Thule Group

Invitation to acquire shares in Thule Group AB (publ)

Distribution of this prospectus and acquisition of shares in Thule Group are subject to restrictions in certain jurisdictions, please see the section entitled "*Selling and transfer restrictions*".

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Goldman Sachs

Nordea

JOINT BOOKRUNNER

Morgan Stanley

CO-LEAD MANAGERS

Danske Bank

DNB MARKETS

IMPORTANT INFORMATION

Information to Investors

For definitions and the meaning of certain expressions used in the prospectus, see "*Certain definitions*" on the next page.

A separate prospectus in Swedish has been approved and registered by the Swedish Financial Supervisory Authority (the "SFSA") in accordance with Chapter 2, sections 25 and 26 of the Swedish Financial Instruments Trading Act (SFS 1991:980) (*lagen (1991:980) om handel med finansiella instrument*). Approval and registration do not imply that the SFSA guarantees that the information in the prospectus is accurate or complete.

The prospectus and the offering in this prospectus are governed by Swedish law. Disputes arising out of the contents of this prospectus, the offering and related legal matters shall be settled exclusively by the Swedish courts.

The prospectus has been prepared in both Swedish and English language versions. In the event of any conflict between the versions, the Swedish version shall prevail.

In certain jurisdictions, distribution of this prospectus and participation in the offering under this prospectus is subject to restrictions under law and other regulations. Thule Group, the Principal Owner and the Joint Global Coordinators have not taken, and will not take any actions to allow a public offering in any jurisdiction other than Sweden. The offering is not made to persons resident in the United States, Canada, Japan, Australia or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Consequently, the prospectus, the application form or any other documents in respect of the offering may not be distributed in or into the mentioned countries or any other country or jurisdiction in which distribution or the offering in accordance with this prospectus require such measures or otherwise would be in conflict with applicable regulations. Acquisition of shares in violation of the restrictions described above may be void. Recipients of this prospectus are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations. For further information, see the section entitled "*Selling and transfer restrictions*".

Certain risks apply when investments in shares are made (see the section entitled "*Risk factors*"). When an investor makes an investment decision, he or she must rely on his or her own analysis of Thule Group and the offering in accordance with this prospectus, including applicable facts and risks. Potential investors should, before making an investment decision, engage their own professional advisers and carefully evaluate and consider their investment decision. Investors may only rely on the information in this prospectus and any possible supplements to this prospectus. No person is authorized to provide any information or make any statements other than those made in this prospectus. Should such information or statement nevertheless be provided or made it should not be considered to have been approved by Thule Group, the Principal Owner or the Joint Global Coordinators, and none of them is responsible for such information or statements. Neither the publication or distribution of this prospectus nor any transaction made in respect of the offering shall be deemed to imply that the information in this prospectus is accurate or applicable at any time other than on the date of the publication of this prospectus or that there have been no changes in Thule Group's business since this date. If significant changes in the information in this prospectus occur, such changes will be announced in accordance with the provisions on supplements to a prospectus under the Swedish Financial Instruments Trading Act.

As a condition for acquiring shares under the Offering in this prospectus, each person applying to acquire shares shall be deemed to have made or, in some cases, be required to make, certain representations and warranties that will be relied upon by Thule Group, the Principal Owner and the Joint Global Coordinators (see "*Selling and transfer restrictions*"). Thule Group, the Principal Owner and the Joint Global Coordinators reserve the right to declare null and void any application to acquire shares that they believe may give rise to a breach or violation of any law, rule or regulation in any jurisdiction.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("**RSA 421-B**") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to investors in the United States

The shares in Thule Group have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States except under an available exemption from, or transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States. The shares in Thule Group are being offered outside the United States in compliance with Regulation S under the Securities Act. A public offering will not be made in the United States. Any offering of the shares made in the United States will be made only to investors who are *qualified institutional buyers* as defined in Rule 144A under the Securities Act ("**Rule 144A**") ("**QIBs**") in reliance on Rule 144A or pursuant to another available exemption from, or transaction not subject to, the registration requirements under the Securities Act. For a description of these and certain further restrictions regarding the shares and the distribution of this prospectus, see "*Selling and transfer restrictions*". Prospective investors are hereby notified that the seller may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The shares in Thule Group have neither been approved nor rejected by the United States Securities and Exchange Commission ("**SEC**"), any state securities authority or any other authority in the United States. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this prospectus. To assert the contrary is a criminal offence in the United States.

Information to investors in the EEA

No public offering of shares in Thule Group is made to any countries within the European Economic Area ("**EEA**") other than Sweden. In other member states of the EEA which have implemented European Parliament and Council Directive 2003/71/EC (the "**Prospectus Directive**"), such offering may be made only under the exemption in the Prospectus Directive as well as every relevant implementation measure (including measures to implement European Parliament and Council Directive 2010/73/EU). See also "*Selling and transfer restrictions*".

Forward-looking information and risk factors

The prospectus contains forward-looking information that reflects Thule Group's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.

Factors that may result in any difference in Thule Group's future results and development from those set forth in the forward-looking information statements include, but are not limited to, those described in "*Risk factors*". Neither Thule Group, the Principal Owner nor the Joint Global Coordinators undertake to announce any update or change in the forward-looking information as a result of new information, future events or similar circumstances other than as required by applicable laws and regulation.

Presentation of financial information

Certain financial and other information that is presented in the prospectus has been rounded off in order to make the information more accessible for the reader. Consequently, in certain columns the numbers do not exactly correspond to the stated total amount.

Stabilization

In connection with the Offering, the Joint Bookrunners may over-allot shares or carry out other transactions in order to stabilize the market price of the shares or keep the price at a higher level than which might otherwise prevail in the open market. Such stabilizing transactions may be carried out anytime during the period that starts on the first day of trading in the Thule Group shares on Nasdaq Stockholm and be concluded at the latest 30 calendar days thereafter. However, the Joint Bookrunners have no obligation to carry out any stabilization and there is no guarantee that any stabilization will occur. Stabilization, if initiated, may furthermore be discontinued at any time without prior notice. For additional information, please refer to "*Legal considerations and supplementary information – Stabilization*".

Important information regarding the possibility to sell allotted shares in the Offering

Please note that notification of allocation to the general public in Sweden will be made through distribution of contract notes. Such contract notes are expected to be distributed on or about November 26, 2014. After payment has been received for allotted shares by Nordea, Danske Bank or Avanza, the shares duly paid for will be transferred to the securities account, service account or securities depository account designated by each respective investor. Due to the time required for distribution of contract notes, transfer of funds and transfer of shares acquired to investors of shares in Thule Group, the shares acquired may not be available for the investors on the designated securities account, service account or securities depository account until November 28, 2014 or some days thereafter. Trading in the Company's shares on Nasdaq Stockholm is expected to commence on or about November 26, 2014. The fact that the shares will not be available on the investor's securities account, service account or securities depository account before, at the earliest, November 28, 2014 may result in the investor being unable to sell the allotted shares on Nasdaq Stockholm on the first day of trading. Instead they may only be able to sell shares once shares are available on their securities account, service account or securities depository account.

Table of Contents

The offering in brief

Price range
SEK 64–74 per share

Application period for the general public
November 14–24, 2014

Announcement of selling price
November 26, 2014

First day of trading in Thule Group shares
November 26, 2014

Settlement date
November 28, 2014

Other information

Ticker:	THULE
ISIN code:	SE0006422390

Financial calendar

Year-end report 2014	February 12, 2015
Interim report January–March 2015	April 29, 2015
Annual General Meeting 2015	April 29, 2015
Interim report January–June 2015	July 22, 2015
Interim report January–September 2015	November 4, 2015

CERTAIN DEFINITIONS
In this prospectus, the following definitions are used:

CAD, CNY, EUR, GBP, PLN, SEK, USD	refers to Canadian dollars, Chinese renminbi, euro, Pound sterling, Polish Zloty, Swedish kronor and United States dollars, respectively. '**M**' refers to millions.
The Company, Thule Group, we, our or **us**	refers to either Thule Group AB (publ), Swedish corporate ID No. 556770-6311, or Thule Group AB (publ) and its subsidiaries, as the context requires.
Danske Bank	refers to Danske Bank A/S, Danmark, Sverige Filial.
DNB Markets	refers to DNB Markets, part of DNB Bank ASA, filial Sverige.
Euroclear Sweden	refers to Euroclear Sweden AB.
Goldman Sachs	refers to Goldman Sachs International.
Joint Bookrunners	refers to Joint Global Coordinators and Morgan Stanley.
Joint Global Coordinators	refers to Goldman Sachs and Nordea.
Managers	refers to Goldman Sachs, Nordea, Morgan Stanley, Danske Bank and DNB Markets.
Morgan Stanley	refers to Morgan Stanley & Co. International plc.
Nasdaq Stockholm	refers to NASDAQ OMX Stockholm AB.
Nordea	refers to Nordea Bank AB (publ).
The Offering	refers to the offering in this prospectus.
The Principal Owner or **Nordic Capital**	refers to Nordic Capital Fund VI[1] and/or Nordic Capital Fund VII[2] and/or their respective indirect wholly owned subsidiaries NC Outdoor VI AB and NC Outdoor VII AB, the largest shareholders in Thule Group, as the context may require.

1) Nordic Capital VI Limited, acting in its capacity as General Partner of Nordic Capital VI Alpha, L.P. and Nordic Capital VI Beta, L.P., together with any associated co-investment vehicles.
2) Nordic Capital VII Limited, acting in its capacity as General Partner of Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P., together with any associated co-investment vehicles.

› Summary

Overview

We are, based on estimated market share by product category, the market leader in the sport and cargo carriers market and a leading company within the other outdoor and bags market, selling our products in 136 countries and via more than 4,700 retail Key Account and/or Thule Retail Partner unique points of sales (so-called "*doors*"). See "*Business Description – Sales and Distribution*" for a description of Key Accounts and Thule Retail Partners. In addition, we have strong positions in some product markets within the bags for electronic devices market as well as in the other outdoor and bags market, including multi-functional child carriers and RV Products. Within the specialty market (product categories Snow Chains and Work Gear), we have more than 2,500 Key Account retail doors selling our products. Our largest brand, Thule, is a premium brand recognized throughout the world among active consumers for premium products that are safe, easy-to-use and with a contemporary design. With the Case Logic brand we are well-established in many geographic markets in the world in the bags for electronic devices market.

We provide products in two business segments: **Outdoor&Bags** and **Specialty**.

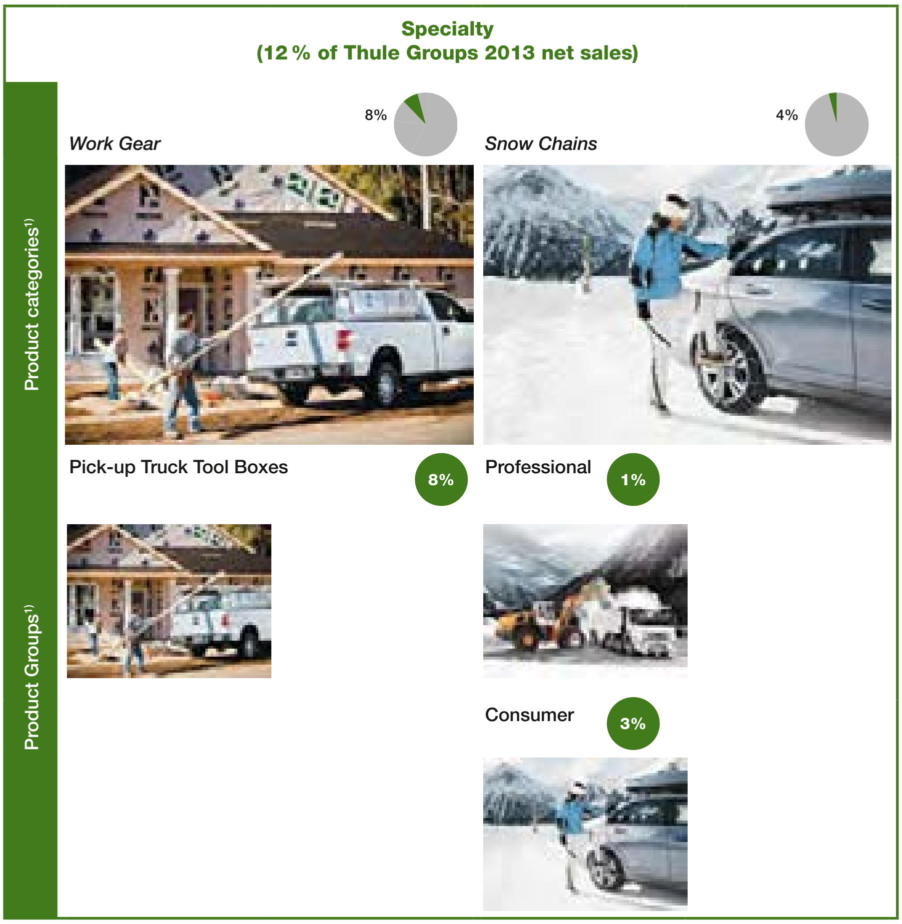
Outdoor&Bags includes the product categories and product groups shown in the below chart. In 2013, we generated SEK 3,824 million of net sales from Outdoor&Bags, which represented 88.3 % of our total net sales. In the nine months ended September 30, 2014, we generated SEK 3,395 million of net sales from Outdoor&Bags, which represented 91.3 % of our total net sales.

Outdoor&Bags' share of Thule Group 2013 net sales

1) Share of Thule Group 2013 net sales.
2) We entered into the Sport&Travel Bags category in 2013 and, as such, this product group is still in an early stage of development. Consequently, the Sport&Travel Bags product group's share of Thule Group's 2013 net sales was limited.

Specialty includes the product categories and product groups shown in the below chart. In 2013, we generated SEK 506 million of net sales from Specialty, which represented 11.7 % of our total net sales. In the nine months ended September 30, 2014, we generated SEK 321 million of net sales from Specialty, which represented 8.7 % of our total net sales.

Specialty's share of Thule Group 2013 net sales



1) Share of Thule Group 2013 net sales.

In 2013, 3.1 % of our net sales were generated in Sweden, 51.1 % in other Europe, 37.2 % in North America and 8.6 % in rest of world. In the nine months ended of September 30, 2014 3.7 % of our net sales were generated in Sweden, 54.2 % in other Europe, 35.1 % in North America and 7.0 % in rest of world.

We sell our products primarily to retailers, as well as to distributors/wholesalers (in smaller geographies or in order to more efficiently serve smaller retailers in larger geographies), and benefit from longstanding and stable customer relationships. As of September 2014, we sold our products in 136 markets, had own operations in 15 countries, had 10 proprietary manufacturing facilities, and had approximately 2,200 employees ("**FTEs**" – full time equivalents). Our headquarter is located in Malmö, Sweden.

In terms of how we deploy our brands, our premium Thule brand is our primary brand for the Outdoor&Bags segment (accounting for 63 % of sales in Outdoor&Bags in 2013 compared to 19 % in the Specialty segment) and is utilized across all product categories within Outdoor&Bags. The Case Logic brand, which is only utilized within the Bags for Electronic Devices product category and has a mid-price positioning, is our second biggest brand with 18 % of total sales in the Outdoor&Bags segment in 2013. Within the Specialty segment we have more exposure towards retail brands (which represented 30 % of our net sales in Specialty in 2013), compared to a very limited share of net sales in the Outdoor&Bags segment (5 % in 2013).

Key strengths and competitive advantages

We believe that Thule Group has the following key strengths and competitive advantages, enabling us to execute our strategy as well as deliver our long-term financial targets. See "*Business description—Financial targets*".

Favorable fundamental global trends driving attractive long-term market growth

The outdoor and bags market is to a large extent positively affected by so-called "fundamental global trends", which we believe include the following:

- consumers are increasingly focusing on active lives;
- consumers are enjoying multiple outdoor activities;
- new sports are emerging;
- consumers remain active at older ages;
- parents want to continue to enjoy their activities with their small children;
- consumers want to be connected and share their experiences;
- consumers are increasingly aware of which brands and products they seek; and
- GDP and consumer interest in sport and outdoor activities are growing in developing economies.

Clearly differentiated premium brand with strong values

Our core brand, Thule, which in 2013 accounted for 58 % of our net sales, is a globally recognized premium brand.

In our largest market, the United States, the brand has an 85 % unaided brand awareness among active outdoor consumers and similar recognition is estimated to apply in this category around the world, thanks to the wide range of outdoor activities for which the Thule brand offers solutions. With the recent expansion into other product categories initiated in 2010, and Thule's slogan "Bring your life", we have been able to increase brand recognition even further. See "*Business description – Recent initiatives*" for further information on the "*Bring your life*" transformation.

Our second largest brand, Case Logic, celebrates 30 years in 2014. Case Logic accounted for 16 % of our net sales in 2013 and has a strong market position in its category of Bags for Electronic Devices, focusing on products for trendy, young people who use their electronic devices in an urban environment. The brand is estimated to be the number two camera bag brand in the world, one of the top four in the world for laptop bags and one of the leading brands in MHD (mobile hand-held devices) cases in select large core markets such as the United States, France and Benelux. We believe that Case Logic has growth opportunities within the MHD category. These growth opportunities include increased tablet focus and increased expansion into new retail in key markets in Europe where the brand has not been so prominent in the past years, such as Germany and the UK.

We believe that our brand strengths facilitate the introduction of new products and foster loyalty and trust among both our customers and the end consumers, which allows us to build stable relationships with all stakeholders in the value chain, as evidenced by our ability to maintain and improve the market position of our strategic brands.

As a result of our premium offering and a wide range of different products, we believe that we have become a preferred partner for our retail customers have created a brand with high loyalty among our consumers.

Market leading new product development and testing

We have built Thule Group on our core product development vision that we should only offer quality products that our employees themselves would buy, as these kinds of products create long-term consumer loyalty. We believe we have a market leading in-house design and development organization that meets these high standards. Anchored by our global organization of 135 FTEs, we have been able to provide a wide range of highly functional products that are safe, easy-to-use and with a contemporary design. We generated 46 % of our net sales in 2013 from products launched within the last three years. This has been made possible due to (i) our stable and well implemented product development processes, that use our understanding of how consumers use our products, enable us to repeat defining the right specifications for future product generations and to develop products that meet and exceed those specifications, (ii) a large IP portfolio with more than 1,600 patents and designs registered, and (iii) our state-of-the-art in-house test capabilities and extensive in-use testing using our Thule Crew of sponsored extreme athletes and our brand enthusiast consumers around the world.

Extensive portfolio in Sport&Cargo Carrier category

In the Sport&Cargo Carrier segment, which accounted for 58 % of our net sales in 2013, we cover the widest modularized assortment in the market and offer more than 2,500 stock keeping units, enabling us to offer consumers the right combination of solutions for specific sport and outdoor products a particular consumer wants to transport (*e.g.*, a carbon frame road bike, a downhill mountain bike or an urban E-bike all create different demands), where on the car the consumer wants to transport the products (*e.g.*, on the roof, on the rear door or sitting on the tow-bar) and with which exact model of the car the consumer wants to use (*e.g.*, different car models have different designed roofs, demanding specific fitting kits for each model). The Sport&Cargo Carrier category also has high technical demands as products must pass very stringent test demands according to ISO-, EN- and DIN-standard, which indicates that barriers for entry are high.

Efficient global supply chain set-up and capabilities

Within the Sport&Cargo Carrier product category we have our own manufacturing capabilities in the form of focused efficient assembly centers around the world (Sweden, Poland, Germany, the United Kingdom, the U.S. and Brazil) and efficient forecasting and supply chain capabilities that enable us to serve the market with high On-Time-In-Full performance with short lead times. In addition, we have 13 larger warehouse and distribution facilities around the world (a combination of in-house and third-party) in the U.S., Canada, Brazil, China and in seven European countries in order to be close to the market and enable short lead times to our retail customers. The economies of scale and integration of Design for Manufacturing and Design for Assembly methodology when we develop products enable us to achieve cost efficiencies in our supply chain, while maintaining flexibility.

We also have own manufacturing capabilities within the Specialty segment as well as in the product group RV Products (part of the Other Outdoor&Bags product category), while we utilize our globally located sourcing organization for the categories Bags for Electronic Devices, Active with Kids and Sport&Travel Bags.

Global route-to-market strategy supporting Thule Group's resellers

We have, over the last five years, implemented a structured authorized reseller concept across the world, with focus to drive more sales through the outlets focused on delivering on all aspects of our brands: a suitable selection of products, a high training level of sales staff and an adherence to brand guidelines. Within the route-to-market strategy we have defined Key Accounts and Thule Retail Partners that have shown great interest in Thule Group's product categories and which focus on our brands. By the end of 2013, we had established more than 4,700 retail doors with these Key Accounts and Thule Retail Partners within Outdoor&Bags and 2,500 doors within Specialty segment.

Cash generative and robust business model

Our historical financial performance has been stable, reflecting our strong business model and the strategic initiatives implemented as part of our "*Bring your life*" transformation. Illustrating this, over the period 2009 to 2013, on a constant currency basis, our net sales increased by a CAGR of 7.7 % and our recurring operating EBIT margin increased from 11.7 % to 13.9 %. In addition, our net sales increased on a constant currency basis in every year over this period.

Our net sales and EBIT margin development have contributed to strong operating cash flow, demonstrated by our cash conversion which has averaged 80 % over the period 2011 to 2013. We believe that our operating cash flow will remain strong, supported by continuous initiatives related to product portfolio expansion. Furthermore, we believe that our future capital expenditure requirements are low and stable, owing to the low-capital-intensive nature of our business model and recent investments in ERP ("Enterprise Resource Planning") systems and production and warehousing capabilities.

Highly experienced management with proven track record

Our top management team consists of our CEO (who also holds the position as Business Area President Outdoor&Bags Europe and ROW), CFO, Business Area President Outdoor&Bags Americas, SVP HR and SVP Communication. The current members of the management team have all been instrumental in developing and implementing the "*Bring your life*" transformation that has enabled the business to significantly improve profitability. Our CEO, Magnus Welander, was appointed to this position in 2010, having acted as Business Area President Outdoor Europe and ROW since mid-2006. Magnus Welander has vast experience from positions in corporate leadership on a global basis. Our CFO, Lennart Mauritzson, rejoined the business in 2011 having previously acted as CFO of Beijer Electronics, a publicly traded company on Nasdaq Stockholm, in the period 2008–2011 and before that he was VP Finance within Thule Group working for Magnus Welander. Our Business Area President Outdoor&Bags Americas, Fred Clark, has been with the company for more than 20 years and in addition to his role is also the Chairman for the Outdoor Foundation and Board Member of the Outdoor Industry Association in the United States In addition, our corporate management is backed by our highly experienced operational team, which is integral to the execution of our growth strategy.

Business strategy

Our business strategy is founded on profitable organic growth and incremental efficiency improvement, based on the following closely interlinked cornerstones. In addition, we will evaluate the opportunity of acquisitions if we believe acquisitions would enable a faster more successful expansion into product categories we are pursuing.

Firmly position Thule as a leading global sports and outdoor brand

We have, over the last few years, through the entry into new product categories and by working on building stronger emotional connections with the brand, been able to strengthen the Thule brand position and we aim to continue to implement our structured positioning strategy for the Thule brand, captured in the slogan "*Bring your life*", across channels, in social and public media and in overall consumer consciousness.

We intend to achieve this through a combination of continued focus on public relations in select media and on further lifting the image of the brand via merchandizing and training efforts and via entering into new retail channels. We also intend to further develop the "Thule Crew" concept (sponsored athletes with whom we have a long-standing close relationship) launched in 2013, by active participation in more brand enhancing events and an increased interaction with our most loyal consumers on social media.

Exploit core product offering and product development capabilities

Considering that Sport&Cargo Carriers accounted for 58 % of our total net sales in 2013, and given (i) our market position in the category, (ii) the high barriers to entry we believe exist, (iii) the expected growth of the category, and (iv) our strength in product development in this market, our most important growth objective is to continue to grow in our Sport&Cargo Carriers business by exploiting our core product offering and capitalizing on product development capabilities.

We will utilize our increased product development efforts, the strong retail base we have with our Thule Retail Partner program and the additional retail channels opened to traditional Sport&Cargo Carrier products thanks to the entry of other Sport&Outdoor oriented categories such as Sport&Travel Bags and Active with Kids products to further drive growth in our traditional core product categories. We intend to achieve sales growth by focusing on brand-enhancing channels and profitability enhancements through growth with preferred partners, by continuing to convince retailers to offer a broader range of Thule Group products and by seeking to win presence in key Sport&Outdoor retailers with our broadened product offer.

In addition we will continue to invest locally in the more emerging growth markets with the aim to achieve leading market shares early in these new markets. Examples where this approach has been successful are Russia and Brazil where we have had sales for more than 20 years, but where it is only in the last four to five years that we have seen that the combination of a growing middle class with a keen interest for Sport&Outdoor activities have driven our net sales. For example, our net sales in Russia and Brazil have grown with a CAGR of 40 % and 33 %, respectively, from 2009 to 2013.

Within the Bags for Electronic Devices category we have over the last few years been exposed to the decline of the two product groups point-and-shoot camera bags and CD/DVD cases, which historically were the two biggest product groups for the Case Logic brand and in 2010 jointly accounted for 47 % of net sales within Bags for Electronic Devices, while in 2013, they accounted for only 18 % of net sales within Bags for Electronic Devices. We have seen growth in the other Bags for Electronic Devices product groups. The product groups interchangeable lens camera bags, laptop cases and tablet cases jointly accounted for 48 % of net sales within Bags for Electronic Devices in 2010, and 76 % in 2013. Although we have seen growth in these Bags for Electronic Devices product groups, we decided in the summer of 2013 to reorganize the management of this category with more knowledge sharing with the Sport&Cargo Carrier team and with more funds allocated to development. We have also taken key initiatives within this category in order to (i) focus on the growing categories within tablet and smartphone cases, laptop cases and interchangeable lens camera bags to compensate for the decline of the categories point-and-shoot camera bags and CD/DVD cases, (ii) implement a cost and price point strategy for Case Logic to support sales opportunities in the mass market retail and growth initiatives and (iii) focus on underdeveloped large markets such as Germany and the UK. Other key initiatives to capture market growth in general and to increase our market share in targeted segments will be to more fully leverage our new organization structure to enhance time-to-market, and delivering 'the right products at the right time', *e.g.* by ensuring successful launches of products for Apple and Samsung smartphone and tablet devices at the time of launch of these devices, and to win shares at major consumer electronics retailers with new Case Logic products positioned at medium price points and with Thule at premium price points.

Within Other Outdoor&Bags, our initiatives include driving new product development within RV Products. We aim to enhance profitability through growth with preferred partners as well as increasing sales focusing on the RV dealership and the UK and Southern Europe markets.

We believe that these efforts, combined with the recent roll-out of the Thule brand at more premium price points and with more focus on active and outdoor usages, combined with the new focus of the Case Logic brand, a medium price positioning, targeting young, urban electronic gadget users within this category, are expected to build our market share and capture the market growth we strive for.

Product and category expansion

With our established position within the retail channels, a global supply chain and sales network and strong brand recognition we have been able to enter into adjacent product categories with success. In late 2013 and during 2014 we have introduced significant new products within the two product groups Sport&Travel Bags and Active with Kids, with development projects already underway for further expansion within these categories. The feedback has been positive from trade, which means that we will be able to get listings of the new products in key retail outlets. Our near term focus is to continue to strengthen our position into this recently entered categories.

Within Active with Kids we intend to roll out key new product offerings, including Sports Strollers in the fourth quarter, an expanded Child Bike Seats product line in the first quarter 2015, and a Child Carrier Backpack in the second quarter 2015. The new products aim to establish Thule as "the reference brand of the category", expand distribution and increase sales.

Within Sport&Travel Bags we intend to roll out a broader and deeper product portfolio, including an expanded Bike Bags product line in the second quarter of 2015 and a global roll-out of Wintersport Travel in the first quarter 2015, as well as a global roll-out of Technical Backpacks in the second quarter 2015. The new products aim to expand presence of Thule Group in the strategically important outdoor and sports channel, to ensure increased retail distribution and to increase sales.

In terms of new categories, during 2015 we intend to focus on the broad range of new product categories developed in 2012–2014 with the aim to build credibility in Outdoor&Bags beyond our existing established product categories opening additional opportunities. Furthermore, early exploratory design and development projects are underway, which may further expand our existing product categories in coming years.

The entry into new categories creates an even broader base within retail and in consumer recognition, which opens up opportunities for further expansion into other adjacent categories. We will continue to selectively explore new categories to enter as we have done historically.

In addition to the organic growth initiatives and expansions we will also evaluate growth through opportunistic acquisitions, which can assist us to enter new growth markets and/or add complementary products in existing markets in a faster or more cost-efficient manner.

Continued brand enhancing retail expansion

The *Category Captaincy* approach, with brand focus in an omni-channel approach that has been initiated in recent years will be intensified, with focus moving from the already established platform of high quality merchandizing support to more of a business advisor role for the major retailers. The *Category Captaincy* approach includes offering our customers recommendations on how they best can drive their sales in the relevant category as a whole, *i.e.*, not only our products within that category, by providing market insights gained around the world. This includes, among other things, interaction between senior management/key account managers and product category buyers, store inventory management tracking sell-through at retail store level, in-store training for sales staff, and alignment of key metrics such as revenue per square meter, inventory turnover and gross margin return on investment.

We also intend to continue to increase direct distribution initiatives on the retail level in those markets where we believe that we have the capabilities to efficiently serve the market as we have done successfully in markets such as Germany and Benelux in the last two years.

We will also continue to strengthen our omni-channel capabilities via several initiatives in the digital channels, one of the key ones being the roll-out of an improved Buyer's Guide on our websites by the end of 2014 as well as continuous improvement of our Search Engine Optimization and Dealer Locator. Key initiatives include consumer-driven initiatives to improve our online presence, focusing on a broad range of tools to support our customers to drive online sales and growing sales through e-commerce leverage.

Key initiatives regarding Thule Retail Partners will be to further focus on quality and support of the existing Thule Retail Partners base, rolling out our Thule Retail Partner approach in strategically important, brand-enhancing channels as we expand product categories, and targeting high-potential locations with weaker retail set-up, in order to drive sales of Thule Retail Partners and the performance for Thule Group. Particularly in Bags for Electronic Devices, we aim to improve efficiencies in our supply chains and deliver enhanced levels of service to our Key Accounts.

Within the foreseeable future we do not anticipate any significant increase in direct sales to consumers as we believe there is major upside to be captured within the current business set-up, but we will of course continuously evaluate the opportunities also in this field.

Drive profitability enhancements

We believe that we have been able to demonstrate our ability to manage costs across Thule Group over the last five years and will continue to focus on this as the business grows via ongoing cost control follow-ups as well as implementation of larger efficiency programs, including, among other things, taking strong delegated cost center ownership with improved online tools.

One of the major profitability enhancing projects underway with effects already in the coming years is the building of our own Eastern European warehouse (located next to our main plant in Huta, Poland) in a growing Eastern European market to complement our third-party Western European warehouse. The warehouse, with implementation from the first quarter in 2015, will both be important in supporting our growth efforts in Eastern Europe as well as key in reducing unnecessary logistics costs due to more efficient shipping lanes. We also intend to increase efficiency from the first quarter in 2015 by capturing back-office synergies via the integration into a common ERP-platform in the Americas organization.

We continuously implement a wide range of smaller efficiency improvement projects in our own plants and with our suppliers, as well as continuously implement new supplier set-ups and better forecasting and planning tools in Bags for Electronic Devices. Furthermore, increasing scale in new product categories drive potential synergies for cost of goods sold through improved purchasing terms.

Within Work Gear, our key focus will be to selectively manage the customer base to achieve a higher margin business, focusing growth on higher margin and low capital intensive products and leveraging efficiencies with factory consolidation and productivity improvements to improve profitability. Within Snow Chains, we will continue to pursue the flexible manufacturing set-up implemented in 2010–2014, where the Polish site, which focuses primarily on assembly, has a significant share of temporary workforce for the production of Snow Chains, as well as a continued roll-out of premium consumer friendly snow chains under the Thule brand.

Risk factors

An investment in Thule Group's shares is associated with risk. Prior to taking any investment decision, it is important to carefully analyze the information provided in this prospectus and, in particular, the specific factors discussed under "*Risk Factors*".

Summary of the Offering

The Company	Thule Group AB (publ)
The Principal Owner..................	Nordic Capital Fund VI[1] and/or Nordic Capital Fund VII[2] and/or their respective indirect wholly owned subsidiaries, NC Outdoor VI AB and NC Outdoor VII AB.
The Offering	A total of 26,086,957 shares will be offered pursuant to the Offering, representing approximately 26.1 % of the shares in the Company (excluding any shares sold under the Over-allotment Option). The Offering consists of a public offering and an offering to institutional investors in Sweden pursuant to a separate Swedish language prospectus and an offering to institutional investors elsewhere, including a private placement in the United States to QIBs, as defined in, and in reliance on, Rule 144A under the Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S under the Securities Act.
Offering Price	The Offering Price is expected to be between SEK 64 and SEK 74 per share. The Offering Price will be determined after the offer period and will be announced on or about November 26, 2014.
Over-allotment Option...............	To cover possible over-allotments in connection with the Offering, the Principal Owner has undertaken to, at the request of the Joint Bookrunners, sell additional shares representing not more than 15.0 % of the number of shares comprised by the Offering (the "Over-allotment option"), equal to not more than 3,913,043 shares, representing approximately 3.9 % of the total number of shares in the Company.
Share outstanding after the Offering	After the Offering, the Company's share capital will comprise 100 million shares, of which 68,249,819 shares, representing 68.2 % of the outstanding shares, will be held by the Principal Owner assuming the Over-allotment option is not exercised, and 64,336,776 shares, representing 64.3 % of the outstanding shares, will be held by the Principal Owner assuming the Over-allotment option is exercised in full.
Lock-ups	The Principal Owner, shareholding members of the Board of Directors, certain shareholding employees within Thule Group, including executive management, and certain former employees and members of the Board of Directors, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading of Thule Group's shares on Nasdaq Stockholm has commenced (the "**Lock-up period**"). The Lock-up period for the Principal Owner will be 180 days. The Lock-up period for shareholding members of the Board of Directors, certain shareholding employees within Thule Group, including executive management, will be 360 days, and for certain former employees and members of the Board of Directors, 180 days. Although the lock-up arrangements restrict the ability of shareholders subject to any such lock-up to sell their shares during the Lock-up period, the Joint Global Coordinators may jointly agree to waive the restrictions on the sale of shares during this period in their discretion and at any time. See "*Share capital and ownership structure–Lock-Up Agreements, etc*."
Payment, Settlement and Delivery....................................	The Managers expect to cause delivery of the shares to investors' securities accounts on or about November 28, 2014 through the facilities of Euroclear Sweden against payment thereof in SEK. The shares will be eligible for clearing through Euroclear Sweden.
Use of Proceeds	Thule Group will not receive any proceeds from the sale of any shares in the Offering, including any shares sold pursuant to the exercise of the Over-allotment option. The Principal Owner will receive all of the proceeds from the sale of the shares in the Offering, including any shares sold pursuant to the exercise of the Over-allotment option.

1) Nordic Capital VI Limited, acting in its capacity as General Partner of Nordic Capital VI Alpha, L.P. and Nordic Capital VI Beta, L.P., together with any associated co-investment vehicles.
2) Nordic Capital VII Limited, acting in its capacity as General Partner of Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P., together with any associated co-investment vehicles.

Dividends	The Board of Directors has adopted a dividend policy whereby at least 50 % of our net profit shall be paid in dividends over time, taking into account the targeted capital structure defined as net debt in relation to recurring EBITDA of around 2.5x. Furthermore, the Board of Directors shall take into account a number of additional factors, including our future profits, investment needs, liquidity and development opportunities as well as general economic and business conditions, when proposing a dividend.
Voting Rights	At General Meetings of shareholders, each share carries one vote and each shareholder is entitled to vote the full number of shares such shareholder holds in the Company.
Admission to Trading	Prior to the Offering, there has been no public market for our shares. The shares have been admitted to trading on Nasdaq Stockholm, subject to satisfaction and notice of a sufficient number of shareholders. Trading is expected to commence on or about November 26, 2014.
Taxation	See "*Taxation*" for a discussion of certain Swedish tax considerations, as well as certain material U.S. federal income tax considerations relevant to the purchase and holding of shares in Thule Group.
Transfer Restrictions	The shares will be subject to certain restrictions on transfer as described in "*Selling and transfer restrictions*".
Ticker	THULE
ISIN	SE0006422390
Joint Global Coordinators	Goldman Sachs International and Nordea Bank AB (publ)
Joint Bookrunners	Joint Global Coordinators and Morgan Stanley & Co. International plc
Co-lead Managers	Danske Bank A/S, Danmark, Sverige Filial and DNB Markets, del av DNB Bank ASA, filial Sverige
Stabilization Manager	Goldman Sachs International

› Summary consolidated historical financial information

The summary consolidated historical financial information presented below has been derived from Thule Group's audited consolidated financial statements for the years ended December 31, 2013, 2012 and 2011, prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") unless otherwise stated. The summary consolidated financial data set forth below as of and for the nine month periods ended September 30, 2013 and 2014 have been derived from our unaudited consolidated interim financial information for the nine months ended September 30, 2014, and prepared in accordance with IFRS-EU, unless otherwise stated, which were reviewed by KPMG AB as set forth in their review report included elsewhere herein. The Towing and Trailer businesses are accounted for as discontinued operations in Thule Group's financial statements for the nine months ended September 30, 2014 and 2013 and the years ended December 31, 2013, 2012 and 2011. The historical financial information for the years ended 2013, 2012 and 2011 have been restated as compared with the statutory accounts to reflect the effects of IFRS 5 Discontinued operations.

The following information should be read in conjunction with "Operating and financial review" and Thule Group's audited consolidated financial statements and consolidated unaudited interim financial statements for the nine months ended September 30, 2014 and 2013 including the related notes in "Historical financial information".

This prospectus presents certain financial measures that are not measures defined under IFRS, including certain measures such as 'recurring operating EBIT', 'recurring EBITDA' and 'recurring gross income'. See "Definitions" in "Selected consolidated historical financial information" for a description of these items. Management believes these non-GAAP financial measures provide a better understanding of the trends in financial performance, excluding certain non-recurring and other items. A body of generally accepted accounting principles such as IFRS-EU is commonly referred to as "GAAP". A non-GAAP financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. These non-GAAP financial measures are unaudited and should not be considered in isolation or as an alternative to performance measures derived in accordance with IFRS. In addition, such measures, as defined by us, may not be comparable to other similarly titled measures used by other companies, because the above-mentioned non-GAAP measures are not uniformly defined and other companies may calculate them in a different manner than we do, limiting their usefulness as comparative measures.

Consolidated income statement

MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Continuing operations					
Net sales	3,717	3,406	4,331	4,362	4,122
Cost of goods sold	(2,221)	(2,097)	(2,715)	(2,704)	(2,562)
Gross income	**1,495**	**1,310**	**1,616**	**1,658**	**1,560**
Other operating revenue	5	7	10	10	2
Selling expenses	(637)	(596)	(797)	(790)	(706)
Administrative expenses	(214)	(220)	(301)	(323)	(318)
Other operating expenses	(30)	(17)	(14)	(29)	(21)
Operating income	**619**	**484**	**514**	**526**	**518**
Financial revenue	11	67	94	72	15
Financial expenses	(226)	(106)	(196)	(247)	(411)
Net interest expense/income	(215)	(39)	(102)	(175)	(396)
Income before taxes	**405**	**445**	**413**	**351**	**122**
Taxes	(105)	(94)	(114)	(102)	27
Net income from continuing operations	**300**	**351**	**299**	**249**	**149**
Discontinued operations					
Net income from discontinued operations	**(368)**	**41**	**(237)**	**22**	**71**
Net income	**(69)**	**393**	**62**	**271**	**220**
Consolidated net income pertaining to:					
Shareholders of Parent Company	(69)	390	61	268	220
Non-controlling interest	0	3	1	3	0
Consolidated net income	**(69)**	**393**	**62**	**271**	**220**

Consolidated balance sheet[1)]

MSEK	Sep 30, 2014	Sep 30, 2013	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011
Assets					
Intangible assets	3,920	4,570	4,441	4,557	4,723
Tangible assets	529	880	891	883	867
Long-term receivables	4	6	5	6	7
Deferred tax receivables	485	479	478	521	564
Total fixed assets	**4,940**	**5,935**	**5,815**	**5,967**	**6,161**
Inventories	703	955	921	906	870
Tax receivables	9	13	15	16	21
Accounts receivable	782	828	803	905	985
Prepaid expenses and accrued income	33	50	42	55	48
Other receivables	48	50	54	44	55
Receivables related party	293	0	0	0	0
Cash and cash equivalents	719	383	385	433	340
Assets held for sale	0	0	0	0	0
Total current assets	**2,587**	**2,278**	**2,220**	**2,359**	**2,319**
Total assets	**7,527**	**8,213**	**8,035**	**8,326**	**8,480**
Equity and liabilities					
Equity					
Share capital	0	0	0	0	0
Other contributed capital	1,034	1,034	1,034	1,034	1,033
Reserves	(380)	(660)	(583)	(611)	(520)
Retained earnings including net income	1,270	1,667	1,346	1,250	1,025
Total shareholders' equity	**1,924**	**2,041**	**1,797**	**1,673**	**1,538**
Noncontrolling interest	**0**	**8**	**5**	**5**	**2**
Total equity	**1,924**	**2,049**	**1,802**	**1,678**	**1,540**
Liabilities					
Long-term interest bearing liabilities	4,323	4,566	4,436	4,759	5,198
Pension provisions	134	141	135	173	110
Deferred tax liabilities	172	215	185	181	176
Total long-term liabilities	**4,628**	**4,923**	**4,756**	**5,113**	**5,484**
Short-term interest bearing liabilities	101	114	288	219	138
Accounts payable	382	460	511	632	544
Income taxes	72	34	46	38	36
Other liabilities	21	22	28	20	37
Accrued expenses and deferred income	324	558	532	560	623
Provisions	74	54	72	66	78
Liabilities attributable to assets held for sale	0	0	0	0	0
Total short-term liabilities	**975**	**1,242**	**1,477**	**1,535**	**1,456**
Total liabilities	**5,603**	**6,165**	**6,233**	**6,648**	**6,940**
Total equity and liabilities	**7,527**	**8,213**	**8,035**	**8,326**	**8,480**

1) Consolidated balance sheet as of September 30, 2013 and December 31, 2013, 2012 and 2011 includes the Towing and Trailers business.

Consolidated statement of cash flow

MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Income before taxes	405	445	413	351	122
Cash flow from operating activities	432	284	390	424	310
Cash flow from investing activities	49	(127)	(160)	(134)	(250)
Cash flow from financing activities	(152)	(205)	(274)	(183)	(36)
Net cash flow	**329**	**(48)**	**(44)**	**107**	**24**
Cash and cash equivalents at beginning of year/period	385	433	433	340	317
Effect of exchange rates on cash and cash equivalents	5	(2)	(4)	(14)	(1)
Cash and cash equivalents at end of year/period	**719**	**383**	**385**	**433**	**340**

Key performance indicators and data per share

MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	3,717	3,406	4,331	4,362	4,122
Organic net sales growth (%)	9.1 %	(0.5) %	(0.7) %	2.8 %	(0.1) %
Recurring gross income	1,499	1,346	1,664	1,663	1,566
Recurring gross margin (%)	40.3 %	39.5 %	38.4 %	38.1 %	38.0 %
Recurring EBITDA	694	585	644	618	599
Recurring EBITDA margin (%)	18.7 %	17.2 %	14.9 %	14.2 %	14.5 %
Recurring operating EBIT	650	543	588	560	545
Recurring operating EBIT margin (%)	17.5 %	15.9 %	13.6 %	12.8 %	13.2 %
Net income from continuing operations	300	351	299	249	149
Earnings per share from continuing operations, before and after dilution, SEK	6.70	7.90	6.70	5.60	3.40
Recalculated earnings per share from continuing operations, before and after dilution, SEK[1)]	3.55	4.16	3.54	2.95	1.76

1) Recalculated earnings per share from continuing operations is, for all periods above, based on the number of shares outstanding as of the date of this prospectus of 44,737,320 and also taking into account the Bonus Issue of 39,754,868 shares expected to be registered with the Swedish Companies Registration Office on or about November 26, 2014 (please see "*Share capital and ownership structure – Share conversion and directed new issue in connection with the Offering*"), in total 84,492,188 shares.

Segment information

Outdoor&Bags, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	3,395	3,098	3,824	3,733	3,557
Americas	1,115	1,097	1,394	1,397	1,339
Europe and ROW	2,280	2,001	2,430	2,336	2,217
EBITDA	741	602	649	618	603
Margin, %	21.8 %	19.4 %	17.0 %	16.6 %	17.0 %
EBIT	701	564	598	566	569
Margin, %	20.6 %	18.2 %	15.6 %	15.2 %	16.0 %

Specialty, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	321	308	506	628	564
Work Gear	260	244	328	269	256
Snow Chains	61	64	178	358	308
EBITDA	4	6	44	100	70
Margin, %	1.2 %	1.9 %	8.7 %	15.9 %	12.4 %
EBIT	(6)	(4)	31	86	55
Margin, %	(1.9) %	(1.3) %	6.1 %	13.7 %	9.8 %

Group Costs, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	1	1	1	1	1
EBITDA	(69)	(69)	(104)	(115)	(96)
Margin, %	n/a	n/a	n/a	n/a	n/a
EBIT	(75)	(77)	(114)	(126)	(107)
Margin, %	n/a	n/a	n/a	n/a/	n/a

› Risk factors

An investment in Thule Group's shares is associated with risk. Prior to taking any investment decision, it is important to carefully analyze the risk factors that are considered to be of importance for the future performance of the Company and the shares. Set out below is a description of risks that are considered to be of importance for Thule Group, without being ranked in any particular order. There are risks associated with circumstances relating to Thule Group or the industry, as well as risks associated with the shares and the Offering. Certain risks are beyond the Company's control. The description below does not purport to be complete and it is not possible to foresee and describe in detail any and all risk factors. In addition to this Section, investors should also take into consideration the other information contained in the prospectus in its entirety. The risks and uncertainty factors presented below may, individually or jointly, have a material adverse impact on Thule Group's operations, financial position and/or results. They may also result in a decrease in value of Thule Group's shares, which may lead to Thule Group's shareholders losing all or part of their invested capital. Additional factors of which Thule Group is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

Risks related to the industry and Thule Group

The demand for Thule Group's products is dependent on general economic conditions and the activity within primarily the sports and outdoor industry as affected by these conditions.

Thule Group conducts operations in several parts of the world and, similar to other companies, is affected by general economic, financial and political circumstances globally. Thule Group manufactures products within primarily the sports and outdoor industry, including products for the transportation of gear, intended for active families, outdoor enthusiasts and professionals. The demand for Thule Group's products depends, among other things, on general macroeconomic trends, including recession, inflation, deflation, general weakness in retail markets, and changes in consumer purchasing power. Global economic conditions and negative changes in the economies of Europe, the United States and the rest of the world, as indicated by, among other things, GDP developments, could therefore adversely affect Thule Group's operations, financial position and results. For example, the U.S. housing market (*i.e.*, newly-built homes, as defined by the National Association of Home Builders) declined rapidly between 2007 and 2009, thus adversely impacting sales in the Work Gear product category which consists primarily of pick-up truck tool boxes used by contractors and small construction businesses. Any uncertainties regarding future economic prospects, including political unrest, that affect consumer spending habits could have a material adverse effect on consumer purchases of Thule Group's products and adversely affect Thule Group's sales and gross profit margins.

The market for Thule Group's products is competitive

Thule Group's business is conducted in competitive markets. There are many different competitors, depending on segment and region. The industry in which Thule Group operates is characterized by price competition, as well as other competition factors such as product development, design, quality and service offering. Furthermore, business development by Thule Group's competitors may cause customers to prefer, to a greater degree than previously, products which compete with Thule Group's current and future product offering. Increased competition may also negatively impact Thule Group's current margins. In particular, within the markets for *bags for electronic devices* and *sports and travel bags*, both the barriers to entry into markets and the need for capital expenditure to start competing businesses are relatively low. Thule Group may therefore lose business to new competitors. All of these factors may have an adverse effect on Thule Group's operations, financial position and results.

Demand for Thule Group's products is dependent on consumer demand for underlying products

Thule Group's product offering includes products that are supplementary to other products not offered by Thule Group, which may become obsolete due to technological development or changes in consumer demand and behavior. This is particularly relevant to products such as bags for electronic devices. For example, Thule Group has in recent years experienced a significant decline in the popularity for its products for cameras due to a decline in consumer demand for these cameras as consumers increasingly use other devices, such as smartphones, to take pictures. Similar changes in consumer demand for underlying products may thus have a material adverse effect on Thule Group's operations, financial position and results.

Thule Group may be adversely affected by unsuccessful product category expansion

Thule Group's business strategy includes expansion into new product categories. In late 2013 and during 2014, Thule Group introduced a significant number of new products in two of its product categories: Sport&Travel Bags and Active with Kids. There can be no assurance that Thule Group's current or future product category expansion in these or other categories will be successful. If Thule Group's future product category expansion is unsuccessful, this may have an adverse effect on Thule Group's operations, financial position and results.

Thule Group may be adversely affected as a result of acquisitions and divestments

Thule Group's strategy covers both organic growth and growth through acquisitions. Acquisitions may expose Thule Group to risks relating to, among other things, integration, negative effects on relationships with key customers, inability to retain key employees as well as difficulties in or unanticipated costs for combining the operations. There is also a risk that integration processes may take longer than expected and that anticipated synergies do not materialize, in whole or in part. Moreover, acquisitions may expose Thule Group to undisclosed liabilities. Should any of these risks materialize in relation to future acquisitions, it could have an adverse effect on Thule Group's operations, financial position and results. Past and future divestments of businesses may expose Thule Group to risks, including risks pertaining to terms and conditions for the divestment of a business, such as warranties, indemnifications and undertakings in favor of the purchaser with respect to the business divested. If any of these risks related to past or future divestments would materialize, this may have a negative effect on Thule Groups operations, financial position and results.

Unsuccessful geographic expansion or contraction may adversely affect Thule Group

In the past, Thule Group has implemented a number of changes in its production facilities, such as relocating or closing down production plants, and has expanded geographically in order to strengthen its position and competitiveness. Any on-going or future changes, such as closures, relocations and start-ups of plants may have a negative effect on Thule Group's relations with employees, suppliers, and customers, and may result in interruptions in production. There can be no assurance that any such changes will be successful, and these factors may adversely affect Thule Group's operations, financial position and results.

The sale of snow chains is subject to winter weather condition variations

Thule Group's product offering includes snow chains which are part of the Company's Specialty segment. The snow chain market is highly weather-dependent as the product need is driven by snowy road conditions. The snow chain market has a base business relating to use in locations where there is a constant need for the product, but, in addition, is subject to significant volatility in markets located in large metropolitan areas in the core countries Italy, France, Austria, Switzerland and Germany, where it is a legal requirement to have snow chains in snowy conditions. The market for snow chains can therefore be subject to significant volatility. Thule Group's Snow Chain business experienced a 50.3 % decrease in net sales in 2013 from 2012 primarily as a result of milder weather in 2013. The mild weather in the winter of 2013/2014 also has affected sales negatively in 2014, since retailers have large stock holdings of snow chains as a result of the lower demands in the winter of 2013/2014 and thus are purchasing smaller quantities of snow chains for the winter season 2014/2015. Variations in winter weather conditions may thus adversely affect Thule Group's operations, financial position and results.

Inefficiencies in supply chain and inventory management may adversely affect Thule Group's results of operations

Inventory represents a large part of Thule Group's assets and is costly to move, warehouse and handle. Efficient supply chain and inventory management is therefore important to Thule Group's business. Any inefficiency in managing inventory (including errors or omissions in forecasting or ordering by Thule Group or its customers) may result in excessive or insufficient inventory of a particular component or group of components. In a limited number of cases, Thule Group stocks a particular product for the needs of only one or a few customers, and these customers might not accept, or be legally bound to accept, responsibility for excess or insufficient inventory. Excess inventory thus exposes Thule Group to the risk that inventory may need to be impaired or discarded due to Thule Group's inability to sell the inventory. The associated costs can be substantial, and the Company may not be able to recover such costs from its customers. Conversely, insufficient inventory exposes Thule Group to the risk of having to purchase products at higher prices in order to be able to deliver on time or having to incur high costs for express freight or having to pay penalties for not delivering on time. Accordingly, inefficiencies in supply chain and inventory management could adversely affect Thule Group's operations, financial position and results.

Increases in the prices of plastics, aluminum, steel and other raw materials, as well as energy, fuel and the cost of labor may increase Thule Group's cost of goods sold

Thule Group is exposed to fluctuation in the market price of certain commodities, particularly plastics, aluminum, steel and energy, which are used in Thule Group's production and in the manufacturing of products sourced from third-party suppliers, and the price of the fuel used for distribution and transport of the products. Any increase in such prices may impact the price for which Thule Group purchases its products as well as Thule Group's costs of manufacturing its products and, consequently, Thule Group's cost of goods sold. Prices of aluminum and steel were especially volatile in 2011, although they have somewhat stabilized since then, while the cost of plastics has remained relatively high throughout the last three years compared to historical levels.

A portion of Thule Group's supplier contracts relating to such commodities are indexed, which means that if the market price for a raw material changes, then Thule Group's purchase price will increase or decrease. The cost of raw materials as a percentage of total product costs ranges from approximately 15 % to 40 %, depending on the product category, and is approximately 35 % on average. Fluctuations in the prices of raw materials during the last three years have caused total product costs in most of Thule Group's product categories to change by as much as 1 % to 6 %. Thule Group has managed to compensate for some of these increases through improved design of products and have in general passed on these additional costs to customers in the form of price mark-ups. However, there is no assurance that Thule Group will be able to do so in the future. Should the prices of raw materials continue to fluctuate or continue to rise, Thule Group's financial position and results of operation may be materially impacted.

Reduced access to raw materials or sharp increases in the prices for those raw materials may also negatively impact Thule Group's ability to produce and deliver products and may negatively affect Thule Group's margins and competitiveness. The price structure for a raw material can also affect the material's, and ultimately the product's, competitiveness compared with other materials or products. Energy prices impact manufacturing and freight costs, which significantly affect cost of goods sold. Increases in global crude oil prices often result in higher energy and freight costs. In addition, labor costs in the countries from which Thule Group sources its products may also increase Thule Group's cost of goods sold through its sourcing prices. Moreover, Thule Group may not be able to compensate for increased sourcing prices by raising prices against its own customers, or may suffer delays or restrictions in such actions. All of these factors could adversely affect Thule Group's operations, financial position and results.

Thule Group is exposed to the risk of disruptions in production

Thule Group's production operations comprise several different processes, where outages or disruptions in any stage – for example, due to machinery breakdown, industrial disputes, serious disruptions in the Company's IT-system, fire, severe weather conditions, or natural disasters – may impact Thule Group's ability to perform its obligations to its customers, which in turn could result in customers using other suppliers. Thule Group's customers and Thule Group's suppliers are also subject to this risk, which, if it materializes, could have an adverse effect on Thule Group. Consequently, production stoppages and disruptions affecting Thule Group or its customers and suppliers could have an adverse effect on Thule Group's operations, financial position and results.

Disruptions in the functions of Thule Group's IT-systems could adversely affect Thule Group's ability to source, sell and deliver its products

Thule Group's supply chain and business processes are, to a large extent, automated by its IT-systems. Thule Group is particularly dependent on its IT-systems to purchase, sell and deliver products, to invoice its customers and to operate its automated warehouse. It is also an important tool for accounting and financial reporting and for inventory and net working capital management. Disruptions, however brief, for example, as a result of upgrades of existing IT-systems and deficiencies affecting the function of its IT-systems could adversely affect Thule Group's operations, financial position and results.

Thule Group may be adversely affected by product liability claims against it, or other product-related claims or recalls

Thule Group may become subject to product liability and other claims if the products it sources and produces are defective or are alleged to be defective or cause or are alleged to have caused personal injury or property damage. Thule Group manufactures, for example, solutions for transporting gear used in traffic and solutions for transporting children. Damage to persons or property due to a defective, wrongly designed or wrongly assembled product falling short of acceptable quality standards, may thus have a negative effect on Thule Group's brands, financial position and results. If a product is defective, Thule Group may also have to recall the product. Further, Thule Group may not be able to file a corresponding claim against, by example, its own suppliers in order to receive compensation from them for damages and related costs. Moreover, there can be no assurance that product liability claims, other product-related claims or recalls can be fully covered by Thule Group's insurance policies.

In respect of claims related to recalls made by Hyundai Motor America ("**HMA**") in 2006 of Valley Towing trailer hitches (which was sold by Thule Group through a management buy-out in 2009), Thule Group remains exposed to civil liability associated with the recall of the Valley Towing products until approximately June 2024. Management and Thule Group's external U.S. legal counsel estimate that the potential outstanding liability would not exceed USD 1.6 million. Thule Group has not made any provisions in respect of these claims.

Thus, product liability claims, warranty claims and recalls could adversely affect Thule Group's operations, financial position and results.

Thule Group may be adversely affected by its suppliers facing financial, legal or operational problems, increasing prices, being unable to make deliveries as agreed or delivering products of inferior quality

In order to be able to manufacture, sell and deliver products, Thule Group is dependent on external suppliers satisfying agreed requirements regarding, for example, volume, quality and delivery time. Incorrect or late deliveries, or non-deliveries, from suppliers may, in turn, result in Thule Group deliveries being delayed or suspended, or becoming deficient or incorrect. This may result in a reduction of sales and increased costs.

Thule Group may be adversely affected by its suppliers facing financial, legal or operational problems, *e.g.*, labor disruptions, increasing prices, being unable to make deliveries as agreed, or delivering products of inferior quality or sub-supplied products, which have not been properly tested and may be of inferior quality. These factors may result in Thule Group losing business or impact Thule Group's ability to source its products in time, at a reasonable price, and deliver them to its customers. If Thule Group needs to re-source products from another supplier, it may cause transitional problems and require re-testing and further quality control measures.

Thule Group has a large number of suppliers in several parts of the world, whose operations Thule Group does not have full insight into and which are not subject to Thule Group's control. Accordingly, Thule Group is exposed to the risk that suppliers act in a manner that harms Thule Group. In addition, in the event of disputes with suppliers in certain countries, it may not be possible for Thule Group to obtain damages from such supplier, even if Thule Group wins the dispute in a court or tribunal.

All of these factors could adversely affect Thule Group's operations, financial position and results.

Damage to Thule Group's reputation may result in Thule Group losing business and/or growth opportunities

Thule Group is dependent on its reputation, which, in turn, depends on factors such as product design, the distinct character of the products, the materials used to manufacture the products, the image of Thule Group's stores, communication activities, including advertising, public relations and marketing, and general corporate profile. A company's reputation is particularly important in relation to existing and new customers. For example, quality, product liability and safety issues as well as operational or logistical problems may result in Thule Group's reputation being harmed and, as a result, difficulties in retaining existing or attracting new customers. Any harm to Thule Group's reputation may result in Thule Group losing business or growth opportunities, which could adversely affect its operations, financial position and results.

Inability to retain and recruit qualified personnel and executive management may adversely affect Thule Group's operations

Being able to attract and retain qualified personnel and its executive management is important to Thule Group's future operations and business plan. Thule Group is particularly dependent on its executive management and on certain employees within sourcing and sales functions. As a company in an industry where some segments have low barriers for entry, personnel in Thule Group's sourcing and sales functions may have the relevant experience to set up new businesses or join competitors, and could take Thule Group customers with them, which makes it particularly challenging for Thule Group to retain such personnel. If Thule Group cannot attract or retain qualified personnel, it could adversely affect Thule Group's operations, financial position and results.

Legal risks

Thule Group may be adversely affected by local business risks, legislation and regulations in countries in which Thule Group operates and countries in which Thule Group may establish itself in the future

Thule Group operates in a global environment and is consequently exposed to various risks, including decisions by the management of its subsidiaries that may not be aligned with Thule Group's broader strategies or that are not beneficial for all members of Thule Group. Thule Group's business is subject to the local laws and regulations applicable in each jurisdiction in which Thule Group operates, as well as license and reporting obligations in certain jurisdictions and overarching international rules. Laws, policies, measures, controls or other actions implemented by the authorities in the countries where Thule Group operates, or in other countries in which Thule Group may operate in the future, may restrict its operations, delay or prevent planned investments, require additional investments and lead to increased costs and other obligations or otherwise harm Thule Group's financial results and, in particular, may hinder Thule Group's establishment of new operations. Entry into markets and in countries where Thule Group has not previously operated, especially within developing countries, may result in unforeseen costs, for example, due to delays in procuring operational permits, which may have an adverse effect on Thule Group's earnings and future business development. In addition, employees of Thule Group's subsidiaries, and other persons affiliated with Thule Group, may have taken or may in the future take actions which are unethical or criminal (including, but not limited to, with respect to applicable anti-corruption and anti-bribery legislation) or otherwise contravene the group's existing or future internal guidelines and policies as well as those that the group intends to implement in relation to compliance with relevant anti-bribery, sanctions and export control laws in a manner which is consistent with international practice.

Thus, Thule Group's business is subject to risks inherent in its business activities, such as:

- fees and rules relating to customs and anti-circumvention fines;
- differences in regulatory regimes and unexpected regulatory changes, including environmental, health and safety, local planning, zoning and labor laws, rules and regulations;
- the introduction or application of more stringent product norms and standards and associated costs;
- exposure to different legal standards and enforcement mechanisms and the cost of compliance with those standards;
- subjection to multiple taxation regimes, including regulations relating to transfer pricing and withholding tax on remittance and other payments by or to subsidiaries;
- subjection to various, and potentially overlapping, regulations and rules, particularly those relating to anti-corruption and anti-bribery;
- subjection to various export and import controls;
- longer payment terms for debtors on accounts receivable and difficulties collecting accounts receivable;
- tariffs, duties, export controls, import restrictions and other trade barriers;
- foreign exchange control and restriction on repatriation of funds; and
- financial, political and social instability in the countries in which Thule Group operates.

Thule Group may not be able to upgrade, develop and implement systems, policies and practices to adequately manage these risks or comply with applicable regulations without incurring significant additional costs. The materialization of any of these risks could adversely affect Thule Group's operations, financial position and results.

Thule Group may not be able to protect or defend its intellectual property rights and may not be granted approvals for new trademarks or intellectual property rights. Further, Thule Group's products may be the subject of counterfeit reproduction and production of technical copies. Thule Group may also be deemed to have infringed upon others' intellectual property rights

Thule Group holds a number of its own and joint trademarks and other intellectual property rights, including the Thule brand and design rights. In addition, Thule Group may from time to time develop its own and joint products and technologies which are patented or otherwise protected. There is a risk that Thule Group will not be able to defend granted trademarks and other intellectual property rights or that registration applications will not be granted. If Thule Group does not succeed in protecting and maintaining its intellectual property rights, this may have an adverse effect on Thule Group's operations, financial position and results.

Furthermore, the retail market for certain of Thule Group's products is subject to product counterfeiting and other trademark infringements as well as technical copies. A significant presence of counterfeit products on the market can negatively impact both the sales and the brand image of a manufacturer. Moreover, the occurrence of technical copies of Thule Group's products, *i.e.*, infringements of Thule Group's patent and design rights, may adversely affect Thule Group. While Thule Group devotes substantial resources to the protection of its intellectual property rights including, where appropriate, taking legal action, there can be no assurance that the actions taken by Thule Group will be successful or sufficient. The law and practice relating to the protection of intellectual property rights varies greatly from country to country and, as a result, Thule Group's rights are more vulnerable in some jurisdictions than others. If any of Thule Group's products are the subject of widespread counterfeit production or other similar trademark infringements, or if there is a great presence of technical copies on the market, Thule Group's operations, financial position and results could be adversely affected.

Moreover, there is a risk that Thule Group may be found or is alleged to have infringed upon intellectual property rights of others, thereby incurring costs in either defending or settling any intellectual property disputes alleging infringement. In the event Thule Group is found to have infringed upon the intellectual property rights of others, Thule Group may also be required to develop non-infringing alternatives or obtain licenses, which may have an adverse effect on Thule Group's operations, financial position and results.

Thule Group is exposed to environmental risks

Thule Group has four main manufacturing sites located in Sweden, Poland, Italy and the United States respectively. The manufacturing at these sites is subject to environmental regulation and supervision. While Thule Group believes that it complies with all applicable environmental regulation, there can be no assurance that instances of non-compliance will not occur. Further, the soil at properties owned by Thule Group may also have been contaminated by previous manufactures and owners. This is the case with the manufacturing site in Italy, which had been contaminated by manufacturing before Thule Group acquired the Italian company that owns the site. Further, Thule Group's manufacturing operations at the site in Italy include surface treatment which is likely to have a more significant environmental impact than Thule Group's other manufacturing operations. This site is therefore subject to continuous review by the Italian environmental authorities. To date Thule Group has been ordered to remove a tank from the site due to contamination in the proximity of the tank, and to continuously examine the ground in the proximity of the tank to ascertain whether the contamination was caused by the removed tank. Following continued discussions with the Italian authorities, Thule Group will, as a safety measure, remove five more tanks from the site. Thule Group has made provisions of approximately EUR 107,000 for expected costs connected with the removing of the tanks.

Environmental regulation may impose liability on present and former owners, operators or users of facilities and sites for contamination at such facilities or sites without regard to causation or knowledge of contamination. Further, non-compliance with environmental regulation could result in fines and other sanctions. Thule Group's liability for currently known and unknown clean-up costs and environmental sanctions could have a material adverse effect on Thule Group's operations, financial position and results. Regulatory authorities may also suspend Thule Group's operations, withdraw environmental licenses as well as reject the renewal of environmental licenses that are required for Thule Group's operations.

Thule Group is exposed to tax related risks

Thule Group conducts operations in several countries. The business – including intra-group transactions – is conducted in accordance with Thule Group's understanding or interpretation of applicable tax laws, tax treaties or other provisions in the tax law area, and in accordance with Thule Group's understanding or interpretation of the requirements imposed by the relevant tax authorities. There can however be no assurance that Thule Group's understanding or interpretation of the aforementioned laws, treaties and other provisions is accurate in all respects. Furthermore, the tax authorities in the relevant countries may make assessments and take decisions which differ from Thule Group's understanding or interpretation of the aforementioned laws, treaties and other provisions.

Particularly with respect to intra-group transactions involving different countries, tax authorities may take a different position to Thule Group regarding the interpretation of the aforementioned laws, treaties and other provisions or the conditions for such transactions (transfer pricing issues). In Germany, Thule Group is subject to two tax audits, covering the financial years 2005–2008 (with main focus on transfer pricing of intra-group cross-border transactions) and the financial years 2009–2012 (in its early stages where no final scope or preliminary assessments have yet been presented), respectively. In the first tax audit, the German tax authority does not agree with Thule Group's established pricing method and has in its assessment suggested an increase in the taxable base, which would result in additional taxes owed by Thule Group of approximately EUR 15.5 million. Thule Group has objected to this view and there are on-going discussions with the German tax authority, but no agreement has yet been reached. Thule Group has made provisions of EUR 5 million.

In Italy, the local tax authorities have levied withholding taxes on payments by Thule SpA for board services in financial years 2007 and 2008. For the 2007 payments, a negative decision by the first court was issued but was appealed by the Company and the second court ruled in the favor of the company. No decision has yet been provided regarding the 2008 payments. As a worst case scenario and in the event the decision by the second court does not stand, an aggregate of EUR 300,000 in taxes, penalties and interest have been estimated. Also, the Italian tax authorities have opened up a separate tax audit for 2009 that covers interest costs on intra-group loans, withholding taxes on interest costs and payments for board services, management fees, tax treatment of expenses and proceeds and the deductibility of VAT. There is no decision yet, but the tax, interest costs and penalties at stake have (in a worst case scenario) been estimated to EUR 990,000. Provisions have been made of approximately EUR 350,000.

Thule Group's tax situation in respect of previous years and the current year may thus change as a consequence of decisions by relevant tax authorities or due to amended laws, treaties and other provisions. Such decisions or amendments, possibly with retroactive effect, may have a significant negative impact on Thule Group's earnings and financial position.

In this respect it may be specifically noted that there is currently strong political pressure to change the international tax environment. In light of the Base Erosion and Profit Shifting (BEPS) Action Plan, launched by the OECD and supported by the EU, and its rapid development there are indications that there is support for global tax coordination among jurisdictions, which could have a significant impact on the international taxation landscape in which Thule Group operates.

Thule Group is exposed to risks relating to its agreements with suppliers and customers

In accordance with commercial practices in effect in the markets in which Thule Group operates, certain agreements entered into by Thule Group and its customers and suppliers are often informal and generally consist of pricing agreements that are periodically renegotiated between the parties, or purchase orders. As a result, the renewal terms of these contracts are not formalized and depend to a large extent on commercial relations with the customers concerned. This flexibility can result in a less accurate definition of the parties' rights and, in the case of a disagreement between the parties as to the content of their agreement, lead to challenges, disputes or conflicts which could have a material adverse effect on Thule Group's operations, financial position and results.

Thule Group is subject to competition law risks

Thule Group is subject to general competition laws in the jurisdictions in which it operates. Contractual conditions and prices in agreements that are used in Thule Group's operations may be subject to restrictions under such competition laws. Competition authorities have the power to initiate ex-post regulation procedures and to require a party to cease applying contractual terms and prices that are found to be anti-competitive. Competition authorities also have the power to impose fines and other sanctions as a result of non-compliance with relevant regulatory requirements.

While Thule Group has adopted internal procedures to ensure compliance with competition laws, there can be no assurance that instances of non-compliance have not occurred in the past nor that instances of non-compliance will not occur. To the extent Thule Group is unable to ensure compliance with applicable competition laws, Thule Group may be adversely affected by regulatory sanctions and remedies as well as inability to enforce contractual terms that are found to be anti-competitive.

Furthermore, Thule Group's strong position in certain product markets may signify that Thule Group is considered to have significant market power in such markets. Significant market power in one or more markets may result in regulatory restrictions on Thule Group's ability to implement fully its business strategies in these markets and its ability to grow through acquisitions.

Disputes, claims, investigations and proceedings may lead to Thule Group having to pay damages or cease with certain operations

Thule Group companies may become involved in disputes in their normal business activities and risk being subject to civil claims and disputes concerning agreements, product liability, faults in supplies of goods and services (in respect of exposure to claims relating to recalls, please see "– *Thule Group may be adversely affected by product liability claims against it, or other product-related claims or recalls*" above). In addition, Group companies (or Group companies' officers, directors, employees or affiliates) may become subject to regulatory and criminal investigations and proceedings concerning, amongst other things, environmental, tax, competition and health and safety issues. Disputes, claims, investigations and proceedings of this kind can be time consuming, disrupt normal operations, involve large amounts, negatively affect customer relations, and result in administrative and/or criminal sanctions and remedies as well as considerable costs. Furthermore, should such disputes, claims, investigations or proceedings occur and a Group company is held liable, there can be no assurance that claims can be covered in full by Thule Group's insurance cover. Future disputes, claims, investigation and proceedings may adversely affect Thule Group's operations, financial position and results.

Financial risks

Thule Group may not be able to obtain financing at favorable terms, or obtain financing at all, or perform payment obligations due to insufficient liquidity

Thule Group is exposed to the risk of becoming unable to raise new loans, refinance new loans or perform payment and other obligations under its existing loans due to insufficient liquidity. Even if Thule Group has access to long-term financing, it cannot be ruled out that, in the future, Thule Group may breach its financial covenants and other obligations in credit and loan agreements due to the general economic climate and disturbances on the capital and credit markets, which might have a detrimental effect on Thule Group's operations, financial position and results. Although Thule Group's financial position is currently considered stable, it cannot be ruled out that Thule Group may come to require additional financing. Access to additional financing is affected by a number of factors, such as market conditions, general access to loan financing, as well as Thule Group's credit rating and credit capacity. Disruptions and uncertainties on the capital and credit markets may also restrict access to the capital required to conduct the business.

Exposure to currency risk may affect Thule Group's cash flow, income statement and balance sheet

Due to its international operations, Thule Group is exposed to currency risk, meaning the risk that changes in exchange rates may have a negative impact on Thule Group's income statement, balance sheet and/or cash flows. Currency exposure arises in connection with purchases and sales of goods and services in currencies other than the local currency of the relevant subsidiary (transaction exposure). The largest exposures are PLN/SEK (buyer of PLN) and EUR/SEK (seller of EUR). Currency exposure also arises in conjunction with the translation of the balance sheets and income statements of subsidiaries into SEK (translation exposure). Exchange rate movements impact on Thule Group's revenues when income statements of the foreign subsidiaries are translated into SEK. Since Thule Group's revenues are largely generated outside Sweden, the effects on the consolidated income statement can be significant. In connection with the translation of the net assets of foreign subsidiaries to SEK, there is a risk of exchange rate movements affecting the consolidated balance sheet. Should measures taken by Thule Group to hedge and otherwise prevent the effects of exchange rate movements prove to be insufficient, Thule Group's operations, financial position and results may be negatively affected. Changes in the fair value of the outstanding foreign exchange derivatives may also affect Thule Group's operations, financial position and results negatively.

Changes in currency exchange rates can also affect Thule Group's competitiveness, or customer demand, and thereby indirectly affect Thule Group's operations, financial position and results.

Thule Group is exposed to interest rate risks that could cause fair values, financial income and expenditure, cash flow and/or profits to vary as a result of changes in market interest rates

Interest rate risk is the risk that changes to market interest rates cause financial income and expenditure, as well as the values of financial instruments, to fluctuate. Interest rate risk can lead to changes in fair values, changes in cash flows and fluctuations in Thule Group's profit. Thule Group's interest rate risk mainly derives from long-term borrowing. Changes in interest rates could adversely affect Thule Group's operations, financial position and results.

Concurrently with the Offering, Thule Group will refinance certain of its existing indebtedness using (i) a SEK 2.3 billion multicurrency term loan facility with a final maturity date falling five years from the date of the signing of the facility agreement and (ii) a SEK 0.6 billion multicurrency revolving credit facility with the same final maturity date as the term loan facility (the "**Credit Facilities**") provided by Danske Bank, DNB Bank ASA, filial Sverige and Nordea, which are subject to closing of the Offering. The refinancing will impact Thule Group's net interest expense going forward. A portion of the existing indebtedness will be repaid with the proceeds from the divestment of Thule Group's Towing business. The remaining existing indebtedness will be repaid with the proceeds of approximately SEK 1 billion from a directed issue of 15,507,812 new shares to the Principal Owner (the "**Directed New Issue**").

Assuming that the Credit Facilities were available and the above refinancing had taken place on September 30, 2014 with drawdowns of SEK 2.3 billion under the term loan and SEK 0.1 billion under the revolving credit facility the Company's net indebtedness would have been SEK 2.4 billion as at that date. The annual interest rate of the Credit Facilities will amount to approximately 2 % based on current relevant IBOR levels.

Thule Group is exposed to credit risks

Credit risk means the risk of Thule Group's counterparties being unable to perform their payment obligations, thereby creating a loss for Thule Group. Financial credit risks comprise the risk of loss in the event counterparties with whom Thule Group has deposited cash and equivalents and other financial assets fail to perform their obligations. Should measures taken by Thule Group to manage credit risks be insufficient, this may have an adverse effect on Thule Group's financial position and earnings.

Thule Group's consolidated balance sheet includes significant goodwill, which could become impaired

While Thule Group wrote down SEK 350 million in goodwill in respect of the divestment of the Towing business in the second quarter 2014, Thule Group's consolidated balance sheet still includes significant goodwill. Goodwill is tested each year to identify any impairment. In the event future tests concerning continued changes in the value of goodwill lead to impairment write downs, this may have an adverse effect on the Company's earnings and financial position.

Risks related to the shares and the Offering

Shareholding involves risk

Risk and risk-taking are an unavoidable aspect of share ownership. Since an investment in shares can increase or decrease in value, it is not certain that an investor will regain the capital invested. The performance of a listed share depends on a number of factors, some of which are company-specific, while others are related to the equity capital market as a whole. It is impossible for an individual company to control all the factors which may affect its share price, and thus each investment decision concerning shares should be preceded by a careful analysis.

An active, liquid and orderly trading market for Thule Group's shares may not develop, the price of its shares may be volatile, and potential investors could lose a portion or all of their investment

Prior to the Offering, there will be no public market for Thule Group's shares. There is a risk that an active and liquid market will not develop or, if developed, that it will not be sustained after completion of the Offering. The Offering Price will be determined through a book-building procedure and, consequently, based on demand and the overall market conditions. The Offering Price will be set by the Principal Owner in consultation with the Joint Bookrunners. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following the Offering. Investors may, thus, not be able to resell shares at or above the Offering Price.

In addition, the stock market has experienced extreme price and volume fluctuations in the past that have often been unrelated or disproportionate to the listed companies' operating performance. Broad market and industry factors may seriously affect the market price of Thule Group's shares, regardless of its actual operating performance. These fluctuations may be even more pronounced in the trading market for the shares shortly following the Offering. An investor who purchases shares in the Offering or in the secondary market may lose a portion of, or all of the investment.

The Principal Owner will continue to have substantial influence over Thule Group after the Offering and could exercise this influence in such a manner that is contrary to the interests of the other shareholders

After completion of the Offering, the Principal Owner will own in aggregate approximately 68.2 % of the shares in the Company, based on the midpoint of the price range in the Offering (SEK 69) and assuming that the Over-allotment option is not exercised. Assuming that the Over-allotment option is exercised in full, the Principal Owner will own in aggregate approximately 64.3 % of the shares in the Company after the Offering. Thus, the Principal Owner is likely to continue to have a significant influence over the outcome of matters submitted to Thule Group's shareholders for approval, including the election of directors, any merger, amendments to the Company's Articles of Association, issuance of shares and dividend. Thus, the Principal Owner will continue to have significant influence over Thule Group's management and affairs. Accordingly, this concentration of ownership could have a material adverse effect on the market price of the Company's shares by, among others: delaying, deferring or preventing a change in control; impeding a merger; or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company.

The interests of the Principal Owner may differ significantly from or compete with Thule Group's interests or those of the other shareholders, and the Principal Owner could exercise influence over Thule Group in such a manner that is contrary to the interests of the other shareholders. For example, there could be a conflict between the interests of the Principal Owner on the one hand, and the interests of the Company or its other shareholders on the other hand with respect to distribution of dividends. Such conflicts could have a material adverse effect on the business, results of operations and financial condition.

Future sales of shares by existing shareholders, such as sales after the end of lock-up periods, could cause the share price to decline

The market price of Thule Group's shares could decline if there are substantial sales of the Company's shares, particularly sales by the Company's directors, executive management, and significant shareholders, or otherwise when a large number of shares are sold.

The Principal Owner, shareholding members of the Board of Directors, certain shareholding employees within Thule Group, including executive management, and certain former employees and members of the Board of Directors, have each agreed, subject to certain exceptions, for a certain period (180 days for the Principal Owner, 360 days for shareholding members of the Board of Directors, certain shareholding employees within Thule Group, including executive management, and 180 days for certain former employees and members of the Board of Directors) after trading of Thule Group's shares on Nasdaq Stockholm has commenced, not to sell their shares or enter into transactions with a similar effect. Although the lock-up arrangements restrict the ability of shareholders subject to any such lock-up to sell their shares during the Lock-up period, the Joint Global Coordinators may jointly agree to waive the restrictions on the sale of shares during this period in their discretion and at any time. After the expiry of the relevant Lock-up period, the shareholders subject to lock-up will be free to sell their shares in Thule Group. Any sales of substantial amounts of Thule Group's shares by the Principal Owner or Thule Group's other current shareholders, or the perception that such sales might occur, could cause the market price of Thule Group's shares to decline.

Upon completion of the refinancing of Thule Group, affiliates of the Principal Owner will establish a secured term loan facility in the amount of approximately SEK 1 billion (the "**Principal Owner Term Loan Facility**") under which all of the Principal Owner's remaining shares in Thule Group (expected to be 68.2 % after the Offering, assuming that the Over-allotment option is not exercised) will be pledged to DNB Bank ASA, filial Sverige and Nordea, as original lenders, and to Nordea as agent on behalf of the lending syndicate. The Principal Owner Term Loan Facility is expected to contain a loan-to-value financial covenant (the "**LTV Covenant**") according to which the outstanding loan value divided by the value of the Principal Owner's pledged shares may not exceed 40 %. Following 180 days after trading of Thule Group's shares on Nasdaq Stockholm has commenced (*i.e.*, the proposed Lock-up period for the Principal Owner), the terms of the Principal Owner Term Loan Facility are expected to give the lending syndicate the right to enforce the share pledge should the LTV Covenant be breached.

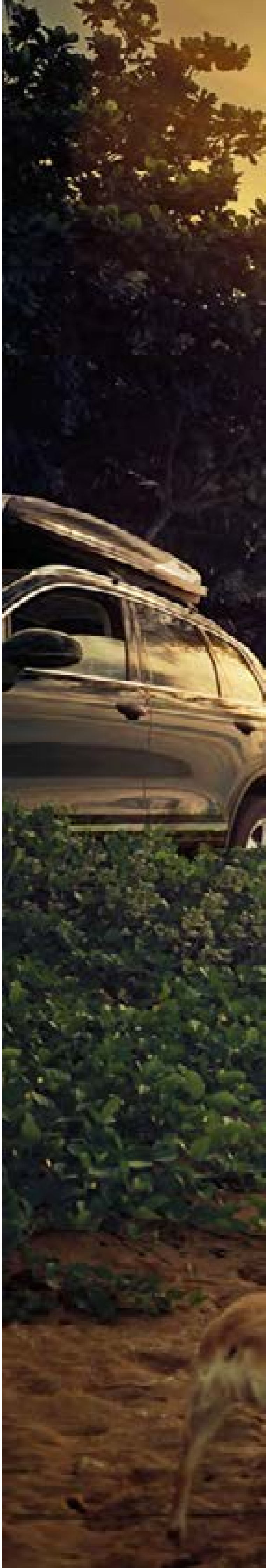
The enforcement of this pledge of shares could cause the market price of Thule Group's shares to decline due to sales of substantial amounts of Thule Group's shares by the lending syndicate, or the perception that such sales might occur. In addition, any member or members of the lending syndicate may elect at any time to hedge its or their exposure to Thule Group's shares in transactions that could directly or indirectly impact the price of Thule Group's shares. Furthermore, the enforcement of this pledge could reduce the Principal Owner's ownership in Thule Group and have a significant impact on Thule Group's shareholding structure and corporate governance.

Non-participation in future new share issues will result in dilution of ownership
Issues of new shares may result in a diluted ownership for shareholders who, for whatever reason, cannot participate in such an issue or who choose not to exercise their right to subscribe for shares. This would also be the case where the issuance is made on a non-pre-emptive basis.

Thule Group's ability to pay dividends is dependent upon its future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors
Participants in the Offering will be entitled to dividends decided upon following completion of the Offering. The holder must be registered as a holder of shares in Thule Group on the record date for receipt of such dividend as decided by the shareholders' General Meeting. The size of any future dividends that Thule Group will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors. There can be no assurance that Thule Group's shareholders will resolve to pay dividends in the future or that the Company will have sufficient funds to pay any dividends.

Differences in currency exchange rates may materially adversely affect the value of shareholdings or dividends paid
The shares will be quoted in SEK only, and any dividends will be paid in SEK. As a result, shareholders outside Sweden may experience adverse effects on the value of their shareholding and their dividends, when converted into other currencies if SEK depreciates against the relevant currency.

Shareholders in the United States or other countries outside Sweden may not be able to participate in any potential future cash offers
If the Company issues new shares in a cash issue, shareholders shall, as a general rule, have preferential rights to subscribe for new shares proportionally to the number of shares held prior to the issue. Shareholders in certain other countries may, however, be subject to limitations that prevent them from participating in such rights offerings, or that otherwise makes participation difficult or limited. By example, shareholders in the United States may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the Securities Act is effective in respect of such subscription rights and shares or an exemption from the registration requirements under the Securities Act is available. Shareholders in other jurisdictions outside Sweden may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. Thule Group is under no obligation to file a registration statement under the Securities Act or seek similar approvals or relevant exemptions for the sale of securities under the laws of any other jurisdiction outside Sweden in respect of any subscription rights and shares and doing so in the future may be impractical and costly. To the extent that Thule Group's shareholders in jurisdictions outside Sweden are not able to exercise their rights to subscribe for new shares in any future rights issues, their proportional interests in the Company will be reduced.



› The Offering

The Company and the Principal Owner have resolved to diversify the Company's ownership base. As a result, the Board of Directors of Thule Group has applied for a listing of the Company's shares on Nasdaq Stockholm. The Principal Owner[1)] is the selling shareholder in the Offering.

The Offering is divided into two parts: an institutional offering and an offering to the public in Sweden. The Offering represents approximately 26.1 % of the total number of shares in the Company, corresponding to 26,086,957 shares.[2)]

To cover possible over-allotment in connection with the Offering, the Principal Owner has undertaken to, at the request of the Joint Bookrunners, sell additional shares representing not more than 15.0 % of the number of shares comprised by the Offering (the "**Over-allotment option**"), equal to not more than 3,913,043 shares, representing approximately 3.9 % of the total number of shares in the Company.

Assuming that the Over-allotment option is exercised in full, the total number of shares comprised by the Offering represents approximately 30.0 % of the total number of shares in the Company, corresponding to 30,000,000 shares.

The Offering price will be determined through a bookbuilding procedure and will consequently be based on demand and overall market conditions. The Offering price will be established by the Principal Owner in consultation with the Joint Bookrunners, within a range of 64–74 SEK per share, based on the orderbook prepared in the book-building procedure.

The Offering price is expected to be published on or around November 26, 2014. The total value of the Offering amounts to SEK 1,670–2,200 million based on the price range, depending on whether the Over-allotment option is exercised in full.

In other respects, reference should be made to the full particulars of this prospectus, which has been prepared by the Board of Directors of Thule Group in connection with the application for listing of the Company's shares on Nasdaq Stockholm and the Offering made in connection with the listing.

Malmö, November 13, 2014

Thule Group AB (publ)
The Board of Directors

Stockholm, November 13, 2014

NC Outdoor VI AB

Stockholm, November 13, 2014

NC Outdoor VII AB

1) The "Principal Owner" refers, in this context, to NC Outdoor VI AB (Swedish corporate ID No. 556980-3231), c/o Aristea Management AB, Kungsgatan 17, SE-111 43 Stockholm, Sweden and NC Outdoor VII AB (Swedish corporate ID No. 556987-1063), c/o Aristea Management AB, Kungsgatan 17, SE-111 43 Stockholm, Sweden. In order to effect an equal *pro rata* sale by all existing shareholders, an aggregate of up to 1,998,803 shares have been agreed, under a shareholders' agreement entered into by all existing shareholders, to be transferred to the Principal Owner from the other shareholders, see "*Share capital and ownership structure – Share conversion in connection with the offering, etc.*"

2) See "*Share capital and ownership structure – Ownership structure*" for additional details.

› Background and reasons

Based on estimated market share by product category, Thule Group is the market leader in the sport and cargo carriers market and a leading company within the other outdoor and bags market, selling our products in 136 countries and via more than 4,700 unique points of sales (so-called "doors") with Key Accounts and Thule Retail Partners.[1] In addition we have strong positions in some product markets within the bags for electronic devices market as well as the other outdoor and bags, including multi-functional child carriers and RV Products. Within the specialty market (product categories Snow Chains and Work Gear) we have more than 2,500 Key Account retail doors selling our products. Our largest brand, Thule, is a premium brand recognized throughout the world among active consumers for premium products that are safe, easy-to-use and with a contemporary design. With the Case Logic brand we are well-established in many geographic markets in the world in the bags for electronic devices market.

We were acquired in 2007 by Nordic Capital. In 2008, precipitated by the disruptions experienced by global financial markets, product categories that are no longer part of Thule Group, including car trailers, tow-bars and hitches and integrated car roof rails, experienced a decline in sales. Pressure on our liquidity followed, which led to a restructuring of Thule Group in December 2008. Business units were sold off, plants were closed, efficiency measures were implemented and at the start of 2010 a new management team was put in place. Since then we have pursued a focused strategy with strong emphasis on consumer branding of a wide range of premium products for active people. In addition, the "*Bring your life*" transformation has included the implementation of several initiatives with the aim of creating a more focused and better integrated company with the economies of scale from integrated back-end processes combined with reinforced local sales force and customer service units serving local markets. For a description of the "*Bring your life*" transformation and other recent initiatives, see "*Business description – Recent initiatives*".

Nordic Capital's investment strategy is to acquire and support the growth of attractive companies with development potential. The investment strategies also entail a subsequent divestment of every acquired company within a certain period. The Board of Directors and executive management of Thule Group, together with Nordic Capital, now are of the opinion that the time is appropriate for a listing of Thule Group. Notwithstanding, Nordic Capital will remain a large and committed shareholder and by divesting a part of its holding, Nordic Capital is able to participate in the future development of the Company. Thule Group has established a solid platform and has further potential for substantial future growth and improved results during the coming years.

The Offering and the listing will expand the shareholder base and enable Thule Group to access the Swedish and international capital markets, which will support our continued growth and development. The Board of Directors and executive management of Thule Group, supported by Nordic Capital, consider the Offering and listing of the shares to be a logical and important step in Thule Group's development, which will also increase the awareness of Thule Group and its operations.

The Board of Directors is responsible for the content of this prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information in this prospectus is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

Malmö, November 13, 2014

Thule Group AB (publ)
The Board of Directors

The Board of Directors of Thule Group AB (publ) alone is responsible for the content of this prospectus. However, the Principal Owner confirms its commitment to the terms and conditions of the Offering in accordance with what is set out in "Terms and conditions".

Stockholm, November 13, 2014	Stockholm, November 13, 2014
NC Outdoor VI AB	**NC Outdoor VII AB**

1) See "– *Sales and Distribution*" for a description of *Key Accounts* and *Thule Retail Partners*.

› Market overview

Market and business information

The prospectus includes business and market data concerning Thule Group's business and markets. Unless otherwise stated, this information is based on the Company's analysis of several sources, including a market assessment report which the Company has commissioned from the consulting firm Arthur D. Little. Certain market and business information is derived from the Company's estimates, which are based on its analysis of multiple sources including data compiled by professional organizations, consultants and analysts and information otherwise obtained from third-party sources, as well as the Company's internal data and its own experience, or a combination of the foregoing. Even if the information has been accurately reproduced and Thule Group considers the sources reliable, Thule Group has not independently verified and cannot give any assurance as regards the accuracy and completeness of such information. As far as Thule Group is aware and is able to ascertain from other information published by such sources, no fact has been omitted which would render the reproduced information inaccurate or misleading.

Market and business information may include estimates as regards future market conditions and other forward-looking information. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information. Please see "Important Information – Forward-looking information and risk factors" on the inside cover of the prospectus.

Introduction

We operate on a global basis in a number of markets with an estimated total approachable market size in terms of net sales in excess of SEK 60 billion.[1] As the products we offer relate to a number of different market categories we will in this prospectus refer to the approachable markets using terminology that is consistent with the way we report our business. By way of an example, the approachable market for our Outdoor&Bags segment will henceforth be referred to as "the outdoor and bags market" and the approachable market for our Specialty segment will be referred to as "the specialty market", with the same nomenclature applied to our various product categories and product groups.[2]

- The **outdoor and bags** market, with an estimated total approachable market size in net sales value in excess of SEK 57 billion in 2013 and which primarily includes the product categories:
  - *sport and cargo carriers* (including the product groups bike carriers, water/winter/other carriers, cargo carriers and roof racks);
  - *bags for electronic devices* (including the product groups laptop bags and mobile handheld device cases, camera bags and other bags and cases for electronic devices); and
  - *other outdoor and bags* (including the product groups sport and travel bags (primarily sport duffel bags, technical backpacks and bike pannier bags), active with kids (primarily multi-functional child carriers, sports strollers and child bike seats) and recreational vehicle ("**RV**") (primarily awnings and tents and bike carriers for RVs)).
- The **specialty** market, with an estimated total approachable market size in net sales value of SEK 3 billion in 2013 and which primarily includes the product categories:
  - *work gear*, in North America only and including mainly pick-up truck tool boxes; and
  - *snow chains*, including, primarily in Europe, the product groups professional snow chains and consumer snow chains.

1) Throughout this prospectus, approachable markets have been estimated based on total net sales at a manufacturer level, *i.e.* Thule Group and its competitors.
2) Our segment, product category and product groups and the nomenclature for the respective approachable markets are as follows: Outdoor&Bags – outdoor and bags market; Sport&Cargo Carriers – sport and cargo carriers market; Bike Carriers – bike carriers market; Cargo Carriers – cargo carriers market; Roof Racks – roof racks market; Water/Winter/Other Carriers – water/winter/other carriers market; Bags for electronic devices – bags for electronic devices market; Camera Bags – camera bags market; Laptop and MHD Bags&Cases – laptop and mobile handheld device cases market; Other Bags&Cases – other bags and cases for electronic devices market; Other Outdoor&Bags – other outdoor and bags market; RV Products – RV products market, Active with Kids – active with kids market; Sport&Travel Bags – sport and travel bags market; Specialty – specialty market, Work Gear – work gear market; Snow Chains – snow chains market; Professional Snow Chains – professional snow chains market; and Consumer Snow Chains – consumer snow chains market.

Thule Group's approachable market by product categories

Market	Product categories	Product groups	Estimated market size[1]
Outdoor and bags market	*Sport and cargo carriers*	• *Bike carriers* • *Water/winter/other carriers* • *Cargo carriers* • *Roof racks*	SEK 4.9 billion
	Bags for electronic devices	• *Laptop bags and mobile handheld device cases* • *Camera bags* • *Other bags and cases for electronic devices*	SEK 42.7 billion
	Other outdoor and bags	• *Sport and travel bags* • *Active with kids* • *RV products*	SEK 9.7 billion

Market	Product categories	Product groups	Estimated market size[1]
Market for specialty products	*Work gear*	• *Pick-up truck tool boxes*	SEK 1.7 billion
	Snow chains	• *Professional snow chains* • *Consumer snow chains*	SEK 1.3 billion

1) Estimated market size by net sales.

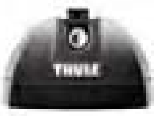
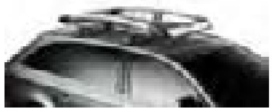
The chart above gives an estimate of the total global approachable market measured by net sales (defined as the total sales volumes in each of the product categories presented above, in which we operate) by product categories.

The outdoor and bags market

The outdoor and bags market had an estimated total approachable market size in net sales value in excess of SEK 57 billion in 2013 and sales within this market accounted for 88 % of Thule Group's net sales in 2013. Within the outdoor and bags market, the sport and cargo carrier market was the market with the greatest importance for Thule Group in terms of sales in 2013 (58 % of Thule Group's net sales in 2013 were in that product category). The sport and cargo carriers market and the sport and travel bags market relate to the development of the global outdoor and sport equipment market (which includes sport related products such as bikes and skis, as well as general outdoor equipment such as tents and sleeping bags). The product category with the largest approachable market size in 2013 was the bags for electronic devices market (with an estimated total approachable market size in net sales value in excess of SEK 42 billion), which relates to the development of the global electronic devices market. In addition to the outdoor and sport equipment market, the markets grouped within the overall outdoor and bags market also include the global juvenile products market (within other outdoor and bags, the active with kids market) and finally, to a limited extent, to the development of the European RV market.

The sport and cargo carriers market

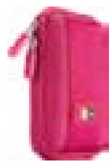
The sport and cargo carriers market had an estimated total approachable market size in net sales value of approximately SEK 4.9 billion in 2013. This market is comprised of products that enable consumers to bring with them the sports products or general gear they desire when utilizing a car as a means of transport. This may include solutions attached to the roof of the car or the rear of the car, sports products specific solutions (*e.g.*, a roof mounted carrier for competition road bikes) or more general products (*e.g.*, a roof box mounted on a set of roof racks and that is used to bring some extra bags on a vacation).

Bike Carriers	Roof Racks	Cargo Carriers	Water/Winter/Other
Roof Mounted 	*Roof Racks* 	*Roof Boxes* 	*Ski-/Snowboard Carriers* 
Tow-Bar Mounted 	*Feet&Kits* 	*Cargo Baskets* 	*Surfboard Carriers* 
Hitch Mounted 	*Other* 	*Cargo Bags* 	*Kayak Carriers* 
Rear-Door Mounted 		*Other* 	*Other* 

Typical sport and cargo carrier products

The bags for electronic devices market

The bags for electronic devices market had an estimated total approachable market size in net sales value in excess of SEK 42 billion in 2013. This category is comprised of products that enable consumers to bring with them the electronic devices and general gear they desire, in a bag or protective case. It can be either very product-specific solutions (*e.g.*, a protective case for a specific smartphone or tablet) or more general (*e.g.*, a laptop daypack with good laptop protection, but also space for running shoes, books and other gear).

Laptop Bags and MHD Cases		**Camera Bags**	**Other**
Laptop Backpacks 	*Laptop/Tablet Cases* 	*DSLR Backpacks* 	*CD/DVD Cases* 
Laptop Attachés 	*Smartphone cases* 	*DSLR Messengers* 	*Harddisk drive cases* 
Laptop/Tablet Sleeves 		*Sling/Holsters* 	
		Pont&Shoot 	

Typical bags for electronic devices products

The other outdoor and bags market

The other outdoor and bags market had an estimated total approachable market size in aggregate net sales value of SEK 9.7 billion in 2013. This market is comprised of three separate sub-markets, which relate to the targeted activity or audience for a specific product as set out below.

The sport and travel bags market had an estimated total approachable market size in net sales value of SEK 7.3 billion in 2013. The sport and travel bags market is made up of products that enable consumers to bring with them the sports products or general gear they desire while walking or utilizing any means of transport, such as biking, driving a car or flying. It can be either very purpose-specific solutions (*e.g.*, a bike basket attached to the front of a bike or a snow-board bag) or more general in nature of use (*e.g.*, a mid-sized sports duffel bag).

The active with kids market had an estimated total approachable market size in net sales value of SEK 1.7 billion in 2013. The child sport stroller, the multi-functional child carrier and child bike trailer and the bike child seat markets (all part of the overall active with kids market) include products that enable parents to be active with their children (such as walking, biking, running or hiking), and do not include the market for more traditional pushchairs and strollers used for more casual walking.

Management estimates that *the RV products market* had an estimated total approachable market size in net sales value of SEK 0.7 billion in 2013. The portion of the RV product market that is captured in this definition is made up of products that enable consumers to further enhance their RV experience, both by bringing sports gear with them (*e.g.*, bike carriers for RVs) and for creating a more enjoyable outdoor environment upon arrival at their destinations (*e.g.*, awnings and tents). As Thule Group does not sell products with specifications suitable for the North American RV products market, the total approachable market is only defined as that for Europe.

RV Products	**Active with Kids**	**Sport&Travel Bags**	
RV Awnings 	***Multi-functional Child Carriers*** 	***Sport Duffel Bags*** 	***Trekking Backpacks*** 
RV Tents 	***Sport Strollers*** 	***Rolling Duffel Bags*** 	***Hiking Backpacks*** 
RV Bike Carriers 	***Child Bike Seats*** 	***Bike Pannier Bags*** 	
Others 	***Child Carrier Backpacks*** 	***Bike Transport Cases*** 	

Typical other outdoor and bags products

The specialty market

Management estimates that the total approachable market within the specialty market as defined herein (pick-up truck tool boxes in North America, mainly in the United States, and snow chains in the European market) was SEK 3.0 billion measured by net sales in 2013. Sales within this market accounted for 12 % of Thule Group's net sales in 2013. The market size for snow chains may fluctuate significantly due to variations in winter weather conditions in the geographies where the products are sold (please also see "*Risk factors – The sale of snow chains is subject to winter weather conditions*"). For example, because of limited snowfall in the main markets (Italy, France, Austria, Switzerland and Germany) in 2013, this market was at a very low point in terms of total sales value.

The products within the work gear market (primarily pick-up truck tool boxes) are mostly used by contractors and other small building entrepreneurs in the North American market to carry their tools and utensils. The market is therefore linked to the housing market development (defined as new home constructions) in that geographic region.

Snow chains are mainly used on motorized vehicles in order to gain traction on roads in winter weather conditions. The snow chain product category is made up of two separate types of product groups; professional (snow chain for large commercial vehicles such as snow removers, tractors and trucks) and consumer (snow chains for passenger cars).

Work Gear

Snow Chains

Professional Snow Chains

Consumer Snow Chains

Typical specialty market products

Market characteristics, drivers and growth

Introduction

We estimate that approximately 70 % of our sales volumes (based on total net sales for the year ended December 31, 2013), is driven by stable and positively developing markets related to mainly the sport and outdoor market, with approximately 20 % pertaining to the bags for electronic devices market, which has shown significant trend variations within product groups. The remaining approximately 10 % is related to what we consider to be more cyclical markets (work gear) or weather dependent markets (snow chains).

We believe that the following fundamental trends will contribute to long-term growth in the outdoor and bags market:

- ***Increased consumer focus on active lives:*** As consumers' disposable income has risen over time, we have seen increasing value allocated to sports and outdoor activities.
- ***Consumers are enjoying multiple activities:*** Consumers are more likely to engage in a variety of sports and outdoor activities – *e.g.*, hiking one day, biking another and kayaking a third – than in the past. This drives the need for consumers to have the means by which to carry gear for multiple activities.
- ***Emergence of new sports:*** As sports and consumer interests evolve, new niche activities take hold creating the need for different accessories to transport sport equipment. An example of this is stand-up paddling, which has grown significantly over the last five years. Further, sports that are already popular, such as skiing and cycling, are subject to developing trends that require adaptations of existing accessories, *e.g.* wider ski carriers for wider carving skis and bike carriers with ability to carry heavier loads due to the emergence of heavier battery-driven e-bikes or with different wheel attachments due to the emergence of "fat-bikes" (bikes with over-sized tires).
- ***Consumers remain active at older ages:*** As consumers tend to be active at older ages, we have seen increases in sales among the age group 40+ years, who are enjoying sports and outdoor activities and who tend to have more disposable income to spend on high quality premium products.
- ***Parents want to continue to enjoy their activities, with their small kids:*** We have seen that the current generation of young parents are increasingly wanting to maintain their active lives and keep in shape immediately after having their children. Having busy lives, young parents want to share this experience with their kids, thereby driving the need for solutions that enable them to bring their kids along when exercising or being in the outdoors.

- ***Consumers want to be connected and share their experiences:*** With an ever growing trend of interconnectivity and desire to share their favorite moments, consumers are bringing their electronic devices during more activities, driving the need for solutions to transport and protect those devices.
- ***Consumers are increasingly aware of which brands and products they seek:*** With the ability to search information that is readily available on a global basis, consumers are either seeking the cheapest solution or brands that they can connect to and trust and that offer product features and more options for their needs. This drives the trend towards a polarization of either so-called value brands or globally leading brands that stand for strong values in terms of always delivering high quality products that are functionally smart, aesthetically pleasing and more high-end in nature.
- ***Growing GDP and related increasing consumer interest in sport and outdoor activities in developing economies:*** With increased income and ability to live active lives in emerging markets a new consumer base is growing in countries such as Russia, Eastern Europe and Latin America and starting to establish in China and South East Asia.

The outdoor and bags market

The sport and cargo carriers market

The sport and cargo carrier market is in general characterized by a large number of relatively small manufacturers that specialize in a limited product portfolio for a limited geographic area (with the one exception being Thule Group). We believe that this is mainly due to high barriers to entry in the sport and cargo carriers market as products need to adhere to stringent demands in accordance with rigorous global, regional and local laws as well as demanding testing standards such as ISO-, EN- and DIN-standard. These standards, that have been implemented in order to ensure high levels of safety for consumers in road traffic, are both technically challenging and costly to meet, particularly when fully implementing them on a global basis across a broad range of products.

These barriers to entry combined with the fact that the retail customer base is very broad with few large global accounts to fully support a manufacturer in terms of sales volumes to spread development costs, we believe has resulted in this category becoming more polarized over recent years. Premium products at high prices and more basic products at aggressive prices have gained market shares over the mid-level solutions in terms of quality and price.

The sport and cargo carrier market is estimated to have grown at a net sales compounded annual growth rate ("**CAGR**") of 3% in the period 2010–2013 and is expected to grow at a CAGR of 3–4% in the period from 2013 to 2017. The core market driver for the sales of products in this market is the desire of consumers to pursue a specific activity, such as biking, skiing or kayaking, or a general desire to enjoy active outdoor lives.

The bags for electronic devices market

The barriers to entry within the bags for electronic devices market are generally relatively low as most of the products have a relatively low technical content and most products sold by brand owners around the world are manufactured by a large supply base in China and South East Asia. This has resulted in a much broader base of brands in the market and a more rapidly changing market share environment. A majority of companies focus on a limited product group (*e.g.*, camera bags or only smartphone and tablet cases), but there are also manufacturers that offer a relatively broad assortment across the overall product category.

The bags for electronic devices market has overall been characterized by differing development trends in various product groups, with certain categories showing significant growth in recent years (*e.g.*, tablet and smartphone cases and interchangeable lens camera bags), and others experiencing decline (*e.g.*, point-and-shoot camera bags). This development mainly follows the rapid development within the electronic device market as the products within the category are used by consumers to protect and bring with them the electronic devices they utilize most. The growth and decline for a specific electronic device have therefore a significant impact on the development of the market for the same device category.

Development of key sub-markets within bags for electronic devices markets

Sales value CAGR	Estimated market size by net sales in 2013 (SEK billion)	2010–2013	2013–2017 (est.)
Camera bags		**–6%**	**0%**
Interchangeable lens	1.9	12%	5–7%
Point-and-shoot	0.8	–25%	–22%
Laptop and tablet		**30%**	**20%**
Laptop bags	6.3	–4%	4–5%
Tablet cases	12.0	115%	26%
Phone cases	**21.8**	**58%**	**13%**

Within camera bags, the market for bags for interchangeable lens cameras is expected to continue to grow in 2013–2017, although at a slightly slower pace than in recent years as the growth of the smaller Compact System Cameras with interchangeable lenses in the Asian markets are not expected to continue at the same pace. Point-and-shoot camera bags are expected to continue to decline as consumers utilize smartphones to capture the type of quick photos for which point-and-shoot cameras historically have been used.

The markets for tablet cases and smartphone cases are also expected to grow in 2013–2017, but at a slower rate than in 2010–2013 as consumers in the more mature markets are not expected to increase the number of additional devices acquired every year at the same pace as in recent years. The laptop bags market is expected to grow in 2013–2017 after a decline in 2010–2013, primarily as a result of an expected increase in sales of so-called Chromebooks and other cloud-based lower cost laptop devices.

The bags for electronic devices market as a whole is estimated to have grown at a CAGR of 36% in the period 2010–2013 and is expected to grow at a CAGR of 15% in the period from 2013 to 2017.

The other outdoor and bags market

As the other outdoor and bags market has sub-markets that have demonstrated different market trends over the years, these sub-markets are addressed separately below. Historically, the sport and travel bag market has experienced a relatively stable long-term growth at a CAGR of 2–3 % , linked to the same drivers for growth as the sport and cargo carrier market (*i.e.*, increased desire from consumers to be healthier and enjoy active lives longer). Market estimates suggest that the growth will continue to be in line with past growth rates at a CAGR of 2–3 % over the coming three years.

Similar to the bags for electronic devices market, the sport and travel bags market is very fragmented with a limited number of global brands and a large number of companies providing products at a wide range of prices, utilizing outside third party suppliers (mostly based out of China and South East Asia) for sourcing of finished products, which has led to low barriers to entry in the market. The majority of companies focus on a limited product group (*e.g.*, only bike transport cases), but there are also manufacturers that offer a relatively broad assortment across the several product groups.

Within the active with kids market, growth is estimated at a CAGR of around 3–4 % in the last three years and is linked to both the number of child births as well as the more active lifestyles of parents which leads to the purchase of more sports oriented child transport solutions. Growth in this market is estimated to continue to perform at this level in the coming three years. Also within the active with kids market the majority of companies source finished products from suppliers in China and South East Asia. However, as there are more test standards and more stringent legal requirement to adhere to within the juvenile market, the active with kids market still has higher barriers to entry than those of the bags-related markets generally. This has led to a more limited number of companies holding relatively large market shares as compared to the bags-related markets generally.

The RV product market in Europe is mainly linked to consumers purchasing either a new or a used motorhome to which the consumer wants to add solutions to better enjoy the outdoors (*e.g.*, protection from weather conditions or the possibility to bring with them additional products such as bikes). A limited number of companies lead the sector in the European market, partly due to demanding test standards and partly due to the relative concentration of the customer base. The market contracted in the period 2010–2013 at a CAGR of –3 %, but is expected to have flat to limited growth (0–2 % CAGR) in the coming three year period as market estimates indicate a small percentage increase in sales of new RVs.

The specialty market

Within the specialty market, the development of the work gear market (mainly pick-up truck tool boxes) in the United States is limited to the domestic housing market, as these products are primarily used by contractors and other small building entrepreneurs to carry their tools and utensils. The U.S. housing market (*i.e.*, newly built homes, as defined by National Association of Home Builders) declined from 2007 to 2009 with more than an 80 % drop, remained stable between 2009 to 2012 and showed growth again in 2012 and 2013. It is estimated to continue to show growth in the period 2014 to 2017.[1)] The market driver in this context is the purchase of pick-up trucks mostly by small businesses to use in their work and their need for tool boxes for their tools and utensils. The number of pick-up trucks sold is therefore a key driver for the category as a whole. The light truck sales had its weakest year in 2009 with more than five million units sold, which then grew to more than eight million units sold in 2013. It is estimated to grow with more than 20 % in the period from 2013 until 2017 corresponding to a CAGR of approximately 4.7 %.[2)]

The snow chain market is highly weather dependent as the product need is driven by the amount of snowfall and snowy road conditions. The market has a base business relating to use in locations where there is a constant need (*i.e.*, at high altitudes and at locations with very low temperatures), but its performance is, in significant part, volatile due to snowfall and snowy road conditions at lower altitudes closer to large metropolitan areas in the market's largest geographical regions (Italy, France, Austria, Switzerland and Germany), where it is a legal requirement to use snow chains in winter weather conditions. The market can exhibit very significant swings in terms of approachable market size in heavy snow-fall years versus low snow-fall years (such as 2013 compared to 2012, when our net sales of snow chains declined by 50 % due to limited snowfalls close to metropolitan areas in the market's largest regions in 2013).

The volatility of the market and the technical difficulties in manufacturing snow chains that can withstand extreme treatment in terms of wear and tear has led to a polarization of the European snow chain market over the past years into two categories of manufacturers:

- a limited number of high quality product manufacturers that meet all technical requirements for products that are exposed to significant wear and tear (with three major manufacturers, one of which is Thule Group) and that provide products to the professional snow chain market and high-end consumer snow chain market; and
- a wide array of manufacturers that provide low quality products for the consumer market where the consumer hopes that the need to use the product will be so limited that the lack of resistance to wear and tear will not become an issue.

1) National Association of Home Builders, 2014
2) LMC Automotive 2014

Value chain

The outdoor and bags market

The sport and cargo carriers market

In Europe, products within the sport and cargo carriers market were historically distributed in a three-step value chain, in which manufacturers sold to mostly automotive accessory wholesalers, which in their turn sold to automotive accessory retailers, which then sold to the consumers. This still holds true for smaller manufacturers. However, Thule Group has partly changed the market by moving to more direct sales to retailers, focusing more on the sport and outdoor retail channels.

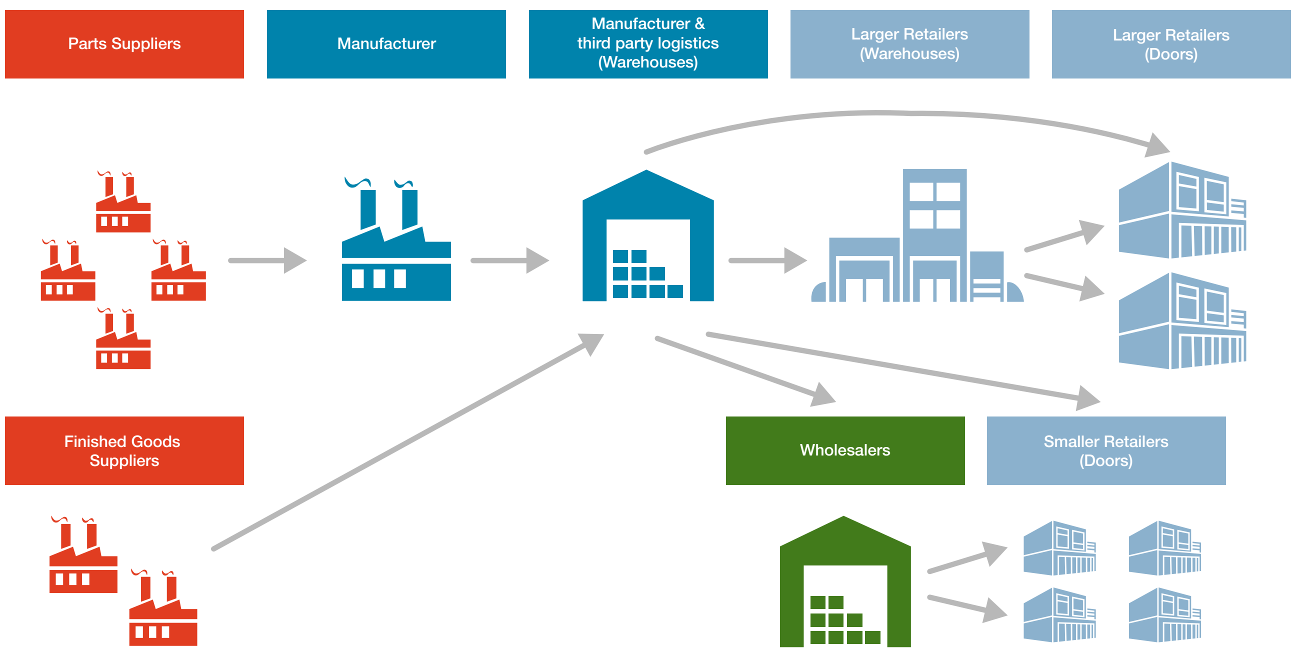
In other parts of the world, the value chain within the sport and cargo carriers market was established with more direct sales from manufacturers to sport and outdoor wholesalers and wholesalers for car accessories, which in turn sold to sport and outdoor retailers, or directly to major sport and outdoor retail chains and retail chains for car accessories, which sold to consumers.

The main sale channels in the sport and cargo carriers market are specialized sport and outdoor retailers and retailers for car accessories.

Furthermore, business is local in the sport and cargo carriers category in the sense that the relationships with stakeholders down the value chain are typically regional or local. As a result, manufacturers must have a strong local presence in order to build and maintain strong relationships with all stakeholders in the value chain. Market participants include:

- ***Manufacturers***, such as Thule Group, which, manufacture, assemble and sell primarily to retailers (or in the case of smaller manufacturers sell to wholesalers);
- ***Wholesalers*** that act as intermediaries, buying large quantities of goods and providing local availability for retailers;
- ***Large retail chains*** that sell directly to consumers, with a large number of bricks-and-mortar stores and an on-line presence, and centralized logistics and management such as REI in the United States, Halfords in the United Kingdom, Norauto in France and Mekonomen in the Nordics;
- ***Smaller specialist retailers*** that sell directly to consumers, often via one or a limited number of specialized bricks-and-mortar stores; and
- ***E-commerce retailers*** that sell directly to consumers on-line exclusively, such as Amazon.

Overview of the typical supply chain within the sport and cargo carriers market



The bags for electronic devices market
In the bags for electronic devices market products are mainly distributed by manufacturers to multi-brand wholesalers (particularly in smaller markets or when distributed by smaller manufacturers), which in turn sell mainly to consumer electronics retailers. Alternatively, manufacturers may sell directly to large bricks-and-mortar and/or e-commerce consumer electronics retailers (particularly in larger markets and when distributed by larger manufacturers), which then sell to consumers.

The other outdoor and bags market
Within the other outdoor and bags market the value chain has a different structure depending on product category due to the nature of how the product category markets have developed historically.

In the sport and travel bags markets products are mainly distributed by manufacturers that sell to multi-brand wholesalers focused on the sport and outdoor market (particularly in smaller markets or when distributed by smaller manufacturers), which in turn sell to sport and outdoor retailers or sell directly to large bricks-and-mortar and/or e-commerce sport and outdoor retailers (particularly in larger markets and when distributed by larger manufacturers), which then sell to consumers.

Products within the active with kids market are mainly distributed by manufacturers that sell to multi-brand wholesalers focusing on the juvenile or sport and outdoor channels (particularly in smaller markets or when distributed by smaller manufacturers), which in their turn then sell to juvenile product retailers or sport and outdoor retailers, or sell directly to large bricks-and-mortar and/or e-commerce sport and outdoor or Juvenile retailers (particularly in larger markets and when distributed by larger manufacturers), which then finally sell to consumers.

In the RV products market products are mainly distributed by manufacturers that sell to RV manufacturers or RV multi-brand wholesalers, which then in their turn sell to RV dealerships which then sell to consumers.

The specialty market

The work gear market
Within the work gear value chain products are mainly distributed by manufacturers selling to multi-brand distributors (in smaller markets or by smaller manufacturers), which in turn then sell mainly to do-it-yourself retailers or specialist outfitters. There are also manufacturers that sell directly to large do-it-yourself retail chains or specialized work gear retail outlets (in larger markets and by larger manufacturers), which then sell to the building companies owning a fleet of pick-up trucks or to consumers.

The snow chains market
Within the snow chains market, the consumer snow chains market has clear similarities with the traditional European value chain in sport and cargo carriers in the automotive channel, *i.e.*, products are mainly distributed in a three-step value chain, in which manufacturers sell to automotive accessory wholesalers, which in turn sell to automotive accessory retailers, which then finally sell to consumers.

A similar pattern exists within the professional snow chains value chain. However, within this market there also exists a parallel distribution channel through sales to fleets and specialized wholesalers.

Market competition and Thule Group's position

The outdoor and bags market

The sport and cargo carriers market

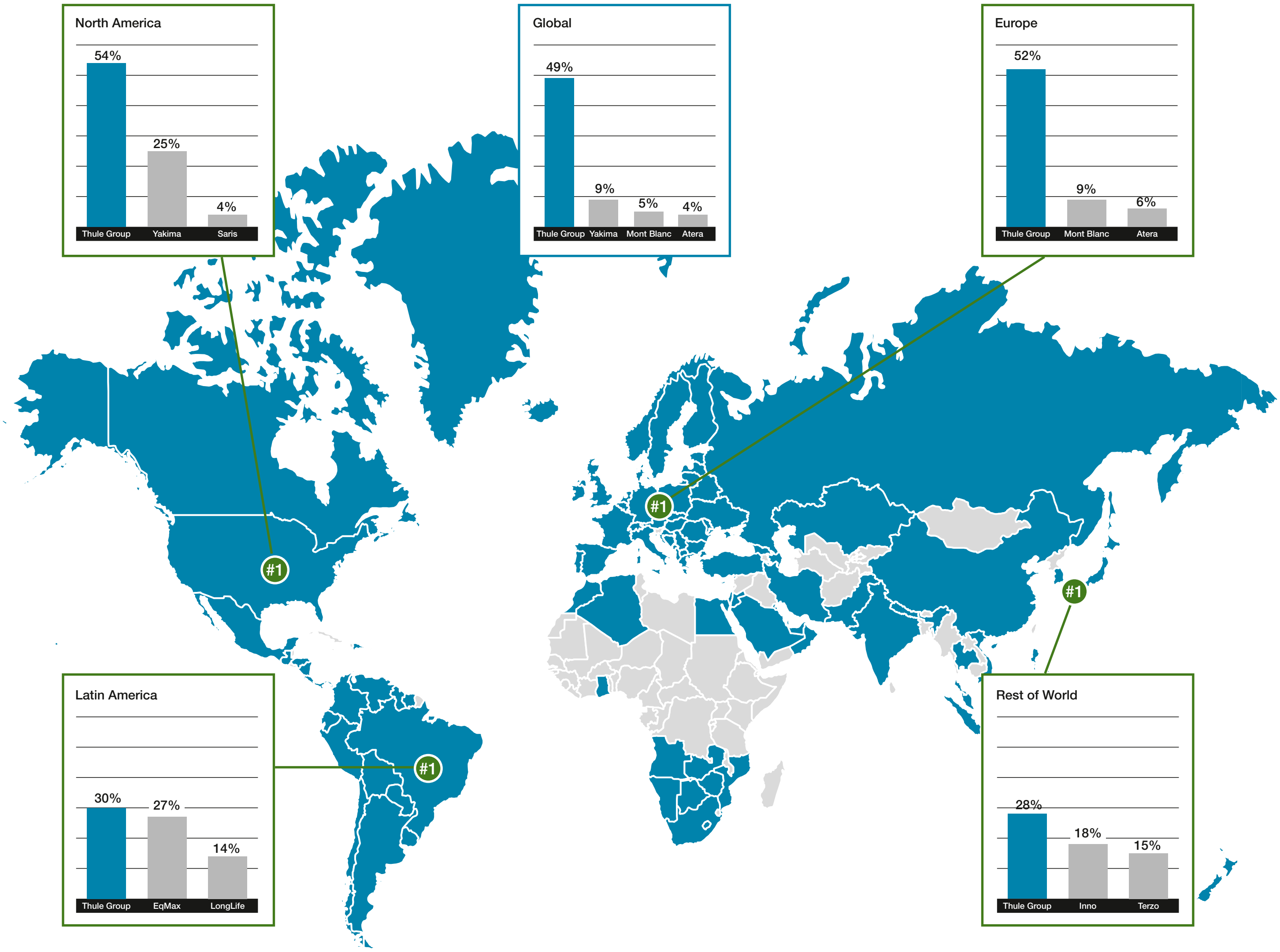
Within the sport and cargo carriers market (which represented 58 % of net sales for Thule Group in 2013) we are the global market leader with an estimated market share of 49 % measured in net sales. Our net sales in 2013 were estimated to be more than five times higher than that of the closest competitor and we also have a leading market share in each region and the only truly global brand in this market.

The market dynamics presented above in "– *Market characteristics, drivers and growth*" have resulted in a competitive landscape primarily comprised of more specialized companies from either a geographic or product portfolio perspective. The main competitors are:

- Yakima (estimated 9 % share in 2013) – as No. 2 in the world and in the Americas region Yakima has historically been the biggest competitor in the North American market with their traditional strong-hold in the Western parts of the United States. Yakima was acquired in 2009 by a Taiwanese company which also has acquired some other brands in Oceania in the market.
- Mont Blanc (estimated 5 % share in 2013) – Swedish manufacturer and mainly a provider of products directly to the car manufacturers and to retail in the Nordics, with some market share in the United Kingdom, France and Eastern Europe.
- Atera (estimated 4 % share in 2013) – German manufacturer with a relatively strong position in the German speaking Central European markets.

In terms of price positioning, Thule Group products are sold in the higher price and quality segments of this market.

Thule Group and main competitors' market share in 2013 by net sales in the sport and cargo carriers market



Source: Arthur D. Little analysis.

The bags for electronic devices market

The bags for electronic devices market (which represented 19 % of Thule Group's net sales in 2013) is highly competitive with low barriers to entry and with a broad base of competitors, where there is a large turnover of competitors, as outlined in "– *Market characteristics, drivers and growth – Market description*", especially in the lower price segment.

Within the bags for electronic devices market the sub-markets for bags for certain particular electronic devices is more stable. One key example being the camera bags market in which we are one of the leading global players in terms of market share with an estimated global No. 2 position (with an estimated 9 % market share in terms of net sales), with the market leader LowePro holding an estimated 27 % market share.

We furthermore hold strong market positions in the laptop and mobile handheld device bags and cases market in select geographic regions such as the United States, France and Benelux, but with lower market share in some core European markets such as Germany and the United Kingdom. The reason for these geographic positions relate back to the historical operational set-up and focus of the Case Logic company before being acquired by Thule Group.

We operate with the Case Logic brand in the medium price range and with the Thule brand in the higher price range within this market.

The other outdoor and bags market

The competitive landscape for the sub-markets within the other outdoor and bags market (which represented 11 % of Thule Group's net sales in 2013) differ significantly.

Within RV products (which represented 7 % of Thule Group's net sales in 2013) we are the market leader in the product categories/geographies in which we participate (awnings and bike carriers for RVs in the European market), with an estimated market share of 45 % in 2013. We offer products in the high pricing segment above that of our main competitor, which is the Italian manufacturer Fiamma.

Within the active with kids market (which represented 3 % of Thule Group's net sales in 2013) we have a strong market position globally in the multi-functional child carriers and bike trailers category, with an estimated market share of more than 30 % in 2013 (in a market with an estimated market size of SEK 0.5 billion in 2013) in terms of net sales. As of 2014, we are also new entrants in two other sub-markets within the active with kids market, the sport stroller/jogger market (with an estimated market size of SEK 0.7 billion in 2013) and in the child bike seat market (market size estimated to be SEK 0.5 billion in 2013). In the multi-functional child carrier market (where we, implicitly by the acquisition of Chariot Carriers Inc. in 2011, have been present for more than 20 years) we are priced in the premium segment at more than 30 % price premium compared to the main competitor, Croozer. In the two product groups which we entered in 2014 (sport strollers and child bike seats) we are priced in the higher segment in line with the market leaders (BOB in sport strollers and Hamax and Yepp in child bike seats).

In the very large and fragmented sport and travel bags market (which represented less than 1 % of Thule Group's net sales in 2013 as we entered the market that year) we have a very limited market share. In 2013 leading market shares were held by North Face in sports duffel bags, Osprey in technical backpacks and Ortlieb in bike pannier bags. In terms of pricing, Thule Group operates in the high price range consistent with the market leaders.

The specialty market

The competitive landscape for the sub-markets within the other specialty market (which in total represented 12 % of Thule Group's net sales in 2013) differ significantly.

In the U.S. work gear market we estimate that we had a market share of around 15 % in 2013 and hold a position as one of the top four companies in the market, with other major players being Knaack, Daws/BetterBuilt and Delta. Our pricing level is at the mid-range in the work gear market.

Within the snow chains market we estimate that we are the second largest company in the European market (after the market leader Pewag) measured by net sales, with a market share of around 25 % in 2013 and with market leading positions in two core markets, Italy and France. Furthermore, we are among the top three companies by market share in Germany, Austria, Switzerland and Japan. Due to the volatility between geographic markets in terms of snow fall, global market shares may shift significantly between years (please also see "*Risk factors – The sale of snow chains is subject to winter weather conditions*"). Our products are sold in the higher price ranges.


THULE

› Business description

Introduction

Based on estimated market share by product category, we are the market leader in the sport and cargo carriers market and a leading company within the other outdoor and bags market, selling our products in 136 countries and via more than 4,700 retail Key Account and/or Thule Retail Partner[1)] unique points of sales (so-called "*doors*"). In addition we have strong positions in some product markets within the bags for electronic devices market as well as the other outdoor and bags (*e.g.*, multi-functional child carriers and RV Products). Within the specialty market we have more than 2,500 Key Account retail doors selling our products.

Our largest brand, Thule, is a premium brand recognized throughout the world among active consumers for premium products that are safe, easy-to-use and with a contemporary design.[2)] With the Case Logic brand we are well-established in many geographic markets in the world in the bags for electronic devices market.

Overview

We provide products in two business segments; ***Outdoor&Bags*** and ***Specialty***. Outdoor&Bags is divided into two regions (*Europe and ROW*[3)] and *Americas*[4)]), whereas there is no regional segmentation within Specialty.

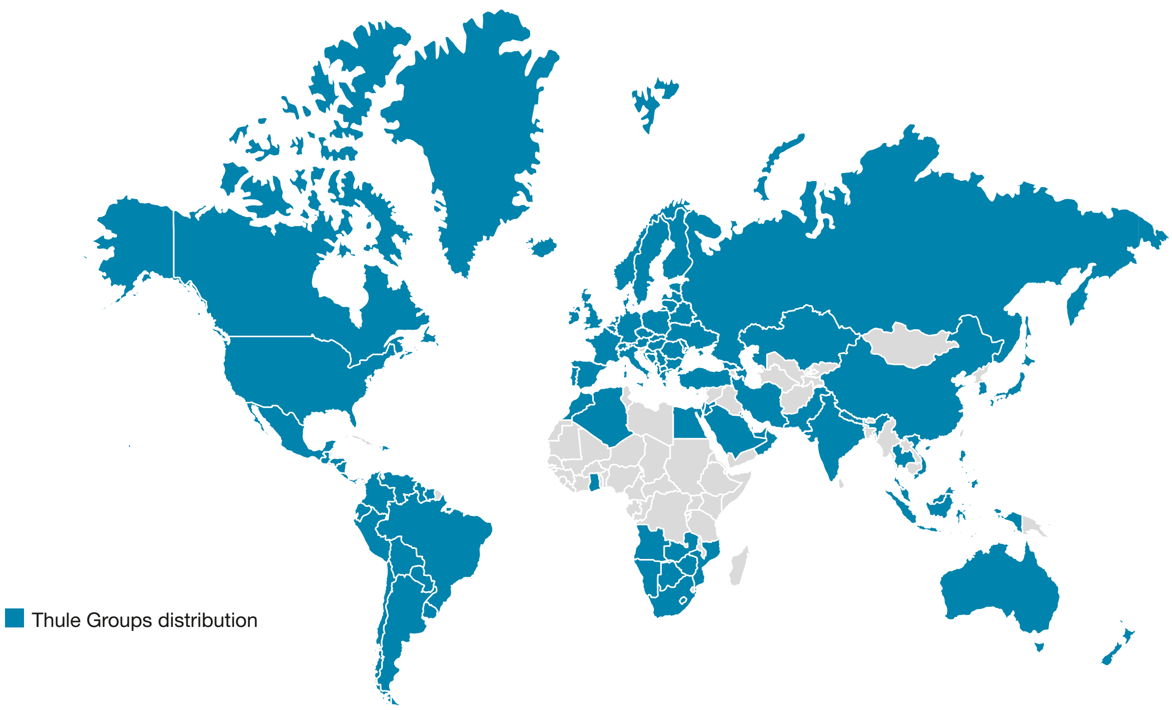
Outdoor&Bags includes the following product categories and product groups:

- ***Sport&Cargo Carriers***
  - *Bike Carriers*
  - *Cargo Carriers*
  - *Roof Racks*
  - *Water/Winter/Other Carriers*
- ***Bags for Electronic Devices***
  - *Camera Bags*
  - *Laptop Bags and Mobile Handheld Device Cases*
  - *Other Bags&Cases for Electronic Devices*
- ***Other Outdoor&Bags***
  - *RV Products*
  - *Active with Kids*
  - *Sport&Travel Bags*

Specialty includes the following product categories and product groups:

- ***Work Gear*** (in North America only)
  - *Pick-up Truck Tool Boxes*
- ***Snow Chains***
  - *Professional Snow Chains*
  - *Consumer Snow Chains*

Markets in which Thule Group products are sold



1) See "– *Sales and Distribution*" below for a description of Key Accounts and Thule Retail Partners.
2) In our largest market, the United States, the brand has an 85 % unaided brand awareness among active outdoor consumers (NPD Leisure Trends 2014 Unaided Brand Awareness among Active Outdoor Consumers study) and similar recognition is estimated to apply in this category around the world.
3) ROW refers to the rest of the world (*i.e.*, excluding Europe and the Americas).
4) The *Americas* include North, Central and South America.

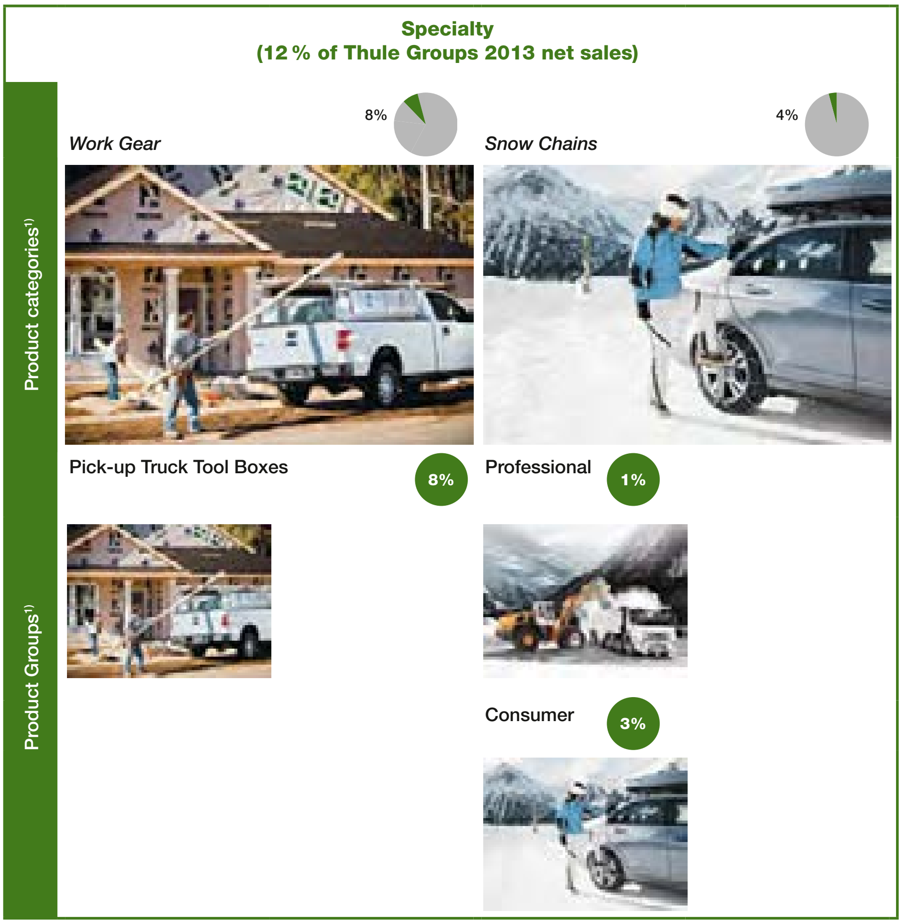
In 2013 we generated SEK 3,824 million of net sales from Outdoor&Bags, which represented 88.3 % of our total net sales. In the nine months ended September 30, 2014 we generated SEK 3,395 million of net sales from Outdoor&Bags, which represented 91.3 % of our total net sales.

Outdoor&Bags' share of Thule Group 2013 net sales

1) Share of Thule Group 2013 net sales.
2) We entered into the Sport&Travel Bags category in 2013 and, as such, this product group is still in an early stage of development. Consequently, the Sport&Travel Bags product group's share of Thule Group's 2013 net sales was limited.

In 2013 we generated SEK 506 million of net sales from Specialty, which represented 11.7 % of our total net sales. In the nine months ended September 30, 2014, we generated SEK 321 million of net sales from Specialty, which represented 8.7 % of our total net sales.

Specialty's share of Thule Group 2013 net sales



1) Share of Thule Group 2013 net sales.

In 2013, 3.1 % of our net sales were generated in Sweden, 51.1 % in other Europe, 37.2 % in North America and 8.6 % in rest of world. In the nine months ended of September 30, 2014, 3.7 % of our net sales were generated in Sweden, 54.2 % in other Europe, 35.1 % in North America and 7.0 % in rest of world.

We sell our products primarily to retailers, as well as to distributors/wholesalers (in smaller geographies or in order to more efficiently serve smaller retailers in larger geographies), and benefit from longstanding and stable customer relationships. As of September 2014, we sold our products in 136 markets, had own operations in 15 countries, had 10 proprietary manufacturing facilities, and had approximately 2,200 employees ("**FTEs**" – full time equivalents). Our headquarter is located in Malmö, Sweden.

Our history

Thule Group was founded in Hillerstorp (Sweden) in 1942, where we still today have our largest product development center and our global Thule Test Center. The first product aimed at the sports and cargo carrier market was a ski-rack that was launched in 1962. From that launch the family company focused its business on growth in the category of transport solutions for cars and quickly established a leading market share in the Scandinavian market. By the 1970s, we became part of the stock exchange listed Eldon Group, entered into the roof box market and also moved into Central European markets, where we achieved a leading market share in the sport and cargo carrier market. Through the introduction of watersports carriers for windsurfing, Thule Group took off in the early 1980s in the United States. Global expansion to Asia, Oceania, Africa and Latin America followed in the 1990s with bike carriers and roof boxes as the fastest growing categories and with what we today call Sport&Cargo Carriers as the focus of the company.

In 1999 Eldon Group was acquired and de-listed from the Stockholm stock exchange by the Sweden-based private equity firm EQT and expansion continued with the establishment of a Polish assembly unit. In 2004 Thule Group was acquired by UK-based private equity firm Candover and embarked on a period between 2004–2007 of significant M&A activity, growing the turnover more than three times. The acquisitions at the time added a number of new product categories and brands, most of which were associated with the car (tow-bars, towing hitches, car trailers and snow chains), but also in other categories (RV Products and Bags for Electronic Devices).

In May 2007, Thule Group was acquired by Nordic Capital. In 2008, a number of events, including the negative development in the global financial markets and the decline in sales in some of the previously acquired product categories that no longer are part of Thule Group (car trailers, tow-bars and hitches, integrated car roof rails), led to a decline in our business. Pressure on our liquidity followed due to a combination of substantial reduction of market demand (in the divested segments) and our high leverage. In December 2008, following covenant defaults and negotiations with our lenders, the lending bank consortium received preference shares and warrants.[1)]

These events led to a restructuring in December 2008. Following the restructuring as well as plant closures and efficiency measures taken in the latter half of 2008 and all of 2009, a new management team was put in place at the start of 2010, which pursued a more focused strategic direction with strong emphasis on consumer branding and providing consumers great branded end-products for people wanting to enjoy an active life. The strategy was implemented under the "*Bring your life*" slogan.

As a consequence of the improvements implemented in 2009–2010, the ownership share of the lending banks was purchased by Nordic Capital in December 2010, creating the current shareholder structure.[2)]

In the years 2010–2014, we accelerated the creation of an integrated group of business units focused on a branded consumer goods approach in all aspects of our operations. With increased product development spend, a more flexible supply chain approach, added retail competence and enhanced consumer communication, we transformed Thule Group from a relatively disparate group of business units to a more focused company with an emphasis on branded consumer goods. We divested non-core businesses (automotive industry sub-supplier businesses such as U.S.-based hitch towing solutions in 2009, integrated car roof rails in 2010 and the European tow-bar business in 2014, and the car trailers business focused on the Nordic countries in 2014) and exited some cyclical low-margin product categories with limited brand connection (hardware chains in 2012 and step-bars for pick-ups in 2013). In addition, we increased our focus on product development within new consumer products, such as products for parents who want to be active with their kids and sports and travel bags. These changes are aimed at enabling a more focused organization, stronger brand recognition, economies of scale, increased operational effectiveness, opportunities for forward integration, stronger retail relationships and as a result, enhanced profitability.

Recent initiatives

The "Bring your life" transformation

Thule Group has, for more than seventy years, developed products that have made it easier for people to live active lives. Since 2010, when the current management team was appointed, we have pursued a focused strategy with strong emphasis on consumer branding of a wide range of premium products for active people under the slogan "*Bring your life*". In addition, the "*Bring your life*" transformation has included the implementation of several initiatives with the aim of creating a more focused and better integrated company with the economies of scale from integrated back-end processes combined with reinforced local sales force and customer service units serving local markets.

Increased brand focus

We have clarified our brand portfolio priorities and strengthened the focus on our strategic core brand, Thule, allowing us to create a stronger emotional connection between the consumers and the brand. In the past five years we have fine-tuned our brand portfolio and in 2009 our core brand Thule accounted for 35 % of total net sales (including discontinued operations), whereas in 2013 the Thule brand accounted for 58 % of total net sales (excluding discontinued operations). This has been achieved through a more clearly defined central brand portfolio management structure for defining, protecting and promoting the Thule brand as a true outdoor brand. In the process, we have trained our staff and our retail partners via the Thule Retail Partner Program on how the brand should be represented.

1) The lending bank consortium consisted of seven lending banks, of which Nordea was the largest creditor. The lending banks received preference shares and warrants in exchange for a total SEK 500 million loan write-off allocated proportionately to their respective exposure.
2) The lending bank consortium sold their preference shares and warrants back to Nordic Capital.

We have also updated our approach to the brand in the online channels by improving accessibility of the brand's homepage, thule.com (with a global set-up in 86 local market places in 26 languages and with more than 15 million yearly unique visitors), the launch of our own YouTube channel ThuleBringYourLife with more than 3.3 million views per year (featuring brand films, category films and instruction films for the usage of our products), the opening of our own Facebook account (with more than 100,000 likes as of September 2014), and by continuing to develop our cooperation with the inspiring athletes through our Thule Crew initiative. Our online strategy and brand enhancement also include cooperation with social media bloggers as they play an increasingly important role in feeding online purchases as well as purchases generally.

We have also enhanced our focus on brand appearance at fairs and events around the world and significantly increased our public relations focus across lifestyle and sports media, garnering more than 900 top-tier media articles in 2013.

Increased design and product development focus

With the clear view from senior management and throughout the company to be a market leading company, we need to offer the best products in the market, in existing categories as well as the new ones we enter. We have therefore focused on both developing more solid product development processes and dedicating more funds to the in-house expertise we have within design, product development and product testing. We increased the spend on product development as a percentage of sales from 2.8 % in 2009 to 4.2 % in 2013, and added more in-house design expertise as well as started a broader co-operation with external niche experts in product design.

The increased spend on product development, in combination with the technical competence that has enabled the development of a well-established patent and design portfolio and have helped us to increase the share of sales from products launched in the last three years from 32 % in 2009 to 46 % in 2013. The focus on new product development has helped us to organically enter into brand new product categories such as smartphone cases, Sport&Travel bags, bike child seats, sport strollers and to win numerous design and trade awards (more than 20 prestigious design awards in the last 18 months, such as RedDot and IF Product Design); and to reduce product replacement cycles by one-third in the last five years. But more importantly it has enabled us to continue to further build consumers' trust in our ability to deliver great products.

In addition, we continue to evaluate acquisitions that could offer us the possibility to more quickly enter product categories where we plan organic product development expansion. As an example, in 2011 we acquired the Canada-based Chariot Carriers Inc. from its founder as a means to more rapidly move into the Active with Kids product category. Chariot had a leading market share within multi-functional child carriers. Development of the products, which was the core strength of Chariot, continued in Calgary with the founder staying on as head of innovation while we integrated all other functions within Thule Group. In 2013, in connection with a range of new products being launched, the Thule brand replaced the Chariot brand within these product lines.

Increased omni-channel commercial focus

As we had more than 16,000 retail doors (including the prioritized 4,700 doors with Key Accounts and Thule Retail Partners[1) within the Outdoor&Bags segment and the 2,500 doors within the Specialty segment across) across 136 markets entering 2010 (many with very limited representation of Thule products), the transformation within our commercial focus was on driving more sales via a more limited set of retail partners that were more aligned to the brand values of Thule. This had an impact on channels in some geographies (especially in Northern Europe where we historically had sold more products in the automotive retail channel and needed to open up more sport and outdoor retail) as well as type of stores (focusing more on driving sales to the select partners). Certain forward integration initiatives in four of our major markets (Germany, Netherlands, Belgium and Sweden) were carried out during 2012–2013 and we have continued to focus on more proactive customer services and internal sales organization in our core markets.

A Thule Retail Partner program with new packaging, merchandizing, planogram reviews (a visual merchandising tool indicating the placement of retail products on shelves in order to maximize sales) and training was started in 2010 and has been rolled out since with focus within the route-to-market strategy to drive business via our defined Key Accounts (large retail chains with focus on Thule products) and Thule Retail Partners (smaller retailers or retail chains specialized in Thule Group product categories and with focus on our brands). During the period from 2011 until September 2014 the Thule Retail Partner program was rolled out in more than 2,000 retail stores. Under the agreement with the smaller Thule Retail Partners we still own the merchandizing solutions (all taken directly on the P&L at the time of roll-out) and thereby have not loaded cost levels on the smaller retailers. By the end of 2013 we had established more than 4,700 doors with Key Accounts and Thule Retail Partners within the Outdoor&Bags segment and more than 2,500 doors within the Specialty segment.

At the same time we have also significantly enhanced our support of e-commerce (either directly by pure e-tailers or via sales from customers that have physical stores as well as e-commerce platforms). This has been achieved through a structured strategic approach in which we have focused on the following aspects of driving sales online:

- pre-purchase approach that targets to drive awareness of our brands and product offer;
- during purchase approach that focuses on the search and select phase of the consumer as well as on tools that enable an efficient actual purchase process on-line; and
- post-purchase interaction that enables our consumers to share their experiences with us and their fellow consumers.

The efforts pushed out over recent years and planned for coming years with an enlarged organization and increased emphasis ensure that we have a strong position in an increasingly digital market, thanks to the following main areas:

- improved websites for our brands (as of September 30, 2014, our major brand website *thule.com* was available in 81 unique local market versions in 26 different languages, with 15 million unique visits); and
- improved extranet functionality that facilitates both a better brand presentation and a more consumer friendly set-up for our customers.

1) See "– *Sales and Distribution*" below for a description of Key Accounts and Thule Retail Partners.

Increased operational and back-office efficiency

Over the past years, we have continued our focus on back-end effectiveness and efficiency to capture economies of scale and have reduced duplication, increased centralized activities, and harmonized key processes within our support functions (such as senior management, finance and human resources). As a result, we have been able to reduce the management structures in Outdoor&Bags Region Europe and ROW. In 2013, we integrated the management and back-office function for Bags for Electronic Devices with that of the rest of the Outdoor&Bags organization. Our administrative costs as a percentage of net sales decreased from 8.0% in 2009 to 6.9% in 2013.

In terms of operations we have continued to invest and develop our operations at most of our sites, but have also started the implementation of the closure of a small site within the Specialty segment in Fall Rivers (MA, U.S.) by year-end 2014 and have started the building of a new Eastern European warehouse to be located next to our major assembly plant in Huta (Poland) in order to more cost-efficiently support our sales growth in Eastern Europe.

We have also implemented numerous other initiatives (the full impact of which has not yet been realized). We have so far, as a result of our efforts, increased recurring operating EBIT from SEK 448 million for the year ended December 31, 2009 to SEK 588 million for the year ended December 31, 2013, a CAGR growth of 7.0% and 12.6% in constant currency. During 2014 the strategy has continued to show results with an increased recurring operating EBIT for the period January-September from SEK 543 million in 2013 to SEK 650 million in 2014, a growth of 19.6% and 11.3% in constant currency.

Key strengths and competitive advantages

We believe that Thule Group has the following key strengths and competitive advantages, enabling us to execute our strategy as well as deliver our long-term financial targets.

Favorable fundamental global trends driving attractive long-term market growth

The outdoor and bags market is to a large extent positively affected by so-called "fundamental global trends", which we believe include the following:

- consumers are increasingly focusing on active lives;
- consumers are enjoying multiple activities;
- new sports are emerging;
- consumers remain active at older ages;
- parents want to continue to enjoy their activities with their small kids;
- consumers want to be connected and share their experiences;
- consumers are increasingly aware of which brands and products they seek; and
- GDP and consumer interest in sport and outdoor activities are growing in developing economies.

The above mentioned fundamental global trends have been driving historical growth within the outdoor and bags market and we believe that they will continue to contribute to attractive long-term growth. The single most important approachable market for Thule Group, the sports and cargo carrier market, is estimated to have grown at a CAGR of 3% in the period 2010–2013 and is expected to grow at a CAGR of 3–4% in the period from 2013 until 2017.

Clearly differentiated premium brand with strong values

Our core brand, Thule, which in 2013 accounted for 58% of Thule Group's net sales, is a globally recognized premium brand.

In our largest market, the United States, the brand has an 85% unaided brand awareness among active outdoor consumers[1] and similar recognition is estimated to apply in this category around the world, thanks to the wide range of outdoor activities for which the Thule brand offers solutions. With the recent expansion into other product categories initiated in 2010 and Thule's slogan "*Bring your life*", we have been able to increase brand recognition even further.

Our second largest brand, Case Logic, celebrates 30 years in 2014. Case Logic accounted for 16% of our net sales in 2013 and has a strong market position in its category of Bags for Electronic Devices, focusing on products for trendy, young people who use their electronic devices in an urban environment. The brand is estimated to be the number two camera bag brand in the world, one of the top four in the world for laptop bags and one of the leading brands in MHD (mobile hand-held devices) cases in select large core markets such as the United States, France and Benelux. We believe that Case Logic has growth opportunities within the MHD category. These growth opportunities include increased tablet focus and increased expansion into new retail in key markets in Europe where the brand has not been so prominent in the past years, such as Germany and the UK.

We believe that our brand strengths facilitate the introduction of new products and foster loyalty and trust among both our customers and the end consumers, which allows us to build stable relationships with all stakeholders in the value chain, as evidenced by our ability to maintain and improve the market position of our strategic brands.

As a result of our product offering, we believe that we have become a preferred partner for our retail customers and have created a brand with high loyalty among our consumers.

Market leading new product development and testing

We have built Thule Group on our core product development vision that we should only offer quality products that our employees themselves would buy, as these kinds of products create long-term consumer loyalty. We believe we have a market leading in-house design and development organization that meets these high standards. Anchored by our global organization of 135 full-time equivalents, we have been able to provide a wide range of highly functional products that are safe, easy-to-use and with a contemporary design. We generated 46% of our net sales in 2013 from products launched within the last three years. This has been made possible due to (i) our stable and well implemented product development processes, that uses our understanding of how consumers use our products, enable us to repeat defining the right specifications for future product generations and to develop products that meet and exceed those specifications, (ii) a large IP portfolio with more than 1,600 patents and designs registered and (iii) our state-of-the-art in-house test capabilities and extensive in-use testing using our Thule Crew of sponsored extreme athletes and our brand enthusiast consumers around the world.

1) NPD Leisure Trends 2014 Unaided Brand Awareness among Active Outdoor Consumers study.

Extensive portfolio in Sport&Cargo Carrier category

In the Sport&Cargo Carrier segment, which accounted for 58 % of our net sales in 2013, we cover the widest modularized assortment in the market and offer more than 2,500 stock keeping units, enabling us to offer consumers the right combination of solutions for specific sport and outdoor products a particular consumer wants to transport (*e.g.*, a carbon frame road bike, a downhill mountain bike or an urban E-bike all create different demands), where on the car the consumer wants to transport the products (*e.g.*, on the roof, on the rear door or sitting on the tow-bar) and with which exact model of the car the consumer wants to use (*e.g.*, different car models have different designed roofs, demanding specific fitting kits for this model). The Sport&Cargo Carrier category also has high technical demands as products must pass very stringent test demands according to ISO-, EN- and DIN-standard, which indicates that barriers for entry are high.

Efficient global supply chain set-up and capabilities

Within the Sport&Cargo Carrier product category we have our own manufacturing capabilities in the form of focused efficient assembly centers around the world (Sweden, Poland, Germany, the United Kingdom, the U.S. and Brazil) and efficient forecasting and supply chain capabilities that enable us to serve the market with high On-Time-In-Full ("**OTIF**")[1] performance with short lead times. In addition, we have 13 larger warehouse and distribution facilities around the world (a combination of in-house and third-party) in the U.S., Canada, Brazil, China and in seven European countries in order to be close to the market and enable short lead times to our retail customers. The economies of scale and integration of Design for Manufacturing and Design for Assembly methodology when we develop products enable us to achieve cost efficiencies in our supply chain, while maintaining flexibility.

We also have own manufacturing capabilities within the Specialty segment as well as in the product group RV Products (part of the Other Outdoor&Bags product category), while we utilize our globally located sourcing organization for the categories Bags for Electronic Devices, Active with Kids and Sport&Travel Bags.

1) OTIF is a measurement of delivery performance in a supply chain. OTIF measures the degree to which the Company's customers get the exact quantity of products that they have ordered at the exact time when they ordered delivery of the products.

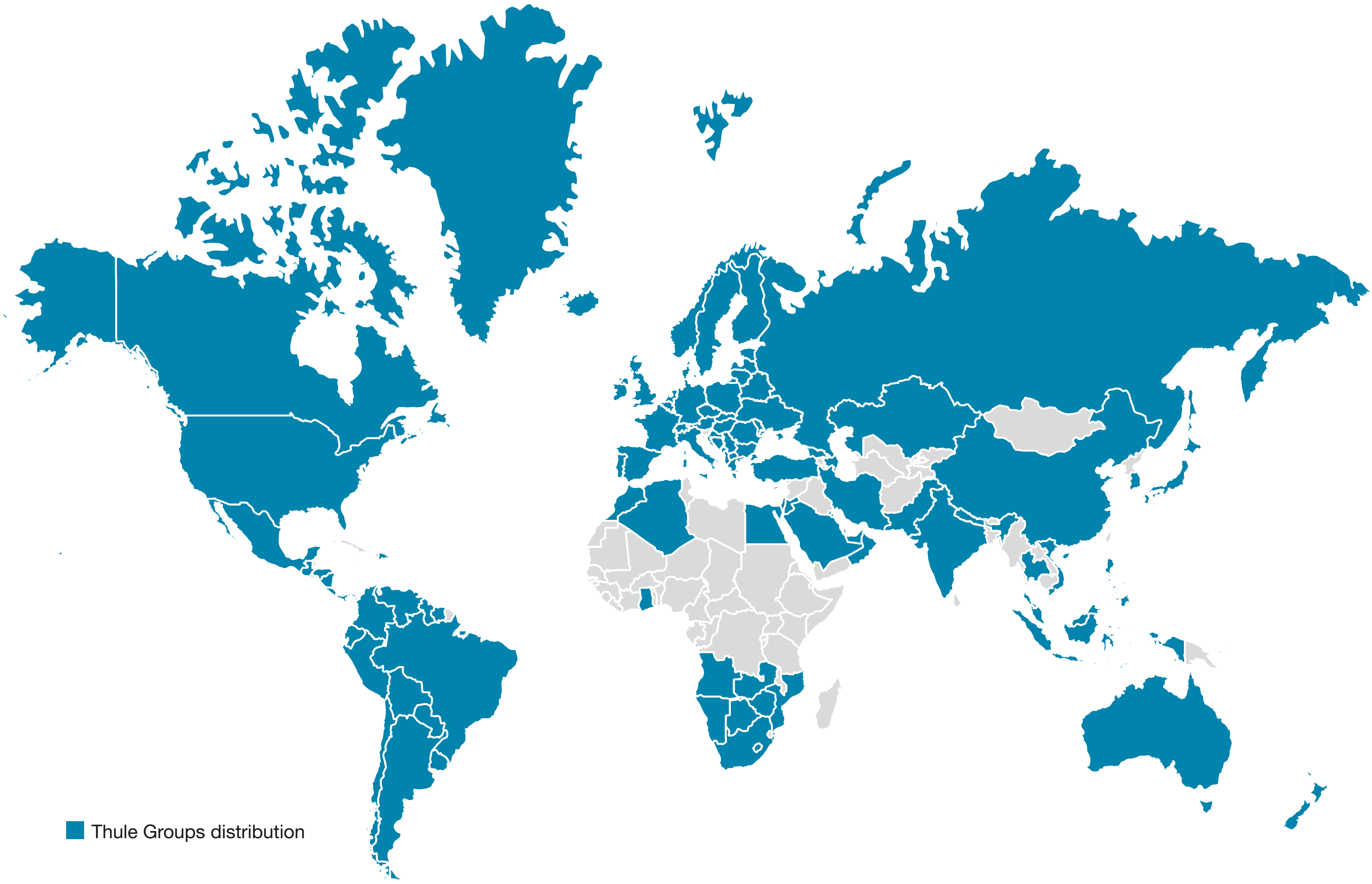

TOW-AWAY
NO STOPPING
ANY TIME
THULE

Global route-to-market strategy supporting Thule Group's resellers

We have, over the last five years, implemented a structured authorized reseller concept across the world, with focus to drive more sales through the outlets focused on delivering on all aspects of our brands: a suitable selection of products, a high training level of sales staff and an adherence to brand guidelines. Within the route-to-market strategy we have defined Key Accounts and Thule Retail Partners that have shown great interest in Thule Group's product categories and which focus on our brands. By the end of 2013, we had established more than 4,700 retail doors with these Key Accounts and Thule Retail Partners within Outdoor&Bags and 2,500 doors within Specialty segment.

Key Accounts and Thule Retail Partners

Outdoor&Bags Americas	Outdoor&Bags Europe and ROW	Specialty
• 2013 No. of doors: >1,740[1] (Key Accounts and Retail Partners) • 2013 external revenue: SEK 1.4 billion • % of total revenue: 33 %	• 2013 No. of doors: >2,980[1] (Key Accounts and Retail Partners) • 2013 external revenue: SEK 2.4 billion • % of total revenue: 55 %	• 2013 No. of doors: >2,500[2] • 2013 revenue: SEK 0.5 billion • % of total revenue: 12 %



Source: Thule Group estimates, where doors are defined as retail stores buying minimum EUR 5,000.

1) In addition to Key Accounts and Thule Retail Partners, a number of retailers sell limited assortments of the Thule Group portfolio, and as some of these retailers have large number of doors (*e.g.*, the U.S.-based retailer Walmart carries a select assortment of Case Logic branded Other Bags&Cases for Electronic Devices in more than 3,300 doors, but does not present statistics for these separately), the total number of doors for Outdoor&Bags are: Americas: >16,000 doors; Europe and ROW: >9,000 doors.
2) Specialty includes the U.S.-based retailer The Home Depot that within Work Gear carries Pick-up Truck Tool Boxes in >1,300 doors.

Cash generative and robust business model

Our historical financial performance has been stable, reflecting our strong business model and the strategic initiatives implemented as part of our "*Bring your life*" transformation. Illustrating this, over the period 2009 to 2013, on a constant currency basis, our net sales increased by a CAGR of 7.7 % and our recurring operating EBIT margin increased from 11.7 % to 13.9 %. In addition, our net sales increased on a constant currency basis in every year over this period.

Our net sales and EBIT margin development have contributed to strong operating cash flow, demonstrated by our cash conversion[1)] which has averaged 80 % over the period 2011 to 2013. We believe that our operating cash flow will remain strong, supported by continuous initiatives related to product portfolio expansion. Furthermore, we believe that our future capital expenditure requirements are low and stable, owing to the low-capital-intensive nature of our business model and recent investments in enterprise resource planning ("ERP") systems and production and warehousing capabilities.

Highly experienced management with proven track record

Our top management team consists of our CEO (who also holds the position as Business Area President Outdoor&Bags Europe and ROW), CFO, Business Area President Outdoor&Bags Americas, SVP HR and SVP Communication. The current members of the management team have all been instrumental in developing and implementing the "*Bring your life*" transformation that has enabled the business to significantly improve profitability. Our CEO, Magnus Welander, was appointed to this position in 2010, having acted as Business Area President Outdoor Europe and ROW since mid-2006. Magnus Welander has vast experience from positions in corporate leadership on a global basis. Our CFO, Lennart Mauritzson, rejoined the business in 2011 having previously acted as CFO of Beijer Electronics, a publicly traded company on Nasdaq Stockholm, in the period 2008–2011 and before that he was VP Finance within Thule Group working for Magnus Welander. Our Business Area President Outdoor&Bags Americas, Fred Clark, has been with the company for more than 20 years and in addition to his role is also the Chairman for the Outdoor Foundation and Board Member of the Outdoor Industry Association in the United States In addition, our corporate management is backed by our highly experienced operational team, which is integral to the execution of our growth strategy.

Business strategy

Our business strategy is founded on profitable organic growth and incremental efficiency improvement, based on the following closely interlinked cornerstones. In addition, we will evaluate the opportunity of acquisitions if we believe acquisitions would enable a faster more successful expansion into product categories we are pursuing.

Firmly position Thule as a leading global sports and outdoor brand

We have, over the last few years, through the entry into new product categories and by working on building stronger emotional connections with the brand, been able to strengthen the Thule brand position and we aim to continue to implement our structured positioning strategy for the Thule brand, captured in the slogan "*Bring your life*" across channels, in social and public media and in overall consumer consciousness.

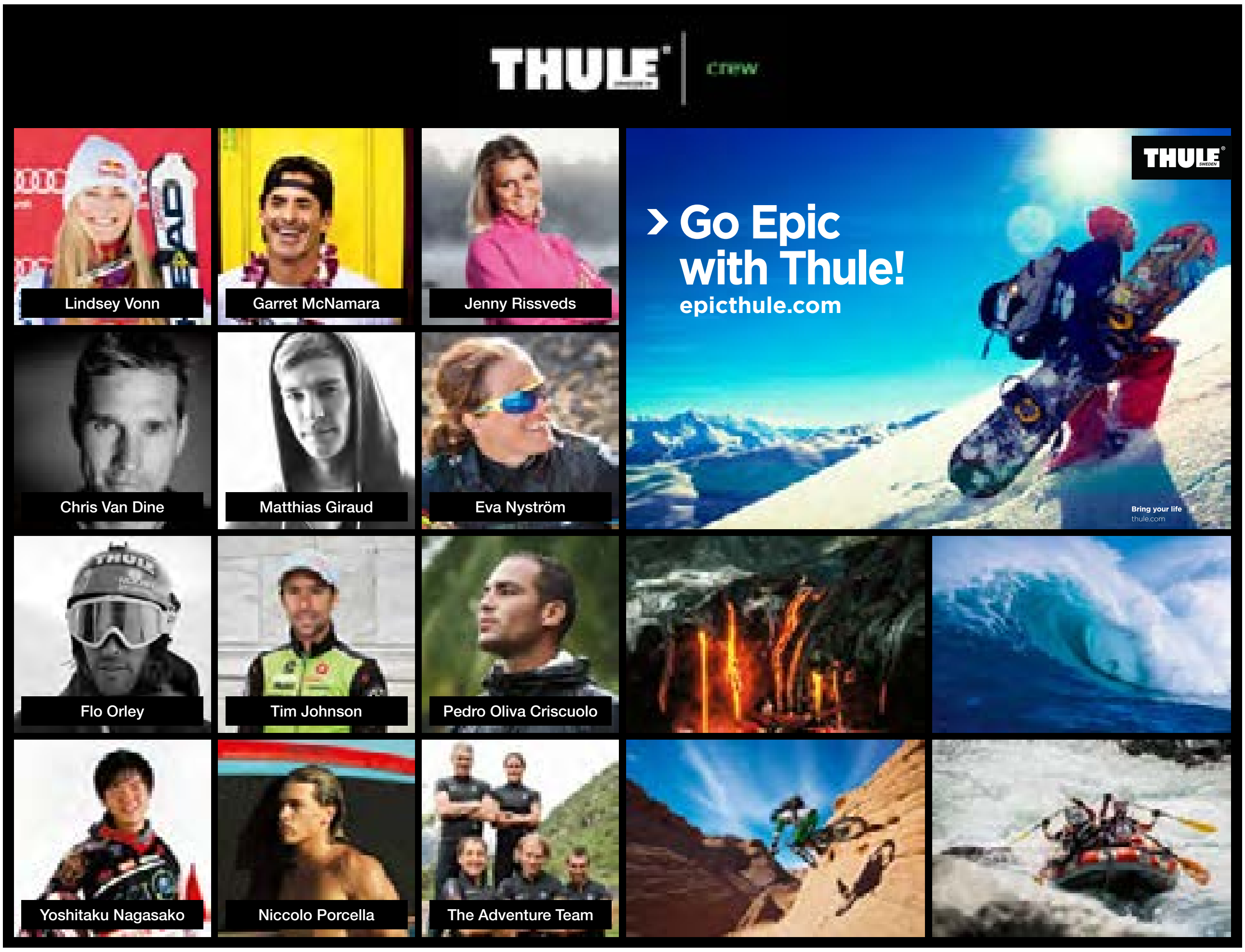
We intend to achieve this through a combination of continued focus on public relations in select media and on further lifting the image of the brand via merchandizing and training efforts and via entering into new retail channels. We also intend to further develop the "Thule Crew" concept (sponsored athletes with whom we have a long-standing close relationship) launched in 2013, by active participation in more brand enhancing events and an increased interaction with our most loyal consumers on social media.

Exploit core product offering and product development capabilities

Considering that Sport&Cargo Carriers accounted for 58 % of our total net sales in 2013, and given (i) our market position in the category, (ii) the high barriers to entry we believe exist, (iii) the expected growth of the category, and (iv) our strength in product development in this market, our most important growth objective is to continue to grow in our Sport&Cargo Carriers business by exploiting our core product offering and capitalizing on product development capabilities.

We will utilize our increased product development efforts, the strong retail base we have with our Thule Retail Partner program and the additional retail channels opened to traditional Sport&Cargo Carrier products thanks to the entry of other Sport&Outdoor oriented categories such as Sport&Travel Bags and Active with Kids products to further drive growth in our traditional core product categories. We intend to achieve sales growth by focusing on brand-enhancing channels and profitability enhancements through growth with preferred partners, by continuing to convince retailers to offer a broader range of Thule Group products and by seeking to win presence in key Sport&Outdoor retailers with our broadened product offer.

1) Defined as the ratio of operating cash flow (recurring EBITDA less capital expenditure, change in operating working capital and other working capital items plus non-cash items and disposals) to recurring EBITDA.



Thule Crew includes: 1. Lindsey Vonn, 2. Garret McNamara, 3. Jenny Rissveds, 4. Chris Van Dine, 5. Matthias Giraud, 6. Eva Nyström, 7. Flo Orley, 8. Tim Johnson, 9. Pedro Olivia Criscuolo, 10. Yoshitaku Nagasako, 11. Niccolo Porcella, 12. The Adventure Team – Martin Flinta, Myriam "Mimi" Guillot, Jacky Boisset, Marcel Hagener and Per Vestling.

We will utilize our increased product development efforts, the strong retail base we have with our Thule Retail Partner program and the additional retail channels opened to traditional Sport&Cargo Carrier products thanks to the entry of other Sport&Outdoor oriented categories such as Sport&Travel Bags and Active with Kids products to further drive growth in our traditional core product categories. We intend to achieve sales growth by focusing on brand-enhancing channels and profitability enhancements through growth with preferred partners, by continuing to convince retailers to offer a broader range of Thule Group products and by seeking to win presence in key Sport&Outdoor retailers with our broadened product offer.

In addition we will continue to invest locally in the more emerging growth markets with the aim to achieve leading market shares early in these new markets. Examples where this approach has been successful are Russia and Brazil where we have had sales for more than 20 years, but where it is only in the last four to five years we have seen that the combination of a growing middle class with a keen interest for Sport&Outdoor activities have driven our net sales. For example, our net sales in Russia and Brazil have grown with a CAGR of 40 % and 33 %, respectively, from 2009 to 2013.

Thule VeloCompact bike carrier – an example of a product within the Sport&Cargo Carrier segment that has been shown to trade in 2014 and will be available for sales to consumers in 2015

Within the Bags for Electronic Devices category we have over the last few years been exposed to the decline of the two product groups point-and-shoot camera bags and CD/DVD-cases (see "*Risk factors – Risks related to the industry and Thule Group – Demand for Thule Group's products is dependent on consumer demand for underlying products*"), which historically were the two biggest product groups for the Case Logic brand and in 2010 jointly accounted for 47 % of net sales within Bags for Electronic Devices, while in 2013, they accounted for only 18 % of net sales within Bags for Electronic Devices. We have seen growth in the other Bags for Electronic Devices product groups. The product groups interchangeable lens camera bags, laptop bags and tablet cases jointly accounted for 48 % of net sales within Bags for Electronic Devices in 2010, and 76 % in 2013. Although we have seen growth in some Bags for Electronic Devices product groups, we decided in the summer of 2013 to reorganize the management of this category with more knowledge sharing with the Sport&Cargo Carrier team and with more funds allocated to development. We have also taken key initiatives within this category on order to (i) focus on the growing categories within tablet and smartphone cases, laptop backpacks and interchangeable lens camera bags to compensate for the decline of the categories point-and-shoot camera bags and CD/DVD-cases, (ii) implement a cost and price point strategy for Case Logic to support sales opportunities in the mass market retail and growth initiatives and (iii) focus on underdeveloped large markets such as Germany and the UK. Other key initiatives to capture market growth in general and to increase our market share in targeted segments will be to more fully leverage our new organization structure to enhance time-to-market, and delivering 'the right products at the right time', *e.g.* by ensuring successful launches of products for Apple and Samsung smartphone and tablet devices at the time of launch of these devices, and to win shares at major consumer electronics retailers with new Case Logic products positioned at medium price points and with Thule at premium price points.

Urban Positioning

Outdoor Positioning

Example of different consumer positioning of the Case Logic brand and the Thule brand within the Camera Bags product group

Within Other Outdoor&Bags, our initiatives include driving new product development within RV Products. We aim to enhance profitability through growth with preferred partners as well as increasing sales focusing on the RV dealership and the UK and Southern Europe markets.

We believe that these efforts, combined with the recent roll-out of the Thule brand at more premium price points and with more focus on active and outdoor usages, combined with the new focus of the Case Logic brand, a medium price positioning, targeting young, urban electronic gadget users within this category, are expected to build our market share and capture the market growth we strive for.

Product and category expansion

With our established position within the retail channels, a global supply chain and sales network and strong brand recognition we have been able to enter into adjacent product categories with success. In late 2013 and during 2014 we have introduced significant new products within the two product groups Sport&Travel Bags and Active with Kids, with development projects already underway for further expansion within these categories. The feedback has been positive from trade, which means that we will be able to get listings of the new products in key retail outlets. Our near term focus is to continue to strengthen our position into this recently entered categories.

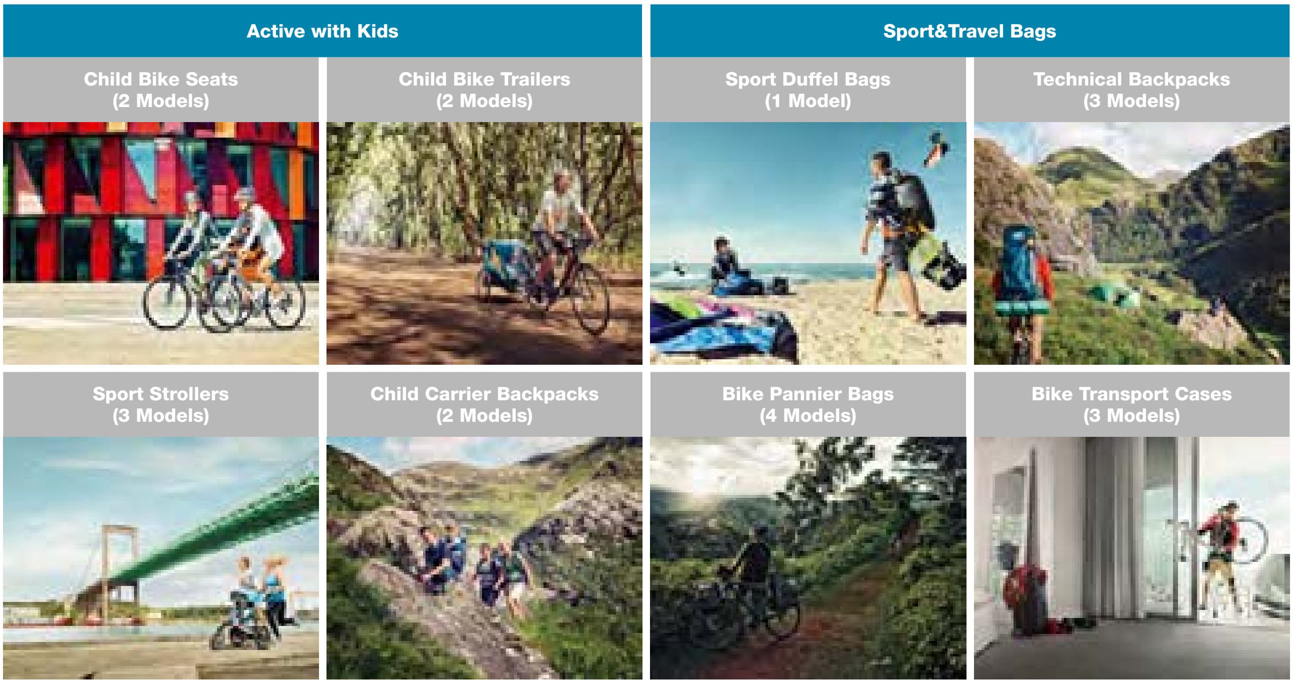
Within Active with Kids we intend to roll out key new product offerings, including Sports Strollers in the fourth quarter, an expanded Child Bike Seats product line in the first quarter 2015, and a Child Carrier Backpack in the second quarter 2015. The new products aim to establish Thule as "the reference brand of the category", expand distribution and increase sales.

Within Sport&Travel Bags we intend to roll out a broader and deeper product portfolio, including an expanded Bike Bags product line in the second quarter of 2015 and a global roll-out of Wintersport Travel in the first quarter 2015, as well as a global roll-out of Technical Backpacks in the second quarter 2015. The new products aim to expand presence of Thule Group in the strategically important outdoor and sports channel, to ensure increased retail distribution and to increase sales.

In terms of new categories, during 2015 we intend to focus on the broad range of new product categories developed in 2012–2014 with the aim to build credibility in Outdoor&Bags beyond our existing established product categories opening additional opportunities. Furthermore, early exploratory design and development projects are underway, which may further expand our existing product categories in coming years.

The entry into new categories creates an even broader base within retail and in consumer recognition, which opens up opportunities for further expansion into other adjacent categories. We will continue to selectively explore new categories to enter as we have done historically.

In addition to the organic growth initiatives and expansions we will also evaluate growth through opportunistic acquisitions, which can assist us to enter new growth markets and/or add complementary products in existing markets in a faster or more cost-efficient manner.



New product groups for Thule Group available for sales for the first time in 2014 and 2015

Continued brand enhancing retail expansion

The *Category Captaincy* approach, with brand focus in an omni-channel approach that has been initiated in recent years will be intensified, with focus moving from the already established platform of high quality merchandizing support to more of a business advisor role for the major retailers. The *Category Captaincy* approach includes offering our customers recommendations on how they best can drive their sales in the relevant category as a whole, *i.e.*, not only our products within that category, by providing market insights gained around the world. This includes, among other things, interaction between senior management/key account managers and product category buyers, store inventory management tracking sell-through at retail store level, in-store training for sales staff, and alignment of key metrics such as revenue per square meter, inventory turnover and gross margin return on investment.

We also intend to continue to increase direct distribution initiatives on the retail level in those markets where we believe that we have the capabilities to efficiently serve the market as we have done successfully in markets such as Germany and Benelux in the last two years.

We will also continue to strengthen our omni-channel capabilities via several initiatives in the digital channels, one of the key ones being the roll-out of an improved Buyer's Guide on our websites by the end of 2014 as well as continuous improvement of our Search Engine Optimization and Dealer Locator. Key initiatives include consumer-driven initiatives to improve our online presence, focusing on a broad range of tools to support our customers to drive online sales and growing sales through e-commerce leverage.

Key initiatives regarding Thule Retail Partners will be to further focus on quality and support of the existing Thule Retail Partners base, rolling out our Thule Retail Partner approach in strategically important, brand-enhancing channels as we expand product categories, and targeting high-potential locations with weaker retail set-up, in order to drive sales of Thule Retail Partners and the performance for Thule Group. Particularly in Bags for Electronic Devices, we aim to improve efficiencies in our supply chains and deliver enhanced levels of service to our Key Accounts.

Within the foreseeable future we do not anticipate any significant increase in direct sales to consumers as we believe there is major upside to be captured within the current business set-up, but we will of course continuously evaluate the opportunities also in this field.

Drive profitability enhancements

We believe that we have been able to demonstrate our ability to manage costs across Thule Group over the last five years and will continue to focus on this as the business grows via ongoing cost control follow-ups as well as implementation of larger efficiency programs, including, among other things, taking strong delegated cost center ownership with improved online tools.

One of the major profitability enhancing projects underway with effects already in the coming years is the building of our own Eastern European warehouse (located next to our main plant in Huta, Poland) in a growing Eastern European market to complement our third-party Western European warehouse. The warehouse, with implementation from the first quarter in 2015, will both be important in supporting our growth efforts in Eastern Europe as well as key in reducing unnecessary logistics costs due to more efficient shipping lanes. We also intend to increase efficiency from the first quarter in 2015 by capturing back-office synergies via the integration into a common ERP-platform in the Americas organization.

We continuously implement a wide range of smaller efficiency improvement projects in our own plants and with our suppliers, as well as continuously implement new supplier set-ups and better forecasting and planning tools in Bags for Electronic Devices. Furthermore, increasing scale in new product categories drive potential synergies for cost of goods sold through improved purchasing terms.

Within Work Gear, our key focus will be to selectively manage the customer base to achieve a higher margin business, focusing growth on higher margin and low capital intensive products and leveraging efficiencies with factory consolidation and productivity improvements to improve profitability. Within Snow Chains, we will continue to pursue the flexible manufacturing set-up implemented in 2010–2014, where the Polish site, which focuses primarily on assembly, has a significant share of temporary workforce for the production of Snow Chains, as well as a continued roll-out of premium consumer friendly snow chains under the Thule brand.

Key focus areas – overview

Business segment	Key focus areas
Outdoor&Bags	
Sport&Cargo Carriers	• Continue to drive sales through new product launches. • Continue strong Category Captaincy approach with major retailers. • Push Thule Retail Partner concept with chosen partners. • Continue to win presence in key retailers.
Bags for Electronic Devices	• Ensure successful launches of products for smartphone and tablet devices. • Win share at major consumer electrics retailers with new Case Logic assortment and positioning (at lower price points) and with Thule at premium price points. • Win market share in key markets Germany and UK.
Other Outdoor&Bags	• Use growing Thule portfolio to take share at retail. • Use the strong Thule brand position to launch new products. • In RV Products, enable growth of market share through product development within awnings. • In Active with Kids, enable growth of market share with broader assortment and improved distribution.
Specialty	
Work Gear	• Selectively manage customer base in higher margin business. • Focus growth opportunities on higher margin products. • Leverage efficiencies with factory consolidation and productivity improvements.
Snow Chains	• Continued implementation of flexible manufacturing set-up implemented in 2010–2014. • Polish site focused on assembly with significant temporary workforce for Snow Chains. • Continued roll-out of premium consumer friendly snow chains under the Thule brand.

Financial targets

The financial targets in this section consist of forward looking statements and are based upon a number of assumptions (including the successful implementation of our business strategies). Such statements are no assurance for actual future results, and Thule Group's actual results may differ materially from these forward looking statements due to a variety of factors, of which certain are outside Thule Group's control. In addition, unanticipated events may adversely affect the actual results that we achieve in future periods whether or not our assumptions prove to be correct. See also "Important information – Forward-looking information and risk factors" on the inside of the cover of this prospectus, and "Risk factors".

Our Board of Directors has adopted the following long-term financial targets. For a description of our dividend and distribution policy, see "Share capital and ownership structure – Dividends and dividend policy".

Sales growth

Our long-term target is to achieve annual organic net sales growth of at least 5 % on a constant currency basis.

EBIT margin

Our long-term target is to achieve a recurring operating EBIT margin of at least 15 %.

Capital structure (Net debt/EBITDA)

We intend to maintain an efficient long-term capital structure, defined as net debt in relation to recurring EBITDA of around 2.5x.

Thule Group's first product within Sport&Cargo Carriers, a flexible ski-rack, launched in 1962

Products and brands

The below table outlines for how long we have been selling the current product categories within Thule Group, as well as outlining how long the acquired company had been in that business (in case of acquired businesses).

Year of initial sale per Product category

Business segment	Year of original entry[1]	Year of Thule Group entry	Thule Group entry approach
Outdoor&Bags			
Sport&Cargo Carriers	1962	1962	Organic
Bags for Electronic Devices	1984	2007	Acquisition of Case Logic
Other Outdoor&Bags			
RV Products	1967	2005	Acquisition of Omnistor
Active with Kids	1990	2011	Acquisition of Chariot Carriers
Sport&Travel Bags	2013	2013	Organic
Specialty			
Work Gear	1985	2007	Acquisition of UWS
Snow Chains	1966	2004	Acquisition of König

1) Refers to the year when Thule Group (or an entity acquired by Thule Group) entered into the Product Category or Product Group.

Brands

We believe the breadth and depth of our product range provides us with a key competitive advantage, provides value to customers and enhances our ability to leverage our competitive position. In terms of how we deploy the brands in the two segments and in the various product categories the table below summarizes the usage. A few things to note are:

- The premium Thule brand is significantly more important in the Outdoor&Bags segment (accounting for 63 % of net sales within the Outdoor&Bags segment in 2013 compared to 19 % in the Specialty segment) and is utilized across all product categories within that segment, while only used for Passenger Car Snow Chains within the Specialty segment.
- The Case Logic brand, which is only utilized within the Bags for Electronic Devices product category and has a mid-price positioning, is our second biggest brand with 18 % of total net sales in the Outdoor&Bags segment.
- Within the Specialty segment we have more exposure towards retail brands (which represented 30 % of our net sales in 2013), compared to a very limited share of net sales in the Outdoor&Bags segment (5 % in 2013). This is mainly due to a large contract with the U.S.-based retailer The Home Depot for Pick-up Truck Tool Boxes within the Work Gear product category.

Brand usage by segment and product category and year when the Thule brand was implemented

Business segment	Brand	Thule Brand start year	Comment
Outdoor&Bags			
Sport&Cargo Carriers	THULE	1962	
Bags for Electronic Devices	case LOGIC, THULE	2010	Case Logic used most widely in mid-price positioning. Thule used for more premium protective solutions.
Other Outdoor&Bags			
RV Products	THULE	2009	Brand transfer from Omnistor.
Active with Kids	THULE	2013	Brand transfer from Chariot.
Sport&Travel Bags	THULE	2013	
Specialty			
Work Gear	UWS	–	The UWS brand is used for this category
Snow Chains	KÖNIG, THULE	2009	Thule is used for passenger car snow chains. König is used for professional (large vehicle) snow chains.

Sales and distribution

Although we have centralized processes and management of brand related efforts and product management, we sell our products through our segment specialized sales force on a regional and local basis, which provide in-depth market knowledge and management expertise and cover clients directly in their allocated region. In most of our key markets, our sales organization is structured with an area sales manager responsible for the local sales organization within that segment and for implementing strategic initiatives provided by our regional sales leadership. Sales targets are set by Thule Group and segment management and local sales teams through a top-down approach (group to segment/regional to national) and are implemented on a local level with fixed and variable salaries set according to local practices.

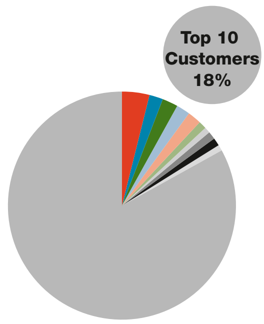
We have over the years implemented a pragmatic approach for how we can most efficiently serve the consumers in each market, which has meant that we deploy various go-to-market models in the various countries (own sales force, sales rep structures, multiple wholesalers/distributors and in limited cases limited exclusivity importers). We believe our marketing and sales activities benefit from our strong relationships with all stakeholders in the value chain. Wholesalers and retailers are encouraged to stock and actively sell our range of products by offering training and merchandizing support to promote our brands. We provide technical, commercial and sales training, as appropriate, and we have strengthened our relationships with retailers in recent years by providing detailed product information and technical expertise, as well as more general key account support in the shape of increasingly tailored sales support and use of globally identified marketing support tools for the brands.

In order to focus the sales support to our customers we have structured the customer base into four major types of customers:

- ***Key Accounts*** – more than 2,700 large retailers with multiple doors and significant sales volume. With the Key Accounts we dedicate specific qualified resources that work closely with customers to better support them in driving sales of our products. Our aim with all Key Accounts is to be considered not only as a reliable supplier of good products, but also as a business advisor by taking the role as *Category Captain*, *i.e.*, recommending how the customer could work with the entire product assortment in our product categories (including total planogram discussions, stock-turn planning, sales staff training, etc.).
- ***Thule Retail Partners*** – more than 2,000 smaller retailers with one or a few doors that have the interest and ability to successfully represent the Thule brand to consumers. We support the Thule Retail Partners with planogram guide-lines, sales staff training, and point-of-sales marketing support.
- ***Other Retailers*** – retailers selling a limited amount of Thule products. The Other Retailers receive no additional services above and beyond the standard marketing tools provided by us.
- ***Wholesalers/Distributors*** – companies distributing our products to retailers, but not selling directly to consumers. The Wholesalers/Distributors receive no additional services above and beyond the standard marketing tools provided by us.

The graph below outlines the share of net sales to our top 10 customers, which, in the aggregate, accounted for approximately 18 % of our net sales in 2013, with the biggest customer accounting for 4 % of the net sales. We believe that the wide customer base enables us to be less exposed to development of one specific customer and strengthens our ability to serve consumers around the world.

Shares of net sales to top 10 customers 2013



As the influence of online sales increases across our product categories, since 2010 we have dedicated more resources to better drive sales via the use of on-line tools. One example of such on-line tool is our improved business-to-business support to deliver better and more accurate product content through retailers' e-commerce sites and facilitate easier access to our image and video library. The below graph outlines our estimate on our share of sales (pure e-commerce, physical stores influenced by online and sales in physical stores not influenced by online) in 2013. It can be noted that we estimate that although the online sales as a channel accounted for less than 20 % of our net sales in 2013, we estimate that online support tools such as search engines, our own brand websites and various sources for recommendations and reviews, influenced purchases directly for our consumers in more than 80 % of total sales volume in 2013.

Management estimates of share of net sales in 2013 with different channel influences

Channel	Share of Thule Group 2013 net sales
Thule Group direct	1 %
Pure e-tailer	8–10 %
On-line sales "omni-channel" retailers	10–15 %
On-line influenced "bricks&mortar" sales in store	55–65 %
Sales without direct on-line influence	15–25 %

Our approach to pricing of our products is based on market receptivity rather than on a model based on cost-plus. We believe quality products with a premium brand position should command a higher price. Moreover, through a differentiated product offering we are able to offer consumers optionality both in terms of degree of product sophistication and value-add, but also in terms of price. For example, an enhanced set of features will command a higher price point. To this effect, we focus on developing appropriately weighted sets of features for target customer segments, *i.e.*, less added features for lower priced products and comparatively more added features for top-of-the-line products with higher pricing.

Our pricing strategy entails that we do not offer low entry price points for any of the Case Logic and Thule brands, though these brands are distinguished by differences in perception and price positioning with: Case Logic at a medium price point and Thule at a premium price point. In order to selectively compete at lower price points or via channels where we do not want to sell Case Logic and Thule brands, we use second-tier brands or private labels to a limited extent.

Prices in the Sport&Cargo Carriers and Other Outdoor&Bags categories are normally adjusted on an annual basis unless significant commodity price swings warrant an adjustment. To a large extent prices for next season are presented at the time of major fairs during the preceding year, during the period June to September. Similarly, within Specialty, prices are reviewed on an annual basis or at time of quoting private label business within Work Gear. Prices within Bags for Electronic Devices are either presented once a year at the time of major fairs (for camera bags and laptop backpacks) or implemented at time of product launch for the MHD category as these products are closely connected to the launch date of the actual device.

As of September 30, 2014, approximately 300 of our employees (FTEs) were directly involved in sales and marketing. The following table presents the number of FTEs in sales and marketing by segment and Outdoor&Bags region as of September 30, 2014.

FTEs in sales and marketing by segment and region (September 30, 2014)

Business segment	FTEs
Outdoor&Bags	278
Region Americas	120
Europe and ROW	158
Specialty	22
Thule Group total	**300**

Production

We operate with a different production approach (in-house manufacturing versus sourcing of finished goods) depending on the product category. The below table outlines the way we operate in the supply chain, via own production or by utilizing that of our suppliers, in the various product categories.

Business segment	Product category	Product group	Main segment/category
Outdoor&Bags	Sport&Cargo Carriers	All	Mainly own assembly with limited finished goods sourcing
	Bags for Electronic Devices	All	Finished goods sourcing
	Other Outdoor&Bags	RV Products	Mainly own assembly with limited finished goods sourcing
	Other Outdoor&Bags	Active with Kids	Mainly finished goods sourcing with limited own assembly
	Other Outdoor&Bags	Sport&Travel Bags	Mainly finished goods sourcing with limited own assembly
Specialty	Work Gear		Finished goods sourcing
	Snow Chains		Own assembly

As we have a broad range of products, the actual production processes also differ significantly. In the below table we outline the type of production in which our own production sites engage. We mainly utilize in-house assembly centers, with limited capital investment requirements, but with some more traditional manufacturing in a limited number of product categories and sites. Over the last three years we have averaged approximately SEK 70 million in production-related capital investments.

Thule Group manufacturing and assembly plants by location and type of production

Location	Type	Main business segment and product category
Huta (Poland)	Assembly plant	Outdoor&Bags (Sport&Cargo Carriers) and Specialty (Snow Chains)
Hillerstorp (Sweden)	Assembly and component plant	Outdoor&Bags (Sport&Cargo Carriers)
Neumarkt (Germany)	Roof box manufacturing	Outdoor&Bags (Sport&Cargo Carriers)
Haverhill (UK)	Roof box manufacturing	Outdoor&Bags (Sport&Cargo Carriers)
Menen (Belgium)	Assembly and component plant	Outdoor&Bags (RV Products)
Seymore (CT, U.S.)	Assembly plant	Outdoor&Bags (Sport&Cargo Carriers)
Chicago (IL, U.S.)	Roof box manufacturing	Outdoor&Bags (Sport&Cargo Carriers)
Itupeva (Brazil)	Roof box manufacturing	Outdoor&Bags (Sport&Cargo Carriers)
Perry (FL, U.S.)	Assembly plant	Specialty (Work Gear)
Molteno (Italy)	Manufacturing and assembly	Specialty (Snow Chains)

Raw materials and procurement

We source a wide range of materials, semi-finished products and finished products globally from third parties in connection with our activities. In 2013, we had approximately 950 active suppliers (out of which approximately 600 were direct material suppliers) and our direct material purchases amounted to approximately SEK 2,098 million. Our top ten suppliers for direct materials accounted for approximately 29 % of our total direct material purchases. The first structured corporate purchasing activities were initiated in 2008 and since then global processes and centralized category management has been established and the spend base under globally coordinated management gradually increase.

Our sourcing is organized in two main types of functions: global commodity managers and sourcing offices and local call-off functions. Commodity managers have a central responsibility for the sourcing strategy and selection of suppliers of specific raw materials or product categories. This purchasing function is developed on an on-going basis. Thule Group's biggest sourcing office is located in Hong Kong (China). Functions for local call-off sourcing of required quantities from suppliers are established within several of our subsidiaries which are responsible for the day-today sourcing decisions within their respective areas of responsibility.

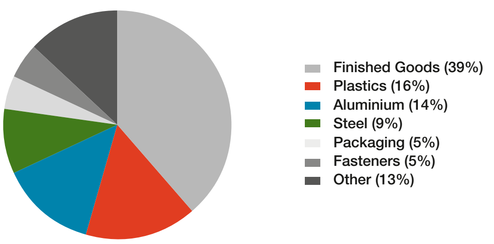
Our most important suppliers provide us with finished products mainly for Bags for Electronic Devices, Sport&Travel Bags and Active with Kids as well as smaller accessories in Sport&Cargo carriers (*e.g.*, straps and keys). In addition we source the raw materials required for the production of Sport&Cargo Carriers and various other product categories such as steel components, aluminum (extruded and sheet) and plastics (sheets and components) and packaging materials from a number of suppliers.

Due to the type of material we purchase and the global structure of these large commodities the key component for achieving a cost effective sourcing is related to a strong co-operation with the product development department so that the products are well developed from a Design for Manufacturing perspective. Due to this we have over the last few years centralized training efforts and cross-functional teams improving on our capabilities to mitigate raw material share of costs.

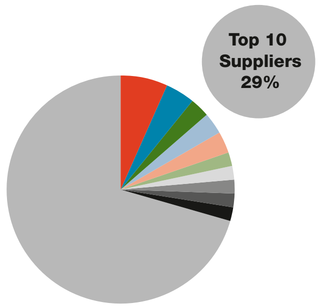
We generally have the ability to pass on additional raw material costs to our customers through price increases, but to minimize this, we aim to reduce costs as well, for example, through raw material risk management including hedging where possible and supplier contracts with indexing to relevant commodity prices to secure that we do not pay above-market rates.

The below pie charts outline the share of direct material purchases by material type and the share of direct material purchases from our top ten suppliers.

Purchases by major material categories 2013 within direct materials for Thule Group



Share of purchases from top 10 suppliers 2013



Durability and fatigue testing at Thule Test Center in Hillerstorp, Sweden

Research and development

We have always focused on product design and product development as the number one priority and have, since the new management started in 2010, increased that focus further. Today, we consider ourselves as having market-leading product development processes within our core product categories. We ensure that our products are safe, easy-to-use, high quality and have a contemporary design by our knowledge of consumers' usage, long-standing technical competence and extreme testing.

Offering a broad product portfolio with more than 600 product models and more than 7,000 stock keeping units ("**SKU**") across a number of categories, our ability to combine the use of our established structured development processes and the high competence of our development staff in order to ensure a high degree of successful project launches is essential. We therefore run three types of development projects, with varying time and resource requirements, in accordance with the following structure:

- ***Technology platform projects*** – projects that aim to prove a certain basic technical solution that will be later implemented in a number of models;
- ***Product model projects*** – projects that aim to develop a new specific product with a design and feature/benefit set for a specific purpose and target group, utilizing the technology platforms the company has developed over the years and deploying those technologies in the best way; and
- ***Product enhancement projects*** – projects that aim to either make minor improvements on an existing product model (*e.g.*, a better wheel strap on an existing bike carrier) or to add an additional version of a model (*e.g.*, a smartphone cover utilizing same technology and product design as an existing product for an update smartphone size).

In terms of design we have a number of major design and development centers around the world:

- Hillerstorp (Sweden) for Sport&Cargo Carriers and some Active with Kids products
- Seymour (CT, U.S.) for some Sport&Cargo Carriers and for Work Gear products
- Longmont (CO, U.S.) for Bags
- Calgary (Canada) for wheel based Active with Kids products
- Menen (Belgium) for RV products
- Molteno (Italy) for Snow Chains

As of September 30, 2014, approximately 135 of our employees (FTEs) were directly involved in product design, development, testing and management.

To ensure we achieve the high demands we have on our products we have over the years focused significant efforts in ensuring that we develop them in accordance with documented development processes, have high level of expertise and test our products to the extreme, so much so that we have developed our own Thule Test Program™, including over 25 "Thule standards" that exceed the current demanding legal standards and that are tested in our in-house Thule Test Center (which is currently undergoing a SEK 21 million expansion to be finalized in the third quarter of 2015).

Given that 46 % of our net sales in 2013 came from products launched in the last three years and that we have won multiple design awards and product tests over these years we believe that the product development focus and processes within Thule Group are successful.

Intellectual property rights

We rely upon patents, proprietary expertise, continuing technological process innovations and other trade secrets to develop and maintain our competitive position and with the strong focus on our brands and product development leadership within Thule Group, our focus is naturally also very high on ensuring a strong intellectual property rights ("**IPR**") management across product categories and geographies.

The current IPR policy was adopted in 2010 and we have centralized the administration of domain names, trademarks, designs and patents to the headquarters in Malmö (Sweden) where three FTEs work with IPR management. In addition to the central staff we have IPR experts in the various business units and several external parties supporting our efforts. Since 2012, with our broadened product offering in terms of product categories, we have put in place broadened and enhanced trademark protection in new product categories and also increased our involvement of local IPR firms to better support the enforcement of our IPR protection in markets such as China.

We currently hold more than 920 patent rights (pending and/or granted) and more than 620 design rights (pending and/or granted) worldwide and seek to protect our trade secrets by entering into confidentiality agreements with third-party developers. In addition, we seek to ensure that information is exchanged only to the extent necessary in communications with customers and suppliers.

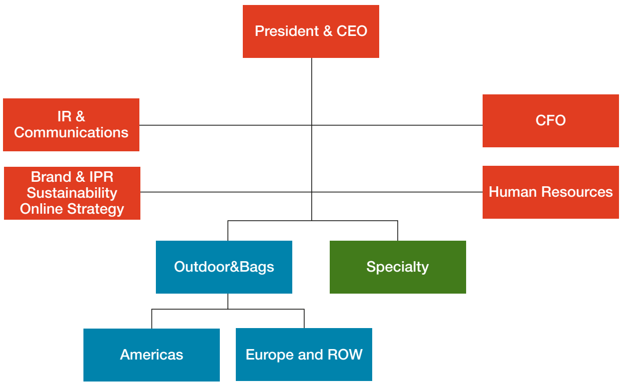
IT-systems and technology infrastructure

Our information management function, which is staffed with approximately 30 personnel, mainly operates within the separate business segments and manages IT support for all of Thule Group companies. Our shared information management services and activities are provided under an intra-group service level agreement for IT-related services, while the majority of our IT hosting services are outsourced.

The processes associated with the Bags for Electronic Devices was until 2014, operated with a legacy ERP system and in order to ensure synergies and efficiencies Thule Group therefore is running an upgrade project to move those IT services to operate with the same modern standard ERP systems with global support as the rest of Thule Group. This project is estimated to be finalized by the end of 2014.

Organization

The following chart presents an overview of our organization, which is operated in two business segments and two regions (Region Americas and Region Europe and ROW) within the segment Outdoor&Bags.



Employees

As of September 30, 2014, we employed 2,148 FTEs, out of which more than 70 % were employed at our production facilities. Approximately 1,785 of the FTEs were employed in the business segment Outdoor&Bags, 336 in the business segment Specialty and 27 in Thule Group corporate.

Average number of employees, continuing operations	**Jan–Sep 2014**	**2013**	**2012**	**2011**
Sweden	311	308	301	295
Europe	1,007	1,013	1,093	1,037
North America	723	766	745	713
South America	26	30	22	21
Asia	81	91	96	92
Total	**2,148**	**2,208**	**2,257**	**2,158**

Over the last five years we have not experienced any material labor strikes or lockouts. Our industrial relations are primarily handled at the local level. We consider our relations with our employees and their unions to be satisfactory. Generally, our companies engaged in production, as well as a few additional entities, have entered into and comply with local collective bargaining agreements.

Property, plant and equipment

Our tangible fixed assets primarily comprise buildings and land, machines and other technical assets, and inventories, tools and other installations. As at September 30, 2014, our tangible assets had a total book value of SEK 529 million (of which SEK 11 million related to finance lease agreements for buildings and SEK 9 million to finance lease agreements for company cars). After completion of the Offering, we will have no major encumbrances on our tangible fixed assets.

For additional information on our tangible assets, please see "*Historical financial information – Note 20 Tangible Assets*" and for information on planned material tangible assets, please see "*Operational and financial review – Capital expenditure and investments*".

Sustainability

We always strive to implement our business strategy in an ethically, socially and environmentally responsible manner and to ensure that our products are innovative and safe while providing a safe and healthy work environment. We also want to contribute to a better society by actively engaging in and supporting initiatives that help people to live an active everyday life, specifically to enjoy the outdoors and improve their health. We have partnerships with several organizations engaged in making an active, healthy and independent life easier to achieve for the disabled. We are committed to continuously improving and developing our efforts within this field.

We steer and track our sustainability efforts in three parts:

- ***Economic*** – striving for a continuous strong financial performance and long-term growth while always taking ethical, social and environmental matters into consideration;
- ***Social*** – we ensure that our management staff are aware of and adhere to the Thule Group Code of Conduct and that our suppliers are aware and adhere to the Thule Group Supplier Code of Conduct. The ethical standards and requirements for our suppliers are based on international standards for Corporate Social Responsibility (CSR) and include the areas of human rights, safe and healthy working conditions, fair employment conditions and environmental requirements. Our Community Engagement is focused to the geographic areas where we have own sites and is directed towards supporting activities (financially and with our staff taking part in activities) for children with difficulties to enjoy active lives (due to financial, physical or other limitations); and
- ***Environmental*** – we have a long history of environmental focus due to our commitment to develop high quality products built to last for a long time, encourage employees with deep environmental engagement and manage our own production facilities in Europe and Americas not only to legal requirements, but to the higher Thule Group standards. Our environmental efforts can today be summarized in our environmental ambition as stated in the Thule Group Environmental Report "A*t Thule Group, we want to conduct our business with as little impact on the environment as possible. Not only are we convinced that this is the right thing to do, but our entire existence as a company depends on our employees, customers, and consumers being able to enjoy an active lifestyle in a healthy outdoor environment*".

We have defined five core focus areas for Environmental sustainability:

- Product – with the current focus being on Life Cycle Assessment integrated in design and product development and Substance Compliance Governance by Material Data and third party testing
- Energy – with our official target by end of 2016 to reduce electricity consumption by 5 % and utilize renewable sources to 60 %
- Water – focusing on improvement via investments in closed loop systems and raising awareness
- Waste and Recycling – increased recycling options in factories and offices with the target to reach a recycle rate of 95 % by end of 2016
- Responsible Sourcing and Logistics – running ECO project with suppliers

We furthermore promote healthy and active living, for our employees as well as for consumers as the company's products encourage people to exercise to stay healthy throughout their lives.

Regulation and environmental matters

We sell products within the sport and cargo carrier market and the snow chain market that are used by the consumers in road traffic and in addition we sell products related to the transport of children within the active with kids market. In these markets a number of regulatory standards apply to the products which must pass certain stringent legal required testing levels and meet certain required industry standards, which as outlined in the section Market Competition, Drivers and Growth creates barrier to entry.

We are furthermore subject to a number of European Union, national, regional and local environmental and occupational health and safety laws, rules and regulations relating to the protection of the environment and natural resources including, among other things, the management of hazardous substances and waste, air emissions, the discharge of water, transportation, remediation of contamination and workplace health and safety. Our operations require us to maintain certain environmental permits for the production of our products including metal-based products with surface treatment and plastics. In addition, our production units have generally been certified according to the ISO 9001 quality management standards and the ISO 14001 environmental management standards. Our compliance matters are handled centrally through the adoption of guidelines and establishment of standards and principles and locally by each respective Group company responsible for implementation, follow up and handling of day-to-day matters.


6WPX032

› Selected consolidated historical financial information

The selected consolidated historical financial information presented below has been derived from Thule Group's audited consolidated financial statements for the years ended December 31, 2013, 2012 and 2011 (included in their entirety in "Historical financial information"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") unless otherwise stated. The selected consolidated financial data set forth below as of and for the nine month periods ended September 30, 2013 and 2014 have been derived from our unaudited consolidated interim financial information for the nine months ended September 30, 2014 (included in its entirety in "Historical financial information"), and prepared in accordance with IFRS-EU, unless otherwise stated, which were reviewed by KPMG AB as set forth in their review report included elsewhere herein. The Towing and Trailer businesses are accounted for as discontinued operations in Thule Group's financial statements for the nine months ended September 30, 2014 and 2013 and the years ended December 31, 2013, 2012 and 2011. The historical financial information for the years ended 2013, 2012 and 2011 have been restated as compared with the statutory accounts to reflect the effects of IFRS 5 Discontinued operations.

The following information should be read in conjunction with "Operating and financial review" and Thule Group's audited consolidated financial statements and consolidated unaudited interim financial statements for the nine months ended September 30, 2014 and 2013 including the related notes in "Historical financial information".

This prospectus presents certain financial measures that are not measures defined under IFRS, including certain measures such as 'recurring operating EBIT', 'recurring EBITDA' and 'recurring gross income'. See "Definitions" for a description of these items. Management believes these non-GAAP financial measures provide a better understanding of the trends in financial performance, excluding certain non-recurring and other items. A body of generally accepted accounting principles such as IFRS-EU is commonly referred to as "GAAP". A non-GAAP financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. These non-GAAP financial measures are unaudited and should not be considered in isolation or as an alternative to performance measures derived in accordance with IFRS. In addition, such measures, as defined by us, may not be comparable to other similarly titled measures used by other companies, because the above-mentioned non-GAAP measures are not uniformly defined and other companies may calculate them in a different manner than we do, limiting their usefulness as comparative measures.

Consolidated income statement

MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Continuing operations					
Net sales	3,717	3,406	4,331	4,362	4,122
Cost of goods sold	(2,221)	(2,097)	(2,715)	(2,704)	(2,562)
Gross income	**1,495**	**1,310**	**1,616**	**1,658**	**1,560**
Other operating revenue	5	7	10	10	2
Selling expenses	(637)	(596)	(797)	(790)	(706)
Administrative expenses	(214)	(220)	(301)	(323)	(318)
Other operating expenses	(30)	(17)	(14)	(29)	(21)
Operating income	**619**	**484**	**514**	**526**	**518**
Financial revenue	11	67	94	72	15
Financial expenses	(226)	(106)	(196)	(247)	(411)
Net interest expense/income	(215)	(39)	(102)	(175)	(396)
Income before taxes	**405**	**445**	**413**	**351**	**122**
Taxes	(105)	(94)	(114)	(102)	27
Net income from continuing operations	**300**	**351**	**299**	**249**	**149**
Discontinued operations					
Net income from discontinued operations	**(368)**	**41**	**(237)**	**22**	**71**
Net income	**(69)**	**393**	**62**	**271**	**220**
Consolidated net income pertaining to:					
Shareholders of Parent Company	(69)	390	61	268	220
Non-controlling interest	0	3	1	3	0
Consolidated net income	**(69)**	**393**	**62**	**271**	**220**

Consolidated statement of comprehensive income

MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Consolidated net income	(69)	393	62	271	220
Other consolidated net income					
Items that may be reclassified to the income statement:					
Foreign currency translation	238	(15)	76	(80)	33
Cash flow hedges	(2)	(2)	1	(1)	0
Net investment hedge	(42)	(46)	(64)	(14)	(57)
Tax on components in other comprehensive income	9	10	14	4	15
Items that will not be reclassified to the income statement:					
Remeasurements on defined benefit pension plans	(9)	36	44	0	0
Taxes referred to items that will not be reclassified to the income statement	2	(8)	(8)	0	0
Other comprehensive income	**196**	**(21)**	**63**	**(91)**	**(9)**
Total comprehensive income	**127**	**372**	**125**	**181**	**211**
Total comprehensive income pertaining to:					
Shareholders of Parent Company	127	369	124	178	211
Noncontrolling interest	0	3	1	3	0
Total comprehensive income	**127**	**372**	**125**	**181**	**211**

Consolidated balance sheet[1)]

MSEK	Sep 30, 2014	Sep 30, 2013	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011
Assets					
Intangible assets	3,920	4,570	4,441	4,557	4,723
Tangible assets	529	880	891	883	867
Long-term receivables	4	6	5	6	7
Deferred tax receivables	485	479	478	521	564
Total fixed assets	**4,940**	**5,935**	**5,815**	**5,967**	**6,161**
Inventories	703	955	921	906	870
Tax receivables	9	13	15	16	21
Accounts receivable	782	828	803	905	985
Prepaid expenses and accrued income	33	50	42	55	48
Other receivables	48	50	54	44	55
Receivables related party	293	0	0	0	0
Cash and cash equivalents	719	383	385	433	340
Assets held for sale	0	0	0	0	0
Total current assets	**2,587**	**2,278**	**2,220**	**2,359**	**2,319**
Total assets	**7,527**	**8,213**	**8,035**	**8,326**	**8,480**
Equity and liabilities					
Equity					
Share capital	0	0	0	0	0
Other contributed capital	1,034	1,034	1,034	1,034	1,033
Reserves	(380)	(660)	(583)	(611)	(520)
Retained earnings including net income	1,270	1,667	1,346	1,250	1,025
Total shareholders' equity	**1,924**	**2,041**	**1,797**	**1,673**	**1,538**
Noncontrolling interest	**0**	**8**	**5**	**5**	**2**
Total equity	**1,924**	**2,049**	**1,802**	**1,678**	**1,540**
Liabilities					
Long-term interest bearing liabilities	4,323	4,566	4,436	4,759	5,198
Pension provisions	134	141	135	173	110
Deferred tax liabilities	172	215	185	181	176
Total long-term liabilities	**4,628**	**4,923**	**4,756**	**5,113**	**5,484**
Short-term interest bearing liabilities	101	114	288	219	138
Accounts payable	382	460	511	632	544
Income taxes	72	34	46	38	36
Other liabilities	21	22	28	20	37
Accrued expenses and deferred income	324	558	532	560	623
Provisions	74	54	72	66	78
Liabilities attributable to assets held for sale	0	0	0	0	0
Total short-term liabilities	**975**	**1,242**	**1,477**	**1,535**	**1,456**
Total liabilities	**5,603**	**6,165**	**6,233**	**6,648**	**6,940**
Total equity and liabilities	**7,527**	**8,213**	**8,035**	**8,326**	**8,480**

1) Consolidated balance sheet as of September 30, 2013 and December 31, 2013, 2012 and 2011 includes the Towing and Trailers business.

Consolidated statement of cash flow

MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Operating activities					
Income before taxes	405	445	413	351	122
Income from discontinued operations before taxes	(352)	48	(224)	33	92
Adjustments to entries not included in cash flow	553	1	379	154	324
Paid income taxes	(46)	(28)	(49)	(56)	(55)
Cash flow from operating activities prior to changes in working capital	**560**	**466**	**520**	**483**	**483**
Cash flow from changes in working capital					
Increase (–)/Decrease (+) in inventories	(12)	(90)	(53)	(77)	(32)
Increase (–)/Decrease (+) in receivables	(164)	57	108	32	(87)
Increase (+)/Decrease (–) in liabilities	48	(149)	(185)	(14)	(54)
Cash flow from operating activities	**432**	**284**	**390**	**424**	**310**
Investing activities					
Business acquisitions	0	(60)	(60)	0	(128)
Acquisition of intangible assets	(14)	0	(5)	(9)	(17)
Acquisition of tangible assets	(128)	(67)	(96)	(136)	(107)
Sale of subsidiaries	191	0	0	0	0
Disposition of tangible assets	0	0	1	11	2
Cash flow from investing activities	**49**	**(127)**	**(160)**	**(134)**	**(250)**
Financing activities					
New issue of shares	0	0	0	0	4
New loans	0	0	0	0	125
Debt repaid	(152)	(205)	(274)	(183)	(165)
Cash flow from financing activities	**(152)**	**(205)**	**(274)**	**(183)**	**(36)**
Net cash flow	329	(48)	(44)	107	24
Cash and cash equivalents at beginning of year/period	385	433	433	340	317
Effect of exchange rates on cash and cash equivalents	5	(2)	(4)	(14)	(1)
Cash and cash equivalents at end of year/period	**719**	**383**	**385**	**433**	**340**

Key performance indicators and data per share

We closely monitor the following key drivers of our business' operating performance to plan for its current needs and to adjust expectations, financial budgets and forecasts appropriately.

MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	3,717	3,406	4,331	4,362	4,122
Organic net sales growth (%)	9.1 %	(0.5)%	(0.7)%	2.8 %	(0.1)%
Recurring gross income	1,499	1,346	1,664	1,663	1,566
Recurring gross margin (%)	40.3 %	39.5 %	38.4 %	38.1 %	38.0 %
Recurring EBITDA	694	585	644	618	599
Recurring EBITDA margin (%)	18.7 %	17.2 %	14.9 %	14.2 %	14.5 %
Recurring operating EBIT	650	543	588	560	545
Recurring operating EBIT margin (%)	17.5 %	15.9 %	13.6 %	12.8 %	13.2 %
Net income from continuing operations	300	351	299	249	149
Earnings per share from continued operations, before and after dilution, SEK	6.70	7.90	6.70	5.60	3.40
Recalculated earnings per share from continuing operations, before and after dilution, SEK[1]	3.55	4.16	3.54	2.95	1.76

1) Recalculated earnings per share from continuing operations is, for all periods above, based on the number of shares outstanding as of the date of this prospectus of 44,737,320 and also taking into account the Bonus Issue of 39,754,868 shares expected to be registered with the Swedish Companies Registration Office on or about November 26, 2014 (please see "*Share capital and ownership structure – Share conversion and directed new issue in connection with the Offering*"), in total 84,492,188 shares.

Segment information

Outdoor&Bags, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	3,395	3,098	3,824	3,733	3,557
Americas	1,115	1,097	1,394	1,397	1,339
Europe and ROW	2,280	2,001	2,430	2,336	2,217
EBITDA	741	602	649	618	603
Margin, %	21.8%	19.4%	17.0%	16.6%	17.0%
EBIT	701	564	598	566	569
Margin, %	20.6%	18.2%	15.6%	15.2%	16.0%

Specialty, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	321	308	506	628	564
Work Gear	260	244	328	269	256
Snow Chains	61	64	178	358	308
EBITDA	4	6	44	100	70
Margin, %	1.2%	1.9%	8.7%	15.9%	12.4%
EBIT	(6)	(4)	31	86	55
Margin, %	(1.9)%	(1.3)%	6.1%	13.7%	9.8%

Group Costs, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	1	1	1	1	1
EBITDA	(69)	(69)	(104)	(115)	(96)
Margin, %	n/a	n/a	n/a	n/a	n/a
EBIT	(75)	(77)	(114)	(126)	(107)
Margin, %	n/a	n/a	n/a	n/a	n/a

Constant currency-based segment information

The tables below set forth certain of our income statement items by segment for nine months ended September 30, 2014 and September 30, 2013 and for the years ended December 31, 2013, 2012 and 2011. In order to enable investors to assess the development of the continuing operations, excluding any exchange rate changes, the tables below set forth the performance on the basis of the assumed exchange rates. The assumed exchange rates are equal to, for the years ended December 31, 2013, 2012 and 2011, the closing exchange rate on December 31, 2013 and, for the nine months ended September 30, 2014 and September 30, 2013, the average exchange rates during the nine months ended September 30, 2014.1)

Outdoor&Bags, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	3,395	3,206	3,877	3,684	3,523
Americas	1,115	1,113	1,384	1,326	1,320
Europe and ROW	2,280	2,093	2,493	2,358	2,203
EBITDA	741	645	674	606	565
Margin, %	21.8%	20.1%	17.3%	16.4%	16.0%
EBIT	701	606	622	554	529
Margin, %	20.6%	18.9%	16.0%	15.0%	15.0%
Recurring EBITDA	759	691	730	621	587
Margin, %	22.4%	21.6%	18.8%	16.9%	16.7%
Recurring operating EBIT	727	661	690	581	551
Margin, %	21.4%	20.6%	17.8%	15.8%	15.6%

Specialty, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	321	316	511	626	560
Work Gear	260	249	327	258	255
Snow Chains	61	67	183	368	305
EBITDA	4	5	43	100	68
Margin, %	1.2%	1.6%	8.4%	16.0%	12.1%
EBIT	(6)	(6)	30	86	54
Margin, %	n/a	n/a	5.9%	13.7%	9.6%
Recurring EBITDA	4	5	43	100	68
Margin, %	1.2%	1.6%	8.4%	16.0%	12.1%
Recurring operating EBIT	(6)	(6)	30	86	54
Margin, %	n/a	n/a	5.9%	13.7%	9.6%

Group Costs, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net sales	1	1	1	1	1
EBITDA	(69)	(70)	(104)	(114)	(95)
Margin, %	n/a	n/a	n/a	n/a	n/a
EBIT	(75)	(78)	(115)	(124)	(107)
Margin, %	n/a	n/a	n/a	n/a	n/a

1) Exchange rates as at December 31, 2013 were as follows in SEK: CHF: 7.2931; DKK: 1.1986; EUR: 8.9430; GBP: 10.7329; HKD: 0.8392; JPY: 0.0618; MYR: 1.9860; NOK: 1.0580; PLN: 2.1548; TWD: 0.2173; USD: 6.5084; ZAR: 0.6213. The average exchange rates for the nine months ended September 30, 2014 were as follows in SEK: CHF: 7.4240; DKK: 1.2122; EUR: 9.0413; GBP: 11.1445; HKD: 0.8609; JPY: 0.0648; MYR: 2.0433; NOK: 1.0919; PLN: 2.1654; USD: 6.6757; ZAR: 0.6221.

Calculation of recurring operating EBIT – Group

Thule Group, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net income	**300**	**351**	**299**	**249**	**149**
Taxes	105	94	114	102	–27
Net interest expense/income	215	39	102	175	396
Operating income (EBIT)	**619**	**484**	**514**	**526**	**518**
Depreciation of excess values[1]					
Affecting cost of goods sold	4	4	6	5	6
Affecting selling expenses	9	9	12	13	0
	13	13	18	18	6
Non-recurring items affecting cost of goods sold					
Write-down of Bags for Electronic Devices inventory[2]	0	32	43	0	0
Non-recurring items affecting other operating income/ expenses					
Restructuring costs[3]	18	14	13	15	14
Acquisition related costs	0	0	0	0	8
Total non-recurring costs	**18**	**46**	**56**	**15**	**22**
Recurring operating EBIT	**650**	**543**	**588**	**560**	**545**
Recurring operating EBIT (constant currency)[4]	**650**	**584**	**612**	**549**	**504**

1) Fair value adjustment arising on the acquisition of subsidiaries as part of purchase price allocation. Of the total SEK 6 million recorded in 2011, depreciation of excess value was split evenly among the four quarters. Of the total SEK 18 million depreciation of excess value recorded in 2012, SEK 14 million was recorded in Q4, SEK 1.4 million in each of Q1 and Q2 and SEK 1.3 million in Q3. Of the total SEK 18 million recorded in 2013, depreciation of excess value was split evenly among the four quarters.
2) The one time inventory adjustment within the Bags for Electronic Devices product category within the Outdoor&Bags segment was due to the implementation of a more conservative obsolescence policy by the newly restructured product category management and the resulting write-down of the value of inventory in categories with declining sales (primarily, point-and-shoot camera bags, CD/DVD cases, as well as some products related to early, unsuccessful development efforts within the smartphone case category). Of the total SEK 43 million of write-down adjustments in 2013, SEK 32.3 million was recorded in Q3 and SEK 10.8 million was recorded in Q4.
3) The restructuring costs in 2011 mainly related to site closures in Georgia, U.S. and Clevedon, UK. Of the total SEK 14 million (rounded sum) in restructuring costs incurred in 2011, SEK 0.0 million was recorded in Q1, SEK 5.1 million was recorded in Q2, SEK 8.6 million was recorded in Q3 and SEK 0.2 million was recorded in Q4. The restructuring costs in 2012 and 2013 mainly related to the new organizational set-up of senior management into two regional management teams within the Outdoor&Bags segment. In 2012, a number of positions within Europe and ROW management were replaced by the Thule Group corporate management staff. Of the total SEK 15 million in restructuring costs in 2012, SEK 13.4 million was recorded in Q4, SEK 0.9 million was recorded in Q3, SEK 0.6 million was recorded in Q2 and SEK 0.1 million was recorded in Q1. In 2013, the previously stand-alone management for Bags for Electronic Devices was replaced by regional management set up within the integrated Outdoor&Bags segment. Of the total SEK 13 million of restructuring costs in 2013, SEK 11.9 million was recorded in Q3, SEK 1.1 million was recorded in Q1 and SEK 0.5 million was recorded in each of Q2 and Q4. Of the total SEK 18 million in restructuring costs incurred during the first nine months of 2014, SEK 0.1 million was recorded in Q1, SEK –1.8 million was recorded in Q2 and SEK 19.2 million was recorded in Q3. The expenses related to business restructurings in the UK (the separation of the Towing and Outdoor&Bags joint functions), Asia (the closure of a warehouse and relocating to third-party logistics) and the U.S. (the closure of a site and moving assembling functions to an existing site), as well as costs related to the Offering.
4) Based on, for the years ended December 31, 2013, 2012 and 2011, the closing exchange rate on December 31, 2013 and, for the nine months ended September 30, 2014 and September 30, 2013, the average exchange rates during the nine months ended September 30, 2014. Exchange rates as at December 31, 2013 were as follows in SEK: CHF: 7.2931; DKK: 1.1986; EUR: 8.9430; GBP: 10.7329; HKD: 0.8392; JPY: 0.0618; MYR: 1.9860; NOK: 1.0580; PLN: 2.1548; TWD: 0.2173; USD: 6.5084; ZAR: 0.6213. The average exchange rates for the nine months ended September 30, 2014 were as follows in SEK: CHF: 7.4240; DKK: 1.2122; EUR: 9.0413; GBP: 11.1445; HKD: 0.8609; JPY: 0.0648; MYR: 2.0433; NOK: 1.0919; PLN: 2.1654; USD: 6.6757; ZAR: 0.6221.

Calculation of recurring EBITDA – Group

Thule Group, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Net income	**300**	**351**	**299**	**249**	**149**
Taxes	105	94	114	102	–27
Net interest expense/income	215	39	102	175	396
Operating income (EBIT)	**619**	**484**	**514**	**526**	**518**
Depreciation and amortization	57	55	75	76	60
EBITDA	**676**	**539**	**589**	**602**	**578**
Non-recurring items affecting other operating income/ expenses					
Restructuring costs	18	14	13	15	14
Acquisition related costs	0	0	0	0	8
Non-recurring items affecting cost of goods sold					
Write-down of Bags for Electronic Devices inventory	0	32	43	0	0
Total non-recurring items	**18**	**46**	**56**	**15**	**22**
Recurring EBITDA	**694**	**585**	**644**	**618**	**599**
Recurring EBITDA (constant currency)[1]	**694**	**627**	**669**	**607**	**560**

1) Based on, for the years ended December 31, 2013, 2012 and 2011, the closing exchange rate on December 31, 2013 and, for the nine months ended September 30, 2014 and September 30, 2013, the average exchange rates during the nine months ended September 30, 2014. Exchange rates as at December 31, 2013 were as follows in SEK: CHF: 7.2931; DKK: 1.1986; EUR: 8.9430; GBP: 10.7329; HKD: 0.8392; JPY: 0.0618; MYR: 1.9860; NOK: 1.0580; PLN: 2.1548; TWD: 0.2173; USD: 6.5084; ZAR: 0.6213. The average exchange rates for the nine months ended September 30, 2014 were as follows in SEK: CHF: 7.4240; DKK: 1.2122; EUR: 9.0413; GBP: 11.1445; HKD: 0.8609; JPY: 0.0648; MYR: 2.0433; NOK: 1.0919; PLN: 2.1654; USD: 6.6757; ZAR: 0.6221.

Calculation of recurring gross income – Group

Thule Group, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Gross income	**1,495**	**1,310**	**1,616**	**1,658**	**1,560**
Write-down of Bags for Electronic Devices inventory	0	32	43	0	0
Depreciation of excess value affecting cost of goods sold[1]	4	4	5	5	6
Recurring gross income	**1,499**	**1,346**	**1,664**	**1,663**	**1,566**

1) Fair value adjustment arising on the acquisition of subsidiaries as part of purchase price allocation.

Calculation of recurring operating EBIT and recurring EBITDA by segment

Outdoor&Bags, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Operating income (EBIT)	**701**	**564**	**598**	**566**	**569**
Depreciation and amortization	40	38	51	52	34
EBITDA	**741**	**602**	**649**	**618**	**603**
Depreciation of excess values affecting selling expenses[1]	8	9	12	13	0
Non-recurring items affecting cost of goods sold					
Write-down of Bags for Electronic Devices inventory	0	32	43	0	0
Non-recurring items affecting other operating income/expenses					
Restructuring costs	18	14	13	15	14
Acquisition related costs	0	0	0	0	8
Total non-recurring costs	18	46	56	15	22
Recurring operating EBIT	**726**	**619**	**665**	**593**	**591**
Margin, %	**21.4 %**	**20.0 %**	**17.4 %**	**15.9 %**	**16.6 %**
Depreciation of excess values affecting selling expenses[1]	(8)	(9)	(12)	(13)	0
Recurring EBITDA	**759**	**648**	**704**	**633**	**625**
Margin, %	**22.3 %**	**20.9 %**	**18.4 %**	**17.0 %**	**17.6 %**

1) Fair value adjustment arising on the acquisition of subsidiaries as part of purchase price allocation.

Specialty, MSEK	Jan–Sep 2014	Jan–Sep 2013	2013	2012	2011
Operating income (EBIT)	**(6)**	**(4)**	**31**	**86**	**55**
Depreciation	9	10	13	14	15
EBITDA	**4**	**6**	**44**	**100**	**70**
Total other non-recurring costs	**0**	**0**	**0**	**0**	**0**
Recurring operating EBIT	**(6)**	**(4)**	**31**	**86**	**55**
Margin, %	**(1.8) %**	**(1.2) %**	**6.1 %**	**13.7 %**	**9.8 %**
Recurring EBITDA	**4**	**6**	**44**	**100**	**70**
Margin, %	**1.1 %**	**1.9 %**	**8.7 %**	**16 %**	**12.4 %**

Additional financial information

Quarterly results

We believe that the quarterly information set out below, covering the period from the first quarter of 2012 to the third quarter of 2014, is of significant value to investors, since it enables a better evaluation of our quarterly development, seasonal variations and our completed efficiency enhancement measures during this period. However, please note that the table is based on information derived from our internal accounts, which are not included in the audit reports submitted by the auditor.

	2014			2013				2012			
MSEK	**Q1**	**Q2**	**Q3**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Thule Group											
Net Sales	1,075	1,417	1,225	1,027	1,286	1,094	925	1,079	1,298	1,046	939
EBITDA	170	317	190	145	252	142	50	162	266	122	52
EBIT	152	297	170	128	233	123	30	147	250	106	24
Outdoor&Bags											
Net Sales	974	1,332	1,089	924	1,207	967	727	937	1,206	880	710
Europe and ROW	684	895	701	634	780	587	429	628	754	537	416
Americas	290	437	388	290	427	380	298	309	451	343	294
EBITDA	196	345	200	162	283	157	47	174	288	117	39
EBIT	183	332	186	150	270	144	34	165	278	107	17
Specialty											
Net Sales	101	84	136	103	78	127	198	142	92	165	228
Snow Chains	21	(4)	43	29	(2)	37	113	83	29	95	152
Work Gear	80	88	93	74	80	90	84	59	64	71	77
EBITDA	(3)	(7)	14	5	(8)	9	38	14	7	31	49
EBIT	(6)	(10)	11	2	(11)	6	34	10	4	27	45

Five-year selected financials

The Company considers the below five-year selected financials in respect of the Company's net sales, EBITDA and operating income (EBIT) (presented both in accordance with the Company's statutory accounts and on a continuing operations' basis[1]) to be of significant value for investors as it enables an assessment of financial performance over a longer period.

The information in the table set forth below is derived from the Company's audited statutory accounts as of and for the years ended December 31, 2013, 2012, 2011 and 2010 (2009 is included as a comparative year in the statutory accounts as of and for the year ended 2010, and is not subject to any audit report). As a result, the significant changes to the Company's business that have been made in recent years are not reflected. In particular, the figures below do not exclude the Company's discontinued operations.

MSEK	2013	2012	2011	2010	2009
Thule Group (in accordance with statutory accounts)					
Net Sales	5,702	5,798	5,590	5,671	5,462
EBITDA	769	783	816	924	704
Operating income (EBIT)	360	629	676	770	486

The information in the table set forth below for 2013, 2012 and 2011 is derived from the Company's audited financial statements included herein and reflects the Company's continuing operations. Corresponding information for 2010 and 2009 is not subject to any audit report and has not previously been reported, but has been prepared from the same information from the Company's accounting system as the statutory accounts.

MSEK	2013	2012	2011	2010[a]	2009[b]
Continuing operations					
Net Sales	4,331	4,362	4,122	4,069	3,811
EBITDA	589	602	578	656	477
Operating income (EBIT)	514	526	518	592	410

a) Break-down of Net Sales, EBITDA and Operating income (EBIT) for 2010:

MSEK	2010	2010	2010[1]
	Continuing operations	**Discontinued operations**	**As previously reported**
Net Sales	4,069	1,602	5,671
EBITDA	656	268	924
Operating income (EBIT)	592	178	770

1) Please note that the consolidated financial statements as of and for the year ended 2010 have been restated in the statutory accounts as of and for the year ended 2011 in respect of discontinued operations.

b) Break-down of Net Sales, EBITDA and Operating income (EBIT) for 2009:

MSEK	2009	2009	2009
	Continuing operations	**Discontinued operations**	**As previously reported**
Net Sales	3,811	1,651	5,462
EBITDA	477	227	704
Operating income (EBIT)	410	76	486

1) In accordance with IFRS 5, the net income presented in the prospectus is divided into continuing operations (Outdoor&Bags and Specialty) and discontinued operations (Trailer and Towing). Net income from the discontinued operations is presented and reported on a separate line in the consolidated income statement and is specified in note 2 in "*Historical financial information*". The table for the Thule Group shows Net Sales, EBITDA and Operating income (EBIT) as they appeared in the audited consolidated financial statements as of and for the years ended December 31, 2013, 2012, 2011 and 2010 (2009 is included as a comparative year in the audited consolidated financial statements as of and for the year ended 2010 and is not subject to any audit report), but not in accordance with IFRS 5.

The tables below set forth recurring operating EBIT and recurring EBITDA for 2010 and 2009 followed by reconciliation tables:

MSEK	2010	2009
Recurring operating EBIT	559	448
Recurring operating EBIT (constant currency, based on 2013 exchange rates)[1]	434	381
Recurring EBITDA	617	508
Recurring EBITDA (constant currency, based on 2013 exchange rates)[1]	489	434

Calculation of recurring operating EBIT

Thule Group, MSEK	2010	2009
Operating income (EBIT)	**592**	**410**
Depreciation of excess value	6	7
Non-recurring items affecting other operating income/ expenses		
Restructuring costs	(1)	31
Settlement received for damages related to acquisition	(38)	0
Total non-recurring items	**(33)**	**38**
Recurring operating EBIT	**559**	**448**
Recurring operating EBIT (constant currency, based on 2013 exchange rates)[1]	**434**	**381**

Calculation of recurring EBITDA

Thule Group, MSEK	2010	2009
Operating income (EBIT)	**592**	**410**
Depreciation and amortization	64	67
EBITDA	**656**	**477**
Non-recurring items affecting other operating income/expenses		
Restructuring costs	(1)	31
Settlement received for damages related to acquisition	(38)	0
Total non-recurring items	**(39)**	**31**
Recurring EBITDA	**617**	**508**
Recurring EBITDA (constant currency, based on 2013 exchange rates)[1]	**489**	**434**

1) Exchange rates as at December 31, 2013 were as follows in SEK: CHF: 7.2931; DKK: 1.1986; EUR: 8.9430; GBP: 10.7329; HKD: 0.8392; JPY: 0.0618; MYR: 1.9860; NOK: 1.0580; PLN: 2.1548; TWD: 0.2173; USD: 6.5084; ZAR: 0.6213.

The Company is affected by exchange rates that, in reported currencies, may not reflect the Company's local performance trend on the markets where the Company operates.

In order to enable investors to assess the development of the continuing operations, excluding any exchange rate changes, the table below sets out the performance on the basis of the assumed exchange rates equal to the closing exchange rate on December 31, 2013. The information has been prepared in the same way as the above table for the continuing operations, but with assumed exchange rates for 2009–2013 equal to the closing exchange rate on December 31, 2013.[1]

MSEK	2013	2012	2011	2010	2009
Continuing operations, unchanged exchange rate					
Net Sales	4,389	4,312	4,084	3,713	3,266
EBITDA	613	592	538	528	397
Operating profit (EBIT)	538	516	476	468	343

1) Exchange rates as at December 31, 2013 were as follows in SEK: CHF: 7.2931; DKK: 1.1986; EUR: 8.9430; GBP: 10.7329; HKD: 0.8392; JPY: 0.0618; MYR: 1.9860; NOK: 1.0580; PLN: 2.1548; TWD: 0.2173; USD: 6.5084; ZAR: 0.6213.

Definitions

EBIT
Operating income.

Organic net sales growth
The growth rate that can be achieved by increasing output and enhancing sales. This excludes growth acquired from takeovers, acquisitions or mergers.

Recurring operating EBIT
EBIT adjusted for depreciation of excess values affecting cost of goods sold and selling expenses and non-recurring items, including non-recurring items affecting cost of goods sold (write-down of Bags for Electronic Devices) and non-recurring items affecting other operating expenses (restructuring costs, settlement received for damages related to acquisition and acquisition-related costs).

Recurring operating EBIT margin
Recurring operating EBIT as a percentage of net sales during the period.

Recurring gross income
Gross income adjusted for non-recurring items, including non-recurring items affecting cost of goods sold (write-down for Bags for Electronic Devices inventory and depreciation and amortization of excess value).

Recurring gross margin
Recurring gross income as a percentage of net sales during the period.

EBITDA
Net income from continuing operations for the period before income taxes, net financial items and depreciation and amortization.

Recurring EBITDA
EBITDA adjusted for non-recurring items, including non-recurring items affecting other operating expenses (restructuring costs, settlement received for damages related to acquisition and acquisition-related costs) and non-recurring items affecting cost of goods sold (write-down for Bags for Electronic Devices inventory).

Recurring EBITDA margin
Recurring EBITDA as a percentage of net sales during the period.

› Operational and financial review

The following discussion should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements as of and for the nine months ended September 30, 2014 and 2013 and accompanying notes and our audited consolidated financial statements as of and for the years ended December 31, 2013, 2012 and 2011 and the related notes thereto, included elsewhere in this prospectus, which have been prepared in accordance with IFRS-EU. The following discussion contains forward looking statements that reflect our plans, estimates and beliefs, which are based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus, particularly in "Risk Factors" and "Important Information – Forward-looking information and risk factors".

Overview

We offer products within the sport and cargo carriers market and the other outdoor and bags market (*e.g.*, multi-functional child carriers and RV Products) in 136 countries and via more than 4,700 Key Account and/or Thule Retail Partner unique points of sales (so-called doors). In addition, we offer products in some product markets within the bags for electronic devices market sector. Within the specialty market (product categories snow chains and work gear), we have more than 2,500 key account retail doors selling our products.

For the year ended December 31, 2013, 3.1 % of our net sales were generated in Sweden, 51.1 % in other Europe, 37.2 % in North America and 8.6 % in rest of the world. 11.7 % of our total net sales for the year ended December 31, 2013 were generated by our Specialty segment.

For the nine months ended September 30, 2014, 3.7 % of our net sales were generated in Sweden, 54.2 % in other Europe, 35.1 % in North America and 7.0 % in rest of the world. 8.7 % of our total net sales for the nine months ended September 30, 2014 were generated by our Specialty segment.

Segment reporting

We operate in two segments:

- ***Outdoor&Bags***, which primarily includes the product categories *Sport&Cargo Carriers* (including the product categories groups Bike Carriers, Water/Winter/Other Carriers, Cargo Carriers and Roof Racks); *Bags for Electronic Devices* (including the product groups Laptop Bags and Mobile Handheld Device Cases and Other Bags&Cases for Electronic Devices); *Other Outdoor&Bags* (including the product groups Sport&Travel Bags; Active with Kids (*i.e.*, multi-functional child carriers, sport strollers and child bike seats); and RV Products (primarily in Europe and consisting mainly of awnings, tents and bike carriers); and
- ***Specialty***, which primarily includes the product categories *Work Gear* (in North America only and consisting mainly of the product group Pick-up Truck Tool Boxes) and *Snow Chains* (including, primarily in Europe, the product groups Professional Snow Chains and Consumer Snow Chains).

Acquisitions and dispositions

In September 2014, we entered into an agreement, conditional on the completion of the Offering, relating to the sale of our Towing business (developing, manufacturing and selling tow-bars, mainly in the European market) by selling all of our shares in Brink Group B.V. (previously Thule Netherlands Beheer B.V., under which all Towing business had been grouped through an internal restructuring) to Brink International AB, an entity jointly owned by Nordic Capital along with our other current shareholders. The divestment was in line with our strategy to focus our remaining business and activities on the sports and outdoor sector. The Towing business is accounted for as a discontinued operation in our financial statements for the nine months ended September 30, 2014 and the years December 31, 2013, 2012 and 2011.

In May 2014, we divested our Trailer business to the investment fund Accent Equity 2012. Pursuant to the share purchase agreement, Accent Equity 2012 took over our Trailer business including production plants, design and engineering resources and sales across Europe. The divestment of the Trailer business, which had operational units in the Nordic countries and a number of European markets and a focus on semi-professional and professional users, was in line with our strategic direction to focus our business on the Outdoor&Bags and Specialty segments. The Trailer business is accounted for as a discontinued operation in our consolidated financial statements for the nine months ended September 30, 2013 and the years ended December 31, 2013, 2012 and 2011.

The divested Towing and Trailer businesses will have a right to utilize the Thule brand on products sold until January 1, 2015 (Trailer) and January 1, 2016 (Towing), after which they will not be able to utilize the Thule brand.

The divestment of the Towing and Trailer businesses has resulted in significant goodwill write-downs, including a write-down of SEK 350 million for the six months ended June 30, 2014 in connection with the Towing business and a write-down of SEK 250 million for the year ended December 31, 2013 in connection with the Trailer business. These write-downs resulted from a lack of synergies among the Towing and Trailer businesses with the Thule Group's continuing operations, including: loss of the right to use the Thule brand name and the cost of introducing and positioning replacement brands, increased overhead costs, reduced scale advantages in primarily indirect sourcing (*e.g.*, logistics, IT and telecom) and generally a loss of the link between the Towing and Trailer businesses and the Thule Group "active life" positioning.

On June 29, 2011, we acquired Chariot Carriers, Inc. ("**Chariot**"), a manufacturer of premium multi-functional child carriers. The acquisition allowed us to add a new product assortment and a new product development competence to our portfolio, with a focus on products that provide smart and safe transportation solutions for parents who want to be active with their children. Chariot's multi-functional child carriers are designed to allow parents to take their children with them on outdoor trips, with a focus on convenience, safety and style, thus allowing the entire family to participate in the trip. The carriers' patented technology is designed so they can be adjusted for five different uses: biking, jogging, walking, hiking and cross country skiing.

Key factors affecting the results of operations

Our results of operations have been in the periods under review, and are expected to continue to be, affected by the following principal factors:

Demand in the market for our products

Our sales volumes are correlated to the consumers' ability and willingness to purchase our products, which in turn depends on certain demographic and market factors, as well as competition from manufacturers of similar products. The Outdoor&Bags business segment in particular is largely driven by the growing interest in and demand for our products which cater to an active lifestyle. Increases in average life expectancy and improved health create a growing base of consumers who have the means, time and interest in carrying out more activities. Modern outdoor enthusiasts are more likely to participate in various types of sports activities (*e.g.*, biking, skiing, hiking and paddling) and try more extreme sports (such as triathlons) than in past years, thus increasing the demand for our products. In addition, increased urbanization drives the demand for both our bike-related products (as people increasingly use bicycles to commute within large cities) and our outdoors and sports product categories, as consumers increasingly look for opportunities to make excursions into the outdoors. Parents wanting to be active together with their children has resulted in demand for our sports strollers and related products. Lastly, growing GDP and consumer interest in our sports and outdoor activities in developing economies drives the demand for our products in emerging markets like Russia, the rest of Eastern Europe and Latin America.

Of our two business segments, Outdoor&Bags has the highest gross margin, in excess of 40 %. Given its scale, relative premium price positioning and new product development rate, Sport&Cargo Carriers is the most profitable product category within Outdoor&Bags. Compared to the other two product categories, Bags for Electronic Devices and Other Outdoor&Bags, the difference in gross margin is typically in the range of 5–10 % due to volume, product mix and price changes among the product groups and products within each product category.

Further, demand for certain of our accessory products is tied to demand for the devices or equipment for which the accessory is designed. For example, in the bags for electronic devices market, demand for tablet cases has increased significantly in recent years as tablets have become more widely available, while demand for point-and-shoot camera cases has declined, consistent with the decline in the popularity of such cameras. The overall market for the RV products has similarly depended on the sales of new and used RVs and has contracted between 2010 and 2013 with a CAGR of –3 % in these three years, but, based on the projections from the European Caravan Federation (ECF) and Caravaning Industrie Verband e.V. Deutschland (CIVD), is expected to be flat in the next three years.

Within the Specialty segment, demand for pick-up truck tool boxes is dependent on the conditions within the U.S., building sector, as these products are primarily used by contractors and other small building entrepreneurs. When the U.S. building sector declined rapidly from 2007 to 2011, the demand for the pick-up truck tool boxes decreased accordingly. Lastly, demand within the Snow Chains category is highly weather dependent as the need for this product is driven by wintry road conditions and is therefore tied to the amount of snowfall in a particular year.

Based on our 2013 net sales, we estimate that approximately 70 % of our demand is driven by relatively stable or positively developing sectors related to the outdoor and sports equipment market, with approximately 20 % pertaining to the bags for electronic devices market that has shown strong trend variations within product groups, and approximately 10 % attributable to the somewhat cyclical (work gear) or weather dependent (snow chains) markets. 46 % of our 2013 net sales were generated by products launched in the last three years.

Competition also affects demand for our products. We operate in a fragmented and competitive market. There are many different competitors, depending on segment and region. The industry in which we operate is characterized by price competition, as well as other competitive factors such as product development, design, quality and service offering. These factors cause customers to prefer, from time to time, to a greater or lesser degree, products that compete with our offerings, which impacts our sales volumes and profit margins.

Further, consumers are becoming increasingly aware of which brands and products they seek. With the ability to search information that is readily available on a global basis in various communities, consumers are purchasing based either on price competition (*i.e.*, the most affordable solution for their needs) or based on brand competition (*i.e.*, brands that they relate to and trust and that offer enhanced product features and options). Consistent with our pricing levels, we compete primarily on the basis of our brands. Accordingly, our ability to sell many of our products depends on the strength of our brands and our ability to compete with other similar product offerings. In the sport and cargo carriers market, where we believe barriers for entry are high, in part, due to the need for products to adhere to stringent demands in accordance with rigorous global, regional and local laws, as well as demanding testing standards, such as ISO-, EN- and DIN, we occupy a dominant position in the market and expect to be able to continue to maintain our competitive advantage within this product category. Conversely, in the bags and electronic devices market, where we believe barriers for entry are relatively low due to the products' low technical content, we expect our business to be more impacted by competition.

Cost of labor and materials, inventory management and supply chains

Our profit and margins depend in large part on the costs of sale of our products, which in turn depend on the cost of labor and materials used to manufacture our products and our ability to effectively manage inventory and supply chains. We are exposed to fluctuation in the market price of certain commodities, particularly plastics, aluminum and steel, which are used in our production and in the manufacturing of products sourced from third-party suppliers, and the price of the fuel used for distribution and transport of the products. Prices of aluminum and steel were especially volatile in 2011 but have somewhat stabilized since then, while the cost of plastics has remained relatively high throughout the last three years compared to historical levels.

A portion of our supplier contracts relating to such commodities are indexed, which means that if the market price for a raw material changes, then our purchase price will increase or decrease. The cost of raw materials as a percentage of total product costs ranges from approximately 15 % to 40 %, depending on the product category, and is approximately 35 % on average. Fluctuations in the prices of raw materials during the last three years have caused total product costs in most of our product categories to change by as much as 1 % to 6 %. We have managed to compensate for some of these increases through improved design of products and have in general passed on these additional costs to the customers in the form of price mark-ups and expect to be able to do so in the future, should raw materials prices continue to fluctuate.

Of our exposures to plastic, aluminum and steel, only aluminum is directly associated with a traded market risk. The price of aluminum has fluctuated by as much as 35 % in the last three years. This has translated into an impact on product costs by as much as 10 % to 15 % for certain products in the Work Gear product category. Accordingly, we use derivatives to hedge aluminum price risk. The fair value of our outstanding derivatives as per year end were SEK –0.4 million in 2013 (2012: SEK –0.3 million, 2011: SEK –6.8 million).

In addition, energy prices impact manufacturing and freight costs, which also affect cost of goods sold. Increases in global crude oil prices typically result in higher energy and freight costs.

Labor shortages and labor costs in the countries from which we source our products may also increase our cost of goods sold through our sourcing prices. In a downturn the pressure on us, or that of our suppliers, to raise wages for our, or their, employees decreases. The resulting positive impact on our projected margin is typically realized gradually and over time, as employees are hired at different times at different wages. In an upturn, the costs of labor and subcontractor services tend to increase, especially if there is a shortage of labor in a particular field or geographic market, negatively impacting our projected margin. This negative impact will, for the same reasons, typically also manifest itself gradually over time.

Inventory represents a large part of our assets and is costly to move, warehouse and handle. Efficient inventory management is therefore important to our business. Any inefficiency in managing inventory (including errors or omissions in forecasting or ordering us or our customers) may result in excessive inventory of a particular component or group of components. Conversely, insufficient inventory exposes us to the risk of having to purchase components at higher prices in order to be able to deliver on time or having to incur high costs for express freight or having to pay penalties for not delivering on time. In a limited number of cases, we stock a particular product for the needs of only one or a few customers, and these customers might not accept, or be legally bound to accept, responsibility for excess or insufficient inventory.

In order to be able to manufacture, sell and deliver products, we are dependent on external suppliers satisfying agreed requirements regarding, for example, pricing, volume, quality and delivery time. Incorrect or late deliveries, or non-deliveries, from suppliers may, in turn, result our deliveries being delayed or suspended, or becoming deficient or incorrect. This may result in a reduction of sales and increased costs. We manage our supplier relations by entering into fixed price supply contracts with our largest suppliers, with price terms typically updated annually or, less commonly, bi-annually, quarterly or monthly.

Winter weather conditions

Certain of our products are only suitable for use in certain types of weather conditions. Specifically, our Snow Chain business which forms part of our Specialty segment is highly weather-dependent as the product need is driven by wintry road conditions. The Snow Chain business operates in some locations where there is a constant need for the product, but also operates in other locations, such as large metropolitan areas at lower altitudes where snow fall and hence demand is much more volatile and, accordingly, our results of operations may be significantly affected on the amount of snowfall in any given year. Our Snow Chain business experienced a 50.3 % decrease in net sales in 2013 from 2012 attributable to the milder weather in 2013. Seasonal fluctuations may affect our results of operations and cash flows on a quarterly basis, but tend to even out over the year. However, years with weather conditions that are on average unusually inclement or mild or characterized by heavy or little precipitation could affect operating results and cash flows for that year. Accordingly, our operating results in any particular quarter may not be indicative of the results that can be expected for any other quarter or for the entire year. Our Snow Chain business represented approximately 1.6 %, 4.1 %, 8.2 % and 7.5 % of our total net sales for the nine months ended September 30, 2014 and the years ended December 31, 2013, 2012 and 2011, respectively.

Interest rates

We have significant indebtedness to aid in the funding of our operations. The interest rate risk arises primarily from long-term indebtedness with an adjustable rate of interest. To mitigate the interest rate risk, we primarily use interest rate swaps, interest rate caps and floors which, in exchange for a fee, offer protection against a rise in interest rates. Our results of operations can be affected by changes in interest rates with respect to the unhedged portion of our indebtedness that bears interest at floating rates, which typically bears a spread over EURIBOR or LIBOR.

Based on our financing in place for the periods under review, if the EURIBOR interest rates had been 1 percentage point higher during 2013, while the rest of the variables remained constant, the effect on the income statement would have been a profit of SEK 34.8 million (2012: SEK 2.5 million, 2011: SEK 7.7 million) on a net basis and giving effect to the cost of the hedged position, mainly due to the fair value increase due to the time value of the interest rate swaps designated as hedges. Since we do not apply hedge accounting to interest rate swaps, a 1 percentage point increase in EURIBOR interest rates would not have had an impact on our net equity, beyond any effect resulting from the changes in net profit.

Concurrently with the Offering, we will refinance certain of our existing indebtedness with a SEK 2.3 billion multicurrency term loan facility and a SEK 0.6 billion multicurrency revolving credit facility provided by Danske Bank, DNB Bank ASA, filial Sverige and Nordea (the "**Credit Facilities**"). See "*Capitalization, indebtedness and other financial information – Capital structure in connection with the listing*". The refinancing will impact our net interest expense going forward. A portion of our existing indebtedness will be repaid with the proceeds from the divestment of our Towing business. Our remaining existing indebtedness, approximately SEK 1 billion, will be repaid with the proceeds from the Directed New Issue. See "*Share capital and ownership structure – Ownership structure*".

Assuming that the Credit Facilities had been available and the contemplated refinancing referenced above had taken place on September 30, 2014 with drawdowns of SEK 2.3 billion under the term loan and SEK 0.1 billion under the revolving credit facility, if all the relevant IBOR interest rates had been 1 percentage point higher as of September 30, 2014, while the rest of the variables remained constant and excluding any potential effects on interest rate swaps, the effect on income before taxes on an annual basis would have been SEK 24 million. Since we do not apply hedge accounting to interest rate swaps, a 1 percentage point increase in all relevant IBOR interest rates would not have an impact on our net equity, beyond any effect resulting from the changes in net profit.

Exchange rates

Our functional currency is the Swedish krona (SEK), but our revenue and expenses are denominated in the local currencies of the jurisdictions in which we operate. A significant portion of both our net sales and our expenses are generated in foreign currencies.

For the nine months ended September 30, 2014, 36%, 44%, 7%, 5%, 3% and 5% of our net sales were generated in USD, EUR, SEK, GBP, CAD and other currencies, respectively (compared to 41%, 40%, 7%, 4%, 4% and 4%, respectively, for the year ended December 31, 2013; 40%, 42%, 6%, 4%, 4% and 4%, respectively, for the year ended December 31, 2012; and 40%, 43%, 5%, 4%, 5% and 3%, respectively, for the year ended December 31, 2011).

For the nine months ended September 30, 2014, 45%, 34%, 12%, 1%, 0% and 8% of our cost of goods sold were in USD, EUR, SEK, GBP, CAD and other currencies, respectively (compared to 49%, 33%, 10%, 1%, 0% and 7%, respectively, for the year ended December 31, 2013; 47%, 32%, 11%, 1%, 0% and 9%, respectively, for the years ended December 31, 2012; and 45%, 32%, 13%, 1%, 0% and 9%, respectively, for the year ended December 31, 2011).

For the year ended December 31, 2013, SEK 559 million of our gross EBITDA flows were generated in EUR, SEK 115 million were generated in CAD, SEK 115 million were generated in USD, SEK 114 million were generated in GBP, SEK –29 million were generated in PLN, SEK –54 million were generated in CNY, SEK –256 million were generated in SEK and SEK 79 million were generated in other currencies. For the nine months ended September 30, 2014, SEK 628 million of our gross EBITDA flows were generated in EUR, SEK 87 million were generated in CAD, SEK 81 million were generated in USD, SEK 143 million were generated in GBP, SEK –59 million were generated in PLN, SEK –49 million were generated in CNY, SEK –207 million were generated in SEK and SEK 70 million were generated in other currencies. A change in the average EUR/SEK, USD/SEK and PLN/SEK rates by 10% would have had an impact of SEK 58 million, SEK 8 million and SEK 6 million, respectively, on our EBITDA as of September 30, 2014. The contemplated refinancing referenced above will not affect the Company's exchange rate sensitivity at the EBITDA level.

61%, 30%, 7% and 2% of our interest bearing loans are denominated in EUR, USD, GBP and CAD, respectively. The EUR and GBP loans are allocated to hedge the net investments in EUR and GBP denominated assets and hedge accounting according to the IAS 39 is applied for the loans. Other loans in other currencies consist of loans taken for acquisitions and financial leasing liabilities denominated in local currencies. We aim to hedge 50% (with a mandate to hedge up to 90% and an ability to hedge less than 50% with the approval of the Chief Financial Officer) of our large exposures (over SEK 20 million) for a rolling twelve-month period. For more information on our hedging policy, see "*Historical financial information – Note 4 Financial risk management*".

In addition, we are generally exposed to foreign currency exchange translation risk with respect to our subsidiaries whose reporting currency is other than SEK. We borrow loans in foreign currency to hedge our foreign currency exchange translation exposure in certain jurisdictions, in accordance with IAS 39. The total translation exposure for the year ended December 31, 2013 was SEK 3,767 million (2012: SEK 3,397 million, 2011: SEK 3,356 million). The largest translation exposures are in EUR and USD. The translation exposure for the year ended December 31, 2013 in EUR was SEK 1,658 million (2012: SEK 1,548 million, 2011: SEK 1,559 million) and in USD the translation exposure was SEK 1,414 million (2012: SEK 1,339 million, 2011: SEK 1,435 million). The contributions of these subsidiaries to our consolidated financial statements is significantly affected by the fluctuations in exchange rate between their reporting currency and the SEK.

Capital expenditure and investments

We generally require capital expenditures to maintain and improve our infrastructure, improve productivity, improve flexibility, enhance manufacturing capabilities, improve health and safety conditions, implement capabilities to produce new products and implement capitalized software.

Since 2011, our investments have primarily related to plant expansion and enhancements in the Huta, Poland facility amounting to SEK 27 million, the construction of an Eastern European warehouse in Huta, Poland amounting to SEK 65 million and ERP system upgrades within the Outdoor&Bags segment in 2013 amounting to SEK 12 million. Investments were SEK 98 million, SEK 66 million, SEK 73 million and SEK 71 million for the nine months ended September 30, 2014 and the years ended December 31, 2013, 2012 and 2011, respectively.

A new Eastern European warehouse, next to our manufacturing plant in Huta, Poland, is under construction and is expected to be finalized before or during the first quarter of 2015 and is expected to be operational beginning with the second quarter of 2015. In addition, there are several small investments planned for the near future, the largest of them being the second phase of the expansion of the Thule Test Center facility in Hillerstorp, Sweden (estimated to be approximately SEK 10 million in 2015).

Explanation of income statement items

Net sales

"Net sales" consist of amounts invoiced after deduction of trade discounts, volume and rebates, goods returned and other credit notes.

Cost of goods sold

"Cost of goods sold" includes the cost of raw materials, consumables and goods for resale, direct labor and indirect costs of production. Costs of goods sold also includes any write-down to net realizable value of non-saleable, slow moving items and other stock value adjustments.

Gross income

"Gross income" is calculated by deducting costs of goods sold from net sales.

Other operating revenue

"Other operating revenue" includes revenue that cannot be assigned to other line items, including revenue from development activities on behalf of another company as well as, in some cases, revenue from tools which are produced on behalf of a customer.

Selling expenses

"Selling expenses" are comprised of expenses incurred in the research and development, distribution, sale and marketing of products including salaries and other overhead. Selling expenses include depreciation and amortization of fixed assets related to the sales function.

Administrative expenses

"Administrative expenses" include expenses connected to finance, IT, legal and other activities related to communications, human resources and investor relations.

Other operating expenses

"Other operating expenses" consist of all expenses that cannot be assigned to the other separately presented items and includes amortization of goodwill, other acquisition expenses, loss from sale of fixed assets, restructuring expenses, legal fees and other operating expenses.

Operating income

"Operating income" is calculated by adding other operating income to gross income and deducting other selling expenses, administrative expenses and other operating expenses from gross income.

Financial revenue
"Financial revenue" includes revenue derived from interest income and net exchange rate fluctuations.

Financial expenses
"Financial expenses" include interest expense, other financial expenses and interest expenses on defined benefit pension obligations.

Net interest expense/income
"Net interest expense/income" is the net of financial revenue and financial expenses.

Income before taxes
"Income before taxes" represents our income before the payment of corporate income tax.

Taxes
"Taxes" includes all current and deferred tax benefits and expenses, as calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. Our tax rate is mainly affected by corporate tax rates in Sweden, U.S. and Belgium, as these currently are among the countries where we have a significant part of our operations. The corporate tax rate is 22 % on taxable income gains in Sweden, 37.3 % in the U.S. and 34 % in Belgium. However, our tax rate is also affected by corporate tax rates in other countries in which we operate. Based on the tax regulations in force and our current structure, we estimate that the effective tax rate will amount to 22–25 % in the medium term.

Discontinued operations
"Discontinued operations" represent a component of an entity that either has been disposed of, or is classified as held for sale, and (a) represents a separate major line of business or geographical area of operations, (b) is part of a single coordinated plan to dispose of a separate line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resell. Thule Group's discontinued operations consist of its Towing and Trailer businesses.

Net income from continuing operations
"Net income/(loss) from continued operations" represents income/(loss) before taxes from Thule Group's continuing operations adding tax benefits and deducting tax expenses from Thule Group's continuing operations.

Net income from discontinued operations
"Net income from discontinued operations" represents income/(loss) before taxes from Thule Group's discontinued operations adding tax benefits and deducting tax expenses from Thule Group's discontinued operations.

Net income
"Net income/(loss)" represents the total net income/(loss) from Thule Group's continuing operations plus net income/(loss) from Thule Group's discontinued operations.

Shareholders of the Parent Company
"Shareholders of the Parent Company" refers to the amount of profit attributable to entities and individuals that hold equity in Thule Group.

Non-controlling interest
"Non-controlling interest" denotes profit for the period that is allocated to non-controlling interests in Thule Group.

Comparison of operating results for the nine-month periods ended September 30, 2014 and September 30, 2013

Net sales
Net sales increased by 9.1 % to SEK 3,717 million for the nine months ended September 30, 2014, from SEK 3,406 million for the nine months ended September 30, 2013. The increase in net sales was primarily attributable to growth within the Outdoor&Bags segment and favorable effects of currency exchange rates. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, net sales for the nine months ended September 30, 2014 amounted to SEK 3,717 million, as compared to SEK 3,523 million for the nine months ended September 30, 2013.

For our Outdoor&Bags segment, net sales increased by 9.6 % to SEK 3,395 million for the nine months ended September 30, 2014, from SEK 3,098 million for the nine months ended September 30, 2013. The increase in net sales was driven primarily by volume growth and improved product mix, primarily attributable to strong sales in the Bike Carriers, Roof Racks and Active with Kids product categories within the Outdoor&Bags segment's Europe and ROW markets, particularly in established markets such as Germany, UK, Italy and Sweden. Within the Active with Kids product category, growth was primarily attributable to strong sales of multi-functional child carriers, as well as new products such as child seats and child bike trailers. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, net sales for our Outdoor&Bags segment amounted to SEK 3,395 million for the nine months ended September 30, 2014 and SEK 3,206 million for the nine months ended September 30, 2013.

For our Specialty segment, net sales increased by 4.2 % to SEK 321 million for the nine months ended September 30, 2014, from SEK 308 million for the nine months ended September 30, 2013. The increase in net sales was attributable to favorable currency exchange rates and higher sales volumes within the Work Gear product category (mainly toolboxes for pickup trucks), partially offset by lower sales volumes in the Snow Chains category. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, net sales amounted to SEK 321 million for the nine months ended September 30, 2014 and SEK 316 million for the nine months ended September 30, 2013.

Net sales in Europe, excluding Sweden, increased by 14.6 % to SEK 2,015 million for the nine months ended September 30, 2014, from SEK 1,758 million for the nine months ended September 30, 2013. The increase in net sales was driven primarily by volume growth and improved product mix, primarily attributable to strong sales in the Bike Carriers, Roof Racks and Active with Kids product categories within the Outdoor&Bags segment's Europe and ROW markets, particularly in established markets such as Germany, UK, Italy and Sweden.

Net sales in North America increased by 3.0 % to SEK 1,306 million for the nine months ended September 30, 2014, from SEK 1,267 million for the nine months ended September 30, 2013. The increase in net sales was primarily attributable to higher sales volumes within the Sport&Cargo Carriers and Work Gear product categories.

Cost of goods sold

Cost of goods sold increased by 5.9 % to SEK 2,221 million for the nine months ended September 30, 2014, from SEK 2,097 million for the nine months ended September 30, 2013. The increase in cost of goods sold was primarily attributable to higher net sales.

Gross income

Gross income increased by 14.1 % to SEK 1,495 million for the nine months ended September 30, 2014, from SEK 1,310 million for the nine months ended September 30, 2013. The increase in gross income was primarily attributable to a positive product mix shift with growth in high margin categories and an increased share of sales of products with better margins within the Outdoor&Bags segment, as well as continued supply chain efficiency gains. Gross margin for the nine months ended September 30, 2014 was 40.2 % compared to 38.5 % for the nine months ended September 30, 2013.

Other operating revenue

Other operating revenue decreased by 28.0 % to SEK 5 million for the nine months ended September 30, 2014, from SEK 7 million for the nine months ended September 30, 2013.

Selling expenses

Selling expenses increased by 6.9 % to SEK 637 million for the nine months ended September 30, 2014, from SEK 596 million for the nine months ended September 30, 2013. The increase in selling expenses was primarily attributable to increased spend on product development and launch of the new product categories within Other Outdoor&Bags (Active with Kids and Technical Backpacks) and tablet and smartphone products within Bags for Electronic Devices, as well as increased presence in various fairs for the 2015 season.

Administrative expenses

Administrative expenses decreased by 2.7 % to SEK 214 million for the nine months ended September 30, 2014, from SEK 220 million for the nine months ended September 30, 2013.

Other operating expenses

Other operating expenses increased by 76 % to SEK 30 million for the nine months ended September 30, 2014, from SEK 17 million for the nine months ended September 30, 2013. The increase in other operating expenses was primarily attributable to the business restructurings in the UK (the separation of the Towing and Outdoor&Bags joint functions), Asia (the closure of a warehouse and moving to third-party logistics) and the U.S. (the closure of a site and moving assembling functions to an existing site), costs related to the Offering and social benefits from earlier pension schemes, partially offset by the settlement received from an IP infringement case.

Operating income

Operating income increased by 27.9 % to SEK 619 million for the nine months ended September 30, 2014, from SEK 484 million for the nine months ended September 30, 2013. The increase in operating result was primarily attributable to higher net sales and improved gross margins, as well as approximately SEK 40 million in positive currency exchange rate effects. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, operating income amounted to SEK 619 million for the nine months ended September 30, 2014 and SEK 523 million for the nine months ended September 30, 2013.

Recurring EBITDA increased by 18.6 % to SEK 694 million for the nine months ended September 30, 2014, from SEK 585 million for the nine months ended September 30, 2013. The increase in recurring EBITDA was primarily attributable to higher net sales and improved gross margins. Recurring EBITDA for the Outdoor&Bags segment increased by 17.1 % from SEK 648 million to SEK 759 million during the same time period. The increase was primarily attributable to higher net sales and improved gross margins. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, recurring EBITDA for the Outdoor&Bags segment for the nine months ended September 30, 2014 amounted to SEK 759 million, as compared to SEK 691 million for the nine months ended September 30, 2013. Recurring EBITDA for the Specialty segment decreased by 33.3 % from SEK 6 million to SEK 4 million during the same time period. The decrease was primarily attributable to lower sales volumes in the Snow Chains category. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, recurring EBITDA for the Specialty segment for the nine months ended September 30, 2014 was SEK 4 million, as compared to SEK 5 million for the nine months ended September 30, 2013.

Recurring operating EBIT for the Outdoor&Bags segment increased to SEK 726 million for the nine months ended September 30, 2014 from SEK 619 million for the nine months ended September 30, 2013. The increase was primarily attributable to higher sales in the Bike Carriers and Active with Kids product categories. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, recurring operating EBIT for the Outdoor&Bags segment for the nine months ended September 30, 2014 was SEK 727 million, as compared to SEK 661 million for the nine months ended September 30, 2013.

Recurring operating EBIT for the Specialty segment decreased to SEK –6 million for the nine months ended September 30, 2014 from SEK –4 million for the nine months ended September 30, 2013. The decrease was primarily attributable to lower sales volumes within the Snow Chains category. When translated at constant currency and applying the average exchange rates for the nine months ended September 30, 2014, recurring operating EBIT for the Specialty segment remained the same for the nine months ended September 30, 2014 and the nine months ended September 30, 2013, at SEK –6 million.

Net interest expense/income

Net interest expense increased to SEK 215 million for the nine months ended September 30, 2014 from SEK 39 million for the nine months ended September 30, 2013. The increase in net interest expense was primarily attributable to unfavorable effects of currency exchange rates on debt and cash (SEK –82 million for the nine months ended September 30, 2014 compared to SEK 40 million for the nine months ended September 30, 2013), partially offset by improved market values on interest rate derivatives (SEK 3 million for the nine months ended September 30, 2014 compared to SEK 54 million for the nine months ended September 30, 2013).

Taxes

Taxes increased by 11.7 % to SEK 105 million for the nine months ended September 30, 2014, from SEK 94 million for the nine months ended September 30, 2013. The increase in taxes was primarily attributable to new provisions on the German tax audit of SEK 19.2 million, made in Q2 2014 (in total, provisions of SEK 46 million have been made, including SEK 19.2 million in 2014 and SEK 26.8 million in 2013).

Net income from continuing operations

Due to the factors set forth above, net income from continuing operations decreased by 16 % to SEK 300 million for the nine months ended September 30, 2014, from SEK 351 million for the nine months ended September 30, 2013.

Comparison of operating results for the years ended December 31, 2013 and December 31, 2012

Net sales

Net sales decreased by 0.7 % to SEK 4,331 million for the year ended December 31, 2013, from SEK 4,362 million for the year ended December 31, 2012. The decrease in net sales was primarily attributable to currency effects and the decrease in net sales in our Specialty segment, partially offset by the increase in net sales in our Outdoor&Bags segment. When translated at constant currency and applying 2013 exchange rates, net sales for the year ended December 31, 2013 amounted to SEK 4,389 million, as compared to SEK 4,312 million for the year ended December 31, 2012.

For our Outdoor&Bags segment, net sales increased by 2.4 % to SEK 3,824 million for the year ended December 31, 2013, from SEK 3,733 million for the year ended December 31, 2012. The increase in net sales was driven primarily by volume, but also product mix and price changes, primarily attributable to the SEK 229 million increase in net sales within the Sport&Cargo product category, mainly driven by stronger bike, roof rack, box and basket sales. The increase was partially offset by the SEK 37 million decline in sales within the Bags for Electronic Devices product category driven primarily by lower demand for point-and-shoot camera bags and the SEK 2 million decline in the Other Outdoor&Bags product category (driven primarily by the discontinuation of an exclusive distribution contract in Germany and subsequent buy-back of inventory in relation to the Active with Kids product group) and the approximately SEK –99 million in net effect of currency exchange rate fluctuations as a result of a stronger SEK in relation to EUR and USD. When translated at constant currency and applying 2013 exchange rates, net sales amounted to SEK 3,877 million for the year ended December 31, 2013 and SEK 3,684 million for the year ended December 31, 2012.

For our Specialty segment, net sales decreased by 19.4 % to SEK 506 million for the year ended December 31, 2013, from SEK 628 million for the year ended December 31, 2012. The decrease in net sales was primarily attributable to a decrease by SEK 179 million (or approximately one half) of the sales in our Snow Chains product category due to mild winter weather, as well as the approximately SEK –13 million in negative effects of currency exchange rate fluctuations as a result of a stronger SEK in relation to EUR and USD partially offset by the SEK 70 million increase in net sales in the Work Gear business as a result of growth in the U.S. housing market and new contracts, in particular with Home Depot. When translated at constant currency and applying 2013 exchange rates, net sales amounted to SEK 511 million for the year ended December 31, 2013 and SEK 626 million for the year ended December 31, 2012.

Net sales in Europe, excluding Sweden, decreased by 4.4 % to SEK 2,214 million for the year ended December 31, 2013, from SEK 2,315 million for the year ended December 31, 2012. The decrease in net sales was primarily attributable to the decrease by approximately one half in the sales in our snow chain product category due to mild winter weather, particularly in areas where our Snow Chain sales tend to be most volatile (*i.e.*, lower-lying parts of Italy, France, Austria, Switzerland and Germany, close to large metropolitan areas, where snow chains are only needed in high snowfall years).

Net sales in North America increased by 4.2 % to SEK 1,613 million for the year ended December 31, 2013, from SEK 1,547 million for the year ended December 31, 2012. The increase in net sales was primarily attributable to the increase in net sales within the Sport&Cargo product category, partially offset by approximately SEK 63 million in negative effects of currency exchange rate fluctuations as a result of a stronger SEK in relation to USD.

Cost of goods sold

Cost of goods sold increased by 0.4 % to SEK 2,715 million for the year ended December 31, 2013, from SEK 2,704 million for the year ended December 31, 2012. The increase in cost of goods sold was primarily attributable to the one time inventory adjustment within the Bags for Electronic Devices product category within the Outdoor&Bags segment due to the implementation of a more conservative obsolescence policy by the newly restructured product category management and the resulting write-down of the value of inventory in categories with declining sales (primarily, point-and-shoot camera bags, CD/DVD cases, as well as some products related to early, unsuccessful development efforts within the smartphone case category). The increase was offset by approximately SEK 51 million in positive effects of currency exchange rate fluctuations due to a stronger SEK in relation to USD and PLN.

Gross income

Gross income decreased by 2.5 % to SEK 1,616 million for the year ended December 31, 2013, from SEK 1,658 million for the year ended December 31, 2012. The decrease in gross income was primarily attributable to the 0.7 % decrease in net sales and the 0.4 % increase in the cost of goods sold. Gross margin for the year ended December 31, 2013 was 37.3 % compared to 38.0 % for the year ended December 31, 2012.

Other operating revenue

Other operating revenue remained unchanged at SEK 10 million for both the year ended December 31, 2013 and the year ended December 31, 2012.

Selling expenses

Selling expenses increased by 0.9 % to SEK 797 million for the year ended December 31, 2013, from SEK 790 million for the year ended December 31, 2012. The increase in selling expenses was primarily attributable to the increase in development expenses, mainly driven by an increased number of organic growth initiatives.

Administrative expenses

Administrative expenses decreased by 6.8 % to SEK 301 million for the year ended December 31, 2013, from SEK 323 million for the year ended December 31, 2012. The decrease in administrative expenses was primarily attributable to internal efficiency reorganizations implemented at the end of December 2012 and July 2013 within the Outdoor&Bags segment management structure with a total of 10 management positions being replaced with existing positions.

Other operating expenses

Other operating expenses decreased by 51.7 % to SEK 14 million for the year ended December 31, 2013, from SEK 29 million for the year ended December 31, 2012. The decrease in other operating expenses was primarily attributable to lower costs associated with the 2013 restructuring of the Outdoor&Bags segment by merging the global function within the Bags for Electronic Devices product category with the segment's existing regional setup, as compared to the 2012 restructuring of the Outdoor&Bags segment's management within Europe when several positions were made redundant and their functions were taken over by Thule Group's corporate management.

Operating income

Operating income decreased by 2.3 % to SEK 514 million for the year ended December 31, 2013, from SEK 526 million for the year ended December 31, 2012. The decrease in operating income was attributable to approximately SEK 41 million in negative effects of currency exchange rate fluctuations due to a stronger SEK in relation to EUR and USD and the other factors set forth above. When translated at constant currency and applying 2013 exchange rates, operating income amounted to SEK 538 million for the year ended December 31, 2013 and SEK 516 million for the year ended December 31, 2012.

Recurring EBITDA increased by 4.2 % to SEK 644 million for the year ended December 31, 2013, from SEK 618 million for the year ended December 31, 2012. The increase in recurring EBITDA was primarily attributable to the higher operating income before non-recurring items. Recurring EBITDA for the Outdoor&Bags segment increased by 11.2 % to SEK 704 million from SEK 633 million during the same time period. The increase was primarily attributable to the higher operating income before non-recurring items. When translated at constant currency and applying 2013 exchange rates, recurring EBITDA for the Outdoor&Bags segment for the year ended December 31, 2013 amounted to SEK 730 million, as compared to SEK 621 million for the year ended December 31, 2012. Recurring EBITDA for the Specialty segment decreased by 56 % to SEK 44 million from SEK 100 million during the same period. The decrease was primarily attributable to the milder weather in 2013. When translated at constant currency and applying 2013 exchange rates, recurring EBITDA for the Specialty segment for the year ended December 31, 2013 amounted to SEK 43 million, as compared to SEK 100 million for the year ended December 31, 2012.

Recurring operating EBIT for our Oudoor&Bags segment increased by 12.1 % to SEK 665 million for the year ended December 31, 2013, from SEK 593 million for the year ended December 31, 2012. The increase was primarily attributable to the SEK 133 million increase in operating income as a result of volume, product mix and price changes, partially offset by SEK 37 million in negative effects of currency exchange rate fluctuations due to a stronger SEK in relation to EUR and USD, SEK 20 million in additional selling expenses for product category growth and SEK 4 million in other recurring items. When translated at constant currency and applying 2013 exchange rates, recurring operating EBIT for the Outdoor&Bags segment for the year ended December 31, 2013 was SEK 690 million.

Recurring operating EBIT for our Specialty segment decreased by 64 % to SEK 31 million for the year ended December 31, 2013, from SEK 86 million for the year ended December 31, 2012. The decrease was primarily attributed to the SEK 74 million decrease in operating income from the Snow Chains business due to milder weather in 2013 and SEK 2 million in negative effects of currency exchange rate fluctuations due to a stronger SEK in relation to EUR and USD, partially offset by the SEK 21 million increase in operating income from the Work Gear product category as a result of new contracts. When translated at constant currency and applying 2013 exchange rates, recurring operating EBIT for the Specialty segment for the year ended December 31, 2013 was SEK 30 million, as compared to SEK 86 million for the year ended December 31, 2012.

Net interest expense/income

Net interest expense decreased by 41.7 % to SEK 102 million for the year ended December 31, 2013, from SEK 175 million for the year ended December 31, 2012. The decrease in net interest expense was primarily attributable to lower debt due to amortizations, a higher portion of unsecured debt taking advantage of lower interest rates, and improved market values on interest rate derivatives due to rising long-term rates.

Taxes

Taxes increased by 11.8 % to SEK 114 million for the year ended December 31, 2013, from SEK 102 million for the year ended December 31, 2012. The increase reflected a lower tax rate in 2012 due to a decrease in the Swedish corporate income tax rate by approximately 4 %. This legislative change decreased the tax value of temporary differences. Our tax rate in 2013 increased by approximately 6 % as a result of a provision for the tax audit in Germany.

Net income from continuing operations

Due to the factors set forth above, net income from continuing operations increased by 20.1 % to SEK 299 million for the year ended December 31, 2013, from SEK 249 million for the year ended December 31, 2012.

Comparison of operating results for the years ended December 31, 2012 and December 31, 2011

Net sales

Net sales increased by 5.8 % to SEK 4,362 million for the year ended December 31, 2012, from SEK 4,122 million for the year ended December 31, 2011. The increase in net sales was attributable to the increase in net sales in both the Outdoor&Bags and Specialty segments. When translated at constant currency and applying 2013 exchange rates, net sales for the year ended December 31, 2012 amounted to SEK 4,312 million, as compared to SEK 4,084 million for the year ended December 31, 2011.

For our Outdoor&Bags segment, net sales increased by 4.9 % to SEK 3,733 million for the year ended December 31, 2012, from SEK 3,557 million for the year ended December 31, 2011. The increase in net sales was primarily attributable to the SEK 100 million increase in net sales in the Sport&Cargo Carriers product category, mainly driven by stronger bike and roof rack sales (primarily reflecting increased customer prices), the SEK 124 million increase in net sales of the Other Outdoor&Bags product category following our acquisition of Chariot in the second half of 2011 and approximately SEK 17 million in positive effects of currency exchange rate fluctuations, partially offset by the SEK 55 million decline in the net sales within the Bags for Electronic Devices product category due primarily to a decline in demand for point-and-shoot camera cases and the SEK 10 million decline in the Other Outdoor&Bags product category primarily as a result of lower sales volumes in the second half of 2012 within the Active with Kids category. When translated at constant currency and applying 2013 exchange rates, net sales amounted to SEK 3,684 million for the year ended December 31, 2012 and SEK 3,523 million for the year ended December 31, 2011.

For our Specialty segment, net sales increased by 11.4 % to SEK 628 million for the year ended December 31, 2012, from SEK 564 million for the year ended December 31, 2011. The increase in net sales was primarily attributable to the SEK 75 million increase in snow chain sales due to high snowfall in the 2011/2012 winter season, partially offset by the SEK 11 million decline in net sales in the Work Gear product category due primarily to our decision to exit the Step Bar product group. When translated at constant currency and applying 2013 exchange rates, net sales amounted to SEK 626 million for the year ended December 31, 2012 and SEK 560 million for the year ended December 31, 2011.

Net sales in Europe, excluding Sweden, increased by 6.2 % to SEK 2,315 million for the year ended December 31, 2012, from SEK 2,180 million for the year ended December 31, 2011. The increase in net sales was primarily attributable to the increase in snow chain sales due to high snowfall in areas where our snow chain sales tend to be most volatile (*i.e.*, lower-lying parts of Italy, France, Austria, Switzerland and Germany, close to large metropolitan areas, where snow chains are only needed in high snowfall years), as well the increase in net sales within the Sport&Cargo Carriers product categories in Germany, Austria, Switzerland and Eastern Europe.

Net sales in North America increased by 6.8 % to SEK 1,547 million for the year ended December 31, 2012, from SEK 1,448 million for the year ended December 31, 2011. The increase in net sales was primarily attributable to the increase in net sales within the Sport&Cargo Carriers product category in North America.

Cost of goods sold

Cost of goods sold increased by 5.5 % to SEK 2,704 million for the year ended December 31, 2012, from SEK 2,562 million for the year ended December 31, 2011. The increase in cost of goods sold was primarily attributable to the 5.8 % increase in net sales, partially offset by lower purchase prices for materials.

Gross income

Gross income increased by 6.3 % to SEK 1,658 million for the year ended December 31, 2012, from SEK 1,560 million for the year ended December 31, 2011. The increase in gross income was primarily attributable to the 5.8 % increase in net sales, as well as to improved margins due to increased customer prices and decreased purchase prices on materials, slightly offset by a negative currency exchange rate impact. Gross margin for the year ended December 31, 2012 was 38.0 % compared to 37.8 % for the year ended December 31, 2011. The increase in gross margin was primarily attributable to volume, product mix and price changes in the Outdoor&Bags segment.

Other operating revenue

Other operating revenue increased to SEK 10 million for the year ended December 31, 2012, from SEK 2 million for the year ended December 31, 2011. The increase in other operating revenue was primarily attributable to an increase in revenue from asset sales, a released restructuring provision and the sale of certain patents.

Selling expenses

Selling expenses increased by 11.9 % to SEK 790 million for the year ended December 31, 2012, from SEK 706 million for the year ended December 31, 2011. The increase in selling expenses was primarily attributable to the increase in development expenses, driven by an increased number of product development initiatives for existing product categories and expansion into new categories, participation in trade fairs (particularly, the biennial Automechanika fair) and increased merchandising activities (particularly the rolling out of the Thule Retail Partner Program) and additional hiring of sales and marketing staff.

Administrative expenses

Administrative expenses increased by 1.6 % to SEK 323 million for the year ended December 31, 2012, from SEK 318 million for the year ended December 31, 2011. The increase in administrative expenses was primarily attributable to inflation and ordinary course staff salary increases.

Other operating expenses

Other operating expenses increased by 38.1 % to SEK 29 million for the year ended December 31, 2012, from SEK 21 million for the year ended December 31, 2011. The increase in other operating expenses was primarily attributable to higher management restructuring costs in relation to the 2012 restructuring of the Outdoor&Bags segment's management within Europe.

Operating income

Operating income increased by 1.5 % to SEK 526 million for the year ended December 31, 2012, from SEK 518 million for the year ended December 31, 2011. The increase in operating income was primarily attributable to the 6.3 % increase in gross income, partially offset by an increase in amortizations due to our acquisition of Chariot (see "– *Overview – Acquisitions and Dispositions*" above for more information on this acquisition) and an increase in development costs associated with new product category development. When translated at constant currency and applying 2013 exchange rates, operating income amounted to SEK 516 million for the year ended December 31, 2012 and SEK 476 million for the year ended December 31, 2011.

Recurring EBITDA increased by 3.2 % to SEK 618 million for the year ended December 31, 2012, from SEK 599 million for the year ended December 31, 2011. The increase in recurring EBITDA was primarily attributable to the increase in operating income, primarily in the Specialty segment. Recurring EBITDA for the Outdoor&Bags segment increased by 1.3 % to SEK 633 million from SEK 625 million during the same time period. The increase was primarily attributable to an increase in operating income as a result of the factors set forth above. When translated at constant currency and applying 2013 exchange rates, recurring EBITDA for the Outdoor&Bags segment for the year ended December 31, 2012 amounted to SEK 621 million, as compared to SEK 587 million for year ended December 31, 2011. Recurring EBITDA for the Specialty segment increased by 42.8 % to SEK 100 million from SEK 70 million during the same period. The increase was primarily attributable to the increase in operating income as a result of factors set forth above. When translated at constant currency and applying 2013 exchange rates, recurring EBITDA for the Specialty segment for the year ended December 31, 2012 amounted to SEK 100 million, as compared to SEK 68 million for the year ended December 31, 2011.

Recurring operating EBIT for our Outdoor&Bags segment increased by 0.3 % to SEK 593 million for the year ended December 31, 20123, from SEK 591 million for the year ended December 31, 2011. The increase was primarily attributable to the SEK 50 million increase in operating income as a result of volume, product mix and price changes and the SEK 26 million increase in operating income from the Other Outdoor&Bags product category following our acquisition of Chariot in the second half of 2011, partially offset by SEK 26 million in negative effects of currency exchange rate fluctuations due to a stronger SEK in relation to EUR and USD, SEK 40 million in additional selling expenses for product category growth and SEK –8 million in other recurring items. When translated at constant currency and applying 2013 exchange rates, recurring operating EBIT for the Outdoor&Bags segment for the year ended December 31, 2012 was SEK 581 million, as compared to SEK 551 million for the year ended December 31, 2011.

Recurring operating EBIT for our Specialty segment increased by 56.4 % to SEK 86 million for the year ended December 31, 2012, from SEK 55 million for the year ended December 31, 2012. The increase was primarily attributed to the SEK 24 million increase in operating income from the Snow Chains business due to high snowfall in the 2011/12 winter season, the SEK 9 million increase in operating income from the Work Gear product category due to increased efficiencies in our factories and discontinued relationships with unprofitable customers, partially offset by SEK 2 million in negative effects of currency exchange rate fluctuations due to a stronger SEK in relation to EUR and USD. When translated at constant currency and applying 2013 exchange rates, recurring operating EBIT for the Specialty segment for the year ended December 31, 2012 was SEK 86 million, as compared to SEK 54 million for the year ended December 31, 2011.

Net interest expense/income
Net interest expense decreased by 55.8 % to SEK 175 million for the year ended December 31, 2012, from SEK 396 million for the year ended December 31, 2011. The decrease in net interest expense was primarily attributable to lower debt due to amortizations, lower floating interest rates in 2012 and a decrease in market values on interest rate derivatives.

Taxes
Taxes increased to SEK 102 million for the year ended December 31, 2012, from SEK –27 million for the year ended December 31, 2011. The increase in taxes was primarily attributable to the utilization of the previously non-activated tax loss carry-forwards, mainly in the United States, and the creation of a new depreciation basis for acquired intellectual property rights in Sweden.

Net income from continuing operations
Net income from continuing operations increased by 67.1 % to SEK 249 million for the year ended December 31, 2012, from SEK 149 million for the year ended December 31, 2011.

Liquidity and capital resources
We maintain cash and cash equivalents to fund the day-to-day requirements of our business. We hold cash primarily in SEK, with additional cash positions in EUR, USD and GBP. We rely primarily on operating cash flows, drawings under our senior facilities agreement (the "**SFA**"), our multi-currency revolving credit facility and intra-Group cash-pooling arrangements to provide funds required for operations. Following the Offering, we expect to rely primarily on operating cash flows and drawdowns under Credit Facilities and to provide funds required for operations. Our net working capital, which consists of inventories, tax receivables, accounts receivable prepaid expenses and accrued income, other receivables, and cash and cash equivalents, less accounts payable, income taxes, other short term liabilities (non-interest bearing), accrued expenses and deferred income and short term provisions, was SEK 1,031 million, SEK 1,043 million and SEK 1,001 million as of December 31, 2013, 2012 and 2011, respectively, and was SEK 1,713 million and SEK 1,150 million as of the nine months ended September 30, 2014 and 2013, respectively.

The Outdoor&Bags segment generally has lower working capital requirements compared to the Specialty segment. In the first and second quarters in each year, inventory is built up in the Outdoor&Bags segment, with strong cash generation in the third quarter and fourth quarter in each year. In the Specialty segment, inventory in relation to Snow Chains is generally built up prior to the winter season (generally in the third quarter) and accounts receivable are collected after the winter season (generally in the first or second quarter). Work Gear has stable working capital requirements throughout the year.

Working capital statement
In our opinion, our working capital is sufficient for our present requirements over the next twelve months.

Operating working capital (continuing operations)

Operating working capital from continuing operations increased from SEK 999 million in the nine months ended September 30, 2013 to SEK 1,103 million in the nine months ended September 30, 2014, reflecting higher accounts receivable which increased from SEK 644 million in the nine months ended September 30, 2013 to SEK 782 million in the nine months ended September 30, 2014, partially offset by lower inventories, which decreased from SEK 711 million in the nine months ended September 30, 2013 to SEK 703 million in the nine months ended September 30, 2014 and higher accounts payable which increased from SEK 356 million in the nine months ended September 30, 2013 to SEK 382 million in the nine months ended September 30, 2014.

Operating working capital from continuing operations increased from SEK 921 million in the year ended December 31, 2012 to SEK 928 million in the year ended December 31, 2013, reflecting higher inventories, which increased from SEK 652 million in the year ended December 31, 2012 to SEK 669 million in the year ended December 31, 2013 and lower accounts payable which decreased from SEK 507 million in the year ended December 31, 2012 to SEK 448 million in the year ended December 31, 2013, partially offset by lower accounts receivable which decreased from SEK 776 million in the year ended December 31, 2012 to SEK 707 million in the year ended December 31, 2013.

Operating working capital from continuing operations decreased from SEK 981 million in the year ended December 31, 2011 to SEK 921 million in the year ended December 31, 2012, reflecting lower accounts receivable, which decreased from SEK 846 million in the year ended December 31, 2011 to SEK 776 million in the year ended December 31, 2012 and higher accounts payable, which increased from SEK 459 million in the year ended December 31, 2011 to SEK 507 million in the year ended December 31, 2012, partially offset by an increase in inventories from SEK 594 million in the year ended December 31, 2011 to SEK 652 million in the year ended December 31, 2012.

Cash flows

Cash flow from operating activities
Cash flow from operating activities increased by SEK 148 million to a cash inflow of SEK 432 million in the nine months ended September 30, 2014 from a cash inflow of SEK 284 million in the nine months ended September 30, 2013. This increase was primarily due to a lower usage of operating working capital.

Cash flow from operating activities decreased by SEK 34 million to a cash inflow of SEK 390 million in the year ended December 31, 2013 from a cash inflow of SEK 424 million in the year ended December 31, 2012. This decrease was primarily due to a higher usage of operating working capital.

Cash flow from operating activities increased by SEK 114 million to a cash inflow of SEK 424 million in the year ended December 31, 2012 from a cash inflow of SEK 310 million in the year ended December 31, 2011. This increase was primarily due to a lower usage of operating working capital.

Cash flow from investing activities
Cash flow from investing activities increased by SEK 176 million to a cash inflow of SEK 49 million in the nine months ended September 30, 2014 from a cash outflow of SEK 127 million in the nine months ended September 30, 2013. This increase was primarily due to proceeds from the sale of the Trailer business in Q2 2014. Of the remaining amount, cash flow from investing activities of our continuing operations amounted to a cash outflow of SEK 98 million for continuing operations in the nine months ended September 30, 2014 compared to a cash outflow of SEK 47 million for continuing operations in the nine months ended September 30, 2013, which was primarily due to the construction of a central warehouse in Eastern Europe.

Cash flow from investing activities increased by SEK 26 million to a cash outflow of SEK 160 million in the year ended December 31, 2013 from a cash outflow of SEK 134 million in the year ended December 31, 2012. This increase was primarily due to the acquisition of ACS (a small Dutch tow-bar manufacturer), which is now accounted for as part of discontinued operations, partially offset by lower capital expenditures (which decreased from SEK 145 million in the year ended December 31, 2012 to SEK 101 million in the year ended December 31, 2013).

Cash flow from investing activities increased by SEK 116 million to a cash outflow of SEK 134 million in the year ended December 31, 2012 from a cash outflow of SEK 250 million in the year ended December 31, 2011. This increase was primarily due to the absence of acquisition-related expenses in 2012 as compared to 2011, when we acquired Chariot as well as slightly higher capital expenditures (which increased from SEK 124 million in the year ended December 31, 2011 to SEK 145 million in the year ended December 31, 2012).

Cash flow from financing activities

Cash flow from financing activities decreased by SEK 53 million to a cash outflow of SEK 152 million in the nine months ended September 30, 2014 from a cash outflow of SEK 205 million in the nine months ended September 30, 2013. This decrease was primarily due to lower amortizations on bank loans.

Cash flow from financing activities decreased by SEK 91 million to a cash outflow of SEK 274 million in the year ended December 31, 2013 from a cash outflow of SEK 183 million in the year ended December 31, 2012. This decrease was primarily due to increased amortization payments under the SFA.

Cash flow from financing activities decreased by SEK 147 million to a cash outflow of SEK 183 million in the year ended December 31, 2012 from a cash outflow of SEK 36 million in the year ended December 31, 2011. This decrease was primarily due to increased amortization payments under the SFA and the absence of acquisition-related loans in 2012 as compared to 2011 when an acquisition loan was obtained to finance the acquisition of Chariot.

Operating cash flows (continuing operations)

Operating cash flow from continuing operations (a non-GAAP measure derived from recurring EBITDA and operating balance sheets and not balance sheets in the statutory accounts) increased by SEK 135 million to a cash inflow of SEK 519 million in the nine months ended September 30, 2014 from a cash inflow of SEK 384 million in the nine months ended September 30, 2013. This increase was due to changes in operating working capital (reflecting adjustments for changes in FX during the period) of SEK –97 million for the nine months ended September 30, 2014 compared to SEK –124 million for the nine months ended September 30, 2013, non-cash items (including unrealized FX profits/losses, capital gains/losses on disposals, bad debt losses and inventory write-downs) of SEK 1 million for the nine months ended September 30, 2014 compared to SEK 8 million for the nine months ended September 30, 2013, capital expenditures of SEK –98 million for the nine months ended September 30, 2014 compared to SEK –47 million for the nine months ended September 30, 2013 and 'other' items (including other receivables, prepaid expenses and accrued income, other provisions, advances from customers, other liabilities, accrued expenses and prepaid income) of SEK 19 million in the nine months ended September 30, 2014 compared to SEK –38 million in the nine months ended September 30, 2013 and an increase in EBITDA.

Operating cash flow from continuing operations (a non-GAAP measure derived from recurring EBITDA and operating balance sheets and not balance sheets in the statutory accounts) decreased by SEK 9 million to a cash inflow of SEK 517 million in the year ended December 31, 2013 from a cash inflow of SEK 526 million in the year ended December 31, 2012. This decrease was due to changes in operating working capital (reflecting adjustments for changes in FX during the period) of SEK –52 million for the year ended December 31, 2013 compared to SEK 20 million for the year ended December 31, 2012, non-cash items (including unrealized FX profits/losses, capital gains/losses on disposals, bad debt losses and inventory write-downs) remaining stable at SEK 13 million for the years ended December 31, 2013 and December 31, 2012, capital expenditures of SEK –66 million for the year ended December 31, 2013 compared to SEK –73 million for the year ended December 31, 2012 and 'other' items (including other receivables, prepaid expenses and accrued income, other provisions, advances from customers, other liabilities, accrued expenses and prepaid income) of SEK –23 million in the year ended December 31, 2013 compared to SEK –53 million in the year ended December 31, 2012, partially offset by an increase in EBITDA.

Operating cash flow from continuing operations (a non-GAAP measure derived from recurring EBITDA and operating balance sheets and not balance sheets in the statutory accounts) increased by SEK 84 million to a cash inflow of SEK 526 million in the year ended December 31, 2012 from a cash inflow of SEK 442 million in the year ended December 31, 2011. This increase was due to changes in operating working capital (reflecting adjustments for changes in FX during the period) of SEK 20 million for the year ended December 31, 2012 compared to SEK –75 million for the year ended December 31, 2011, non-cash items (including unrealized FX profits/losses, capital gains/losses on disposals, bad debt losses and inventory write-downs) of SEK 13 million for the year ended December 31, 2012 compared to SEK 8 million for the year ended December 31, 2011, capital expenditures of SEK –73 million for the year ended December 31, 2012 compared to SEK –71 million for the year ended December 31, 2011 and 'other' items (including other receivables, prepaid expenses and accrued income, other provisions, advances from customers, other liabilities, accrued expenses and prepaid income) of SEK –53 million in the year ended December 31, 2012 compared to SEK –21 million in the year ended December 31, 2011, and an increase in EBITDA.

Research and development

Our research and development expenses were SEK 134 million and SEK 124 million for the nine months ended September 30, 2014 and September 30, 2013, respectively. The increase in research and development expenses during this period was primarily attributable to development of the new product categories within Other Outdoor&Bags (Active with Kids and Technical Backpacks) and increased development spend on products within Bags for Electronic Devices (Mobile Handheld Devices). Our research and development expenses were SEK 181 million for the year ended December 31, 2013, SEK 174 million for the year ended December 31, 2012 and SEK 133 million for the year ended December 31, 2011. The increase in research and development expenses by SEK 7 million from 2012 to 2013 was primarily attributable to an increase in the number of new products developed by us. The increase in research and development expenses by SEK 41 million from 2011 to 2012 was primarily attributable to increased activities targeting higher organic growth with increased spend on additional internal staff, additional external consultancy resources and additional product prototypes and tooling due to both development of existing product categories and expansion into new product categories, *e.g.*, within Active with Kids and Sport&Travel Bags. All research and development costs are expensed and none of these costs are capitalized. Our research and development expenses as a percentage of selling expenses increased from 2.8% for the year ended December 31, 2009 to 4.2% for the year ended December 31, 2013, while our sales and marketing expenses as a percentage of selling expenses remained relatively stable, increasing from 13.3% to 13.9% for the same periods, respectively.

Critical accounting policies

The preparation of our consolidated financial statements in accordance with IFRS-EU requires our management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are we believe to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

We make significant judgments in the process of applying certain of our accounting policies, including those involving estimates and assumptions related to:

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is distributed to cash-generating units and an impairment test is performed annually. An assessment is made every year as to whether there is an impairment need for goodwill. For each cash-generating unit, the recovery value is determined. Assumptions about future cash flows and estimates of parameters are made as a basis for the calculation. See "*Historical financial information – Note 1 Significant accounting policies*" and "*Historical financial information – Note 19 Intangible Assets*" for an explanation of these assumptions. The carrying amount of goodwill as of September 30, 2014 was SEK 3,875 million.

Our current goodwill reflects its allocation after Thule Group's restructuring in 2009, with minor additions from the 2010 and 2011 acquisitions (TracRac and Chariot, respectively) and the divestment of OEM Integrated Car Roof Rail business in 2010.

Pensions

A qualified independent actuary is engaged to calculate our liability in respect of our defined contribution pension plan. In calculating this liability, it is necessary for actuarial assumptions to be made which include discount rates, pension increases, price inflation, the long terms rate of return upon plan assets and mortality. As actual rates for these assumptions may differ from those assumed, the pension liability may differ from that included in our audited consolidated financial statements.

Taxes

Incomes taxes include both current and deferred taxes. Deferred tax is calculated using the balance sheet approach starting with temporary differences between reported and taxed values on assets and liabilities. The measurement of deferred tax is based on how underlying assets and liabilities are expected to be recovered or settled. The judgment to recognize the deferred tax asset is dependent upon an assessment made by us in relation to our future profitability and hence recovery of the asset. Our future profitability is dependent upon a variety of factors, principally revenue and cost of sale forecasts which contain a degree of uncertainty.

Provisions

A provision differs from other liabilities in that there is uncertainty about the time of payment or the amount of settlement. A provision is reported on the balance sheet when there is an existing legal or constructive obligation resulting from a past event and when it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made based on the best estimate of what will be required to settle the existing obligation on the closing day. When it is important to know when the payment will occur, provisions are calculated by discounting the expected future cash flow using a pretax interest rate that reflects current market assessments of the time value of money and, if suitable, the risks associated with the liability.

A provision for restructuring is reported when there is an established, detailed and formal restructuring plan, and the restructuring has either started or been officially announced. Provisions are not made for future operating expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

A summary of our accounting policies is set out in "*Historical financial information – Note 1 Significant accounting policies*".

Recent trends

The construction of the Thule Group's Eastern European warehouse next to the Company's largest assembly plant in Huta, Poland continued during and after the end of the third quarter of 2014 according to plan. The warehouse is planned to be put into operation in the first half of 2015, and is expected to enable a more efficient management of supplies to the growing Eastern European market.

See "*– Key factors affecting the results of operations*" for a discussion on certain factors that affect our results of operations during the current financial year.

Significant changes since September 30, 2014

Since September 30, 2014 the Company has resolved on a reverse split of shares (1:10), the Share Conversion, the Directed New Issue, the Bonus Issue to existing shareholders (please see "*Share capital and ownership structure*"), and entered into agreements on the Credit Facilities (please see "*Capitalization indebtedness and other financial information – Capital structure in connection with the listing*"). In connection with the refinancing, write-downs of capitalized costs related to the current financing being replaced prior to its expected maturity, totalling not more than SEK 27 million, will negatively affect Thule Group's profits in the fourth quarter 2014.

Capitalization, indebtedness and other financial information

The tables in this section account for Thule Group's capital structure at the group level as of September 30, 2014. For information on the Company's share capital and shares, please see section "*Share capital and ownership structure*". The tables in this section should be read together with the section "*Operational and financial review*" and Thule Group's historical financial information along with its related notes, included in the section "*Historical financial information*".

Capitalization

Set forth below is Thule Group's capitalization as of September 30, 2014.

MSEK	September 30, 2014
Total current interest-bearing liabilities	**0**
Against guarantee or surety	0
Against security	0
Unguaranteed/Unsecured	0
Total long-term interest-bearing liabilities	**4,350**
Against guarantee or surety	0
Against security[1)]	4,350
Unguaranteed/Unsecured	0
Equity	**1,924**
Share capital	0
Legal reserve	1,034
Other reserves	(380)
Retained earnings, including profit for the period	1,270
Minority interests	0

1) Primarily pledges in shares in subsidiaries, floating charges, pledges in intra-group receivables and intellectual property (under the SFA).

Financial indebtedness

Set forth below is Thule Group's financial indebtedness as of September 30, 2014.

	MSEK	September 30, 2014
(A)	Cash	0
(B)	Cash equivalents	719
(C)	Current financial investments	0
(D)	**Cash and cash equivalents (A)+(B)+(C)**	**719**
(E)	**Current financial receivables**	**0**
(F)	Current bank loans	0
(G)	Current share of long-term financial liabilities	0
(H)	Other current financial liabilities	101
(I)	**Current financial liabilities (F)+(G)+(H)**	**101**
(J)	**Net current indebtedness (I)–(E)–(D)**	**618**
(K)	Non-current bank loans	4,323
(L)	Outstanding bond loans	0
(M)	Other non-current financial liabilities	0
(N)	**Non-current financial liabilities (K)+(L)+(M)**	**4,323**
(O)	**Net financial indebtedness (J)+(N)**	**3,705**

As of September 30, 2014, our direct and indirect contingent liabilities, on a consolidated basis, were SEK 3 million. For additional information on our debts and liabilities see "*Historical financial information – Note 25 Liabilities to credit instititutions*".

The capitalization and indebtedness tables do not reflect share capital changes that occurred after September 30, 2014. For further information, see "*Share capital and ownership structure – Share capital development*".

Capital structure in connection with the listing

Concurrently with the Offering, Thule Group will refinance certain of its existing indebtedness using (i) a SEK 2.3 billion multicurrency term loan facility with a final maturity date falling five years from the date of the signing of the facility agreement and (ii) a SEK 0.6 billion multicurrency revolving credit facility with the same final maturity date as the term loan facility (the "**Credit Facilities**"). Thule Group's main loan financing will consist of the Credit Facilities. The Credit Facilities will be provided by Danske Bank, DNB Bank ASA, filial Sverige and Nordea, and will be subject to closing of the Offering. The refinancing will impact Thule Group's net interest expense going forward. A portion of the existing indebtedness will be repaid with the proceeds from the divestment of our Towing business. The remaining existing indebtedness in the amount of approximately SEK 1 billion will be repaid with the proceeds from the Directed New Issue. See "*Share capital and ownership structure – Ownership structure*".

The Credit Facilities contain customary representations and warranties made as of the signing date and as of certain subsequent dates. In addition, the Credit Facilities contain customary undertakings, subject to certain agreed exceptions, including with respect to maintaining authorizations, complying with laws (including environmental laws and sanctions), restrictions on mergers, restrictions on disposals, negative pledge, restrictions for subsidiaries incurring financial indebtedness, restrictions on loans and guarantees, not changing the general nature of the business, and maintaining appropriate insurance cover. The Credit Facilities further include financial covenants relating to the net debt to EBITDA ratio and interest cover of Thule Group. The net debt to EBITDA ratio shall in the first calculation, which under the Credit Facilities will be made at the end of the next quarter, not exceed 4.5 and will then step down to 4.25, 4.00 and 3.75 during the following quarters. The interest cover ratio shall be equal to or greater than 3.00. The Credit Facilities may terminate upon the occurrence of certain customary circumstances, including in connection with (i) a delisting of Thule Group from Nasdaq Stockholm or other recognized exchange, or (ii) a change of control of Thule Group (with the exception of Nordic Capital). The Credit Facilities do not contain any restrictions on dividend payments. The Credit Facilities are unsecured.

The Credit Facilities may be repayable in full or in part if certain events occur, including, but not limited to, non-payment by any obligor, insolvency by certain Thule Group members or if any obligor ceases to be a wholly-owned subsidiary of Thule Group AB (publ).

Assuming that the Credit Facilities were available and the above refinancing had taken place on September 30, 2014 with drawdowns of SEK 2.3 billion under the term loan and SEK 0.1 billion under the revolving credit facility, the Company's net indebtedness would have been SEK 2.4 billion as at that date. The annual interest rate of the Credit Facilities (which is based on the relevant IBORs plus an adjustable margin) will amount to approximately 2 % based on current relevant IBOR levels.

Thule Group's shareholders' equity as of September 30, 2014, was SEK 1,924 million. The only changes foreseen up to the listing of the Company's shares on Nasdaq Stockholm relate to (i) a capital injection of approximately SEK 1 billion from the Principal Owner in the Directed New Issue as part of the refinancing (see "*Share capital and ownership structure – Share conversion in connection with the Offering, etc.*") and (ii) net income for the period from October 1, 2014 up until first day of trading.

The table below presents an overview of the Company's capitalization and indebtedness as of September 30, 2014, adjusted for the events described above (excluding costs related to the Offering and the refinancing), to illustrate how the Company's financial position would have been on September 30, 2014, if the these events had occurred on that date.

Assumed share capital structure as per 30 September 2014

Amount, MSEK	**30 Sep 2014**	**Write-downs of capitalized costs related to the current financing**	**Share issue to the Principal Owner**	**Divestment of the *Towing*-business**	**Use of funds for refinancing of current indebtedness**	**30 Sep 2014 after adjustments**
Share capital and other contributed capital	1,034		993			2,027
Reserves	(380)					(380)
Retained earnings including net income	1,270	(27)				1,244
Non-controlling interests	0					0
Total equity	**1,924**	**(27)**	**993**			**2,890**
Interest bearing liabilities Thule Group	4,424	27	(993)		(1,012)	2,446
Interest bearing liabilities	**4,424**	**27**	**(993)**		**(1,012)**	**2,446**
Cash and cash equivalents	719			293	(1,012)	–
Current financial investments	0					0
Net indebtedness	**3,705**	**27**	**(993)**	**(293)**	**–**	**2,446**
Net indebtedness / recurring EBITDA rolling 12 months	4.9x					3.2x

Except as set forth above, we have no reason to believe that there has been any material change to our actual capitalization since September 30, 2014 other than that the SEK has weakened against the currencies of Thule Group's present external loans (see "*Historical financial information – Note 4 Financial risk management*" for information on economic exposure) and changes resulting from the ordinary course of our business. In connection with the refinancing described above, write-downs of capitalized costs related to the current financing being replaced prior to its expected maturity, totalling not more than SEK 27 million, will negatively affect Thule Group's profits in the fourth quarter 2014.

Financial risk management

See "*Historical financial information – Note 4 Financial risk management*" for an account of our risk management activities as well as exchange rate and interest rate sensitivity analyses.

› Board of Directors, group management and auditor

Board of Directors

According to Thule Group's Articles of Association, the Board of Directors shall comprise three to ten members elected by the shareholders at a General Meeting. In addition and by law, employee organizations are entitled to appoint two ordinary members and an equivalent number of alternates. The Board of Directors currently comprises seven members elected by the General Meeting for a term of office extending until the close of the 2015 Annual General Meeting.

Name	Function	Elected	Independent	Audit Committee	Remuneration Committee	Shareholding after the Offering[1]
Stefan Jakobsson	Chairman	2011	Yes		•	142,481
Bengt Baron	Director	2011	Yes			35,620
Hans Eckerström	Director	2009	No*		•	–
Liv Forhaug	Director	2014	Yes			–
Lilian Fossum Biner	Director	2011	Yes	•		35,620
David Samuelson	Director	2012	No*	•		–
Åke Skeppner	Director	2009	Yes	•		150,963

* Not independent in relation to the Principal Owner.
1) Based on an Offering price set at the midpoint of the price range and assuming that the Share Conversion, the Bonus Issue, the Directed Share Issue and the Reallocation of Shares have been effected (see "*Share capital and ownership structure – Share conversion in connection with the Offering, etc.*" and "*Share capital and ownership structure – Share-related incentive programs*").

Stefan Jakobsson

Born 1952. Chairman of the Board of Directors since 2011.

Education and professional experience: Previously CEO of PUMA AG Rudolf Dassler Sport, Tretorn AB and Abu Garcia Aktiebolag.

Other current appointments: Chairman of the Board of Directors of Woody Bygghandel AB. Member of the Board of Directors of Etac AB, Nobia AB and Stefan Jacobsson Consulting AB.

Previous appointments (past five years): Chairman of the Board of Directors of Nybron Flooring International Corporation, Bauwerk AG, Teak Luxembourg S.A., Cherry Luxembourg S.A., Intersport AB, inriver AB and RichRelevance Sweden Holding AB (previously Avail Group Holding AB).

Holding: 142,481 shares and up to 783,582 warrants after the Offering.[1]

Bengt Baron

Born 1962. Member of the Board of Directors since 2011.

Education and professional experience: BSc in Business Administration, University of California at Berkeley. MBA, University of California at Berkeley.

Other current appointments: CEO of Cloetta AB. Chairman of the Board of Directors of MIPS AB. Member of the Board of Directors of 5653 Sweden AB.

Previous appointments (past five years): CEO of Leaf International B.V. Member of the Board of Directors of EQ Oy, Nordnet AB and Sverige-Amerika Stiftelsen.

Holding: 35,620 shares after the Offering.[1]

Hans Eckerström

Born 1972. Member of the Board of Directors since 2009 (member of the Board of Directors of the previous parent company of the Thule group 2007–2009).

Education and professional experience: MSc in Mechanical Engineering, Chalmers University of Technology. MSc in Business and Economics, Gothenburg School of Business, Economics and Law at University of Gothenburg. Management Consultant at Arthur D. Little. Partner, NC Advisory AB, advisor to the Nordic Capital Funds.

Other current appointments: Chairman of the Board of Directors of Brink International AB, NC Outdoor VI AB and NC Outdoor VII AB. Member of the Board of Directors of CC 1 Ltd (Britax), Eckis Holding AB, Nordic Outsourcing Services AB, NRS Holding AB, ENC Holding AB, Nipigon Invest Svenska AB, Nordic Cecilia Four AB, Aigeln S.à r.l. and Yllop Holding S.A.

Previous appointments (past five years): Chairman of the Board of Directors of Aditro Holding AB, Yllop Finance Sweden AB and Nordic Outsourcing Services AB. Member of the Board of Directors of Cloetta AB, Nefab Packaging AB and Ellos Holding AB. Alternate member of the Board of Directors of Roxyard Holding AB.

Holding: –

Lilian Fossum Biner

Born 1962. Member of the Board of Directors since 2011.

Education and professional experience: BA Business Administration, Stockholm School of Economics. Previously CFO and Executive Vice President in Axel Johnson AB and in Spendrups Bryggeriaktiebolag, Senior Vice President Human Resources and Vice President Pricing in Aktiebolaget Electrolux.

Other current appointments: Member of the Board of Directors of L E Lundbergföretagen Aktiebolag (publ), Cloetta AB, Nobia AB, Oriflame Cosmetics S.A., Givaudan S.A., a connect AG and Lilian Biner AB.

Previous appointments (past five years): Member of the Board of Directors of RNB RETAIL AND BRANDS AB (publ), Holmen Aktiebolag and Melon Fashion Group OJSC.

Holding: 35,620 shares after the Offering.[1]

1) Based on an Offering price set at the midpoint of the price range and assuming that the Share Conversion, the Bonus Issue, the Directed Share Issue and the Reallocation of Shares have been effected (see "*Share capital and ownership structure – Share conversion in connection with the Offering, etc.*" and "*Share capital and ownership structure – Share-related incentive programs*").

Åke Skeppner

Born 1951. Member of the Board of Directors since 2009 (member of the Board of Directors of previous parent companies of the Thule group 2002–2009).

Education and professional experience: LL.M., Lund University. CEO of Thule USA 1981–1990, CEO of Thule AB 1990–1992, CEO Eldon AB 1992–1999 and CEO of the Thule group 1999–2002.

Other current appointments: Member of the Board of Directors of Idre Himmelfjäll AB and Idre Utveckling AB.

Previous appointments (past five years): Member of the Board of Directors of Spirits of Gold AB (publ).

Holding: 150,963 shares after the Offering.[1)]

David Samuelson

Born 1982. Member of the Board of Directors since 2012.

Education and professional experience: MSc in Economics and Business Administration, Stockholm School of Economics. Management consultant at McKinsey & Company. Director, NC Advisory AB, advisor to the Nordic Capital Funds.

Other current appointments: Member of the Board of Directors of BGT Holding AB, Ellos Invest Holding AB, NC Outdoor VI AB, NC Outdoor VII AB and Resurs Holding AB. Alternate member of the Board of Directors of Brink International AB, Nordic Fashion Topholding AB and Nordic Cecilia Four AB.

Previous appointments (past five years): Member of the Board of Directors of Munters Topholding AB. Alternate member of the Board of Directors of Yllop Finance Holding AB, Yllop Finance Sweden AB and RSF Invest Holding AB.

Holding: –

Liv Forhaug

Born 1970. Member of the Board of Directors since 2014.

Education and professional experience: MSc in Business and Economics, Stockholm School of Economics. Senior Vice President Strategy & Business Development in ICA Gruppen AB. Previously consultant at McKinsey & Company.

Other current appointments: Member of the Board of Directors of Hemtex Aktiebolag and Skutvik Invest AB.

Previous appointments (past five years): Partner at McKinsey & Company.

Holding: –

Group management

Magnus Welander

Born 1966. CEO since 2010.

Education and professional experience: MSc in Industrial Engineering and Management, Linköpings Tekniska Högskola. Previously BA President Vehicle Accessories (now Outdoor&Bags Europe and RoW) of Thule Group, CEO of Envirotainer Aktiebolag, Technical Director at Tetra Pak Australia and various management positions at Tetra Pak Italy.

Other current appointments: Member of the Board of Directors of Brink International AB.

Previous appointments (past five years): Member of the Board of Directors of Britax Group Ltd, CC 1 (2011) Limited, Prestando Holding AB and Aggal Invest AB (previously Envirotainer Holding AB).

Holding: 630,397 shares (through Elenima Limited) and up to 1,567,164 warrants after the Offering.[1)]

Lennart Mauritzson

Born 1967. CFO since 2011.

Education and professional experience: BSc in Finance and Business Administration, Högskolan i Halmstad. Law studies, Lund University. Previously Vice President Finance Thule Group, CFO Beijer Electronics Aktiebolag and Vice President Finance in Cardo AB.

Other current appointments: Member of the Board of Directors of Rögle Marknads AB.

Previous appointments (past five years): CFO Beijer Electronics Aktiebolag.

Holding: 122,511 shares and up to 895,521 warrants after the Offering.[1)]

Fredrik Erlandsson

Born 1970. SVP Communications since 2010.

Education and professional experience: Four years university studies in political science and economics, Lund University and Copenhagen University. Previously Corporate Relations Manager and Corporate Relations Director at Diageo; GM; PR-consultant, MD and prokurist at EHRENBERG Marketing & Kommunikation; and chief of staff at the Moderate party delegation to the European parliament.

Other current appointments: –

Previous appointments (past five years): Member of the Board of Directors of Swedish political party Moderaterna in Landskrona.

Holding: 106,649 shares and up to 447,759 warrants after the Offering.[1)]

Kajsa von Geijer

Born 1964. SVP HR since 2005.

Education and professional experience: BSc in Human Resource Development and Labour Relations, Lund University. Previously HR Officer at Trelleborg AB, HR Manager at Trellex AB/Svedala Svenska AB, Training & Development Manager at Nestlé Sweden AB, HR Director Norden at Levi Strauss Nordic, self-employed HR consultant at Elfte Huset AB and HR Director Europe at FMC Food Tech AB.

Other current appointments: Member of the Board of Directors of Lunicore Studentkonsult AB. Member of the Board of Directors and CEO/general manager of Elfte Huset Aktiebolag.

Previous appointments (past five years): Member of the Board of Directors of Stiftelsen Lundsbergs skola.

Holding: 187,087 shares and up to 447,759 warrants after the Offering.[1)]

Fred Clark

Born 1959. BA President Outdoor&Bags Americas since 2003.

Education and professional experience: BSBA Quantitative Methods, Western New England University. MBA Management Science, University of New Haven. Previously Operations Manager and Vice President Operations of Thule Group and Vice President Manufacturing at C. Cowles & Co.

Other current appointments: Chairman of the Board of Directors of the Outdoor Foundation. Member of the Board of Directors of the Outdoor Industry Association and Westover School.

Previous appointments (past five years): –

Holding: 362,491 shares and up to 895,521 warrants after the Offering.[1)]

1) Based on an Offering price set at the midpoint of the price range and assuming that the Share Conversion, the Bonus Issue, the Directed Share Issue and the Reallocation of Shares have been effected (see "*Share capital and ownership structure – Share conversion in connection with the Offering, etc.*" and "*Share capital and ownership structure – Share-related incentive programs*").

Other information concerning the Board of Directors and group management

There are no family ties between any of the members of the Board of Directors and/or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations to the Company of members of the Board of Directors and executive management of the Company and their private interests and/or other undertakings (but several of the members of the Board of Directors and executive management have financial interests in the Company due to their shareholding in the Company). Shareholding members of the Board of Directors and certain shareholding employees within Thule Group, including executive management, and certain former employees and members of the Board of Directors, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced, see "*Share capital and ownership structure – Lock-up arrangements, etc.*".

The Swedish Tax Agency has made a decision to impose additional tax and a tax surcharges on Stefan Jakobsson in respect of the years 2008–2012 on the grounds that he was considered having his fiscal domicile in Sweden and not in Switzerland. Stefan Jakobsson has appealed the Swedish Tax Agency's decision.

In connection with the Swedish Tax Agency's review of the Swedish private equity business, Hans Eckerström (being an employee of NC Advisory AB, advisor to the General Partners of the Nordic Capital Funds) has been subject to a tax review and thereafter received reassessment decisions for several income years. The Swedish Tax Agency's basic position is that a part of the profit split in the funds (so-called carried interest) is not a capital income for the ultimate recipients but a business income for NC Advisory AB and should be deemed paid out as salary from that company to the individuals who have been the ultimate owners of the carried interest (Hans Eckerström being one of them). According to the Swedish Tax Agency, carried interest should therefore be taxed as employment income for the individuals and NC Advisory AB should pay Swedish social security contributions on the same amount. The Swedish Tax Agency has also levied tax surcharges. Hans Eckerström has appealed all his reassessment decisions to the Administrative Court, which has declared a stay of proceedings pending a final decision in the proceedings against NC Advisory AB. Hans Eckerström has been granted a respite for paying the taxes and tax surcharges pending a ruling from the courts. The Administrative Court of Appeal ruled in favor of NC Advisory AB in December 2013. The Swedish Tax Agency has appealed the ruling to the Supreme Administrative Court, which on November 5, 2014 decided not to grant leave to appeal. The ruling from the Administrative Court of Appeal is therefore final. The ruling should be of relevance for the cases concerning Hans Eckerström but at the time of this prospectus, it is unclear how the Swedish Tax Agency and the courts will proceed.

No director or senior executive has been convicted in any case involving fraud during the past five years. None of them has been involved in any bankruptcy, bankruptcy trusteeship or liquidation during the past five years. Except for as stated above, no accusations and/or sanctions have been issued by any agency authorized by law or regulation (including approved professional organizations) during the past five years against any of the members of the Board or the executive management. Nor, during the past five years, has any member of the Board or the executive management been prohibited by a court of law from being a member of a Company's administrative, management or control body or from holding any senior or overarching position in a company.

All members of the Board of Directors and the executive management can be reached through Thule Group, Fosievägen 13, SE-214 31 Malmö, Sweden.

Auditor

KPMG AB is the Company's auditor since 2010. Helene Willberg is the auditor in charge. Helene Willberg is an authorized public accountant and a member of FAR (the professional institute for authorized public accountants in Sweden). KPMG AB's office address is P.O. Box 16106, SE-103 23 Stockholm, Sweden.

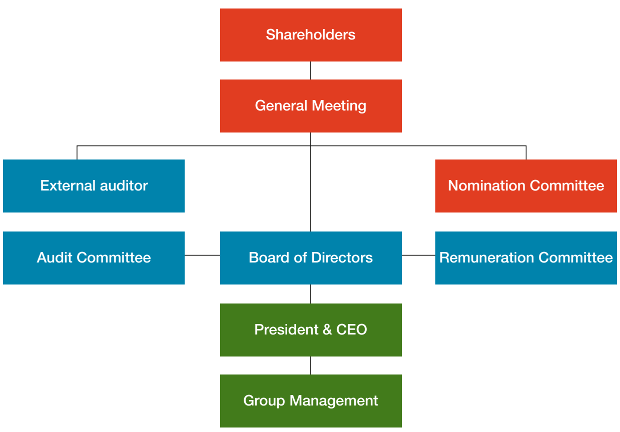
› Corporate governance

Corporate governance within Thule Group

Prior to listing on Nasdaq Stockholm, the corporate governance of the Company was based upon Swedish law and internal rules and guidelines. Once listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code ("**the Code**"). The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be fully applied from the date of the first Annual General Meeting held the year after listing. Companies are not obliged to at all times apply every rule in the Code, but are allowed the freedom to choose alternative solutions which they feel are better in their particular circumstances, provided they report every deviation, describe the alternative solution and explain the reasons for the deviation in its annual corporate governance report (the "comply or explain" principle).

The Company intends to apply the Code from the time of the listing of the shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the 2014 financial year. However, in the first corporate governance report, the Company is not required to explain non-compliance with such rules that have not been relevant during the period covered by the corporate governance report. Currently, the Company expects to report deviations from the Code in the corporate governance report with respect to the share-related incentive program described in "*Share capital and ownership structure – Share-related incentive programs*" regarding an offer to the chairman of the Board of Directors to acquire warrants and with respect to the possibility to exercise warrants to acquire shares during a period shorter than three years. The Company considers the warrant incentive programs, including these deviations, to be in line with the Company's business plan and strategy. In addition, the deviations should be viewed in light of the terms and conditions of the warrants which limit the economic outcome for the holders as described in "*Share capital and ownership structure – Share-related incentive programs*".

Thule Group's corporate governance structure



The General Meeting of shareholders

Pursuant to the Swedish Companies Act (2005:551), the General Meeting is the Company's supreme decision-making body and shareholders exercise their voting rights at such meetings. Annual General Meetings must be held within six months from the end of each financial year. In addition to the Annual General Meeting, Extraordinary General Meetings can be convened. The Company's Annual General Meetings are held in Malmö, Sweden, every calendar year before the end of June.

Pursuant to the Articles of Association, notices convening General Meetings shall be issued through announcement in the Swedish Official Gazette (*Post- och Inrikes Tidningar*) as well as on the Company's website. Announcement to the effect that a notice convening a General Meeting has been issued shall be made in Dagens Industri. Once Thule Group is listed, a press release in Swedish and English with the notice in its entirety will be issued ahead of each General Meeting.

Right to attend General Meetings

All shareholders who are directly recorded in the share register maintained by Euroclear Sweden five weekdays (Saturdays included) prior to the General Meeting and who have notified the Company of their intention to participate in the General Meeting not later than the date and time indicated in the notice of the General Meeting, are entitled to attend the General Meeting and vote for the number of shares they hold.

In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden, in order to be entitled to participate in the General Meeting. Shareholders should inform their nominees well in advance of the record date.

Shareholders may attend General Meetings in person or by proxy and may be accompanied by a maximum of two assistants. It will normally be possible for shareholders to register for the General Meeting in several different ways, as indicated in the notice of the meeting.

Shareholder initiatives

Shareholders who wish to have an issue brought before the General Meeting must submit a request in writing to the Board of Directors. The request must normally be received by the Board of Directors not later than seven weeks prior to the General Meeting.

Nomination committee

Under the Code, the Company shall have a nomination committee, the purpose of which is to make proposals in respect of the chairman at General Meetings, Board member candidates, including the chairman, fees and other remuneration of each Board member as well as remuneration for committee work, election of and remuneration to the external auditor and proposal for nomination committee for the following Annual General Meeting.

At the Extraordinary General Meeting held on October 1, 2014, it was resolved that the Nomination Committee, ahead of Annual General Meetings, shall be composed of representatives of the four largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of September 30 each year (the Nomination Committee ahead of the Annual General Meeting 2015 shall be composed of representatives of the four largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of November 30, 2014), and the Chairman of the Board, who will also convene the first meeting of the Nomination Committee. The member representing the largest shareholder shall be appointed Chairman of the Nomination Committee, if not the Nomination Committee unanimously appoints someone else. If earlier than three months prior to the Annual General Meeting, one or more of the shareholders having appointed representatives to the Nomination Committee no longer are among the four largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the four largest shareholders may appoint their representatives. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Changes to the composition of the Nomination Committee must be announced immediately.

The composition of the Nomination Committee for the Annual General Meeting shall normally be announced no later than six months before that meeting. Remuneration shall not to be paid to the members of the Nomination Committee. The Company is to pay any necessary expenses that the Nomination Committee may incur in its work. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

Board of Directors

Composition and independence

According to the Articles of Association, Thule Group's Board of Directors shall consist of at least three and no more than ten members elected by the Annual General Meeting for a term of office until the end of the next Annual General Meeting. At the Annual General Meeting held on April 22, 2014, six directors were elected. Liv Forhaug was elected director at the Extraordinary General Meeting held on, June 24, 2014. No representative of group management is on the Board of Directors. However, Thule Group's CEO and the Group's CFO participate at board meetings. The lawyer Peter Linderoth serves as secretary to the Board of Directors. Other Company officers participate at meetings of the Board of Directors to provide presentations on specific issues. As of the date of this prospectus, no employee representatives, or deputies, have been appointed to the Board of Directors.

In accordance with the Code, a majority of the members of the Board elected by the General Meeting are to be independent in relation to the Company and its management. This requirement does not apply to employee representatives. In order to determine whether a member of the Board is independent, an overall assessment must be made of all circumstances which might give reason to call into question the independence of the board member in relation to the Company or company management, *e.g.*, if the board member has recently been hired by the Company or an affiliate. At least two of the board members who are independent in relation to the Company and company management must also be independent in relation to the Company's major shareholders. In order to assess such independence, consideration must be given to the scope of the board member's direct or indirect relationship to major shareholders. In the Code, 'major shareholder' means a shareholder who, directly or indirectly, controls 10 % or more of the shares or voting rights in the Company.

The Board of Directors' assessment of the independence of the board members in relation to the Company, its management and major shareholders is presented in "*Board of Directors, group management and auditor – Board of Directors*". All board members are independent in relation to the Company and its management. Five of them also are independent in relation to the Company's major shareholders. The Company thereby fulfills the Code's independence requirement.

Responsibilities and work

The duties of the Board of Directors are primarily set forth in the Swedish Companies Act and the Code, the latter of which will be applicable to the Company after the listing of the shares on Nasdaq Stockholm. In addition to this, the work of the Board is guided by formal rules of procedure that the Board adopts every year. The work plan governs the division of work and responsibility among the Board, its Chairman and the Chief Executive Officer and specifies financial reporting procedures for the Chief Executive Officer. The Board also adopts instructions for the Board committees.

The Board of Directors' tasks include adopting strategies, business plans and budgets, interim reports, year-end financial statements and setting policies and guidelines. The Board of Directors is also required to follow economic developments and ensure the quality of financial reporting and internal controls and evaluate operations on the basis of the objectives and guidelines set by the Board of Directors. Finally, the Board of Directors decides on major investments and changes in the organization and activities of the Company. The Chairman of the Board of Directors shall, in close collaboration with the CEO, monitor the Company's performance and chair Board meetings. The Chairman is also responsible for ensuring that the Board of Directors evaluates its work each year and always receives the information necessary to perform its work effectively.

Internal control

The Board of Directors' responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Reports Act (1995:1554), and the Code. Information regarding the most important aspects of the Company's system for internal control and risk management in connection with financial reporting must each year be included in the Company's corporate governance report.

The procedures for internal control, risk assessment, control activities, and monitoring with respect to the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements, which may apply to companies listed on Nasdaq Stockholm. This work involves the Board of Directors, Thule Group management and other personnel.

Control environment

The Board of Directors has adopted instructions and governance documents aimed at regulating the roles and allocation of responsibility between the CEO and the Board of Directors. The way in which the Board of Directors monitors and ensures quality in the internal control is documented in the Board of Directors' rules of procedure and Thule Group's finance policy. The Board of Directors has also adopted a number of fundamental guidelines of importance for the internal control work. These include control and monitoring of results compared with expectations in previous years as well as supervision of, among other things, the accounting principles applied by Thule Group. The responsibility for maintaining an effective control environment, and the day-to-day risk assessment and internal control work regarding the financial reporting, are delegated to the CEO. However, the Board of Directors is ultimately responsible. Managers at various levels within Thule Group have, in turn, corresponding responsibility within their respective areas of responsibility. Group management reports regularly to the Board of Directors in accordance with established routines. Responsibilities and powers, instructions, guidelines, manuals and policies constitute – together with laws and regulations – the control environment. All employees have a responsibility to ensure compliance with guidelines.

Risk assessment and control activities

The Company conducts continuous risk assessment to identify risks within all areas. These risks, which include the risk of both loss of assets as well as irregularities and fraud, are assessed regularly by the Board of Directors. The structure of control activities is of particular importance in the Company's work of preventing and discovering deficiencies. The assessment and control of risks also cover the operational management of each reporting unit, where meetings are held four times a year in connection with business review meetings. Thule Group's CEO and CFO, as well as local and regional management, participate at these meetings, and minutes are kept.

Information and communication

Guidelines and manuals of importance for the financial reporting are communicated to relevant employees. There are both formal as well as informal information channels to group management and the Board of Directors as regards information from employees, which is considered to be important. Guidelines are in place with respect to external disclosure of information. These have been drafted with the aim of ensuring that the Company complies with the requirements to disseminate correct information to the market.

Monitoring, assessment and reporting

The Board of Directors regularly assesses the information provided by group management. Between board meetings, the Board of Directors regularly receives updated information regarding Thule Group's performance. Thule Group's financial position, strategies and capital expenditures are discussed at each board meeting. The Board of Directors is also responsible for monitoring the internal control. This work includes, among other things, ensuring that measures are taken to address any deficiencies, as well as follow-up of proposals for measures to which attention has been drawn in connection with the external audit.

Each year, the Company carries out a self-assessment of the risk management and internal control work. This process includes a review of the way in which established routines and guidelines are applied. The Board of Directors receives information regarding important conclusions drawn from this annual assessment process, as well as regarding any measures relating to the Company's internal control environment. In addition, the external auditor reports regularly to the Board of Directors.

Board committees

The Board has two committees: the Remuneration Committee and the Audit Committee.

The task of the Remuneration Committee is to prepare issues relating to compensation and other employment terms for the Chief Executive Officer and the Company's senior management. This work includes proposing guidelines for, among other things, the relationship between fixed and variable compensation and the relationship between performance and compensation, the principal conditions for bonuses and incentive schemes, conditions for non-monetary benefits, pensions, termination and severance pay, and to make proposals on individual compensation packages for the Chief Executive Officer and other executives in the Company's senior management. Furthermore, the Remuneration Committee shall monitor and evaluate the outcome of variable compensation schemes and the Company's compliance with remuneration guidelines adopted by the General Meeting. The Remuneration Committee has two members: Hans Eckerström (chairman) and Stefan Jakobsson.

The overall task of the Audit Committee is to ensure fulfillment of the Board of Directors' supervisory duty in relation to internal control, audit, internal audit, risk management, accounting and financial reporting. The Audit Committee shall review procedures and routines for the aforementioned areas and shall also prepare the Board of Directors' report on internal control. In addition, the Audit Committee shall monitor the impartiality and independence of the auditor, evaluate the audit work and discuss with the auditor the coordination of the external and internal audit. The Audit Committee shall also assist the Company's Nomination Committee in preparing nominations for auditor and recommendations for audit fees. The Audit Committee has three members: Lilian Fossum Biner (chairman), David Samuelson and Åke Skeppner. The Audit Committee fulfills the requirement in respect of accounting or auditing competence as set forth in the Swedish Companies Act.

Reports to the Board of Directors on issues discussed at committee meetings are either in writing or given orally. The work of each committee is performed in accordance with written instructions and a work plan stipulated by the Board of Directors. Minutes of committee meetings are provided to all Board members.

Remuneration to the Board of Directors

Following a proposal from the nomination committee, fees to directors elected by the General Meeting are decided upon by the Annual General Meeting.

The table below shows the fees paid in 2013 to members of the Board of Directors elected by the shareholders at the General Meeting.

Name	Function	Board fee (SEK)	Remuneration Committee fee (SEK)	Audit Committee fee (SEK)	Total (SEK)
Stefan Jakobsson	Chairman	800,000	–	–	800,000
Bengt Baron	Director	300,000	–	–	300,000
Hans Eckerström	Director	100,000	–	–	100,000
Lilian Fossum Biner	Director	300,000	–	100,000	400,000
Åke Skeppner	Director	300,000	–	–	300,000
David Samuelson	Director	100,000	–	–	100,000
Lottie Svedenstedt[1)]	Director	300,000	–	–	300,000
Total		**2,200,000**			**2,300,000**

1) 1Lottie Svedenstedt declined re-election at the Annual General Meeting 2014.

At the Annual General Meeting on April 22, 2014 it was resolved that a fee of SEK 800,000 would be paid to the Chairman of the Board and a fee of SEK 300,000 to each other independent director and a fee of SEK 100,000 to directors not independent in relation to the Principal Owner. Except for the SEK 100,000 fee paid to the Chairman of the Audit Committee, no compensation for committee work is paid. See also "*Historical financial information – Note 11 Compensation to employees*".

External audit

The external audit of the accounts of the Company and its subsidiaries as well as the management by the Board of Directors and Management is conducted in accordance with generally accepted auditing standards in Sweden.

The external auditor attends the Board meeting at which the annual report and the consolidated accounts are to be discussed in order, *inter alia*, to comment on the financial statements and on the audit work, at which time the CEO or any other member of management shall not be present. In the period covered by the historical financial information, KPMG AB has performed advisory services for the Company, in addition to its auditing work, consisting of audit-related, tax-related and other services. The auditor receives compensation for its work in accordance with a resolution by the Annual General Meeting. For additional information, see "*Board of Directors, group management and auditor – Auditor*".

CEO and group management

The CEO is subordinated to the Board of Directors and is responsible for the everyday management and operations of the Company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and instructions for the CEO. The CEO is also responsible for the preparation of reports and compiling information to the board meetings and for presenting such material at the board meetings.

According to the instructions for financial reporting, the CEO is responsible for the financial reporting in Thule Group and consequently must ensure that the Board of Directors receives adequate information for the Board of Directors to be able to evaluate the Company's and the group's financial condition.

The CEO regularly keeps the Board of Directors informed of developments in Thule Group's operations, the development of sales, Thule Group's results and financial condition, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and Management are presented in "*Board of Directors, group management and auditor – Group management*".

Guidelines for remuneration of the CEO and Management

The Extraordinary General Meeting held on October 1, 2014, resolved on guidelines for remuneration which shall apply in relation to remuneration of the CEO and members of group management.

The remuneration of group management shall comprise fixed salary, possible variable salary, pension and other benefits. The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as, with respect to share based incentive schemes, the value growth of the Thule Group share benefitting the shareholders.

The variable salary may comprise yearly incentives in cash and long-term incentives in cash, shares and/or share-based instruments in Thule Group. Variable salary in cash shall be conditional upon the fulfillment of defined and measurable goals and should not exceed 75 % of the annual fixed salary for the CEO and varies among other members of the group management between 40–60 %, but shall not exceed 60 %. Terms and conditions for variable salary should be designed so that the Board of Directors, if exceptional economic circumstances prevail, has the option of limiting or refraining from payment of variable salary if such a measure is considered reasonable.

In specific cases, agreements may be reached regarding one-off remuneration amounts provided that such remuneration does not exceed an amount corresponding to the individual's annual fixed salary and maximum variable salary in cash, and is not paid more than once per year and individual.

Pension benefits should be defined contribution.

The Board of Directors shall have the right to depart from the guidelines if, in an individual case, there are special reasons for this.

Current terms of employment for the CEO and Management

Remuneration

Remuneration to group management comprises fixed salary, variable remuneration, pension and other benefits. The table below shows the salary and other remuneration to the CEO and other members of group management recognized as expenses in 2013.

MSEK	Fixed salary incl. change vacation-pay liability	Variable remuneration	Pension[1]	Other benefits[2]	Severance pay	Total
President and CEO	5.4	2.2	1.5	0.2	–	9.3
Other executive management*	10.2	3.1	2.4	1.1	2.1	18.9
Total	**15.6**	**5.3**	**3.9**	**1.3**	**2.1**	**28.2**

* 6 iindividuals in 2013.

1) All pension commitments to group management are insured. Consequently, there are no amounts set aside or accrued in the Company to provide pension or similar benefits to current group management.
2) Refers mainly to life insurance, car allowance and other expense allowances.

Thule Group's CFO, Lennart Mauritzson, is entitled to a bonus from Thule Group of SEK 1 million after tax, which falls due in connection with the listing of the Company on Nasdaq Stockholm, provided that Lennart Mauritzson acquires warrants in the share-related incentive program described in "*Share capital and ownership structure – Share-related incentive programs*" of a total value corresponding to no less than SEK 2 million.

See also "*Historical financial information – Note11 Compensation to employees*".

Notice of termination

In respect of members of group management, the mutual notice period for termination of employment is six months. In the event that the employment is terminated by the company, termination is subject to a severance payment amounting to 12 months base salary for the CEO and ranging between 6–12 months base salary for other members of group management.

› Share capital and ownership structure

Share information

As at December 31, 2013, the Company's registered share capital was SEK 279,582.76 represented by 447,332,409 shares (282,352,942 common shares and 164,979,467 preference shares of seven classes).[1)]

After December 31, 2013, the Company has implemented a new share issue of preference shares, a bonus issue and a reverse split of shares (1:10) (please refer to "– *Share Capital Development*"). As of the date of this prospectus, the Company's share capital amounts to SEK 500,000 represented by 44,737,320 shares (28,235,294 common shares and 16,502,026 preference shares of eight classes), each with a quota value of approximately SEK 0.01118 per share.

The shares in Thule Group are denominated in SEK. The shares have been issued in accordance with Swedish law. The shares have been fully paid and will in connection with the listing of the Company's shares on Nasdaq Stockholm be freely transferrable.

According to Thule Group's Articles of Association adopted at the Extraordinary General Meeting held on November 12, 2014, the share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000, divided into no fewer than 44,737,320 and no more than 178,949,280 shares. Following the Offering, the Company will have only one class of shares.

Share conversion in connection with the Offering, etc.

Share conversion and directed new issue in connection with the Offering

In connection with listing of Thule Group's shares on Nasdaq Stockholm all preference shares will be converted into common shares such that Thule Group will only have one class of shares following the Offering (the "**Share Conversion**"). Furthermore, in connection with the listing, 15,507,812 new shares will be issued to the Principal Owner in order to enable, by using the proceeds from the issuance, the repayment of existing indebtedness in the amount of approximately SEK 1 billion (the "**Directed New Issue**").

At the Extraordinary General Meeting of Thule Group held on November 12, 2014, the following corporate actions to effect the Share Conversion and the Directed New Issue were approved.

1. Each preference share will be converted into one new common share.
2. 15,507,812 new shares will be issued to the Principal Owner against cash payment in the Directed New Issue (which is expected to be registered on November 28, 2014). The Directed New Issue will result in a share capital increase of SEK 173,320.75.
3. In order to reflect a share ownership among the existing shareholders on the basis of the economic value of each preference share and the expected market capitalization of Thule Group, existing shareholders will receive additional common shares in a bonus issue of shares (the "**Bonus Issue**"). The Bonus Issue comprises an issuance of 39,754,868 new shares and will result in a share capital increase of SEK 444,314.37.

The Directed New Issue and the Bonus Issue have been resolved on the basis of an assumed value within the Price Range in the Offering. The assumed value has solely been determined for practical purposes in order to facilitate the Reallocation of Shares (see below). If the Offering Price is different than this assumed value, there will be a reallocation of common shares among the existing shareholders following settlement in the Offering to ensure that the ownership of the existing shareholders reflects a market capitalization of Thule Group on the basis of the Offering Price (the "**Reallocation of Shares**"). The Reallocation of Shares will also take into account that all existing shareholders will sell an equal *pro rata* share of their shareholdings (this does not apply to sales that may be made under the Over-allotment option) (please refer to "– *Transfer of shares to the Principal Owner from other existing shareholders*"). The Reallocation of Shares does not involve any share capital increase or share capital reduction or any other corporate action and is expected to be implemented following closing of the Offering.

The resolutions to effect the Share Conversion and the Directed New Issue set out above are expected to be registered with the Swedish Companies Registration Office following the announcement of the Offering Price.

Transfer of shares to the Principal Owner from other existing shareholders

Pursuant to the terms and conditions set out in this prospectus, investors are invited to acquire 26,086,957 shares from the Principal Owner. Such number of shares will include an equal *pro rata* sale by all existing shareholders via transfer of such shareholders' shares to the Principal Owner (this does not apply to sales that may be made under the Over-allotment option). In order to effect an equal *pro rata* sale by all existing shareholders as set out above, an aggregate of up to 1,998,803 shares have been agreed, under the shareholders' agreement entered into by all existing shareholders, to be transferred to the Principal Owner from the other existing shareholders. Closing of the transfer of an aggregate of up to 1,998,803 shares to the Principal Owner from the other existing shareholders is expected to occur in connection with the Reallocation of Shares following closing of the Offering. The Reallocation of Shares does not affect settlement in the Offering and all shares acquired by investors in the Offering will be provided by the Principal Owner.

Certain rights attached to the shares

The offered shares are of the same class. The rights associated with the shares, including those set out in the Articles of Association, can only be changed in accordance with the procedures set forth in the Swedish Companies Act.

1) SEK 279,570.26 represented by 447,312,409 shares (282,352,942 common shares and 164,959,467 preference shares of six classes) as at January 1, 2013.

General meetings and voting rights

Notice of General Meeting shall be published in the Swedish Official Gazette and on the Company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Dagens industri. A shareholder who wants to participate in a General Meeting must be registered as shareholder in the share register five weekdays prior to the meeting, and notify the Company of the participation not later than on the day specified in the notice of the meeting.

At General Meetings of shareholders, each share carries one vote and each shareholder is entitled to vote the full number of shares such shareholder holds in the Company.

Preferential rights to new shares, etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue (*kvittningsemission*), the holders of shares have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issue. Nothing in Thule Group's Articles of Association restricts the ability to issue new shares, warrants or convertibles with deviation from the shareholders' preferential rights as provided for in the Swedish Companies Act.

Rights to dividends and surplus in the event of liquidation

All shares carry equal rights to dividends as well as to the Company's assets and potential surplus in the event of liquidation.

Share capital development

The table below summarizes the historic developments in Thule Group's share capital and the changes in the number of shares and the share capital which will be made in connection with the listing of the Company's shares on Nasdaq Stockholm.

		Change in number of shares		Number of shares after the transaction			Share capital, SEK	
Year	Event	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Total	Change	Total
2008	Formation	160,000,000	0	160,000,000	0	160,000,000	100,000.00	100,000.00
2009	New issue	0	160,000,000	160,000,000	160,000,000	320,000,000	100,000.00	200,000.00
2009	New issue	42,352,942	3,521,667	202,352,942	163,521,667	365,874,609	28,671.63	228,671.63
2009	New issue	0	185,000	202,352,942	163,706,667	366,059,609	115.63	228,787.26
2010	New issue	0	526,400	202,352,942	164,233,067	366,586,009	329.00	229,116.26
2011	Exercise of warrants	80,000,000	0	282,352,942	164,233,067	446,586,009	50,000.00	279,116.26
2011	New issue	0	664,600	282,352,942	164,897,667	447,250,609	415.38	279,531.63
2012	New issue	0	61,800	282,352,942	164,959,467	447,312,409	38.63	279,570.26
2013	New issue	0	20,000	282,352,942	164,979,467	447,332,409	12.50	279,582.76
2014	New issue	0	40,800	282,352,942	165,020,267	447,373,209	25.50	279,608.26
2014	Bonus issue	0	0	282,352,942	165,020,267	447,373,209	220,391.74	500,000.00
2014	Reverse split	(254,117,648)	(148,518,241)	28,235,294	16,502,026	44,737,320	0.00	500,000.00
2014	Conversion	16,502,026	(16,502,026)	44,737,320	0	44,737,320	0.00	500,000.00
2014	Bonus issue	39,754,868	0	84,492,188	0	84,492,188	444,314.37	944,314.37
2014	New issue	15,507,812	0	100,000,000	0	100,000,000	173,320.75	1,117,635.12

Ownership structure

The table below sets forth Thule Group's ownership structure immediately before the Offering and directly after completion of the Offering (in both cases assuming that the Share Conversion, the Bonus Issue, the Directed Share Issue and the Reallocation of Shares have been effected). The table is also prepared on the basis of the assumption that the Offering price is set at the midpoint of the price range.

	Shareholding before the Offering		After the Offering (if the Over-allotment option is not exercised)		After the Offering (if the Over-allotment option is exercised in full)	
Shareholder	**Number**	**Per cent**	**Number**	**Per cent**	**Number**	**Per cent**
Shareholders with holdings exceeding 5 percent of the shares						
NC Outdoor VI AB	55,710,756	55.7 %	41,177,516	41.2 %	38,816,638	38.8 %
NC Outdoor VII AB	36,627,217	36.6 %	27,072,303	27.1 %	25,520,138	25.5 %
Shareholding members of the Board of Directors and executive management, and other shareholders						
Board of Directors						
Bengt Baron	48,192	0.0 %	35,620	0.0 %	35,620	0.0 %
Lilian Fossum Biner	48,192	0.0 %	35,620	0.0 %	35,620	0.0 %
Stefan Jakobsson	192,769	0.2 %	142,481	0.1 %	142,481	0.1 %
Åke Skeppner	204,245	0.2 %	150,963	0.2 %	150,963	0.2 %
Executive management						
Magnus Welander (through Elenima Limited)	852,891	0.9 %	630,397	0.6 %	630,397	0.6 %
Fred Clark	490,429	0.5 %	362,491	0.4 %	362,491	0.4 %
Fredrik Erlandsson	144,290	0.1 %	106,649	0.1 %	106,649	0.1 %
Kajsa von Geijer	253,118	0.3 %	187,087	0.2 %	187,087	0.2 %
Lennart Mauritzson	165,751	0.2 %	122,511	0.1 %	122,511	0.1 %
Other shareholders	5,262,150	5.3 %	3,889,405	3.9 %	3,889,405	3.9 %
Total	**100,000,000**	**100.0 %**	**73,913,043**	**73.9 %**	**70,000,000**	**70.0 %**
New shareholders	**–**	**–**	**26,086,957**	**26.1 %**	**30,000,000**	**30.0 %**
Total	**100,000,000**	**100.0 %**	**100,000,000**	**100.0 %**	**100,000,000**	**100.0 %**

Immediately after the completion of the Offering (after the Reallocation of Shares) and under the assumptions that the Offering price is set at the midpoint of the price range and the Over-allotment option is exercised in full, the Principal Owner will hold in aggregate approximately 64.3 % of the shares in the Company after the Offering. Thus, the Principal Owner is likely to continue to have a significant influence over the outcome of matters submitted to Thule Group's shareholders for approval. Such influence is, however, limited by the provisions of the Swedish Companies Act.

Upon completion of the refinancing of Thule Group, existing indebtedness in the amount of approximately SEK 1 billion will be repaid with proceeds from the Directed New Issue of shares to the Principal Owner. Immediately following the Offering, affiliates of the Principal Owner will establish the Principal Owner Term Loan Facility under which all of the Principal Owner's remaining shares, including shares issued in the Directed New Issue, in Thule Group (expected to be 64.3 % under the assumptions set forth above) will be pledged to DNB Bank ASA, filial Sverige and Nordea, as original lenders, and to Nordea as agent on behalf of the lending syndicate. The Principal Owner Term Loan Facility is expected to contain an LTV Covenant, calculated as the amount of loan value outstanding divided by the value of the Principal Owner's pledged shares. Following 180 days after trading of Thule Group's shares on Nasdaq Stockholm has commenced (*i.e.*, the proposed Lock-up period for the Principal Owner as per below), the terms of the Principal Owner Term Loan Facility are expected to give the lending syndicate the right to enforce the share pledge should the LTV Covenant be breached.

Lock-up agreements, etc.

The Principal Owner, shareholding members of the Board of Directors, certain shareholding employees within Thule Group, including executive management, and certain former employees and members of the Board of Directors, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading of Thule Group's shares on Nasdaq Stockholm has commenced (the "**Lock-up period**").

The Lock-up period for the Principal Owner will be 180 days. The Lock-up period for the shareholdings of members of the Board of Directors, certain shareholding employees within Thule Group, including executive management, will be 360 days, and for certain former employees and members of the Board of Directors, 180 days. At the end of the respective Lock-up periods, the shares may be offered for sale, which may affect the market price of the share. The Joint Global Coordinators may make exceptions from these undertakings and may jointly agree to waive the restrictions on the sale of shares during this period in their discretion and at any time. Pursuant to the agreement, the Company will undertake, with certain exceptions, towards the Joint Global Coordinators not to, for example, resolve upon or propose to the shareholders' meeting an increase of the share capital through issuance of shares or other financial instruments for a period of 180 days from the first day of trading of the Company's shares on Nasdaq Stockholm without a written consent from the Joint Global Coordinators. For additional information, see "*Legal considerations and supplementary information – Placing agreement*".

Listing application

Thule Group's Board of Directors has applied for the Company's shares to be listed on Nasdaq Stockholm. Additional information is provided in "*Terms and conditions – Listing on the stock exchange*".

Share-related incentive programs

Warrants

At the Thule Group Extraordinary General Meeting on November 12, 2014, it was resolved to issue warrants as part of incentive programs for (i) management and key employees and (ii) the Chairman of the Board of Directors (the "**Participants**"). Identical terms and conditions apply to both incentive programs. In total the incentive programs currently comprise 8 individuals and not more than 6,853,446 warrants. Warrants have been issued to and subscribed by Thule Group's subsidiary Thule AB, and the Participants will be offered to acquire warrants from this subsidiary at market value corresponding in total to SEK 13.25 million (the total market value of the incentive program corresponds to SEK 16 million, and warrants not acquired by the Participants may be offered to newly hired executive management and/or key employees in the future). The maximum number of warrants that may be acquired by the Participants corresponds to 8.3 % of Thule Group's share capital following the Offering. The warrants have been issue in three separate series. Each Participant is eligible to acquire a certain maximum number of warrants of all series. Series 2014/2016 comprises up to 2,758,620 warrants that may be exercised from 1 January – 31 December 2016. Series 2014/2017 comprises up to 2,758,620 warrants that may be exercised from 1 January – 31 December 2017 and Series 2014/2018 comprises up to 2,758,620 warrants that may be exercised from 1 January – 31 December 2018.

The exercise price for Series 2014/16 corresponds to 112 % of the Offering price. Furthermore, if at the time of subscription, the last paid price for the Company's shares on the closing of the stock exchange on the trading day preceding the subscription of new shares exceeds 128 % of the determined exercise price, the exercise price shall be increased with an amount corresponding to an amount of the said price which exceeds 128 % of the exercise price.

The exercise price for Series 2014/17 corresponds to 119 % of the Offering price. Furthermore, if at the time of subscription, the last paid price for the Company's shares on the closing of the stock exchange on the trading day preceding the subscription of new shares exceeds 145 % of the determined exercise price, the exercise price shall be increased with an amount corresponding to an amount of the said price which exceeds 145 % of the exercise price.

The exercise price for Series 2014/18 corresponds to 126 % of the Offering price. Furthermore, if at the time of subscription, the last paid price for the Company's shares on the closing of the stock exchange on the trading day preceding the subscription of new shares exceeds 164 % of the determined exercise price, the exercise price shall be increased with an amount corresponding to an amount of the said price which exceeds 164 % of the exercise price.

Central securities depository registration

The Company's shares are registered in a CSD register in accordance with the Swedish Financial Instruments Accounts Act (*lagen (1998:1479) om kontoföring av finansiella instrument*). This register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. The shares are registered on person. No share certificates are issued for the Company's shares. The account operator is Nordea. The ISIN code for the Company's shares is SE0006422390.

Shareholders' agreements

In connection with the listing of the Company's shares on Nasdaq Stockholm, the existing shareholders' agreement entered into between the Principal Owner and other shareholders in the Company will be terminated.

The two companies that hold the Principal Owner's shares in the Company, NC Outdoor VI AB and NC Outdoor VII AB, have entered into a shareholders' agreement, dated November 12, 2014, that regulates the management of the companies' shareholdings in Thule Group, including the exercise of voting rights in certain issues, *i.e.*, election of members of the Board of Directors at general meetings in the Company.

As far as the Board of Directors is aware, no other shareholders' agreements or any other agreements between the shareholders of the Company are in place which aim to exercise joint influence over the Company. Nor is the Board of Directors aware of any agreements or equivalent which may result in any change of control over the Company.

Dividends and dividend policy

General

Holders of Thule Group's shares will be entitled to receive future dividends, including any dividends declared in respect of the year ended December 31, 2014 and in respect of any subsequent period, provided dividends are declared.

Dividend policy

The Board of Directors has adopted a dividend policy whereby at least 50 % of our net profit shall be paid in dividends over time, taking into account the targeted capital structure defined as net debt in relation to recurring EBITDA of around 2.5x. Furthermore, the Board of Directors shall take into account a number of additional factors, including our future profits, investment needs, liquidity and development opportunities as well as general economic and business conditions, when proposing a dividend.

Legal and regulatory requirements

The declaration of dividends or other capital contributions by Swedish companies is decided upon by the General Meeting of shareholders. The amount that is available for distribution to the shareholders is determined based on the Company's last adopted balance sheet on an unconsolidated basis. Dividends or other capital contributions may only be declared to the extent that there is unrestricted equity (*fritt eget kapital*) available, meaning that there must be full coverage for the Company's restricted equity (*bundet eget kapital*) after the distribution (*i.e.*, the book value of the Company's assets must amount to at least the restricted equity together with any provisions and liabilities following the distribution). Restricted equity includes, *inter alia*, the Company's share capital and its statutory reserve.

Furthermore, dividends or other capital distributions may only be declared to the extent that such declaration is prudent, taking into consideration:

- the demands with respect to the size of the equity which are imposed by the nature, scope and risks associated with the operations, and
- the need to strengthen the balance sheet, liquidity and financial position of the Company and, if applicable, Thule Group.

The shareholders may, as a general rule, not declare dividends in an amount higher than the Board of Directors proposed or approved.

Under the Swedish Companies Act, minority shareholders that together represent at least 10% of all outstanding shares of the Company have the right to request a payment of dividend (to all shareholders) from the Company's profits. Following such a request, the Annual General Meeting is required to resolve to distribute 50% of the remaining profit for the relevant year as reported on the balance sheet adopted at the Annual General Meeting, after deductions made for: (i) losses carried forward that exceed unrestricted reserves (*fria fonder*); (ii) amounts which, by law or the Articles of Association, must be transferred to restricted equity; and (iii) amounts which, pursuant to the Articles of Association, are to be used for any purpose other than distribution to the shareholders. However, the General Meeting is not obliged to declare dividends in excess of 5% of the Company's shareholders' equity. Moreover, the General Meeting may not declare dividends to the extent that there will not be full coverage of the Company's restricted equity or in violation of the prudence rule described above.

Dividends will normally be paid to shareholders in cash on a per share basis through Euroclear Sweden, but may also be paid in kind. On the record date established by the General Meeting, holders recorded as owners of shares in the register of shareholders maintained by Euroclear Sweden will be entitled to receive dividends.

If a shareholder cannot be paid through Euroclear Sweden, such shareholder still retains its claim to the dividend amount, and the claim remains against the Company subject to a statutory limitation of 10 years. Should the claim become barred by the statute of limitations, the dividend amount is forfeited to the Company. Neither the Swedish Companies Act nor the Company's Articles of Association contain any restrictions regarding dividend rights of shareholders outside Sweden. Subject to any restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments to such shareholders are made in the same manner as for shareholders resident in Sweden. However, shareholders with limited tax liability in Sweden are normally subject to Swedish withholding tax. For a discussion of withholding taxes on the payment of dividends, see "*Taxation*".

› Articles of Association

Adopted at the Extraordinary General Meeting on November 12, 2014.[1)]

1 Company name

The name of the company is Thule Group AB. The company is a public company (publ).

2 Object of business

The object of the company's business is to, directly or indirectly, own and exploit trademarks and conduct industrial and commercial business, preferably in the engineering industry, and for this business own and administer chattels and real property and also to carry on trade with shares and other securities.

3 Registered office

The registered office of the company shall be in the municipality of Malmö.

4 Share capital

The company's share capital shall amount to not less than SEK 500,000 and not more than SEK 2,000,000.

5 Number of shares

The number of shares shall be not less than 44,737,320 and not more than 178,949,280.

6 Board of Directors

The board of directors shall consist of not less than three (3) and not more than ten (10) directors.

7 Auditors

The company shall have one (1) or two (2) auditors in charge with not more than two (2) deputy auditors. As auditor shall be elected an authorized public accountant or a registered public accounting firm.

8 Annual general meeting

At the Annual General Meeting the following items shall be addressed:

1) Election of chairman of the meeting.
2) Preparation and approval of the voting list.
3) Approval of the agenda.
4) Election of one or two persons to certify the minutes.
5) Determination of whether the meeting has been duly convened.
6) Presentation of the annual report and the auditors' report, and the consolidated financial statements and the consolidated auditors' report.
7) Resolutions on:
   (a) adoption of the income statement and the balance sheet, and the consolidated income statement and the consolidated balance sheet;
   (b) allocation of the company's profit or loss according to the adopted balance sheet;
   (c) discharge from liability for members of the board of directors and the managing director.
8) Resolution fees to members of the board of directors and the auditors.
9) Resolution on the number of members of the board of directors and auditors and deputy auditors.
10) Election of members of the board of directors and auditors and deputy auditors.
11) Any other matter on which the Annual General Meeting is required to decide pursuant to the Swedish Companies Act or the Articles of Association.

9 Notice

9.1 Notice convening a General Meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be advertised in Dagens industri that notice convening a General Meeting has been made.

9.2 Shareholders that wishes to participate in a General Meeting shall be recorded in a print-out or other representation of the entire share register as at the date falling five weekdays (Sw. *vardagar*) prior to the Meeting and notify the company of their intention to participate by the date specified in the notice convening the Meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the Meeting.

9.3 At a General Meeting, shareholders may be accompanied by one or two assistants, however only if the shareholder has notified the company of the number of assistants in the manner stated in the previous paragraph.

10 Financial year

The financial year of the company shall comprise the period January 1 to December 31.

11 CSD Company

The company's shares shall be registered in a central securities depository register in accordance with the Swedish Financial Instruments Act (1998:1479).

1) The general meeting's resolution to adopt these Articles of Association is conditional upon completion of the Offering. The Articles of Association will be registered with the Swedish Companies Registration Office (*Bolagsverket*) prior to the listing of Thule Group's shares on Nasdaq Stockholm.

› Legal considerations and supplementary information

General corporate and group information

The Company's name (and trading name) is Thule Group AB (publ). Thule Group's Swedish corporate ID No. is 556770 6311 and the registered office is situated in Malmö. The Company was established in Sweden on September 15, 2008 and registered at the Swedish Companies Registration Office on November 21, 2008. The Company has conducted business since then. The Company is a public limited company governed by the Swedish Companies Act.

Thule Group AB (publ) is the ultimate parent company in the group, which comprises 22 operational companies in 13 countries. The table below shows the most important Thule Group companies. Thule Group's holdings in affiliates are of no material importance as regards Thule Group's financial position or earnings.

Subsidiary	Country	Shares and voting rights, %
Thule Sweden AB	Sweden	100
Thule Inc	U.S.	100
Thule Sp z.o.o.	Poland	100
Thule GmbH	Germany	100
Thule Organization Solutions Inc	U.S.	100
Thule Organization Solutions S.A.	Belgium	100
Thule NV	Belgium	100
Thule Organization Solutions Asia Pacific Ltd.	Hong Kong	100
Thule S.p.A.	Italy	100
Thule Holding Inc	U.S.	100
Thule AB	Sweden	100
Thule Holding AB	Sweden	100
Thule IP AB	Sweden	100

Material agreements

Presented below is a summary of material agreements entered into by Thule Group during the past two years as well as other agreements entered into by Thule Group which contains rights or obligations of material importance for Thule Group (in both cases, excluding agreements entered into in the ordinary course of business).

Acquisitions and disposals

The divestment of the Trailer Business

During 2012 a comprehensive restructuring was initiated with the intention of separating the three main business areas, Trailers, Towing and Outdoor&Bags including Specialty. In 2013 a new company, Brenderup Group AB, was set up under Thule Holding AB and through an internal restructuring in 2014, all Trailer business was transferred to Brenderup Group AB, creating the Brenderup Group (the "**Brenderup Group**").

In March 2014, Thule Group entered into an agreement regarding the sale of the entire Trailer Business by selling all shares of Brenderup Group to the investment fund Accent Equity 2012. The transaction closed in May 2014. The enterprise value in the transaction was SEK 300 million. Under the terms of the share purchase agreement, Thule Group has given extensive warranties, indemnifications and covenants in favor of the buyer in relation to Brenderup Group and its business. Thule Group's total liability under the share purchase agreement liability is SEK 50 million except in relation to certain fundamental warranties and covenants relating to, among other things, authority to enter into the share purchase agreement, the legal status of the company and the purchase price adjustment mechanism, where the aggregate maximum liability under the share purchase agreement is equal to the enterprise value of the transaction, SEK 300 million. In view hereof, it cannot be excluded that Thule Group will become exposed to monetary and other claims under the terms of the share purchase agreement and the ancillary documentation.

In connection with the sale of Brenderup Group AB, Thule Group has granted to Brenderup Group a license right to use the "Thule" trademark until the end of 2014 and, further, an exclusive perpetual license right to use the "Thule Rental" trademark in Norway and Europe.

The divestment of the Towing Business

In September 2014, Thule Group entered into a share purchase agreement relating to the sale of the Towing business to Brink International AB, an entity jointly owned by Nordic Capital and other current shareholders of Thule Group. Prior to the sale, all Towing business was sold to Brink Group B.V. (previously Thule Netherlands Beheer BV through an internal restructuring and the sale of the Towing business to Brink International AB comprised all shares of Brink Group B.V. as parent of the Towing business. The total purchase price is fixed and corresponds to an enterprise value of approximately EUR 77 million. Under the terms of the agreement, Thule Group will give only fundamental representations and warranties as to title to and no encumbrance of the shares in Brink Group B.V. and its subsidiaries, and Thule Group's capacity and authority to enter into the agreement have been given to the purchaser.

Closing of the divestment is conditional only on closing of the Offering, following which Brink Group B.V. will be entirely separated from Thule Group (and financed on a standalone basis), except for a short term trademark license agreement in respect of the trademark "Thule" under which Brink Group B.V. will have the right to use this trademark during a limited transitional period and certain transitional services agreements (including IT-services until the end of 2014 and services relating to financial consolidation/reporting/treasury until the end of 2015) and co-operation agreements regarding marketing and sale.

Credit agreements

Please see "*Capitalization, indebtedness and other financial information – Capital structure in connection with the listing*" for further information on the credit facilities entered into in connection with, and being conditional upon the completion of, the Offering.

Litigation and arbitration

At any given time Thule Group may be a party to litigation or subject to non-litigated claims arising out of the normal operations of its business, such as ordinary warranty claims, claims related to products destroyed in transport, other product claims (such as claims that Thule Group has provided products that do not meet specifications), and claims from employees related to work injury or wrongful dismissal. Thule Group does not expect any liability arising from any of these legal proceedings to have a material impact on Thule Group's results of operations, liquidity, capital resources or financial position. Except as set out below, the Company has not been involved in any legal proceeding or arbitration that recently have resulted in, or may result in, material effects on the Thule Group's financial position or profitability.

Claims related to recalls of Valley Towing trailer hitches

In 2009, Thule Group divested its U.S. towing systems operations through a management buy-out. In 2010 the business was acquired by Revstone Industries. In 2013 Revstone Industries filed for bankruptcy. Thule Group remains exposed to civil liability associated with Valley Towing products as set out below.

Thule Towing Systems, LLC entered into an agreement with Hyundai Motor America ("**HMA**") in 2006 for the development and manufacture of Valley Towing trailer hitches and the accompanying electrical wiring harnesses for the 2007–2008 Sante Fe and Veracruz motor vehicles. In January 2008, HMA initiated a recall following a reported a motor vehicle fire originating in the wiring harness.

Thule Group stopped manufacturing and selling Valley Towing products in June 2009. However, Thule Group remains exposed to civil liability associated with its Valley Towing products. Management and Thule Group's external U.S. legal counsel estimate that the potential outstanding liability associated with Valley Towing products would not exceed USD 1.6 million. Thule Group has not made any provisions in respect of these claims but expects that the potential outstanding liability in part may be covered by Thule Group's existing insurance cover.

Tax disputes

In Germany, Thule Group is subject to two audits. The first audit covers financial years 2005–2008. The main focus is transfer pricing of intra-group cross-border transactions. The German tax authority does not agree with the established pricing method and have in its assessment suggested an increase in the taxable base, corresponding in additional taxes of approximately EUR 15.5 million. Thule Group has objected to this view and there are on-going discussions with the German tax authority, but no agreement has yet been reached. Thule Group has made provisions of EUR 5 million in relation to the assessment. The second audit, covering financial years 2009–2012, is in its early stages and no final scope or preliminary assessments has yet been presented.

In Italy, the local tax authorities have levied withholding taxes on payments by Thule SpA for board services in financial years 2007 and 2008. For the 2007 payments, a negative decision by the first court was issued but was appealed by the Company and the second court ruled in the favor of the company. No decision has yet been provided regarding the 2008 payments. As a worst case scenario and in the event the decision by the second court does not stand, an aggregate of MEUR 0.30 in taxes, penalties and interest have been estimated. Also, the Italian tax authorities have opened up a separate tax audit for 2009 that covers interest costs on intra-group loans, withholding taxes on interest costs and payments for board services, management fees, tax treatment of expenses and proceeds and the deductibility of VAT. There is no decision yet, but the tax, interest costs and penalties at stake have (in a worst case scenario) been estimated to MEUR 0.99. Provisions have been made of approximately MEUR 0.35.

Related party transactions

Thule Group applies IAS 24 Related party disclosures. See also "*Historical financial information – Note 33 Related party transactions*".

Transactions are made between Group companies concerning deliveries of goods and services, and the provision of financial and intangible services. Market terms and pricing are applied to all transactions. All intra-group transactions are eliminated.

On September 30, 2014, Thule Group entered into a share purchase agreement relating to the sale of the Towing business to Brink International AB, an entity jointly owned by Nordic Capital and other current shareholders of Thule Group. The business is deconsolidated. The sale was made at the market value of the business, EUR 77 million.

Other than the aforementioned share purchase agreement, no transactions that, individually or jointly, are material to the Company have been carried out between Thule Group and related parties after September 30, 2014, and no such transaction was made from 2011 to 2013.

For information on remuneration to the directors of the Board and group management, please see "*Corporate governance – Board of Directors*" and "*Corporate governance – CEO and group management*".

Placing agreement

According to the terms of an agreement on placing of shares which is intended for signing on or around November 25, 2014 between the Company, the Principal Owner and the Managers (the "**Placing agreement**"), the Principal Owner undertakes to divest approximately 26.1 % of the shares in the Company to the purchasers indicated by the Managers, or if the Managers fail, they have undertaken to themselves acquire the shares comprised by the Offering. The Principal Owner intends to grant an Over-allotment option, whereby it pledges at the request of the Joint Bookrunners at the latest 30 days from the settlement of the Offering to divest an additional maximum of 15.0 % of the shares, representing approximately 3.9 % of the total number of shares in the Company. The Over-allotment option may only be exercised in order to cover possible over-allotments within the framework of the Offering.

Through the Placing agreement, the Company makes customary representations and warranties to the Managers, primarily in relation to the information in the prospectus and the Swedish language prospectus being correct, the prospectus and the Swedish language prospectus and the Offering fulfilling requirements in laws and regulation and that there are no legal, or other, hindrances for the Company to enter into the agreement or for the completion of the Offering. Pursuant to the Placing agreement, the Managers' commitment to indicate purchasers to or, if the Managers fail to do so, acquire the shares comprised by the Offering themselves is conditional upon, among other things, the representations and warranties given by the Company and the Principal owner are correct.

Under the Placing agreement, the Company will, subject to customary qualifications, undertake to indemnify the Managers against certain claims under certain conditions. The Principal Owner, shareholding members of the Board of Directors, certain shareholding employees within Thule Group, including executive management, and certain former employees and members of the Board of Directors, will undertake, with certain exceptions, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced. See "*Share capital and ownership structure – Lock-up arrangements, etc.*".

Stabilization

In connection with the Offering, the Joint Bookrunners may effect transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilization transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. The Joint Bookrunners are, however, not required to undertake any stabilization and there is no assurance that stabilization will be undertaken.

Stabilization, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the Offering Price. Within one week of the end of the stabilization period, the Joint Bookrunners will make public whether or not stabilization was undertaken or not, the date at which stabilization started, the date at which stabilization last occurred and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out.

Any loss resulting from the stabilization will be borne by the Principal Owner. Any profit arising from the stabilization will be donated to charity.

Advisors

Goldman Sachs and Nordea provide financial advice and other services to the Company and the Principal Owner in connection with the Offering, for which they will receive customary remuneration. In addition, the Principal Owner may choose to pay Goldman Sachs and Nordea a discretionary fee. The total compensation will be dependent on the success of the Offering. The Company will not pay any compensation to Goldman Sachs and Nordea. Morgan Stanley is Joint Bookrunner in connection with the Offering. Danske Bank and DNB Markets are Co-Lead Managers in connection with the Offering.

From time to time, these advisors (and their affiliates) will provide services in the ordinary course of business to the Principal Owner and parties affiliated to the Principal Owner in connection with other transactions. Furthermore, Nordea, Danske Bank and DNB Bank ASA, filial Sverige are lenders to the Company under the SFA, as well as under the Credit Facilities, which are subject to the closing of the Offering. Following the Offering, Nordea and DNB Bank ASA, filial Sverige will be lenders to affiliates of the Principal Owner, and pledgees in all of the Principal Owner's interest in the shares of the Company (expected to be 68.2 % after the Offering, assuming that the Over-allotment option is not exercised). See "*Share capital and ownership structure – Ownership structure*".

In connection with the divestment of the Company's Towing business (see "*Operational and financial review – Acquisitions and dispositions*"), Nordea and DNB Bank ASA, filial Sverige, or any of their affiliates, expect to enter into a loan facility to secure financing for such business.

Mannheimer Swartling Advokatbyrå is Thule Group's legal advisor as to Swedish law in connection with the Offering and the listing on Nasdaq Stockholm. Davis Polk & Wardwell London LLP is Thule Group's legal advisor as to U.S. law in connection with the Offering and the listing on Nasdaq Stockholm

Sundling Wärn Partners is the Principal Owner's and Thule Group's financial advisor in connection with the Offering and the listing of Thule Group on Nasdaq Stockholm.

Costs related to the Offering

The Principal Owner will pay a commission to the Managers based on the gross proceeds of the shares sold in the Offering. In addition, the Principal Owner may choose to pay a discretionary fee to the Managers, a so-called incentive fee, also calculated against the gross proceeds of the shares sold in the Offering. In no event shall the total commission and incentive fee paid exceed 3.23 % of the gross proceeds of the shares sold in the Offering. Commission to the Managers will, however, amount to not less than EUR 4.96 million.

Thule Group's costs associated with the listing on Nasdaq Stockholm and the Offering are expected to amount to approximately MSEK 24, of which MSEK 7.8 has been charged to the result for 2014. Such costs primarily relate to costs for auditors, attorneys, printing of the prospectus, costs related to management presentations, etc. Thule Group will not receive any proceeds from the Offering.

Incorporation by reference, etc.

The following documents are incorporated by reference and constitute a part of the prospectus and shall be read as a part thereof:

- Thule Group's audited consolidated income statement as of and for the year ended December 31, 2010 (which can be found on pp. 6–7 in Thule Group's annual report for 2010); and
- the auditors' report for 2010 (which can be found on p. 71 in Thule Group's annual report for 2010).

Those parts in the annual report for 2010 not referred to do not contain information that is relevant to investors.

Documents available for inspection

Copies of Thule Group's (i) Articles of Association, and (ii) annual reports for the financial years 2010–2013, including auditors' reports, are available for inspection during office hours at the Company's headquarters at Fosievägen 13 in Malmö, Sweden.

› Taxation

Certain tax considerations in Sweden

The following is a summary of certain tax consequences related to the Offering to acquire shares in Thule Group. The summary is based on legislation currently in force and is intended as general information only. The summary does not address (i) securities held by partnerships or held as current assets in business operations; (ii) the specific rules on tax-exempt capital gains (including non-deductibility of capital losses) and dividends in the corporate sector that may apply when shares are considered to be held for business purposes (näringsbetingade andelar) by the shareholder; (iii) the special rules that may apply to securities in companies that are or previously have been closely held or securities that have been acquired by means of "qualified shares" in closely-held companies; or (iv) shares or other equity-related securities that are held in an "investment savings account" (investeringssparkonto) and that are subject to special rules on standardized taxation. Special tax rules apply to certain categories of taxpayers, e.g., investment companies and insurance companies. The tax treatment of each individual shareholder depends on the investor's particular circumstances. Each holder of shares should therefore consult a tax adviser for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties.

Resident shareholders

As used here, "resident shareholder" means a holder of shares who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organized under the laws of Sweden.

Individuals

Capital gains taxation

A taxable capital gain or deductible capital loss may arise on the sale or other disposition of listed shares or other equity-related securities. Capital gains are taxed as income from capital at a rate of 30 %. Capital gain or loss is normally calculated as the difference between the sales proceeds, after deducting sales costs, and the tax base. The tax base of all equity-related securities of the same class and type are added together and computed collectively using the "average method".

Upon the sale of listed shares, such as shares in Thule Group, the tax basis may alternatively be determined as 20 % of the sales proceeds after deducting sales costs under the "notional rule".

Capital losses on listed shares and on other listed equity-related securities are fully deductible against taxable capital gains on shares and on other listed equity-related securities, with the exception of units in mutual funds that consist exclusively of Swedish receivables ("interest funds"). Up to 70 % of capital losses on shares that cannot be offset in this way are deductible against other capital income. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against property tax and municipal property charges. A tax reduction of 30 % is allowed on net loss not exceeding SEK 100,000 and 21 % of any remaining loss. Such net loss cannot be carried forward to future income years.

Dividend taxation

For individuals, dividends are taxed as income from capital at a rate of 30 %. A withholding tax of 30 % is generally levied on dividends paid to individuals resident in Sweden. The tax is normally withheld by Euroclear Sweden or, regarding nominee-registered shares, by the Swedish nominee.

Limited liability companies

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 22 %. Capital gains and capital losses are calculated in the same manner as for individuals. Deductible capital losses on shares and other equity related securities may only be deducted against taxable capital gains on such securities. If certain conditions are fulfilled, such capital losses may also be offset against such capital gains in another company within the same group, provided that the requirements for exchanging group contributions (koncernbidrag) are met. A capital loss that cannot be utilized during a given year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent income years without any limitation in time.

Non-resident shareholders

As used here, "non-resident shareholder" means a shareholder who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the shares, or (b) an entity not organized under the laws of Sweden.

Withholding tax

Non-resident shareholders who receive dividends from a Swedish limited liability company are normally subject to Swedish withholding tax at a rate of 30 %. However, the tax rate is often reduced by tax treaties for the avoidance of double taxation between Sweden and other countries (for example, under the U.S.–Sweden income tax treaty, the tax rate on dividends paid to U.S. Holders entitled to the benefits of the U.S.– Sweden income tax treaty should not exceed 15 %). The majority of Sweden's tax treaties enable a reduction of the Swedish tax to the tax rate stipulated in the treaty directly when dividends are paid, provided that necessary information is available in relation to the person entitled to dividends. In Sweden, Euroclear Sweden or, for nominee-registered shares, the nominee, normally withholds the tax.

If a 30 % withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be requested from the Swedish Tax Agency before the end of the fifth calendar year following the dividend distribution.

Capital gains taxation

A non-resident shareholder is generally not liable for Swedish capital gains tax on the disposal of shares, provided that the shareholder does not carry out business activities from a permanent establishment in Sweden to which the shares are effectively connected. However, under a specific tax rule, private individuals that are not resident in Sweden may be subject to tax in Sweden on the sale of certain securities (such as shares) if they have been resident or lived permanently in Sweden at any time during the year of such disposal or under any of the ten preceding calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries. Shareholders may be subject to tax in their country of residence.

Certain U.S. Federal income tax considerations

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders described below of the ownership and disposition of the Company's shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire the shares. This discussion applies only to U.S. Holders that hold shares as capital assets. In addition, this discussion does not describe all of the tax consequences that may be relevant to U.S. Holders in light of their particular circumstances, including alternative minimum tax consequences, any aspect of the Medicare contribution tax on "net investment income" and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or certain traders in securities;
- persons holding shares as part of a straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to the shares;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities, individual retirement accounts, or "Roth IRAs";
- persons that own or are deemed to own 10 % or more of the Company's voting stock; or
- persons holding shares in connection with a trade or business outside the United States.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of you and your partners generally will depend on the status of the partners and your activities. If you are a partnership holding shares or a partner in such partnership, you should consult your tax adviser as to your particular U.S. federal income tax consequences of holding and disposing of the shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between Sweden and the United States (the "**Treaty**"), all as of the date hereof. These laws are subject to change, possibly with retroactive effect.

You are a "U.S. Holder" for purposes of this discussion if for U.S. federal income tax purposes you are a beneficial owner of the Company's shares and are:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

You should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Except as specifically described below, this discussion assumes that the Company will not be treated as a passive foreign investment company (a "**PFIC**") for any taxable year.

Taxation of Distributions

Distributions paid on the shares (including the amount of any Swedish taxes withheld), other than certain *pro rata* distributions of shares to all shareholders, will be treated as dividends to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to you as dividends.

Subject to applicable limitations, if you are a non-corporate U.S. Holder, dividends paid to you may be eligible for taxation as "qualified dividend income" and therefore may be taxable at favorable rates. You should consult your tax adviser regarding the availability of the reduced tax rate on dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code.

Dividends will generally be included in your income on the date of receipt of the dividends. The amount of any dividend income paid in Swedish kronor will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, you should not be required to recognize foreign currency gain or loss in respect of the amount received. You may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt, and any such gain or loss will be U.S.-source ordinary income or loss.

Dividends will be treated as foreign-source dividend income for foreign tax credit purposes. Subject to applicable limitations, some of which vary depending upon your circumstances, Swedish income taxes withheld from dividend payments on shares at a rate not exceeding any applicable Treaty rate will be creditable against your U.S. federal income tax liability. Swedish income taxes withheld in excess of the applicable Treaty rate will not be eligible for credit against your U.S. federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the creditability of foreign taxes in your particular circumstances. In lieu of claiming a foreign tax credit, you may elect to deduct foreign taxes, including any Swedish taxes, in computing your taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the relevant taxable year.

Sale or Other Taxable Disposition of Shares

You generally will recognize taxable gain or loss on a sale or other taxable disposition of the shares equal to the difference between the amount realized on the sale or disposition and your tax basis in the shares, each as determined in U.S. dollars. This gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if at the time of sale or disposition the shares have been held for more than one year. Any gain or loss will generally be U.S.-source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation will be a PFIC for any taxable year in which (i) 75 % or more of its gross income consists of passive income or (ii) 50 % or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25 % by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes interest, rents, dividends, royalties and certain gains. The Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, because PFIC status depends on the composition and character of the Company's income and assets and the value of its assets from time to time, there can be no assurance that the Company will not be a PFIC for any taxable year.

Generally, if the Company were a PFIC for any taxable year during which you held the Company's shares, gains recognized upon a disposition (including, under certain circumstances, a pledge) of shares by you would be allocated ratably over your holding period for such shares. The amounts allocated to the taxable year of disposition and to years before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting tax liability for such year. Further, to the extent that any distribution you receive on your shares exceeds 125 % of the average of the annual distributions on such shares received during the preceding three years or your holding period, whichever is shorter, that distribution would be subject to taxation in the same manner. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the shares.

You should consult your tax adviser regarding whether the Company is a PFIC and the potential application of the PFIC rules to your ownership of shares for any taxable year.

Backup Withholding and Information Reporting

Payments of dividends and sales proceeds that are made within the United States or through U.S. or certain U.S.-related financial intermediaries will generally be subject to information reporting and backup withholding, unless (i) you are an exempt recipient or (ii) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

› Selling and transfer restrictions

*The offer to acquire shares in Thule Group (the "**Offering**") to persons resident or citizens in countries other than Sweden may be affected by legislation in such jurisdictions and may be subject to restrictions. Investors should engage professional advisers to assess whether regulatory approvals or other authorizations are required, and whether other formal requirements must be complied with, in order for the investors to be able to acquire shares in Thule Group. Measures in violation of the restrictions in this section may constitute a violation of applicable securities legislation.*

General

Thule Group, the Principal Owner and the Joint Global Coordinators have not taken and will not take any actions to permit a public offering of shares in Thule Group in any jurisdiction other than Sweden. The Offering is not made to persons resident in the United States, Canada, Japan, Australia or any other jurisdiction where participation would require additional prospectuses, registration or measures other than those required by Swedish law. In such jurisdictions, the receipt of this prospectus should not be deemed to be an offering.

In addition to what is explicitly stated in this prospectus, an investor who receives a copy of this prospectus in jurisdictions other than Sweden shall not (i) consider the prospectus as an offering to acquire shares, or (ii) trade in shares in Thule Group comprised in the Offering, unless such offering may be lawfully made to the investor and that such shares may be lawfully traded in without the requirement for registration or that any other legal requirements in the concerned jurisdiction are met.

Consequently, the prospectus, the application form and any other documents in respect of the Offering may not be dispatched or otherwise distributed, and the shares in Thule Group may not be transferred, to any person in, or into, any jurisdiction in which such measure or the Offering would require additional prospectuses, registration or measures other than those required by Swedish law, or otherwise may entail a violation of local securities legislation or local regulations. If an investor forwards the prospectus to any such jurisdiction (regardless of whether it occurs under an agreement, requirements under statutory law or of any other reason), the investor must inform the recipient of the content of this section. Unless otherwise is explicitly stated in this prospectus, the following shall apply:

- Shares in Thule Group may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, Canada, Australia, Hong Kong, Japan or any other jurisdiction where the offering of the shares is not permitted or where such action would require additional prospectuses, registration or measures other than those required by Swedish law ("**Unauthorized Jurisdictions**"); and
- The prospectus may not be distributed to any person in an Unauthorized Jurisdiction ("**Unauthorized Persons**").

As a condition to acquire shares under the Offering, each person applying to acquire shares in Thule Group will be deemed to have made or, in some cases, be required to make, *inter alia*, the following representations and warranties that will be relied upon by Thule Group, the Principal Owner and the Joint Global Coordinators (unless they waive this requirement).

- that the investor does not reside in any Unauthorized Jurisdiction;
- that the investor is not an Unauthorized Person;
- that the investor does not act on behalf of, or for the benefit of, an Unauthorized Person;
- that the investor – provided that such investor is not a QIB – resides outside of the United Sates and that potential persons that he is acting on behalf of, or for the benefit of, (on a non-discretionary basis) reside outside the United States and that the investor and such potential persons will reside outside the United States when carrying out a transaction in the shares;
- that the investor understands that the shares neither have been nor will be registered under the Securities Act and that they may not be offered, pledged, sold, resold, delivered or otherwise transferred within the United States, nor on behalf of or for the benefit of persons residing in the United States, except under an available exemption from, or transaction not subject to, the registration requirements under the Securities Act; and
- that the investor is lawfully entitled to be offered, acquire and receive the shares in the jurisdiction where the person concerned is domiciled or currently resides.

If a person acts on behalf of an investor (*e.g.*, as a fiduciary, legal guardian or trustee), such person shall make the above-mentioned representations and warranties to Thule Group, the Principal Owner and the Joint Global Coordinators in respect of the acquisition of shares on behalf of the holder. If such person does not make or cannot make the above-mentioned representations and warranties, Thule Group, the Principal Owner and the Joint Global Coordinators are not obligated to execute any allotment of shares to such person or any person who is acting on behalf of such person.

Taking account of the specific restrictions that are presented below, investors, (including their fiduciary, legal guardian and trustee) who are resident outside of Sweden and wish to acquire shares in Thule Group, are responsible for compliance with applicable legislation in the relevant jurisdiction, including obtaining any required regulatory approvals or other authorizations, observing any other potential formalities as well as paying any taxes required in such jurisdictions.

The information in this section is only intended to serve as general guidance. If any doubts exist on whether an investor is entitled to acquire shares, the investor should immediately engage professional advisers.

With some exceptions, applications to acquire shares from any Unauthorized Jurisdiction will be considered invalid and shares will not be delivered to recipients in Unauthorized Jurisdictions. Thule Group, the Principal Owner and the Joint Global Coordinators reserve the right to disregard or declare null and void any applications to acquire shares that are made by order of persons who (i) have stated an address in an Unauthorized Jurisdiction, (ii) are unable to undertake or guarantee that they are not residing in an Unauthorized Jurisdiction and/or are not an Unauthorized Person, or (iii) Thule Group, the Principal Owner or the Joint Global Coordinators understand has signed his application to acquire shares in, or sent it from, an Unauthorized Jurisdiction. Furthermore, Thule Group, the Principal Owner and the Joint Global Coordinators reserve the right to declare null and void an application to acquire shares that seems to be executed or otherwise carried out in a way that may entail a violation or breach of laws or regulations of any jurisdiction.

Regardless of what is otherwise stated in this prospectus, Thule Group, the Principal Owner and the Joint Global Coordinators reserve the right to allow an investor to acquire shares if they consider the transaction in question to be exempt from, or not subject to, the laws and regulations that give rise to the relevant restrictions. The applicable exemptions are described below. In these cases, Thule Group, the Principal Owner and the Joint Global Coordinators do not undertake any liability for any actions made by the investors nor for any consequences that the investor may suffer that may be caused by Thule Group, the Principal Owner and the Joint Global Coordinators allowing the investor's acquisition of shares.

Neither Thule Group, the Principal Owner nor any of the Joint Global Coordinators guarantees that an investment in shares in Thule Group is permitted under applicable legislation. Every investor should engage own advisers and complete an independent assessment of the legal, tax, commercial, financial and other implications that follow an acquisition of shares in Thule Group.

Certain risks apply to an investment in shares. See "*Risk factors*" for a report on certain risks that should be observed by potential investors prior to an investment in Thule Group.

United States

Thule Group's shares have not been registered, and will not be registered, under the Securities Act or the securities legislation of any state or other jurisdiction in the United States and may not be offered, pledged, sold, resold, allotted, delivered or otherwise transferred, directly or indirectly, within or into the United States except in certain transactions exempt from, or not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States. The shares in Thule Group are being offered outside the United States in reliance on Regulation S under the Securities Act. A public offering will not be made in the United States. Any offering of the shares in the United States will be made only to investors who are QIBs in reliance on Rule 144A or pursuant to another available exemption from, or transaction not subject to, the registration requirements under the Securities Act. Prospective investors are hereby notified that the Principal Owner may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The shares in Thule Group have neither been approved nor recommended by the SEC, any state securities authority or any other authority in the United States. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this prospectus. To assert the contrary is a criminal offense in the United States.

Each investor in the United States who receives this prospectus, is offered shares in Thule Group in the United States in reliance on Rule 144A or pursuant to another available exemption from, or transaction not subject to, the registration requirements under the Securities Act, is considered to have represented and agreed that it has received a copy of this prospectus and such other information as it deems necessary to make an informed investment decision and that:

- such investor understands that the shares have not been and will not be registered under the Securities Act or any securities legislation in any state or other jurisdiction in the United States and are subject to significant restrictions on transfer;
- such investor is a QIB and the person, if any, for whose account or benefit the investor is acquiring the shares, is aware that a sale of shares to the investor is being made in reliance on Rule 144A or pursuant to another available exemption from, or transaction not subject to, the registration requirements under the Securities Act and that the shares are acquired for such investor's own account or for the account of a QIB;
- the investor is aware that the shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;
- if, in the future, the investor decides to offer, resell, pledge or otherwise transfer such Shares, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in accordance with Regulation S, or (iii) pursuant to another exemption from, or in a transaction not subject to, the registration requirements under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- the shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any shares;
- the investor will not deposit or cause to be deposited such shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a)(3); and
- Thule Group shall not recognize any offer, sale pledge or other transfer of the shares made other than in compliance with the above-stated restrictions.

Each investor who purchases the shares in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this prospectus and such other information as it deems necessary to make an informed investment decision and that:

- such investor acknowledges that the shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to significant restrictions on transfer and, subject to certain exceptions, may not be offered or sold within or into the United States;
- such investor and the person, if any, for whose account or benefit the investor is acquiring the shares, was located outside the United States at the time the buy order for the shares originated;
- the shares have not been offered to such investors by means of any "directed selling efforts" as defined in Regulation S; and
- such investor is aware of the restrictions on the offer and sale of the shares pursuant to Regulation S described in this document.

Any offer or sale of shares in Thule Group in the United States will be made solely by affiliates of the Joint Bookrunners who are broker-dealers registered as such under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Thule Group shall not recognize any offer, sale, pledge or other transfer of the shares made other than in compliance with the above-stated restrictions.

Agreement on confidentiality

Recipients of this document outside of Sweden are hereby informed that this document is provided on a confidential basis and may not, under any circumstances, be reproduced, forwarded or otherwise further distributed, neither in whole nor in part. Furthermore, the recipient is only permitted to use this document for the purpose of considering an acquisition of shares in Thule Group and may not disclose the content of this document or use any information herein for any other purpose. This document is personal for every recipient and does not constitute an offering to acquire shares to any person or to the public in any jurisdiction outside Sweden. Recipients of this document will be deemed to have agreed to the above by receiving this document.

Enforcement of liabilities and service of process

Thule Group is organized under the laws of Sweden. The majority of the Company's board members and management are resident outside the United States. All or a substantial portion of Thule Group's assets and the assets of such persons' are located outside the United States. As a result, it may not be possible for investors to effect service of a lawsuit against Thule Group or such persons, or for a U.S. court to enforce a U.S. judgment against Thule Group or the management of Thule Group. U.S. judgments or enforcement decisions, relating to the civil liability provisions of the federal or state securities legislation of the United States are not directly enforceable in Sweden. The United States and Sweden do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, other than for arbitration awards. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Sweden. However, if the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Sweden, that party may submit the final judgment that has been rendered in the United States to a Swedish court. Even though a judgment by a federal or state court in the United States against the Company or Thule Group will neither be recognized nor enforced by a Swedish court, such judgment may serve as evidence in a similar action in a Swedish court.

Available Information

The Company has agreed that, for so long as any of the shares in the Offer are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of such restricted Offer Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

EEA

No public offering of shares in Thule Group is made to any countries within the European Economic Area (the "**EEA**") other than Sweden. In other member states of the EEA, which have implemented the Prospectus Directive, such offer may be made only to "qualified investors" in accordance with the definition under article 2.1 e) of the Prospectus Directive or under any other circumstances that do not require Thule Group, the Principal Owner or the Joint Global Coordinators to announce a prospectus in the relevant member state under article 3 of the Prospectus Directive. Each recipient of this prospectus will be deemed to have committed and guaranteed that they neither have nor will make a public offering in any member state of the EEA.

The expression "an offering to the public" refers to the definition as set forth in article 2.1 d) of the Prospectus Directive. The expression "Prospectus Directive" refers to Directive 2003/71/EC of the European Parliament and of the Council and includes any relevant implementing measure in each relevant member state (including implementing measures of Directive 2010/73/EU of the European Parliament and of the Council amending the Prospectus Directive, etc.).

Other jurisdictions

The shares in Thule Group have not been registered and will not be registered in Australia, Hong Kong, Japan, Canada or any jurisdiction outside of Sweden and may therefore not be offered or sold in or into any such jurisdiction other than in certain exempt cases where a prospectus would not be required under applicable laws and regulations in such jurisdiction and otherwise would comply with the applicable securities legislation in such jurisdiction.

› Historical financial information

Financial information for the nine months ended September 30, 2014

Financial information for the years ended December 31, 2013, 2012 and 2011

Financial information for the nine months ended September 30, 2014

Consolidated income statement

		Jul–Sep		Jan–Sep			Full year
	Note	2014	2013	2014	2013	LTM	2013
Continuing operations							
Net sales	2	1,225	1,094	3,717	3,406	4,641	4,331
Cost of goods sold		(751)	(708)	(2,221)	(2,097)	(2,839)	(2,715)
Gross income		475	385	1,495	1,310	1,802	1,616
Other operating revenue		0	0	5	7	20	10
Selling expenses	1	(215)	(186)	(637)	(596)	(839)	(797)
Administrative expenses		(68)	(67)	(214)	(220)	(294)	(301)
Other operating expenses		(21)	(10)	(30)	(17)	(39)	(14)
Operating income	2	170	123	619	484	650	514
Net interest expense/income		(77)	(22)	(215)	(39)	(278)	(102)
Income before taxes		93	101	405	445	372	413
Taxes	5	(13)	(23)	(105)	(94)	(125)	(114)
Net income		80	78	300	351	247	299
Discontinued operations							
Net income from discontinued operations	3	(8)	11	(368)	41	(647)	(237)
Consolidated net income		72	90	(69)	393	(400)	62
Consolidated net income pertaining to:							
Shareholders of Parent Company		74	89	(69)	390	(398)	61
of which, pertaining to continuing operations		80	78	300	351	247	299
of which, pertaining to discontinued operations		(8)	11	(368)	39	(645)	(238)
Non-controlling interest (pertaining to discontinued operations)		(2)	1	0	3	(2)	1
Consolidated net income		72	90	(69)	393	(400)	62
Earnings per share, SEK (before and after dilution)		1.60	2.00	(1.50)	8.80		1.40
Earnings per share from continuing operations, SEK (before and after dilution)		1.80	1.80	6.70	7.90		6.70
Average number of shares (millions)				44.7	44.7		44.7

Consolidated statement of comprehensive income

	Jul–Sep		Jan–Sep		Full year	
	2014	2013	2014	2013	LTM	2013
Consolidated net income	72	90	(69)	393	(400)	62
Items that have been carried over or can be carried over to consolidated net income						
Foreign currency translation	49	(26)	135	(15)	226	76
Cash flow hedges	2	0	(2)	2	(3)	1
Net investment hedge	32	(6)	33	(46)	15	(64)
Translation differences from foreign currency translation and net investments recognized in consolidated net income	(3)	0	28	0	28	0
Tax on components in other comprehensive income	(7)	1	(7)	10	(3)	14
Tax on components in other comprehensive income recognized in consolidated net income	14	0	17	0	17	0
Items that cannot be carried over to consolidated net income						
Revaluation on defined-benefit pension plans	(9)	36	(9)	36	(1)	44
Taxes pertaining to items that cannot be carried over to consolidated net income	2	(8)	2	(8)	2	(8)
Other comprehensive income	80	(2)	196	(21)	280	63
Total comprehensive income	153	87	127	372	(120)	125
Total comprehensive income pertaining to:						
Shareholders of Parent Company	153	87	127	369	(118)	124
Noncontrolling interest (pertaining to discontinued operations)	0	1	0	3	(2)	1
Total comprehensive income	153	87	127	372	(120)	125

Consolidated balance sheet

	Sep 30, 2014	Sep 30, 2013	Dec 31, 2013
Assets			
Intangible assets	3,920	4,570	4,441
Tangible assets	529	880	891
Long-term receivables	4	6	5
Deferred tax receivables	485	479	478
Total fixed assets	**4,940**	**5,935**	**5,815**
Inventories	703	955	921
Tax receivables	9	13	15
Accounts receivable	782	828	803
Prepaid expenses and accrued income	33	50	42
Other receivables	48	50	54
Related-party receivables	293	0	0
Cash and cash equivalents	719	383	385
Total current assets	**2,587**	**2,278**	**2,220**
Total assets	**7,527**	**8,213**	**8,035**
Equity and liabilities			
Equity	1,924	2,049	1,802
Long-term interest bearing liabilities	4,323	4,566	4,436
Pension provisions	134	141	135
Deferred income tax liabilities	172	215	185
Total long-term liabilities	**4,628**	**4,923**	**4,756**
Short-term interest bearing liabilities	101	114	288
Accounts payable	382	460	511
Income taxes	72	34	46
Other liabilities	21	22	28
Accrued expenses and deferred income	324	558	532
Provisions	74	54	72
Total short-term liabilities	**975**	**1,242**	**1,477**
Total liabilities	**5,603**	**6,165**	**6,233**
Total equity and liabilities	**7,527**	**8,213**	**8,035**

Consolidated statement of changes in equity

	Sep 30, 2014			Sep 30, 2013		
	Equity attributable to shareholders of Parent Company	Non-controlling interests	Total shareholders' equity	Equity attributable to shareholders of Parent Company	Non-controlling interests	Total equity
Opening balance – January 1,	1,797	5	1,802	1,673	5	1,678
Consolidated net income	(69)	(5)	(74)	390	3	393
Total other comprehensive income	196		196	(21)		(21)
Total comprehensive income	127	(5)	122	369	3	372
Closing balance	**1,924**	**0**	**1,924**	**2,042**	**8**	**2,049**

Consolidated statement of cash flow

	Jul–Sep		Jan–Sep	
	2014	**2013**	**2014**	**2013**
Income before taxes	93	101	405	445
Income from discontinued operations before taxes	0	10	(352)	48
Adjustments to entries not included in cash flow	50	5	553	1
Paid income taxes	(9)	(8)	(46)	(28)
Cash flow from operating activities prior to changes in working capital	**134**	**108**	**560**	**466**
Cash flow from changes in working capital				
Increase (–)/Decrease (+) in inventories	101	99	(12)	(90)
Increase (–)/Decrease (+) in receivables	262	343	(164)	57
Increase (+)/Decrease (–) in liabilities	(110)	(109)	48	(149)
Cash flow from operating activities	**387**	**441**	**432**	**284**
Investing activities				
Business combinations, net impact on liquidity	0	(60)	0	(60)
Sale of subsidiaries	0	0	191	0
Acquisition of intangible assets	(14)	0	(14)	0
Acquisition of tangible assets	(38)	(23)	(128)	(67)
Cash flow from investing activities	**(52)**	**(83)**	**49**	**(127)**
Financing activities				
New issue of shares	0	0	0	0
Debt repaid	0	(150)	(152)	(205)
Cash flow from financing activities	**0**	**(150)**	**(152)**	**(205)**
Net cash flow	335	208	329	(48)
Cash and cash equivalents at beginning of period	381	174	385	433
Effect of exchange rates on cash and cash equivalents	3	1	5	(2)
Cash and cash equivalents at end of period	**719**	**383**	**719**	**383**

Other information

Strategic restructuring

In recent years, the Thule Group's position as a leading company in the sport and outdoor industry has strengthened. The Company's strategic focus on brand-driven consumer products continued during the quarter through entering an agreement on September 30 to divest the Towing Division to existing shareholders in Thule Group AB. The Trailer Division was divested during the first half of 2014.

These changes will enable the Thule Group to focus time and resources on implementing the company's long-term growth strategy for its two segments: Outdoor&Bags (mainly products for transporting sport and leisure products, such as bicycles, skis and water sport carriers, various types of bags and a range of solutions for living an active life with children) and Specialty (mainly snow chains and transport solutions for pick-up trucks).

Seasonal variations

The Thule Group's sales and operating income are partially affected by seasonal variations. During the first quarter, sales are mainly affected in the Specialty segment (snow chains), depending on winter conditions. The second and third quarters are impacted by how early the spring or summer arrives, while sales in individual quarters may be impacted by the quarter in which the spring or summer occurs. In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products, and sales of products in the Outdoor&Bags segment's bag category prior to major holidays.

Employees

In the third quarter of 2014, the average number of employees in continuing operations was 2,148 (2,208).

Related-party transactions

As of September 30, Thule has contracted to divest its shares in Brink Group B.V., the parent company of the Towing Division, to Thule Group AB's existing shareholders and operations have been deconsolidated. The transfer was carried out at the market price for the operations, which was estimated at EUR 77 million.

Events after the balance-sheet date

Other than a reverse split of shares (1:10) registered on November 7, 2014, and Thule Group entering into agreements regarding new financing on November 3, 2014, no significant events that could impact the operations have occurred.

Notes to consolidated financial statements

NOTE 1 ACCOUNTING POLICIES

This condensed consolidated interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act on interim financial reporting. The same accounting policies and calculation methods have been applied for the Group and Parent Company as in the most recent Annual Report, with the exception of changes to the functional classification of operating expenses, which are described below. Other new and revised IFRSs that became effective in 2014 have had no material impact on the Group's earnings and financial position.

The financial information has been approved for issuance by the Board on November 12, 2014.

In connection with the Group's revised business focus in 2014, the functional classification of operating expenses was reviewed and adapted. The change primarily entails that the "Research and development" function has been removed and mainly allocated to the Sales function. The change was implemented retroactively with restatement of the comparative periods. Operating income was not affected by changes to the functional classification. However, the consolidated income statement has also been impacted by discontinued operations, which, in accordance with IFRS 5, have been reported separately on a line at the foot of the income statement. Correspondingly, the comparison periods have been divided into continuing and discontinued operations. Amounts before adjustments therefore pertain to the functions of continuing operations.

	Jan 1 – Sep 30 2013			Jul 1 – Sep 30 2013			Jan 1 – Dec 31 2013		
	Before adjust.	Adjust.	After adjust.	Before adjust.	Adjust.	After adjust.	Before adjust.	Adjust.	After adjust.
Selling expenses	(473)	(123)	(596)	(149)	(37)	(186)	(616)	(181)	(797)
Research and development expenses	(123)	123	0	(37)	37	0	(181)	181	0

NOTE 2 OPERATING SEGMENTS

In 2014, the Thule Group implemented a reorganization that affected governance and monitoring, as well as classification of the Group as operating segments (business segments). Prior to the reorganization, there were two operating segments: Outdoor&Bags and Towing. The Towing segment has been discontinued through the divestment of the Trailer operation in May 2014, and through the divestment of the Towing operation in September. In Outdoor&Bags, operations in the snow chain product group (Snow Chains) and the toolboxes for pick-up trucks (Work Gear) product group in the US have now been transferred to the new operating segment known as Specialty.

The former Towing operating segment is reported as a discontinued operation. See Note 3 Discontinued operations. Comparative figures for the preceding year have been regrouped according to the new classification as operating segments, and the Towing operations have been excluded retroactively.

Net sales and operating income per segment

	Outdoor&Bags		Specialty		Group-wide		Eliminations		Group	
	Jul–Sep		Jul–Sep		Jul–Sep		Jul–Sep		Jul–Sep	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales to customers	1,089	967	136	127	0	0			1,225	1,094
Intercompany sales	3	4	0	3	0	(1)	(3)	(6)	0	0
EBITDA	219	201	14	9	(24)	(24)			209	186
Operating depreciation/amortization	(11)	(10)	(3)	(3)	(1)	(1)			(15)	(14)
Operating EBIT	208	191	11	6	(25)	(25)			194	172
Other depreciation/amortization	(3)	(3)	0	0	(1)	(2)			(4)	(4)
Operating income per operating segment	205	189	11	6	(26)	(27)			190	167
Items affecting comparability	(19)	(44)	0	0	0	0			(19)	(44)
Operating income	186	144	11	6	(26)	(27)			170	123
Net interest expense/income									(77)	(22)
Taxes									(13)	(23)
Net income from discontinued operations									(8)	11
Consolidated net income									72	90

	Outdoor&Bags		Specialty		Group-wide		Eliminations		Group	
	Jan–Sep		Jan–Sep		Jan–Sep		Jan–Sep		Jan–Sep	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales to customers	3,395	3,098	321	308	1	1			3,717	3,406
Intercompany sales	12	13	(1)	3	0	0	(12)	(17)	0	0
EBITDA	759	648	4	6	(69)	(69)			694	585
Operating depreciation/amortization	(32)	(29)	(9)	(10)	(2)	(3)			(44)	(42)
Operating EBIT	726	619	(6)	(4)	(71)	(72)			650	543
Other depreciation/amortization	(8)	(9)	0	0	(4)	(5)			(13)	(13)
Operating income per operating segment	718	610	(6)	(4)	(75)	(77)			637	530
Items affecting comparability	(18)	(46)	0	0	0	0			(18)	(46)
Operating income	701	564	(6)	(4)	(75)	(77)			619	484
Net interest expense/income									(215)	(39)
Taxes									(105)	(94)
Net income from discontinued operations									(368)	41
Consolidated net income									(69)	393

NOTE 3 DISCONTINUED OPERATIONS

	Jan–Sep	
	2014	**2013**
Revenue	907	1,088
Expenses	(901)	(1,040)
Goodwill impairment	(350)	0
Income before taxes	(343)	48
Taxes	(16)	(7)
Realization gains/loss from divestment of discontinued operation	(9)	0
Net income from discontinued operations	(368)	41
Earnings per share, discontinued operation, SEK (before and after dilution)	(8.20)	0.90

	Jan–Sep	
	2014	**2013**
Cash flow from discontinued operations		
Operating cash flow before investments	76	105
Operating cash flow after investments	33	85

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

	Fair value		
	Sep 30, 2014	**Sep 30, 2013**	**Dec 31, 2013**
Assets – Financial derivatives			
Currency swaps	1	0	5
Total derivative assets	1	1	5
Liabilities – Financial derivatives			
Currency forward contracts	(3)	0	(1)
Currency swaps	(2)	(2)	(6)
Currency options	0	(1)	(2)
Interest-rate swaps	(86)	(97)	(89)
Commodity derivatives	0	0	0
Total derivative liabilities	(91)	(100)	(98)

The carrying amount is considered to be an approximation of the fair value for all financial assets and liabilities. The Group's long-term liabilities are subject to variable interest rates, which means that changes in the basic interest rate will not have a significant impact on the fair value of the liabilities. According to the company's assessment, no changes have occurred in the credit margins that would significantly impact the fair value of the liabilities. The financial instruments valued at fair value in the balance sheet consist of derivative instruments that are held to hedge the Group's exposure to interest rates, currency rates and raw-material prices. All derivatives belong to Level 2 of the hierarchy for measuring fair value as described in IFRS 13. For a description of the methods used in measuring the fair value of financial instruments, refer to Note 3 in the 2013 Annual Report.

NOTE 5 TAXES

The company is involved in an ongoing tax dispute in Germany and no further decisions were made on this matter during the year. The Group made an additional provision of SEK 19.2 M (total provisions amounted to SEK 46 M) for tax/interest rates attributable to the dispute mentioned above during the year. The effective tax rate for the period was 26 % compared with 27.6 % for the full-year 2013. The tax rates were impacted by the provisions made for the ongoing tax dispute in Germany. No other significant events affecting the Group's effective tax rate occurred during the January to September 2014 period.

The Thule Group's deferred tax has been valued in accordance with enacted tax rates.

NOTE 6 RISKS AND UNCERTAINTIES

The Thule Group is an international company and its operations may be affected by a number of risk factors in the form of both operational and financial risks. The operational risks are managed by the operational units and the financial risks by the central finance department. The operational risks comprise the overall economic trend, as well as consumption by both consumers and professional users, primarily in North America and Europe, where most of the Group's sales are conducted. An economic downturn in these markets could have a negative impact on the Group's sales and earnings. Changes in product technology and sales channel shifts could also affect the Group's sales and earnings negatively.

Demand for the Group's products is also partly dependent on the weather, particularly in the Specialty segment. A snow-free winter may reduce demand for products such as snow chains.

Thule's operations are also exposed to seasonal variations. Demand for consumer products for an active outdoor lifestyle (such as bike carriers or water sport-related products) is greatest during the warmer months of the year, while demand for cases for electronic products is greatest when schools start, at the end of the year and when new electronic products are launched. The Thule Group has adapted its production processes and supply chain in response to these variations.

For other risks, refer to the company's 2013 Annual Report.

Independent Auditors' Report on Review of Interim Financial Information

To the Board of Directors of Thule Group AB (publ), corporate ID No. 556770-6311

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Thule Group AB (publ) and subsidiaries ("the Group") as of September 30, 2014 and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended and notes to the interim financial information (the condensed consolidated interim financial information). The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at September 30, 2014 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Stockholm, November 12, 2014

KPMG AB

Helene Willberg
Authorized public accountant

Financial information for the years ended December 31, 2013, 2012 and 2011

Consolidated income statement

MSEK	2013	2012	2011
Continued operations			
Net sales	4,331	4,362	4,122
Cost of goods sold	(2,715)	(2,704)	(2,562)
Gross income	**1,616**	**1,658**	**1,560**
Other operating revenue	10	10	2
Selling expenses	(797)	(790)	(706)
Administrative expenses	(301)	(323)	(318)
Other operating expenses	(14)	(29)	(21)
Operating income	**514**	**526**	**518**
Financial revenue	94	72	15
Financial expenses	(196)	(247)	(411)
Net interest expense/income	(102)	(175)	(396)
Income before taxes	**413**	**351**	**122**
Taxes	(114)	(102)	27
Net income from continued operations	**299**	**249**	**149**
Discontinued operations			
Net income from discontinued operations	**(237)**	**22**	**71**
Net income	**62**	**271**	**220**
Consolidated net income pertaining to:			
Shareholders of Parent Company	61	268	220
Non-controlling interest	1	3	0
Consolidated net income	**62**	**271**	**220**

Consolidated statement of comprehensive income

MSEK	2013	2012	2011
Consolidated net income	62	271	220
Other consolidated net income			
Items that may be reclassified to the income statement:			
Foreign currency translation	76	(80)	33
Cash flow hedges	1	(1)	0
Net investment hedge	(64)	(14)	(57)
Tax on components in other comprehensive income	14	4	15
Items that may not be reclassified to the income statement:			
Remeasurements on defined benefit pension plans	44	0	0
Taxes referred to items that will not be reclassified to the income statement	(8)	0	0
Other comprehensive income	**63**	**(91)**	**(9)**
Total comprehensive income	**125**	**181**	**211**
Total comprehensive income pertaining to:			
Shareholders of Parent Company	124	178	211
Noncontrolling interest	1	3	0
Total comprehensive income	**125**	**181**	**211**

Consolidated balance sheet

MSEK	2013	2012	2011
Assets			
Intangible assets	4,441	4,557	4,723
Tangible assets	891	883	867
Long-term receivables	5	6	7
Deferred tax receivables	478	521	564
Total fixed assets	**5,815**	**5,967**	**6,161**
Inventories	921	906	870
Tax receivables	15	16	21
Accounts receivable	803	905	985
Prepaid expenses and accrued income	42	55	48
Other receivables	54	44	55
Cash and cash equivalents	385	433	340
Total current assets	**2,220**	**2,359**	**2,319**
Total assets	**8,035**	**8,326**	**8,480**
Equity and liabilities			
Equity			
Share capital	0	0	0
Other contributed capital	1,034	1,034	1,033
Reserves	(583)	(611)	(520)
Retained earnings including net income	1,346	1,250	1,025
Total shareholders' equity	**1,797**	**1,673**	**1,538**
Noncontrolling interest	**5**	**5**	**2**
Total equity	**1,802**	**1,678**	**1,540**
Liabilities			
Long-term interest bearing liabilities	4,436	4,759	5,198
Pension provisions	135	173	110
Deferred tax liabilities	185	181	176
Total long-term liabilities	**4,756**	**5,113**	**5,484**
Short-term interest bearing liabilities	288	219	138
Accounts payable	511	632	544
Income taxes	46	38	36
Other liabilities	28	20	37
Accrued expenses and deferred income	532	560	623
Provisions	72	66	78
Total short-term liabilities	**1,477**	**1,535**	**1,456**
Total liabilities	**6,233**	**6,648**	**6,940**
Total equity and liabilities	**8,035**	**8,326**	**8,480**

Consolidated statement of changes in equity

MSEK	Share Capital	Other Contributed Capital	Translation Reserve	Retained Earnings Including Net Income	Total	Non-Controlling Influence	Total Equity
	Shareholders' equity attributable to equity holders in Parent Company						
Opening balance – January 1, 2011	0	1,029	(511)	805	1,323	2	1,325
Total comprehensive income							
Consolidated net income				220	220	–	220
Other comprehensive income			(9)		(9)		(9)
Total comprehensive income	**0**	**–**	**(9)**	**220**	**211**	**–**	**211**
Transactions with Parent Company equity holders							
New issue of shares	0	4			4		4
Total contributions from and value transfers to equity holders	0	4	–	–	4	–	4
Closing balance – December 31, 2011	**0**	**1,033**	**(520)**	**1,025**	**1,538**	**2**	**1,540**

MSEK	Share Capital	Other Contributed Capital	Translation Reserve	Hedging Reserve	Retained Earnings Including Net Income	Total	Non-Controlling Influence	Total Equity
	Shareholders' equity attributable to equity holders in Parent Company							
Opening balance – January 1, 2012	0	1,033	(520)	0	1,025	1,538	2	1,540
Adjustment for retoractive application/ change					(44)	(44)		(44)
Adjusted shareholders' equity – January 1, 2012	0	1,033	(520)	0	981	1,494	2	1,496
Total comprehensive income								
Consolidated net income					268	268	3	271
Other comprehensive income			(90)	(1)		(91)		(91)
Total comprehensive income	**0**	**0**	**(90)**	**(1)**	**268**	**178**	**3**	**181**
Transactions with Parent Company equity holders								
New issue of shares	0	1				1		1
Total contributions from and value transfers to equity holders	0	1	–		–	1	–	1
Closing balance – December 31, 2012	**0**	**1,034**	**–610**	**–1**	**1,250**	**1,673**	**5**	**1,678**

MSEK	Share Capital	Other Contributed Capital	Translation Reserve	Hedging Reserve	Retained Earnings Including Net Income	Total	Non-Controlling Influence	Total Equity
	Shareholders' equity attributable to equity holders in Parent Company							
Opening balance – January 1, 2013	0	1,034	(610)	(1)	1,250	1,673	5	1,678
Total comprehensive income								
Consolidated net income					61	61	1	62
Other comprehensive income			27	1	35	63		63
Total comprehensive income	**–**	**–**	**27**	**1**	**96**	**124**	**1**	**125**
Transactions with Parent Company equity holders								
New issue of shares		–				–		–
Total contributions from and value transfers to equity holders	–	–	–		–	–	–	–
Closing balance – December 31, 2013	**0**	**1,034**	**(583)**	**0**	**1,346**	**1,797**	**5**	**1,802**

The share capital amounted to approximately SEK 229,116.26 as of January 1, 2011, approximately SEK 279,531.63 as of December 31, 2011, approximately SEK 279,531.63 as of January 1, 2012, approximately SEK 279,570.26 as of December 31, 2012, approximately SEK 279,570.26 as of January 1, 2013, and approximately SEK 279,582.76 as of December 31, 2013.

Consolidated statement of cash flow

MSEK	2013	2012	2011
Operating activities			
Income before taxes	413	351	122
Income from discontinued operations before taxes	(224)	33	92
Adjustments to entries not included in cash flow	379	154	324
Paid income taxes	(49)	(56)	(55)
Cash flow from operating activities prior to changes in working capital	**520**	**483**	**483**
Cash flow from changes in working capital			
Increase (–)/Decrease (+) in inventories	(53)	(77)	(32)
Increase (–)/Decrease (+) in receivables	108	32	(87)
Increase (+)/Decrease (–) in liabilities	(185)	(14)	(54)
Cash flow from operating activities	**390**	**424**	**310**
Investing activities			
Business acquisitions	(60)	0	(128)
Acquisition on intangible assets	(5)	(9)	(17)
Acquisition on tangible assets	(96)	(136)	(107)
Disposition of tangible assets	1	11	2
Cash flow from investing activities	**(160)**	**(134)**	**(250)**
Financing activities			
New issue of shares	0	0	4
New loans	0	0	125
Debt repaid	(274)	(183)	(165)
Cash flow from financing activities	**(274)**	**(183)**	**(36)**
Net cash flow	(44)	107	24
Cash and cash equivalents at beginning of year	433	340	317
Effect of exchange rates on cash and cash equivalents	(4)	(14)	(1)
Cash and cash equivalents at end of year	**385**	**433**	**340**

Notes to consolidated financial statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Compliance with standards and law

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as endorsed by the EU. The Swedish Financial Reporting Board's (Rådet for finansiell rapportering) recommendation RFR 1"Additional Rules for Group Accounting" has also been applied.

The historical financial information has been approved for issuance by the Board on November 12, 2014. The historical financial information for the years ending 2011, 2012 and 2013 have been restated as compared with the statutory accounts to reflect the effects of IFRS 5 Discontinued operations.

Basis of preparation

The Swedish krona (SEK) is the functional currency for the Parent Company and also the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish krona. All amounts, if not stated otherwise, are rounded to the nearest million.

Assets and liabilities are prepared on a historical cost basis, except for certain financial assets and liabilities, which are stated at fair value. Financial assets and liabilities that are stated at fair value consist of derivatives.

Fixed assets and disposal groups that are owned for sale are reported, with some exceptions, from when the assets were classified, at the lowest reported value at the time of reclassification and the fair value less deductions for sales costs.

The preparation of financial statements in conformity with IFRS requires management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and the reported asset, liability, income and expense amounts. The actual result can differ from these estimates and assessments.

The estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

Assessments made by the corporate management when applying IFRS that have a considerable effect on the financial statements and estimates that can result in significant adjustments in the following year's financial statements are further discussed in Note 34.

The accounting policies stated below have been consistently applied to all periods presented in the consolidated financial statements, if not stated otherwise below.

Amended accounting policies resulting from revised IFRS

The amended accounting policies applied by the Company, starting January 1, 2014, are described below. This policies has been used when preparing the historical financial information.

IFRS 10 – Consolidated Financial Statements. A new standard for consolidated financial statements that replaces IAS 27. The standard does not contain any changes compared with the present standard with regard to rules for the consolidation of acquisitions and disposals.

IFRS 12 – Disclosure of Interests in Other Entities. A new disclosure standard for investments in subsidiaries.

Amendments to IAS 32 – Financial Instruments: Presentation. Amendment pertains to new disclosure requirements for the settlement of financial assets and liabilities.

IFRS 11 – Joint arrangements – New standard for accounting of joint ventures and joint arrangements. This standard has been deemed to have little impact on the financial statements in the upcoming application.

Amended IAS 27 – Separate financial reports –. The amended standard includes only principles for legal entities and is not deemed to have impact on the financial statements for the group.

Amended IAS 28 – Investments in Associates The amended standard is not deemed to have any material impact on the group.

Amended IAS 36 – Impairment of assets – Disclosures of recoverable amount for non-financial assets. The amendment is not deemed to have material impact for the group.

IFRIC 21 – Levies. – provides guidance on when to recognize a liability for a levy imposed by a The amendment is not deemed to have material impact for the group.

Standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective in the coming fiscal year or later and have not been applied beforehand when preparing these financial reports. Information or amendments that become applicable in the future will not be applied beforehand.

IFRS 9 – Financial Instruments that are intended to replace IAS 39 Financial Instruments: Recognition and Measurement, beginning no earlier than 2017. The amendments are expected to have little impact on the classification of assets and liabilities.

The above and other upcoming new or amended standards and interpretations have been deemed to have little impact on the financial statements in the upcoming application.

Classification, etc.

Fixed assets and long-term debts are amounts that are expected to be recovered or paid back after more than twelve months from the date of the balance sheet. Current assets and short-term debt essentially consist of amounts that are expected to be recovered or paid back within twelve months from the date of the balance sheet.

Operating segment reporting

An operating segment is a part of the Group that has operations that can generate income and incur expenses and for which independent financial information is available. The income of an operating segment is reviewed regularly by the Company's chief operating decision-maker to evaluate performance and allocate resources to the operating segment. See Note 5 for additional information about classification and presentation of operating segments.

Consolidated financial statements

The consolidated financial statements include the Parent Company and companies in which the Parent Company, directly or indirectly, has a controlling interest. Controlling interest is, directly or indirectly, a right to prepare a company's financial and operational strategies with the objective of achieving financial gains. Potential voting shares that can immediately be used or converted are taken into consideration when determining whether a controlling interest exists.

Subsidiaries are accounted for under the purchase method. This method means that the acquisition of a subsidiary is considered a transaction whereby the Group indirectly acquires the subsidiary´s assets and takes over its liabilities. The purchase analysis determines the fair value of the acquired identifiable assets and assumed debt on the day of acquisition as well as any non- controlling interest. Incurred transaction fees, excluding transaction fees attributable to the issue of shareholder equity instruments or debt instruments, are directly reported in the net income. For an acquisition where transferred compensation, possible non-controlling interest and fair value of previously owned shares (for step-by-step acquisitions) exceeds the fair value of the acquired assets and assumed debt that is reported separately, the difference is reported as goodwill. When the difference is negative, it is reported directly in net income. Transferred payment in connection with the acquisition does not include payments for settlement of previous business relationships. This type of settlement is reported in the income statement.

Contingent purchase prices are reported at fair value at the time of acquisition. If the contingent purchase price is classified as equity instrument, then there is no reassessment and the settlement is done within shareholders' equity. Other contingent purchase prices are reassessed at each report period and changes are reported in the income statement. A non-controlling interest exists when 100% of the subsidiary company is not acquired. There are two alternatives for reporting a non-controlling interest. The two alternatives are to report the non-controlling interest's share of proportional net assets or to report the non-controlling interest at fair value, which means that the non-controlling interest has a share in goodwill. The choice between the different alternatives for reporting a non-controlling interest can be made acquisition by acquisition. Goodwill is determined for acquisitions that occur in stages on the day the controlling influence incurs. Previous holdings are measured at fair value and the change in value is reported in the income statement.

For dispositions resulting in a loss of controlling interest but where a holding remains, this holding is measured at fair value and the change in value is reported in the income statement.

Acquisitions made before January 1, 2009 (transition date to IFRS): For acquisitions that took place before January 1, 2009, goodwill, after the impairment test, is reported at a cost value that corresponds to the reported value according to previously applied accounting principles The classification and accounting of business acquisitions that occurred before January 1, 2009 have not been reviewed in accordance with IFRS 3 when preparing the Group´s opening balance in accordance with IFRS as per January 1, 2009.

Note 1 cont.

Subsidiaries are fully consolidated from the time of acquisition to when the controlling interest ends. In cases where the subsidiary´s accounting policies do not comply with the Group´s accounting policies, adjustments have been made to the Group´s accounting policies. Losses attributable to non-controlling interest are distributed even when the non-controlling interest is negative.

Acquisitions from non-controlling interests are reported as a transaction in equity, *i.e.*, between the equity holders of the Parent Company (in retained earnings) and non-controlling interests. Goodwill therefore does not appear in these transactions. Changes in non-controlling interest are based on its proportional share of net assets.

Selling to non-controlling interests, where controlling interest remains, is reported as a transaction in equity, *i.e.*, between the equity holders of the Parent Company and non-controlling interests. The difference between the received payment and the non-controlling interest's proportional share of acquired net assets is reported in retained earnings.

Elimination of transactions between group companies

Internal company assets and liabilities, revenue and expenses, and unrealized gains or losses that occur from internal transactions between group companies, are eliminated entirely in the preparation of the consolidated financial statements.

Transactions in foreign currency

Transactions in foreign currency are converted to the functional currency using the existing exchange rate on the day of the transaction. Functional currency is the currency of the primary economic environment where the Group operates its business. Monetary assets and liabilities in foreign currency are converted to the functional currency using the existing exchange rate on the closing day. Foreign exchange rate differences from conversions are reported in the income statement. Non-monetary assets and liabilities that are reported on a historical cost basis are converted using the exchange rate on the day of the transaction. Non-monetary assets and liabilities that are reported at fair value are converted to the functional currency using the exchange rate on the day fair value was determined. Foreign exchange rate differences for operating assets and liabilities are included in operating income while exchange rate differences for financial assets and liabilities are reported with financial items.

Conversion of foreign subsidiary companies

Assets and liabilities in foreign companies, including goodwill and other consolidated surplus and deficit values, are converted from the functional currency of the foreign company to the Group´s reporting currency, Swedish krona, using the existing exchange rate on closing day. Income and expenses in a foreign business are converted to Swedish krona using an average exchange rate that is an approximation of the foreign exchange rates for that transaction period. The conversion differences that arise from the foreign currency translation of foreign companies is reported in other comprehensive income and is accrued in a separate component in shareholders' equity, called an translation reserve. Accrued exchange rate differences attributable to the business are converted when a foreign company is sold, at which time they are reclassified from the translation reserve in shareholders' equity to the income statement.

Net investment in a foreign business

Monetary long-term assets of a foreign business for which settlement is not planned or will likely not occur in the foreseeable future, is, in practicality, part of the Company's net investment in the foreign business. A foreign exchange rate difference from monetary long-term assets is reported in other comprehensive income and accrued as a separate component in shareholders' equity, called a translation reserve. When a foreign business is sold, the accrued exchange rate differences attributable to monetary long-term assets are included in the accrued conversion differences that are reclassified from the translation reserve in shareholders' equity to the income statement.

Revenue

Revenue from the sale of goods is reported in the income statement when significant risks and benefits associated with the goods' ownership have been transferred to the customer. Revenue is not reported if it is unlikely there will be financial gains for the Group. If there is clear uncertainty regarding payment, attached costs or risk for returns and if the seller continues to be involved in operating activities that are usually associated with the ownership then there is no revenue recognition. Revenue is reported at the fair value of what has been received, or is expected to be received, with deductions for allowable discounts.

Government subsidies

Government grants are reported in the balance sheet as accrued income when there is reasonable certainty that the grant will be received and that the Group will meet the conditions associated with it. The assistance is accrued systematically in the income statement in the same way and over the same period as the expenses the assistance is intended to compensate for. Government grants that are related to assets are reported in the balance sheet as deferred income and are accrued as operating income over the useful life of the asset.

Leasing

Leasing contracts are either finance or operating leases. Finance leases exist when the financial risks and benefits associated with ownership are essentially transferred to the leasee. When this is not the case, then it's an operating lease.

Operating lease agreement

Costs under operating leases are reported in the income statement on a straight-line basis over the term of the lease. Incentives received from signing a contract are reported in the income statement as a decrease in lease expenses on a straight-line basis over the term of the leasing contract. Variable fees are expensed in the periods they occur. Assets that are leased according to the operating lease are not reported as an asset on the balance sheet. Operating lease agreements do not give rise to debt.

Finance lease agreement

The minimal lease payments are allocated between interest expense and amortization of the outstanding debt. The interest expense is distributed over the term of the lease so that each accounting period is charged with an amount that corresponds to a fixed interest rate for that respective period of reported debt. Variable fees are expensed in the periods they occur.

Assets that are leased according to the finance lease agreement are reported as fixed assets on the balance sheet and are initially measured at an amount equal to the lower of the leasing object's fair value and the present value of the minimum lease payments at the start of the contract. The obligation to pay future lease payments is reported as long and short-term debt. The leased assets are depreciated over the respective asset's useful life while the lease payments are reported as interest and amortization of debt.

Financial income and expenses

Financial income and expenses consist of interest income on bank deposits and receivables and interest bearing securities, interest expenses on loans, foreign exchange rate differences and derivatives used in the financial operation. Interest income on receivables and interest expenses on liabilities are calculated using the effective interest rate method. The effective interest is the interest rate that makes the present value of all estimated future cash receipts and disbursements during the expected fixed-interest rate period equal to the reported value of the receivables or liability. Interest income and interest expense include periodic transaction expenses and possible discounts, premiums and other differences between the originally reported receivables and liability values and the amount that is settled on maturity and the estimated future cash receipts and disbursements during the contract period.

Income taxes

Income taxes include both current and deferred taxes. Income taxes are reported in the income statement except when the underlying transaction has been reported in shareholders' equity or in other comprehensive income, whereby the related tax impact is reported in shareholders' equity or in other comprehensive income.

Current tax is a tax that is paid or received for the current year, using tax rates that are enacted or substantively enacted per the closing day. Current tax adjustments for previous periods are also a current tax.

Deferred tax is calculated using the balance sheet approach starting with temporary differences between reported and taxed values on assets and liabilities. Temporary differences are not recognized in goodwill, as well as differences attributable to shares in subsidiary companies that are not expected to be reversed in the foreseeable future. The measurement of deferred tax is based on how underlying assets and liabilities are expected to be recovered or settled. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted as per the reporting date. Deferred tax assets for allowable temporary differences and deficit deductions are only reported to the degree that it is likely they will be used. Deferred tax assets are reduced when it is determined that they can likely no longer be used.

Financial instruments

Financial instruments that are reported on the balance sheet include, on the asset side, cash and cash equivalents, loans receivables, accounts receivable, financial investments and derivatives. The liability side includes accounts payable, loans and derivatives.

A financial asset or financial liability is reported on the balance sheet when the Company is a contracting party according to the instrument's contractual conditions. A receivable is incurred when the Company has performed and a contractual obligation exists for the counterparty to pay, even if an invoice has still not been sent. Accounts receivable are reported on the balance sheet when an invoice has been sent. Liability is incurred when the counterparty has performed and there is an agreed contractual obligation to pay, even if an invoice has still not been received. Accounts payable are incurred when an invoice has been received.

Note 1 cont.

A financial asset is removed from the balance sheet when the contractual rights are realized, expire or the Company loses control of them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the contractual obligation is met or, in some other way, settled. The same applies to part of a financial liability.

A financial asset and a financial liability are offset and reported on the balance sheet as a net amount only when there is an equitable right to offset the amounts and reason to adjust the entries with a net amount or to sell off the asset and settle the liability.

The acquisition or disposal of financial assets is reported when the transaction is completed (cash settlement approach), while derivatives are reported when an agreement has been entered into (trade date accounting).

Financial instruments, except for derivatives, are initially reported at cost similar to the instrument's fair value plus transaction costs for all financial instruments except those that belong in the financial asset category, which are reported at fair value through profit and loss, which, in turn, are reported at fair value less transactions costs. A financial instrument is initially classified in the financial statement based on the purpose for acquiring the instrument. The classification determines how the financial instrument is measured after the initial recognition, as described below.

Derivatives are initially reported at fair value, meaning that transaction expenses impact the period's earnings. After the initial recognition, derivatives are reported as described below. If hedge accounting is used for the derivative and this is effective, then changes in the value of the derivative are reported on the same line in the consolidated net income as the hedged item. Even if hedge accounting is not used, appreciation and depreciation of derivatives is reported as income or expense in operating income or in net interest income based on the purpose of the derivative and how its use is related to an operating or a financial item. With hedge accounting, the ineffective portion is reported the same way as changes in the value of the derivative that is not used for hedge accounting. If hedge accounting is not used when using interest-rate swaps, then the interest coupon is reported as interest and other changes in the value of the interest swap are reported as other financial income or other financial expense.

Cash and cash equivalents consist of cash and immediately available funds at banks and similar institutions, and short-term liquid investments that have a term of less than three months from the date of acquisition and have limited risk for value fluctuations.

Financial assets at fair value through profit or loss

Assets in this category are continually measured at fair value with value changes reported through profit and loss. This category consists of two sub-groups: financial assets held for trading and other financial assets that the Company initially placed in this category. A financial asset is classified as held-for-trading if it is acquired principally for the purpose of selling in the short-term. Derivatives are classified as held-for-trading except when they are used for hedge accounting. The Group has only used assets in the held-for-trading sub-category.

Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and that are not quoted in an active market. Assets in this category are measured at accrued cost. An account receivable is reported at the estimated amount to be paid, *i.e.*, after deductions for uncollected receivables. Discounting is not applied because of the short term, which is why the accrued cost agrees with the nominal amount.

Financial liabilities at fair value through profit or loss

This category consists of two sub-groups: financial liabilities held for trading and other financial liabilities that the Company has decided to place in this category. The first category includes the Group´s derivatives with negative fair value except for derivatives that are an identifiable and effective hedging instrument. Changes in fair value are reported in net income. The Group only uses the category for derivative instruments.

Other financial liabilities

Loans and other financial liabilities, *i.e.*, accounts payable, are included in this category. Liabilities are measured at accrued cost.

Derivatives and hedge accounting

Derivatives have been acquired to financially secure risks for interest rate, raw material and foreign exchange rate exposures that the Group is exposed to. Derivatives are reported on the balance sheet at their fair value, meaning that transaction expenses and value changes impact the period's profit and loss. After the initial accounting, the derivative instrument is valued at fair value and the value changes are reported as described below.

In order to meet the IAS 39 requirements for hedge accounting, an unequivocal connection to the hedged entry must exist. In addition, it is required that hedging effectively protects the hedged entry, that hedging documentation has been established and that the effectiveness can be measured. Profits and losses for hedging are reported in the total income at the same time period that the profits and losses are reported for the hedged entries.

Assets and liabilities in foreign currency

Currency forwards are used for hedging an asset or liability against foreign exchange rate risk. Hedge accounting is not used to protect against exchange rate risk since a financial hedge is reflected in the accounting in that both the underlying asset or liability and the hedging instrument are reported at the exchange rate on the closing day and exchange rate changes are reported in net income. Foreign exchange rate changes for operating assets and liabilities are reported in operating income while foreign exchange rate changes for financial assets and liabilities are reported in net interest income/expense.

Hedging of prognosticated sale/purchase in foreign currency

Currency forwards that are used for hedging a highly probable forecast sale/purchase in foreign currency are reported on the balance sheet at fair value. Changes in value for the period are reported in other comprehensive income and the accumulated changes in value in a specific component of equity (hedge reserve) until the hedged flow affects the net income, at which the hedging instrument's accumulated change in value is reclassified to operating income since the hedge item affects net income.

Cash flow hedging against interest rate risk

Interest rate swaps are used for hedging against uncertainty in highly prognosticated interest rate flows for borrowing at variable interest rates, where the Group receives a variable interest rate and pays a fixed interest rate. Interest rate swaps are measured at fair value on the balance sheet. Interest coupons are continuously reported in net income as part of interest expenses. The Group does not use hedge accounting for these instruments. Unrealized changes in the fair value and interest coupons are reported as financial revenue or expenses on interest rate swaps in the income statement.

Hedging exchange rate risk in foreign net investments

Investments in foreign subsidiaries (net assets including goodwill) have, to some extent, been hedged by borrowing in foreign currency that has been converted on the closing day into the closing day rate. The period's translation differences for the hedging instrument is reported, for as long as hedging is effective, in other comprehensive income and the accumulated changes in a specific component of equity (translation reserve). This neutralizes translation differences that affect other comprehensive income when the Group is consolidated.

Tangible assets

Tangible assets are reported at cost less accumulated depreciation and any impairment losses. The initial cost includes the purchase price and expenses directly attributable to the asset in order to make it operational and ready for use as intended with the acquisition. Debt fees that are directly attributable to the purchase, construction or production of assets that take considerable time to complete for intended use or sale are included in the initial cost. Tangible assets that consist of components with various useful life periods are treated as separate components of tangible assets.

The book value of tangible assets is removed from the balance sheet when it is retired or disposed or when there is no future financial gain expected from the use or retirement/disposition of the asset. Profit or loss from the disposition or retirement of an asset is the difference between the sale price and the asset's book value less direct sales costs. Profit and loss is reported as other operating revenue/expenses.

Subsequent expenses are added to the initial cost only if it is likely that future financial gains associated with the asset will benefit the Group and the initial cost can be calculated in a reliable manner. All other subsequent expenses are reported as cost in the period incurred.

An additional expense is added to the initial cost if the expense is for replacement of identifiable components or related parts thereof. Even in situations where a new component is created, the expense is added to the initial cost. Any undepreciated book values for replaced components or component parts are retired and charged to expenses. Repairs are charged to expenses regularly.

Note 1 cont.

Intangible assets

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is distributed to cash-generating units and an impairment test is performed annually.

Other intangible assets

Other intangible assets acquired by the Group are stated at cost less accumulated amortization and any impairment loss. Expenses for internally generated goodwill and brands are reported in the income statement as a cost when incurred. Debt fees that are directly attributable to the purchase, construction or production of assets that take considerable time to complete for intended use or sale are included in the initial cost.

Cost of system development and research and development are only capitalized if the expenses are expected to provide identifiable future financial gains. Other expenses for product development are reported in the income statement as a cost when incurred. The majority of the Group´s development costs is for the maintenance and development of existing products and is reported in the income statement as a cost when incurred.

Depreciation and amortization

Principles of depreciation for tangible assets

Depreciation is on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. Leased assets are also depreciated over the estimated useful life or, if shorter, over the contracted lease period. The group uses component depreciation, which means that the estimated useful life of the components is the basis for depreciation. The residual value and useful life of an asset is determined yearly.

Useful Life	Group	Parent Company
Buildings and land improvements	35–40 years	–
Equipment and other technical assets	7–15 years	–
Inventories, tools and installations	3–7 years	–

Principles of amortization for intangible assets

Goodwill and other intangible assets with an indeterminate useful life or that are still not ready to be used, are tested for impairment yearly or as soon as indications appear indicating that the asset in question has decreased in value. Intangible assets with definite useful life periods are amortized from when they are available for use. Amortization is reported in net income on a straight- line basis over the estimated useful life of the asset. The residual value and useful life of an asset is determined yearly.

Useful Life	Group	Parent Company
Development expenses brought forward	5–10 years	–
IT systems	5–7 years	–
Other intangible assets	5–10 years	–

Inventories

Inventories are measured at the lowest cost and net realizable value. The cost of inventories is calculated by the first-in, first-out principle (FIFO) and includes expenses from the acquisition of the inventory assets and the transportation of them to their current place and condition. For manufactured goods and work in progress, the initial cost includes a reasonable share of indirect expenses based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and sale.

Impairment

Each closing day, the value of the Group´s assets is tested to determine whether there is an indication for a need for impairment. If evidence exists, the asset's recovery value is calculated. The recovery value for goodwill and other intangible assets with indeterminate useful life is calculated annually. IAS 36 is used for impairment losses of assets other than financial assets, which are reported according to IAS 39, assets held for sale and disposal groups, which are reported according to IFRS 5, inventories and deferred taxes. The book value of the excluded assets listed above is calculated according to the respective standard. Depreciation is carried out where the recovery value is lower than the reported value. An impairment loss is reported in the income statement.

The recovery value is the higher of fair value less cost to sell and the value-in-use. When determining the value-in-use, future cash flows are discounted using a discount factor that takes into consideration risk-free interest and the risk associated with the specific asset. For an asset that does not generate essential cash flows, irrespective of other assets, the recovery value for the cash-generating unit that the asset belongs to is calculated. Impairment in a cash-generating unit is preferably done for goodwill and then other assets in the unit are depreciated proportionally. All financial assets, except those in the financial asset category that are measured at fair value via earnings, are tested for impairment. Each report period, the Group determines whether there is objective evidence indicating that a financial asset or group of assets has an impairment loss. Objective evidence consists of observable circumstances that have occurred and which have a negative impact on the recovery of the initial cost, and a considerable or lengthy decrease in the fair value of a financial investment that is classified as a financial asset that can be sold.

An impairment of assets that is included in the IAS 36 application sphere is reversed if there is an indication that the need for impairment no longer exists and there has been a change in the assumptions that were the basis of the recovery value calculation. Impairment losses on goodwill are not reversed. A reversal is only done to the extent that the asset's book value after reversal does not exceed the book value that would have been reported, less depreciation when applicable, if there was no impairment.

Impairment losses on loan receivables and accounts receivable that are reported at accrued cost are reversed if the previous reasons for impairment no longer exist and full payment from the customer is expected.

Earnings per share

The earnings per share calculation is based on the consolidated net income attributable to the equity holders of the Parent Company and the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, earnings are adjusted as well as the average number of shares in order to take into consideration the impact from the dilutive potential ordinary shares.

Employee benefits

Pensions

The majority of the Group´s pension obligations are met through continuous payments to an independent agency that administers the plans, known as defined contribution pension plans. Some of the Group´s subsidiaries in Sweden have defined benefit pension plans.

A pension expense, which is covered by paid fees, is regularly reported for defined contribution pension plans. The expense is reported in the period the employee performed the services the fee refers to. There is no obligation to pay additional fees, however the employee carries the actuarial risk.

The Group´s net obligation for defined benefit plans is calculated separately for each plan by estimating the future compensation the employees have earned through their employment in both present and earlier periods; this compensation is discounted to present value. The discounted interest rate is the interest rate on the closing day for a high-quality corporate bond with a maturity period that corresponds with the Group´s pension obligations. The Group uses the market rate on mortgage bonds with similar maturities since there is not an active market for corporate bonds. A qualified actuary, using the Projected Unit Credit Method, does the calculation.

The specific payroll tax is part of actuarial assumptions and is therefore reported as a portion of net obligations. The portion of specific payroll tax that is calculated on the basis of the Pension Obligation Vesting Act (tryggandelagen) for legal entity is reported, for reasons of simplification, as an accrued expense instead of as a part of net obligations.

Actuarial gains and losses can occur when determining the present value of the obligation. This will occur when the actual result differs from the previously made assumption or when assumptions are changed. These revaluation effects are reported in other comprehensive income.

Other retirement pensions according to ITP/ITPK in Sweden are guaranteed for the Group through premium payments to Alecta. According to a statement from the Swedish Financial Reporting Board, UFR3, this must be reported as a defined benefit plan covering multiple employers. For fiscal year 2013, the Group has not had access to information from Alecta that makes it possible to report this plan as a defined benefit plan. The plan has therefore been reported as a defined contribution plan.

Other post-employment benefits

The Group´s subsidiaries in Italy provide TFR plans (Trattamento di Fine Rapporto) to its employees. Employees have the right to receive the benefits in these plans after post-employment. The obligation and expected benefit payments are calculated and reported in a manner similar to defined benefit based pension plans.

Bonuses

Provisions for bonuses to certain employees are reported regularly in accordance with the financial terms of the contracts.

Note 1 cont.

Provisions

A provision differs from other liabilities in that there is uncertainty about the time of payment or the amount of settlement. A provision is reported on the balance sheet when there is an existing legal or constructive obligation resulting from a past event and when it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made based on the best estimate of what will be required to settle the existing obligation on the closing day. When it is important to know when the payment will occur, provisions are calculated by discounting the expected future cash flow using a pretax interest rate that reflects current market assessments of the time value of money and, if suitable, the risks associated with the liability.

A provision for restructuring is reported when there is an established, detailed and formal restructuring plan, and the restructuring has either started or been officially announced. Provisions are not made for future operating expenses.

Assets that are held for sale and discontinued operations

The significance of an asset (or a disposal group) being classified as held for sale is that its reported value will be recovered primarily through the sale and not through use.

Immediately before being classified as held for sale, the reported value of the assets (and all assets and liabilities in a disposal group) is determined in accordance with applicable standards. When first classified as held for sale, the assets and disposal groups are reported at the lowest reported value and fair value less cost to sell. The following assets, individually or as part of a disposal group, are exempted from the above described valuation rules:

- Deferred tax receivables
- Assets assignable to employee compensation
- Financial assets that are subject to IAS 39 Financial Instruments: Recognition and Measurement

A profit is reported for each increase in the fair value less cost to sell. This profit is limited to an amount corresponding to all previous depreciation. Losses resulting from a decline in value when first classified as held for sale are reported in net income. Even subsequent changes in value, both profit and loss, are reported in net income.

A discontinued operation is part of a company's operation that represents an independent business segment or an essential operation in a geographic area or is a subsidiary company that has been acquired with the sole purpose of being sold. Classification as a discontinued operation occurs at the sale or at an earlier point in time when the operation meets the criteria to be classified as held for sale. Net income from a discontinued operation is reported separately in the income statement. When an operation is classified as discontinued, the format of the comparative year's income statement is changed so that it is reported as if the discontinued operation had been discontinued at the start of the comparative year. The format of the balance sheet for current and previous years is not changed in a similar way.

Contingent liabilities

A contingent liability is reported when there is a possible obligation that originates from past events and whose occurrence is only confirmed by one or more uncertain future events or when there is an obligation that is not reported as a liability or a provision because it is not likely that an outflow of resources will be needed.

NOTE 2 DISCONTINUED OPERATIONS

Discontinued operations

Discontinued operations consist of the trailer division and the towbar division formerly operating segment Towing. The trailer division was divested in May 2014 and the Towing division was divested in September 2014.

The criteria for presentation as discontinued operations was not achieved, December 31, 2013. Therefore, the comparative figures have been restated to present the discontinued operations separately from the continuing operations. The strategic focus of the company towards brand-driven consumer products has led to the decision adopted at the start of 2014 to sell the trailer division (Trailer) and the decision to divest towbar division (Towing) during the second half of 2014.

Net income from discontinued operations

Group MSEK	2013	2012	2011
Revenue	1,372	1,438	1,468
Expenses	(1,346)	(1,405)	(1,376)
Goodwill impairment	(250)	0	0
Income before taxes	(224)	33	92
Taxes	(14)	(11)	(21)
Net income from discontinued operations	(237)	22	71
Earnings per share from discontinued operation, SEK (before and after dilution)	(5.3)	0.40	1.60
Cash flow from discontinued operations			
Cash flow from operating activities	47	59	53
Cash flow from investing activities	(95)	(72)	(44)
Net cash flow from discontinued operations before financing activities	(48)	(13)	9

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value and book value on balance sheet

Group 2013	Financial assets at fair value via profit and loss	Derivatives used in hedge accounting	Loans and accounts receivable	Financial liabilities at fair value via profit and loss	Derivatives used in hedge accounting	Other liabilities	Total book value	Fair value
SEK in millions	**Held for trading**			**Held for trading**				
Accounts receivable			803				803	803
Financial derivatives	3	2					5	5
Cash and cash equivalents			385				385	385
Total	**3**	**2**	**1,187**	**–**		**–**	**1,193**	**1,193**

* Financial derivatives are included in other receivables on the balance sheet.

Long-term interest-bearing liabilities						4,370	4,370	4,370
Short-term interest-bearing liabilities						256	256	256
Accounts payable						510	510	510
Accrued expenses						2	2	2
Financial derivatives				95	3		98	98
Total	**–**	**–**	**–**	**95**	**3**	**5,449**	**5,237**	**5,237**

* Long-term financial derivatives, SEK 66 million, are included in long-term interest-bearing liabilities on the balance sheet.
* Short-term financial derivatives, SEK 32 million, are included in short-term interest-bearing liabilities on the balance sheet.

Group 2012	Financial assets at fair value via profit and loss	Derivatives used in hedge accounting	Loans and accounts receivable	Financial liabilities at fair value via profit and loss	Derivatives used in hedge accounting	Other liabilities	Total book value	Fair value
SEK in millions	**Held for trading**			**Held for trading**				
Accounts receivable			905				905	905
Financial derivatives	3	7					10	10
Cash and cash equivalents			433				433	433
Total	**3**	**7**	**1,338**	**–**		**–**	**1,348**	**1,348**

* Financial derivatives are included in other receivables on the balance sheet.

Long-term interest-bearing liabilities						4,613	4,613	4,613
Short-term interest-bearing liabilities						200	200	200
Accounts payable						632	632	632
Accrued expenses						4	4	4
Financial derivatives				154	11		165	165
Total	**–**	**–**	**–**	**154**	**11**	**5,449**	**5,614**	**5,614**

* Long-term financial derivatives, SEK 146 million, are included in long-term interest-bearing liabilities on the balance sheet.
* Short-term financial derivatives, SEK 19 million, are included in short-term interest-bearing liabilities on the balance sheet.

Note 3 cont.

Group 2011	Financial assets at fair value via profit and loss	Loans and accounts receivable	Financial liabilities at fair value via profit and loss	Other liabilities	Total book value	Fair value
SEK in millions	**Held for trading**		**Held for trading**			
Accounts receivable		985			985	985
Financial derivatives	14				14	14
Cash and cash equivalents		340			340	340
Total	**14**	**1,325**	**0**	**0**	**1,339**	**1,339**
Long-term interest bearing liabilities				5,059	5,059	5,059
Short-term interest bearing liabilities				101	101	101
Accounts payable				544	544	544
Accrued expenses				3	3	3
Financial derivatives			176		176	176
Total	**0**	**0**	**176**	**5,707**	**5,883**	**5,883**

* Long-term financial derivatives, SEK 139 million, are included in long-term interest bearing liabilities on the balance sheet.
* Short-term financial derivatives, SEK 37 million, are included in short-term interest-bearing liabilities on the balance sheet.

The tables below provide information about how fair value is determined for financial instruments that are measured at fair value on the balance sheet (see above). The following three-level hierarchy is used to determine fair value:

Level 1: according to prices quoted in an active market for the identical instrument
Level 2: from either direct or indirect observable market information that is not included in Level 1
Level 3: from input that is unobservable in the market.

Group 2013 SEK in millions	Level 1	Level 2	Level 3	Total
Derivative asset		5		5
Derivative liability		(98)		(98)

Group 2012 SEK in millions	Level 1	Level 2	Level 3	Total
Derivative asset		10		10
Derivative liability		(165)		(165)

Group 2011 SEK in millions	Level 1	Level 2	Level 3	Total
Derivative asset		14		14
Derivative liability		(176)		(176)

The following summarizes the methods and assumptions that are primarily used to determine the fair value of the financial instruments that are reported in the table above.

Derivative instruments

Currency

The fair value of a forward contract is determined beginning with quoted exchange rates. The market price, calculated by using the current exchange rate adjusted for the interest rate spread between currencies and number of days, is compared with the contract's exchange rate to determine the fair value.

The market value of currency options is calculated using the Black & Scholes Model.

Interest rates

The fair value of interest rate swaps is based on an intermediary institution's measurement, whose fairness is tested by discounting estimated cash flows according to the conditions and due dates of the contract, using the market interest rate for identical instruments on the closing day.

Raw materials/metal

The fair value of financial hedging of metal prices is based on an intermediary institution's valuation, calculated as the difference between the hedged price and the market price, which is obtained from the London Metal Exchange via Reuters and then discounted to present value.

Accounts receivable and accounts payable

The book value reflects the fair value of accounts receivable and accounts payable with a remaining time period of less than twelve months. Accounts receivable and accounts payable with a time period exceeding twelve months are discounted when determining fair value.

Leasing

The fair value of financial lease liabilities is based on the present value of future cash flows discounted at the market interest rate for identical lease agreements.

Interest-bearing liabilities

The fair value of financial liabilities that are not derivatives is calculated using future cash flows of principal amounts and interest rates discounted to the current market interest rate on the closing day. The book value agrees with the fair value of the Group´s borrowing when the loans have variable interest rates and the credit spread is not such that book value materially deviates from fair value.

NOTE 4 FINANCIAL RISK MANAGEMENT

The Group is continuously exposed to various financial risks through its international operations. Financial risks refer to fluctuations in the Group's earnings and cash flow due to changes in exchange rates, interest rate levels, raw material prices, refinancing and credit risks. The Group's finance policy for managing financial risks is prepared by the Board of Directors and creates a framework of guidelines and regulations in the form of risk mandates and limits on the financial operation. The Board of Directors decides on a finance policy annually. The Group's finance operation, which is in the parent company Thule Holding AB, centrally manages responsibility for The Group's financial transactions and risks.

The overall goal of the finance operation is to provide cost effective financing, to map out financial risks that affect The Group, and to minimize negative impacts on the Group's earnings that stem from market risks. The Board of Director's Audit and Finance Committee prepares, on behalf of the Board of Directors, the practical application of the policy in consultation with the Group's CFO. The Group's Director of Treasury regularly reports to the Board of Director's Audit and Finance Committee.

Organization and activities

The Group's finance operation is coordinated by the subsidiary company Thule Holding AB, which performs all external financial transactions and also acts as an internal bank for the Group's financial transactions in the currency and interest rate markets.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument could fluctuate due to changes in market prices. IFRS has divided market risks into three types: currency risk, interest rate risk and other price risks. Market risks that primarily impact the Group consist of interest rate risk, currency risks and raw material price risk. The Group's objective is to manage and control the market risks within established parameters while optimizing earnings through risk -taking within stated limits. The parameters are established with the purpose that the market risks in the short-term (up to 12 months) only impact the Group's earning and position marginally. In the long-term, however, lasting changes in foreign exchange rates, interest rates and raw material prices have an impact on consolidated earnings.

Exchange rate risk

The risk that fair values and cash flows can fluctuate when the value of foreign currencies changes is called exchange rate risk. The Group is exposed to different types of exchange rate risks.

Transaction exposure

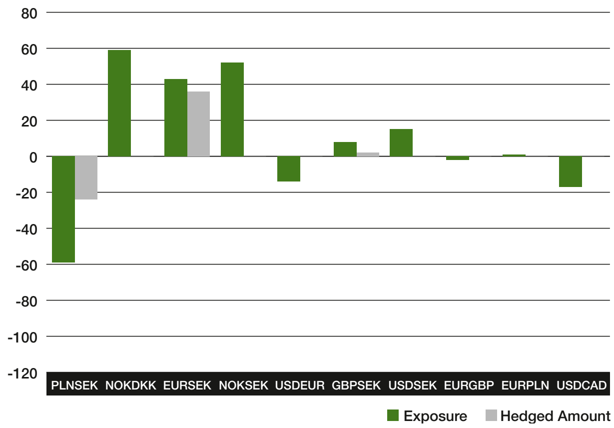
The largest exposure comes from the Group's sale and purchase in foreign currencies. These currency risks consist, on the one hand, of risk in the value fluctuations of financial instruments, customer liabilities or accounts payable, and on the other hand, the currency risk in expected and contractual payment flows. These risks are called transaction exposure.

The Group's total transaction exposure, net, is approximately SEK 827 million (SEK 940 million, SEK 1,000 million) annually. The single most important currency relationships are EUR/SEK and PLN/SEK. In order to reduce the impact of currency fluctuations, the Group aims at adding a degree of hedging of 50 % on the Group´s large exposures (over SEK 20 million exposure) for a rolling-twelve-month period. The central finance department is responsible for all hedging.

The Group's transaction exposure and hedged amounts are distributed as per the closing day for the following currencies.

Transaction exposure and hedged amounts for 2014

(local currency in millions)



Derivatives used are currency forwards and options. Currency options are financial contracts that can be used to manage currency risks. The advantage with currency options is that they give the right but not the obligation to carry out an exchange transaction that has been specified in advance. A premium is paid for the right. A combination of several currency options creates currency-hedging strategies where the option right is limited while the premium expense decreases. One common option strategy has a synthetic currency forward and a right that is contingent upon a currency barrier – flexible forward. The Group uses flexible forwards to optimize its currency risk management.

The fair value of the Group´s outstanding currency derivatives (currency forwards and currency options) was SEK –3.2 million (SEK –2.3 million, SEK –15.0 million) as per December 31, 2013. Of the SEK –3.2 million, SEK –1.7 million was charged to net income (cost of goods sold). Hedge accounting was used for currency forwards.

Translation exposure

There are also currency risks in the conversion of assets and liabilities of foreign subsidiary companies to the Parent Company's functional currency, called translation exposure.

The Group´s policy is to hedge net investments with loans but, apart from that, not to hedge translation exposure. The total translation exposure was SEK 3,767 million (SEK 3,397 million, SEK 3,356 million). The largest translation exposures are in EUR and USD. The translation exposure in EUR was SEK 1,658 million (SEK 1,548 million, SEK 1,559 million) and in USD, SEK 1,414 million (SEK 1,339 million, SEK 1,435 million). Some of the Group´s external loans, divided between Holland and USA in local currency, have helped to decrease the exchange translation exposure by SEK 1,766 million (SEK 1,925 million, SEK 2,078 million).

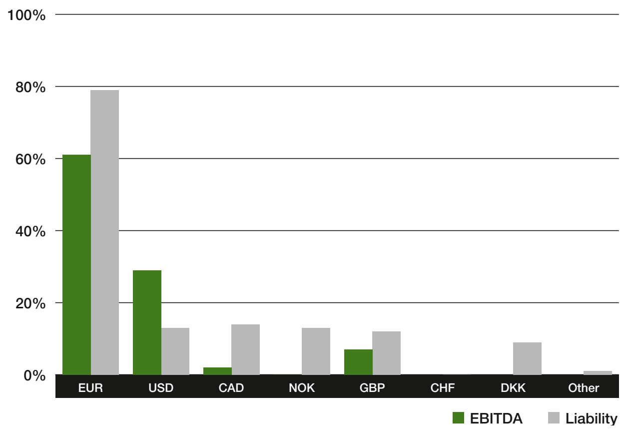
The translation impact of the conversion of the liabilities and assets of foreign subsidiary companies in 2013 was SEK +25 million (SEK –90 million, SEK –9 million).

Economic exposure

The Group is also exposed to currency risks with regard to payment flows for loans in foreign currency, so-called economic exposure.

The Group´s liabilities have been divided by currency for those currencies where there is an underlying positive cash flow in order to hedge the value at the Group. The book value of the loans is matched against positive cash flows from operations. When the SEK is strengthened, the Group´s EBITDA decreases, expressed in SEK, as the value of the external loans, expressed in SEK, decreases. The beta value (measure of sensitivity) between EBITDA and external loans is approximately 1.14 – a strengthening of SEK of 10 % compared to other currencies (no consideration taken for any correlation between currency pairs) means an impact on external loans of 10 % while EBITDA is affected by approximately 14 %.

Positive EBITDA and long-term senior liability per currency for 2013



Note 4 cont.

In March 2013, a loan conversion was carried out in Thule Holding AB, where 100 % of NOK loans and 51 % of GBP loans were converted to EUR loans. This was done in order to have a better match between positive EBITDA and senior liability. After the conversion, Thule Holding AB has 100 % of GBP loans and 85 % of EUR loans in relation to total senior liability. The currency effects resulting from the loans end up as a financial currency effect in the statement of income. The currency effect in 2013 was SEK –123 million (SEK 58 million, SEK –4 million). The Group, however, uses hedge accounting and SEK –105 million of the total SEK 123 million has been transferred to the translation reserve (net investment hedging).

Sensitivity analysis – exchange rate risk

A 10 % strengthening of the Swedish krona against other currencies, compared to the average exchange rates in 2013 (no consideration taken for possible correlation between currencies), would mean a change in EBITDA of SEK –100.5 million (SEK –102.7 million, SEK –114.5 million) (transaction and translation effects).

Interest rate risk

Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates and the risk that changes in the interest rate level will impact the Group´s borrowing costs. Interest rate risk can lead to a change in fair values and changes in cash flows. A significant factor that affects the interest rate risk is the fixed-rate period.

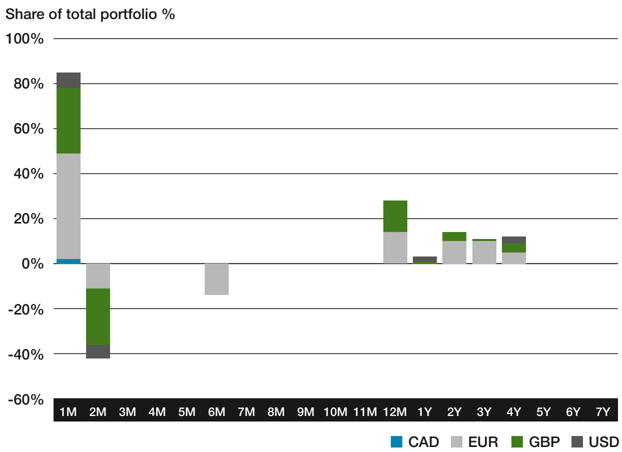
The Group separates working capital financing from long-term financing. An overdraft facility is available for financing working capital.

The cash flow risk in the Group's interest payments is significant since the long-term liability carries an adjustable rate interest. This interest rate risk is managed by the Group's central finance operation. According to the finance policy, the objective of the long-term liability portfolio is for the average fixed-rate period to be, on average, between 6 months and 3.5 years. No more than 50 % of the portfolio can, at any given time, have a fixed-rate period that is less than twelve months.

Common interest rate swaps, interest rate caps and floors are derivatives that are used to adjust interest rates and fixed – rate periods. The average fixed-rate period was 1.8 years (1.6 years) as per December 31, 2013 after consideration for outstanding interest rate derivatives.

The following table shows fixed-rate periods for the Group´s financial instruments including the impacts of derivatives.

Term structure of fixed rates



The fair value of a derivative is the difference between the market interest rate and the fixed interest rate in the derivative, where all future cash flows are discounted using the current yield curve.

Term structure of financial liabilities – undiscounted cash flows

2013	Total	< 1 mo.	1–3 mos.	3 mos–1 yr	2–5 yrs	> 5 yrs
Long-term liabilities to credit institutions	**4,862**				4,862	
Derivatives	**97**	1	13	49	34	
Short-term liabilities to credit institutions	**332**	8	157	167		
Overdraft facility	**7**			7		
Accounts payable	**511**		511			
Finance lease liabilities	**28**		5	8	12	3

2012	Total	< 1 mo.	1–3 mos.	3 mos–1 yr	2–5 yrs	> 5 yrs
Long-term liabilities to credit institutions	**5,175**				5,175	0
Derivatives	**158**	5	13	55	84	1
Short-term liabilities to credit institutions	**325**	13	14	299		
Overdraft facility	**16**			16		
Accounts payable	**632**		632			
Finance lease liabilities	**32**		4	8	16	4

2011	Total	< 1 mo.	1–3 mos.	3 mos–1 yr	2–5 yrs	> 5 yrs
Long-term liabilities to credit institutions	**6,199**	16	17	202	4,898	1,066
Derivatives	**181**	4	14	63	96	3
Short-term liabilities to credit institutions	**2**		2			
Overdraft facility	**35**		35			
Accounts payable	**544**		544			
Finance lease liabilities	**39**		3	8	24	4

Sensitivity analysis – interest rate risk

The impact on the Group´s interest rate expenses during the coming 12-month period in the event of an interest rate upturn/downturn of 1 percentage point on the closing day is SEK +18.5/–17.7 million (SEK +29/–21 million, SEK +20/–23 million) – given the interest-bearing liabilities that exist per the closing day.

An interest rate change of +/–1 percentage point would, on the closing day, result in a change in fair market value of SEK +86.0 million (SEK +73.9 million, SEK +89.9 million)/SEK –77.3 million (SEK –72.2 million, SEK –118.3 million).

Note 4 cont.

Refinancing and liquidity risks

Refinancing and liquidity risks are risks that payment obligations cannot be met due to insufficient liquidity or difficulties in obtaining credit from outside sources. The Group has a rolling 8-week liquidity plan that includes all divisions of the Group. Results are reported regularly on a weekly basis. The plan is updated monthly. The liquidity plan is used to manage liquidity risk and as a tool for following the cash flow from the operational and financial business. In-depth analyses are made against previous years in order to measure trends and noticeable deviations. The objective is for the Group to be able to manage its financial obligations in upturns and downturns without significant unforeseeable expenses and without risking the Group´s reputation.

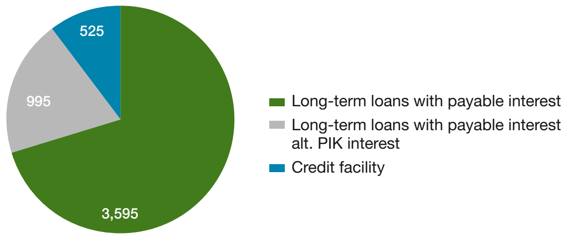
The Group policy is to minimize its borrowing need by centralizing surplus liquidity via the Group´s cash pools that have been established by the central finance department. Liquidity risks are centrally managed for the entire Group by the central finance department.

The Group has a central vision for managing the Group´s financing, whereby the fundamental rule is that the internal bank is responsible for all external financing. A syndicate with seven Scandinavian banks finances the Group. This financing package is contingent upon financial and commercial obligations, which are tested regularly. The leverage ratio, interest coverage ratio and cash flow covenant are tested once every quarter. In addition, there is an annual investment covenant and an obligation to continually measure how much of the assets and how much of EBITDA in the subsidiaries is pledged to creditors. Also, a portion of the credit facility must not be used for at least five consecutive days per year. All financial and commercial obligations were met in 2013.

The Group´s fixed- term credit commitments were SEK 5,114 million (SEK 5,763 million, SEK 6 387 million), which includes a PIK Option amounting to SEK 995 million (SEK 959 million, SEK 995 million). The PIK Option is a long-term loan where interest is payable but the interest may be capitalized in the event there is a risk that financial obligations will not be met. In 2013, an unused acquisition facility of SEK 600 million was closed.

The Group's fixed credit commitments per December 31, 2013

(SEK in millions)



Unused credit commitments amounted to SEK 512 million (SEK 952 million, SEK 957 million).

In April 2012, planned amortizations were started on the Group´s long-term liabilities with payable interest to credit institutions. Two installment payments per year fall due until December 2016. The biannual payments are based on the outstanding liability per April 2012. 1.60 % was amortized in 2012 (SEK 63.4 million) and 4.44 % (SEK 172.3 million) in 2013. In 2014, 5.99 % (SEK 235.5 million) will be amortized and in 2015, 8.71 %, with the remaining 79.26 % liability being amortized in 2016 when the loans fall due.

In addition to the planned amortizations, a portion of the year's unrestricted cash flow was used as amortization of long-term liabilities, totaling SEK 83 million.

The Group´s long-term liability and payable interest alt. PIK interest and the unused portion of the acquisition facility do not have an amortization schedule but rather the entire amounts are due December 2017.

Commodity price risk

Commodity price risk refers to continuously fluctuating prices of input goods from our suppliers and its possible impact on earnings. For the Group, it is primarily fluctuations in plastic, aluminum and steel prices that constitute a significant commodity risk. In 2013, more than half of total direct materials consisted of steel, plastic and aluminum. They consist of a number of different subcategories with various degrees of processing that often cannot be tied to a direct market price. Of the three exposures, only aluminum, in principle, is directly associated with a traded market index.

A significant portion of the supplier contracts for these categories are indexed, which means that if the market price for a raw material changes, then the Group´s purchase prices will increase or decrease. Direct materials amounted to 71 % (70 %) of the Group´s cost of goods sold, where approximately half is exposed to commodity risk.

In the Group's policy, the commodity exposure is divided into three different categories:

– High raw material content (>50 % of price)
– Medium raw material content (20–50 % of price)
– Low raw material content (<20 % of price)

The three different categories are treated in different ways.

The Group uses derivatives to hedge the aluminum price risk. The fair value of the Group´s outstanding commodity derivatives was SEK –0.4 million (SEK –0.3 million, SEK –6.8 million) per December 31, 2013. Hedge accounting is not used for commodity derivatives.

Credit risk in financial operation

The Group´s financial operation creates exposure to credit risks. It is primarily counterparty risks in connection with demands on banks when purchasing derivative instruments and deposits to these banks. The exposure can be attributable to surplus values in derivative instruments. In order to decrease credit risk, the derivatives are spread between different counterparties. ISDA agreements have also been signed with all counterparties for settlement of mutual obligations to deliver and pay, thereby decreasing the credit risk.

The ISDA agreements permit the settlement of derivative assets and derivative liabilities per counterparty. The table below shows the impact a potential settlement of existing derivative assets and derivative liabilities under ISDA agreements would have, allocated per counterparty.

Group 2013

SEK in millions	Financial Assets	Financial Liabilities
Amount reported on balance sheet	5.4	97.8
Nordea		
Danske Bank	(0.2)	(0.2)
Swedbank	(0.0)	(0.0)
DNB		
Amount after netting	**5.6**	**98.0**

Group 2012

SEK in millions	Financial Assets	Financial Liabilities
Amount reported on balance sheet	9.9	165.1
Nordea		
Danske Bank		
Swedbank	(0.3)	(0.3)
DNB	(2)	(2)
Amount after netting	**12.3**	**167.5**

The credit risk in derivatives on the closing day was SEK 5.4 million (SEK 9.9 million, SEK 14.1 million) and is equivalent to the total positive market value of the derivatives. The credit risk in cash and cash equivalents was SEK 384.7 million and is equivalent to the Group's liquid assets.

Credit risk on accounts receivable

See Note 22 Accounts Receivable.

Net debt

On December 31, 2013, net debt amounted to SEK 4,335 million (SEK 4,538 million, SEK 4 985 million).

Net debt consists of the Group´s interest-bearing liabilities, including accrued interest and derivative liabilities less cash and cash equivalents, interest-bearing short-term receivables and derivative assets.

Cash management

Cash management in the subsidiary companies focuses on minimizing operational working capital. The internal bank manages group-wide netting to minimize the number of payment transactions and thereby related expenses. In countries with several operational companies, the surpluses and deficits are matched at the country level with help from cash pools.

There have been cash pools throughout the year in Sweden, UK, Denmark, Norway, Poland and the USA. A group-wide EUR cash pool exists in Belgium, Holland, France, Italy and Germany where all liquidity is pooled in Germany. The internal bank manages liquidity in, as well as between, these cash pools.

NOTE 5 SEGMENT ACCOUNTING

In 2014, Thule has implemented a reorganization that affect the governance and monitoring as well as the Group´s classification of its operating segments. Prior the reorganization, there were two operating segments, Outdoor&Bags and Towing. Segment Towing is discontinued due to the sale of the trailer (Trailers) operation in May 2014 and due to the divestment of the towbar (Towing) operation in September 2014. Operations within groups snow chains and tool boxes for pick-up trucks in the United States are extracted from the Outdoor&Bags segment to form a new operating segment, Specialty.

The previous operating segment Towing is being discontinued and is reported as discontinued operations, see Note 2, Discontinued Operations. Comparative figures have been restated according to the new classification of operating segments and Towing-operations have been excluded retroactively.

	Outdoor&Bags 2013	Specialty 2013	Group-wide 2013	Eliminations 2013	Discontinued 2013	2013
Sales to customers	3,824	506	1			**4,331**
Intercompany sales	17	3		–19		**0**
EBITDA	**704**	**44**	**(104)**			**644**
Depr/amort operational	(39)	(13)	(4)			**(57)**
Operating EBIT	**665**	**31**	**(108)**	**0**	**0**	**588**
Depr/amort excess values	(12)		(6)			**(18)**
Items affecting comparability	(56)					**(56)**
Operating income	598	31	(114)	0	0	**514**
Net interest expense/income			(102)			**(102)**
Income before taxes	598	31	(216)	0	0	**413**
Other information						
Assets	5,056	412	268	(61)	1,471	**7,146**
Undistributed assets						**889**
Total assets						**8,035**
Liabilities	619	90	228	(61)	372	**1,248**
Undistributed liabilties						**4,985**
Total Liabilities						**6,233**
Investments	51	15	0		35	**101**
Depreciations and Impairments	51	13	10		335	**409**

Geographic Markets

Sales to Customers	2013
Sweden	136
Other Nordic countries	153
Europe, excluding Nordic countries	2,061
North America	1,613
Central/South America	66
Asia/Pacific Rim	211
Remaining countries	91
	4,331

Fixed Assets – operations in total	
Sweden	242
Other Nordic countries	53
Europe, excluding Nordic countries	482
North America	111
Central/South America	2
Asia/Pacific Rim	1
Remaining countries	
	891

1) Revenue by geographical markets only include continuing operations.
2) Fixed assets based on geographic areas grouped by location of assets include assets attributable to discontinued operations of 365 MSEK.

Note 5 cont.

	Outdoor&Bags 2012	Specialty 2012	Group-wide 2012	Eliminations 2012	Discontinued 2012	2012
Sales to customers	3,733	628	1			4,362
Intercompany sales	17	13		–30		0
EBITDA	**633**	**100**	**(115)**			**618**
Amort/Depr operational	(40)	(14)	(4)			(58)
Operating EBIT	**593**	**86**	**(120)**	**0**		**560**
Amort/Depr excess value	(12)	0	(6)			(18)
Items affecting comparability	(15)					(15)
Operating income	**566**	**86**	**(126)**	**0**		**526**
Net interest expense/income			(175)			(175)
Income before taxes	566	86	(301)	0		351
Other information						
Assets	4,954	517	191	(47)	1,726	7,340
Undistributed assets						986
Total assets						**8,326**
Liabilities	633	152	286	(47)	426	1,449
Undistributed liabilties						5,199
Total Liabilities						**6,648**
Investments	51	17	4		72	145
Depreciations and Impairments	52	14	10		78	154

Geographic Markets

Sales to Customers	**2012**
Sweden	124
Other Nordic countries	142
Europe, excluding Nordic countries	2,173
North America	1,547
Central/South America	65
Asia/Pacific Rim	225
Remaining countries	87
	4,362

Fixed Assets – refers to total operations	
Sweden	240
Other Nordic countries	55
Europe, excluding Nordic countries	476
North America	107
Central/South America	3
Asia/Pacific Rim	2
Remaining countries	
	883

1) Revenue by geographical markets only include continuing operations.
2) Fixed assets based on geographic areas grouped by location of assets include assets attributable to discontinued operations of 366 MSEK.

Note 5 cont.

	Outdoor&Bags 2011	Speciality 2011	Group-wide 2011	Eliminations 2011	Discontinued 2011	2011
Sales to customers	3,557	564	1			4,122
Intercompany sales	18	8		(26)		0
EBITDA	**625**	**70**	**(96)**			**599**
Amort/Depr operational	(34)	(15)	(5)			(54)
Operating EBIT	**591**	**55**	**(102)**	**0**		**545**
Amort/Depr excess value	0	0	(6)			(6)
Items affecting comparability	(22)					(22)
Operating income	**569**	**55**	**(107)**	**0**		**518**
Net interest expense/income			(396)			(396)
Income before taxes	569	55	(503)	0	0	122
Other information						
Assets	5,176	445	217	(36)	1,730	7,532
Undistributed assets						948
Total assets						**8,480**
Liabilities	643	153	270	(36)	418	1,448
Undistributed liabilities						5,492
Total Liabilities						**6,940**
Investments	58	13	9		44	124
Depreciations and Impairments	34	15	11		79	138

Geographic Markets

Sales to Customers	**2011**	**Fixed Assets – refers to total operations**	
Sweden	127	Sweden	223
Other Nordic countries	123	Other Nordic countries	25
Europe, excluding Nordic countries	2,057	Europe, excluding Nordic countries	493
North America	1,448	North America	122
Central/South America	95	Central/South America	4
Asia/Pacific Rim	227	Asia	0
Remaining countries	44	Övriga världen	
	4,122		867

1) Revenue by geographical markets only include continuing operations,
2) Fixed assets based on geographic areas grouped by location of assets include assets attributable to discontinued operations of 331 MSEK.

NOTE 6 DISTRIBUTION OF REVENUE

	2013	2012	2011
Group			
Net sales			
Sales to customers	4,331	4,362	4,122
Total	4,331	4,362	4,122

NOTE 7 ACQUISITIONS

Impact of 2013 acquisitions

On June 28, 2013, 100% of the shares were acquired in ACS Systems B.V., Oosterhout, Holland. The company specializes in the development and manufacturing of patented tow bar systems. The company complements the Group's current product portfolio for tow bars. The purchase of ACS enables the Group to offer a complete product portfolio of detachable tow bar systems, horizontal, diagonal as well as vertical, and can thereby guarantee a perfect fit, optimal safety and a fast installation for all types of cars. The company is consolidated in the Group beginning July 1. The acquisition is included in the discontinued operating segment Towing.

The purchase price of SEK 60 million was paid in cash. During the year, the acquired operation has contributed SEK 9 million to total revenue and SEK 1 million to net income for the year. If consolidated January 1, 2013, the Group's management estimates an increase of total revenue of SEK 14 million and an increase of net income for the year of SEK 2 million.

The acquired company's final net assets at time of acquisition

MSEK	2013
Intangible fixed assets	71
Tangible fixed assets	6
Inventories	4
Accounts receivable and other receivables	3
Accounts payable and other operating payables	–6
Deferred income tax liabilities	(18)
Net identifiable assets and liabilities	60
Goodwill	–
Transferred payment	**60**

Acquisition-related expenses amount to SEK 2 million and refer to consulting fees in connection with due diligence. These fees have been reported as other operating expenses in the income statement

There were no acquisitions in 2012.

Impact of 2011 acquisitions

Chariot Carriers, Inc. was acquired on June 29, 2011 through an asset deal. The company is a world-leading manufacturer of bike trailers and baby joggers. Through the acquisition the Group adds a strong new brand and product assortment to its portfolio, which focuses on products that provide elegant and safe transportation solutions. Chariot's bicycle/jogging trailers are designed in such way that parents with an active lifestyle can take their children with them easily, safely and in style – and in that way include the entire family in the adventure. With its patented technology, a Chariot trailer can easily be adjusted for five different uses: biking, jogging, walking, hiking and cross country skiing. The acquisition is a natural step towards the Group's goal of selling consumer products for an active lifestyle. The company will continue to be based in Calgary, Canada. The purchase price of SEK 128 million was paid in cash. During the year, the acquired operation has contributed SEK 59 million to total revenue and SEK 2 million to net income for the year. If consolidated January 1, 2011, the Group Management estimates an increase of total revenue of SEK 97 million and an increase of net income for the year of SEK 14 million.

The acquired company's final net assets at time of acquisition

MSEK	2011
Intangible fixed assets	60
Tangible fixed assets	5
Inventories	22
Accounts receivable and other receivables	34
Accounts payable and other operating payables	(18)
Net identifiable assets and liabilities	103
Goodwill	25
Transferred payment	**128**

Goodwill

Goodwill includes the value of synergy in terms of more efficient production processes and technical knowledge of the employees. No portion of goodwill is expected to be tax deductible.

Acquisition-related expenses

Acquisition-related expenses amount to 5 MSEK and are attributable to consulting fees regarding Due diligence. The consulting fees are reported as Other operating expenses in the Income Statement.

NOTE 8 OTHER OPERATING INCOME

	2013	2012	2011
Group			
Insurance compensation	5	0	0
Profit from sale or fixed assets	2	3	0
Other operating revenue	3	7	2
	10	10	2

NOTE 9 OTHER OPERATING EXPENSES

	2013	2012	2011
Group			
Loss from sale of fixed assets	0	(2)	0
Restructuring expenses	(12)	(17)	(15)
Legal fees	(1)		
Other operating expenses	(1)	(11)	(6)
	(14)	(29)	(21)

NOTE 10 AUDIT FEES

	2013	2012	2011
Group			
Financial statements auditing			
KPMG AB	3	5	4
Audit-related services in addition to audit			
Tax consultancy			
KPMG AB	2	1	0
Other Audit firms	2	3	4
Other services			
KPMG AB	0	1	2
Other Audit firms	3	1	1
Total	**10**	**11**	**11**

Parent Company

The Parent Company did not pay any audit fees during the year.

The audit includes review of the annual report and accounting as well as the Board of Directors and CEO´s management, other assignments that arise for the Company's audit firm to carry out, as well as advice or other assistance resulting from observations of such a review or implementation of other assignments. Everything else is considered other services.

NOTE 11 COMPENSATION TO EMPLOYEES

Expenses for employee compensation	January 1 – December 31 2013	2012	2011
Group			
Salaries and other compensation	867	950	836
Social security	180	174	173
Pension expenses – defined contribution plans	30	30	32
Pension expenses – defined benefit plans	11	11	10
	1,088	1,165	1,051
Less: Discontinued operations	(289)	(302)	(269)
	799	863	782

The Company has reached an agreement on severance pay of 6–12 months for the Group's management and 12 months for the CEO.

Salaries and other compensation to the Board of Directors and senior management in the Group

MSEK	Fixed salary incl change vacation pay liability	Variable remuneration	Pension	Other benefits	Severance pay	Fee for the Board of Directors	Total
2013							
President and CEO	5.4	2.2	1.5	0.2			9.3
Board of Directors**						2.3	2.3
Other executive management*	10.2	3.1	2.4	1.1	2.1		18.9
Total	**15.6**	**5.3**	**3.9**	**1.3**	**2.1**	**2.3**	**30.5**

* 6 individuals
** according to table below

MSEK	Fixed salary incl change vacation pay liability	Variable remuneration	Pension	Other benefits	Severance pay	Fee for the Board of Directors	Total
2012							
President and CEO	4.7	0.3	1.4	0.2			6.6
Board of Directors**						2.3	2.3
Other executive management*	14.1	1.8	4.3	1.3	3.3		24.8
Total	**18.8**	**2.1**	**5.7**	**1.5**	**3.3**	**2.3**	**33.7**

* 7 individuals
** according to table below

MSEK	Fixed salary incl change vacation pay liability	Variable remuneration	Pension	Other benefits	Severance pay	Fee for the Board of Directors	Total
2011							
President and CEO	4.5	2.3	1.3	0.2			8.3
Board of Directors**						1.7	1.7
Other executive management*	12.7	5.9	3.1	1.1			22.8
Total	**17.2**	**8.1**	**4.4**	**1.3**	**–**	**1.7**	**32.7**

* 7 individuals
** according to table below

The compensation above refers to management in continuing operations. The Group's management is part of senior management, which means they report directly to the Group´s CEO.

Fee to the Board of Directors

MSEK	2013	2012	2011
Stefan Jakobsson	0.8	0.8	0.5
Bengt Baron	0.3	0.3	0.2
Lilian Fossum Biner	0.4	0.4	0.2
Lottie Svedenstedt	0.3	0.3	0.2
Åke Skeppner	0.3	0.3	0.3
Hans Eckerström	0.1	0.1	0.1
David Samuelson	0.1	0.1	
Ulf Rosberg			0.1
Roger Holtback			0.1
	2.3	2.3	1.7

The fee was paid by Thule AB.

NOTE 12 AVERAGE NUMBER OF EMPLOYEES AND GENDER DISTRIBUTION IN THE GROUP MANAGEMENT

	2013	of which are men	2012	of which are men	2011	of which are men
Subsidiaries						
Sweden	394	272	398	272	404	289
Europe	1,826	1,148	1,941	1,223	1,907	1,216
North America	766	565	745	524	713	500
South America	30	25	22	18	21	17
Asia	91	46	96	49	92	46
South Africa	33	28	27	22	10	8
Total Subsidiaries	3,140	2,084	3,229	2,108	3,147	2,076
Total Group	**3,140**	**2,084**	**3,229**	**2,108**	**3,147**	**2,076**
Less: Discontinued operations	(932)	(753)	(972)	(707)	(989)	(735)
Continuing operations	**2,208**	**1,331**	**2,257**	**1,401**	**2,158**	**1,341**

Gender distribution in the Group for board members and other senior management

	2013		2012		2011	
	Women	Men	Women	Men	Women	Men
Board Members						
CEO and other Senior Management	2	5	2	5	2	4
VD och företagsledning	2	6	2	7	2	8

NOTE 13 PROVISIONS FOR PENSIONS

Group

Post-employment compensation, such as pensions and other compensations, is usually paid through regular payments to independent authorities or agencies that accordingly take over the obligations to the employees, *i.e.*, through defined contribution plans. The remaining portion is fulfilled through defined benefit plans where the obligation remains with the Group. Defined benefit plans primarily exist at Thule Group in Sweden through the ITP plan in accordance with the PRI System (retirement pension) and in Italy through the TFR plan (Trattamento de Fine Rapporto). The TFR plan is closed to new earnings beginning 2007.

New pension regulations for the TFR plan are effective beginning January 1, 2007. This means that employees can move their future retirement pay (TFR) to a company or collective pension fund, to their own pension fund or public social security system (INPS). Companies with more than 50 employees may no longer appropriate for this type of provision. Regular premiums will instead be paid to an outside party. In accordance with IAS 19, the TFR plan is seen as two separate plans where future provisions are managed similar to defined contribution plans. Accrued compensation that is provided before the new regulations went into effect (and within 6 months from January 1, 2007) will continue to be reported as defined benefit plans. The provision therefore only covers the defined benefit portion of TFR.

Other retirement pensions in accordance with ITP/ITPK in Sweden are guaranteed for the Group´s portion through premium payment to Alecta. According to a statement from the Swedish Financial Reporting Board (UFR 3), this will be defined as a defined benefit plan that includes several employers. For fiscal year 2013, the Group has not had access to information from Alecta that makes it possible to report this plan as a defined benefit plan. The plan has therefore been reported as a defined contribution plan.

For defined benefit plans, the Group´s expenses and present value of outstanding obligations are calculated per the closing day with the help of actuarial calculations. The table below provides information about applied assumptions in actuarial calculations, reported expenses during the fiscal year and the value of obligations at the end of the period.

The amended IAS 19 has not been applied for year 2011.

	2013		2012		2011	
Assumptions in actuarial calculations %	Sweden	Italy	Sweden	Italy	Sweden	Italy
Discount rate	3.7	3.1	2.2	3.1	2.2	5.5
Rate of expected pay increase	2.75	0	2.75	0	2.65	0
Rate of inflation	1.5	2.0	1.5	2.0	2.0	2.0

The discount rate is based on the mortgage bond rate.

Assumptions about future mortality in published statistics and mortality numbers. Sweden uses SFSA's mortality table for IFRS measurements. The average remaining life expectancy for an individual that retires at age 65 is 18 for men and 20 for women. In Italy, the official Italian standard is followed.

In addition to the impact from amended actuarial assumptions such as a change in the discount rate, etc., actuarial gains and losses have occurred due to an adjustment of experience-based assumptions. Experience-based adjustments include high or low numbers for the turnover rate, early retirement and life expectancy. The distribution between actuarial gains and losses that are dependent on changes in assumptions and experience-based gains and losses are shown below.

Changes in assumptions	2013		2012		2011	
MSEK	Sweden	Italy	Sweden	Italy	Sweden	Italy
Gains (–) and losses (+) due to changes in assumptions	(36)	(2)	3	–	22	(2)
Experienced-based gains (–) and losses (+)	(4)	(2)	(2)	–	(3)	–
Total actuarial gains (–) and losses (+)	**(40)**	**(4)**	**1**	**–**	**19**	**(2)**

Note 12 cont.

Book value of defined benefit pension plans	2013		2012		2011	
MSEK	Sweden	Italy	Sweden	Italy	Sweden	Italy
Present value of unfunded obligations	120	15	155	18	134	17
Unreported actuarial gains and losses	–	–	–	–	(41)	–
Provisions for pensions	120	15	155	18	93	17

Changes in present value of obligation for defined benefit plans	2013		2012		2011	
MSEK	Sweden	Italy	Sweden	Italy	Sweden	Italy
Obligation per January 1	155	18	149	17	110	19
Expenses for service during current period	7	–	7	–	4	–
Interest expense	3	1	3	1	4	1
Pension payments	(5)	(6)	(5)	(1)	(3)	(2)
Actuarial gains (–) and losses (+)	(40)	(4)	1	–	19	(2)
Translation effects	–	2	–	1	–	1
Obligation per December 31	120	15	155	18	134	17

In 2014, pension payments are expected to be SEK 6 million in Sweden and SEK 2 million in Italy.

Expenses for defined benefit plans	2013		2012		2011	
MSEK	Sweden	Italy	Sweden	Italy	Sweden	Italy
Expenses for service during current period	7	–	7	–	4	–
Interest expense	3	1	3	1	4	1
Amortization of actuarial gains and losses	–	–	–	–	1	–
Total expense	**10**	**1**	**10**	**1**	**9**	**1**

Pension expense is reported in the following lines as part of net income

Group, MSEK	2013	2012	2011
Administrative expenses	7	7	5
Financial expenses	4	4	5
	11	11	10

Change in reported liability

	2013	2012	2011
Obligation per January 1	173	166	106
Net expense	11	11	10
Paid compensation	(11)	(6)	(5)
Actuarial profits (–) and losses (+)	(40)	1	0
Exchange rate differences	2	1	(1)
Obligation per December 31	**135**	**173**	**110**

Defined contribution plans

In Sweden, the Group has defined contribution pension plans for employees that are entirely funded by the companies. Abroad, there are defined contribution plans that are partly funded by the subsidiaries and partly covered through fees paid by employees. Payments to these plans are carried out on a regular basis according to the rules of the respective plan.

Defined contribution plans

MSEK	2013	2012	2011
Group	30	30	32
Total	**30**	**30**	**32**

NOTE 14 EXPENSES DIVIDED BY TYPE OF COST

	2013	2012	2011
Changes in inventory of finished products and work in progress	442	519	816
Raw materials and manufacturing supplies	2,154	2,225	1,750
Expenses for employee compensation	1,217	1,251	1,210
Depreciations, amortization and impairment	159	154	140
Other expenses	1,097	994	977
Less: Discontinued operations	(1,256)	(1,327)	(1,307)
Total expenses for goods sold, sale and administration	**3,813**	**3,816**	**3,586**

NOTE 15 LEASE AGREEMENTS

Operating lease

Lease expenses

Future payment obligations for the Group per December 31, 2013 for non-terminable operating lease agreements are broken down as follows:

Group	2013	2012	2011
Payments fall due:			
Less than one year	50	45	44
Between 2–5 years	86	95	58
More than 5 years	12	8	2
	148	148	104

Operating leases exist for real estate in the UK. The lease agreement expires in ten years. The agreement may be cancelled in December of each year until 2014. In 2013, the annual lease expenses amounted to SEK 39 million (SEK 43 million, SEK 43 million).

Finance lease

Lease expenses

Future payment obligations for the Group per December 31, 2013 for non-terminable finance lease agreements are broken down as follows:

Group	2013	2012	2011
Payments fall due:			
Nominal values			
Less than one year	13	12	11
Between 2–5 years	12	16	24
More than 5 years	3	4	4
Total	**28**	**32**	**39**

Group	2013	2012	2011
Payments fall due:			
Present values			
Less than one year	13	12	11
Between 2–5 years	11	15	22
More than 5 years	1	2	3
Total	**25**	**29**	**36**

Finance lease agreements include future payment obligations for real estate in France and Belgium as well as finance lease agreements for company cars in Sweden. The lease agreement in France have a term of 12 years and expires 2014. The contract may be cancelled at any time, but if cancelled, the Company is liable for damages. The real estate may be purchased after seven or twelve years. The lease agreement in Belgium has a term of 15 years. The contract may not be cancelled but it is possible to purchase the real estate at the end of the contract period. The lease agreement in Sweden for company cars is for three years per vehicle. According to the bank agreement, the Group's outstanding nominal value for finance leases may not exceed SEK 50 million.

NOTE 16 NET INTEREST INCOME/EXPENSE

Group	2013	2012	2011
Interest income	75	15	15
Net exchange rate fluctuations	19	57	0
Financial revenue	**94**	**72**	**15**
Interest expense	(251)	(302)	(412)
Other financial expenses	(9)	(10)	(10)
Interest expenses on defined benefit pension obligation	(4)	(4)	(5)
Net exchange rate fluctuations	0	0	(50)
Less: Discontinued operations	68	69	66
Financial expenses	**(196)**	**(247)**	**(411)**
Net interest income/expense	**(102)**	**(175)**	**(396)**

Interest expenses for financial liabilities that are reported at accrued cost amounted to SEK 146 million (SEK 200 million, SEK 218 million) and financial liabilities that are reported at fair value of financial interest rate derivatives amounted to SEK –5 million (SEK 62 million, SEK 154 million). Interest coupons for financial derivatives are netted, *i.e.*, both receipts and payments are reported as interest expense.

NOTE 17 TAXES

Reported in Income Statement

Group	2013	2012	2011
Current tax expense (–) / tax revenue (+)			
Tax expense	(99)	(70)	(69)
	(99)	(70)	(69)
Deferred tax expense (–) / tax revenue (+)			
Deferred tax for temporary differences	(29)	(43)	75
	(29)	(43)	75
Total reported tax expense/tax revenue for the group	(128)	(113)	6

SEK 14 million (11 million, 21 million) of the Group´s tax expense is attributable to discontinued operations.

Effective tax rate reconciliation

Group	2013 (%)	2013	2012 (%)	2012	2011 (%)	2011
Income before taxes		413		351		122
Income from discontinued operations before tax		(224)		33		92
Tax according to current tax rates for Parent Company	22.0 %	41	26.3 %	101	26.3 %	56
Impact of other tax rates on foreign subsidiaries	6.6 %	12	7.3 %	28	15.2 %	33
Non-deductible expenses	33.7 %	63	1.3 %	5	6.2 %	13
Non-taxable income	(8.6) %	(16)	(4.0) %	(15)	(1.7) %	(4)
Increase of deficit deduction without corresponding capitalization of deferred tax	5.2 %	10	4.9 %	19	2.3 %	5
Utilization of prior uncapitalized deficit deduction	(6.5) %	(12)	(8.3) %	(32)	(50.8) %	(109)
Tax attributable to previous years	14.4 %	27	0.3 %	1	0.6 %	1
Effect of changed tax rates/regulations	0.0 %	0	3.6 %	14	(0.1) %	–
Other	1.0 %	2	(2.0) %	(8)	(1.1) %	(1)
Reported effective tax	**67.8 %**	**128**	**29.4 %**	**113**	**(3.0) %**	**(6)**

Tax at the applicable tax rate is calculated from a weighted average of local tax rates for each country.
The group has been subject to tax audits in Germany concerning, inter alia, pricing. The audit covers the period 2005–2008 and concerns following companies: Thule GmbH, Thule Deutschland GmbH and Thule Schneeketten GmbH. The tax authority in 2013 made a decision in matter which has been appealed by the company. Reserves have been made on the basis of differences in tax rates in the countries concerned.

Reported in the Statement of Comprehensive Income

	2013			2012			2011		
Group	**Before tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Translation differences from conversion of foreign businesses	76	–	76	(80)	–	(80)	33	–	33
Hedge reserve	1	0	1	(1)	0	(1)	–	–	–
Hedging of net investments	(105)	23	(82)	57	(15)	42	–	–	–
Actuarial profits and losses	44	(8)	36	–	–	–	–	–	–
Translation differences from conversion of foreign businesses (Increased investment)	41	(9)	32	(71)	19	(52)	(57)	15	(42)
Other comprehensive income	**57**	**6**	**63**	**(95)**	**4**	**(91)**	**(24)**	**15**	**(9)**

Reported in the Balance Sheet
Deferred tax receivables and liabilities

Note 17 cont.

Reported deferred tax receivables and liabilities

Deferred tax receivables and liabilities attributed to the following:

	Deferred tax 2013			Deferred tax2012		
Group	**Receivable**	**Liability**	**Net**	**Receivable**	**Liability**	**Net**
Tangible fixed assets	16	(63)	(47)	33	(81)	(48)
Intangible fixed assets	53	(81)	(28)	74	(64)	10
Inventories	34	(12)	22	30	(13)	17
Receivables	9	0	9	2	0	2
Liabilities	55	(2)	53	78	(5)	73
Other	5	(1)	4	15	(2)	13
Deficit deduction	306	0	306	289	0	289
Tax allocation reserves	–	(26)	(26)	–	(16)	(16)
Tax receivables/liabilities	**478**	**(185)**	**293**	**521**	**(181)**	**340**
Settlement			0			0
Tax receivables/liabilities, net	**478**	**(185)**	**293**	**521**	**(181)**	**340**

	Deferred tax 2011		
	Receivable	**Liability**	**Net**
Tangible fixed assets	25	(89)	(64)
Intangible fixed assets	98	(67)	31
Inventories	37	(11)	26
Receivables	3	0	3
Liabilities	100	(3)	97
Other	16	(3)	13
Deficit deduction	285	0	285
Tax allocation reserves	0	(3)	(3)
Tax receivables/liabilities	**564**	**(176)**	**388**
Settlement			0
Tax receivables/liabilities, net	**564**	**(176)**	**388**

Change between years has been reported as deferred tax expense.

Non-reported deferred tax receivables

Deductible temporary differences and deficit deductions for which no deferred tax assets have been recognized in the balance sheet:

	Group		
	2013	**2012**	**2011**
Tax deficit	392	401	446
	392	401	446

SEK 1 million of the deficit deduction is due in 2014. The remainder of the deficit deduction is due at a later date, or is unlimited in time. Deferred tax receivables have not been reported for these entries since it is unlikely the Group will use them for deductions against future taxable gains.

NOTE 18 EARNINGS PER SHARE

	2013		
	Continuing operations	Discontinued operations	Total
Net income attributable to Parent Company's shareholders	299	(238)	61
Average number of outstanding shares (in thousands)	44,732	44,732	44,732
Earnings per share before and after dilution	6.70	(5.30)	1.40

	2012		
	Continuing operations	Discontinued operations	Total
Net income attributable to Parent Company's shareholders	249	19	268
Average number of outstanding shares (in thousands)	44,729	44,729	44,729
Earnings per share before and after dilution	5.60	0.40	6.00

	2011		
	Continuing operations	Discontinued operations	Total
Net income attributable to Parent Company's shareholders	149	71	220
Average number of outstanding shares (in thousands)	43,627	43,627	43,627
Earnings per share before and after dilution	3.40	1.60	5.10

Earnings per share before and after dilution
The calculation for earnings per share is based on net income attributable to Parent Company shareholders and on a weighted average number of outstanding shares.

In thousands	2013	2012	2011
Total number of shares on January 1	44,731	44,725	36,659
Impact of new issue in June 2013	1		
Impact of new issue in May 2012		4	
Impact of new issue in October 2011			13
Impact of new issue in February 2011			6,955
Weighted average number of outstanding shares, before dilution	44,732	44,729	43,627

A reverse split of shares (1:10) was made as of November 7, 2014.

NOTE 19 INTANGIBLE ASSETS

Group

TSEK	Goodwill	Other intangible assets	Advance	Total
Accumulated cost at acquisition				
Opening balance – January 1, 2011	4,597	151		4,748
Acquisitions	84			84
Other investments		15	2	17
Other changes/ reclassifications	(4)	(2)		(6)
Net exchange rate differences	15	(1)		14
Ending balance – December 31 2011	**4,692**	**163**	**2**	**4,857**
Accumulated amortization and impairment				
Opening balance – January 1, 2011		(135)		(135)
Other changes/ reclassifications		6		6
Amortizations for the year		(6)		(6)
Net exchange rate differences		1		1
Ending balance – December 31 2011	**–**	**(134)**	**–**	**(134)**
Book values				
Per January 1, 2011	4,597	16	–	4,613
Per December 31, 2011	**4,692**	**29**	**2**	**4,723**
Accumulated cost at acquisition				
Opening balance – January 1, 2012	4,692	163	2	4,857
Other investments		9		9
Other changes/ reclassifications	(62)	61	(2)	(3)
Net exchange rate differences	(148)	(4)		(152)
Ending balance – December 31 2012	**4,482**	**229**	**–**	**4,711**
Accumulated amortization and impairment				
Opening balance – January 1, 2012	–	(134)	–	(134)
Amortizations for the year	–	(22)		(22)
Net exchange rate differences	–	2		2
Ending balance – December 31 2012	**–**	**(154)**	**–**	**(154)**
Book values				
Per January 1, 2012	4,692	29	2	4,723
Per December 31, 2012	**4,482**	**75**	**–**	**4,557**

Note 19 cont.

TSEK	Goodwill	Other intangible assets	Advance	Total
Accumulated cost at acquisition				
Opening balance – January 1, 2013	4,482	229	–	4,711
Acquisitions		72		72
Other investments		3	8	11
Other changes/ reclassifications		5		5
Net exchange rate differences	72	(1)		71
Ending balance – December 31 2013	**4,554**	**308**	**8**	**4,870**
Accumulated amortization and impairment				
Opening balance – January 1, 2013	–	(154)	–	(154)
Acquisitions		(1)		(1)
Amortizations for the year	–	(24)		(24)
Impairments for the year	(250)			(250)
Net exchange rate differences				0
Ending balance – December 31 2013	**(250)**	**(179)**	**–**	**(429)**
Book values				
Per January 1, 2013	4,482	75	–	4,557
Per December 31, 2013	**4,303**	**130**	**8**	**4,441**

The Group does not have any internally generated intangible assets.

Amortizations and impairments are included in the following rows of the statement of comprehensive income

MSEK	2013	2012	2011
Cost of goods sold	3	3	1
Selling expenses	19	18	5
Administrative expenses	1	1	
Other expenses (impairments)	250	0	
	273	22	6
Less: Discontinued operations	(256)	(3)	0
	17	19	6

Impairment test for goodwill

An annual test is performed to see if there is any need for impairment by calculating the recovery value of the cash-generating units for which goodwill is allocated.

The following is a summary of how goodwill is allocated to groups of cash-generating units (CGU).

MSEK	2013	2012	2011
Outdoor/Bags	3,642	3,580	3,777,
Towing (Towbars and Trailers in 2012)	–	902	915
Towing, Towbars (2013)	661	–	–
Towing, Trailers (2013)	–	–	–
	4,303	**4,482**	**4,692,**

The Towing operating segment consisted of one CGU until the second quarter of 2013. The reorganization in the first half of 2013 divided Towing into two CGUs – Towing Towbars and Towing Trailers. Goodwill assignable to the Towing segment has thereby been allocated to the CGUs Towing Towbars and Towing Trailers, based on relative fair values of each respective unit at the end of the second quarter, of which SEK 250 million refers to Towing Trailers and SEK 661 million to Towing Towbars. Goodwill assignable to Towing Trailers was amortized by SEK 250 million in the impairment test at the end of 2013, see below.

The cash-generating units above have, together, significant reported goodwill values and the units' recovery values are based, in principle, on the same important assumptions described below.

Impairment Test

The recovery value of the cash-generated unit's estimated value-in-use is included in the impairment test, except for Towing Trailers whose recovery value is the fair value after estimated selling costs. The current weighted average cost of capital (WACC) is used in the present value calculation, estimated at 9.9 % (9.9) after tax and 10.1 % (10.2) before tax. The requirement for return on equity is determined according to the Capital Asset Pricing Model and interest for net indebtedness reflects a market loan expense. Optimal debt-equity ratio has been set at 20 %.

The estimates that form the basis of the value-in-use calculations for each cash-generating unit are based on budgets determined by the Group's management for the coming year and on strategic plans established by the Board of Directors for the next three years. The cash flow for the following years has been extrapolated, assuming an annual growth rate for the Outdoor & Bags segment of 3 % (3 %) and for the Towing Towbars segment, 2 %.

Important variables in forecasting cash flows

Rate of growth during the forecast period and beyond

Thule's growth is based on sales volume growth. These assumptions are based on planned launchings of new products, planned price increases and marketing investments for each unit. It is assumed that the market growth used follows the general growth rate of the respective market for each cash-generating unit.

Level of performance

Raw material costs for the larger categories have been reviewed. Consideration is taken for more efficient purchasing, which is achieved by planned and implemented structural changes. Forecasted payroll expenses are based on expected inflation, a degree of real income growth, planned efficiencies in the Group´s production and impacts of planned recruiting. The forecast is also based on the effective handling of the Group's working capital and necessary replacement investments.

In line with the strategy to focus the Group's operations on the sports and outdoor segment, the Group management decided at the end of 2013 to sell the trailer operation in the Towing operating segment. An indicative bid for the trailer operation showed that the recovery value for parts of the goodwill recognized in the cash-generating unit Towing Trailers was lower than the book value. Hence there has been a write down of the book value of 250 MSEK. The recovery value for other CGUs exceeds the book value.

NOTE 20 TANGIBLE ASSETS

Group, TSEK	Buildings and land	Machines and other technical assets	Inventories, tools and other installations	New facilities in progress	Total
Accumulated acquisition costs					
Opening balance – January 1, 2011	742	897	540	25	2,204
Acquisitions	1	3	1	–	5
Other investments	7	23	84	48	162
Dispositions and retirements	–	(17)	(58)	–	(75)
From in progress	16	25	4	(45)	0
Exchange rates differences	(9)	(9)	(1)	(1)	(20)
Ending balance – December 31, 2011	757	922	570	27	2,276
Accumulated depreciations and impairments					
Opening balance – January 1, 2011	(289)	(674)	(372)	–	(1,335)
Dispositions and retirements	–	16	36	–	52
Depreciation for the year	(22)	(58)	(54)	–	(134)
Exchange rates differences	2	5	1	–	8
Ending balance – December 31, 2011	(309)	(711)	(389)	–	(1,409)
Book values					
Per January 1, 2011	453	223	168	25	869
Per December 31, 2011	448	211	181	27	867
Accumulated acquisition costs					
Opening balance – January 1, 2012	757	922	570	27	2,276
Other investments	55	26	60	37	178
Dispositions and retirements	(3)	(17)	(79)	–	(99)
From in progress	1	17	4	(22)	0
Other changes/reclassifications	–	4	46	(9)	41
Exchange rates differences	(19)	(25)	(12)	–	(56)
Ending balance – December 31, 2012	791	927	589	33	2,340
Accumulated depreciations and impairments					
Opening balance – January 1, 2012	(309)	(711)	(389)	–	(1,409)
Dispositions and retirements	2	16	52	–	70
Other changes/reclassifications	–	1	(28)	–	(27)
Depreciation for the year	(25)	(52)	(55)	–	(132)
Exchange rates differences	9	21	11	–	41
Ending balance – December 31, 2012	(323)	(725)	(409)	–	(1,457)
Book values					
Per January 1, 2012	448	211	181	27	867
Per December 31, 2012	468	202	180	33	883
Accumulated acquisition costs					
Opening balance – January 1, 2013	791	927	589	33	2,340
Acquisitions (Note 7)	–	12	–	–	12
Other investments	4	35	81	29	149
Dispositions and retirements	(1)	(41)	(91)	–	(133)
From in progress	8	7	2	(18)	(1)
Other changes/reclassifications	(3)	(39)	37	(5)	(10)
Exchange rates differences	22	20	7	1	50
Ending balance – December 31, 2013	821	921	625	40	2,407
Accumulated depreciations and impairments					
Opening balance – January 1, 2013	(323)	(725)	(409)	–	(1,457)
Acquisitions	–	(6)	–	–	(6)
Dispositions and retirements	1	41	68	–	110
Other changes/reclassifications	3	37	(35)	–	5
Depreciation for the year	(26)	(49)	(60)	–	(135)
Exchange rates differences	(9)	(17)	(7)	–	(33)
Ending balance – December 31, 2013	(354)	(719)	(443)	–	(1,516)
Book values					
Per January 1, 2013	468	202	180	33	883
Per December 31, 2013	467	202	182	40	891

SEK 38 million (SEK 37 million, SEK 42 million) of the book value on closing day is for finance lease agreements for buildings and SEK 11 million (SEK 11 million, SEK 11 million) for finance lease agreements for company cars.

NOTE 21 INVENTORIES

Group	2013	2012	2011
Raw materials and supplies	245	251	286
Goods in production	137	139	112
Finished goods and merchandise	539	516	472
Total	921	906	870

The above includes obsolescence reserve of SEK 114 million (SEK 71 million, SEK 82 million).

There were no significant reversals of previous provisions.

NOTE 22 ACCOUNTS RECEIVABLE

Group	2013	2012	2011
Accounts receivable, gross	828	925	1,005
Allowance for doubtful receivables	(25)	(20)	(20)
Accounts receivable, net	**803**	**905**	**985**

There is no significant concentration of credit exposure on the closing day. The majority of the Group's customers primarily consist of medium-sized customers.

Accounts receivable aging report, with no allowance	2013	2012	2011
Not due	688	799	869
Due between 1–30 days	95	75	92
Due between 31–60 days	17	18	15
Due after 60 days	28	33	29
Allowance for doubtful receivables	(25)	(20)	(20)
Total	**803**	**905**	**985**

Fair value of accounts receivable agrees with book value. The credit quality of receivables with no allowance is considered to be good.

Changes in the allowance for doubtful receivables is as follows:	2013	2012	2011
Per January 1	(20)	(20)	(34)
Allowance for doubtful receivables	(11)	(6)	(3)
Receivables that have been written off during the year that are not collectable	4	4	8
Cancellation of allowances from previous years	2	3	8
Translation difference	0	(1)	1
Per December 31	**(25)**	**(20)**	**(20)**

NOTE 23 CASH AND CASH EQUIVALENTS

Group	2013	2012	2011
Cash and cash equivalents	314	388	293
Short-term investments with a term of less than three months from time of acquisition	71	45	47
Cash and cash equivalents	385	433	340

NOTE 24 SPECIFIC INFORMATION RELATED TO EQUITY

Types of shares

	Ordinary shares			Preferred shares		
In thousands	**2013**	**2012**	**2011**	**2013**	**2012**	**2011**
Issued per January 1	282,353	282,353	202,353	164,959	164,898	164,233
Cash issue	–	–	–	20	61	665
Redemption of warrants	–	–	80,000	–	–	–
Issued per December 31 – paid	282,353	282,353	282,353	164,979	164,959	164,898

Ordinary shareholders are entitled to a dividend that is determined gradually and are eligible to vote at the general meeting with one vote per share. Preferred shareholders are first in line, ahead of ordinary shareholders, to receive a dividend equal to an annual capitalized amount of 16 % of the average subscription price. The capitalized amount, which is not entered as a liability, is SEK 1,139 million. Preferred shareholders are entitled to vote at the general meeting with one vote per share. When there is a dividend of the Company's distributable assets, the preferred shareholders are first in line, ahead of ordinary shareholders, amounting to a non-disbursed accumulated distribution (16 %) and the average subscription price.

The quota value of the shares amounts to 0.000625

Dividends
The Board of Directors has not proposed a dividend.

Group
Translation reserve
The translation reserve includes all the exchange rate differences that occur from the translation of financial statements for those foreign operations that have prepared their financial statements in a currency other than the currency the Group's financial statements are presented in. The financial statements of the Parent Company and Group are presented in Swedish krona. Furthermore, the translation reserve consists of exchange rate differences that arise from the revaluation of liabilities that have been included as hedging of a net investment in a foreign business.

Hedge reserve
The hedge reserve includes the effective share of the accumulated net change in fair value of the hedged cash flow instrument assignable to hedged transactions that have still not occurred.

Parent Company
Restricted reserves
Restricted reserves may not be decreased through profit sharing. There are no restricted reserves in the Parent Company.

Non-restricted equity
The following reserves, together with net income, comprise the non-restricted equity – the amount that is available for shareholder dividends.

Share premium reserve
When shares are issued at a premium, that is, when the amount paid for shares is in excess of the shares' quota value, an amount equivalent to the amount received in excess of the shares' quota value will be transferred to the share premium reserve.

Note 24 cont.

Retained earnings

Retained earnings consist of retained earnings from previous years and net income less profit sharing during the year.

There was no profit sharing this year.

Capital management

The Board's policy is to maintain a financial position that is conducive to maintaining investor, creditors and market confidence and that sustains future development of the business.

The Board seeks to maintain a balance between the higher returns, that might be possible with higher levels of borrowings, and the advantages and security offered by a sound capital position. The key ratio that the company's management and external privies mainly assess with respect to capital position is the net debt to EBITDA ratio. Thule Group seeks to maintain an effective long term capital structure, defined as net debt to EBITDA ratio (adjusted for non-recurring items) of approximately 2.5. This key ratio is monitored on a regular basis via the internal reporting to management and the Board.

Capital is defined as total equity including non-controlling interests.

NOTE 25 LIABILITIES TO CREDIT INSTITUTIONS

Group	2013	2012	2011
Long-term interest-bearing liabilities			
Long-term liabilities to credit institutions	4,355	4,593	5,020
Leasing	15	20	39
Derivative liabilities – long-term	66	146	139
Total	4,436	4,759	5,198
Short-term interest-bearing liabilities			
Short-term liabilities to credit institutions	236	172	66
Credit facility	7	16	35
Leasing	13	12	0
Derivative liabilities – short-term	32	19	37
Total	288	219	138

Term structure of liabilities to credit institutions

	2013	2012	2011
Credit facility	7	16	35
1 year	270	192	103
2–3 years	3,403	631	489
4–5 years	1,004	4,074	3,662
More than 5 years	40	65	1,047
Total	4,724	4,978	5,336

NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

Group	2013	2012	2011
Employee-related expenses	197	193	215
Bonus to customers	110	132	142
Deferred rental income	121	142	179
Other entries	104	93	87
Total	532	560	623

NOTE 27 PROVISIONS

Group	2013	2012	2011
Restructuring costs	30	51	62
Guarantees	15	15	16
On-going tax audit, Germany	27	0	0
Total	72	66	78

	2013	2012	2011
Restructuring costs			
Book value at the beginning of year	51	62	76
New provisions	23	26	15
Amount used during the period	(39)	(33)	(29)
Cancelled provisions	(5)	(4)	0
Book value at end of period	30	51	62

	2013	2012	2011
Guarantees			
Book value at the beginning of year	15	16	15
From acquisitions	0	0	1
New provisions	0	0	3
Amount used during the period	0	(1)	(3)
Cancelled provisions			
Book value at end of period	15	15	16

Note 28 cont.

NOTE 28 CASH FLOW ANALYSIS

Group	2013	2012	2011
Interest paid	(254)	(289)	(292)
Adjustment to entries not included in cash flow			
Depreciation, amortization and impairment of assets	459	171	145
Pension provisions	(38)	0	0
Provisions	18	32	10
Unrealized exchange rate differences, operational	4	1	8
Capital gain/loss from disposition of fixed assets	0	(8)	0
Unrealized fair value change of derivatives	(63)	(7)	139
Unrealized exchange rate difference, financial	(1)	(35)	22
Total	379	154	324

Trailers have been reclassified from inventory to tangible fixed assets for use in rental operation and are therefore not included in investments.

Acquisition of subsidiaries and other businesses

	2013	2012	2011
Acquired assets and liabilities:			
Intangible fixed assets	71		85
Tangible fixed assets	6		5
Inventories	4		22
Short-term receivables	3		34
Total assets	84	–	146
Short-term liabilities	(24)		(18)
Total provisions and liabilities	(24)	–	(18)
Purchase price	60	–	128
To be deducted	–		–
Paid purchase price	60	–	128
To be deducted	–		–
Impact on cash and cash equivalents	60	–	128

Cash and cash equivalents

	2013	2012	2011
The following components are included in cash and cash equivalents:			
Cash and cash equivalents	314	388	293
Short-term investments, equal to cash and cash equivalents	71	45	47
Total according to balance sheet and statement of cash flow	385	433	340

NOTE 29 SHARES IN SUBSIDIARIES

Parent Company

MSEK	2013	2012	2011
Opening initial values	1,000	1,000	1,000
Closing accrued initial values	1,000	1,000	1,000
Closing book value of direct holdings of shares in subsidiaries	1,000	1,000	1,000

	Corporate Number	Domicile	Proportion of Equity (%)
Thule AB	556770-6329	Malmö	100
Thule Holding AB	556662-7138	Malmö	100
Thule Towing Systems AB	556259-0298	Malmö	100
Thule NV		Menen	100
Thule Organization Solutions Asia Pacific Ltd.		Hong Kong	100
Thule Organization Solutions Shenzhen Co., Ltd.		Shenzhen	100
Thule Organization Solution Holding BV		Utrecht	100
Thule Organization Solutions S.A.		Gembloux	100
Thule Organization Solutions SL		Madrid	100
Thule Organization Solutions S.A.R.L.		Rosny Sous Bois	100
Thule S.p.A.		Lecco	100
Thule SARL		Les Marches	100
Thule Finans AB	556043-6858	Malmö	100
Thule Sp.zo.o.		Huta	100
Thule Trailers Sp.zo.o.		Wielen	100
Thule Japan KK		Tokyo	100
Thule S.r.o.		Prague	100
Thule Trailers AB	556112-5302	Jönköping	100
Gabic AB	556621-6247	Gnosjö	100
Thule Sweden AB	556076-3970	Gnosjö	100
Thule Brasil Comércia de Acessórios		Sao Paulo	100
Thula Shanghai Co., Ltd.		Shanghai	100
Thule Trailers AS		Oslo	100
Thule IP AB	556578-1282	Malmö	100
Thule Merchandizing AB	556849-4016	Malmö	100
Thule Brasil Distribution Ltda		Sao Paulo	100
Thule Child Transport Systems, Ltd.		Vancouver	100
Thule Sport Rack Beheer B.V.		Staphorst	100
Thule Canada Holding LLC		Wilmington, Delaware	100
Thule Canada, Inc.		Granby	100
Thule Holding Aps		Nr. Aaby	100
Brink Nordisk Holdings Aps		Fensmark	100
Thule Towing Systems A/S		Fensmark	100
Thule Trailers A/S		Nr. Aaby	100
Thule Netherlands Beheer B.V.		Staphorst	100
ACS Systems B.V.		Oosterhout	100
Thule Organization Solutions BV		Utrecht	100
Thule Towing Systems B.V.		Staphorst	100
Thule Towing Systems Sarl		Betheny	100
Ellebi Srl		S. Vittoria	100
Thule Towing Systems Sp z.o.o.		Wolsztyn	100
Thule Towing Systems (Pty) Ltd.		Pietermaritzburg	50
Thule Holding, Inc.		Seymour	100
Thule, Inc.		Seymour	100
Thule Towing Systems LLC		Detroit	100
Thule Organization Solutions Holding, Inc.		Wilmington, Delaware	100
Thule Organization Solutions, Inc.		Longmont, Colorado	100
Thule Organization Solutions Canada, Inc.		Toronto	100
Thule Holding, Ltd.		Rotherham	100
Thule Towing Systems, Ltd.		Warwickshire	100
Thule (UK) Ltd.		Rotherham	100
Thule Karrite, Ltd.		Rotherham	100
Thule, Ltd.		Rotherham	100
Thule Outdoor Ltd.		Rotherham	100
Thule Deutschland Holding AB		Malmö	100
Thule Deutschland Holding GmbH		Neumarkt	100
Thule GmbH		Neumarkt	100
Thule Trailers South Africa (Pty) Ltd.		Germiston	100

NOTE 30 PLEDGED ASSETS

Group	2013	2012	2011
Liabilities to credit institutions			
Real estate mortgages	290	317	354
Commercial mortgages	3,593	3,694	3,698
Intercompany receivables	2,949	3,018	3,101
Shares in subsidiaries	0	0	0
Other assets	251	354	330
Total Pledged Assets	7,083	7,383	7,483

All assets in the group are pledged by the pledging of shares in subsidiaries.

NOTE 31 CONTINGENT LIABILITIES

Group	2013	2012	2011
Pension liability, PRI	2	2	2
Other contingent liabilities	17	17	0
Total contingent liabilities	19	19	2

Other contingent liabilities refer to an obligation in the acquisition of a property in Holland in 2014.

NOTE 32 SIGNIFICANT EVENTS AFTER THE FISCAL YEAR

In line with the strategic direction to focus the Group's operations on sports and outdoor products with distribution in retailing, an agreement was signed on March 28, 2014, to sell the Trailers business segment. The sale includes operational divisions in Sweden, Denmark, Norway and Poland.

By entering into an agreement on September 30, 2014, Thule Group has divested its shares in Brink Group B.V., the parent company of the Towing division, to Thule Group's current shareholders, and operations have been deconsolidated. The transfer was carried out to market value of the operations, amounting to MEUR 77.

Other than the above, the reverse split of shares (1:10) in the parent company, registered on November 7, 2014, which has been considered when calculating the number of shares, and Thule Group entering into agreements regarding new financing on November 3, 2014, no significant events have occurred that could impact the operations.

NOTE 33 RELATED PARTY TRANSACTIONS

Group

Transactions take place between Group companies concerning deliveries of goods and services, and the provision of financial and intangible services. Market terms and pricing are applied to all transactions. All intra-group transactions are eliminated.

No board member or senior manager in the Group has or has had any direct or indirect participation in any business transactions between themselves and the Company that is or was unusual in character with regard to the conditions and what occurred in this fiscal year or previous fiscal years. In addition, the Group has not loaned, given guarantees or entered into personal guarantees with any board member or senior manager in the Company.

For information about compensation and benefits to senior management and board members, please see Notes 11 and 13.

NOTE 34 ASSESSMENTS AND ASSUMPTIONS

The preparation of financial statements and the application of accounting standards are, in some cases, based on assessments, estimates and other assumptions that management considers to be reasonable under the current conditions. For obvious reasons, these assessments and assumptions are based on experiences and expectations of future events. If different assessments and assumptions were made, the results might be different.

Goodwill

An assessment is made every year as to whether there is an impairment need for goodwill. For each cash-generating unit, the value- in-use is calculated to determine the recovery value of the respective unit. Assumptions about future cash flows and estimates of parameters are made as a basis for the calculation. These are explained in Note 19.

Income Taxes

Deferred tax is calculated on the temporary differences between the book and tax values of liabilities and assets. There are two types of assessments and assumptions in these calculations that can affect the reported deferred tax. The first is the assessments and assumptions made to determine the value and, the second, the assessments made to determine the possibility of using existing tax deficit deductions on future taxable profits. The budget and strategic plan for the coming years have also been taken into consideration in the assessment of tax deficit deductions.

Independent Auditors' Report on historical financial information

To the Board of Directors of Thule Group AB (publ), corporate ID No. 556770-6311
We have audited the financial statements of Thule Group AB (publ) and its subsidiaries (the "Group") on pages 117–148, comprising the consolidated balance sheets at December 31, 2013, 2012 and 2011, the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the years then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

The Board of Directors' and the Chief Executive Officer's responsibility for the financial statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the financial statements to provide a fair view of the financial position, financial performance, changes in equity and cash flows in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the preparation and fair presentation in accordance with the requirements in the Commission Regulation (EC) No 809/2004.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with the Swedish Institute of Authorized Public Accountants, FAR, recommendation Rev R 5, Examination of financial information in prospectuses. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit in accordance with FAR´s recommendation RevR 5 Examination of financial information in prospectuses involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Chief Executive Officer and evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Thule Group AB (publ) as at December 31, 2013, 2012 and 2011, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act and additional applicable framework.

Stockholm, November 12, 2014

KPMG AB

Helene Willberg
Authorized public accountant

› Addresses

Thule Group
Fosievägen 13
SE-214 31 Malmö
Sweden
www.thulegroup.com

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

Nordea Bank AB (publ)
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Joint Bookrunner

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Co-Lead Managers

Danske Bank A/S, Danmark, Sverige Filial
Norrmalmstorg 1
SE-103 92 Stockholm
Sweden

DNB Markets
Kungsgatan 18
SE-105 88 Stockholm
Sweden

Legal advisors

To Thule Group

As to Swedish law
Mannheimer Swartling Advokatbyrå
P.O. Box 1711
SE-111 87 Stockholm
Sweden

As to U.S. law
Davis Polk & Wardwell London LLP
99 Gresham Street
London EC2V 7NG
United Kingdom

To the Joint Global Coordinators and Joint Bookrunners

As to Swedish law
Advokatfirman Vinge KB
P.O. Box 1703
SE-111 87 Stockholm
Sweden

As to U.S. law
Cleary Gottlieb Steen & Hamilton LLP
City Place House
55 Basinghall Street
London EC2V 5EH
United Kingdom

Auditor

KPMG AB
P.O. Box 16106
SE-103 23 Stockholm
Sweden

Printed matter, 341 142, INEKO AB
Ineko Finanstryck 2014 – 221844

MIX
Paper from
responsible sources
FSC® C006484
FSC
www.fsc.org