

*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **STATEMENT BY THE BOARD PURSUANT TO CHAPTER 18, SECTION 4, SWEDISH COMPANIES ACT**

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The Board of the Company has proposed that the AGM resolve to pay a dividend of SEK 2 per share. Accordingly, the Board issues the following statement in accordance with Chapter 18, section 4 of the Swedish Companies Act.

Profit carried forward of SEK 1,919,578 thousand (including SEK 960,138 thousand in the share premium reserve (*överkursfond*)), together with profit for the year of SEK 65,364 thousand, is available for allocation at the AGM. Non-restricted equity of SEK 1,984,942 thousand is thus available for allocation at the AGM. The proposed dividend totals SEK 86,653 thousand, representing 3.9 per cent of the Company's equity and 4.2 per cent of the Group's equity. If the dividend resolution is passed at the AGM, the Company's equity/assets ratio will decrease from 80.2 per cent to 77.0 per cent and the Group's equity/assets ratio will decrease from 60.9 per cent to 58.4 per cent.

The Company's dividend policy is that dividends should equal approximately 50 per cent of Group net earnings over an economic cycle. Before arriving at the dividend proposal the Board has taken into account that the proposed dividend of SEK 86,653 thousand comprises 64.2 per cent of Group net earnings.

The financial position of the Company and the Group at 31 December 2015 may be seen from the most recent annual report. The annual report also sets out the principles applying to valuation of assets, allocations and liabilities. The equity of the Company and the Group is considered to be sufficient in relation to the nature, scope and risks of the business, notwithstanding the value transfer (i.e. dividend payment) to the shareholders. The Board has taken into account factors including the historical performance of the Company and the Group, their budgeted performance and the economic situation. At the balance sheet date the Company did not own any financial instruments that have been valued at their actual value in accordance with Chapter 4, section 14 a of the Annual Accounts Act. No material events have occurred since the balance sheet date that affect the Company's ability to pay a dividend.

The Board has made an assessment of the financial position of the Company and the Group, and also of the ability of the Company and the Group to meet their commitments in the near and long term. After the value transfer it is considered that the equity/assets ratio of the Company and the Group will remain good in relation to the sector in which the Company and the Group operate.

The ability of the Company and the Group to meet their payment obligations will not be affected by the value transfer. The Company and the Group have ready access to short and long-term credit. This is available at short notice, for which reason the Board considers that the Company and the Group are well prepared to cope with changes in liquidity and other unforeseen events. The liquidity of the Company and the Group is also good in relation to the sector in which they operate.

The Board considers that the Company and the Group have the ability to take business risks in the future and also to withstand potential losses. The ability of the Company and the Group to make further commercially justified investments in accordance with the Board's plans will not be adversely affected by the value transfer.

In view of the above, and also based on other factors of which the Board is aware, and following a comprehensive assessment of the financial position of the Company and the Group, the Board considers that the proposed dividend is defensible in light of the provisions of Chapter 17, section 3, second and third paragraphs of the Companies Act. The proposed value transfer is considered to be defensible taking into account the demands made of the amount of equity by the nature, scope and risks associated with the business and the consolidation requirements, liquidity and general financial position of the Company and the Group.

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Stockholm, March 2016

*Board of Directors*

**Alimak Group AB (publ)**