compounded annual growth rate of 11.2% until 2018.

5.2.4.2 Increased Customer Generation

The synergy-effect of increased customer generation implies that a company might increase the likelihood of gaining a new customer by offering a wider assortment of services. Hence, two variables exist in order for this synergy effect to be extractable: *new customers must be targeted* and *additional services must be offered*. In KAM, the priority is not new customers but rather existing customers. Hence, increased customer generation is not an applicable synergy effect in KAM. In the divisions, it has been found that additional services are not offered in the initial sales process. These services are first offered, if they are offered at all, when a company has become a customer. Hence, neither the divisions nor KAM will profit from increased customer generation.

5.2.4.3 Other Sales Synergies

As previously stated, senior employees at CD have terminated their employment. As this is a result of The Group's acquisition, this should be considered a negative sales synergy effect. In order to calculate the negative synergy effect, the decreased costs should be deducted from the loss of sales. The decreased costs equal the salaries and other direct costs associated with their employment, SEK 6.2M. However, the loss of sales could be calculated in one of two ways; either by how much sales each employee generated, or by how much they billed their customers. If the first variable is used, this assumes that all of the partners' customers will leave the firm. If the second variable is used, this

assumes that none of the employees' customers will leave. According to the CEO of CD, some of the partners will create a new venture. However, this will not be focused on supply chain management. In addition, the partners will still keep their shares in The Group. Hence, they have an incentive to make their old customers remain in CD. Therefore, it is likely that the loss of sales will equal the partners' billed sales (SEK 13.0M per year). This implies a net effect equal to SEK 6.8M per year (loss of sales – decrease costs). A second issue is how long this effect should be considered a negative synergy. As the employee turnover rate in CD is 25% annually, it is assumed that these employees would follow this rate. Hence, the negative contribution should decrease by 25% in 2008 until 2010.

Table 16 - Negative Sales Synergies

Negative Sales Synergies												
	Forecasts ->											
SEK millions	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Reduced revenues	9.8	6.6	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Decreased costs	5.1	3.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Net real synergy effect	-4.7	-3.2	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	N/A
Net nominal synergy effec	-4.7	-3.2	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	N/A

5.2.5 Calculate the Tax Burden for all Synergies

"Table 17 - Tax Burden" below illustrates the taxes that the total contribution from synergy effects will create. The tax rate of 28% has been multiplied with the contribution.

Table 17 - Tax Burden

Taxes												
	Forecasts ->											
SEK millions	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Total contribution b.t.	-1.0	12.2	19.6	22.5	24.0	25.7	27.3	29.0	30.7	32.4	33.9	N/A
Taxes (28.0%)	0.3	-3.4	-5.5	-6.3	-6.7	-7.2	-7.7	-8.1	-8.6	-9.1	-9.5	N/A
Contribution a.t.	-0.7	8.8	14.1	16.2	17.3	18.5	19.7	20.9	22.1	23.3	24.4	0.0%

5.2.6 Calculate Changes in the Balance Sheet for all Synergies

The realization of synergies is not assumed to change or alter the assumptions in the stand-alone projections of working capital. The same assumptions for working capital that is used for the stand-alone projections are also used for the synergy projections. The working capital adjustments for cross sales, have been made in accordance with the following formula: $\left(\frac{WC}{Sales*CM}\right)_{so} * F(t)$, i.e. working

capital as a percentage of contribution on a stand-alone basis has been multiplied by the increased contribution from cross sales. The working capital adjustments for negative sales synergies follows the same method as for cross sales. For the other synergies, no adjustments have been made. For the coordination costs, changes in WC have been assumed to be zero. The reason is that the financial data from 2007 implies no changes in WC. In addition, by assuming it will continue to be zero, the report will never exaggerate the total cash flow from synergies. For the SG&A reduction, all reductions are employee related. As such costs often have little impact on WC⁹⁹, they are assumed to be zero. Below, “Table 18 - Working Capital Requirements” illustrates the WC effects on the after tax contribution.

Table 18 - Working Capital Requirements

Working Capital												
	Forecasts ->											
SEK millions	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Total contribution a.t.	-0.7	8.8	14.1	16.2	17.3	18.5	19.7	20.9	22.1	23.3	24.4	N/A
Increase in WC	-2.1	-2.6	-1.5	-0.6	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	N/A
Cash-flow	-2.8	6.1	12.6	15.6	17.0	18.1	19.3	20.5	21.8	22.9	24.1	N/A

5.2.7 Calculate Cash Flow from Investing Activities

According to management, synergy realization will not affect investing activities. No such impacts have been found in the study.

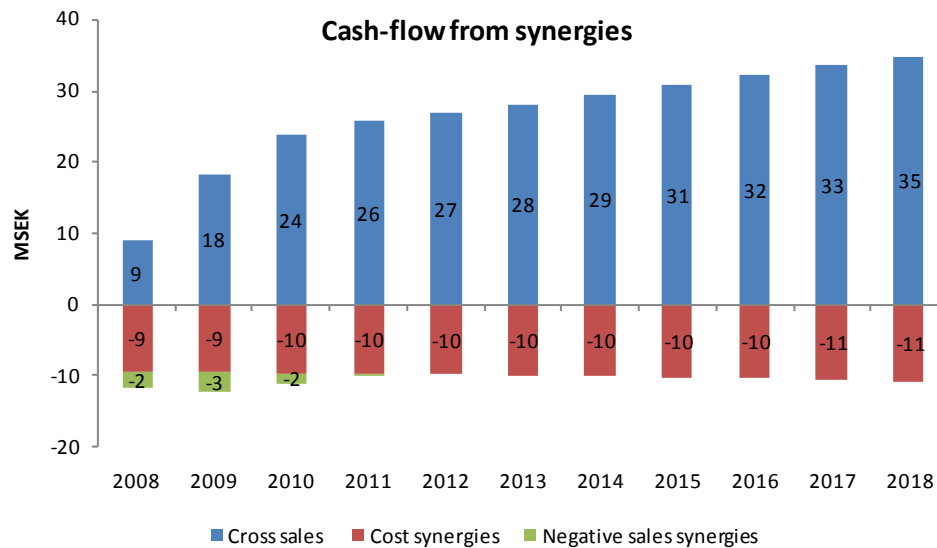
5.2.8 Total Cash Flow from Synergies

Table 19 - Total Cash-Flow from Synergies

Cash-flow from synergies												
	Forecasts ->											
SEK millions	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Cash-flow	-2.8	6.1	12.6	15.6	17.0	18.1	19.3	20.5	21.8	22.9	24.1	N/A

⁹⁹ Salaries are typically paid the same month as the costs occur.

Figure 4 - Overview of Cash flows from Synergies



5.2.9 Sensitivity Analysis

Each main parameter in the analysis has been sensitivity tested (by +/-10%) for its impact on total cash flow from synergy effects. The result of this analysis is illustrated below. As evident from the table, Contribution (C_t) and Maximum Potential (P_t) are the items with the greatest impact on the cash flow. There are two reasons for this. First, cross sales is the largest contributor to cash flow from synergies. Second, both variables are close to proportional to cash-flow from cross sales. For the negative sales synergies, not all variables have been tested for sensitivity; the total synergy effect has been analyzed as one variable. The reason for this is that the input data has a high accuracy.

Two main analyses can be drawn. First, even though contribution per customer may be the variable with the highest degree of reliability and accuracy¹⁰⁰, it is important that the stand-alone contribution per customer is maintained when cross selling. In addition, The Group would benefit from increased employee resources in order to increase maximum potential, especially in the KAM team.

¹⁰⁰ Due to that the average number of observations in the calculation of this variable was the highest.

Table 20 - Sensitivity Analysis

Sensitivity		Forecasts ->										
		2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cross sales												
+10%	Contribution	-32%	30%	19%	16%	16%	15%	15%	15%	15%	15%	14%
-10%	Contribution	32%	-30%	-19%	-16%	-16%	-15%	-15%	-15%	-15%	-15%	-14%
+10%	(1-Retention)	0%	-4%	-1%	0%	0%	0%	0%	0%	-1%	-1%	-1%
-10%	(1-Retention)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
+10%	Maximum potential	0%	1%	11%	15%	15%	15%	14%	14%	14%	14%	13%
-10%	Maximum potential	2%	-1%	-14%	-16%	-15%	-15%	-14%	-14%	-14%	-14%	-13%
+10%	Hit-rate	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%
-10%	Hit-rate	0%	0%	0%	0%	0%	0%	-1%	-1%	-1%	-1%	-1%
+10%	Reduced Obstacles	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%
-10%	Reduced Obstacles	0%	0%	0%	0%	0%	0%	-1%	-1%	-1%	-1%	-1%
Cost synergies												
+10%	SG&A-Cost reduction (S)	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
-10%	SG&A-Cost reduction (S)	0%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
-10%	SG&A-Total Costs (Ct)	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
+10%	SG&A-Total Costs (Ct)	0%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
+10%	Coordination costs	36%	-17%	-8%	-7%	-6%	-6%	-6%	-6%	-5%	-5%	-5%
-10%	Coordination costs	-36%	17%	8%	7%	6%	6%	6%	6%	5%	5%	5%
Negative Sales Synergies												
+10%	Net nominal synergy effec	8%	-4%	-1%	0%	0%	0%	0%	0%	0%	0%	0%
-10%	Net nominal synergy effec	-8%	4%	1%	0%	0%	0%	0%	0%	0%	0%	0%

5.3 Capital Requirements

The Group is planning to acquire a number of companies, both to expand its “assortment” and to grow internationally. The Group has identified three companies in a first acquisition round. In addition, The Group is considering more acquisitions. However, no other specific companies have been targeted yet. Therefore, the report will analyze the specific capital requirements for the first three acquisitions. For the latter acquisitions, the report will identify the maximum acquisition value The Group can sustain and the corresponding capital requirements for those acquisitions.

5.3.1 Total Cash Flow

The table below illustrates the total cash flow from both stand-alone operations and synergy effects.

Table 21 - Total Cash-Flow

Total Cash-Flow												
	Forecasts ->											
SEK millions	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Stand-alone	6.0	9.8	10.8	12.1	13.4	14.8	16.3	17.7	19.0	20.3	21.1	13.4%
Synergies	-2.8	6.1	12.6	15.6	17.0	18.1	19.3	20.5	21.8	22.9	24.1	N/A
Total Cash-Flow	3.2	16.0	23.5	27.7	30.5	33.0	35.6	38.2	40.8	43.3	45.2	30.3%

5.3.2 Valuation of the Identified Targets

The Group has identified three desirable targets, operating in areas closely connected with The Group's current operations. These targets are referred to as Alpha, Beta and Gamma. The companies have been valued by both management's projections of applicable acquisition multiples and discounted cash flow analysis (DCF). For all the targets, The Group's projections imply a leverage of 50%, an interest rate of 6.0% and an installment rate of 5% yearly.

5.3.3 Required Equity for Acquisitions (Multiple Valuation)

The management of The Group has estimations of the multiples that The Group will have to pay for the targets. Management predicts that The Group will have to pay a pre-tax, price to earnings multiple of "six to eight". This report assumes that the average of this interval will be the average multiple paid. As there are no projections publicly available, management's calculated P/E-ratio refers to the latest available reported earnings number. This implies a total price of SEK 47.6M for all the three companies. The implied price is illustrated in the table below (See table 19). The Group will consequently be able to leverage the acquisitions up to SEK 23.8M. This report assumes that all acquisitions are made the 1st of January 2009.

Table 22 - Key data for Acquisitions

Assumptions	Alpha		Beta		Gamma		Total	
	Multiple	DCF	Multiple	DCF	Multiple	DCF	Multiple	DCF
Value	4.7	11.9	23.3	53.2	19.6	90.9	47.6	156.0
Leverage (%)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Leverage	2.4	5.9	11.6	26.6	9.8	45.5	23.8	78.0
Equity Requirement	2.4	5.9	11.6	26.6	9.8	45.5	23.8	78.0
Interest rate (%)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%

In order to analyze whether The Group can afford the interest and installment payments, the cash flows to debt-holders were calculated. The cash flows from the targets were included in the analysis. As illustrated in the table below, the net cash flow including the acquisitions is positive for The Group. In regard to the required equity, The Group has SEK 35.2M in excess cash available in closing balance 2008. As the equity requirement equals SEK 23.8M, The Group will not need new equity.

Table 23 - Required Equity for Planned Acquisitions using Multiples Valuation

Required Equity for planned Acquisitions											
	Forecasts ->										
SEK millions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Cash-flow from the Group	9.2	13.1	15.3	16.7	18.2	19.7	21.2	22.7	24.0	24.6	11.5%
<i>Net cash-flow from Acq. Alpha</i>	0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.0%
<i>Net cash-flow from Acq. Beta</i>	-0.8	-0.8	-0.4	-0.4	-0.5	-0.5	-0.4	-0.3	-0.3	-0.3	0.0%
<i>Net cash-flow from Acq. Gamma</i>	-5.8	1.2	1.7	2.3	2.9	3.6	4.2	4.8	5.4	5.9	N/A
Net Cash Flow from Acquisitions	-6.3	0.7	1.7	2.3	2.8	3.6	4.3	5.1	5.7	6.2	N/A
Total Cash Flow incl. Acq.	2.9	13.8	17.0	19.0	21.0	23.3	25.6	27.7	29.7	30.8	0.0%
Equity Capital Requirement											
Cash	35.2										
Required Equity	23.8										
New Equity Requirement	0.0										

In order to analyze The Group's possibility for new acquisitions, the cash flow, after the three acquisitions, was analyzed. Each year's cash flow was divided by interest rates including the installment rate $\left(\frac{CF}{r_d + ir^{101}}\right)$. The result was the maximum amount of debt that could be sustained by the cash flows.

Assuming the same leverage ratio, the maximum acquisition value was calculated. Subtracting the leverage and excess cash available each year, resulted in the new equity requirements corresponding to the maximum acquisition value. However, this implies that a debt holder would supply debt to company paying 100% of their projected cash flow to debt holders. As this is not likely to be feasible at the given interest rate, it was assumed that 75% of the cash flow could be used for debt payments, $\left(\frac{0.75*CF}{r_d + ir}\right)$.

Table 24 - Required Equity for Additional Acquisitions using Multiples Valuation

Required Equity for additional acquisitions											
	Forecasts ->										
SEK millions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Total Cash-Flow incl. Acq.	2.9	13.8	17.0	19.0	21.0	23.3	25.6	27.7	29.7	30.8	29.9%
Total Cash-Flow for Debt Paymer	2.2	10.3	12.8	14.3	15.8	17.5	19.2	20.8	22.3	23.1	29.9%
Maximum leverage possibility	24.4	115.0	142.1	158.8	175.5	194.4	213.2	231.5	247.7	256.7	29.9%
Maximum acquisition value	48.8	230.1	284.2	317.5	350.9	388.8	426.5	463.0	495.4	513.4	29.9%
Required Equity	24.4	115.0	142.1	158.8	175.5	194.4	213.2	231.5	247.7	256.7	29.9%
Cash	20.7	34.5	51.5	70.5	91.5	114.8	140.4	168.1	197.8	228.6	30.6%
New Equity Requirements	3.7	80.6	90.6	88.2	83.9	79.6	72.8	63.3	49.9	28.1	25.2%

The data in Table 21 implies that The Group at maximum can sustain acquisitions equal to SEK 230.1M 2010. The corresponding new equity requirements for this acquisition possibility is SEK 80.6M.

¹⁰¹ Ir equivalent to installment rate.

5.3.4 Required Equity for Acquisitions (DCF valuation)

For the DCF valuation, sales growth is the key drive. All targets' sales have been assumed to grow with the same rate in 2008 as in 2007. In the following years, they have been assumed to converge linearly towards steady state growth in ten years' time. Additionally, income statements, balance sheets and cash flow statements have been projected for the forecasting period to validate the reasoning behind the projections. The actual valuation is based on the McKinsey model, calculating net operating profit less adjusted taxes (NOPLAT) and free cash flows from both net income and EBITA. These cash flows have been discounted by the weighted average cost of capital (WACC) with a β -value of 1.0, risk-free interest rate of 3.99%¹⁰², market premium of 5.0%¹⁰³ and tax rate of 28.0%.

Due to the companies' size, the lack of suitable listed comparables and the focus of this report, the companies' specific risk has been assumed to equal the market risk, i.e. $\beta=1.0$. The risk free interest rate with a time to maturity of ten years was chosen since it matches The Group's investment horizon of approximately ten years. R_d is expected to be constant. By using a DCF valuation the value of the targets become higher resulting in different cash flows for The Group and a changed new equity requirement.

Table 25 - Required Equity for Planned Acquisitions using DCF Valuation

Required Equity for Planned Acquisitions											
	Forecasts ->										
SEK millions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Cash-flow from the Group	9.2	13.1	15.3	16.7	18.2	19.7	21.2	22.7	24.0	24.6	11.5%
<i>Net cash-flow from Acq. Alpha</i>	-0.1	-0.1	0.0	0.0	0.1	0.1	0.2	0.2	0.3	0.3	N/A
<i>Net cash-flow from Acq. Beta</i>	-1.3	-1.4	-0.9	-1.0	-1.1	-1.0	-1.0	-0.9	-0.9	-0.9	-4.4%
<i>Net cash-flow from Acq. Gamma</i>	-9.0	-1.9	-1.3	-0.6	0.1	0.8	1.6	2.3	3.0	3.5	N/A
Net Cash Flow from Acquisitions	-10.5	-3.4	-2.3	-1.6	-1.0	-0.1	0.8	1.6	2.3	3.0	N/A
Total Cash Flow incl. Acq.	-1.3	9.7	13.0	15.1	17.3	19.6	22.0	24.3	26.3	27.5	N/A
Equity Capital Requirement											
Cash	35.2										
Required Equity	78.0										
New Equity Requirement	42.8										

When applying a DCF-valuation, the new equity requirement for the specified acquisitions is SEK 42.8M. With the same method, the equity requirement for the additional acquisitions was calculated.

¹⁰² www.rgk.se, T-bill interest rate with 10 year maturity.

¹⁰³ Koller, T., Goedhart, M. and Wessels, D. *Measuring and Managing the Value of Companies*. John Wiley & Sons, 2005.

Table 26 - Equity for Additional Acquisitions using DCF Valuation

Required Equity for additional acquisitions											
	Forecasts ->										
SEK millions	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	CAGR
Total Cash-Flow incl. Acq.	-1.3	9.7	13.0	15.1	17.3	19.6	22.0	24.3	26.3	27.5	N/A
Total Cash-Flow for Debt Paymer	-1.0	7.3	9.8	11.4	12.9	14.7	16.5	18.2	19.8	20.6	N/A
Maximum leverage possibility	-10.6	80.9	108.9	126.4	144.0	163.8	183.5	202.7	219.8	229.7	N/A
Maximum acquisition value	-21.3	161.8	217.7	252.8	288.0	327.7	367.1	405.4	439.6	459.4	N/A
Required Equity	-10.6	80.9	108.9	126.4	144.0	163.8	183.5	202.7	219.8	229.7	N/A
Cash	-37.7	-28.0	-15.0	0.2	17.4	37.1	59.1	83.4	109.7	137.2	N/A
New Equity Requirements	27.1	108.9	123.8	126.2	126.6	126.8	124.5	119.3	110.1	92.5	14.6%

The data in Table 23 implies that The Group at maximum can sustain acquisitions equal to SEK 161.8M 2010. The corresponding new equity requirement for this acquisition possibility is SEK 108.9M.

6 Conclusion

The main purpose (objective 2) of this report was to analyze the capital requirements for The Group in regard to The Group's upcoming acquisitions. In order to do so, the stand-alone cash flow from each division was calculated (Objective 1b) and combined with the projected cash flow from the quantified synergies in The Group (Objective 1a).

The report concludes that The Group is projected to realize synergies equal to SEK 12.6M 2010. The main positive synergy effect is cross sales, and the two main negative synergy effects are coordination costs and the resignations of CD's senior employees (a merger-induced effect). In relation to the stand-alone cash flows, the synergy effect will have a significant effect on the total cash-flows. On average over the projection period, synergy effects constitute more than half of the total cash flows. By analyzing the potential acquisition targets' financial data along with other important variables, the report was able to identify The Group's capital requirements. It can be concluded that the planned acquisition in 2009 can be executed without additional equity. However, if the acquisition values for the planned acquisitions increase above management projections, The Group may require new equity. The Group can also sustain additional acquisitions of companies to a value of SEK 230.1M in 2010.

In a wider perspective, this report has suggested several models for projecting and quantifying synergies. These models could be used for further tests, in order to develop more accurate models. Examples of further studies could be to apply these models in retrospect on a larger number of companies to see how well the models accurately project and quantify synergies and cash flows. As synergies could constitute as much as US\$ 1 trillion annually in deal premium, such projection models could imply great value for acquirers. Hence, it should be a high priority for the academy.

Bibliography

Administrator of CD. Interview held by phone, April, 2008.

Administrator of ITD and OD. Interview held by phone, April, 2008.

BNet, <http://dictionary.bnet.com/definition/key+account+management.html>. May 2008

CEO, Chief Executive Officer of The Group. Interview held at Group Headquarters, Stockholm, April 2008.

CFO, Chief Financial Officer of The Group. Interview held at Group Headquarters, Stockholm, April 2008.

CMO, Chief Marketing Officer of The Group. Interview held at Group Headquarters, Stockholm, April 2008.

Founder. Interview held at Group Headquarters, Stockholm, April 2008.

Häkkinen, I. *Operations Integration and Value Creation in Horizontal Cross-Border Acquisitions*, Publication of the Turki School of Economics and Business Administration, 2005.

Knyphausen-Aufsess, D., Koeppen and J.m, Schweizer, L. (2007). Identifying synergies ahead of mergers and acquisitions, *International Journal of Financial Services Management (IJFSM)*, 2(4): Dec. 2007: p. 344-360.

Koller, T., Goedhart, M. and Wessels, D. *Measuring and Managing the Value of Companies*. John Wiley & Sons, 2005.

MacIntosh, Julie. Meger pace slows to allow big business into the ring, *Financial Times*, May 19th 2008.

Metrics 2.0.
http://www.metrics2.com/blog/2006/12/21/global_ma_at_all_time_high_in_2006_37_trillion.html.
May 2008

Nupponen, P. *Post-Acquisition Performance*, Helsinki School of Economics, 1995.

President of CD. Interview held at CD Headquarters, Stockholm, April 2008.

President of OD. Interview held at ITD Headquarters, Stockholm, April 2008.

President of ITD. Interview held at ITD Headquarters, Stockholm, April 2008.

Swedish National Debt Office.

https://www.riksgalden.se/templates/Secure/InterestsResultsPage____16130.aspx. May 2008.

Svante Schriber, Affiliated Assistant Professor at the Center for People and Organization, Stockholm School of economics. Interview held at Stockholm School of Economics, Stockholm, April 2008.

Vice President of CD. Interview held at CD Headquarters, Stockholm, April 2008.

Appendix

Appendix 1a - CD Financial Statements

Income Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales	41.5	41.2	47.5	59.2	100.2	107.7	115.3	123.0	130.5	138.0	145.3	152.3	158.9	165.1	170.9	176.0	
Cost of Goods Sold	-34.9	-28.1	-29.4	-36.1	-51.2	-56.7	-65.4	-69.7	-74.0	-78.2	-82.4	-86.3	-90.1	-93.6	-96.9	-99.8	
SG&A	-12.4	-12.5	-14.1	-17.0	-44.6	-37.1	-39.7	-42.3	-44.9	-47.5	-50.0	-52.4	-54.7	-56.8	-58.8	-60.5	
EBITDA	-5.9	0.6	3.9	6.1	4.4	14.0	10.3	10.9	11.6	12.3	12.9	13.6	14.1	14.7	15.2	15.7	
Depreciation	-0.9	-1.0	-0.5	-0.4	-0.6	-0.7	-0.7	-0.8	-0.8	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.1	
EBITA	-6.8	-0.3	3.5	5.7	3.8	13.3	9.5	10.1	10.8	11.4	12.0	12.6	13.1	13.6	14.1	14.5	
Amortisation	0.0	0.0	0.0	0.0	0.0	-5.2	-5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating Income	-6.8	-0.3	3.5	5.7	3.8	8.1	4.3	10.1	10.8	11.4	12.0	12.6	13.1	13.6	14.1	14.5	
Management Fee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Gains/Losses	-0.8	-0.3	0.7	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Income	1.0	0.5	0.5	0.2	0.1	0.3	0.7	0.8	1.0	1.1	1.3	1.5	1.7	1.9	2.1	2.3	
Interest Expense	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
EBT	-6.6	-0.1	4.6	5.6	3.6	8.3	4.9	11.0	11.7	12.5	13.3	14.0	14.8	15.5	16.2	16.8	
Provisions	0.0	0.0	0.0	0.0	0.0	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes	0.0	0.8	0.0	0.0	0.0	-3.9	-1.4	-3.1	-3.3	-3.5	-3.7	-3.9	-4.1	-4.3	-4.5	-4.7	
Net Income	-6.7	0.7	4.6	5.6	3.6	10.1	3.6	7.9	8.4	9.0	9.6	10.1	10.6	11.1	11.6	12.1	
Profit Margin	-16.0%	1.7%	9.6%	9.5%	3.6%	9.4%	3.1%	6.4%	6.5%	6.5%	6.6%	6.6%	6.7%	6.7%	6.8%	6.9%	
ROE	-17.8%	1.8%	10.9%	13.4%	7.9%	20.9%	6.8%	13.2%	12.4%	11.6%	11.0%	10.4%	9.9%	9.4%	8.9%	8.5%	

Balance Sheet

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E	1.5	0.7	0.6	1.4	1.5	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	
Intangible Assets	0.0	0.0	0.0	0.0	10.5	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Assets	0.3	0.3	0.4	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
Fixed Assets	1.8	1.0	0.9	1.6	12.4	5.7	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.7	
Trade Receivables	6.7	6.9	7.9	10.5	15.4	17.8	19.1	20.3	21.6	22.8	24.0	25.2	26.3	27.3	28.3	29.1	
Other Receivables	3.8	3.5	2.9	39.0	7.7	7.3	7.8	8.4	8.9	9.4	9.9	10.4	10.8	11.2	11.6	12.0	
Tax Assets	0.0	0.0	1.1	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Short Term Investments	25.1	20.1	3.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash & Cash Equivalents	7.6	11.6	31.5	0.0	29.9	34.5	43.1	50.4	58.3	66.7	75.7	85.3	95.4	106.1	117.2	128.9	
- Excess Cash	0.0	0.0	0.0	0.0	0.0	29.1	37.4	44.3	51.8	59.8	68.5	77.7	87.5	97.8	108.7	120.1	
Current Assets	43.2	42.1	46.4	50.2	53.3	59.7	70.1	79.2	88.8	99.0	109.7	120.8	132.5	144.6	157.1	170.0	
ASSETS	45.0	43.1	47.3	51.7	65.7	65.4	70.5	79.6	89.3	99.5	110.2	121.4	133.1	145.3	157.8	170.8	
Share Capital	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
Reserves	33.9	27.9	33.0	32.8	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	35.2	
Retained Earnings	8.2	7.5	3.2	2.3	0.2	2.0	12.1	15.7	23.6	32.0	41.0	50.6	60.7	71.3	82.4	94.1	
Net Income for the Year	-6.7	0.7	4.6	5.6	3.6	10.1	3.6	7.9	8.4	9.0	9.6	10.1	10.6	11.1	11.6	12.1	
Equity	36.6	37.3	42.0	41.9	40.1	48.5	52.0	59.9	68.3	77.3	86.9	97.0	107.6	118.8	130.4	142.5	
Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts Payable	2.1	1.5	1.2	3.3	6.4	4.9	5.6	6.0	6.3	6.7	7.1	7.4	7.7	8.0	8.3	8.6	
Tax Liabilities	0.0	0.0	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Current Liabilities	5.5	4.4	4.1	6.5	14.0	12.1	12.9	13.8	14.6	15.5	16.3	17.1	17.8	18.5	19.1	19.7	
Provisions	0.8	0.0	0.0	0.0	5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Liabilities	8.4	5.9	5.3	9.8	25.6	16.9	18.5	19.8	21.0	22.2	23.3	24.5	25.5	26.5	27.4	28.3	
EQUITY & LIABILITIES	45.0	43.1	47.3	51.7	65.7	65.4	70.5	79.6	89.3	99.5	110.2	121.4	133.1	145.3	157.8	170.8	
Balance Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Cash Flow Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net Income	0.7	4.6	5.6	3.6	3.6	10.1	3.6	7.9	8.4	9.0	9.6	10.1	10.6	11.1	11.6	12.1	
+ Depreciation	1.0	0.5	0.4	0.6	0.6	0.7	0.7	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	
+ Amortisation	0.0	0.0	0.0	0.0	0.0	5.2	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Working Capital	-1.7	-0.9	-34.3	37.0		-5.5	-0.2	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4	
Δ in Tax Liabilities	0.0	0.0	0.0	-0.5		0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Tax Assets	0.0	1.1	-0.4	-0.7		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Provisions	-0.8	0.0	0.0	5.7		-5.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Operating Activities	-0.8	5.3	-28.6	45.7		5.3	9.4	8.1	8.7	9.4	10.0	10.6	11.2	11.8	12.3	12.9	
Capex	-0.4	-0.4	-1.4	-0.7		-0.7	-0.8	-0.8	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.1	-1.2	
Sale of PPE	-1.4	-0.3	-1.5	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Intangibles	0.0	0.0	0.0	-10.5		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Assets	0.0	-0.1	0.2	-0.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Short Term Investments	5.0	17.1	3.0	-0.3		0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Investing Activities	3.2	16.3	0.3	-11.7		-0.7	-0.8	-0.8	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.1	-1.2	
Dividends	-4.4	3.4	-3.3	-1.8		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
New Share Issues	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Reserves	6.0	-5.1	0.1	-2.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Long Term Debt	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Financing Activities	1.6	-1.7	-3.2	-4.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CASH FLOW	4.0	19.9	-31.5	29.9		4.6	8.6	7.3	7.9	8.4	9.0	9.6	10.1	10.7	11.2	11.7	
Δ in Cash	4.0	19.9	-31.5	29.9		4.6	8.6	7.3	7.9	8.4	9.0	9.6	10.1	10.7	11.2	11.7	
Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Appendix 1b - CD Assumptions

Fixed Assets Schedule

(SEK in millions, FYE December 31)

	Historical					Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E		
Net PP&E OB	-2.0	-2.5	-1.7	-1.5	1.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	
Current Year's Capex	0.4	0.4	0.4	1.4	0.7	0.7	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.2	
Sale of PP&E	0.0	0.0	-0.1	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Year's Depr.	-0.9	-1.0	-0.5	-0.4	-0.6	-0.7	-0.7	-0.8	-0.8	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.1	-1.1	
Depr. of Sold PP&E	0.0	1.4	0.4	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net PP&E CB	-2.5	-1.7	-1.5	1.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	
Intangible Assets OB	0.0	0.0	0.0	0.0	0.0	10.5	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Inv./(Sale) of Intangibles	0.0	0.0	0.0	0.0	10.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Amortisation	0.0	0.0	0.0	0.0	0.0	-5.2	-5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Intangible Assets CB	0.0	0.0	0.0	0.0	10.5	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Fin. Assets OB	0.3	0.3	0.4	0.4	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
Inv./(Sale) of Fin. Assets	0.0	0.0	0.1	-0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Assets CB	0.3	0.3	0.4	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	

Equity Schedule

(SEK in millions, FYE December 31)

	Historical					Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E		
Retained Earnings OB	-6.4	-10.1	-2.2	0.2	0.2	2.0	12.1	15.7	23.6	32.0	41.0	50.6	60.7	71.3	82.4	94.1		
- Previous Year's Dividend	4.4	-3.4	3.3	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Payout Ratio	-66.1%	-494.2%	73.0%	31.4%	31.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Retained Earnings CB	0.2	-10.8	-6.7	-5.5	-1.6	2.0	12.1	15.7	23.6	32.0	41.0	50.6	60.7	71.3	82.4	94.1		
Net Income for the Year	-6.7	0.7	4.6	5.6	3.6	10.1	3.6	7.9	8.4	9.0	9.6	10.1	10.6	11.1	11.6	12.1		
New Share Issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Working Capital Schedule

(SEK in millions, FYE December 31)

	Historical					Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E		
Current Assets																		
Trade Receivables	6.7	6.9	7.9	10.5	15.4	17.8	19.1	20.3	21.6	22.8	24.0	25.2	26.3	27.3	28.3	29.1		
Other Receivables	3.8	3.5	2.9	39.0	7.7	7.3	7.8	8.4	8.9	9.4	9.9	10.4	10.8	11.2	11.6	12.0		
Current Assets	10.5	10.4	10.7	49.5	23.1	25.2	26.9	28.7	30.5	32.2	33.9	35.5	37.1	38.6	39.9	41.1		
Current Liabilities																		
Accounts Payable	2.1	1.5	1.2	3.3	6.4	4.9	5.6	6.0	6.3	6.7	7.1	7.4	7.7	8.0	8.3	8.6		
Other Current Liabilities	5.5	4.4	4.1	6.5	14.0	12.1	12.9	13.8	14.6	15.5	16.3	17.1	17.8	18.5	19.1	19.7		
Current Liabilities	7.6	5.9	5.3	9.8	20.4	16.9	18.5	19.8	21.0	22.2	23.3	24.5	25.5	26.5	27.4	28.3		
Net Working Capital	2.9	4.6	5.4	39.7	2.7	8.2	8.4	9.0	9.5	10.1	10.6	11.1	11.6	12.0	12.4	12.8		
Δ in Net Working Capital		58.1%	18.6%	631.6%	-93.2%	202.7%	2.1%	6.6%	6.2%	5.7%	5.3%	4.8%	4.4%	3.9%	3.5%	3.0%		
Assumptions																		
Days of Sales	365.0																	
Tr. Rec. as Days of Sales	59.1	61.4	60.5	64.6	56.2	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4		
Oth. Rec. as % of Sales	9.2%	8.5%	6.0%	65.8%	7.7%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%		
Acc. Pay. as Days of COGS	22.0	19.5	15.0	33.3	45.6	31.3	31.3	31.3	31.3	31.3	31.3	31.3	31.3	31.3	31.3	31.3		
Oth. Liab. as % of Sales	13.3%	10.6%	8.7%	11.0%	13.9%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%		

Appendix 1c - CD Key Drivers

Key Drivers (SEK in millions, FYE December 31)																	
	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales Growth																	
Net Sales	41.5	41.2	47.5	59.2	100.2												
Inflation		0.4%	0.5%	1.4%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Real Growth		-1.0%	14.7%	23.0%	65.5%	5.4%	5.0%	4.5%	4.1%	3.6%	3.2%	2.8%	2.3%	1.9%	1.4%	1.0%	
Nominal Growth		-0.6%	15.2%	24.7%	69.2%	7.5%	7.1%	6.6%	6.2%	5.7%	5.3%	4.8%	4.4%	3.9%	3.5%	3.0%	
Real Growth																	
Base Case						5.4%	5.0%	4.5%	4.1%	3.6%	3.2%	2.8%	2.3%	1.9%	1.4%	1.0%	
Downside Case						5.1%	4.7%	4.3%	3.9%	3.5%	3.0%	2.6%	2.2%	1.8%	1.4%	1.0%	
Upside Case						5.7%	5.2%	4.7%	4.3%	3.8%	3.4%	2.9%	2.4%	2.0%	1.5%	1.1%	
Base Case						5.4%	5.0%	4.5%	4.1%	3.6%	3.2%	2.8%	2.3%	1.9%	1.4%	1.0%	
Personnel Cost Margin																	
Personnel Cost	-34.9	-28.1	-29.4	-36.1	-51.2												
Margin	84.2%	68.1%	62.0%	61.0%	51.1%												
Base Case						52.6%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	
Downside Case						55.2%	59.5%	59.5%	59.5%	59.5%	59.5%	59.5%	59.5%	59.5%	59.5%	59.5%	
Upside Case						50.0%	53.9%	53.9%	53.9%	53.9%	53.9%	53.9%	53.9%	53.9%	53.9%	53.9%	
Base Case						52.6%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	56.7%	
SG&A (% of Sales)																	
SG&A	-12.4	-12.5	-14.1	-17.0	-44.6												
% of Sales	30.0%	30.3%	29.8%	28.8%	44.5%												
Base Case						34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	
Downside Case						36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	
Upside Case						32.7%	32.7%	32.7%	32.7%	32.7%	32.7%	32.7%	32.7%	32.7%	32.7%	32.7%	
Base Case						34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	
Management Fee (% of Sales)																	
Management Fee	0.0	0.0	0.0	0.0	0.0												
% of Sales	0.0%	0.0%	0.0%	0.0%	0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Financial Gains/(Losses) (%of Sales)																	
Financial Gains/(Losses)	-0.8	-0.3	0.7	-0.1	-0.2												
Margin	1.8%	0.7%	-1.4%	0.2%	0.2%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Interest Income (% Cash & Cash Equivalents)																	
Interest Income	1.0	0.5	0.5	0.2	0.1												
Lending Interest Rate			96.4%	56.7%	19.6%												
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Downside Case						2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
Upside Case						1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Interest Expense (% of Long Term Debt)																	
Interest Expense	0.0	0.0	0.0	-0.1	-0.1												
Loan Interest Rate																	
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Downside Case						6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	
Upside Case						5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Tax Assets (% of Revenues)																	
Tax Assets	0.0	0.0	1.1	0.7	0.0												
% of Sales	0.0%	0.0%	2.3%	1.2%	0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Short Term Investments (% of Revenues)																	
Short Term Investments	25.1	20.1	3.0	0.0	0.3												
% of Sales	60.4%	48.7%	6.3%	0.0%	0.3%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Operating Cash (% of Sales)																	
Cash & Cash Equivalents	7.6	11.6	31.5	0.0	29.9												
Operating Cash % of Sales	18.4%	28.2%	66.4%	0.0%	29.9%												
Base Case						5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Downside Case						5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	
Upside Case						4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	
Base Case						5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Capex (% of Sales)																	
Capex	0.4	0.4	0.4	1.4	0.7												
% of Sales	1.00%	0.87%	0.75%	2.34%	0.68%												
Base Case						0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	
Downside Case						0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	
Upside Case						0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	0.64%	
Base Case						0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	
Depreciation (%of Sales)																	
Depreciation	-0.9	-1.0	-0.5	-0.4	-0.6												
Margin	2.24%	2.31%	0.99%	0.64%	0.59%												
Base Case						0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	
Downside Case						0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	0.68%	
Upside Case						0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.62%	0.10%	0.10%	
Base Case						0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	0.65%	
Tax Liabilities (% of Sales)																	
Tax Liabilities	0.0	0.0	0.0	0.0	-0.5												
% of Sales	0.0%	0.0%	0.0%	0.0%	-0.5%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Taxes (% of EBT)																	
Taxes	0.0	0.8	0.0	0.0	0.0												
% of EBT	-0.3%	983.3%	0.3%	0.0%	0.3%												
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	
Downside Case						30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Upside Case						26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	

Appendix 2a - ITD Financial Statements

Income Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales	14.1	25.1	31.8	36.0	44.0	37.7	38.8	40.0	41.2	42.4	43.7	45.0	46.4	47.8	49.2	50.7	
Cost of Goods Sold	-8.7	-14.1	-16.4	-19.3	-14.8	-19.3	-18.4	-19.0	-19.6	-20.2	-20.8	-21.4	-22.0	-22.7	-23.4	-24.1	
SG&A	-5.7	-8.5	-13.7	-16.3	-15.3	-10.7	-14.7	-15.2	-15.6	-16.1	-16.6	-17.1	-17.6	-18.1	-18.7	-19.2	
EBITDA	-0.2	2.5	1.7	0.5	13.9	7.6	5.7	5.8	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	
Depreciation	-0.3	-0.4	-0.4	-0.4	-0.2	-0.1	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8	
EBITA	-0.5	2.1	1.3	0.1	13.6	7.6	5.1	5.2	5.4	5.6	5.7	5.9	6.1	6.3	6.5	6.6	
Amortisation	-0.8	-0.8	-0.8	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating Income	-1.4	1.3	0.5	-0.1	13.6	7.6	5.1	5.2	5.4	5.6	5.7	5.9	6.1	6.3	6.5	6.6	
Management Fee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Gains/Losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Income	0.0	0.2	0.0	0.0	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5	
Interest Expense	-0.4	-0.4	-0.3	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
EBT	-1.7	1.1	0.2	-0.3	13.5	7.9	5.4	5.5	5.7	5.9	6.1	6.3	6.5	6.7	6.9	7.1	
Provisions	-0.1	0.0	0.0	-0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes	0.0	-0.2	0.0	-0.2	0.0	-2.2	-1.5	-1.6	-1.6	-1.6	-1.7	-1.8	-1.8	-1.9	-1.9	-2.0	
Net Income	-1.8	1.0	0.2	-0.7	13.7	5.7	3.9	4.0	4.1	4.2	4.4	4.5	4.7	4.8	5.0	5.1	
Profit Margin	-12.8%	3.9%	0.5%	-1.9%	31.2%	15.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.1%	10.1%	
ROE	-61.8%	25.2%	4.3%	-20.5%	86.6%	26.4%	18.4%	18.0%	17.6%	17.3%	17.0%	16.8%	16.5%	16.3%	16.1%	15.9%	

Balance Sheet

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E	1.1	0.9	0.7	0.4	0.0	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	
Intangible Assets	1.8	1.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Assets	0.0	0.0	0.0	0.1	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	
Fixed Assets	2.9	1.9	0.8	0.5	14.9	15.4	15.5	15.5	15.5	15.5	15.5	15.5	15.6	15.6	15.6	15.6	
Trade Receivables	2.3	6.1	5.8	6.9	0.0	7.0	7.2	7.5	7.7	7.9	8.2	8.4	8.7	8.9	9.2	9.5	
Other Receivables	2.1	1.2	1.8	1.9	0.3	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.6	2.6	2.7	2.8	
Tax Assets	0.0	0.1	0.2	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Cash & Cash Equivalents	2.3	2.8	4.7	5.1	3.4	3.7	3.1	4.1	5.1	6.2	7.2	8.4	9.5	10.7	12.0	13.2	
- Excess Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.0	1.9	2.9	3.9	4.9	6.0	7.0	8.2	
Current Assets	6.6	10.2	12.5	14.0	3.7	13.0	12.6	13.9	15.2	16.5	17.9	19.4	20.9	22.4	24.0	25.7	
ASSETS	9.5	12.1	13.4	14.5	18.6	28.4	28.0	29.3	30.7	32.0	33.5	34.9	36.4	38.0	39.6	41.3	
Share Capital	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
Retained Earnings	-9.0	-10.8	-9.9	-10.0	-11.6	2.1	3.5	4.4	5.4	6.5	7.5	8.6	9.8	10.9	12.1	13.4	
Reserves	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	
Net Income for the Year	-1.8	1.0	0.2	-0.7	13.7	5.7	3.9	4.0	4.1	4.2	4.4	4.5	4.7	4.8	5.0	5.1	
Equity	2.9	3.8	4.0	3.1	15.8	21.5	21.1	22.2	23.3	24.5	25.7	26.9	28.2	29.5	30.8	32.2	
Long Term Debt	4.2	3.9	3.9	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts Payable	0.7	1.2	2.2	2.5	0.0	2.6	2.5	2.5	2.6	2.7	2.8	2.9	2.9	3.0	3.1	3.2	
Tax Liabilities	0.0	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Current Liabilities	1.7	2.8	3.2	4.7	2.5	4.3	4.5	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.7	5.8	
Provisions	0.1	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Liabilities	6.7	8.2	9.3	11.4	2.8	6.9	6.9	7.1	7.4	7.6	7.8	8.0	8.3	8.5	8.8	9.1	
EQUITY & LIABILITIES	9.5	12.1	13.4	14.5	18.6	28.4	28.0	29.3	30.7	32.0	33.5	34.9	36.4	38.0	39.6	41.3	
Balance Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Cash Flow Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net Income	1.0	0.2	-0.7	13.7		5.7	3.9	4.0	4.1	4.2	4.4	4.5	4.7	4.8	5.0	5.1	
+ Depreciation	0.4	0.4	0.4	0.2		0.1	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	
+ Amortisation	0.8	0.8	0.1	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Working Capital	-1.3	1.0	0.7	3.8		-4.4	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Δ in Tax Liabilities	0.2	-0.2	0.0	0.3		-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Tax Assets	-0.1	-0.1	0.1	0.1		-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Provisions	0.0	0.0	0.2	-0.2		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Operating Activities	1.0	2.1	0.9	17.9		0.9	4.2	4.5	4.6	4.8	4.9	5.1	5.3	5.4	5.6	5.8	
Capex	-0.5	-0.4	-1.4	-0.7		-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8	-0.8	
Sale of PPE	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Intangibles	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Assets	0.0	0.0	-0.1	-14.8		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Investing Activities	-0.4	-0.4	-1.5	-15.5		-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8	-0.8	
Dividends	0.2	0.2	1.1	-0.1		0.0	-4.3	-2.9	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.6	-3.7	
New Share Issues	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Long Term Debt	-0.3	0.0	0.0	-3.9		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Financing Activities	0.0	0.2	1.1	-4.1		0.0	-4.3	-2.9	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.6	-3.7	
CASH FLOW	0.5	1.9	0.4	-1.7		0.3	-0.7	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	
Δ in Cash	0.5	1.9	0.4	-1.7		0.3	-0.7	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	
Check	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Appendix 2b - ITD Assumptions

Fixed Assets Schedule (SEK in millions, FYE December 31)																	
	Historical					Projections										Normalised	
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Net PP&E OB	0.0	0.6	0.7	0.7	1.7	0.0	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Current Year's Capex	0.5	0.5	0.4	1.4	0.7	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Sale of PP&E	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Year's Depr.	-0.3	-0.4	-0.4	-0.4	-0.2	-0.1	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.8
Depr. of Sold PP&E	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net PP&E CB	0.6	0.7	0.7	1.7	0.0	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Intangible Assets OB		1.8	1.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inv./(Sale) of Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	-0.8	-0.8	-0.8	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible Assets CB	1.8	1.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fin. Assets OB		0.0	0.0	0.0	0.1	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9
Inv./(Sale) of Fin. Assets		0.0	0.0	0.1	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Assets CB	0.0	0.0	0.0	0.1	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9	14.9

Equity Schedule (SEK in millions, FYE December 31)																	
	Historical					Projections										Normalised	
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Retained Earnings OB		-13.5	-12.3	-11.9	-11.5	2.1	7.7	7.4	8.4	9.6	10.7	11.9	13.1	14.4	15.7	17.1	17.1
- Previous Year's Dividend		-0.2	-0.2	-1.1	0.1	0.0	4.3	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.7
Payout Ratio		12.0%	-24.3%	-631.9%	-18.6%	0.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Retained Earnings CB	-11.7	-13.3	-12.1	-10.8	-11.6	2.1	3.5	4.4	5.4	6.5	7.5	8.6	9.8	10.9	12.1	13.4	13.4
Net Income for the Year	-1.8	1.0	0.2	-0.7	13.7	5.7	3.9	4.0	4.1	4.2	4.4	4.5	4.7	4.8	5.0	5.1	5.1
New Share Issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2	13.2

Working Capital Schedule (SEK in millions, FYE December 31)																	
	Historical					Projections										Normalised	
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Current Assets																	
Trade Receivables	2.3	6.1	5.8	6.9	0.0	7.0	7.2	7.5	7.7	7.9	8.2	8.4	8.7	8.9	9.2	9.5	9.5
Other Receivables	2.1	1.2	1.8	1.9	0.3	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.6	2.6	2.7	2.8	2.8
Current Assets	4.4	7.3	7.6	8.8	0.3	9.1	9.4	9.7	10.0	10.3	10.6	10.9	11.2	11.5	11.9	12.3	12.3
Current Liabilities																	
Accounts Payable	0.7	1.2	2.2	2.5	0.0	2.6	2.5	2.5	2.6	2.7	2.8	2.9	2.9	3.0	3.1	3.2	3.2
Other Current Liabilities	1.7	2.8	3.2	4.7	2.5	4.3	4.5	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.7	5.8	5.8
Current Liabilities	2.4	4.1	5.4	7.2	2.5	6.9	6.9	7.1	7.4	7.6	7.8	8.0	8.3	8.5	8.8	9.1	9.1
Net Working Capital	2.0	3.3	2.2	1.5	-2.2	2.2	2.4	2.5	2.6	2.7	2.8	2.8	2.9	3.0	3.1	3.2	3.2
D in Net Working Capital		65.2%	-31.8%	-30.5%	-244.6%	-198.1%	12.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Assumptions																	
Days of Sales	365.0																
Tr. Rec. as Days of Sales	58.8	88.8	66.3	70.0	0.0	68.1	68.1	68.1	68.1	68.1	68.1	68.1	68.1	68.1	68.1	68.1	68.1
Oth. Rec. as % of Sales	14.9%	4.8%	5.8%	5.1%	0.6%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Acc. Pay. as Days of COGS	27.4	31.7	49.8	47.7	0.3	48.8	48.8	48.8	48.8	48.8	48.8	48.8	48.8	48.8	48.8	48.8	48.8
Oth. Liab. as % of Sales	12.4%	11.3%	9.9%	13.1%	5.7%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%

Appendix 2c - ITD Key Drivers

Key Drivers

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E		
Sales Growth																	
Net Sales	14.1	25.1	31.8	36.0	44.0												
Inflation		0.4%	0.5%	1.4%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Real Growth		77.1%	26.2%	11.6%	19.4%	-16.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Nominal Growth		77.8%	26.9%	13.1%	22.1%	-14.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Real Growth																	
Base Case						-16.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Downside Case						-15.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Upside Case						-16.8%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	
Base Case						-16.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Cost of Goods Sold (% of Sales)																	
Cost of Goods Sold	-8.7	-14.1	-16.4	-19.3	-14.8												
Margin	61.6%	56.3%	51.5%	53.4%	33.6%	51.3%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	
Base Case						51.3%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	
Downside Case						48.7%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	
Upside Case						53.9%	49.9%	49.9%	49.9%	49.9%	49.9%	49.9%	49.9%	49.9%	49.9%	49.9%	
Base Case						51.3%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	47.5%	
SG&A (% of Sales)																	
SG&A	-5.7	-8.5	-13.7	-16.3	-15.3												
% of Sales	40.1%	33.7%	43.1%	45.2%	34.9%	28.4%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	
Base Case						31.2%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	
Downside Case						25.6%	34.1%	34.1%	34.1%	34.1%	34.1%	34.1%	34.1%	34.1%	34.1%	34.1%	
Upside Case						28.4%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	
Base Case						28.4%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	37.9%	
Management Fee (% of Sales)																	
Management Fee	0.0	0.0	0.0	0.0	0.0												
% of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Financial Gains/(Losses) (%of Sales)																	
Financial Gains/(Losses)	0.0	0.0	0.0	0.0	0.0												
Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Interest Income (% Cash & Cash Equivalents)																	
Interest Income	0.0	0.2	0.0	0.0	0.1												
Lending Interest Rate		3528.7%	#DIV/0!	29.3%	0.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Downside Case						2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
Upside Case						1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Interest Expense (% of Long Term Debt)																	
Interest Expense	-0.4	-0.4	-0.3	-0.2	-0.2												
Loan Interest Rate		9.0%	7.7%	5.7%	11.7%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Downside Case						6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	
Upside Case						5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Tax Assets (% of Sales)																	
Tax Assets	0.0	0.1	0.2	0.1	0.0												
Margin	0.0%	0.2%	0.6%	0.3%	0.0%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Base Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Downside Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Upside Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Base Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Operating Cash (% of Sales)																	
Cash & Cash Equivalents	2.3	2.8	4.7	5.1	3.4	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Operating Cash % of Sales	16.0%	11.1%	14.8%	14.3%	7.8%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Base Case						10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	
Downside Case						9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	
Upside Case						10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Base Case						10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Capex (% of Sales)																	
Capex	0.5	0.5	0.4	1.4	0.7	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	
% of Sales	3.73%	1.79%	1.31%	4.00%	1.54%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	
Base Case						1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	
Downside Case						1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	
Upside Case						1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%	
Base Case						1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	
Depreciation (%of Sales)																	
Depreciation	-0.3	-0.4	-0.4	-0.4	-0.2	0.18%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Margin	1.90%	1.53%	1.24%	1.16%	0.52%	0.19%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	
Base Case						0.17%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.08%	0.10%	
Downside Case						0.19%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%	
Upside Case						0.17%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.08%	0.10%	
Base Case						0.18%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Tax Liabilities (% of Sales)																	
Tax Liabilities	0.0	0.2	0.0	0.0	0.3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% of Sales	0.1%	0.8%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Taxes (% of EBT)																	
Taxes	0.0	-0.2	0.0	-0.2	0.0	28.0%											

Appendix 3a - OD Financial Statements

Income Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales	78.8	94.4	117.7	166.4	209.4	262.9	324.2	392.5	466.3	543.4	621.1	695.9	763.9	821.4	864.8	890.9	
Transportation Costs	-68.3	-81.6	-99.8	-141.7	-182.5	-229.0	-282.4	-341.9	-406.1	-473.3	-541.0	-606.1	-665.4	-715.5	-753.2	-776.0	
SG&A	-9.3	-10.6	-15.0	-19.1	-19.5	-29.7	-36.6	-44.4	-52.7	-61.4	-70.2	-78.6	-86.3	-92.8	-97.7	-100.7	
EBITDA	1.3	2.3	2.9	5.6	7.5	4.2	5.2	6.3	7.5	8.7	9.9	11.1	12.2	13.1	13.8	14.3	
Depreciation	-0.2	-0.2	-0.2	-0.2	-0.4	-0.2	-0.5	-0.8	-0.9	-1.1	-1.2	-1.4	-1.5	-1.6	-1.7	-1.8	
EBITA	1.1	2.1	2.7	5.4	7.1	4.0	4.7	5.5	6.5	7.6	8.7	9.7	10.7	11.5	12.1	12.5	
Amortisation	0.0	0.0	0.0	0.0	0.0	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	
Operating Income	1.1	2.1	2.7	5.4	7.1	2.8	3.5	4.3	5.3	6.4	7.5	8.5	9.5	10.3	10.9	12.5	
Management Fee	0.0	0.0	0.0	0.0	-4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Gains/Losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Income	0.0	0.1	0.1	0.2	0.4	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.6	0.7	
Interest Expense	-0.2	-0.1	0.0	0.0	-0.1	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	
EBT	1.0	2.0	2.8	5.5	2.6	1.6	2.4	3.2	4.2	5.3	6.5	7.6	8.6	9.5	10.2	11.9	
Provisions	-0.2	-0.5	-0.8	-1.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes	-0.2	-0.5	-0.7	-1.2	0.0	-0.5	-0.7	-0.9	-1.2	-1.5	-1.8	-2.1	-2.4	-2.7	-2.9	-3.3	
Net Income	0.5	1.1	1.3	3.0	2.9	1.2	1.7	2.3	3.1	3.8	4.7	5.5	6.2	6.8	7.4	8.6	
Profit Margin	0.7%	1.1%	1.1%	1.8%	1.4%	0.4%	0.5%	0.6%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	1.0%	
ROE	34.9%	38.0%	29.7%	35.8%	33.9%	12.1%	15.3%	16.7%	18.2%	18.7%	18.4%	17.7%	16.8%	15.6%	14.4%	14.4%	

Balance Sheet

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E	0.4	0.5	0.4	0.5	0.5	0.8	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.7	
Intangible Assets	0.0	0.0	0.0	0.0	12.0	10.8	9.6	8.4	7.2	6.0	4.8	3.6	2.4	1.2	0.0	0.0	
Financial Assets	0.1	0.2	0.3	0.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
Fixed Assets	0.5	0.7	0.7	0.8	13.6	12.7	11.8	10.6	9.5	8.3	7.2	6.0	4.9	3.8	2.7	2.8	
Trade Receivables	8.4	14.3	14.1	18.3	21.7	27.2	33.5	40.5	48.2	56.1	64.2	71.9	78.9	84.8	89.3	92.0	
Other Receivables	0.4	0.6	1.0	0.7	1.5	1.8	2.3	2.7	3.3	3.8	4.3	4.9	5.3	5.8	6.1	6.2	
Cash & Cash Equivalents	0.2	0.3	2.8	7.8	12.9	13.9	15.8	18.4	21.6	25.5	30.3	35.9	42.3	49.5	57.4	65.5	
- Excess Cash	0.0	0.0	0.0	0.0	0.0	6.0	6.1	6.6	7.6	9.2	11.7	15.0	19.4	24.8	31.4	38.8	
Current Assets	9.1	15.2	17.8	26.8	36.1	42.9	51.6	61.7	73.0	85.5	98.8	112.6	126.5	140.1	152.8	163.8	
ASSETS	9.5	15.9	18.5	27.7	49.7	55.7	63.4	72.3	82.5	93.8	106.0	118.7	131.5	143.9	155.5	166.6	
Share Capital	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Retained Earnings	0.2	0.6	1.2	2.4	5.4	8.3	9.4	11.2	13.5	16.5	20.4	25.1	30.5	36.7	43.6	50.9	
Net Income for the Year	0.5	1.1	1.3	3.0	2.9	1.2	1.7	2.3	3.1	3.8	4.7	5.5	6.2	6.8	7.4	8.6	
Equity	1.0	1.9	2.7	5.6	8.5	9.7	11.4	13.7	16.8	20.6	25.3	30.7	36.9	43.8	51.2	59.8	
Long Term Debt	0.1	1.2	0.2	0.0	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	
Accounts Payable	6.0	9.2	10.8	15.5	16.9	21.2	26.2	31.7	37.6	43.8	50.1	56.1	61.6	66.3	69.7	71.9	
Tax Liabilities	0.0	0.3	0.2	0.4	0.9	0.6	0.7	0.9	1.0	1.2	1.4	1.5	1.7	1.8	1.9	2.0	
Other Current Liabilities	1.6	2.1	2.3	2.4	2.8	3.7	4.5	5.5	6.5	7.6	8.7	9.7	10.7	11.5	12.1	12.5	
Provisions	0.8	1.3	2.5	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Liabilities	8.5	14.0	15.9	22.0	41.2	46.0	51.9	58.5	65.7	73.2	80.7	87.9	94.5	100.1	104.3	106.8	
EQUITY & LIABILITIES	9.5	15.9	18.5	27.7	49.7	55.7	63.4	72.3	82.5	93.8	106.0	118.7	131.5	143.9	155.5	166.6	
Balance Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Cash Flow Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net Income	1.1	1.3	3.0	2.9	2.9	1.2	1.7	2.3	3.1	3.8	4.7	5.5	6.2	6.8	7.4	8.6	
+ Depreciation	0.2	0.2	0.2	0.4	0.4	0.2	0.5	0.8	0.9	1.1	1.2	1.4	1.5	1.6	1.7	1.8	
+ Amortisation	0.0	0.0	0.0	0.0	0.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
Δ in Working Capital	-2.4	1.6	0.8	-2.3	-	-0.6	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.1	-0.9	-0.7	-0.4	
Δ in Tax Liabilities	0.3	-0.1	0.2	0.5	-	-0.3	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	
Δ in Provisions	0.5	1.2	1.3	-3.8	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Operating Activities	-0.4	4.1	5.6	-2.3	-	1.6	2.6	3.4	4.2	5.1	6.1	7.0	8.0	8.9	9.7	10.0	
Capex	-0.3	-0.2	-0.4	-0.4	-	-0.6	-0.7	-0.8	-1.0	-1.1	-1.3	-1.5	-1.6	-1.7	-1.8	-1.9	
Sale of PPE	0.0	0.1	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Intangibles	0.0	0.0	0.0	-12.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Assets	-0.1	-0.1	0.0	-0.8	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Investing Activities	-0.4	-0.2	-0.4	-13.1	-	-0.6	-0.7	-0.8	-1.0	-1.1	-1.3	-1.5	-1.6	-1.7	-1.8	-1.9	
Dividends	-0.2	-0.5	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
New Share Issues	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ Debt	1.1	-0.9	-0.2	20.5	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Financing Activities	0.9	-1.4	-0.2	20.5	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CASH FLOW	0.1	2.4	5.0	5.1	-	1.0	1.9	2.5	3.2	4.0	4.8	5.6	6.4	7.2	7.9	8.2	
Δ in Cash	0.1	2.4	5.0	5.1	-	1.0	1.9	2.5	3.2	4.0	4.8	5.6	6.4	7.2	7.9	8.2	
Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Appendix 3b - OD Assumptions

Fixed Assets Schedule

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Net PP&E OB	0.4	0.4	0.5	0.4	0.5	0.5	0.8	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.6
Current Year's Capex	0.1	0.3	0.2	0.4	0.4	0.6	0.7	0.8	1.0	1.1	1.3	1.5	1.6	1.7	1.8	1.9	1.9
Sale of PP&E	0.0	0.0	-0.1	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Year's Depr.	-0.2	-0.2	-0.2	-0.2	-0.4	-0.2	-0.5	-0.8	-0.9	-1.1	-1.2	-1.4	-1.5	-1.6	-1.7	-1.8	-1.8
Depr. of Sold PP&E	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net PP&E CB	0.4	0.5	0.4	0.5	0.5	0.8	1.1	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.7
Intangible Assets OB		0.0	0.0	0.0	0.0	12.0	10.8	9.6	8.4	7.2	6.0	4.8	3.6	2.4	1.2	0.0	0.0
Inv./(Sale) of Intangibles		0.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation		0.0	0.0	0.0	0.0	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2
Intangible Assets CB	0.0	0.0	0.0	0.0	12.0	10.8	9.6	8.4	7.2	6.0	4.8	3.6	2.4	1.2	0.0	0.0	0.0
Fin. Assets OB		0.1	0.2	0.3	0.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Inv./(Sale) of Fin. Assets		0.1	0.1	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Assets CB	0.1	0.2	0.3	0.3	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1

Equity Schedule

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Retained Earnings OB		0.8	1.7	2.4	5.4	8.3	9.4	11.2	13.5	16.5	20.4	25.1	30.5	36.7	43.6	50.9	50.9
- Previous Year's Dividend		0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout Ratio		36.4%	46.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Retained Earnings CB	0.2	0.6	1.2	2.4	5.4	8.3	9.4	11.2	13.5	16.5	20.4	25.1	30.5	36.7	43.6	50.9	50.9
Net Income for the Year		0.5	1.1	1.3	2.9	1.2	1.7	2.3	3.1	3.8	4.7	5.5	6.2	6.8	7.4	8.6	8.6
New Share Issue		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Working Capital Schedule

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Current Assets																	
Trade Receivables	8.4	14.3	14.1	18.3	21.7	27.2	33.5	40.5	48.2	56.1	64.2	71.9	78.9	84.8	89.3	92.0	92.0
Other Receivables	0.4	0.6	1.0	0.7	1.5	1.8	2.3	2.7	3.3	3.8	4.3	4.9	5.3	5.8	6.1	6.2	6.2
Current Assets	8.8	14.9	15.0	19.0	23.2	29.0	35.8	43.3	51.4	59.9	68.5	76.7	84.3	90.6	95.4	98.3	98.3
Current Liabilities																	
Accounts Payable	6.0	9.2	10.8	15.5	16.9	21.2	26.2	31.7	37.6	43.8	50.1	56.1	61.6	66.3	69.7	71.9	71.9
Other Current Liabilities	1.6	2.1	2.3	2.4	2.8	3.7	4.5	5.5	6.5	7.6	8.7	9.7	10.7	11.5	12.1	12.5	12.5
Current Liabilities	7.7	11.3	13.0	17.9	19.7	24.9	30.7	37.2	44.1	51.4	58.8	65.9	72.3	77.8	81.9	84.3	84.3
Net Working Capital	1.2	3.6	2.0	1.2	3.5	4.1	5.1	6.1	7.3	8.5	9.7	10.9	11.9	12.8	13.5	13.9	13.9
D in Net Working Capital		204.1%	-43.7%	-41.8%	196.7%	18.6%	23.3%	21.1%	18.8%	16.5%	14.3%	12.0%	9.8%	7.5%	5.3%	3.0%	3.0%
Assumptions																	
Days of Sales	365.0																
Tr. Rec. as Days of Sales	39.0	55.3	43.6	40.2	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7
Oth. Rec. as % of Sales	0.5%	0.6%	0.8%	0.4%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Acc. Pay. as Days of COGS	32.3	41.3	39.4	40.0	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8	33.8
Oth. Liab. as % of Sales	2.0%	2.2%	1.9%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%

Appendix 3c - OD Key Drivers

Key Drivers (SEK in millions, FYE December 31)																
	Historical					Projections										
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	Normalised 2013E
Sales Growth																
Net Sales	78.8	94.4	117.7	166.4	209.4											
Inflation	0.4%	0.5%	1.4%	2.2%		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Real Growth	19.3%	24.0%	39.4%	23.1%		23.1%	20.9%	18.7%	16.5%	14.3%	12.1%	9.8%	7.6%	5.4%	3.2%	1.0%
Nominal Growth	19.8%	24.6%	41.4%	25.8%		25.6%	23.3%	21.1%	18.8%	16.5%	14.3%	12.0%	9.8%	7.5%	5.3%	3.0%
Real Growth																
Base Case						23.1%	20.9%	18.7%	16.5%	14.3%	12.1%	9.8%	7.6%	5.4%	3.2%	1.0%
Downside Case						31.3%	19.8%	17.7%	15.6%	13.5%	11.4%	9.3%	7.2%	5.1%	3.0%	1.0%
Upside Case						24.3%	21.9%	19.6%	17.3%	15.0%	12.7%	10.3%	8.0%	5.7%	3.4%	1.1%
Base Case						23.1%	20.9%	18.7%	16.5%	14.3%	12.1%	9.8%	7.6%	5.4%	3.2%	1.0%
Transportation Cost Margin																
Transportation Cost	-68.3	-81.6	-99.8	-141.7	-182.5											
Margin	86.6%	86.4%	84.8%	85.2%	87.1%											
Base Case						87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%
Downside Case						91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%	91.5%
Upside Case						82.7%	82.7%	82.7%	82.7%	82.7%	82.7%	82.7%	82.7%	82.7%	82.7%	82.7%
Base Case						87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%	87.1%
SG&A (% of Sales)																
SG&A	-9.3	-10.6	-15.0	-19.1	-19.5											
% of Sales	11.8%	11.2%	12.7%	11.5%	9.3%											
Base Case						11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
Downside Case						11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Upside Case						10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
Base Case						11.3%	6.8%	6.8%	6.8%	6.8%	6.8%	11.3%	11.3%	11.3%	11.3%	11.3%
Management Fee (%of Sales)																
Management Fee	0.0	0.0	0.0	0.0	-4.8											
Margin	0.0%	0.0%	0.0%	0.0%	2.3%											
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial Gains/(Losses) (%of Sales)																
Financial Gains/(Losses)	0.0	0.0	0.0	0.0	0.0											
Margin	0.0%	0.0%	0.0%	0.0%	0.0%											
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Income (% Cash & Cash Equivalents)																
Interest Income	0.0	0.1	0.1	0.2	0.4											
Lending Interest Rate	35.8%	26.7%	32.2%	31.8%												
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Downside Case						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Upside Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest Expense (% of Long Term Debt)																
Interest Expense	-0.2	-0.1	0.0	0.0	-0.1											
Loan Interest Rate	17.5%	6.7%	25.7%	0.8%												
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Downside Case						0.0%	4.0%	5.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Upside Case						0.0%	2.0%	3.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Operating Cash (% of Sales)																
Cash & Cash Equivalents	0.2	0.3	2.8	7.8	12.9											
Operating Cash % of Sales	0.3%	0.4%	2.4%	4.7%	6.2%											
Base Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Downside Case						3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Upside Case						2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Base Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capex (% of Sales)																
Capex	0.1	0.3	0.2	0.4	0.4											
% of Sales	0.16%	0.35%	0.16%	0.24%	0.17%											
Base Case						0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
Downside Case						0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
Upside Case						0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Base Case						0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
Depreciation (%of Sales)																
Depreciation	-0.2	-0.2	-0.2	-0.2	-0.4											
Margin	0.19%	0.21%	0.21%	0.14%	0.17%											
Base Case						0.08%	0.14%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Downside Case						0.08%	0.15%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
Upside Case						0.08%	0.13%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.10%	0.10%
Base Case						0.08%	0.14%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Tax Liabilities (% of Sales)																
Tax Liabilities	0.0	0.3	0.2	0.4	0.9											
% of Sales	0.0%	0.3%	0.1%	0.2%	0.4%											
Base Case						0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Downside Case						0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Upside Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Base Case						0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Taxes (% of EBT)																
Taxes	-0.2	-0.5	-0.7	-1.2	0.0											
% of EBT	31.1%	30.0%	35.1%	28.8%	0.0%											
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Downside Case						30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Upside Case						26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%

Appendix 4a - HD Financial Statements

Income Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales					11.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Synergies					0.0												
Total Sales	0.0	0.0	0.0	0.0	11.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation Costs					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SG&A					-9.6	-10.6	-10.9	-11.1	-11.3	-11.5	-11.7	-12.0	-12.2	-12.5	-12.7		-13.0
Cost Synergies					0.0												
EBITDA	0.0	0.0	0.0	0.0	2.4	-10.6	-10.9	-11.1	-11.3	-11.5	-11.7	-12.0	-12.2	-12.5	-12.7		-13.0
Depreciation					-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	0.0	0.0	0.0	0.0	2.3	-10.7	-10.9	-11.1	-11.3	-11.6	-11.8	-12.0	-12.3	-12.5	-12.8		-13.0
Amortisation					0.0	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Operating Income	0.0	0.0	0.0	0.0	2.3	-11.0	-11.2	-11.4	-11.7	-11.9	-12.1	-12.4	-12.6	-12.9	-13.1		-13.4
Management Fee					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Gains/Losses					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Income					0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense					-3.0	-2.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9
EBT	0.0	0.0	0.0	0.0	-0.7	-14.1	-13.1	-13.3	-13.6	-13.8	-14.0	-14.3	-14.5	-14.8	-15.0		-15.3
Provisions					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	0.0	0.0	0.0	0.0	-0.7	-14.1	-13.1	-13.3	-13.6	-13.8	-14.0	-14.3	-14.5	-14.8	-15.0		-15.3
Profit Margin					-6.3%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ROE					-0.9%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Balance Sheet

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E					1.1	2.3	2.2	2.2	2.1	2.1	2.1	2.0	2.0	1.9	1.9	1.8	1.8
Intangible Assets					0.0	0.0	-0.3	-0.7	-1.0	-1.4	-1.7	-2.1	-2.5	-2.8	-3.2	-3.6	-3.6
Financial Assets					171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7
Fixed Assets	0.0	0.0	0.0	0.0	172.8	174.0	173.6	173.3	172.9	172.5	172.1	171.7	171.3	170.8	170.4		170.0
Trade Receivables					1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Receivables					6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash & Cash Equivalents					-59.0	-74.6	-87.3	-100.3	-113.4	-126.8	-140.5	-154.3	-168.4	-182.8	-197.4	-212.2	-212.2
- Excess Cash					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Assets	0.0	0.0	0.0	0.0	-51.4	-74.6	-87.3	-100.3	-113.4	-126.8	-140.5	-154.3	-168.4	-182.8	-197.4		-212.2
ASSETS	0.0	0.0	0.0	0.0	121.4	99.4	86.3	73.0	59.4	45.7	31.6	17.4	2.8	-11.9	-27.0		-42.3
Share Capital					75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1	75.1
Retained Earnings					-1.3	-0.5	-14.6	-27.7	-41.0	-54.6	-68.4	-82.4	-96.7	-111.2	-125.9	-141.0	-141.0
Net Income for the Year					-0.7	-14.1	-13.1	-13.3	-13.6	-13.8	-14.0	-14.3	-14.5	-14.8	-15.0	-15.3	-15.3
Equity	0.0	0.0	0.0	0.0	73.1	60.6	47.5	34.1	20.6	6.8	-7.2	-21.5	-36.0	-50.8	-65.8		-81.1
Long Term Debt					31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4
Accounts Payable					0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax Liabilities					0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities					8.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions					7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Liabilities	0.0	0.0	0.0	0.0	48.3	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9		38.9
EQUITY & LIABILITIES	0.0	0.0	0.0	0.0	121.4	99.4	86.3	73.0	59.4	45.7	31.6	17.4	2.8	-11.9	-27.0		-42.3
Balance Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Cash Flow Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net Income		0.0	0.0	0.0	0.0	-14.1	-13.1	-13.3	-13.6	-13.8	-14.0	-14.3	-14.5	-14.8	-15.0	-15.3	-15.3
+ Depreciation		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Amortisation		0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Δ in Working Capital		0.0	0.0	0.0	0.0	-1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Tax Liabilities		0.0	0.0	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Provisions		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF Operating Activities	0.0	0.0	0.0	0.0	0.0	-15.6	-12.7	-13.0	-13.2	-13.4	-13.6	-13.9	-14.1	-14.3	-14.6		-14.9
Capex		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of PPE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Intangibles		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Financial Assets		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF Investing Activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Dividends		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Share Issues		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Long Term Debt		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF Financing Activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0
CASH FLOW	0.0	0.0	0.0	0.0	0.0	-15.6	-12.7	-13.0	-13.2	-13.4	-13.6	-13.9	-14.1	-14.3	-14.6		-14.9
Δ in Cash		0.0	0.0	0.0	0.0	-15.6	-12.7	-13.0	-13.2	-13.4	-13.6	-13.9	-14.1	-14.3	-14.6	-14.9	-14.9
Check		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Appendix 4b - HD Assumptions

Fixed Assets Schedule (SEK in millions, FYE December 31)																	
	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E OB		0.0	0.0	0.0	2.4	2.3	2.3	2.2	2.2	2.1	2.1	2.1	2.0	2.0	1.9	1.9	
Current Year's Capex						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sale of PP&E						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Year's Depr.	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Depr. of Sold PP&E						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net PP&E CB	0.0	0.0	0.0	0.0	2.3	2.3	2.2	2.2	2.1	2.1	2.1	2.0	2.0	1.9	1.9	1.8	
Intangible Assets OB		0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.7	-1.0	-1.4	-1.7	-2.1	-2.5	-2.8	-3.2	
Inv./[Sale] of Intangibles						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Amortisation						0.0	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	
Intangible Assets CB	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.7	-1.0	-1.4	-1.7	-2.1	-2.5	-2.8	-3.2	-3.6	
Fin. Assets OB		0.0	0.0	0.0	0.0	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	
Inv./[Sale] of Fin. Assets		0.0	0.0	0.0	171.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Assets CB	0.0	0.0	0.0	0.0	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	171.7	

Equity Schedule (SEK in millions, FYE December 31)																	
	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Retained Earnings OB		0.2	0.2	0.2	0.2	-0.5	-14.6	-27.7	-41.0	-54.6	-68.4	-82.4	-96.7	-111.2	-125.9	-141.0	
- Previous Year's Dividend						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Payout Ratio						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Retained Earnings CB	0.2	0.2	0.2	0.2	0.2	-0.5	-14.6	-27.7	-41.0	-54.6	-68.4	-82.4	-96.7	-111.2	-125.9	-141.0	
Net Income for the Year	0.0	0.0	0.0	0.0	-0.7	-14.1	-13.1	-13.3	-13.6	-13.8	-14.0	-14.3	-14.5	-14.8	-15.0	-15.3	
New Share Issue						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Working Capital Schedule (SEK in millions, FYE December 31)																	
	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Current Assets																	
Trade Receivables	0.0	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Receivables	0.0	0.0	0.0	0.0	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Assets	0.0	0.0	0.0	0.0	7.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Liabilities																	
Accounts Payable	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Current Liabilities	0.0	0.0	0.0	0.0	8.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Liabilities	0.0	0.0	0.0	0.0	9.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net Working Capital	0.0	0.0	0.0	0.0	-1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Net Working Capital		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Assumptions																	
Days of Sales	365.0																
Tr. Rec. as Days of Sales	NA	NA	NA	NA	NA												
Oth. Rec. as % of Sales	NA	NA	NA	NA	NA												
Acc. Pay. as Days of COGS	NA	NA	NA	NA	NA												
Oth. Liab. as % of Sales	NA	NA	NA	NA	NA												

Appendix 4c - HD Key Drivers

Key Drivers

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Sales Growth																	
Net Sales	0.0	0.0	0.0	0.0	11.9												
Inflation		0.4%	0.5%	1.4%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Real Growth						-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Nominal Growth						-100.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Real Growth																	
Base Case						-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case						31.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upside Case						-105.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Case						-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel Cost Margin																	
Personnel Cost	0.0	0.0	0.0	0.0	0.0												
Margin					0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Case						0.0%	89.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SG&A Growth																	
SG&A	0.0	0.0	0.0	0.0	-9.6												
% of Sales					80.3%												
Base Case						-100.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Downside Case						-105.0%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Upside Case						-95.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Base Case						-100.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Management Fee (% of Sales)																	
Management Fee	0.0	0.0	0.0	0.0	0.0												
% of Sales					0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial Gains/(Losses) (% of Sales)																	
Financial Gains/(Losses)	0.0	0.0	0.0	0.0	0.0												
Margin					0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Income (% Cash & Cash Equivalents)																	
Interest Income	0.0	0.0	0.0	0.0	0.0												
Lending Interest Rate					0.0%												
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Downside Case						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Upside Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest Expense (% of Long Term Debt)																	
Interest Expense	0.0	0.0	0.0	0.0	-3.0												
Loan Interest Rate					19.4%												
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Downside Case						0.0%	4.0%	5.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Upside Case						0.0%	2.0%	3.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Operating Cash (% of Sales)																	
Cash & Cash Equivalents	0.0	0.0	0.0	0.0	-59.0												
Operating Cash % of Sales					-494.1%												
Base Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Downside Case						3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Upside Case						2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Base Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capex (% of Sales)																	
Capex	0.0	0.0	0.0	0.0	0.0												
% of Sales					0.00%												
Base Case						0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
Downside Case						0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%
Upside Case						0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Base Case						0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
Depreciation Growth																	
Depreciation	0.0	0.0	0.0	0.0	-0.1												
Margin					0.64%												
Base Case						-100.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Downside Case						-105.00%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Upside Case						-95.00%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
Base Case						-100.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Liabilities (% of Sales)																	
Tax Liabilities	0.0	0.0	0.0	0.0	0.5												
% of Sales					3.8%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case						0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Upside Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taxes (% of EBT)																	
Taxes	0.0	0.0	0.0	0.0	0.0												
% of EBT					0.0%												
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Downside Case						30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Upside Case						26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%

Appendix 5a - Alpha Valuation

DCF Valuation Output
(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
EBITA						0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	
Δ in Provisions						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted EBITA						0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	
Reported Taxes						-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	
Tax Shield on Int. Paid						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax on Interest Received						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Deferred Taxes						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
NOPLAT						0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	
Net Income						0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	
Δ in Provisions						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Deferred Taxes						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Amortisation						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted Net Income						0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	
Interest Paid After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Received After Tax						0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
NOPLAT						0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	
Check						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NOPLAT						0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	
+ Depreciation						0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	
Gross Cash Flow						1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	
Δ in WC						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Capex						-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	
Free Cash Flow						0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	
Interest Received After Tax						0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Δ in Debt						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Fixed Assets						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Paid After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Dividends						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Cash						0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	
Financial Cash Flow						0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	
Check						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Years					0	0	1	2	3	4	5	6	7	8	9		
Period Discounted (Years)						0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0		
MV(E)/MV(E+ND)						0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	
WACC						8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	
Discount Factor						1.00x	0.92x	0.85x	0.78x	0.72x	0.66x	0.61x	0.56x	0.52x	0.48x		
PV(Free Cash Flows)						0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	
Calculation of Enterprise Value																	
Terminal FCF																	0.8
Perpetuity Growth Rate																	3.0%
Terminal value																	14.9
Discount factor																	0.48x
PV(Terminal Value)																	7.1
% of Enterprise Value																	63.3%
Sum of PV (FCF)																	4.1
Enterprise Value																	11.3
- Debt																	-0.7
+ Excess Cash																	1.3
Total Adjustments																	0.6
Implied Equity Value																	11.9
Valuation Multiples																	
Implied EV/Sales	2007E	2008E	2009E														
	0.34x	0.33x	0.32x														
Implied EV/EBITDA	9.5x	9.2x	8.9x														
Implied EV/EBITA	13.0x	12.6x	12.3x														
Implied EV/Op. Income	13.0x	12.6x	12.3x														
Implied P/E	12.6x	19.0x	18.2x														

Appendix 5b - Alpha Financial Statements

Income Statement

(SEK in millions, FYE December 31)

	Historical				Projections												Normalised
	2003A	2004A	2005A	2006A	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales	24.0	29.3	33.1	32.0	33.0	34.0	35.1	36.1	37.2	38.3	39.5	40.7	41.9	43.2	44.5	45.8	
Personnel Cost	-16.3	-18.1	-20.2	-19.7	-20.3	-20.9	-21.5	-22.2	-22.9	-23.5	-24.3	-25.0	-25.7	-26.5	-27.3	-28.1	
SG&A	-7.9	-9.9	-12.6	-11.2	-11.6	-11.9	-12.3	-12.6	-13.0	-13.4	-13.8	-14.2	-14.7	-15.1	-15.6	-16.0	
EBITDA	-0.3	1.3	0.3	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.7	
Depreciation	-0.4	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	
EBITA	-0.6	1.1	0.0	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating Income	-0.6	1.1	0.0	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	
Financial Gains/Losses	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Income	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
EBT	-0.5	1.1	0.1	0.9	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.3	
Provisions	0.6	-0.3	0.6	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes	-0.1	-0.3	-0.3	-0.3	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
Net Income	0.0	0.5	0.4	0.6	0.9	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	
Profit Margin	0.0%	1.7%	1.1%	1.9%	2.9%	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%	2.0%	
ROE	0.1%	12.7%	10.2%	15.2%	18.2%	10.8%	10.1%	9.5%	9.0%	8.5%	8.2%	7.8%	7.5%	7.2%	7.0%	6.8%	

Balance Sheet

(SEK in millions, FYE December 31)

	Historical				Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E	0.6	0.5	0.5	0.8	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	
Intangible Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Assets	1.2	1.2	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	
Fixed Assets	1.7	1.7	3.2	3.5	3.9	4.0	4.1	4.1	4.2	4.2	4.2	4.3	4.3	4.3	4.3	4.4	
Trade Receivables	3.7	5.7	6.3	6.4	6.3	6.5	6.7	6.9	7.1	7.4	7.6	7.8	8.0	8.3	8.5	8.8	
Other Receivables	0.4	0.5	0.3	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.9	0.9	
Cash & Cash Equivalents	2.6	2.7	1.0	0.0	1.8	2.4	2.9	3.6	4.2	4.9	5.6	6.3	7.1	8.0	8.8	9.7	
- Excess Cash	0.0	0.0	0.0	0.0	0.8	1.3	1.9	2.5	3.1	3.7	4.4	5.1	5.9	6.7	7.5	8.3	
Current Assets	6.7	8.9	7.6	7.1	8.8	9.6	10.4	11.2	12.1	13.0	14.0	15.0	16.0	17.1	18.2	19.4	
ASSETS	8.4	10.6	10.7	10.6	12.7	13.6	14.4	15.3	16.2	17.2	18.2	19.2	20.3	21.4	22.6	23.8	
Share Capital	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
Retained Earnings	2.3	2.3	2.5	2.6	3.6	4.6	5.2	5.9	6.5	7.2	8.0	8.7	9.5	10.3	11.2	12.1	
Net Income for the Year	0.0	0.5	0.4	0.6	0.9	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	
Equity	2.9	3.4	3.4	3.8	5.2	5.8	6.5	7.1	7.8	8.6	9.3	10.1	10.9	11.8	12.7	13.6	
Debt	0.0	0.0	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
Accounts Payable	1.0	1.1	0.8	0.9	1.1	1.1	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	
Tax Liabilities	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Other Current Liabilities	3.9	5.0	6.1	4.7	5.6	5.8	6.0	6.1	6.3	6.5	6.7	6.9	7.1	7.3	7.6	7.8	
Provisions	0.6	0.9	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Liabilities	5.5	7.1	7.3	6.8	7.5	7.7	8.0	8.2	8.4	8.6	8.9	9.1	9.4	9.6	9.9	10.2	
EQUITY & LIABILITIES	8.4	10.6	10.7	10.6	12.7	13.6	14.4	15.3	16.2	17.2	18.2	19.2	20.3	21.4	22.6	23.8	
Balance Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Cash Flow Statement

(SEK in millions, FYE December 31)

	Historical				Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net Income	0.5	0.4	0.6	0.6	0.9	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	
+ Depreciation	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	
+ Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Working Capital	-0.8	0.4	-1.8	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Tax Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Provisions	0.3	-0.6	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Operating Activities	0.3	0.4	-0.9	2.2	2.2	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	
Capex	-0.2	-0.2	-0.6	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	
Sale of PPE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Assets	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Investing Activities	-0.2	-1.7	-0.6	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	
Dividends	0.0	-0.4	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
New Share Issues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Long Term Debt	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Financing Activities	0.0	-0.4	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CASH FLOW	0.1	-1.7	-1.0	1.8	1.8	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	
Δ in Cash	0.1	-1.7	-1.0	1.8	1.8	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	
Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Appendix 5c - Alpha Assumptions

Fixed Assets Schedule

(SEK in millions, FYE December 31)

	Historical				Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Net PP&E OB	0.9	1.0	0.9	0.9	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6
Current Year's Capex	0.4	0.2	0.2	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Sale of PP&E	-0.4	-0.7	-0.1	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Year's Depr.	-0.4	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5
Depr. of Sold PP&E	0.4	0.7	0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net PP&E CB	1.0	0.9	0.9	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6
Intangible Assets OB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inv./(Sale) of Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible Assets CB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fin. Assets OB	0.0	1.2	1.2	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Inv./(Sale) of Fin. Assets	1.2	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Assets CB	1.2	1.2	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7

Equity Schedule

(SEK in millions, FYE December 31)

	Historical				Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Retained Earnings OB	2.7	3.2	3.2	3.6	3.6	4.6	5.2	5.9	6.5	7.2	8.0	8.7	9.5	10.3	11.2	12.1	12.1
- Previous Year's Dividend	-2.7	0.0	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout Ratio	0.0%	0.0%	70.5%	56.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Retained Earnings CB	2.7	2.7	2.9	3.0	3.6	4.6	5.2	5.9	6.5	7.2	8.0	8.7	9.5	10.3	11.2	12.1	12.1
Net Income for the Year	0.0	0.5	0.4	0.6	0.9	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9
New Share Issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Working Capital Schedule

(SEK in millions, FYE December 31)

	Historical					Projections												Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E		
Current Assets																		
Trade Receivables	3.7	5.7	6.3	6.4	6.3	6.5	6.7	6.9	7.1	7.4	7.6	7.8	8.0	8.3	8.5	8.8		
Other Receivables	0.4	0.5	0.3	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.9	0.9		
Current Assets	4.1	6.2	6.6	7.1	7.0	7.2	7.4	7.7	7.9	8.1	8.4	8.6	8.9	9.1	9.4	9.7		
Current Liabilities																		
Accounts Payable	1.0	1.1	0.8	0.9	1.1	1.1	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5		
Other Current Liabilities	3.9	5.0	6.1	4.7	5.6	5.8	6.0	6.1	6.3	6.5	6.7	6.9	7.1	7.3	7.6	7.8		
Current Liabilities	4.9	6.1	6.9	5.6	6.7	6.9	7.1	7.4	7.6	7.8	8.0	8.3	8.5	8.8	9.1	9.3		
Net Working Capital	-0.8	0.1	-0.3	1.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4		
Δ in Net Working Capital		-111.6%	-448.3%	-594.8%	-82.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
Assumptions																		
Days of Sales	365.0																	
Tr. Rec. as Days of Sales	56.1	70.9	68.9	72.7	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0		
Oth. Rec. as % of Sales	1.7%	1.8%	1.0%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%		
Acc. Pay. as Days of COGS	22.1	22.0	14.5	16.4	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0		
Oth. Liab. as % of Sales	16.1%	17.2%	18.4%	14.8%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%		

Appendix 5d - Alpha Key Drivers

Key Drivers

(SEK in millions, FYE December 31)

	Historical				Projections												Normalised
	2003A	2004A	2005A	2006A	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales Growth																	
Net Sales	24.0	29.3	33.1	32.0													
Inflation		0.4%	0.5%	1.4%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Real Growth		21.5%	12.5%	-4.7%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Nominal Growth		22.0%	13.1%	-3.3%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Real Growth																	
Base Case					1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Downside Case					31.3%	31.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Upside Case					1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Base Case					1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Transportation Cost Margin																	
Transportation Cost	-16.3	-18.1	-20.2	-19.7													
Margin	68.1%	61.7%	61.1%	61.4%													
Base Case					61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%
Downside Case					64.5%	64.5%	64.5%	64.5%	64.5%	64.5%	64.5%	64.5%	64.5%	64.5%	64.5%	64.5%	64.5%
Upside Case					58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%
Base Case					61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%	61.4%
SG&A (% of Sales)																	
SG&A	-7.9	-9.9	-12.6	-11.2													
% of Sales	33.0%	33.9%	38.1%	34.9%													
Base Case					35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Downside Case					36.8%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%
Upside Case					33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
Base Case					35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Financial Gains/(Losses) (%of Sales)																	
Financial Gains/(Losses)	0.1	0.1	0.1	0.0													
Margin	0.3%	0.2%	0.3%	0.0%													
Base Case					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Downside Case					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upside Case					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Case					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Income (% Cash & Cash Equivalents)																	
Interest Income	0.1	0.0	0.0	0.0													
Lending Interest Rate		1.9%	0.8%	0.6%													
Base Case					2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Downside Case					1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Upside Case					3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Base Case					2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest Expense (% of Long Term Debt)																	
Interest Expense	0.0	0.0	0.0	0.0	0.0												
Loan Interest Rate		#DIV/0!	#DIV/0!	5.6%	6.0%												
Base Case					6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Downside Case					0.0%	0.0%	4.0%	5.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Upside Case					0.0%	0.0%	2.0%	3.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Base Case					6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Operating Cash (% of Sales)																	
Cash & Cash Equivalents	2.6	2.7	1.0	0.0													
Operating Cash % of Sales	10.7%	9.2%	3.0%	0.0%													
Base Case					3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Downside Case					3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Upside Case					2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Base Case					3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capex (% of Sales)																	
Capex	0.4	0.2	0.2	0.6													
% of Sales	1.73%	0.58%	0.60%	1.77%													
Base Case					1.17%	1.16%	1.15%	1.15%	1.14%	1.13%	1.12%	1.11%	1.10%	1.10%	1.09%	1.08%	1.08%
Downside Case					1.23%	1.22%	1.21%	1.20%	1.19%	1.18%	1.17%	1.16%	1.15%	1.14%	1.13%	1.13%	1.13%
Upside Case					1.11%	1.10%	1.10%	1.09%	1.08%	1.07%	1.06%	1.06%	1.05%	1.04%	1.03%	1.03%	1.03%
Base Case					1.17%	1.16%	1.15%	1.15%	1.14%	1.13%	1.12%	1.11%	1.10%	1.10%	1.09%	1.08%	1.08%
Depreciation (%of Sales)																	
Depreciation	-0.4	-0.2	-0.2	-0.3													
Margin	1.56%	0.75%	0.75%	0.81%													
Base Case					0.97%	0.98%	0.99%	0.99%	1.00%	1.01%	1.02%	1.03%	1.04%	1.04%	1.05%	1.06%	1.06%
Downside Case					1.02%	1.03%	1.04%	1.04%	1.05%	1.06%	1.07%	1.08%	1.09%	1.10%	1.10%	1.11%	1.11%
Upside Case					0.92%	0.93%	0.94%	0.94%	0.95%	0.96%	0.97%	0.98%	0.98%	0.99%	0.10%	0.10%	0.10%
Base Case					0.97%	0.98%	0.99%	0.99%	1.00%	1.01%	1.02%	1.03%	1.04%	1.04%	1.05%	1.06%	1.06%
Tax Liabilities (% of Sales)																	
Tax Liabilities	0.1	0.1	0.1	0.1													
% of Sales	0.3%	0.3%	0.2%	0.2%													
Base Case					0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Downside Case					0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Upside Case					0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Base Case					0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Taxes (% of EBT)																	
Taxes	-0.1	-0.3	-0.3	-0.3													
% of EBT	97.5%	36.2%	47.1%	34.5%													
Base Case					28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Downside Case					30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Upside Case					26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Base Case					28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%

Appendix 6a - Beta Valuation

DCF Valuation Output

(SEK in millions, FYE December 31)

	Historical					Projections										Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
EBITA						4.3	4.5	4.6	4.8	4.9	5.1	5.2	5.4	5.6	5.7	5.9
Δ in Provisions						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted EBITA						4.3	4.5	4.6	4.8	4.9	5.1	5.2	5.4	5.6	5.7	5.9
Reported Taxes						-1.2	-1.3	-1.3	-1.3	-1.4	-1.4	-1.5	-1.5	-1.6	-1.6	-1.7
Tax Shield on Int. Paid						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax on Interest Received						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Deferred Taxes						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NOPLAT						3.1	3.2	3.3	3.4	3.5	3.6	3.8	3.9	4.0	4.1	4.3
Net Income						3.1	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.2	4.3
Δ in Provisions						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Deferred Taxes						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Net Income						3.1	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.2	4.3
Interest Paid After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Received After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
NOPLAT						3.1	3.2	3.3	3.4	3.5	3.6	3.8	3.9	4.0	4.1	4.3
Check						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NOPLAT						3.1	3.2	3.3	3.4	3.5	3.6	3.8	3.9	4.0	4.1	4.3
+ Depreciation						0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Gross Cash Flow						3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.3	4.4	4.5
Δ in WC						-1.7	-0.2	-0.3	0.1	0.0	-0.1	-0.1	-0.1	0.0	-0.1	-0.1
- Capex						-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3
Free Cash Flow						4.9	3.1	3.1	3.6	3.6	3.5	3.7	3.8	4.0	4.0	4.1
Interest Received After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Δ in Debt						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ in Financial Fixed Assets						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Paid After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends						4.4	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.8
Δ in Cash						0.5	0.3	0.2	0.6	0.5	0.4	0.4	0.4	0.5	0.5	0.4
Financial Cash Flow						4.9	3.1	3.1	3.6	3.6	3.5	3.7	3.8	4.0	4.0	4.1
Check						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Years						0	1	2	3	4	5	6	7	8	9	
Period Discounted (Years)						0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	
MV(E)/MV(E+ND)						1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
WACC						9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Discount Factor						1.00x	0.92x	0.84x	0.77x	0.71x	0.65x	0.60x	0.55x	0.50x	0.46x	
PV(Free Cash Flows)						4.9	2.8	2.6	2.8	2.6	2.3	2.2	2.1	2.0	1.9	

Calculation of Enterprise Value

Terminal FCF	4.1
Perpetuity Growth Rate	3.0%
Terminal value	69.3
Discount factor	0.46x
PV(Terminal Value)	31.9
% of Enterprise Value	60.1%
Sum of PV (FCF)	21.2
Enterprise Value	53.2
- Debt	0.0
+ Excess Cash	0.0
Total Adjustments	0.0
Implied Equity Value	53.2

Valuation Multiples	2007A	2008E	2009E
Implied EV/Sales	1.50x	1.45x	1.41x
Implied EV/EBITDA	7.6x	11.6x	11.3x
Implied EV/EBITA	7.8x	12.3x	11.9x
Implied EV/Op. Income	7.8x	12.3x	11.9x
Implied P/E	10.9x	17.1x	16.5x

Appendix 6b - Beta Financial Statements

Income Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales	29.6	28.8	34.3	36.7	35.5	36.6	37.7	38.9	40.0	41.2	42.5	43.8	45.1	46.5	47.9	49.3	
Personnel Cost	-14.9	-20.0	-18.4	-20.0	-20.6	-21.0	-21.6	-22.3	-22.9	-23.6	-24.4	-25.1	-25.8	-26.6	-27.4	-28.3	
SG&A	-13.2	-7.7	-10.0	-10.2	-8.0	-11.1	-11.4	-11.7	-12.1	-12.5	-12.8	-13.2	-13.6	-14.0	-14.5	-14.9	
EBITDA	1.5	1.1	5.8	6.4	7.0	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.6	5.8	6.0	6.2	
Depreciation	-0.3	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
EBITA	1.2	0.8	5.6	6.2	6.8	4.3	4.5	4.6	4.8	4.9	5.1	5.2	5.4	5.6	5.7	5.9	
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating Income	1.2	0.8	5.6	6.2	6.8	4.3	4.5	4.6	4.8	4.9	5.1	5.2	5.4	5.6	5.7	5.9	
Financial Gains/Losses	0.0	0.1	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
EBT	1.2	0.9	6.3	6.2	6.8	4.3	4.5	4.6	4.8	4.9	5.1	5.3	5.4	5.6	5.8	6.0	
Provisions	-0.2	0.5	0.5	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes	-0.3	-0.4	-1.7	-1.8	-2.0	-1.2	-1.3	-1.3	-1.3	-1.4	-1.4	-1.5	-1.5	-1.6	-1.6	-1.7	
Net Income	0.7	1.0	5.0	4.3	4.9	3.1	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.2	4.3	
Profit Margin	2.3%	3.4%	14.6%	11.8%	13.7%	8.5%	8.5%	8.5%	8.6%	8.6%	8.6%	8.7%	8.7%	8.7%	8.7%	8.7%	
ROE	44.7%	65.9%	97.0%	94.1%	96.5%	78.7%	73.6%	69.3%	65.5%	62.3%	59.4%	56.9%	54.6%	52.6%	50.8%	49.1%	

Balance Sheet

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E	0.6	0.5	0.5	0.3	0.2	0.4	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	
Intangible Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financial Assets	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Fixed Assets	0.8	0.7	0.5	0.3	0.3	0.4	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	
Trade Receivables	4.8	5.2	3.8	5.5	8.9	6.3	6.5	6.7	6.9	7.1	7.3	7.5	7.7	8.0	8.2	8.4	
Other Receivables	1.7	1.8	6.1	2.7	0.6	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	
Tax Asset	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash & Cash Equivalents	2.3	0.0	1.2	3.6	1.2	1.7	2.0	2.2	2.8	3.4	3.7	4.1	4.6	5.1	5.5	6.0	
- Excess Cash	0.0	0.0	0.0	0.0	0.0	0.2	0.5	0.6	1.2	1.7	2.0	2.4	2.8	3.2	3.6	4.0	
Current Assets	8.8	7.0	11.1	11.8	10.7	10.8	11.3	11.8	12.8	13.6	14.3	15.0	15.8	16.6	17.4	18.2	
ASSETS	9.6	7.7	11.6	12.1	11.0	11.2	11.6	12.1	12.9	13.7	14.4	15.0	15.8	16.6	17.4	18.2	
Share Capital	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Retained Earnings	0.0	0.0	0.0	0.1	0.0	0.6	1.0	1.3	1.6	2.0	2.3	2.7	3.1	3.4	3.8	4.3	
Net Income for the Year	0.7	1.0	5.0	4.3	4.9	3.1	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.2	4.3	
Equity	0.8	1.1	5.1	4.5	5.0	3.9	4.3	4.7	5.2	5.6	6.1	6.6	7.1	7.6	8.1	8.7	
Debt	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts Payable	2.7	0.8	1.8	2.0	0.4	1.8	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	
Tax Liabilities	0.1	0.0	0.8	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Current Liabilities	5.0	4.9	3.8	4.7	5.5	5.4	5.4	5.3	5.7	5.9	6.0	6.2	6.4	6.6	6.8	7.0	
Provisions	1.0	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Liabilities	8.7	6.6	6.5	7.6	6.0	7.3	7.3	7.3	7.8	8.1	8.3	8.5	8.7	9.0	9.3	9.5	
EQUITY & LIABILITIES	9.6	7.7	11.6	12.1	11.0	11.2	11.6	12.1	12.9	13.7	14.4	15.0	15.8	16.6	17.4	18.2	
Balance Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Cash Flow Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net Income	1.0	5.0	4.3	4.9	4.9	3.1	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.2	4.3	
+ Depreciation	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
+ Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Working Capital	-2.5	-2.9	2.9	-2.2	-2.2	1.7	-0.2	-0.3	0.1	0.0	-0.1	-0.1	-0.1	0.0	-0.1	-0.1	
Δ in Tax Liabilities	-0.1	0.8	-0.1	-0.7	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Provisions	-0.5	-0.5	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Operating Activities	-1.8	2.6	7.4	2.1	2.1	5.1	3.2	3.3	3.8	3.8	3.8	3.9	4.1	4.3	4.4	4.5	
Capex	-0.1	-0.2	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	
Sale of PPE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Assets	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Investing Activities	-0.1	0.0	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	
Dividends	-0.7	-1.0	-5.0	-4.4	-4.4	-4.4	-2.8	-2.9	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.6	-3.8	
New Share Issues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Long Term Debt	0.4	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Financing Activities	-0.3	-1.4	-5.0	-4.4	-4.4	-4.4	-2.8	-2.9	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.6	-3.8	
CASH FLOW	-2.3	1.2	2.4	-2.4	-2.4	0.5	0.3	0.2	0.6	0.5	0.4	0.4	0.4	0.5	0.5	0.4	
Δ in Cash	-2.3	1.2	2.4	-2.4	-2.4	0.5	0.3	0.2	0.6	0.5	0.4	0.4	0.4	0.5	0.5	0.4	
Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Appendix 6c - Beta Assumptions

Fixed Assets Schedule

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Net PP&E OB	0.9	0.8	0.7	0.7	0.5	0.4	0.4	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Current Year's Capex	0.2	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Sale of PP&E	-0.1	0.0	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Year's Depr.	-0.3	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Depr. of Sold PP&E	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net PP&E CB	0.8	0.7	0.7	0.5	0.4	0.4	0.3	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Intangible Assets OB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inv./(Sale) of Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible Assets CB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fin. Assets OB	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inv./(Sale) of Fin. Assets	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Assets CB	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Equity Schedule

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Retained Earnings OB	0.9	1.2	5.2	4.6		5.0	3.8	4.2	4.6	5.0	5.5	6.0	6.5	7.0	7.5	8.0	
- Previous Year's Dividend	0.7	1.0	5.0	4.4		4.4	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.8	
Payout Ratio	104.0%	101.6%	98.8%	102.3%		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	
Retained Earnings CB	0.2	0.2	0.2	0.3	0.2	0.6	1.0	1.3	1.6	2.0	2.3	2.7	3.1	3.4	3.8	4.3	
Net Income for the Year	0.7	1.0	5.0	4.3	4.9	3.1	3.2	3.3	3.4	3.5	3.7	3.8	3.9	4.0	4.2	4.3	
New Share Issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Working Capital Schedule

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E	
Current Assets																	
Trade Receivables	4.8	5.2	3.8	5.5	8.9	6.3	6.5	6.7	6.9	7.1	7.3	7.5	7.7	8.0	8.2	8.4	
Other Receivables	1.7	1.8	6.1	2.7	0.6	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	
Current Assets	6.5	7.0	9.9	8.2	9.5	9.1	9.4	9.6	9.9	10.2	10.5	10.9	11.2	11.5	11.9	12.2	
Current Liabilities																	
Accounts Payable	2.7	0.8	1.8	2.0	0.4	1.8	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4	2.5	
Other Current Liabilities	5.0	4.9	3.8	4.7	5.5	5.4	5.4	5.3	5.7	5.9	6.0	6.2	6.4	6.6	6.8	7.0	
Current Liabilities	7.7	5.7	5.6	6.8	5.9	7.2	7.3	7.3	7.7	8.0	8.2	8.4	8.6	8.9	9.2	9.5	
Net Working Capital	-1.2	1.4	4.3	1.4	3.6	1.9	2.1	2.4	2.3	2.2	2.4	2.5	2.6	2.6	2.7	2.8	
D in Net Working Capital		-213.1%	217.9%	-66.7%	151.1%	-47.5%	12.1%	13.0%	-5.3%	-1.5%	6.6%	4.6%	3.3%	1.4%	2.8%	3.7%	
Assumptions																	
Days of Sales	365.0																
Tr. Rec. as Days of Sales	59.6	65.6	41.0	55.0	91.3	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5	
Oth. Rec. as % of Sales	5.7%	6.4%	17.7%	7.3%	1.6%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	
Acc. Pay. as Days of COGS	66.2	14.5	35.3	37.1	7.6	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	
Oth. Liab. as % of Sales	16.9%	16.9%	11.2%	12.9%	15.3%	14.6%	14.2%	13.7%	14.1%	14.4%	14.2%	14.1%	14.1%	14.2%	14.2%	14.2%	

Appendix 6d - Beta Key Drivers

Key Drivers

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E		
Sales Growth																	
Net Sales	29.6	28.8	34.3	36.7	35.5												
Inflation		0.4%	0.5%	1.4%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Real Growth		-3.0%	18.4%	5.6%	-5.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Nominal Growth		-2.6%	19.0%	7.1%	-3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Real Growth																	
Base Case						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Downside Case						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Upside Case						1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	
Base Case						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Transportation Cost Margin																	
Transportation Cost	-14.9	-20.0	-18.4	-20.0	-20.6												
Margin	50.3%	69.6%	53.8%	54.6%	58.0%												
Base Case						57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	
Downside Case						60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	
Upside Case						54.4%	54.4%	54.4%	54.4%	54.4%	54.4%	54.4%	54.4%	54.4%	54.4%	54.4%	
Base Case						57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	57.3%	
SG&A (% of Sales)																	
SG&A	-13.2	-7.7	-10.0	-10.2	-8.0												
% of Sales	44.7%	26.6%	29.2%	27.9%	22.4%												
Base Case						30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	
Downside Case						31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	
Upside Case						28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	
Base Case						30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	
Financial Gains/(Losses) (%of Sales)																	
Financial Gains/(Losses)	0.0	0.1	0.7	0.0	0.0												
Margin	0.0%	0.2%	1.9%	0.0%	0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Interest Income (% Cash & Cash Equivalents)																	
Interest Income	0.0	0.0	0.0	0.0	0.0												
Lending Interest Rate		9.3%	16.0%	#DIV/0!	310.4%												
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Downside Case						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Upside Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Interest Expense (% of Long Term Debt)																	
Interest Expense	0.0	0.0	0.0	0.0	0.0												
Loan Interest Rate		0.6%	4.2%	#DIV/0!	#DIV/0!												
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Downside Case						0.0%	4.0%	5.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Upside Case						0.0%	2.0%	3.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Operating Cash (% of Sales)																	
Cash & Cash Equivalents	2.3	0.0	1.2	3.6	1.2												
Operating Cash % of Sales	7.7%	0.0%	3.5%	9.8%	3.3%												
Base Case						4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
Downside Case						3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Upside Case						2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Base Case						4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
Capex (% of Sales)																	
Capex	0.2	0.1	0.2	0.1	0.1												
% of Sales	0.60%	0.51%	0.69%	0.25%	0.25%												
Base Case						0.46%	0.47%	0.48%	0.49%	0.49%	0.50%	0.51%	0.52%	0.53%	0.54%	0.55%	
Downside Case						0.48%	0.49%	0.50%	0.51%	0.52%	0.53%	0.54%	0.55%	0.56%	0.57%	0.58%	
Upside Case						0.43%	0.44%	0.45%	0.46%	0.47%	0.48%	0.49%	0.50%	0.50%	0.51%	0.52%	
Base Case						0.46%	0.47%	0.48%	0.49%	0.49%	0.50%	0.51%	0.52%	0.53%	0.54%	0.55%	
Depreciation (%of Sales)																	
Depreciation	-0.3	-0.2	-0.2	-0.2	-0.2												
Margin	0.90%	0.83%	0.66%	0.58%	0.46%												
Base Case						0.69%	0.67%	0.65%	0.64%	0.62%	0.60%	0.59%	0.57%	0.55%	0.54%	0.52%	
Downside Case						0.72%	0.70%	0.69%	0.67%	0.65%	0.63%	0.62%	0.60%	0.58%	0.56%	0.55%	
Upside Case						0.65%	0.64%	0.62%	0.61%	0.59%	0.57%	0.56%	0.54%	0.53%	0.10%	0.10%	
Base Case						0.69%	0.67%	0.65%	0.64%	0.62%	0.60%	0.59%	0.57%	0.55%	0.54%	0.52%	
Tax Liabilities (% of Sales)																	
Tax Liabilities	0.1	0.0	0.8	0.7	0.0												
% of Sales	0.2%	0.0%	2.3%	1.9%	0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Upside Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Taxes (% of EBT)																	
Taxes	-0.3	-0.4	-1.7	-1.8	-2.0												
% of EBT	31.6%	29.4%	25.9%	29.0%	28.8%												
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	
Downside Case						30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Upside Case						26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	

Appendix 7a - Gamma Valuation

DCF Valuation Output
(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
EBITA						2.5	3.1	3.8	4.6	5.4	6.2	7.0	7.7	8.3	8.7	8.9	
Δ in Provisions						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted EBITA						2.5	3.1	3.8	4.6	5.4	6.2	7.0	7.7	8.3	8.7	8.9	
Reported Taxes						-0.7	-0.9	-1.1	-1.3	-1.5	-1.8	-2.0	-2.3	-2.4	-2.6	-2.7	
Tax Shield on Int. Paid						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax on Interest Received						0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	
Δ in Deferred Taxes						-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
NOPLAT						0.8	2.2	2.7	3.3	3.9	4.5	5.0	5.5	6.0	6.3	6.4	
Net Income						1.9	2.3	2.8	3.4	4.0	4.6	5.2	5.8	6.3	6.7	6.9	
Δ in Provisions						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Deferred Taxes						-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Amortisation						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted Net Income						0.8	2.3	2.8	3.4	4.0	4.6	5.2	5.8	6.3	6.7	6.9	
Interest Paid After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Received After Tax						-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4	-0.5	
NOPLAT						0.8	2.2	2.7	3.3	3.9	4.5	5.0	5.5	6.0	6.3	6.4	
Check						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NOPLAT						0.8	2.2	2.7	3.3	3.9	4.5	5.0	5.5	6.0	6.3	6.4	
+ Depreciation						0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.8	0.8	
Gross Cash Flow						0.9	2.4	3.0	3.6	4.3	4.9	5.6	6.2	6.7	7.1	7.3	
Δ in WC						-5.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	
- Capex						-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.8	-0.9	-0.9	-0.9	-0.9	
Free Cash Flow						-5.0	2.0	2.5	3.0	3.6	4.1	4.7	5.3	5.7	6.1	6.3	
Interest Received After Tax						-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4	-0.5	
Δ in Debt						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Fixed Assets						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Paid After Tax						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Dividends						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Cash						-4.9	2.0	2.5	3.1	3.7	4.3	4.9	5.5	6.1	6.5	6.8	
Financial Cash Flow						-5.0	2.0	2.5	3.0	3.6	4.1	4.7	5.3	5.7	6.1	6.3	
Check						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Years					0	0	1	2	3	4	5	6	7	8	9		
Period Discounted (Years)						0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0		
MV(E)/MV(E+ND)						0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	
WACC						8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	
Discount Factor						1.00x	0.92x	0.85x	0.79x	0.73x	0.67x	0.62x	0.57x	0.53x	0.49x		
PV(Free Cash Flows)						-5.0	1.8	2.1	2.4	2.6	2.8	2.9	3.0	3.0	3.0		

Calculation of Enterprise Value

Terminal FCF	6.3
Perpetuity Growth Rate	3.0%
Terminal value	119.9
Discount factor	0.49x
PV(Terminal Value)	58.6
% of Enterprise Value	71.3%
Sum of PV (FCF)	23.6
Enterprise Value	82.2
- Debt	0.0
+ Excess Cash	8.8
Total Adjustments	8.8
Implied Equity Value	90.9

Valuation Multiples	2007A	2008E	2009E
Implied EV/Sales	0.80x	0.63x	0.50x
Implied EV/EBITDA	29.0x	31.3x	24.9x
Implied EV/EBITA	31.3x	33.3x	26.6x
Implied EV/Op. Income	31.3x	33.3x	26.6x
Implied P/E	63.8x	48.8x	40.0x

Appendix 7b - Gamma Financial Statements

Income Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Sales	32.1	41.8	62.8	66.5	102.7	131.4	165.0	202.9	244.6	288.6	333.4	376.8	416.4	449.8	474.6	489.0	
Cost of Goods Sold	-24.8	-33.8	-50.1	-46.8	-71.4	-99.4	-124.7	-153.4	-184.9	-218.2	-252.0	-284.9	-314.8	-340.1	-358.8	-369.7	
SG&A	-7.0	-7.4	-11.9	-17.2	-28.4	-29.4	-37.0	-45.5	-54.8	-64.7	-74.7	-84.4	-93.3	-100.8	-106.3	-109.5	
EBITDA	0.2	0.6	0.8	2.5	2.8	2.6	3.3	4.1	4.9	5.8	6.7	7.5	8.3	9.0	9.5	9.8	
Depreciation	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.8	-0.8	
EBITA	0.2	0.5	0.7	2.5	2.6	2.5	3.1	3.8	4.6	5.4	6.2	7.0	7.7	8.3	8.7	8.9	
Amortisation	-0.2	-0.2	-0.2	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating Income	0.0	0.4	0.6	2.1	2.6	2.5	3.1	3.8	4.6	5.4	6.2	7.0	7.7	8.3	8.7	8.9	
Financial Gains/Losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest Income	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.6	0.7	
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
EBT	0.0	0.4	0.6	2.1	2.8	2.6	3.2	3.9	4.7	5.5	6.4	7.3	8.0	8.7	9.3	9.6	
Provisions	0.0	0.0	-0.2	-0.5	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Taxes	0.0	0.0	0.0	-0.5	-0.6	-0.7	-0.9	-1.1	-1.3	-1.5	-1.8	-2.0	-2.3	-2.4	-2.6	-2.7	
Net Income	0.0	0.4	0.4	1.2	1.4	1.9	2.3	2.8	3.4	4.0	4.6	5.2	5.8	6.3	6.7	6.9	
Profit Margin	0.1%	1.0%	0.6%	1.8%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	
ROE	1.4%	25.1%	16.7%	32.7%	25.7%	20.2%	19.8%	19.6%	19.1%	18.4%	17.6%	16.6%	15.6%	14.4%	13.3%	12.1%	

Balance Sheet

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net PP&E	0.1	0.1	0.3	0.4	0.5	1.4	1.5	1.7	2.0	2.2	2.4	2.6	2.9	3.0	3.2	3.3	
Intangible Assets	0.7	0.5	0.3	0.0	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
Financial Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Fixed Assets	0.8	0.6	0.6	0.5	0.5	2.1	2.2	2.4	2.7	2.9	3.1	3.3	3.5	3.7	3.9	4.0	
Trade Receivables	4.8	4.9	8.8	9.8	11.9	17.6	22.1	27.2	32.8	38.7	44.8	50.6	55.9	60.4	63.7	65.6	
Tax Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Receivables	0.5	0.4	0.6	1.2	3.6	2.4	3.0	3.7	4.4	5.2	6.0	6.8	7.5	8.1	8.5	8.8	
Cash & Cash Equivalents	1.0	0.2	0.1	2.0	11.8	6.9	8.9	11.5	14.6	18.2	22.5	27.5	33.0	39.0	45.5	52.3	
- Excess Cash	0.0	0.0	0.0	0.0	8.8	3.0	4.0	5.4	7.2	9.6	12.5	16.2	20.5	25.5	31.3	37.7	
Current Assets	6.3	5.5	9.6	13.1	27.4	26.9	34.1	42.4	51.8	62.2	73.3	84.8	96.4	107.5	117.8	126.8	
ASSETS	7.0	6.1	10.2	13.6	27.9	29.0	36.3	44.8	54.5	65.1	76.4	88.2	99.9	111.2	121.7	130.8	
Share Capital	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	
Retained Earnings	-1.1	-1.1	-0.7	-0.3	0.8	3.6	5.5	7.8	10.6	13.9	17.9	22.5	27.8	33.5	39.8	46.5	
Net Income for the Year	0.0	0.4	0.4	1.2	1.4	1.9	2.3	2.8	3.4	4.0	4.6	5.2	5.8	6.3	6.7	6.9	
Equity	1.2	1.6	2.0	3.1	4.6	7.8	10.1	12.9	16.2	20.2	24.8	30.1	35.8	42.1	48.8	55.8	
Debt	0.0	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts Payable	4.3	3.3	5.8	6.4	10.5	13.3	16.7	20.6	24.8	29.3	33.8	38.2	42.3	45.7	48.2	49.6	
Tax Liabilities	0.0	0.0	0.0	0.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Current Liabilities	1.5	1.0	2.0	2.9	10.4	6.4	8.1	9.9	12.0	14.1	16.3	18.5	20.4	22.0	23.3	24.0	
Provisions	0.0	0.0	0.2	0.7	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	
Liabilities	5.8	4.5	8.3	10.4	23.3	21.2	26.2	32.0	38.2	44.8	51.6	58.1	64.1	69.1	72.8	75.0	
EQUITY & LIABILITIES	7.0	6.1	10.2	13.6	27.9	29.0	36.3	44.8	54.5	65.1	76.4	88.2	99.9	111.2	121.7	130.8	
Balance Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Cash Flow Statement

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Net Income	0.4	0.4	1.2	1.4	1.4	1.9	2.3	2.8	3.4	4.0	4.6	5.2	5.8	6.3	6.7	6.9	
+ Depreciation	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.8	0.8	
+ Amortisation	0.2	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Working Capital	-1.6	-0.6	-0.1	7.1		-5.6	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	
Δ in Tax Liabilities	0.0	0.0	0.4	0.6		-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Tax Assets	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Provisions	0.0	0.2	0.5	0.7		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Operating Activities	-1.0	0.2	2.4	10.1		-4.6	2.4	3.0	3.6	4.3	5.0	5.7	6.4	7.0	7.4	7.7	
Capex	0.0	-0.3	-0.3	-0.3		-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.8	-0.9	-0.9	-0.9	-0.9	
Sale of PPE	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Intangibles	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Financial Assets	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Investing Activities	0.0	-0.3	-0.3	-0.3		-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.8	-0.9	-0.9	-0.9	-0.9	
Dividends	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
New Share Issues	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ in Long Term Debt	0.3	0.0	-0.2	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Financing Activities	0.3	0.0	-0.2	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CASH FLOW	-0.8	-0.1	2.0	9.8		-4.9	2.0	2.5	3.1	3.7	4.3	4.9	5.5	6.1	6.5	6.8	
Δ in Cash	-0.8	-0.1	2.0	9.8		-4.9	2.0	2.5	3.1	3.7	4.3	4.9	5.5	6.1	6.5	6.8	
Check	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Appendix 7c - Gamma Assumptions

Fixed Assets Schedule

(SEK in millions, FYE December 31)

	Historical					Projections										Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E
Net PP&E OB	0.8	0.8	0.8	1.0	1.1	1.2	1.4	1.5	1.7	2.0	2.2	2.4	2.6	2.9	3.0	3.2
Current Year's Capex	0.0	0.0	0.3	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.8	0.9	0.9	0.9	0.9
Sale of PP&E	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Year's Depr.	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.8	-0.8
Depr. of Sold PP&E	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net PP&E CB	0.8	0.8	1.0	1.1	1.2	1.4	1.5	1.7	2.0	2.2	2.4	2.6	2.9	3.0	3.2	3.3
Intangible Assets OB	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Inv./(Sale) of Intangibles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intangible Assets CB	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Fin. Assets OB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inv./(Sale) of Fin. Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial Assets CB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Equity Schedule

(SEK in millions, FYE December 31)

	Historical					Projections										Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E
Retained Earnings OB	0.3	0.7	1.0	2.2	3.6	5.5	7.8	10.6	13.9	17.9	22.5	27.8	33.5	39.8	46.5	46.5
- Previous Year's Dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Retained Earnings CB	0.2	0.3	0.7	1.0	2.2	3.6	5.5	7.8	10.6	13.9	17.9	22.5	27.8	33.5	39.8	46.5
Net Income for the Year	0.0	0.4	0.4	1.2	1.4	1.9	2.3	2.8	3.4	4.0	4.6	5.2	5.8	6.3	6.7	6.9
New Share Issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Working Capital Schedule

(SEK in millions, FYE December 31)

	Historical					Projections										Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2013E
Current Assets																
Trade Receivables	4.8	4.9	8.8	9.8	11.9	17.6	22.1	27.2	32.8	38.7	44.8	50.6	55.9	60.4	63.7	65.6
Other Receivables	0.5	0.4	0.6	1.2	3.6	2.4	3.0	3.7	4.4	5.2	6.0	6.8	7.5	8.1	8.5	8.8
Current Assets	5.3	5.3	9.5	11.1	15.5	20.0	25.1	30.9	37.2	43.9	50.8	57.4	63.4	68.5	72.3	74.4
Current Liabilities																
Accounts Payable	4.3	3.3	5.8	6.4	10.5	13.3	16.7	20.6	24.8	29.3	33.8	38.2	42.3	45.7	48.2	49.6
Other Current Liabilities	1.5	1.0	2.0	2.9	10.4	6.4	8.1	9.9	12.0	14.1	16.3	18.5	20.4	22.0	23.3	24.0
Current Liabilities	5.8	4.2	7.8	9.3	20.9	19.8	24.8	30.5	36.8	43.4	50.2	56.7	62.7	67.7	71.4	73.6
Net Working Capital	-0.5	1.1	1.7	1.8	-5.4	0.2	0.3	0.4	0.4	0.5	0.6	0.7	0.7	0.8	0.8	0.9
D in Net Working Capital		-299.3%	57.4%	5.1%	-407.6%	-104.3%	25.5%	23.0%	20.5%	18.0%	15.5%	13.0%	10.5%	8.0%	5.5%	3.0%
Assumptions																
Days of Sales	365.0															
Tr. Rec. as Days of Sales	54.7	42.5	51.4	54.0	42.3	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0
Oth. Rec. as % of Sales	1.5%	1.0%	1.0%	1.9%	3.5%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Acc. Pay. as Days of COGS	63.9	35.1	42.4	49.9	53.6	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0
Oth. Liab. as % of Sales	4.6%	2.3%	3.2%	4.4%	10.2%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%

Appendix 7d - Gamma Key Drivers

Key Drivers

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E		
Sales Growth																	
Net Sales	32.1	41.8	62.8	66.5	102.7												
Inflation		0.4%	0.5%	1.4%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Real Growth		29.9%	49.4%	4.5%	51.0%	25.5%	23.1%	20.6%	18.2%	15.7%	13.3%	10.8%	8.4%	5.9%	3.5%	1.0%	
Nominal Growth		30.4%	50.2%	6.0%	54.3%	28.0%	25.5%	23.0%	20.5%	18.0%	15.5%	13.0%	10.5%	8.0%	5.5%	3.0%	
Real Growth																	
Base Case						25.5%	23.1%	20.6%	18.2%	15.7%	13.3%	10.8%	8.4%	5.9%	3.5%	1.0%	
Downside Case						31.3%	21.9%	19.6%	17.2%	14.9%	12.6%	10.3%	7.9%	5.6%	3.3%	1.0%	
Upside Case						26.8%	24.2%	21.6%	19.1%	16.5%	13.9%	11.3%	8.8%	6.2%	3.6%	1.1%	
Base Case						25.5%	23.1%	20.6%	18.2%	15.7%	13.3%	10.8%	8.4%	5.9%	3.5%	1.0%	
Transportation Cost Margin																	
Transportation Cost	-24.8	-33.8	-50.1	-46.8	-71.4												
Margin	77.4%	80.9%	79.8%	70.3%	69.6%												
Base Case						75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	
Downside Case						79.4%	79.4%	79.4%	79.4%	79.4%	79.4%	79.4%	79.4%	79.4%	79.4%	79.4%	
Upside Case						71.8%	71.8%	71.8%	71.8%	71.8%	71.8%	71.8%	71.8%	71.8%	71.8%	71.8%	
Base Case						75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	75.6%	
SG&A (% of Sales)																	
SG&A	-7.0	-7.4	-11.9	-17.2	-28.4												
% of Sales	21.9%	17.8%	18.9%	25.9%	27.7%												
Base Case						22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	
Downside Case						23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	
Upside Case						21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	
Base Case						22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	
Financial Gains/(Losses) (%of Sales)																	
Financial Gains/(Losses)	0.0	0.0	0.0	0.0	0.0												
Margin	0.0%	0.0%	0.0%	0.0%	0.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Upside Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Interest Income (% Cash & Cash Equivalents)																	
Interest Income	0.0	0.0	0.0	0.0	0.2												
Lending Interest Rate	#VALUE!	#DIV/0!	#DIV/0!	#DIV/0!	3.9%												
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Downside Case						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Upside Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Base Case						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Interest Expense (% of Long Term Debt)																	
Interest Expense	0.0	0.0	0.0	0.0	0.0												
Loan Interest Rate		1.5%	8.5%	12.4%	#DIV/0!												
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Downside Case						0.0%	4.0%	5.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
Upside Case						0.0%	2.0%	3.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Base Case						6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
Operating Cash (% of Sales)																	
Cash & Cash Equivalents	1.0	0.2	0.1	2.0	11.8												
Operating Cash % of Sales	3.0%	0.5%	0.1%	3.0%	3.0%												
Base Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Downside Case						3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
Upside Case						2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Base Case						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Capex (% of Sales)																	
Capex	0.0	0.0	0.3	0.3	0.3												
% of Sales	0.11%	0.04%	0.41%	0.38%	0.26%												
Base Case						0.24%	0.24%	0.23%	0.23%	0.22%	0.22%	0.21%	0.21%	0.20%	0.20%	0.19%	
Downside Case						0.25%	0.25%	0.24%	0.24%	0.23%	0.23%	0.22%	0.22%	0.21%	0.20%	0.20%	
Upside Case						0.23%	0.22%	0.22%	0.21%	0.21%	0.20%	0.20%	0.19%	0.19%	0.19%	0.18%	
Base Case						0.24%	0.24%	0.23%	0.23%	0.22%	0.22%	0.21%	0.21%	0.20%	0.20%	0.19%	
Depreciation (%of Sales)																	
Depreciation	0.0	0.0	-0.1	-0.1	-0.2												
Margin	0.09%	0.08%	0.09%	0.14%	0.20%												
Base Case						0.12%	0.13%	0.13%	0.14%	0.14%	0.15%	0.15%	0.16%	0.16%	0.17%	0.17%	
Downside Case						0.13%	0.13%	0.14%	0.14%	0.15%	0.15%	0.16%	0.16%	0.17%	0.17%	0.18%	
Upside Case						0.12%	0.12%	0.12%	0.13%	0.13%	0.14%	0.14%	0.15%	0.15%	0.10%	0.10%	
Base Case						0.12%	0.13%	0.13%	0.14%	0.14%	0.15%	0.15%	0.16%	0.16%	0.17%	0.17%	
Tax Liabilities (% of Sales)																	
Tax Liabilities	0.0	0.0	0.0	0.4	1.0												
% of Sales	0.0%	0.0%	0.0%	0.7%	1.0%												
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Downside Case						0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Upside Case						0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Base Case						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Taxes (% of EBT)																	
Taxes	0.0	0.0	0.0	-0.5	-0.6												
% of EBT	0.0%	0.0%	0.0%	29.3%	30.6%												
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	
Downside Case						30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Upside Case						26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	
Base Case						28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	

Appendix 8a - Capital Requirements Multiple Valuation

	Alpha		Beta		Gamma		Total	
	Multiple	DCF	Multiple	DCF	Multiple	DCF	Multiple	DCF
Value	4.7	11.9	23.3	53.2	19.6	90.9	47.6	156.0
Leverage (%)	50%	50%	50%	50%	50%	50%	50%	50%
Leverage	2.4	5.9	11.6	26.6	9.8	45.5	23.8	78.0
Equity Requirement	2.4	5.9	11.6	26.6	9.8	45.5	23.8	78.0
Interest rate (%)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Interest Cost per year	-0.1	-0.3	-0.6	-1.5	-0.5	-2.5	-1.3	-4.3
Tax Rate	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Tax Shield	0.0	0.1	0.2	0.4	0.2	0.7	0.4	1.2
Interest Cost After Tax	-0.1	-0.2	-0.5	-1.1	-0.4	-1.8	-0.9	-3.1
Installment time (years)	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Installment per year	-0.1	-0.3	-0.6	-1.3	-0.5	-2.3	-1.2	-3.9
Cash Flow Requirement	-0.2	-0.5	-1.0	-2.4	-0.9	-4.1	-2.1	-7.0

DCF Valuation Output
(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Cash-flow from the Group						2.4	9.2	13.1	15.3	16.7	18.2	19.7	21.2	22.7	24.0	24.6	
Acquisition Alfa																	
Acquisition price (Multiple)							4.7										
Debt							2.4	2.3	2.1	2.0	1.9	1.8	1.7	1.5	1.4	1.3	
Interest costs							-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Tax shield							0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Installments							-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Cash-flow from target							0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	
Net cash-flow from Acq. Alfa							0.3	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	
Acquisition Beta																	
Acquisition price (Multiple)							23.3										
Debt							11.6	11.0	10.5	9.9	9.3	8.7	8.1	7.6	7.0	6.4	
Interest costs							-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	
Tax shield							0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Installments							-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	
Cash-flow from target							0.3	0.2	0.6	0.5	0.4	0.4	0.4	0.5	0.5	0.4	
Net cash-flow from Acq. Beta							-0.8	-0.8	-0.4	-0.4	-0.5	-0.5	-0.4	-0.3	-0.3	-0.3	
Acquisition Gamma																	
Acquisition price (Multiple)							19.6										
Debt							9.8	9.3	8.8	8.3	7.8	7.3	6.9	6.4	5.9	5.4	
Interest costs							-0.5	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	-0.4	-0.3	-0.3	
Tax shield							0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Installments							-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	
Cash-flow from target							-4.9	2.0	2.5	3.1	3.7	4.3	4.9	5.5	6.1	6.5	
Net cash-flow from Acq. Gamma							-5.8	1.2	1.7	2.3	2.9	3.6	4.2	4.8	5.4	5.9	
Net Cash Flow from Acquisitions							-6.3	0.7	1.7	2.3	2.8	3.6	4.3	5.1	5.7	6.2	
Total Cash Flow incl. Acq.							2.9	13.8	17.0	19.0	21.0	23.3	25.6	27.7	29.7	30.8	
Equity Capital Requirement																	
Cash							35.2										
Required Equity							23.8										
New Equity Requirement							0.0										
Total Cash-Flow incl. Acq.							2.9	13.8	17.0	19.0	21.0	23.3	25.6	27.7	29.7	30.8	
Total Cash-Flow for Debt Payments							2.2	10.3	12.8	14.3	15.8	17.5	19.2	20.8	22.3	23.1	
Maximum leverage possibility							24.4	115.0	142.1	158.8	175.5	194.4	213.2	231.5	247.7	256.7	
Maximum acquisition value							48.8	230.1	284.2	317.5	350.9	388.8	426.5	463.0	495.4	513.4	
Required Equity							24.4	115.0	142.1	158.8	175.5	194.4	213.2	231.5	247.7	256.7	
Cash							20.7	34.5	51.5	70.5	91.5	114.8	140.4	168.1	197.8	228.6	
New Equity Requirements							3.7	80.6	90.6	88.2	83.9	79.6	72.8	63.3	49.9	28.1	

Appendix 8b - Capital Requirements DCF Valuation

	Alpha		Beta		Gamma		Total	
	Multiple	DCF	Multiple	DCF	Multiple	DCF	Multiple	DCF
Value	4.4	11.9	21.8	53.2	13.0	90.9	39.2	156.0
Leverage (%)	50%	50%	50%	50%	50%	50%	50%	50%
Leverage	2.2	5.9	10.9	26.6	6.5	45.5	19.6	78.0
Equity Requirement	2.2	5.9	10.9	26.6	6.5	45.5	19.6	78.0
Interest rate (%)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Interest Cost per year	-0.1	-0.3	-0.6	-1.5	-0.4	-2.5	-1.1	-4.3
Tax Rate	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Tax Shield	0.0	0.1	0.2	0.4	0.1	0.7	0.3	1.2
Interest Cost After Tax	-0.1	-0.2	-0.4	-1.1	-0.3	-1.8	-0.8	-3.1
Installment time (years)	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Installment per year	-0.1	-0.3	-0.5	-1.3	-0.3	-2.3	-1.0	-3.9
Cash Flow Requirement	-0.2	-0.5	-1.0	-2.4	-0.6	-4.1	-1.8	-7.0

DCF Valuation Output

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Cash-flow from the Group						2.4	9.2	13.1	15.3	16.7	18.2	19.7	21.2	22.7	24.0	24.6	
Acquisition Alfa							11.9										
Acquisition price (Multiple)																	
Debt							5.9	5.6	5.3	5.1	4.8	4.5	4.2	3.9	3.6	3.3	
Interest costs							-0.3	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	
Tax shield							-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Installments							-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
Cash-flow from target							0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	
Net cash-flow from Acq. Alfa							-0.1	-0.1	0.0	0.0	0.1	0.1	0.2	0.2	0.3	0.3	
Acquisition Beta							53.2										
Acquisition price (Multiple)																	
Debt							26.6	26.0	25.5	24.9	24.4	23.9	23.3	22.8	22.2	21.7	
Interest costs							-1.5	-1.4	-1.4	-1.4	-1.4	-1.3	-1.3	-1.3	-1.2	-1.2	
Tax shield							0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
Installments							-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	
Cash-flow from target							0.3	0.2	0.6	0.5	0.4	0.4	0.4	0.5	0.5	0.4	
Net cash-flow from Acq. Beta							-1.3	-1.4	-0.9	-1.0	-1.1	-1.0	-1.0	-0.9	-0.9	-0.9	
Acquisition Gamma							90.9										
Acquisition price (Multiple)																	
Debt							45.5	43.2	40.9	38.6	36.4	34.1	31.8	29.5	27.3	25.0	
Interest costs							-2.5	-2.4	-2.3	-2.1	-2.0	-1.9	-1.8	-1.6	-1.5	-1.4	
Tax shield							0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
Installments							-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	
Cash-flow from target							-4.9	2.0	2.5	3.1	3.7	4.3	4.9	5.5	6.1	6.5	
Net cash-flow from Acq. Gamma							-9.0	-1.9	-1.3	-0.6	0.1	0.8	1.6	2.3	3.0	3.5	
Net Cash Flow from Acquisitions							-10.5	-3.4	-2.3	-1.6	-1.0	-0.1	0.8	1.6	2.3	3.0	
Total Cash Flow incl. Acq.							-1.27	9.70	13.05	15.15	17.26	19.64	22.00	24.29	26.34	27.53	
Equity Capital Requirement																	
Cash							35.2										
Required Equity							78.0										
New Equity Requirement							42.8										
Total Cash-Flow incl. Acq.							-1.3	9.7	13.0	15.1	17.3	19.6	22.0	24.3	26.3	27.5	
Total Cash-Flow for Debt Payments							-1.0	7.3	9.8	11.4	12.9	14.7	16.5	18.2	19.8	20.6	
Maximum leverage possibility							-10.6	80.9	108.9	126.4	144.0	163.8	183.5	202.7	219.8	229.7	
Maximum acquisition value							-21.3	161.8	217.7	252.8	288.0	327.7	367.1	405.4	439.6	459.4	
Required Equity							-10.6	80.9	108.9	126.4	144.0	163.8	183.5	202.7	219.8	229.7	
Cash							-37.7	-28.0	-15.0	0.2	17.4	37.1	59.1	83.4	109.7	137.2	
New Equity Requirements							27.1	108.9	123.8	126.2	126.6	126.8	124.5	119.3	110.1	92.5	

Appendix 9 - Cash Flow from Synergies

Summary Synergies 2008-06-01
(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Cross Sales																	
CD																	
Contribution						8.4	14.2	17.5	18.1	18.8	19.6	20.5	21.5	22.5	23.5	24.6	
Tax/Tax Shield						-2.3	-4.0	-4.9	-5.1	-5.3	-5.5	-5.7	-6.0	-6.3	-6.6	-6.9	
Δ Working capital						-1.9	-1.2	-0.7	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	
Cash Flow						4.1	9.1	11.9	12.9	13.4	14.0	14.6	15.2	15.9	16.7	17.5	
OD																	
Contribution						1.1	1.2	1.4	1.7	2.0	2.3	2.5	2.8	3.0	3.1	3.2	
Tax/Tax Shield						-0.3	-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.8	-0.8	-0.9	-0.9	
Δ Working capital						-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash Flow						0.6	0.8	1.0	1.2	1.4	1.6	1.8	2.0	2.1	2.2	2.3	
ITD																	
Contribution						7.4	13.2	15.6	16.2	16.9	17.6	18.3	19.0	19.6	20.3	20.9	
Tax/Tax Shield						-2.1	-3.7	-4.4	-4.5	-4.7	-4.9	-5.1	-5.3	-5.5	-5.7	-5.9	
Δ Working capital						-1.1	-1.1	-0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
Cash Flow						4.2	8.4	10.8	11.6	12.0	12.5	13.0	13.5	14.0	14.5	15.0	
CF Cross Sales						8.9	18.3	23.7	25.6	26.8	28.1	29.4	30.7	32.1	33.4	34.8	
Negative Revenue Synergies																	
Contribution						-4.7	-3.2	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax/Tax Shield						1.3	0.9	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Δ Working capital						1.1	-0.4	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
CF Negative Revenue Synergies						-2.3	-2.7	-1.5	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cost synergies																	
SG&A																	
Contribution						1.0	1.2	1.3	1.5	1.6	1.8	1.9	2.0	2.1	2.2	2.3	
Tax/Tax Shield						-0.3	-0.3	-0.4	-0.4	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	
Δ Working capital						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash Flow						0.7	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.5	1.6	1.6	
Coordination costs																	
Contribution						-14.1	-14.4	-14.6	-14.9	-15.2	-15.5	-15.8	-16.2	-16.5	-16.8	-17.2	
Tax/Tax Shield						3.9	4.0	4.1	4.2	4.3	4.3	4.4	4.5	4.6	4.7	4.8	
Δ Working capital						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total cash-flow						-10.1	-10.3	-10.5	-10.8	-11.0	-11.2	-11.4	-11.6	-11.9	-12.1	-12.3	
CF Cost Synergies						-9.4	-9.5	-9.6	-9.7	-9.8	-9.9	-10.0	-10.2	-10.3	-10.5	-10.7	
Total CF From Synergies						-2.8	6.1	12.6	15.6	17.0	18.1	19.3	20.5	21.8	22.9	24.1	
Years	0	1	2	3	4	5	6	7	8	9	10						
Period Discounted (Years)		0.6	1.6	2.6	3.6	4.6	5.6	6.6	7.6	8.6	9.6						
MV(E)/MV(E+ND)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00						
WACC		9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%						
Discount Factor		0.95x	0.87x	0.80x	0.73x	0.67x	0.62x	0.57x	0.52x	0.48x	0.44x						
CF Cross Sales		8.5	16.0	19.0	18.8	18.1	17.4	16.7	16.0	15.3	14.7						
CF Negative Revenue Synergies		-2.2	-2.4	-1.2	-0.3	0.0	0.0	0.0	0.0	0.0	0.0						
CF Cost Synergies		-8.9	-8.3	-7.7	-7.1	-6.6	-6.1	-5.7	-5.3	-4.9	-4.6						

CF Cross Sales
Terminal FCF 34.8

Appendix 10 - Cross sales

Cross Sales

(SEK in millions, FYE December 31)

	2007	2008A	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Stand-alone growth													
ITD	22.1%	-14.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
OD	25.8%	25.6%	23.3%	21.1%	18.8%	16.5%	14.3%	12.0%	9.8%	7.5%	5.3%	3.0%	3.0%
CD	69.2%	7.5%	7.1%	6.6%	6.2%	5.7%	5.3%	4.8%	4.4%	3.9%	3.5%	3.0%	3.0%
KAM	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Average contribution per customer (grow by inflation)													
ITD to OD	0.24	0.24	0.24	0.24	0.25	0.25	0.26	0.26	0.27	0.28	0.28	0.29	0.29
ITD to CD	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.16	0.17	0.17	0.17	0.18	0.18
OD to ITD	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09
OD to CD	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.16	0.17	0.17	0.17	0.18	0.18
CD to ITD	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09
CD to OD	0.24	0.24	0.24	0.24	0.25	0.25	0.26	0.26	0.27	0.28	0.28	0.29	0.29
KAM to OD	3.46	3.46	3.46	3.53	3.60	3.67	3.75	3.82	3.90	3.98	4.06	4.14	4.22
KAM to ITD	2.81	2.81	2.81	2.87	2.92	2.98	3.04	3.10	3.17	3.23	3.29	3.36	3.43
KAM to CD	2.23	2.23	2.23	2.28	2.32	2.37	2.42	2.47	2.52	2.57	2.62	2.67	2.72
Retention													
ITD to OD		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
ITD to CD		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OD to ITD		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
OD to CD		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CD to ITD		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
CD to OD		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
KAM to OD		20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
KAM to ITD		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
KAM to CD		33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
Number of customers cross sold													
ITD to OD	0.0	0.0	0.0										
ITD to CD	0.0	0.0	0.0										
OD to ITD	1.0	1.0	2.2										
OD to CD	0.0	0.0	0.0										
CD to ITD	3.0	1.0	4.4										
CD to OD	4.0	0.0	4.4										
KAM to OD	0.0	0.0	0.0										
KAM to ITD	0.0	2.0	2.5										
KAM to CD	0.0	3.0	3.8										
Maximum potential of cross sold customers													
ITD to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITD to CD	35.0	35.0	36.6	43.6	50.9	58.3	65.5	72.1	77.7	82.0	84.6	85.5	
OD to ITD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OD to CD	12.0	12.0	12.6	14.9	17.5	20.0	22.5	24.7	26.6	28.1	29.0	29.3	
CD to ITD	50.1	50.1	52.4	62.3	72.8	83.4	93.6	103.0	111.1	117.2	121.0	122.3	
CD to OD	4.6	4.6	4.8	5.7	6.6	7.6	8.5	9.4	10.1	10.7	11.0	11.1	
KAM to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
KAM to ITD	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
KAM to CD	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Hit-rate (constant)													
ITD to OD	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
ITD to CD	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
OD to ITD	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
OD to CD	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
CD to ITD	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
CD to OD	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
KAM to OD	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
KAM to ITD	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
KAM to CD	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Reduced or eliminated obstacles													
ITD to OD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ITD to CD	0.0%	0.0%	0.0%	6.7%	13.4%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
OD to ITD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OD to CD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CD to ITD	1.0%	1.0%	2.0%	3.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
CD to OD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
KAM to OD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
KAM to ITD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
KAM to CD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Number of new customers											
ITD to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITD to CD	0.0	0.0	0.6	1.4	2.3	2.6	2.9	3.1	3.3	3.4	3.4
OD to ITD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OD to CD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CD to ITD	4.5	4.8	5.9	7.0	8.2	9.2	10.1	10.9	11.5	11.9	12.0
CD to OD	4.4	4.6	5.5	6.5	7.4	8.3	9.2	9.9	10.4	10.7	10.9
KAM to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
KAM to ITD	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
KAM to CD	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Ackumulated number of customers											
ITD to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITD to CD	0.0	0.0	0.6	1.9	4.3	6.9	9.8	12.9	16.2	19.6	23.0
OD to ITD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OD to CD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CD to ITD	4.5	8.2	12.1	16.0	20.2	24.3	28.3	32.1	35.6	38.5	40.9
CD to OD	4.4	8.2	12.1	16.1	20.3	24.6	28.8	32.9	36.7	40.1	43.0
KAM to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
KAM to ITD	2.5	4.4	5.8	6.8	7.6	8.2	8.7	9.0	9.2	9.4	9.6
KAM to CD	3.8	6.3	7.9	9.0	9.8	10.3	10.6	10.8	11.0	11.1	11.1
Min											
ITD to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITD to CD	0.0	0.0	0.6	1.9	4.3	6.9	9.8	12.9	16.2	19.6	23.0
OD to ITD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OD to CD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CD to ITD	4.5	8.2	12.1	16.0	20.2	24.3	28.3	32.1	35.6	38.5	40.9
CD to OD	4.4	4.8	5.7	6.6	7.6	8.5	9.4	10.1	10.7	11.0	11.1
KAM to OD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
KAM to ITD	2.5	4.4	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
KAM to CD	3.8	6.3	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5

Appendix 11 - Negative Sales Synergies

Negative Sales Synergies

(SEK in millions, FYE December 31)

SEK in millions, FYE December 31)			Forecasts										
	2007	2008A	2008E	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Reduced revenues			9.8	6.6	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decreased costs			5.1	3.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net real synergy effect			-4.7	-3.2	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inflation			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Net Nominal Synergy Effect			-4.7	-3.2	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Appendix 12 - Cost Synergies

Cost Synergies

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
SG&A																	
Total SG&A	-27.4	-31.6	-42.9	-52.4	-89.0	-88.1	-101.9	-112.9	-124.5	-136.5	-148.5	-160.1	-170.8	-180.2	-187.9	-193.4	
SG&A Reduction	0.0	0.0	0.0	0.0	0.0	1.0	1.2	1.3	1.5	1.6	1.8	1.9	2.0	2.1	2.2	2.3	
- % of Total SG&A	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	
Coordination costs						0.0											
Coordination costs	0.0	0.0	0.0	0.0	-0.7	-14.1	-14.4	-14.6	-14.9	-15.2	-15.5	-15.8	-16.2	-16.5	-16.8	-17.2	
Inflation						2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Total Cost Synergies						-13.0	-13.1	-13.3	-13.5	-13.6	-13.8	-14.0	-14.1	-14.4	-14.6	-14.9	

Appendix 13 - Total Cash Flows

Cash Flow Summary

(SEK in millions, FYE December 31)

	Historical					Projections											Normalised
	2003A	2004A	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	
Consulting Division						4.6	8.6	7.3	7.9	8.4	9.0	9.6	10.1	10.7	11.2	11.7	
(% of Stand-alone)						77.1%	87.4%	67.5%	65.0%	62.7%	60.6%	58.8%	57.2%	55.9%	55.0%	55.3%	
(% of Total Cash Flow)						144.6%	53.8%	31.2%	28.4%	27.7%	27.3%	26.8%	26.4%	26.1%	25.9%	25.9%	
Outsourcing Division						1.0	1.9	2.5	3.2	4.0	4.8	5.6	6.4	7.2	7.9	8.2	
(% of Stand-alone)						17.4%	19.3%	23.4%	26.6%	29.4%	32.0%	34.3%	36.2%	37.8%	38.9%	38.6%	
(% of Total Cash Flow)						32.6%	11.9%	10.8%	11.6%	13.0%	14.4%	15.7%	16.8%	17.6%	18.3%	18.1%	
IT Division						0.3	-0.7	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	
(% of Stand-alone)						5.5%	-6.7%	9.1%	8.4%	7.9%	7.4%	6.9%	6.6%	6.3%	6.1%	6.0%	
(% of Total Cash Flow)						10.4%	-4.1%	4.2%	3.7%	3.5%	3.3%	3.2%	3.0%	2.9%	2.9%	2.8%	
Cash Flow Stand-alone						6.0	9.8	10.8	12.1	13.4	14.8	16.3	17.7	19.0	20.3	21.1	
Synergies						-2.8	6.1	12.6	15.6	17.0	18.1	19.3	20.5	21.8	22.9	24.1	
(% of Stand-alone)						-46.7%	62.5%	116.3%	128.9%	126.5%	122.3%	118.9%	116.2%	114.2%	112.8%	113.8%	
(% of Total Cash Flow)						-87.7%	38.5%	53.8%	56.3%	55.8%	55.0%	54.3%	53.8%	53.3%	53.0%	53.2%	
TOTAL CASH FLOW						3.2	16.0	23.5	27.7	30.5	33.0	35.6	38.2	40.8	43.3	45.2	

Appendix 14 - Explanation of the Valuation Model in Appendix 1-7

This model is constructed as a three statement model including the main items of the income statement, balance sheet and cash flow statement. These are then connected in order to produce probable future financial statements and, consequently, reliable forecasts of future cash flows.

The income statement is driven by the growth in Sales. Cost of goods sold (COGS) and SG&A are calculated from historical percentages of sales and forecasted accordingly in the “Key Drivers” section. Similarly, depreciation has been calculated from a historical percentage of sales. Intangible assets, including Goodwill, have been amortized over the forecast period. Even though this is not the treatment suggested by the IASB, it is the suggestion from the auditors. Some of the divisions have been charged management fee in 2007. This fee has been excluded in all projected income statements, as it is solely an inter-group transaction. If applicable, financial gains/losses have been calculated from a historical percentage of sales and forecasted accordingly. Interest income has been forecasted by assuming a future lending interest rate as a “Key Driver” and applying it to the average of opening and closing balance of excess cash in the balance sheet. Similarly, the future borrowing interest rate has been applied to the average of opening and closing balance of financial debt to produce interest expense. This has resulted in earnings before tax (EBT) figure. As no assumptions regarding future provisions have been made, 28% fiscal tax rate has been subtracted from EBT to produce net income for the year.

The main balance sheet items have been calculated to produce a functional projected balance sheet. Net property, plant and equipment (PP&E) has been calculated by adding capital expenditure to opening balance of PP&E and subtracting depreciation. No assumptions about future sales of assets have been made. In turn, capital expenditures have been calculated from a historical percentage of sales and converged toward the depreciation rate over the projection period. Working capital, including receivables, payables and current liabilities, has been calculated from a historical ratio to sales and COGS and then applied to future sales and COGS in the projected income statements. These calculations are summarized in the working capital schedule. Cash & cash equivalents are simply a result of the opening balance of cash & cash equivalents adjusted for cash flow of the year from the cash flow statement. Changes in Equity are calculated separately in the equity schedule. Assuming the clean surplus relation, change in equity is calculated as opening balance of retained earnings plus net income of the year adjusted for net dividends. Financial debt and provisions are held constant throughout the forecasting period as no other plans have been expressed.

The cash flow statement has been extracted from the income statement and balance sheet. Additionally, no dividends or new share issues in the financing activities have been forecasted. Total cash flow of the year is then calculated on the bottom line and added to cash & cash equivalents in the balance sheet. In turn, this generates extra interest income in the income statement which increases the cash flow. This process is then iterated on a controlled fashion to calculate cash and cash equivalents, cash flow and net income each forecasted year.