Mobile Climate Control

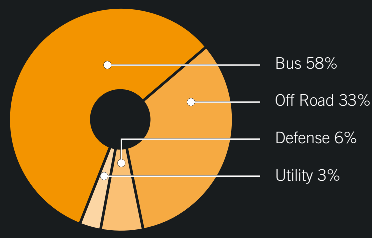
Annual Report 2014

Optimal solutions for tomorrow’s demands

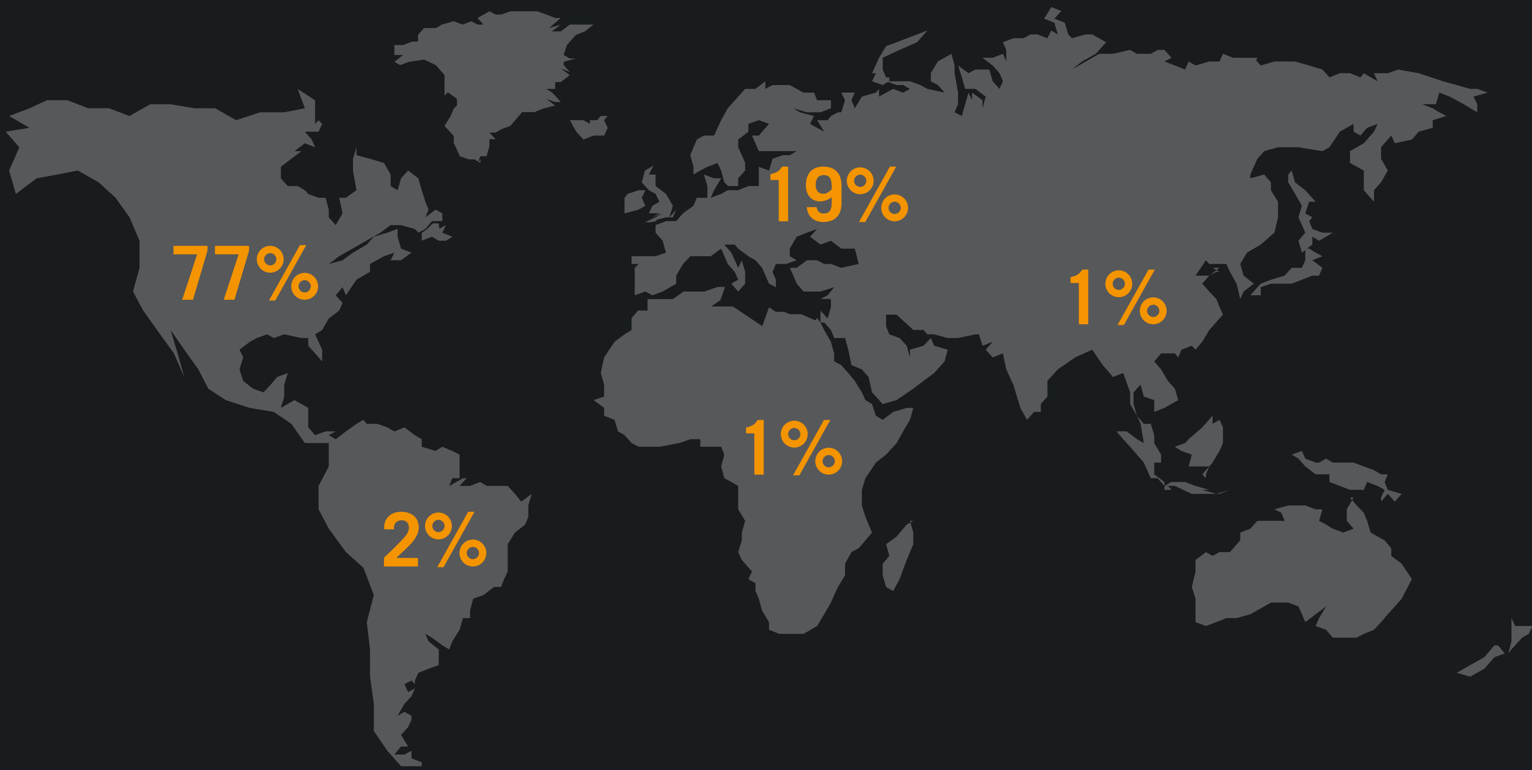
Performance – the way we see it

Mobile Climate Control specializes in custom engineered HVAC[1] systems. Our climate control systems can be found worldwide in all types of commercial vehicles from buses and off road machines to utility and defense vehicles. We supply custom designed solutions from single system components to complete climate systems. With our exceptionally strong engineering staff with many years of experience we create and supply optimal solutions for the best climate comfort.

Our vision is to be the leading global HVAC provider to the commercial vehicle industry.



Market segments



Key figures (MSEK)	2014	2013	2012	2011	2010
Total sales	1,022	978	1,250	1,048	902
Operating profit before amortizations (EBITA)	107	98	109	46	114
Cash flow from operating activities	71	100	9	73	73
EBITA margin, %	10%	10%	9%	4%	13%
Return on Capital Employed excl goodwill, %	37%	33%	35%	15%	43%
Average number of employees	618	605	634	619	501

Klimatsystem AB is founded in Norrtälje, Sweden

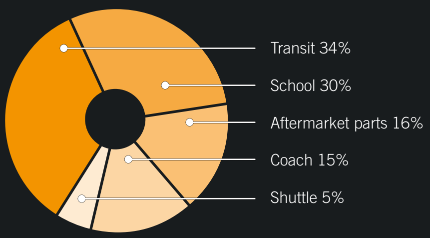
1975 1976 1977 1978 1979 1980 1981 1982 **1983** 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994

MCC is founded in Toronto, Canada

[1] **Heating Ventilation and Air Conditioning**

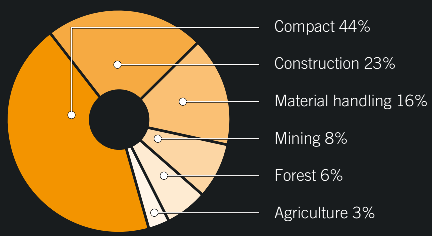
Bus segment (58% of Sales)

Our largest market and fastest growing segment. We deliver customized climate systems for the global bus industry, which includes Transit (City), School, Coach (Intercity) and Shuttle buses. Our offering includes the complete HVAC system such as heating, cooling, ventilation, electric or engine powered drive as well as electronics to control and optimize the system. Our aim is to create climate comfort for everyone on board.



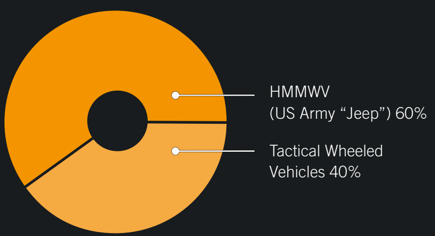
Off Road segment (33% of Sales)

We deliver customized climate systems for any vehicle and machinery in the Off Road industry, i.e. Compact, Construction, Material Handling, Mining, Forest and Agriculture. Our offering includes the complete HVAC system such as heating, cooling, ventilation, electric or engine powered drive as well as electronics to control and optimize the system. Our solutions create a comfortable working environment for machine operators all over the world.



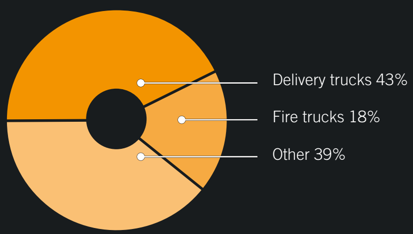
Defense segment (6% of Sales)

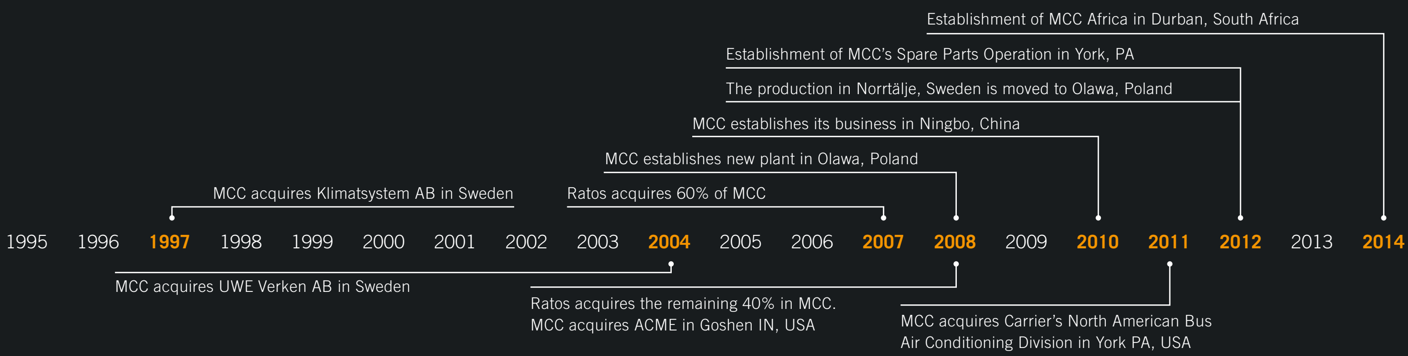
We deliver customized climate systems for vehicles operating in demanding environments with extreme requirements for durability. Our offering includes the complete HVAC system such as heating, cooling, ventilation, electric or engine powered drive as well as electronics to control and optimize the system. Our ambition is to make sure “heads are kept cool” in any complex situation.



Utility segment (3% of Sales)

Our smallest market segment. We deliver customized climate systems for any kind of utility vehicle, e.g. Delivery Trucks, Fire Trucks, Garbage Trucks, Ambulances and Anti-Idling solutions. Our offering includes the complete HVAC system such as heating, cooling, ventilation, electric or engine powered drive as well as electronics to control and optimize the system. Our solutions create comfortable working environments for drivers but also protect the environment from pollution with the help of various anti-idling solutions.





A Word from the CEO

The heat is on. And we're ready for it.

During the last couple of years MCC has been focusing on optimizing our operational footprint, adapting to new market conditions and developing our product portfolio to new requirements. This work has resulted in strengthened margins and increasing market share which means that now when we start feeling the "heat" from gradually increasing market volumes we are more than prepared to take on this compelling challenge.

2014 started somewhat slow with record low temperatures all across the USA during almost the whole first quarter resulting in considerably low demand from especially our bus customers. In parallel to this we felt the negative effect on our volumes in Europe from the turbulent financial situations in many countries. Gradually market demand returned and we experienced a very good second half year with strong demand from all our market segments except for the European and the Chinese Off Road segments as well as the North American Defense market. The North American defense market has generally been very weak for several years due to budget restrictions and will most likely stay that way for 2–3 years to come. There are however from time to time one-time projects that can generate good business and margins for a specific year, which was the case for us in 2013 when we secured a good order for a refurbishment project. High margin project orders in one year can have a relatively big impact on the margins of the whole group.

During the year we continued our efforts to meet with as many North American Public Transit Authorities as possible in order to explain the advantages of choosing AC solutions that are built on using the refrigerant R134a instead of R407C in combination with reciprocating compressors instead of screw compressors. Our professional large bus sales team in North America now has met with more than 180 Transit Authorities. An effort that, together with our newly developed high efficient bus AC product portfolio, is paying off as our current order book indicates a transit bus AC market share in 2015 of more than 20% from around 10% in 2014. Also in the North American School Bus segment we have been very successful and strengthened our position as the preferred supplier of factory installed AC.

Early in 2014 we decided to make the largest capital investment in many years by establishing a facility for manufacturing Micro Channel Aluminum Coils close to our current HVAC plant in Toronto. This is a strategic investment that will give MCC access to new technology which will strengthen our competitiveness in many sub segments of the Off Road market. The production is planned to be launched in Q4 2015. Other important strategic activities in 2014 were the closing of our JIT-facility in Germany, the implementation of a new ERP system in Europe and the establishment of a company in Durban, South Africa. We see this establishment as an important move to secure our current business in South Africa and to be able to explore the emerging markets on the African continent.

As mentioned above we see a gradual increase in demand from almost all of our markets and segments. Currently the North American markets are showing a very stable growth in all segments except for the Defense. The demand for buses continues to grow in all sub segments – Transit, Coach, School and Shuttle. In the Off Road segments demand varies between the sub segments and we foresee an especially good year in Compact and Construction as well as in Material Handling. In Europe demand for buses seems to be continuing at the rather good levels from last year and some sub segments in Off Road have started very strong and we believe the growth will continue as the European business climate gradually seems to be improving. The markets in China however seems to continue at the low levels from last year. Going forward we will strenghten our focus on new markets with good growth prospects based on increase in public transportation and in HVAC penetration, e.g. China, India, Brazil and Africa. We will also continue our efforts in developing innovative and environmentally friendly products.

To summarize – MCC is more than ready to take on any challenges and we will continue our efforts to gain market share with new products and new customers. We are looking forward to a great 2015 and we will make sure to keep our heads cool while the "heat" continues to increase.

Clas Gunneberg, President and CEO

Meeting tomorrow's challenges

MCC's strategy is continuously being reviewed and updated to make sure we can manage and meet the challenges of tomorrow. Our base strategy has however showed its strength and stayed the same for many years and we also believe it will serve us well going forward.

Providing **Custom Engineered Solutions** whenever the need is there is a true strategic corner stone and a powerful competitive advantage in the low to medium volume market segments we are targeting. Also being a firm believer in the competitive advantage of always striving for **Shorter Lead Times** has shown to be very successful and as the technological cycles are getting shorter and shorter it keeps getting more and more important. Our strive for **Exceptional Performance** from our products and from our operations is another competitive advantage which differentiates MCC from our competitors. Our climate systems are always optimized for their application and we never compromise with their performance, which is one of the reasons why we are investing heavily in our own in-house production of aluminum microchannel coils. This investment will take MCC to the next level in technology and capability.

Another competitive advantage which we fully embrace is to make sure we have a very **Broad Product Assortment** as we are fully convinced that there are big advantages for our customers to be able to fully rely on us when it comes to developing the right climate solution for their respective need. Last but not least of our strategic cornerstones are the competitive advantage of having **Strong Financials**. Strong financials assure our independence and our ability to invest in future technology as well as helps us competing against our less financially viable competitors.

In addition to our base strategy – our strategic cornerstones that are providing us true competitive advantages – we have a strategy for each of the new and future challenges that we have identified in our yearly strategic review process.

New drive lines

We see an increasing usage of new drive lines within all our market segments where hybrid and electrical solutions are the most popular. This means that we have to develop new innovative and efficient solutions to making our HVAC systems work. We explore new ways of generating heat i.s.o. the traditional solutions like just burning fuel or using the excess

heat from the engines. We also develop electrically powered AC's and we work hard to increase the performance of our products while we also strive to reducing weight and minimizing our products.

New refrigerants

We are aware of the negative environmental impact from refrigerants currently in use and we follow closely the development of new refrigerant liquids and establish plans to make sure our products are ready when new legislation comes into effect.

New markets

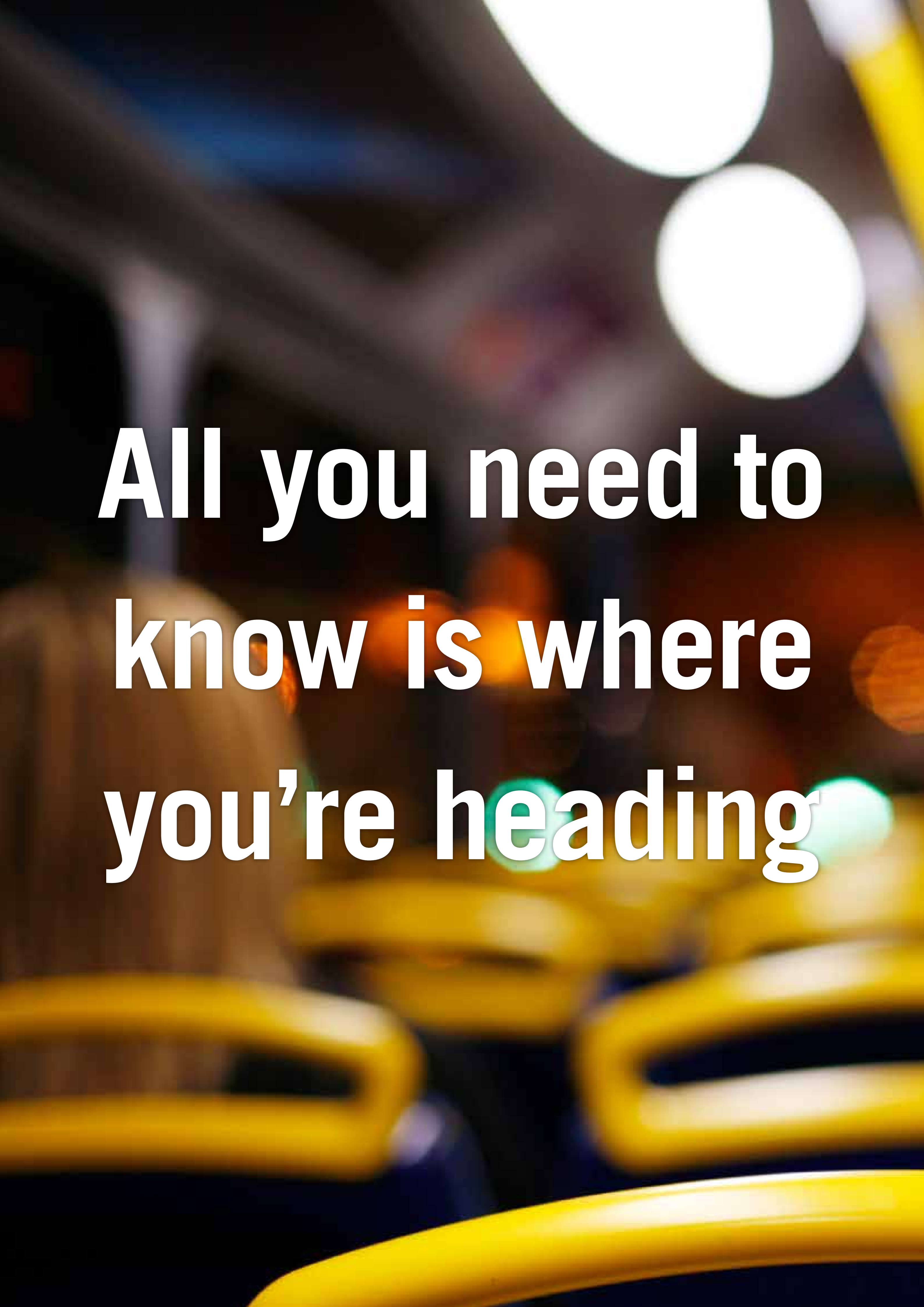
We continuously evaluate new markets for which we foresee a considerable growth in the years to come and we establish plans in order to be ready to benefit from these.

Higher industrial demands

It's clear that the very demanding requirements of the high volume Passenger Car and Heavy Duty Truck industries gradually are established also in the medium to low volume Bus and Off Road industries making it necessary also for companies like MCC to be in the forefront of using Lean principles and hence having efficient operations and advanced logistic set-ups.

Financial Targets

Growth: >10% CAGR over a business cycle
Profitability: >15% EBITA


All you need to
know is where
you’re heading


STOP

It's not just about hot or cold

No matter what segment and what market, the difference comes from knowing for what application the climate system is supposed to be used. In MCC we are experts in designing each climate system to fit the conditions of where it's supposed to be used. Below we give some good examples from each of our four main segments.

MCC Off Road

An environmentally friendly cooperation

Terberg Benschop are known for their material handling vehicles found in ports and terminals all over the world. In 2012, MCC received the request to design and build prototypes for a heater and air conditioning system for Terberg's all new electrical vehicle. The technology for the heat and cooling system of the cabin in an electrical vehicle is somewhat different from vehicles with traditional combustion engines. The challenge is the high-voltage and to find an efficient way to run the compressor which involved the global engineering team at MCC to finalize the project.

The first heating unit was delivered in 2013 and the performance of the MCC solution was beyond expectations. After the first tests, Terberg upgraded the vehicle to higher voltage and MCC made adaptations accordingly. The first winter tests were in line with the requirements and at the 2014 CeMAT trade show in Germany, the Terberg electrical vehicle was presented and the MCC climate system was shown to a large number of material handling vehicle manufacturers with good interest in the products.

In the beginning of this year, 2015, the first A/C units are to be delivered. The A/C is an option Terberg offers to the users to increase the comfort in the cabin.

The innovative HVAC system for the Terberg all electric vehicle is not only a regular customer project – it is a three-year investment in future technology and knowledge. Knowledge that opens doors to new markets for MCC such as electrical tractors and trams. The MCC value add for each vehicle fitted with the new system is high due to the more advanced technology but also the high vertical integration in the manufacturing process of the products – which is also the key to the high quality standards.

MCC On Road

MCC starts to supply the bus manufacturer MAZ

As an exhibitor at a trade show, what you are looking for are those rare meetings that offer great business opportunities with high relevance to your products. This happened at Busworld 2013 when Falkat, a design and engineering office but also distributor of HVAC products, was first introduced to MCC products. About a year later, MCC presented the first proposal to MAZ through Falkat, and MCC was selected as supplier for prototypes and later in 2014 received the production order. It was followed by quality audits in the MCC European factory in Olawa, which went well and also resulted in additional requests for PEX piping systems, controls and whispers. The start of serial production and introduction of the new bus is planned for the fall of 2015 and MCC is more than ready to start supply parts to MAZ and welcome them as our new customer.

MCC Off Road

MCC allows Polaris to offer air conditioning for the first time

MCC was contacted by Polaris to work with them and Bobcat on a joint venture machine called the Brutus. The Brutus is a vehicle that is larger than a typical Polaris Ranger but smaller than Bobcat's ToolCat. This product was designed to fill a niche between both companies normal product offerings. MCC delivered a competitive solution that allowed Polaris to offer air conditioning for the first time in their range of vehicles.

MCC Utility

Utilimaster helped by MCC in 30 days

Some years ago Utilimaster, a producer of Walk-In-Step Vans in Indiana USA, came to MCC in big trouble. Their current system supplier had financial problems and was unable to continue delivering products. Utilimaster needed MCC support and resources and MCC delivered in a big way. Within 30 days MCC was able to start delivering HVAC products to keep their production lines moving. Today Utilimaster continues to supply companies such as UPS and Fed Ex with quality products and MCC continues to produce and develop HVAC systems for Utilimaster to help them remain a step ahead of the competiton.

It's about knowing your application

MCC On Road

A state-of-the-art AC for a great bus

MCC was approached by New Flyer and a major Transit Authority on providing a main HVAC unit solution for their Xcelsior line of Transit buses. The Xcelsior line has become New Flyer's primary product and the largest selling Transit bus line in North America. At the time there was only one AC supplier in the market that had designed a main HVAC unit for this bus and as the unit location, the envelope and ducting interface were unique to only this bus other HVAC-units couldn't fit. In the fall of 2013 MCC decided to develop a new rooftop HVAC that would fit in the existing envelope as we were confident that we could bring technological and performance advantages over what was currently available. The first unit was installed in a test bus during March of 2014 and immediately demonstrated weight, noise, performance and efficiency gains. The product was well received and led to multiple contract awards with the first serial production deliveries scheduled in December of 2015. Demand for this new product continues to grow.

MCC Defense

Textron TAPV wins again with MCC

The Textron TAPV (Tactical Armoured Patrol Vehicle) is an armoured personnel carrier vehicle developed for the Canadian Army. It is based on the M1117 Armoured Security Vehicle, developed for use by the military police of the US Armed Forces. The Tactical Armoured Patrol Vehicle (TAPV) program began in 2009, and in 2012 the contract was awarded to Textron Systems, Inc. MCC has supplied the Armoured Security Vehicle (ASV) program for Textron since 1995 and was approached by Textron to also supply their TAPV variant. The HVAC system in the ASV developed by MCC has always been regarded as one of the best performing in defense applications. The Canadian TAPV program was a competitive bid with no less than 6 different vehicles competing for the award. The Textron vehicle with its MCC system ended up the winner.

MCC delivers a technically advanced heat pump solution to Sandvik

Sandvik, a leading manufacturer of mining machines in the forefront of mining technology, chose MCC as supplier for the climate system to their electro-hydraulic development drills. This is not just an ordinary HVAC solution – it is a solution with technologies for electrical and hybrid vehicles that allows the climate system to run without using the engines' coolant water which was a requirement from Sandvik as the machine will mostly work only using the electric motor. The technology is interesting for multiple aspects, it offers a solution independent from the driveline of the machine that can be used in future electrical vehicles. Upcoming emission standards may prevent manufacturers from using the coolant water to heat the cabin, making the MCC solution very much cutting edge technology. Most important, it is a zero emissions solution that works practically the same way as a modern heat pump for houses. As a benefit, the Sandvik project offered a second challenge; to find place and design a very compact heater for machines running in arctic climates. The solution was a traditional coolant connected heater with integrated valves and controls that is fitted under the driver seat. It is a plug and play unit and with a very compact design it can certainly be the new standard heater for several applications.

Time to meet tomorrow's climate challenges

Product portfolio

During the past year MCC has continued to develop its extensive Air Conditioning and Heating product portfolio for the On Road and the Off Road vehicle market segments. Our aim is to make sure the products can meet and live up to both current and future climate requirements. These requirements are a combination of demands for a superior interior climate in the vehicle's cabin or passenger compartment, plus demands for a minimal impact on the external environment through reduced vehicle emissions and refrigerant leakage.

In 2014 we have hence continued to develop our product line with state-of-the-art fuel efficient AC products (the EcoMizer product line enabling up to 10% fuel savings) by adding several new variants as well as more fully electrical AC's. We have also continued to explore and develop the future heating products which need to function without using excess engine heat as has historically been the case.

Our strategy for obtaining climate optimized products is:

- Electrification of the system components
- Application of R134a as the refrigerant of choice in an optimized manner instead of R407C
- Reciprocating compressors with variable speed and capacity control instead of screw or scroll compressors for bus applications[1]
- Use of high efficiency heat exchangers such as aluminum micro-channel condensers and heaters
- MCC developed accessory drive with patent pending
- Optimized control systems
- Alternative environmentally friendly heat sources
- Hydraulically driven heat pump solutions

1) Reciprocating compressor = a positive-displacement compressor that uses pistons driven by a crankshaft.

Screw compressor = a compressor which uses a rotary type positive displacement mechanism.

Scroll compressor = a compressor which uses an orbiting type positive displacement mechanism.

Research and Development

In support of the future climate optimized products focus, MCC's research and development strategy is to bring forward and develop emerging technologies to a point where they can be applied into new products for the marketplace. Current main focus areas include the development of electrified and other energy saving solutions for all of our main segments. This is in anticipation of a higher penetration of electric and hybrid vehicles plus other energy efficient technologies into the commercial vehicle market.

Our R&D capabilities enable complex analysis by using highly sophisticated CFD[2] software, as well as design and verification of complete climate systems through the latest simulation and design tools available in the market. Closely connected to the R&D process is the prototyping process, which enables us to ensure a perfect physical fit of the HVAC system into the vehicle. It also provides us with HVAC units that are functionally validated at an early stage of development. We continue to explore the opportunities of more efficient prototyping by expanding the usage of 3D printing.

2) Computational fluid dynamics, usually abbreviated as CFD, is a branch of fluid mechanics that uses numerical methods and algorithms to solve and analyze problems that involve fluid flows.

Testing

MCC's research and development testing facilities include extensive equipment for testing the performance of HVAC systems as well as components within the systems. Our custom-built climate chambers, the core of our test facilities, enable MCC to provide testing of large vehicles and are located in Canada (Toronto), USA (York, PA) and Sweden (Norrtälje). We are using in-house developed advanced software which enables us to shorten our validation lead-times and substantially improve the accuracy of the whole process.

First applications | 1930–1950 | 1986 Montreal Protocol | 1997 Kyoto Protocol 2006 F-gas regulation | Today

From focus on function only to greater environmental insight

Functionality | Toxicity & Flammability | Environment – Ozone | Environment – Global Warming | Full impact on Environment & Economy

CO_2 NH_3 SO_2 | CFCs | HFCs | HFC, HFO & Natural Refrigerants

Future climate.
Future products.

Electrifying bus AC's.

The Eco 136e – our new modular family of all electric HVAC rooftop units for buses. A solution for electric, hybrid, and hybrid light buses. Designed and built with performance, efficiency, flexibility and environmental care in mind.

Global strength – local progress

MCC is gradually becoming a true global company with locations in all important markets. Our most recent establishment is in Durban South Africa where we have set-up an assembly and warehouse operation in order to capture parts of the growing African market and to serve our current customers with local deliveries.

Goshen – The Goshen site is MCC's center of excellence for assembly of bus AC products and offers 100% Buy America compliant production. The assembly of HVAC systems for the US Army vehicle HMMWV also takes place in Goshen.

Toronto – The Toronto site is the biggest and has the most extensive production capabilities that can produce everything from HVAC system key components to complete HVAC systems. Examples of components produced in Toronto are condensers, evaporators and heater coils, blowers, wiring harnesses and metal casings. Toronto also assembles complete HVAC products for the North American Bus, Off Road, Utility, Defense and Specialty segments. Toronto has an Engineering and Testing Center and a full length (70 ft/21 m) climate chamber and all other necessary testing equipment, which can test the functionality of HVAC equipment in temperatures between –40°F to +140°F (–40°C to +60°C).

Syracuse – The Syracuse site is a Bus Engineering and Testing Center with a 50 ft/15 m bus AC installation and prototype shop.

York – The York site is the Parts Distribution Center for MCC's aftermarket parts for all served market segments in North America. At the York site there is also an HVAC training center, a key engineering and testing center for Bus AC products and a full length (70 ft/21 m) climate chamber for AC testing.

Sherrie Anderson at our warehouse in York

Norrtälje – In Norrtälje, outside Stockholm in Sweden, MCC has its European Engineering Center where the major part of the development, customization and testing for European customers take place. It houses a full bus length (17 m) climate chamber (–25°C to +70°C).

Katarzyna Kliś at our Olawa plant

Olawa – The Olawa plant is the European equivalent of the Toronto plant in North America and hence can produce everything from HVAC system key components to complete HVAC systems. Examples of components produced in Olawa are condenser, evaporator and heater coils, wiring harnesses, PEX-tubes, metal casings, water valves and electronics. Olawa also assembles complete HVAC products for the European Bus, Off Road and Utility segments.

Ningbo – Our plant in Ningbo supplies assembled cabin HVAC's for European and Chinese Off Road customers. It also serves as our internal group supplier of labor intensive assembled components (water valves, wiring harnesses, etc) and products (heaters and defrosters) as well as the sourcing of components from local Chinese suppliers.

Van Tot Mai at our Toronto site

Durban – The Durban location in South Africa is an assembly and warehouse operation in which we provide local support to a big long term customer.

Nicole Floyd at our site in Goshen

Our experience at your service

Critical Success Areas

Our personnel (Human Resources) is one of our six Critical Success Areas (Quality, Delivery, Human Resources, Environment, Lead Times, Profitability) and we strive to have employees with commitment and competence who assumes responsibility for their respective tasks. Health and safety of all personnel is key to us and we set long-term goals and annual targets to ensure we are on the right track and move in the right direction.

Core values

Our core values – Respect, Innovation, Courage & Action – are based on each employee having an open mind and assuming ownership of the actual situation. By living our values we expand both our individual and our company limits which is a key to success.

3 of our 650 dedicated employees

Marta Pluta
Purchasing Specialist, Oława, Poland

With MCC since: 2014

I chose MCC because of our core values like respect, innovation and courage. Work at MCC gives me new opportunities for developing my professional and personal skills through participation in interesting projects. My supervisors' and colleagues' openness and positive attitude make for a creative and professional atmosphere.

Niclas Zetterqvist
Senior Design and Application Engineer, Norrtälje, Sweden

With MCC since: 1989

It is exciting and challenging to work as a design engineer and be involved from concept to finished product. It is also satisfying to be able to support colleagues and clients with my experience and knowledge. Being part of an international team with good colleagues who strive to maintain a high action and excellent cooperation makes MCC a rewarding workplace.

Van Ly Cao
Senior Assembler, Toronto, Canada

With MCC since: 1995

I have a lot of experience in heating and air-conditioning and I lead my team to improve production and efficiency. I am excited about getting involved in Kaizen projects with management support at all levels. Our manager always motivates us to work as a team and supports us to improve efficiency and productivity.

KPI	Toronto	Goshen	York	Olawa	Ningbo
Number of employees	298 (269)	108 (107)	15 (14)	140 (140)	21 (21)
Number of incidents	8 (6)	1 (11)	2 (3)	1 (4)	0 (0)
Sick leave in % of working hours	1.3 (1.5)	1.3 (N.A.[1])	0.3 (N.A.[1])	4.0 (3.5)	1.9 (0.2)

(2013) 1) Not measured

Caring for climate at every level

MCC cares about the climate at every level and for all of our stakeholders – our end customers, our direct customers, our owners, our employees, our suppliers and our society. For us, Corporate Responsibility (CR) means having policies, procedures and tools in order to ensure that the group assumes all its responsibilities and acts in a responsible way from a Financial, Environmental, Social and Ethical perspective.

Our overall objective with our CR work is to be a responsible global corporation constantly improving our ways of working and acting. For MCC this means that we care about the climate within each of the four dimensions that affects the area of corporate responsibility, hence we care about the:

Environmental climate – Our Environmental Policy and our Management System, which complies with ISO 14001, gives us guidance in how to deal with the environmental aspects of our business. The environmental work is an integrated part of our daily business in each entity, and is based on regular reviews and evaluations of identified environmental aspects. The majority of environmental impact from our business comes from the usage of our products and naturally the key focus of our product development is to reduce fuel consumption and emissions in combination with improved product performance.

Ethical climate – Based on our Business Ethics Policy and Anti-Corruption Directive we establish guidelines to manage our company's and our employee's way of doing business. Our Quality Policy expresses our firm belief in delivering high quality products and services, and our Quality Management System complies with the ISO 9001 standard. In 2013 we established an Anti-Corruption Directive, as an addition to our Business Ethics Policy. The directive has been implemented in conjunction with the implementation of a new model for corruption risk analysis in all MCC companies, which is performed on an annual basis. We consistently forward our requirements upstream in our supply chain. We have strengthened our requirements on our suppliers and other partners by adding clear ethical directives to which they need to adhere.

Social climate – Our Human Resources Policy declares our view on all individuals' equal value and how to assure a safe and stimulating work environment. We also comply with internationally established norms, such as UN and ILO, as well as stand behind the principle of the right for collective bargaining. We also perform annual compliance reviews to applicable national legislation. Most of our social work is managed locally by our divisions who decide on local sponsorship and participates in local charity activities. On Group level yearly contributions are given to the organizations "Hand In Hand" and "United Way".

Financial climate for our investors – In order to protect our investor's funds we follow international reporting guidelines and we have a well-established and clear financial policy and written procedures to control, follow-up and report our financial results. We use certified public auditors to assure a high level of internal control and that our financial reporting is of high standard. A Risk Analysis and Mitigation Plan is reviewed and updated on an annual basis and our internal control program is continuously strengthened.

Key areas

We have identified two key areas to which we will pay specific attention during 2015. These are:

Key Area	Objective	KPI
Sustainability The environmental impact from our products when in use.	To reduce our products impact on greenhouse gas emissions and fuel consumption.	• CO^2 credits per new product design[1]
Business Ethics Corruption risks in the sales and sourcing processes.	To assure a corruption free business environment through well established internal processes and governance as well as training for our employees and well defined supplier requirements.	• Anti-corruption training hours • Internal audit scores • Supplier audit scores • ISO 9001 audits

1) As per the Environmental Protection Agency (USA) standard

For these key areas we have established clear objectives and activity plans to make sure we reach our objectives.

Climate control

Just set the temperature and the EcoTemp will do the rest.

Report of the Board of Directors

General information about the business

Mobile Climate Control Group Holding AB, corporate identity number 556723-5642, is the parent company in a group comprising of nine wholly-owned subsidiaries (see Note 26). The company is a wholly-owned subsidiary of Myggvärmare AB (556723-5667), which, in turn, is a wholly-owned subsidiary of Ratos AB (publ) (556008-3585). Ratos, a private equity conglomerate, is listed on Nasdaq OMX Stockholm, Large Cap.

The Group's activities are comprised of development, manufacture and marketing of systems for heating, ventilation and air conditioning (HVAC) for selected segments within the global commercial vehicle industry. The market focus is on custom engineered products in small to medium production volumes. The production philosophy is based on a high degree of vertical integration within the supply chain, providing flexibility to satisfy customers' stringent demands for customization and short lead times.

The Group's customers are divided into three main segments: Bus manufacturers (e.g. city, coach, school and mini buses), Off-Road vehicle manufacturers (e.g. construction, mining, material handling and forestry equipment) and Defense vehicle manufacturers (e.g. transport vehicles). Sales are broken down as follows: buses 58% (53 in previous year), off-road vehicles 33% (34), Defense vehicles 6% (10) and other segments 3% (3).

The Group conducts business via its own companies in Sweden, Poland, Canada, USA, China and South Africa, and is represented by agents and distributors in several other countries. A total of 77% (78) of sales take place in the North American market. The European market accounts for 19% (18) and other markets 4% (4).

Sales, profit and financial position

SEK million	2014	2013	2012	2011	2010
Net sales	1,022	978	1,250	1,048	902
Operating profit (EBITA)	107	98	109	46	114
Operating margin	10.4%	10.0%	8.7%	4.4%	12.7%
Profit before tax	47	68	67	7	71
Profit margin	4.6%	7.0%	5.4%	0.7%	7.9%
Cash flow from operating activities	71	100	9	73	73

Sales increased by 4% during the year to SEK 1,022 million (978), with an organic growth of 2%. Translation of foreign subsidiaries' income statements increased sales by another 2% compared to last year. The organic growth is mainly a result of strong demand in the Bus segment.

Operating profit (EBITA) excluding items affecting comparability increased by 4% to SEK 108 million (104), representing an operating margin of 10.6% (10.6). The unchanged operating margin is a consequence of margin improvements in the underlying business as a result of margin strengthening activities offsetting lower volume in the defense segment due to large one-time orders in 2013. Including items affecting comparability, operating profit increased by 9% to SEK 107 million (98), representing an operating margin of 10.4% (10.0). Profit before tax amounted to SEK 47 million (68), representing a profit margin of 4.6% (7.0). The lower profit is explained by negative translation effects in the parent company related to loans in foreign currency.

Cash flow from operating activities amounted to SEK 71 million (100). Working capital decreased by SEK 5 million (-32) during the year, despite the increased sales, mainly due to improved payment terms from suppliers. Capital expenditures amounted to SEK 8 million (8).

SEK million	2014	2013	2012	2011	2010
Capital employed	1,471	1,354	1,408	1,378	1,204
– of which goodwill	1,153	1,101	1,101	1,117	970
Net debt	465	464	563	570	509
Equity	1,006	890	845	807	695

The Group's capital employed, calculated as total assets less interest-bearing assets and non-interest-bearing liabilities, amounted to SEK 1,471 million (1,354). The increase is mainly a result of translation effects due to a weaker SEK. Return on capital employed including goodwill amounted to 7.5% (7.1). Intangible fixed assets amounted to SEK 1,157 million (1,102). Tangible fixed assets amounted to SEK 86 million (89). Total working capital amounted to SEK 251 million (172).

Net debt increased by SEK 1 million during the year and amounted to SEK 465 million (464) at the end of the year. Cash flow after paid taxes and interest lowered net debt by SEK 62 million whereas translation effects increased net debt by SEK 60 million. The debt/equity ratio, calculated as net debt divided by total equity, was 0.46 (0.52).

Equity in the Group amounted to SEK 1,006 million (890) at the end of the year. Return on equity was 4.2% (6.1), while the equity ratio was 57% (56).

Significant events

During the fourth quarter 2013, the decision was made to close the production facility in Germany. The closure was completed during 2014 and the production for the European market has since mainly been transferred to the plant in Poland.

On January 1, 2014, the Group's three legal entities in USA (MCC Corp, MCC US Holding Corp and MCC York Corp) were merged into one legal entity. There are no changes to the business activities in connection with the merger and the operations continue to be based in Goshen, Indiana and York, Pennsylvania.

During the first half of 2014, the Group established a subsidiary in South Africa. As a result, MCC can now support existing customers with local deliveries, which provides improved service and shorter lead times. This establishment also enhances the long-term possibilities to gain market share in Africa.

Research and development

Total cost of research and technological product development within the Group amounted to about 4% (4) of net sales. The Group's product development is focused on the modification of existing products and the development of new HVAC products (heating, ventilation and air conditioning) for customers within the Group's main market segments. These activities also facilitate the development of new HVAC-related market segments. Product development is mainly conducted in the Group's subsidiaries in Canada, USA and Sweden.

During recent years, the company has intensified R&D by renewing and replacing the existing product portfolio, especially with regard to the North American Bus market. The trend towards electric products is clear in all main segments. The company is very well positioned in this area as a result of completed and currently ongoing product development projects.

Several product development projects aimed at the North American Transit Bus segment were completed during the year, which, among other things, resulted in a new solution for efficient compressor mounting (patent pending). The new product portfolio has been received well in the market and is expected to result in improved market shares in this segment during 2015. In addition to these initiatives targeted at the Bus market, work has begun on developing a next generation heat exchanger, which is based on a completely new and more efficient production technology. These products will enable the development of more compact and effective HVAC systems for the Off-Road segment.

Environmental information

The Group does not have operations for which permits are required in accordance with the Swedish Environmental Code. Some of the subsidiaries manufacture and maintain products that contain the refrigerant R134a and possess the necessary certificates concerning its handling. The subsidiaries in Canada, USA, Sweden, Poland and China are certified in accordance with ISO 14001.

Outlook

Demand from MCC's main markets are currently at a historically low level. The North American bus market in particular, despite the recovery in 2014, remains at historical lows with a major need to replace ageing buses. The European market as a whole is weak due to the macroeconomic situation but is showing signs of a recovery. A continued market recovery is expected, though there is uncertainty as to when due to the macroeconomic situation in Europe and State and Federal financing challenges in the U.S. Completed efficiency improvement measures and significant investments in product development places MCC in a good position ahead of the anticipated recovery. Over time, the company's good market position and structural market growth potential give MCC opportunities for long-term profitable growth.

Significant risks and risk management

Mobile Climate Control (MCC) is an international group with a relatively large geographical spread, which creates exposure to various forms of strategic, operational and financial risk. Strategic risks mainly involve changes in the operating environment that can affect the global commercial vehicle industry, leading to far-reaching consequences for the Group's activities and targets. Operational risks are directly linked to the Group's business activities and can potentially affect its profit and financial position. These risks include, for example, legal risks, acquisitions of new businesses, price development for raw materials and components and dependence on customers. Financial risks are mainly comprised of financing risks, interest rate risks, currency risks, and credit risks.

Risk management within the Group aims to identify and reduce potential effects of the aforementioned risks in a systematic fashion. This work is performed at all levels within the organization. The Board has overall responsibility for the Group's management of risk and sets out a strategy and long-term targets based on recommendations from the Group management. The Board continuously conducts systematic reviews of significant risks as well as actions to mitigate those risks. However, a considerable portion of operational risk management is performed at the company level, by local boards and management teams.

STRATEGIC RISKS

MCC has relatively broad geographical market coverage with sales and manufacturing in a number of countries, although there is emphasis on the North American and West European markets. Thus, the Group is exposed to operating environment risks and country-specific risks, such as political decisions, changes to rules and regulations and fluctuations in demand as a result of changed customer or competitor behavior.

Relations with customers and suppliers are subject to continuous adaptation at both a central and local level within the organization, and there is constant monitoring of competitors and the development of local rules and regulations. The Group's management team also includes a number of corporate functions within, for example, marketing, quality and product development, which ensure continuous and broad monitoring of the operating environment at a central level within the Group.

OPERATIONAL RISKS

Operational risks are usually managed at local level in the companies, but are followed up systematically by Group management at regular meetings and reviews. Legal risks, potential disputes, and changes to local legislation are followed up on an ongoing basis together with legal advisors in each country. The Board has formulated an acquisition strategy, which sets out the guidelines for how acquisitions are to be conducted within the Group. On the purchasing side, risks are managed primarily by the local companies, but there is central coordination when it comes to new suppliers, renegotiations, and agreements for the most significant material components.

Generally, the Group sells to a large number of customers in different countries, which reduces dependence on customers and the risk of material bad debt losses.

FINANCIAL RISKS

The Group's long-term and short-term financing, cash management, currency risks, and other financial risk management are centralized within the Group. There is daily management at each company, which is based on established guidelines and procedures. Assignment of responsibilities and control over the Group's financing activities are regulated by a financial policy, which is updated and adopted annually by the Board.

Through its international activities MCC is exposed to the effect of changes in foreign exchange rates in the form of translation exposure and transaction exposure. As of 2013, the Group hedges part of its transaction exposure in North America under certain circumstances. Work is ongoing to reduce the underlying exposure that arises when goods are purchased or sold in foreign currencies. The most important currencies for the Group are USD, CAD, PLN, EUR and SEK. Interest rate risk is managed by regulating interest risk sensitivity with the aid of interest rate derivatives.

See note 22 for additional information on financial risks.

Corporate governance

Mobile Climate Control Group Holding AB is a Swedish limited company with its registered office in Stockholm, Sweden. The company is indirectly a wholly-owned subsidiary of Ratos AB (publ). Governance of the Group is based on, among other things, bylaws and the Swedish Companies Act.

THE BOARD

Corporate governance is organized by the Board, which, in accordance with the Swedish Companies Act, is responsible for the Group's organization and administration, as well as for the internal controls which ensure that accounting, management of assets, and financial relations in general are satisfactory. The Board makes decisions on the Group's strategy, long-term objectives and policies, approves the annual report and guidelines for remuneration to senior management, and makes decisions concerning the Group's financial structure. The Board is also tasked with continuously assessing the company's operational management, including the work of the CEO.

The Board's rules of procedure and instructions on the division of tasks and responsibilities between the Board and CEO are updated and adopted annually. The Board has also issued instructions on how financial reports should be submitted to the Board.

The Chairman of the Board shall, in addition to leading the activities of the Board, continuously follow the Group's activities and development through contact with the CEO.

The Board holds a minimum of four ordinary meetings per year. Additional meetings are arranged as required. Within the Board, there is an audit committee. The activities of this committee are regulated by a special set of instructions. The audit committee holds a minimum of three meetings per year and prepares issues concerning the external audit, internal controls, and the company's financial reporting. The committee does not have any decision-making authority.

GROUP MANAGEMENT AND ORGANIZATION

The Group management is comprised of the CEO, the Production Site Managers for North America and Europe, the CFO, and those individuals responsible for Group-wide functions, such as marketing, product development, and quality and management systems. MCC's operation is organized into three geographical Regions, North America, Europe and Asia, where the principle is that the responsibility for commercial activities shall, to the greatest extent possible, lie with these organizations. The Group management is tasked with ensuring that work is carried out in accordance with the Group's overall strategy and objectives and that commercial activities are constantly coordinated and followed up on. It must also ensure that there is compliance with the policies and guidelines.

The Group management meets monthly. A minimum of two board meetings are held by the subsidiaries each year, and there are regular local management meetings. As a complement to this, quarterly follow-up meetings are held with sections of the Group management. Each month, all the subsidiaries submit financial results in accordance with the Group's accounting principles and definitions. These reports are the foundation for monthly operational follow-up and further reporting to the Board and the shareholders.

GUIDELINES AND POLICIES

Each year, the Board decides on the policies that will apply within the Group. The most significant guidelines and policies are the authorization manual, financial policy, quality policy, information policy, IT policy, insurance policy, environmental policy, HR policy and CR-policy (Corporate Responsibility). The CR-policy constitutes a framework for the Group's other policies regarding business ethics and financial, environmental and HR related issues. In addition to these, there are a number of different sets of instructions and guidelines for how various elements of the business are to be handled, e.g. investment procedures and financial reporting.

The authorization manual defines the areas and levels associated with the CEO's decision rights and regulates the decision rights of both the Group management and the subsidiaries' Managing Directors. The financial policy sets out how financing and cash management issues as well as financial risk are to be managed within the Group. The quality policy outlines how the Group will deal with quality assurance work. The information policy deals with rules regarding contacts with media. The IT-policy regulates the use of hardware and software as well as issues related to infrastructure. The insurance policy outlines the Group´s mandatory insurance coverage. The Group's HR policy ensures that all employees regard MCC as a safe, modern workplace that encourages development, and that all employees are treated equally regardless of gender, ethnicity and sexual orientation. The environmental policy defines how the Group manages the environmental impact of its activities.

Proposed distribution of earnings

The following earnings are at the disposal of the Annual General Meeting:

Retained earnings	1,008,658,469
Net profit for the year	-29,525,433
	979,133,036

The Board of Directors and the CEO propose that the funds be appropriated as follows:

As dividend to shareholders	35,412,000
Carried forward	943,721,036
	979,133,036

The dividend will be paid 1 April 2015.

Consolidated income statement

SEK thousand	Note	2014	2013
Operating income			
Net sales		1,021,966	978,399
Other operating income	*4*	203	1,991
Total operating income	*2*	**1,022,169**	**980,390**
Operating expenses			
Raw materials and consumables		-569,227	-545,927
Other external expenses	*7*	-96,459	-97,969
Personnel costs	*6*	-236,535	-224,345
Depreciation of tangible and amortization of intangible fixed assets	*10, 11*	-15,127	-20,183
Other operating expenses	*5*	-248	-
Total operating expenses		**-917,596**	**-888,424**
Operating profit		**104,573**	**91,966**
Financial income		614	8,125
Financial expenses		-58,402	-31,758
Net financial items	*8*	**-57,788**	**-23,633**
Profit before tax		**46,785**	**68,333**
Tax expense	*9*	-7,007	-15,056
Net profit for the year		**39,778**	**53,277**
Profit for the year attributable to:			
Shareholders of the parent company		**39,778**	**53,277**

Consolidated statement of comprehensive income

SEK thousand	2014	2013
Net profit for the year	**39,778**	**53,277**
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss:		
Translation differences during the year	44,815	-5,884
Fair-value changes in cash flow hedges	-2,059	2,529
Tax related to fair-value changes in cash flow hedges	350	-358
Other comprehensive income for the year	**43,106**	**-3,713**
Total comprehensive income for the year	**82,884**	**49,564**
Total comprehensive income for the year attributable to:		
Shareholders of the parent company	**82,884**	**49,564**

Consolidated balance sheet

SEK thousand	Note	2014	2013
Assets			
Fixed assets			
Intangible fixed assets	*10*	1,157,242	1,102,313
Tangible fixed assets	*11*	86,089	88,843
Financial fixed assets			
Long-term receivables	*12*	1,811	2,018
Deferred tax receivables	*9*	17,116	15,452
Total fixed assets		**1,262,258**	**1,208,626**
Current assets			
Inventories	*13*	180,822	155,697
Current tax receivables		347	6,967
Accounts receivables		145,207	116,372
Short-term receivables from group companies		45,400	-
Other short-term receivables		17,752	19,118
Prepaid expenses and accrued income	*14*	4,068	5,574
Cash and cash equivalents	*15*	87,173	63,081
Total current assets		**480,769**	**366,809**
Total assets		**1,743,027**	**1,575,435**

Consolidated balance sheet

SEK thousand	Note	2014	2013
Equity and liabilities			
Equity	*16*		
Share capital		100	100
Other paid in capital		729,440	694,028
Reserves		11,447	-31,659
Retained earnings including profit for the year		264,821	227,580
Equity attributable to shareholders of the parent company		**1,005,808**	**890,049**
Total equity		**1,005,808**	**890,049**
Non-current liabilities			
Long-term loans	*17*	505,826	403,940
Other long-term liabilities	*19*	958	882
Deferred tax liabilities	*9*	12,603	15,946
Long-term provisions	*18*	17,261	21,768
Total non-current liabilities		**536,648**	**442,536**
Current liabilities			
Short-term loans	*17*	45,407	123,043
Accounts payables		96,317	64,473
Current tax liabilities		141	7,621
Other short-term liabilities	*19*	8,243	9,338
Accrued expenses and prepaid income	*20*	29,124	24,593
Short-term provisions	*18*	21,339	13,782
Total current liabilities		**200,571**	**242,850**
Total equity and liabilities		**1,743,027**	**1,575,435**
Pledged assets and contingent liabilities			
Pledged assets	*25*	544,646	433,453
Contingent liabilities	*25*	75	75

Consolidated statement of changes in equity

SEK thousand	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Retained earnings incl. profit/-loss for the year	Total equity
Opening balance, January 1, 2013	**100**	**691,491**	**-23,150**	**-4,796**	**181,615**	**845,260**
Net profit	-	-	-	-	53,277	**53,277**
Other comprehensive income	-	-	-5,884	2,171	-	**-3,713**
Total comprehensive income	**-**	**-**	**-5,884**	**2,171**	**53,277**	**49,564**
Dividend to shareholders	-	-	-	-	-7,312	**-7,312**
Group contribution received	-	3,252	-	-	-	**3,252**
Tax effect of group contribution	-	-715	-	-	-	**-715**
Total transactions with parent company shareholders	**-**	**2,537**	**-**	**-**	**-7,312**	**-4,775**
Closing balance, December 31, 2013	**100**	**694,028**	**-29,034**	**-2,625**	**227,580**	**890,049**
Opening balance, January 1, 2014	**100**	**694,028**	**-29,034**	**-2,625**	**227,580**	**890,049**
Net profit	-	-	-	-	39,778	**39,778**
Other comprehensive income	-	-	44,815	-1,709	-	**43,106**
Total comprehensive income	**-**	**-**	**44,815**	**-1,709**	**39,778**	**82,884**
Dividend to shareholders	-	-	-	-	-2,537	**-2,537**
Group contribution received	-	45,400	-	-	-	**45,400**
Tax effect of group contribution	-	-9,988	-	-	-	**-9,988**
Total transactions with parent company shareholders	**-**	**35,412**	**-**	**-**	**-2,537**	**32,875**
Closing balance, December 31, 2014	**100**	**729,440**	**15,781**	**-4,334**	**264,821**	**1,005,808**

Consolidated cash flow statement

SEK thousand	Note	2014	2013
	28		
Operating activities			
Profit before tax		46,785	68,333
Adjustments for non-cash items		42,664	14,178
Taxes paid		-24,067	-15,135
Cash flow from operating activities before changes in working capital		**65,382**	**67,376**
Change in working capital			
Increase(-)/decrease(+) in inventories		-5,419	7,130
Increase(-)/decrease(+) in operating receivables		-8,591	34,616
Increase(+)/decrease(-) in operating liabilities		19,204	-9,275
Total change in working capital		**5,194**	**32,471**
Cash flow from operating activities		**70,576**	**99,847**
Investing activities			
Investments in tangible fixed assets		-6,617	-7,542
Investments in intangible fixed assets		-2,597	-29
Sale of tangible fixed assets		869	-
Cash flow from investing activities		**-8,345**	**-7,571**
Financing activities			
Dividend to shareholders		-2,537	-7,313
Group contribution received		-	14,922
Group contribution paid		-1,748	-
External borrowings		-	3,093
Loan repayments		-47,845	-69,531
Cash flow from financing activities		**-52,130**	**-58,829**
Cash flow		**10,101**	**33,447**
Cash and cash equivalents at beginning of the year		63,081	29,135
Cash flow		10,101	33,447
Exchange rate differences in cash and cash equivalents		13,991	499
Cash and cash equivalents at the end of the year		**87,173**	**63,081**

Parent company income statement

SEK thousand	Note	2014	2013
Operating income			
Other operating income	*4*	22,105	22,498
Total operating Income		**22,105**	**22,498**
Operating expenses			
Other external expenses	*7*	-9,556	-8,688
Personnel costs	*6*	-14,067	-13,321
Depreciation of tangible and amortization of intangible fixed assets	*10, 11*	-646	-1,255
Other operating expenses	*5*	-	-5
Total operating expenses		**-24,269**	**-23,269**
Operating profit/loss		**-2,164**	**-771**
Result from participations in subsidiaries		7,612	50,836
Financial income		6,223	14,240
Financial expenses		-51,581	-15,682
Net financial items	*8*	**-37,746**	**49,394**
Profit before tax		**-39,910**	**48,623**
Tax expense	*9*	10,384	-1,936
Net profit for the year		**-29,526**	**46,687**

Statement of comprehensive income Parent company

SEK thousand	2014	2013
Net profit for the year	-29,526	46,687
Total comprehensive income for the year	**-29,526**	**46,687**

Parent company balance sheet

SEK thousand	Note	2014	2013
Assets			
Fixed assets			
Intangible fixed assets	*10*	774,078	774,657
Tangible fixed assets	*11*	53	120
Financial fixed assets			
Shares in subsidiaries	*26*	472,850	471,890
Long-term receivables from subsidiaries	*27*	37,960	36,972
Long-term receivables	*12*	236	174
Total fixed assets		**1,285,177**	**1,283,813**
Current assets			
Short-term receivables from subsidiaries	*27*	64,977	15,458
Current tax assets		66	-
Other short-term receivables		500	427
Prepaid expenses and accrued income	*14*	789	891
Total current assets		**66,332**	**16,776**
Total assets		**1,351,509**	**1,300,589**

Parent company balance sheet

SEK thousand	Note	2014	2013
Equity and liabilities			
Equity			
Restricted equity			
Share capital (100,000 shares)		100	100
Unrestricted equity			
Retained earnings		1,008,658	927,694
Net profit for the year		-29,526	46,687
Total unrestricted equity		**979,132**	**974,381**
Total equity		**979,232**	**974,481**
Non-current liabilities			
Long-term loans	*17*	288,608	221,289
Other long-term liabilities	*19*	387	882
Total non-current liabilities		**288,995**	**222,171**
Current liabilities			
Short-term loans	*17*	77,961	97,147
Accounts payables		1,195	875
Short-term liabilities to subsidiaries	*27*	60	2,572
Current tax liabilities		-	158
Other short-term liabilities	*19*	460	488
Accrued expenses and prepaid income	*20*	3,606	2,697
Total current liabilities		**83,282**	**103,937**
Total equity and liabilities		**1,351,509**	**1,300,589**
Pledged assets and contingent liabilities			
Pledged assets	*25*	466,286	466,286
Contingent liabilities	*25*	None	None

Parent company statement of changes in equity

SEK thousand	Share capital	Retained earnings incl. profit for the year	Total equity
Opening balance, January 1, 2013	**100**	**933,046**	**933,146**
Net profit	-	46,687	**46,687**
Total comprehensive income	**-**	**46,687**	**46,687**
Group contribution paid after tax effect	-	-603	**-603**
Group contribution received after tax effect	-	2,563	**2,563**
Dividend to shareholders	-	-7,312	**-7,312**
Total transactions with parent company shareholders	**-**	**-5,352**	**-5,352**
Closing balance, December 31, 2013	**100**	**974,381**	**974,481**
Opening balance, January 1, 2014	**100**	**974,381**	**974,481**
Net profit	-	-29,526	**-29,526**
Total comprehensive income	**-**	**-29,526**	**-29,526**
Group contribution received after tax effect	-	36,814	**36,814**
Dividend to shareholders	-	-2,537	**-2,537**
Total transactions with parent company shareholders	**-**	**34,277**	**34,277**
Closing balance, December 31, 2014	**100**	**979,132**	**979,232**

Parent company cash flow statement

SEK thousand	Note	2014	2013
	28		
Operating activities			
Profit before tax and received dividend		-47,521	-2,213
Adjustments for non-cash items		31,147	622
Taxes paid		-224	-2,669
Cash flow from operating activities before changes in working capital		**-16,598**	**-4,260**
Change in working capital			
Increase(-)/decrease(+) in operating receivables		-3,376	3,618
Increase(+)/decrease(-) in operating liabilities		38,615	-2,737
Total change in working capital		**35,239**	**881**
Cash flow from operating activities		**18,641**	**-3,379**
Investing activities			
Shareholders' contribution to subsidiaries		-960	-203,609
Investments in tangible fixed assets		-	-12
Cash flow from investing activities		**-960**	**-203,621**
Financing activities			
Group contribution received		34	14,922
Group contribution paid		-2,520	-
Dividend to shareholders		-2,537	-7,312
Dividends received from subsidiaries		7,612	52,336
External borrowings		-	164,574
Loan repayments		-20,270	-17,520
Cash flow from financing activities		**-17,681**	**207,000**
Cash flow		**0**	**0**
Cash and cash equivalents at beginning of the year		-	-
Cash flow		0	0
Cash and cash equivalents at the end of the year		**0**	**0**

Notes to the Financial Statements

Note 1 Significant accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 have also been applied.

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's standard RFR 2. RFR 2 requires that the Parent Company, in its annual accounts, apply all the IFRS as far as possible within the framework of the Annual Accounts Act and in view of the relationship between accounting and taxation. The standard specifies which exceptions and amendments to IFRS should be made.

The Parent Company's functional currency is the Swedish krona (SEK), which is the reporting currency of the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless stated otherwise, are rounded to the nearest thousand.

Note 2 Total operating income

GROUP

SEK thousand	2014	2013
Sales of goods	1,021,966	978,399
Other operating income, note 4	203	1,991
Total operating income	**1,022,169**	**980,390**

Note 3 Acquisitions

No acquisitions in 2013 or 2014.

Note 4 Other operating income

GROUP

SEK thousand	2014	2013
Foreign exchange rate gains on operating receivables and liabilities	-	1,883
Other	203	108
Total other operating income	**203**	**1,991**

PARENT COMPANY

SEK thousand	2014	2013
Forwarded costs	-	55
Management Fee	22,105	22,443
Total other operating income	**22,105**	**22,498**

Note 5 Other operating expenses

GROUP

SEK thousand	2014	2013
Foreign exchange rate losses on operating receivables and payables	-248	-
Total other operating expenses	**-248**	**-**

PARENT COMPANY

SEK thousand	2014	2013
Loss disposed assets	-	-5
Total other operating expenses	**-**	**-5**

Note 6 Employees, wages and salaries and other remuneration

Wages, salaries and other remuneration

GROUP

SEK thousand	2014	2013
Wages, salaries and other remuneration	189,791	178,367
Pension costs	8,211	8,525
Social security costs	35,040	33,476
Other personnel-related costs	3,533	3,977
Total personnel costs	**236,575**	**224,345**

Average number of employees

	2014	men	2013	men
Parent company, Sweden	8	75%	8	75%
Total Parent company	**8**	**75%**	**8**	**75%**
Subsidiaries				
Sweden	13	100%	13	100%
USA	123	76%	136	76%
Canada	304	91%	273	94%
Germany	8	88%	11	91%
Poland	141	68%	143	76%
China	21	33%	21	29%
Total subsidiaries	**610**	**81%**	**597**	**83%**
Total Group	**618**	**81%**	**605**	**83%**

Gender distribution in senior management

	2014	men	2013	men
Board of Directors[1]	6	83%	4	100%
Executive management team	8	100%	8	100%
of which in Parent company	3	100%	3	100%

1) The total number of directors in all Group companies at year-end was 29 (33).

Note 6 Employees, wages and salaries and other remuneration

Wages, salaries and information on remuneration of the Board of Directors and senior executives and social costs

PARENT COMPANY

	2014			2013		
SEK thousand	Board of Directors and senior executives	Other employees	Total	Board of Directors and senior executives	Other employees	Total
Wages, salaries and other remuneration Sweden[1]	5,902	2,357	**8,259**	4,730	3,211	**7,941**
of which bonus	986	161	**1,147**	-65	-	**-65**
Social security costs[1]	3,613	1,930	**5,543**	2,966	2,235	**5,201**
of which pension costs	1,814	1,155	**2,969**	1,412	1,189	**2,601**
Total	**9,515**	**4,287**	**13,802**	**7,696**	**5,446**	**13,142**

Wages, salaries and information on remuneration of senior executives and social costs

GROUP

SEK thousand	2014	2013
Wages, salaries and other remuneration[1]	13,624	9,854
of which bonus	2,124	78
Social costs[1]	5,206	4,976
of which pension costs	2,441	1,412
Total	**18,830**	**14,830**

[1)] A total of 415 TSEK (400) of wages, salaries and other remuneration and 130 TSEK (126) of social costs relates to the Board of Directors not employed by the company.

Termination benefits

The senior executives in the Group have agreements of termination benefits that entitle them to between 6-12 months gross salary in the event of termination by the company.

Note 7 Fees to auditors

GROUP

SEK thousand	2014	2013
PwC		
Audit assignment	1,296	1,255
Tax assignment	285	230
Other assignments	-	299
Total	**1,581**	**1,784**

SEK thousand	2014	2013
Other		
Audit assignment	721	740
Tax assignment	263	240
Other assignments	62	102
Total	**1,046**	**1,082**

PARENT COMPANY

SEK thousand	2014	2013
PwC		
Audit assignment	369	370
Other assignments	178	299
Total	**547**	**669**

Audit assignment refers to the review of the annual report, accounts and the administration by the Board of Directors as well as the CEO. Included are also other duties and responsibilities by the company's auditors as well as consulting or other assistance resulting from observations during such reviews or the implementation of such other duties.

Note 8 Net financial items

GROUP

SEK thousand	2014	2013
Exchange rate differences	-	8,046
Interest income	119	53
Other financial income	-	26
Revaluation of synthetic options	495	-
Financial income	**614**	**8,125**
Net loss		
Interest expenses	-27,050	-28,604
Exchange rate differences	-28,862	-
Other financial expenses	-2,490	-2,436
Revaluation of synthetic options	-	-718
Financial expenses	**-58,402**	**-31,758**
Net financial items	**-57,788**	**-23,633**

PARENT COMPANY

	Result from participations in subsidiaries		Interest expenses and other similar expenses		Interest income and other similar income	
SEK thousand	2014	2013	2014	2013	2014	2013
Dividends received from subsidiaries	7,612	52,336	-	-	-	-
Write down of shares in subsidiaries	-	-1,500	-	-	-	-
Exchange rate differences	-	-	-35,070	-4,984	3,962	12,032
Intra-group interest income/expenses	-	-	-	-	2,261	2,208
External interest income/expenses	-	-	-14,810	-8,736	-	-
Other financial items	-	-	-1,701	-1,962	-	-
Total	**7,612**	**50,836**	**-51,581**	**-15,682**	**6,223**	**14,240**

Note 9 Taxes

GROUP

SEK thousand	2014	2013
Current tax	-8,173	-17,613
Taxes attributable to prior years	835	-8
Deferred taxes	331	2,565
Total tax expenses	**-7,007**	**-15,056**

PARENT COMPANY

SEK thousand	2014	2013
Tax effect on Group contribution	10,384	553
Other taxes	-	-2,489
Total tax expenses	**10,384**	**-1,936**

Explanation of the difference between nominal Swedish tax rate and effective tax rate in the income statement

GROUP

Percent	2014	2013
Nominal tax rate in Sweden	22,0%	22,0%
Effect of foreign tax rates	5,9%	8,9%
Non-deductible expenses/non-taxable income	-3,3%	0,9%
Taxes attributable to prior years	-1,8%	0,0%
Other	-7,8%	-9,8%
Effective tax rate in the income statement	**15,0%**	**22,0%**

PARENT COMPANY

Percent	2014	2013
Nominal tax rate in Sweden	22,0%	22,0%
Non-taxable income from participations in subsidiaries	-23,0%	-23,7%
Non-deductible expenses/non-taxable income	4,0%	1,2%
Other	-	4,0%
Effective tax rate in the income statement	**3,0%**	**3,5%**

Tax items recognized directly in equity

GROUP

SEK thousand	2014	2013
Current tax on Group contributions	-9,988	-715
Deferred tax attributable to fair-value adjustments on foreign exchange derrivatives	524	243
Deferred tax attributable to fair-value adjustments on interest derivatives	-174	-601
Total	**-9,638**	**-1,073**

PARENT COMPANY

SEK thousand	2014	2013
Current tax on Group contributions	-10,384	-553
Total	**-10,384**	**-553**

Deferred tax assets and liabilities

Deferred tax assets and liabilities recognized in the balance sheet are attributable to:

GROUP

	Deferred tax assets		Deferred tax liabilities	
SEK thousand	2014	2013	2014	2013
Tangible fixed assets	739	864	-3,867	-4,949
Intangible fixed assets	8,960	200	-39,246	-17,280
Financial fixed assets	578	752	-	-
Provisions	842	1,288	-	-1,193
Special Economic Zone benefit, Poland	13,275	10,712	-	-
Inventories	4,971	2,243	-	-
Accounts receivables	148	303	-	-
Interest bearing liabilities	956	722	-	-
Loss carry-forward	4,812	-	-437	-
Other receivables	215	-515	-	-
Other liabilities	13,920	6,359	-1,353	-
Deferred tax assets/liabilities	**49,416**	**22,928**	**-44,903**	**-23,422**
Netted on Group level	-32,300	-7,476	32,300	7,476
Total	**17,116**	**15,452**	**-12,603**	**-15,946**

BY COUNTRY

	Deferred tax assets		Deferred tax liabilities	
SEK thousand	2014	2013	2014	2013
Sweden	258	258	-	-
Canada	1,747	1,123	-3,252	-3,346
Poland	14,889	11,742	-241	-272
USA	30,794	6,988	-41,410	-19,804
Group eliminations	1,728	2,817	-	-
Total	**49,416**	**22,928**	**-44,903**	**-23,422**

Change in deferred tax assets and liabilities

GROUP

2013

SEK thousand	Opening balance, January 1, 2013	Recognized in income statement	Recognized in other comprehensive income	Reclassification	Translation difference	Closing balance, December 31, 2013
Intangible fixed assets	**-8,713**	-8,369	-	-	2	**-17,080**
Tangible fixed assets	**-514**	-3,773	-	-	202	**-4,085**
Financial fixed assets	**1,353**	-	-601	-	-	**752**
Provisions	**-4,079**	4,220	-	-	-46	**95**
Special Economic Zone benefit, Poland	**7,247**	3,193	-	-	272	**10,712**
Inventories	**2,076**	167	-	-	-	**2,243**
Accounts receivables	**226**	75	-	-	2	**303**
Interest bearing liabilities	**349**	360	-	-	13	**722**
Other receivables	**-3,655**	2,841	243	-	56	**-515**
Other liabilities	**2,513**	3,851	-	-	-5	**6,359**
Total	**-3,197**	**2,565**	**-358**	**-**	496	**-494**

2014

SEK thousand	Opening balance, January 1, 2014	Recognized in income statement	Recognized in other comprehensive income	Reclassification	Translation difference	Closing balance, December 31, 2014
Intangible fixed assets	**-17,080**	-8,690	-	116	-4,632	**-30,286**
Tangible fixed assets	**-4,085**	1,234	-	267	-544	**-3,128**
Financial fixed assets	**752**	-	-174	-	-	**578**
Provisions	**95**	-356	-	1,187	-84	**842**
Tax losses	**-**	-6,323	-	6,323	-	**0**
Special Economic Zone benefit, Poland	**10,712**	2,238	-	-	325	**13,275**
Inventories	**2,243**	3,009	-	-878	597	**4,971**
Accounts receivables	**303**	-160	-	-27	32	**148**
Interest bearing liabilities	**722**	211	-	-	23	**956**
Loss carry-forward	**-**	2,798	-	1,021	556	**4,375**
Other receivables	**-515**	174	-	-	556	**215**
Other liabilities	**6,359**	6,197	-	-1,687	1,698	**12,567**
Total	**-494**	**332**	**-174**	**6,322**	-1,473	**4,513**

Note 10 Intangible fixed assets

GROUP

SEK thousand	Internally generated intangible assets R&D expenditure	Acquired intangible assets Other intangible assets	Acquired intangible assets Goodwill	Total
Accumulated acquisition value				
Balance at 1 January 2013	**5,486**	**34,303**	**1,101,393**	**1,141,182**
Other investments	-	29	-	**29**
Reclassifications	-	6,914	-	**6,914**
Translation differences	-	-334	-284	**-618**
Balance at 31 December 2013	**5,486**	**40,912**	**1,101,109**	**1,147,507**
Balance at 1 January 2014	**5,486**	**40,912**	**1,101,109**	**1,147,507**
Other investments	-	2,597	-	**2,597**
Reclassifications	-	3,799	-	**3,799**
Translation differences	-	7,968	51,480	**59,448**
Balance at 31 December 2014	**5,486**	**55,276**	**1,152,589**	**1,213,351**
Accumulated amortization				
Balance at 1 January 2013	**-3,840**	**-29,370**		**-33,210**
Amortization	-1,097	-4,907		**-6,004**
Reclassifications	-	-6,294		**-6,294**
Translation differences	-	314		**314**
Balance at 31 December 2013	**-4,937**	**-40,257**		**-45,194**
Balance at 1 January 2014	**-4,937**	**-40,257**		**-45,194**
Amortization	-549	-1,691		**-2,240**
Reclassifications	-	-1,042		**-1,042**
Translation differences	-	-7,633		**-7,633**
Balance at 31 December 2014	**-5,486**	**-50,623**		**-56,109**
Net carrying amounts				
December 31, 2013	**549**	**655**	**1,101,109**	**1,102,313**
December 31, 2014	**0**	**4,653**	**1,152,589**	**1,157,242**

All intangible assets, except for goodwill, are recognized at cost less accumulated amortization and any impairment losses.
For further information regarding amortization, see accounting principles in note 1.

Impairment test of goodwill

The Group goodwill is attributable to the acquisition of MCCII Holding AB-group in May 2007, the acquisition of ACME in 2008 and the acquisition in 2011 of Carrier's bus air conditioning division.

The acquisitions were based on an expected long-term positive development for the Group as a whole, where the subsidiaries together are expected to contribute to a long-term positive value development. An allocation of the Group goodwill at entity level is not deemed applicable. The Group as a whole is therefore defined as one cash-generating unit.

The impairment test is based on the financial development for the Group as a whole and the calculation is based on estimates of the goodwill´s value in use. This value is based on the estimated cash flow development for the Group.

Note 10 Intangible fixed assets

The basis for the cash flow estimates consists of the financial plan for the Group for 2015-2018, according to which the average annual growth rate is expected to be in line with the expected market growth.

For the years following 2018 an annual growth rate of 2% is assumed. A Weighted Average Cost of Capital (WACC) of 10.8% after tax is used as a discount rate for future estimated cash flows.

The present value of future estimated cash flows exceeds with a substantial margin the carrying amounts of the Group´s net assets. No indication of a need for impairment of goodwill was identified.

A sensitivity analysis shows that an increase of the WACC with 1%-unit, a decrease in gross margin or growth by 1%-unit respectively, results in a value-in-use that exceeds the carrying amount with more than 20%.

PARENT COMPANY

SEK thousand	R&D expenditure	Other intangible assets	Goodwill	Total
Accumulated acquisition value				
Balance at 1 January 2013	**5,486**	**90**	**774,056**	**779,632**
Balance at 31 December 2013	**5,486**	**90**	**774,056**	**779,632**
Balance at 1 January 2014	**5,486**	**90**	**774,056**	**779,632**
Balance at 31 December 2014	**5,486**	**90**	**774,056**	**779,632**
Accumulated amortization				
Balance at 1 January 2013	**-3,840**	**-8**		**-3,848**
Amortization	-1,097	-30		**-1,127**
Balance at 31 December 2013	**-4,937**	**-38**		**-4,975**
Balance at 1 January 2014	**-4,937**	**-38**		**-4,975**
Amortization	-549	-30		**-579**
Balance at 31 December 2014	**-5,486**	**-68**		**-5,554**
Net carrying amounts				
December 31, 2013	**549**	**52**	**774,056**	**774,657**
December 31, 2014	**0**	**22**	**774,056**	**774,078**

Note 11 Tangible fixed assets

GROUP

SEK thousand	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	Total
Accumulated acquisition value					
Balance at 1 January 2013	**58,231**	**76,804**	**60,221**	**-**	**195,256**
Investments	1,897	4,669	976	-	**7,542**
Reclassifications	-	-	-6,914	-	**-6,914**
Disposals	-	-553	-471	-	**-1,024**
Translation differences	734	-2,654	-2,155	-	**-4,075**
Balance at 31 December 2013	**60,862**	**78,266**	**51,657**	**-**	**190,785**
Balance at 1 January 2014	**60,862**	**78,266**	**51,657**	**-**	**190,785**
Investments	619	1,576	1,051	3,371	**6,617**
Reclassifications	-	-3,899	-94	194	**-3,799**
Disposals	-171	-2,874	-5,089	-	**-8,134**
Translation differences	4,170	8,468	6,336	260	**19,234**
Balance at 31 December 2014	**65,480**	**81,537**	**53,861**	**3,825**	**204,703**
Accumulated depreciation					
Balance at 1 January 2013	**-7,274**	**-41,871**	**-49,075**		**-98,220**
Depreciation	-1,501	-8,699	-3,979		**-14,179**
Reclassifications	-117	-	6,411		**6,294**
Disposals	-	341	343		**684**
Translation differences	-140	1,699	1,920		**3,479**
Balance at 31 December 2013	**-9,032**	**-48,530**	**-44,380**		**-101,942**
Balance at 1 January 2014	**-9,032**	**-48,530**	**-44,380**		**-101,942**
Depreciation	-1,390	-10,058	-1,439		**-12,887**
Reclassifications	-	1,042	-		**1,042**
Disposals	-473	4,632	3,107		**7,266**
Translation differences	-784	-5,705	-5,604		**-12,093**
Balance at 31 December 2014	**-11,679**	**-58,619**	**-48,316**		**-118,614**
Net carrying amounts					
December 31, 2013	**51,830**	**29,736**	**7,277**	**-**	**88,843**
December 31, 2014	**53,801**	**22,918**	**5,545**	**3,825**	**86,089**

Note 11 Tangible fixed assets

PARENT COMPANY

SEK thousand	Equipment, fixtures and fittings	Total
Accumulated acquisition value		
Balance at 1 January 2013	**1,228**	**1,228**
Investments	12	**12**
Disposals	-30	**-30**
Balance at 31 December 2013	**1,210**	**1,210**
Balance at 1 January 2014	**1,210**	**1,210**
Balance at 31 December 2014	**1,210**	**1,210**
Accumulated depreciation		
Balance at 1 January 2013	**-987**	**-987**
Depreciation	-128	**-128**
Disposals	25	**25**
Balance at 31 December 2013	**-1,090**	**-1,090**
Balance at 1 January 2014	**-1,090**	**-1,090**
Depreciation	-67	**-67**
Balance at 31 December 2014	**-1,157**	**-1,157**
Net carrying amounts		
December 31, 2013	**120**	**120**
December 31, 2014	**53**	**53**

Note 12 Long-term receivables and other short-term receivables

GROUP

SEK thousand	2014	2013
Long-term receivables		
Long-term lease	97	36
Deposits	138	138
Securities	10	10
Other long-term receivables	1,566	1,834
Total long-term receivables	**1,811**	**2,018**

PARENT COMPANY

SEK thousand	2014	2013
Other long-term receivables		
Deposits	138	138
Long-term lease	98	36
Total other long-term receivables	**236**	**174**

Note 13 Inventories

GROUP

SEK thousand	2014	2013
Raw materials and consumables	131,117	119,557
Work in progress	9,424	7,000
Finished goods	40,281	29,140
Total inventories	**180,822**	**155,697**

Total expensed consumption of inventory is included in cost of goods sold at SEK 569 million (546).

Note 14 Prepaid expenses and accrued income

GROUP

SEK thousand	2014	2013
Insurance premiums	1,051	1,864
Leasing expenses	1,489	1,154
Accrued interest expenses	-	345
Other	1,528	2,211
Total prepaid expenses and accrued income	**4,068**	**5,574**

PARENT COMPANY

SEK thousand	2014	2013
Leasing expenses	282	203
Other	507	688
Total prepaid expenses and accrued income	**789**	**891**

Note 15 Cash and cash equivalents

GROUP

SEK thousand	2014	2013
Cash and cash equivalents	87,173	63,081
Total cash and cash equivalents	**87,173**	**63,081**
Total according to statement of cash flows	**87,173**	**63,081**

Note 16 Equity

Capital and reserves

GROUP

Translation reserve

SEK thousand	2014	2013
Opening balance	**-29,034**	**-23,150**
Translation differences	44,815	-5,884
Closing balance	**15,781**	**-29,034**

Hedging reserve (cash flow hedges)

SEK thousand	2014	2013
Opening balance	**-2,625**	**-4,796**
Recognized in equity	-2,059	3,041
Tax effect	350	-870
Closing balance	**-4,334**	**-2,625**

Total reserves at year end

SEK thousand	2014	2013
Opening balance	**-31,659**	**-27,946**
Change in translation reserves	44,815	-5,884
Change in hedging reserves	-1,709	2,171
Closing balance	**11,447**	**-31,659**

Share capital at 31 December 2014 and 2013: consisted of 100,000 share á 1 SEK each.

PARENT COMPANY

No reserves against equity in the parent company.

DEFINITIONS

Translation reserve

The translation reserve comprises all exchange rate differences arising from the translation of financial statements of foreign operations with a functional currency other than the Group's functional currency.
The Parent company's and the Group's functional currency is Swedish kronor (SEK).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Capital

The financial goal for the group is a solid financial position that contributes to maintain the trust of the creditors and the market and to support a good future development for the business together with an adequate long-term return to the shareholders.

Group management and the Board of Directors have developed long-term financial targets for the business, including targets for sales growth and profit margin improvement.

Note 17 Interest-bearing liabilities

Contractual terms related to external debt are listed below. For further information on financial risks, refer to note 22.

GROUP

SEK thousand	2014	2013
Long-term loans		
Loans from financial institutions	505,826	403,940
Total long-term loans	**505,826**	**403,940**

SEK thousand	2014	2013
Short-term loans		
Loans from financial institutions	45,407	113,486
Credit facility	-	9,557
Total short-term loans	**45,407**	**123,043**

Contractual terms and scheduled repayments

			2014		2013	
SEK thousand	Currency	Maturity	Fair value	Recognized in the balance sheet	Fair value	Recognized in the balance sheet
Loans from financial institutions	USD	2018	315,196	369,636	-	-
Loans from financial institutions	USD	2017	60,870	64,447	-	-
Loans from financial institutions	USD	2016	-	-	344,617	377,585
Loans from financial institutions	SEK	2018	12,785	16,365	-	-
Loans from financial institutions	SEK	2017	85,529	93,232	-	-
Loans from financial institutions	SEK	2016	-	-	16,715	18,314
Loans from financial institutions	SEK	2015	5,760	5,760	108,849	119,262
Loans from financial institutions	CAD	2017	1,696	1,794	2,067	2,265
Credit facility	CAD	2014	-	-	9,557	9,557
Total			**481,836**	**551,234**	**481,805**	**526,983**

PARENT COMPANY

SEK thousand	2014	2013
Long-term loans		
Loans from financial institutions	288,608	221,289
Total long-term loans	**288,608**	**221,289**

SEK thousand	2014	2013
Short-term loans		
Loans from financial institutions	21,260	78,347
Credit facility	56,701	18,800
Total short-term loans	**77,961**	**97,147**

SEK thousand	2014	2013
Loans that are due five years or later from the balance sheet date		
Loans from financial institutions	-	-

Note 17 Interest-bearing liabilities

CONTRACTUAL TERMS AND SCHEDULED REPAYMENTS

			2014		2013	
SEK thousand	Currency	Maturity	Fair value	Recognized in the balance sheet	Fair value	Recognized in the balance sheet
Loans from financial institutions	USD	2018	166,620	194,511	-	-
Loans from financial institutions	USD	2016	-	-	147,909	162,059
Loans from financial institutions	SEK	2018	12,785	16,365	-	-
Loans from financial institutions	SEK	2017	85,529	93,232	-	-
Loans from financial institutions	SEK	2016	-	-	16,715	18,315
Loans from financial institutions	SEK	2015	5,760	5,760	108,849	119,262
Credit facility	SEK	2015	56,701	56,701	18,800	18,800
Total			**327,395**	**366,569**	**292,273**	**318,436**

Note 18 Provisions

GROUP

SEK thousand	Warranties	Restructuring	Other provisions	Total
Opening balance, January 1, 2013	**24,073**	**4,155**	**478**	**28,706**
Provisions for the year	20,537	2,919	-	**23,456**
Utilized during the year	-11,440	-4,155	-462	**-16,057**
Reversed provisions	-442	-	-	**-442**
Translation differences	-120	23	-16	**-113**
Closing balance, December 31, 2013	**32,608**	**2,942**	**0**	**35,550**
Opening balance, January 1, 2014	**32,608**	**2,942**	**0**	**35,550**
Provisions for the year	19,811	173	107	**20,091**
Utilized during the year	-20,551	-1,508	-	**-22,059**
Reversed provisions	-	-848	-	**-848**
Translation differences	5,952	-93	7	**5,866**
Closing balance, December 31, 2014[1]	**37,820**	**666**	**114**	**38,600**

[1]Of the total warranty commitments 17,261 TSEK (21,768) represents long-term commitments regarding extended warranty periods.

Restructuring reserve
Provisions for restructuring is related to the closing of the facility in Oettingen, Germany.

Warranties
Provisions for warranties are related to outstanding obligations related to sales mainly during 2013 and 2014.The provision is based on historical data related to prior years' warranty costs.

Note 19 Other liabilities

GROUP

SEK thousand	2014	2013
Other long-term liabilities		
Liability related to synthetic options	387	882
Financial lease	571	-
Total other long-term liabilities	**958**	**882**

SEK thousand	2014	2013
Other short-term liabilities		
Derivatives	5,778	3,620
Financial lease	297	-
Other	2,168	5,718
Total other short-term liabilities	**8,243**	**9,338**

PARENT COMPANY

SEK thousand	2014	2013
Other long-term liabilities		
Liability related to synthetic options	387	882
Total other long-term liabilities	**387**	**882**

SEK thousand	2014	2013
Other short-term liabilities		
Social security costs	456	488
Other	4	-
Total other short-term liabilities	**460**	**488**

Note 20 Accrued expenses and prepaid income

GROUP

SEK thousand	2014	2013
Accrued interest expenses	3,273	3,053
Accrued salaries	8,767	5,525
Accrued holiday pay	6,014	6,070
Social security costs	2,182	1,031
Accrued audit fee	1,409	1,105
Other	7,479	7,809
Total accrued expenses and prepaid income	**29,124**	**24,593**

PARENT COMPANY

SEK thousand	2014	2013
Accrued interest expenses	1,650	1,253
Accrued salaries	643	300
Accrued holiday pay	594	650
Social security costs	187	204
Other	532	290
Total accrued expenses and prepaid income	**3,606**	**2,697**

Note 21 Fair value financial assets and liabilities

GROUP

2013

SEK thousand	Liabilities at fair value through profit and loss	Derivatives for hedge accounting	Other liabilities	Loans and receivables	Total carrying amount	Fair value
Long-term receivables	-	-	-	2,018	**2,018**	2,018
Trade receivables	-	-	-	116,372	**116,372**	116,372
Other receivables	-	-	-	21,566	**21,566**	21,566
Total assets	**-**	**-**	**-**	**139,956**	**139,956**	**139,956**
Other long-term interest bearing liabilities	-	-	403,940	-	**403,940**	358,762
Other short-term interest bearing liabilities	-	-	123,043	-	**123,043**	123,043
Accounts payables	-	-	64,473	-	**64,473**	64,473
Other current liabilities	882	3,620	6,653	-	**11,155**	11,155
Total liabilities	**882**	**3,620**	**598,109**	**-**	**602,611**	**557,433**

2014

SEK thousand	Liabilities at fair value through profit and loss	Derivatives for hedge accounting	Other liabilities	Loans and receivables	Total carrying amount	Fair value
Long-term receivables	-	-	-	1,811	**1,811**	1,811
Trade receivables	-	-	-	145,207	**145,207**	145,207
Other receivables	-	-	-	63,152	**63,152**	63,152
Total assets	**-**	**-**	**-**	**210,170**	**210,170**	**210,170**
Other long-term interest bearing liabilities	-	-	505,826	-	**505,826**	436,429
Other short-term interest bearing liabilities	-	-	45,407	-	**45,407**	45,407
Accounts payables	-	-	96,317	-	**96,317**	96,317
Other current liabilities	387	5,778	3,036	-	**9,201**	9,201
Total liabilities	**387**	**5,778**	**650,586**	**-**	**656,751**	**587,354**

Note 21 Fair value financial assets and liabilities

The table below specifies how fair values have been determined for financial instruments that are carried at fair value in the balance sheet.

The valuation methods are divided in three levels, defined as below:

GROUP

2013

SEK thousand	Level 1	Level 2	Level 3	Total
Other liabilities	-	3,620	882	**4,502**
Total	**-**	**3,620**	**882**	**4,502**

2014

SEK thousand	Level 1	Level 2	Level 3	Total
Other liabilities	-	5,778	387	**6,165**
Total	**-**	**5,778**	**387**	**6,165**

Level 1: Fair value is determined according to prices listed on an active market for the same instrument.

Level 2: Fair value is determined based on either directly (as a price) or indirectly (derived from prices) observable market data that is not included in level 1.

Level 3: Fair value is determined based on input data that is not observable in the market.

The following table includes a reconciliation of changes in the carrying amounts of financial instruments that are valued in accordance with Level 3 above.

GROUP

SEK thousand	Liabilities related to synthetic options	Total
Balance at 1 January 2013	**1,600**	**1,600**
Recognized in income statement[1]	-718	**-718**
Balance at 31 December 2013	**882**	**882**
Balance at 1 January 2014	**882**	**882**
Recognized in income statement[1]	-495	**-495**
Balance at 31 December 2014	**387**	**387**

1) Recognized in net financial items in the income statement

The following is a summary of the methods and assumptions applied to determine the fair value of the financial instruments presented in the tables above.

Derivatives

The fair value of foreign exchange contracts is determined based on the listed price, when available. When no listed price is available the fair value is calculated by discounting the difference between the agreed forward rate and the available forward rate on the balance sheet date for similar contracts during the rest of the contractual period. The discount rate applied is based on risk-free interest on government bonds.

The fair value of interest rate swaps is based on valuations by credit institutions. These valuations are tested through discounting of estimated future cash flows under the contractual terms and conditions and maturity dates and are based on the market interest rate for similar instruments on the balance sheet date.

Interest-bearing liabilities

Financial liabilities that are not derivatives are valued at acquisition value. The fair value is considered to correspond with the acquisition value as the fixed interest rate term is less than six month.

Trade receivables and accounts payable

For trade receivables and accounts payable with a maturity date less than six months, the fair value has been considered to correspond to the carrying amount.

Note 22 Financial risk

The Group is through its operations exposed to different types of financial risks. Financial risks refer to fluctuations in the company's result and cash flow due to changes in exchange rates, interest levels, refinancing and credit risks.

The Group's financial policy, which is reviewed by the Board of Directors annually, aims to mitigate these financial risks and forms a framework of guidelines and rules in the form of authorization rules and risk limits for financial management. The responsibility for financial transactions and risks is centralized at the Group's finance function in the Parent Company.

Liquidity risk

The liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Group has a rolling cash flow forecast which includes all entities. The forecast is updated monthly. The cash flow forecast is used to mitigate the liquidity risk and the cost of financing within the Group. The goal is to ensure that the Group always has sufficient liquidity to meet its financial obligations, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to use any excess liquidity in the Group to amortize loans and utilized credit facilities. Financial policy guidelines require that there has to be enough cash and guarantied credit facilities to cover short-term payment obligations. The maturity dates are spread over time to limit the liquidity risk. The Group had unused credit facilities amounting to SEK 81 million at year end.

The Group's financial liabilities amounted to SEK 657 million (602) at year end. The maturity dates were as follows:

		2014					2013				
SEK million	*Currency*	1-3 months	4-12 months	1-5 years	>5 years	Total	1-3 months	4-12 months	1-5 years	>5 years	Total
Bank loans	SEK	-	21	94	-	**115**	-	58	80	-	**138**
Bank loans	USD	-	23	411	-	**434**	-	56	321	-	**378**
Bank loans	CAD	-	1	1	-	**2**	-	1	11	-	**12**
Derivates	SEK	-	-	6	-	**6**	-	-	4	-	**4**
Other liabilities	SEK	-	2	1	-	**3**	-	6	1	-	**7**
Accounts payable	SEK	96	-	-	-	**96**	64	-	-	-	**64**
Total	**SEK**	**96**	**48**	**513**	**-**	**657**	**64**	**120**	**417**	**-**	**602**

Market risk

The Group's goal is to manage and control the market risks within established parameters and at the same time optimize the result of risk management within allowed limits. The parameters are set up to minimize short-term market risks (6-12 months) and not significantly affect the Group's result. However, long-term sustained changes in exchange rates and interest rates will have an influence on the consolidated result.

Interest rate risk

The interest rate risk impacts the value of rate sensitive financial instruments. Interest rate risk can lead to changes in fair values and changes in cash flows. A significant element that influences the interest rate risk is the fixed interest term.

The interest rate risk in the Group is mainly related to long-term financing and is handled centrally by the Group's finance function.

According to the financial policy the goal for the long term liability portfolio is to have an average fixed interest term of 18 months. The Group can, with mandate from the Board of Directors, chose to deviate in the range of +/- 6 months.

Derivatives, mainly interest rate swaps, are used to handle the interest rate risk. Hedge accounting is adopted when there is an effective connection between the hedged loan and the interest rate swap.

The Group had interest rate swaps with a nominal value of SEK 279 million (265) at 31 December 2014. The fair value of the interest rate swaps amounted to SEK -3 million (-3) at 31 December 2014 and the related deferred tax receivable amounted to SEK 1 million (1). The fair value of the interest rate swaps, with the assumption of unchanged interest rates, is expected to be recognized in the income statement as follows:

SEK million	1 year	2–3 years	Total
Result effect	-2	-1	**-3**
Tax effect	0	0	**1**
Fair value (net)	**-1**	**-1**	**-2**

SENSITIVITY ANALYSIS

A change in interest rates of 100 basis points calculated over one year would result in a change in the Group's profit before tax of SEK 6 million. The sensitivity analysis is based on the assumption that all other factors (e.g. exchange rates) remain unchanged. Derivatives are included in the calculation.

Currency risk

The currency transaction exposure risk is when fair values and cash flows from financial instruments fluctuate due to changes in foreign exchange rates. The Group is exposed to different types of currency risks. The main exposure is related to the Group's sales and purchases in foreign currencies. These currency risks consist of fluctuations in the value of financial instruments, trade receivables and account payables as well as the risk for fluctuations in expected and contracted cash flows.

There is also a currency risk in the translation of foreign subsidiaries' assets and liabilities to the parent company's functional currency, called translation exposure. The Group is also exposed to currency risks related to cash flows from loans and investments in foreign currency (financial exposure).

Currency differences have been recognized in the Group's income statement with SEK 0 million (2) in the operating profit and SEK -29 million (8) in net financial items.

TRANSACTION EXPOSURE

The Group is, through its international activities with sales and costs in foreign currencies, exposed to changes in currency rates.
The net transaction exposure in each currency is presented below:

SEK million	2014	2013
USD	103	124
EUR	72	71
PLN	-	-
CAD	-	-19
SEK	24	24
Other	-	0
Net cash flow	**199**	**201**

The Group has a relatively large cost base in Canada and a large portion of its sales to the USA. This creates an exposure to fluctuations in the USD/CAD rate where the Group benefits from a strong USD. The Group hedges a smaller portion of the USD transaction exposure. The Group also has a transaction exposure with sales in SEK and EUR where the cost base is in Poland (PLN).

TRANSLATION EXPOSURE

The Group's net assets are divided into the following currencies.

SEK million	2014	2013
USD	-2	-12
EUR	2	8
PLN	139	111
CAD	100	55
CNY	14	8
ZAR	0	-
Total	**253**	**170**

The translation exposure risk is currently considered immaterial and is not actively managed. The translation exposure is however reviewed annually, which could lead to an adjustment of the financial policy.

SENSITIVITY ANALYSIS

A weakening of 5% of the Swedish krona would in 2014 have resulted in an improvement of the Group's profit before tax of SEK 4 million.
The sensitivity analysis is based on the assumption that all other factors (e.g. interest rates) remain unchanged. (e.g. interest rates) remain unchanged.

Credit risks

The risk that the Group's customers do not meet their payment obligations is called customer credit risk. The Group's customers are analyzed based on their creditworthiness at external raters. The Group has a credit policy on how to handle customer credits. The policy clarifies e.g. how decisions regarding credit limits are made and how credits and doubtful receivables should be valued.

At year end there was no significant credit exposure. The maximum exposure to credit risk is shown in the carrying amounts of financial assets in the balance sheet.

AGEING ANALYSIS ACCOUNTS RECEIVABLE

	2014			2013		
SEK million	Nominal value	Write down	Book value	Nominal value	Write down	Book value
Not due	114	0	113	84	-	84
Overdue 1 – 60 days	30	0	30	26	-	26
Overdue 61 – 365 days	2	0	2	4	-1	3
Overdue > 365 days	2	-2	0	3	-1	2
Total	**147**	**-2**	**145**	**117**	**-2**	**115**

Note 23 Derivative financial instruments

GROUP

SEK thousand	2014	2013
Liabilities		
Interest rate swaps – cash flow hedges	2,627	2,685
Forward foreign exchange contracts - cash flow hedges	3,151	935
Total	**5,778**	**3,620**
Less non-current portion:		
Interest rate swaps – cash flow hedges	-1,010	-1,574
Current portion	**4,768**	**2,046**

The Group derivatives are held for hedging. The full fair value of the derivatives are classified as a non-current liability if the remaining maturity of the hedged item is more than 12 months and as a current liability if the maturity of the hedged item is less than 12 months.

There was no ineffectiveness to be recorded from the cash flow hedges.

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2014 were SEK 57 million (47).

The hedged highly probable forecasted transactions denominated in USD are expected to occur at various dates during the next 12 months.

Gains and losses on forward foreign exchange contracts recognized in the hedging reserve in equity as of 31 December 2014 will be recognized in the income statement in the periods during which the hedged forecasted transaction affect the income statement.

Interest rate swaps

The notinal principal amounts of the outstanding interest rate swap contracts at 31 December 2014 were SEK 279 million (265).

Gains and losses on interest rate swap contracts recognized in the hedging reserve in equity as of 31 December 2014 will be continuously released to the income statement during the term of the financing agreement.

Note 24 Operating leases

OPERATING LEASES WITH MCC AS LEASEE

GROUP

SEK thousand	2014	2013
Minimum lease payments under non-cancellable operating lease contract		
Due within one year	12,965	12,612
Due between 1-5 years	44,566	35,504
Total	**57,531**	**48,116**

SEK thousand	2014	2013
Leasing fees recognized in the income statement		
Leasing fees	13,430	13,490
Total	**13,430**	**13,490**

The Group has operating lease contracts for machinery, computer and office equipment, cars and production tools.

No obligations to extend the agreements exist. Index clauses are included in the contracts.

PARENT COMPANY

SEK thousand	2014	2013
Minimum lease payments under non-cancellable operating lease contract		
Due within one year	303	140
Due between 1-5 years	283	54
Total	**586**	**194**

SEK thousand	2014	2013
Leasing fees recognized in the income statement		
Leasing fees	383	282
Total	**383**	**282**

The parent company has lease agreements for company cars.

Note 25 Contingent liabilities and pledged assets

GROUP

SEK thousand	2014	2013
Pledged assets		
Corporate guarantees	59,500	59,500
Shares in subsidiaries	485,146	373,953
Total pledged assets	**544,646**	**433,453**

SEK thousand	2014	2013
Contingent liabilities		
Guarantee obligations	75	75
Total contingent liabilities	**75**	**75**

PARENT COMPANY

SEK thousand	2014	2013
Pledged assets		
Shares in subsidiaries	466,286	466,286
Total pledged assets	**466,286**	**466,286**

Note 26 Shares in subsidiaries

GROUP

Company	Corporate ID	Location	Ownership interest (%) 2014	Ownership interest (%) 2013
Mobile Climate Control Corp	45-0701546	Goshen IN, USA	100	100
Mobile Climate Control Corp	26-3237390	Goshen IN, USA	-	100
Mobile Climate Control York Corp	45-0701379	York PA, USA	-	100
Mobile Climate Control Inc	R.C.B. 100573	Toronto, Canada	100	100
Mobile Climate Control Sp. Zo.o	894-25-98-390	Olawa, Poland	100	100
Mobile Climate Control GmbH	812556097	Oettingen, Germany	100	100
Mobile Climate Control Sverige AB	556535-3074	Norrtälje, Sweden	100	100
Mobile Climate Control China Holding AB	556819-6629	Stockholm, Sweden	100	100
Mobile Climate Control Manufacturing Co Ltd	330 200 400 052 054	Ningbo, China	100	100
Mobile Climate Control Trading Co Ltd	330 200 400 051 993	Ningbo, China	100	100
Mobile Climate Control Africa (PTY) Ltd	2014/081445/07	Durban, South Africa	100	-

PARENT COMPANY

Parent company's holdings of shares and participations in subsidiaries

Subsidiaries *SEK thousand*	Ownership interest (%)	Carrying amount 2014	Carrying amount 2013
Mobile Climate Control Corp	100	312,420	312,420
Mobile Climate Control Inc	100	98,835	98,835
Mobile Climate Control Sp. Zo.o	100	22,613	22,613
Mobile Climate Control GmbH	100	223	223
Mobile Climate Control Sverige AB	100	32,418	32,418
Mobile Climate Control China Holding AB	100	5,381	5,381
Mobile Climate Control Africa (PTY) Ltd	100	960	-
Total		**472,850**	**471,890**

Accumulated acquisition value

SEK thousand	2014	2013
Opening balance acquisition value	**473,390**	**269,781**
New share issue	960	-
Shareholders' contribution	-	203,609
Closing balance acquisition value	**474,350**	**473,390**
Opening balance write down shares in subsidiaries	-1,500	-
Write down shares in subsidiaries	-	-1,500
Closing balance write down shares in subsidiaries	**-1,500**	**-1,500**
Carrying amount at year end	**472,850**	**471,890**

Note 27 Summary of related parties transactions

PARENT COMPANY

Related parties transactions with subsidiaries.

Related parties

SEK thousand	Year	Other operating income	Interest	Receivables	Liabilities
Mobile Climate Control China Holding AB	2014	-	-	339	-
Mobile Climate Control China Holding AB	2013	-	-	34	-
Mobile Climate Control Sverige AB	2014	559	-	1,459	-
Mobile Climate Control Sverige AB	2013	667	-	40	824
Mobile Climate Control York Corp	2014	-	-	-	-
Mobile Climate Control York Corp	2013	3,364	-	-	-
Mobile Climate Control Inc	2014	10,556	-	-	-
Mobile Climate Control Inc	2013	10,555	-	876	-
Mobile Climate Control Corp	2014	5,456	-	-	60
Mobile Climate Control Corp	2013	3,364	-	-	-
Mobile Climate Control Spz.o.o	2014	4,351	2,222	55,740	-
Mobile Climate Control Spz.o.o	2013	4,493	2,208	51,480	-
Mobile Climate Control GmbH	2014	1,183	-	-	-
Mobile Climate Control GmbH	2013	55	-	-	-

Other operating income in the parent company consists of Management fees.

The parent company´s transactions with other related parties outside of the MCC Group

Related parties

SEK thousand	Year	Other operating income	Interest	Receivables	Liabilities
Ratos Kabel Holding AB	2014	-	-	-	-
Ratos Kabel Holding AB	2013	-	-	-	1,748
Spin International AB	2014	-	-	978	-
Spin International AB	2013	-	-	-	-
Ratos Fastighets AB	2014	-	-	173	-
Ratos Fastighets AB	2013	-	-	-	-
EuroMaint Gruppen AB	2014	-	-	44,249	-
EuroMaint Gruppen AB	2013	-	-	-	-

Note 28 Cash flow statement

GROUP

Cash and cash equivalents

SEK thousand	2014	2013
Cash and cash equivalents	87,173	63,081
Total	**87,173**	**63,081**

Paid interest and received dividend

SEK thousand	2014	2013
Received interest	119	53
Paid interest	-26,358	-29,527
Total	**-26,239**	**-29,474**

Adjustments for non-cash items

SEK thousand	2014	2013
Depreciation	15,127	20,183
Unrealised exchange rate differences	30,400	-4,073
Other	-2,863	-1,932
Total	**42,664**	**14,178**

PARENT COMPANY

Paid interest and received dividend

SEK thousand	2014	2013
Received dividend	7,612	52,336
Received interest	2,262	2,208
Paid interest	-14,816	-8,738
Total	**-4,942**	**45,806**

Adjustments for non-cash items

SEK thousand	2014	2013
Depreciation	646	1,255
Unrealised exchange rate differences	32,452	-4,073
Other	-1,951	3,440
Total	**31,147**	**622**

Note 29 Information about the parent company

Mobile Climate Control Group Holding AB is a Swedish-registered limited company with its registered office in Stockholm. The address of the head office is Barnhusgatan 22, SE-111 23 Stockholm, Sweden.

The consolidated financial statements for 2014 cover the parent company and its subsidiaries, together referred to as the Group.

Mobile Climate Control Group Holding AB is a wholly-owned subsidiary of Myggvärmare AB (556723-5667), which in turn is a wholly-owned subsidiary of Ratos AB (publ) with corporate ID number 556008-3585.

Ratos is a Swedish-registered public limited company with its registered office in Stockholm. The address of the head office is P.O. Box 1661, SE-111 96 Stockholm, Sweden.

Ratos prepares the consolidated financial statements for the largest group in which Mobile Climate Control Group Holding AB is a subsidiary.

The Annual Report and the consolidated financial statements have been approved for publication by the Board of Directors on March 27, 2015. The income statement and statement of financial position will be presented for adoption at the Annual General Meeting on March 31, 2015.

Stockholm, March 27, 2015

Anders Lindblad
Chairman of the Board

Clas Gunneberg
CEO

Jan Pomoell

Per Svantesson

Michael Mononen

Malin Persson

Daniel Repfennig

Our audit report was issued on March 27, 2015
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant

Auditor's Report

To the annual meeting of the shareholders of Mobile Climate Control Group Holding AB, corporate identity number 556723-5642

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Mobile Climate Control Group Holding AB for the year 2014.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

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

Auditor's responsibility

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

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

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

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Mobile Climate Control Group Holding AB for the year 2014.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

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

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

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

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

Opinions

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

Stockholm 27 March 2015

Peter Nyllinge
Authorized Public Accountant
PricewaterhouseCoopers AB

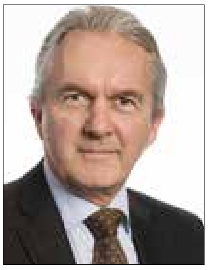
Five Year Summary

Amounts in SEK million unless stated otherwise	2014	2013	2012	2011	2010
Income Statement					
Total Sales	1,022	978	1,250	1,048	902
Organic growth, %	2%	-18%	8%	-7%	-15%
Acquired growth, %	-	-	9%	31%	-
Operating profit before amortizations (EBITA)	107	98	109	46	114
Operating profit (EBIT)	105	92	100	37	105
Profit before tax (EBT)	47	68	67	7	71
Net result	40	53	53	0	44
Balance Sheet					
Total fixed assets	1,276	1,213	1,225	1,261	1,113
Working capital	251	172	218	176	108
Other capital employed	-56	-31	-35	-60	-17
Capital employed	1,471	1,354	1,408	1,378	1,204
Net debt	465	464	562	570	509
Total equity	1,006	890	845	807	695
Cash flow					
Cash flow from operating activities	71	100	9	73	73
Cash flow from investing activities	-8	-8	-7	-234	-50
Cash flow from financing activities	-52	-59	-51	177	-39
Net cash flow	10	33	-49	16	-16
Key ratios					
EBITA margin, %	10.5%	10.0%	8.7%	4.4%	12.6%
EBIT margin, %	10.3%	9.4%	8.0%	3.5%	11.6%
EBT margin, %	4.6%	7.0%	5.4%	0.7%	7.9%
Return on Capital Employed, %	7.4%	6.7%	7.2%	2.9%	8.6%
Return on Capital Employed excl goodwill, %	36.8%	32.9%	35.3%	15.0%	42.7%
Total assets	1,743	1,575	1,617	1,708	1,402
Equity ratio, %	57.7%	56.5%	52.3%	47.3%	49.6%
Return on Equity, %	4.2%	6.1%	6.4%	0.0%	6.5%
Average number of employees	618	605	634	619	501

Definitions

Organic growth	Growth from existing business excluding acquisitions and FX translation effects.
EBITA margin	Profit before interest, taxes and amortisations divided by total sales.
EBIT margin	Profit before interest and taxes divided by total sales.
EBT margin	Profit before taxes divided by total sales.
Capital employed	Total assets less interest bearing assets and non interest bearing liabilities.
Return on Capital Employed	Profit before interest and taxes divided by average capital employed.
Return on Capital Employed excl goodwill	Profit before interest, taxes and amortizations divided by average capital employed excluding goodwill.
Equity ratio	Total equity divided by total assets.
Return on Equity	Net result divided by average equity.
Average number of employees	Total amount of paid working hours during the year in relation to normal working hours for one employee working full time.

Board of Directors

Anders Lindblad
Chairman of the Board

Board member since: 2007

Born: 1950

Other mandates:

Chairman, GS Hydro Holding Oy

Chairman, AH Industries Holding A/S

Chairman, Jøtul AS

Board member, Lidan Marine AB

Board member, Ventilation & Kylservice AB

Member of LRF Business Council

Malin Persson
Board member

Board member since: 2014

Born: 1968

Other mandates:

Chairman, RO-Gruppen AB

Board member, Getinge AB

Board member, Hexpol AB

Board member, Beckers Industrial Coatings AB

Board member, Mekonomen AB

Board member, Magnora AB

Board member, Hexatronic AB

Board member, Kongsberg Automotive AS

Board member, Konecranes Plc

Board member, Ahlström Capital

Per Svantesson
Board member

Board member since: 2012

Born: 1960

Current employment:

Non-employed consultant as
VP Purchasing & VP Business Development,
National Electric Vehicle Sweden (NEVS) AB

Other mandates:

Chairman of the Board, Nimbell AB

Partner & Board member, Advisure AB

Daniel Repfennig
Board member

Board member since: 2012

Born: 1983

Current employment:

Investment Manager, Ratos AB

Other mandates:

Board member, Vectura AS

Board member, Arcus-Gruppen Holding AS

Board member, Aalborg Real Estate ApS

Deputy Board member, Ledil Group Oy

Michael Mononen
Board member

Board member since: 2008

Born: 1958

Current employment:

President and CEO, Studsvik AB (publ)

Jan Pomoell
Board member

Board member since: 2013

Born: 1976

Current employment:

Senior Investment Manager, Ratos AB

Other mandates:

Board member, Nordic Cinema Group AB

Board member, Ledil Group OY

Group Management

Eric Weiss

Position: VP, Research and Development

Employed in MCC: 1995

Born: 1968

Clas Gunneberg

Position: President and CEO

Employed in MCC: 2007

Born: 1964

Bob Kuzminski

Position: President North America

Employed in MCC: 2008

Born: 1955

Chris Kutter

Position: VP, Marketing and Business Development

Employed in MCC: 2000

Born: 1943

Ulrik Englund

Position: CFO

Employed in MCC: 2009

Born: 1968

Nils-Harald Bergström

Position: VP, Quality, HR and Management Systems

Employed in MCC: 2009

Born: 1956

Tim Hested

Position: VP, Sales North America

Employed in MCC: 1996

Born: 1964

Group headquarters

Mobile Climate Control Group Holding AB
Barnhusgatan 22
111 23 Stockholm
Sweden
Tel +46 8–402 21 40

Local sites – North America

Canada
Mobile Climate Control Inc.
7540 Jane St.
Vaughan, Ontario
L4K 0A6
Canada
Tel: +1 (905) 482–2750

USA
Mobile Climate Control Corp.
P.O. Box 150
Goshen, Indiana 46527
USA
Tel: +1 (574) 534-1516

Mobile Climate Control Corp.
3189 Farmtrail Road
York, PA 17406
USA
Tel: +1 (717) 767-6531

Mobile Climate Control Corp.
27 Corporate Circle Suite 1
East Syracuse, NY 13057
USA
Tel: +1 (315) 434-1851

Local sites – Europe

Sweden
Mobile Climate Control Sverige AB
Box 96
761 21 Norrtälje
Sweden
Tel: +46 8-402 21 40

Mobile Climate Control Sverige AB
Odinslundsgatan 15
412 66 Göteborg
Sweden
Tel: +46 8-402 21 40

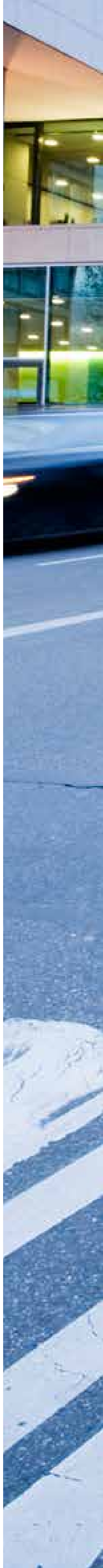
Poland
Mobile Climate Control S.p.Z.oo
Ul. Szwedzka 1
55-200 Oława
Poland
Tel: +48 71 3013 701

Local sites – Asia

China
Ningbo Mobile Climate Control Manufacturing/Trading Co., Ltd
No.7 Jinxi Road
Zhenhai
Ningbo
315221 China
Tel: +86 (574)-863 085 77

Local sites – Africa

Republic of South Africa
MCC Africa Pty (Ltd)
Unit 7B, Rinaldo Industrial Park
50 Moreland Drive, Red Hill
4071 Durban
Republic of South Africa
Tel: +27 31 569 3971



www.logiken.se

Mobile Climate Control

www.mcc-hvac.com