Always By Your Side.

Interim Report Polygon AB

January - December 2016

Sales

+ 20%

136.3 million (113.4)

Adjusted EBITA

+ 35%

10.2 million (7.6)

FOURTH QUARTER 2016

- Sales remained high with growth of 20% compared to the same period of last year. Growth was driven by a combination of existing and new contracts, as well as delayed effects from the summer rains in central Europe. The Temporary Climate Solutions and Document Restoration business in the US continued to grow at a good pace.
- Order intake was consistently strong throughout the fourth quarter, which is expected to materialize during the first two quarters of 2017.
- Adjusted EBITA amounted to EUR 10.2 million (7.6), an increase of 35% compared to last year. Continental Europe and the US have continued to outperform 2015. The Nordics & UK benefit from better process control and reported a solid improvement.
- Operating profit before amortization (EBITA) was EUR 9.1 million (4.8). Items affecting comparability were booked in an amount of EUR 1.1 million in the quarter, and consisted mainly of IT asset write-offs.
- The roll-out of the new field force system was fully implemented in Austria and the Netherlands during the period. The next wave of implementation is planned for Q2 2017.
- A subsequent issue of EUR 60 million 3M EURIBOR +5.00% notes was successfully completed during the period.

JANUARY - DECEMBER 2016

- Sales for the full year were up by 11% thanks to robust performance since the second quarter of the year. Underlying organic growth, adjusted for restructuring in the US and currency effects, was positive at 14%. Polygon's market position was strengthened by several large contract wins in the UK, Germany and Norway during the period.
- Adjusted EBITA amounted to EUR 32.1 million (20.1), an increase of 60% compared to the previous year. The bulk of improvements came from Central Europe, mainly driven by the very strong development in Germany following last year's restructuring, the ongoing sales focus and the positive effects from damages caused by summer rains.
- Operating profit before amortization (EBITA) was EUR 30.3 million (12.5). Items affecting comparability have decreased by EUR 5.8 million from EUR 7.6 million in 2015, when a total of EUR 4.0 million was recognized for the restructuring in Germany and the US.
- Cash flow from operating activities increased by 30% to EUR 33.3 million, driven by an improved EBITDA. The liquidity buffer amounted to EUR 46.4 million (Dec. 2015: 36.5).
- In January 2016, the Board of Directors was reinforced by the addition of Ole Skov.
- On 29 June, Polygon received permission from bondholders to optimize the internal debt structure.

GROUP KEY FIGURES

EUR million	Q4		Full Year	
	2016	2015	2016	2015
Sales	136.3	113.4	485.3	438.7
EBITDA	**11.4**	**7.2**	**39.6**	**21.8**
EBITDA,%	*8.4%*	*6.3%*	*8.2%*	*5.0%*
Adjusted EBITDA	**12.5**	**10.0**	**41.4**	**29.4**
Adjusted EBITDA, %	*9.2%*	*8.8%*	*8.5%*	*6.7%*
EBITA	**9.1**	**4.8**	**30.3**	**12.5**
EBITA, %	*6.7%*	*4.2%*	*6.2%*	*2.9%*
Adjusted EBITA	**10.2**	**7.6**	**32.1**	**20.1**
Adjusted EBITA, %	*7.5%*	*6.7%*	*6.6%*	*4.6%*
Earnings per share (EUR)	0.21	0.31	1.83	0.01
Cash flow from operating activities	18.0	15.0	33.3	25.5
Net debt	144.6	96.2	144.6	96.2
Full time employees	2,909	2,765	2,909	2,765

Always By Your Side.

Comments from the CEO

A very strong ending to an already successful year

The last quarter of the year is typically our strongest. Although this year is no exception to that rule, the increase in adjusted EBITA by 35% was even higher than expected. There is no doubt that the year's summer floods in Central Europe have contributed positively to our strong performance and also had a significant impact on our Q4 earnings. But perhaps even more important is the improved contribution that has been generated by the continuous development of our underlying base business. The majority of countries showed higher margins coming from upgraded local leadership, a more agile organizational structure and sharpened process control. Beyond that we have also recognized strong organic growth in a good number of countries, generated by a larger share from existing framework agreements as well as the award of large contracts by new customers.

The main difference between the floods that occurred in 2016 and those in earlier years is that we were able to achieve a decent profitability on the extra work. Now that our house is in order, we are much better positioned to efficiently manage emergency work. We are also convinced that our local capabilities in the form of well-trained technicians and project managers, our recent investments in modern equipment and available support from our centralized European Emergency stock will continue to create added value for our customers in mass claim situations. And last but not least, without our highly engaged and committed workforce pitching in on weekends, working late evenings and helping out in other countries, we would not be able to deliver high service levels during these large events.

Erik Jan Jansen,
President and CEO

By now, 2015 restructuring in Germany and the US has proven to be sustainable and due to their size, these markets were major contributors to the 60% improvement in adjusted EBITA for the full year. After a year of internal improvements, Germany has been able to refocus on sales and was thus able to deliver double-digit growth. Polygon US grew its core business (Temporary Climate Solutions and Document Restoration) by 13 % in 2016. The Nordic countries, which have performed below par in recent years, are back at average levels and are expected to continue their upward trend in the coming years. Austria and the UK, traditionally our strongest performers, have managed to sustain their high profit levels during 2016.

An important part of our philosophy is that we constantly question and challenge ourselves about our business progress. Understanding where we are today and how we got there. Articulating where we want to go and, most importantly, how to get there. By doing so we gain important wisdom for the future, which in turn results in effective improvement plans. The ongoing investments in our human capital, equipment fleet and business tools are expected to further enhance our margins over the next couple of years. Our recently introduced executive management training program, the Polygon Academy, is an important tool in developing future generations of leaders and ambassadors of our company culture. The graduates of this program are key to instilling and executing our business philosophy down to the lowest level of our organization.

I am proud of the consistent growth we have shown over the course of 10 consecutive quarters. And although we will continue to aim for further improvements in our existing business in order to reach and exceed our long-term EBITA margin target of 8%, a significant part of our future success will originate from inorganic growth. As the European market leader, Polygon is ready to play a leading role in the expected market consolidation. Our local management teams are prepared for the next step and some have already displayed their ability to successfully integrate bolt-on acquisitions. We are producing good cash flows, will continue to do so and thus have the capacity to execute on potential acquisitions.

Short-term outlook

I am pleased that our guidance for 2016 "*The effects from business optimization projects and the strategy shift in the US should contribute positively in 2016. Weather-related events in 2016 should also be expected to have a positive effect as 2015 was an exceptional year with almost no weather events*" was correct.

The healthy order backlog after the closing of 2016 and continued good order intake levels during recent months are expected to have a positive impact on sales during the first quarter of 2017.

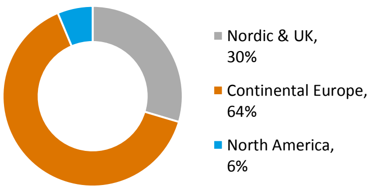
Market development

There are several trends in the property damage restoration market that are benefiting larger players like Polygon, such as procurement centralization, the customer preference for one-stop-shops and the more complex requirements for front-end IT systems. Global warming is gradually increasing rainfall levels and extreme weather conditions, which will consequently increase water damages.

Always By Your Side.

Financial information

Sales per segment LTM (%)



Sales and profit for the fourth quarter of 2016

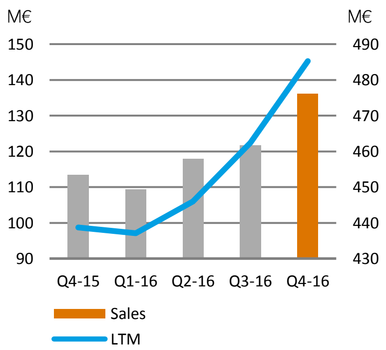
Sales amounted to EUR 136.3 million, up by 20% compared to the same quarter of last year. Continental Europe continued to deliver strong performance, with growth of 26% that is mainly explained by a rising share from existing customers and by the execution of projects resulting from floods occurring in earlier periods. Sales for comparable business in the US (Temporary Climate Solutions and Document Restoration) continued to show solid growth (7%). Activity in the Nordics and UK recovered somewhat, mainly due to increased activity in Norway and Finland. UK sales continued to grow thanks to the combined effects of earlier floods and the signing of new agreements. Order intake for the Group as a whole improved by 16% compared to last year, driven by Continental Europe.

Adjusted EBITA increased by 35% to EUR 10.2 million (7.6). The main impact comes from leverage on indirect costs from sales growth and a higher gross margin. Germany and the US continued to show substantial growth, even in light of a strong Q4 2015 following the restructuring in late spring. The greatest gains were seen in Continental Europe, and were fuelled mainly by Germany but also supported by robust earnings in the other countries. Performance in the Nordics and the UK improved as a result of better market conditions. Items affecting comparability amounted to EUR 1.1 million (2.8). Operating profit before amortization (EBITA) was EUR 9.1 million (4.8).

Net financial expenses for the period amounted to EUR 0.5 million (1.7), of which EUR 2.5 million (2.2) was attributable to net interest expenses and EUR 2.0 million (0.3) in positive exchange rate changes and financial income EUR 0.0 million (0.2).

Profit before tax amounted to EUR 3.4 million (1.8) after a given group contribution to Polygon Holding AB of EUR 4.0 million and net profit was EUR 1.3 million (1.8). Polygon AB received a shareholder's contribution from Polygon Holding AB of the same amount as the group contribution given to Polygon Holding AB.

Sales development



Sales and profit for the full year of 2016

Sales amounted to EUR 485.3 million, an increase of 11% compared to the year-earlier period. Adjusted for restructuring in the US during 2015 and currency effects, organic growth was 14%. Sales in Continental Europe, driven by Germany, grew by 16%. The Nordic and the UK segment showed recovery after low activity at the beginning of the year and ended 2016 with growth of 4%. Adjusted for currency effects, growth amounted to 9%. Overall sales in North America were down by 10%, but sales for the remaining core business in the US (Temporary Climate Solutions and Document Restoration) increased by 13%.

Adjusted EBITA was EUR 32.1 million (20.1), an improvement of 60%. Strong organic growth leading to leverage on indirect costs, effects from last year’s restructuring that resulted in substantial cost cuts, and a stronger gross margin thanks to business improvement projects are the main factors underlying this trend. Much of the increase is attributable to Continental Europe. North America showed significant improvement from a low level, while growth was more moderate in the Nordics & the UK. Items affecting comparability amounted to EUR 1.8 million (7.6). Operating profit before amortization (EBITA) was EUR 30.3 million (12.5).

Net financial expenses for the period totalled EUR 8.4 million (6.8) of which EUR 9.7 million (8.3) refers to interest expenses and EUR 1.2 million (1.1) to foreign exchange gains and financial income EUR 0.1 million (0.4).

Profit before tax was EUR 12.7 million (0.2) after a given group contribution to Polygon Holding AB of EUR 4.0 million and net profit was EUR 10.4 million (0.2). Polygon AB received a shareholder's contribution from Polygon Holding AB of the same amount as the group contribution given to Polygon Holding AB.

Cash flow and financing

Cash flow from operating activities for the fourth quarter was strong at EUR 18.0 million (15.0). The high activity level boosted work in progress by EUR 12.1 million (increase by 69%), which was partly compensated by increased payables to suppliers and generally good cash collection. The corresponding figure for the full year was EUR 33.3 million (25.5).

Total interest-bearing net debt amounted to EUR 144.6 million (December 2015: 96.2), including EUR 60 million for the subsequent issue of the notes. The Group’s liquidity buffer increased by EUR 9.9 million to EUR 46.4 million (December 2015: 36.5), consisting of cash and cash equivalents of EUR 36.6 million (December 2015: 26.5) and unutilized contracted RCF commitments of EUR 9.8 million. (December 2015: 10.0).

Equity amounted to EUR 53.4 million (December 2015: 42.3).

On June 29 Polygon received permission from the bondholders to undertake internal debt optimization within the Polygon Group. The purpose of the debt optimization is to strengthen the balance sheet of Polygon Germany and to better reflect the revenue profile of the Group on an entity-by-entity basis. The optimization was implemented with effect from July 1 2016, and will provide both operational advantages and enhance cash flow for Polygon Group.

A subsequent issue of EUR 60 million 3M EURIBOR +5.00% notes was completed under the terms and conditions of the up to EUR 180 million senior secured floating rate notes originally dated April

14, 2014. The proceeds from the subsequent notes were used to carry out a recapitalization of the Polygon Group in an amount of up to EUR 60 million. The cost related to the recapitalization was EUR 2.7 million of which EUR 0.2 million was expensed in 2016.

Capital expenditure

As in earlier quarters, capital expenditure in the fourth quarter was driven by a focus on Temporary Climate Solutions (TCS), equipment to handle the increased number of jobs and investment in the new field force IT systems, and amounted to EUR 4.5 million (2.7). The total for the full year, including investment in large loss equipment, was EUR 17.6 million (10.7).

Parent Company

The consolidated figures in this report are presented at the consolidated level for Polygon AB. The Parent Company, Polygon AB (corporate identity number 556816-5855), directly and indirectly holds 100% of the shares in all subsidiaries in the Group, except for the company in Denmark, in which the non-controlling interest is 24.2%. The net result for Polygon AB for the fourth quarter amounted to EUR 0.0 thousand (8.1).

Significant risks and uncertainties

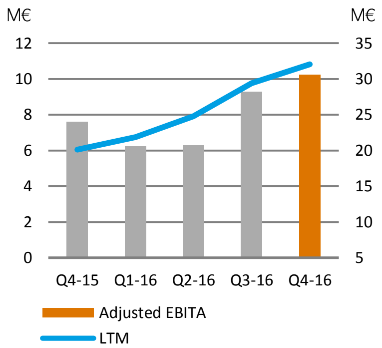
Around 75% of Polygon's business consists of property damage control, which follows a seasonal pattern of predictable demand. The remaining 25% is related to more extreme and less predictable events caused by weather and fire. The frequency of property damage can vary depending on circumstances beyond Polygon's control, the outdoor temperature and the weather. Since part of Polygon's cost structure is fixed, the proceeds of the operations are unpredictable to some degree and vary from time to time.

Polygon is to a large extent dependent on its key customers, the insurance companies, and must maintain mutually beneficial relationships with them in order to compete effectively. Our top ten customers represent about one third of Polygon's sales, with the newest customer on the top-ten list having a seven-year relationship.

For further details about the Group's risks and uncertainties, please refer to the 2015 Annual Report and prospectus regarding listing of EUR 60,000,000 senior secured floating rate notes issued by Polygon AB (publ).

Polygon's view is that there have not been any significant changes during the reporting period with regard to the risks and uncertainties that were presented in the Annual Report.

Adjusted EBITA



Related party transactions

The Group is under the controlling influence of Polygon Holding AB, the Parent Company of Polygon AB. Polygon Holding AB is under the controlling influence of MuHa No2 LuxCo S.á.r.l. There have been no material transactions with companies in which MuHa No2 LuxCo S.á.r.l has significant or controlling influence.

Other

The Board of Directors of Polygon AB (publ) or any of its subsidiaries may from time to time resolve to purchase notes issued by Polygon AB (publ), which are listed on Nasdaq Stockholm, on the market or in any other manner. Any purchase of notes will be made in accordance with the terms and conditions of the notes and the applicable laws and regulations.

Accounting policies

The interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. The Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act.

The accounting policies applied in this interim report are the same as those applied in the consolidated annual accounts for 2015. More detailed accounting policies can be found on pages 11-16 of the Annual Report for 2015.

A number of standards and changes in standards are effective from 1 January 2018. Polygon does not intend to apply these in advance.

The term "IFRS" used in this document refers to the application of IAS and IFRS as well as the interpretations of these standards published by the IASB's Standards Interpretation Committee (SIC) and the International Reporting Interpretations Committee (IFRIC).

The undersigned gives his assurance that this interim report provides a true and fair overview of the business activities, financial position and results of the Parent Company and the Group and describes the significant risk and uncertainties to which the Parent Company and its subsidiaries are exposed.

Stockholm, 9 February 2017

Evert Jan Jansen
President and CEO

Segment reporting

The segment information is presented based on the company management's perspective, and operating segments are identified based on the internal reporting to Polygon's chief operating decision maker.

EUR thousands	Q4		Full Year	
	2016	2015	2016	2015
Sales of services				
Nordic & UK	40,815	36,831	143,702	137,724
Continental Europe	87,350	69,289	310,946	266,949
North America	8,126	7,281	30,714	34,118
Intercompany sales	-29	-14	-80	-51
Total	**136,262**	**113,387**	**485,282**	**438,740**
Operating profit before IAC				
Nordic & UK	3,678	2,966	7,944	6,497
Continental Europe	4,398	2,266	12,604	4,531
North America	717	31	2,353	434
Shared	273	965	3,962	3,064
Items affecting comparability (IAC)	-1,135	-2,800	-1,761	-7,551
Operating profit	**7,931**	**3,428**	**25,102**	**6,975**
Net financial items	-496	-1,678	-8,385	-6,812
Income after financial items	**7,435**	**1,750**	**16,717**	**163**

Consolidated income statement

EUR thousands	Q4		Full Year	
	2016	2015	2016	2015
Sales of services	136,262	113,387	485,282	438,740
Cost of sales	-99,944	-84,886	-361,207	-333,718
Gross profit	**36,318**	**28,501**	**124,075**	**105,022**
Selling and administration costs	-27,180	-22,004	-96,433	-89,345
Other operating income	-	3	-	-106
Other operating costs	-1,207	-3,072	-2,540	-8,596
Operating profit	**7,931**	**3,428**	**25,102**	**6,975**
Financial income	-7	257	125	361
Financial expenses	-489	-1,935	-8,510	-7,173
Profit after financial items	**7,435**	**1,750**	**16,717**	**163**
Group contribution given	-4,000	-	-4,000	-
Profit before income taxes	**3,435**	**1,750**	**12,717**	**163**
Income taxes	-2,178	47	-2,274	41
Profit for the period	**1,257**	**1,797**	**10,443**	**204**

Consolidated statement of comprehensive income

EUR thousands	Q4		Full Year	
	2016	2015	2016	2015
Profit for the period	**1,257**	**1,797**	**10,443**	**204**
Comprehensive income				
Items that can not be reclassified to profit or loss				
Actuarial gains and losses on defined benefit plans	1,129	585	-776	585
Tax	-281	-146	138	-146
Items that can be subsequently reclassified to profit or loss				
Exchange differences on transactions of foreign operations	-714	-77	-367	-591
Total comprehensive income, net of tax	**1,391**	**2,159**	**9,438**	**52**
Profit attributable to:				
Owners of the company	1,184	1,724	10,246	33
Non-controlling interests	73	73	197	171
Total	**1,257**	**1,797**	**10,443**	**204**
Total comprehensive income attributable to:				
Owners of the company	1,318	2,086	9,241	-119
Non-controlling interests	73	73	197	171
Total	**1,391**	**2,159**	**9,438**	**52**
Number of shares	5,600	5,600	5,600	5,600
Earnings per share (EUR)	0.21	0.31	1.83	0.01

Alternative Performance Measures

EUR thousands	Q4		Full Year	
	2016	2015	2016	2015
Adjusted EBITDA break down				
Operating profit (EBIT)	7,931	3,428	25,102	6,975
Add back amortization	1,169	1,371	5,189	5,568
Operating profit before amortization (EBITA)	9,100	4,799	30,291	12,543
Add back depreciation	2,306	2,360	9,348	9,300
Operating profit before depreciation (EBITDA)	11,406	7,159	39,639	21,843
Add back items affecting comparability (IAC)	1,135	2,800	1,761	7,551
Operating profit before depreciation and IAC (Adjusted EBITDA)	**12,541**	**9,959**	**41,400**	**29,394**
Adjusted EBITA break down				
Operating profit (EBIT)	7,931	3,428	25,102	6,975
Add back amortization	1,169	1,371	5,189	5,568
Operating profit before amortization (EBITA)	9,100	4,799	30,291	12,543
Add back items affecting comparability (IAC)	1,135	2,800	1,761	7,551
Operating profit before amortization and IAC (Adjusted EBITA)	**10,235**	**7,599**	**32,052**	**20,094**

Always By Your Side.

Consolidated balance sheet

EUR thousands	31 Dec 2016	31 Dec 2015
ASSETS		
Non-current assets		
Goodwill	104,181	104,865
Other intangible assets	45,561	47,523
Property, plant and equipment	33,251	27,233
Deferred tax assets	23,424	22,282
Total non-current assets	**206,417**	**201,903**
Current assets		
Work in progress	29,613	17,508
Trade receivables	72,235	66,830
Receivables from parent company	347	72
Prepaid expenses	5,843	4,386
Cash and cash equivalents	36,585	26,529
Total current assets	**144,623**	**115,325**
TOTAL ASSETS	**351,040**	**317,228**
EQUITY AND LIABILITIES		
Equity		
Issued capital	58	58
Other contributed capital	6,771	6,771
Other capital reserves	-1,225	-858
Retained earnings	46,664	35,248
Equity attributable to owners of the parent company	**52,268**	**41,219**
Non-controlling interests	1,105	1,038
Total equity	**53,373**	**42,257**
Non-current liabilities		
Provisions	5,119	4,782
Deferred tax liabilities	21,890	21,937
Shareholders loans	5,085	57,744
Non-current interest-bearing liabilities	176,197	118,068
Total non-current liabilities	**208,291**	**202,531**
Current liabilities		
Provisions	1,611	921
Trade payables	42,893	34,294
Current interest-bearing liabilities	3,309	1,182
Other liabilities	14,096	12,679
Accrued expenses	27,467	23,364
Total current liabilities	**89,376**	**72,440**
TOTAL EQUITY AND LIABILITIES	**351,040**	**317,228**

Net debt

EUR thousands	31 Dec 2016	31 Dec 2015
Defined benefit plans	5,035	4,708
Other long-term loans, interest bearing	176,197	118,068
Financial lease and current loans, interest bearing	-	1
Cash and bank	-36,585	-26,529
Net debt	**144,647**	**96,248**

Consolidated statement of cash flow

EUR thousands	Q4		Full Year	
	2016	2015	2016	2015
Operating activities				
Earnings before interest and taxes	7,931	3,428	25,102	6,975
Adjustments for non-cash items before tax	4,221	5,808	13,999	17,263
Financial income received	-7	205	125	361
Income tax paid	-617	-128	-1,427	-1,058
Cash flow from operating activities before changes in working capital	**11,528**	**9,313**	**37,799**	**23,541**
Cash flow from changes in working capital				
Changes in operating receivables	2,695	2,129	-7,557	4,045
Changes in work in progress	-7,190	-2,246	-12,380	-530
Changes in operating liabilities	10,995	5,814	15,436	-1,524
Cash flow from operating activities	**18,028**	**15,010**	**33,298**	**25,532**
Investing activities				
Acquisition of subsidiary, net of cash acquired	-	-12	-	-987
Purchase of property, plant and equipment	-4,167	-2,507	-14,955	-8,806
Purchase of intangible fixed assets	-341	-166	-2,622	-1,934
Sale of non-current assets	1	110	4	127
Cash flow used in investing activities	**-4,507**	**-2,575**	**-17,573**	**-11,600**
Cash flow before financing activities	**13,521**	**12,435**	**15,725**	**13,932**
Cash flow from financing activities				
New borrowings	57,262	-	57,262	-
Dividend	-2,192	-	-2,192	-
Dividend to non-controlling interests	-	-	-130	-227
Repayment of borrowings	-52,946	-	-52,960	-
Financial expenses paid	-3,261	-2,048	-8,081	-7,612
Net cash flow from financing activities	**-1,137**	**-2,048**	**-6,101**	**-7,839**
Cash flow for the period	**12,384**	**10,387**	**9,624**	**6,093**
Cash and cash equivalents, opening balance	24,847	16,554	26,529	21,509
Translation difference in cash and cash equivalents	-646	-412	432	-1,073
Cash and cash equivalents, closing balance	**36,585**	**26,529**	**36,585**	**26,529**

Consolidated statement of changes in equity

EUR thousands	Attributable to the owners of the company						
	Share capital	Other contributed capital	Other capital reserved	Retained earnings	Total	Non-controlling interests	Total equity
Closing balance, 31 December 2014	**58**	**6,771**	**-267**	**34,789**	**41,351**	**1,094**	**42,445**
Merger loss	-	-	-	-12	-12	-	-12
Dividend	-	-	-	-	-	-227	-227
Profit for the period	-	-	-	33	33	171	204
Other comprehensive income	-	-	-591	438	-153	-	-153
Closing balance, 31 December 2015	**58**	**6,771**	**-858**	**35,248**	**41,219**	**1,038**	**42,257**
Shareholder´s contribution	-	-	-	4,000	4,000	-	4,000
Dividend	-	-	-	-2,192	-2,192	-130	-2,322
Profit for the period	-	-	-	10,246	10,246	197	10,443
Other comprehensive income	-	-	-367	-638	-1,005	-	-1,005
Closing balance, 31 December 2016	**58**	**6,771**	**-1,225**	**46,664**	**52,268**	**1,105**	**53,373**

Always By Your Side.

Income statement, Parent Company

EUR thousands	Q4		Full Year	
	2016	**2015**	**2016**	**2015**
Sales of services	674	1,160	3,087	3,985
Gross profit	**674**	**1,160**	**3,087**	**3,985**
General administrative and sale expenses	-686	-1,067	-2,997	-3,097
Other operating income/expenses	-	-63	-	-773
Operating profit	**-12**	**30**	**90**	**115**
Financial income	-536	1,591	5,304	6,338
Financial expenses	-2,330	-1,673	-7,317	-6,591
Profit after financial items	**-2,878**	**-52**	**-1,923**	**-138**
Group contribution received	7,300	8,140	7,300	8,140
Group contribution given	-4,000	-	-4,000	-
Profit before income taxes	**422**	**8,088**	**1,377**	**8,002**
Taxes	-464	-	-210	-
Profit for the period	**-42**	**8,088**	**1,167**	**8,002**

Statement of comprehensive income

EUR thousands	Q4		Full Year	
	2016	**2015**	**2016**	**2015**
Profit for the period	-42	8,088	1,167	8,002
Comprehensive income	-	-	-	-
Comprehensive income after tax	-42	8,088	1,167	8,002
Total comprehensive income	**-42**	**8,088**	**1,167**	**8,002**

Statement of financial position, Parent Company

EUR thousands	31 Dec 2016	31 Dec 2015
ASSETS		
Non-current assets		
Participations in subsidiaries	185,902	76,296
Receivables from subsidiaries	64,462	117,950
Total non-current assets	**250,364**	**194,246**
Current assets		
Receivables from parent company	347	1,425
Other receivables	217	73
Prepaid expenses	12	17
Receivables from subsidiaries	36,018	26,941
Total current assets	**36,594**	**28,456**
TOTAL ASSETS	**286,958**	**222,702**
EQUITY AND LIABILITIES		
Equity		
Issued capital	58	58
Share premium reserve	6,771	6,771
Unrestricted equity	97,686	94,711
Total equity	**104,515**	**101,540**
Non-current liabilities		
Deferred tax liabilities	179	-
Non-current interest-bearing liabilities	176,207	118,202
Total non-current liabilities	**176,386**	**118,202**
Current liabilities		
Payables to subsidiaries	2,402	-
Trade payables	315	3
Other current liabilities	156	212
Accrued expenses	3,184	2,745
Total other current liabilities	**6,057**	**2,960**
TOTAL EQUITY AND LIABILITIES	**286,958**	**222,702**

Always By Your Side.

Financial instruments

Polygon is exposed to a number of financial market risks that the Group is responsible for managing under the finance policy approved by the Board of Directors. The overall objective is to have cost-effective funding in the group companies. The financial risks in the Group are mainly managed through a weekly exchange of non-euro cash into euros and, to a limited extent, through financial instruments. The main exposures for the Group are liquidity risk, interest risk and currency risk.

The derivatives are valued at fair value within level 2 and additional considerations within level 3, according to IFRS 13. Other financial instruments are valued at the carrying amount.

Interest swaps are subject to ISDA agreements which allow netting, in case of any failure. On the closing day there was currency hedging but no interest swaps.

The significant financial assets and liabilities are shown below. According to Polygon's assessment, there is no significant difference between the carrying amounts and fair values.

EUR thousands	31 Dec 2016		31 Dec 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Trade receivables	70,079	70,079	64,344	64,344
Other current assets	2,248	2,248	2,644	2,644
Receivables from parent company	347	347	72	72
Cash and cash equivalents	36,585	36,585	26,529	26,529
Total	**109,259**	**109,259**	**93,589**	**93,589**
Liabilities				
Non-current interest-bearing liabilities	176,197	180,014	118,067	120,028
Other interest-bearing liabilities	5,085	5,085	57,744	57,744
Trade payables	42,893	42,893	34,294	34,294
Other current liabilities	13,859	13,859	12,460	12,460
Accrued expenses	1,742	1,742	1,629	1,629
Total	**239,776**	**243,593**	**224,194**	**226,155**
Derivatives for hedging purposes				
Currency hedging derivatives	113	113	-	-
Total	**113**	**113**	**-**	**-**

Contingent liabilities

EUR thousands	31 Dec 2016	31 Dec 2015
Pledged assets and contingent liabilities		
Pledged assets		
Shares in subsidiaries	185,902	76,296
Total assets pledged	**185,902**	**76,296**
Contingent liabilities	**None**	**None**

Definitions

Sales	Sales net of VAT and discounts
Gross Profit	Sales minus cost of goods sold
EBITDA	Earnings before interest, tax, depreciation and amortization
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortization before IAC
EBITA	Earnings before interest, tax and amortization
Adjusted EBITA	Earnings before interest, tax and amortization before IAC
EBIT	Earnings before interest and tax
Operating margin	EBIT as a percentage of sales
EBITDA, Adjusted EBITDA, EBITA, Adjusted EBITA-margin	As percentage of sales
Net financial expenses	Financial income minus financial expenses including exchange rate differences related to financial assets and liabilities
Net debt	Interest-bearing debt (including pension and leasing debts) minus cash and cash equivalents
Earnings per share	Profit for the period attributable to owners of the company/average number of shares during the period
Items affecting comparability (IAC)	Items attributable to capital gain/losses, impairment, restructuring and other redundancy costs
Capital expenditures	Resources used to acquire intangible and tangible assets that are capitalized
Organic growth	Business expansion generated within the existing company excluding the impact of foreign exchange
Adjusted organic growth	Business expansion generated within the existing company excluding the impact of foreign exchange and adjusted to comparable business
LTM	Last twelve months

Amounts in brackets in this report refer to the corresponding period of the previous year.

Group key figures are presented in million EUR, rounded off to the nearest thousand, unless otherwise stated. All individual figures (including totals and sub-totals) are rounded off to the nearest thousand. From a presentation standpoint, certain individual figures may therefore differ from the computed totals.

Polygon presents certain financial measures that are not defined in the interim report in accordance with IFRS. Polygon believes that these measures provide useful supplemental information to investors and the company's management when they allow evaluation of trends and the company's performance. As not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS.

Financial calendar 2017

This report was published on the Group's website on 9 February 2017.

Annual report 2016, will be published on 28 April 2017.

Interim Report

Q1 2017, will be published on 9 May 2017

Q2 2017, will be published on 10 August 2017

Q3 2017, will be published on 9 November 2017

Q4 2017, will be published on 9 February 2018

For more information please contact:

Mats Norberg, CFO, + 46 70 331 65 71

Email address: ir@polygongroup.com

Polygon AB

Sveavägen 9

SE-111 67 Stockholm

Always By Your Side.