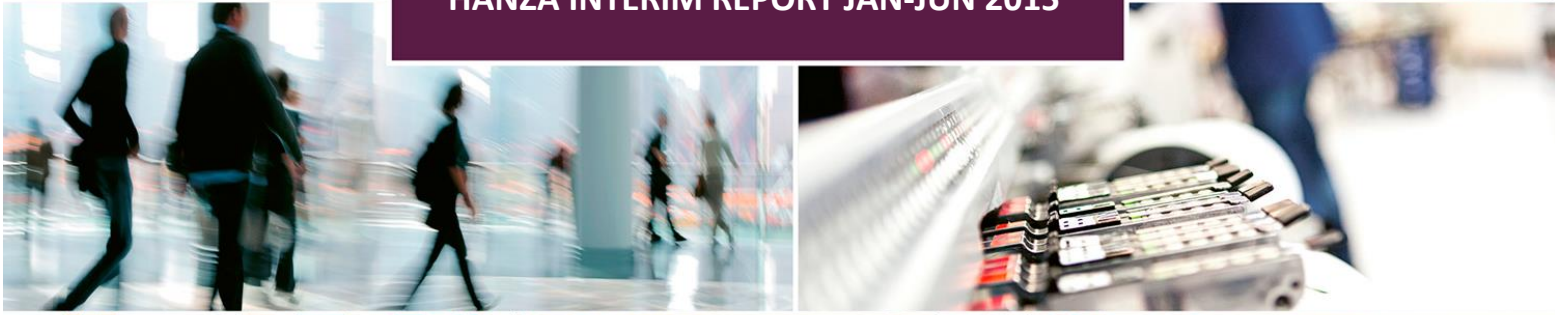




HANZA INTERIM REPORT JAN-JUN 2015



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Translation of pages 2-4, 11-13 and 17-19 of HANZA's interim report published on August 3d, 2015. In case of any differences, the Swedish version shall take precedence.

Interim report 1 January - 30 June 2015

Record high sales. Profitability growth continues. Important acquisitions.

SECOND QUARTER (1 April- 30 June 2015)

- Net sales amounted to SEK 300.9m, a considerable increase compared with the first quarter (266.0) and the equivalent period in the previous year (257.0)
- Operating profit from the operational business areas amounted to SEK 2.0m (0.3) operating profit in the Group amounted to SEK 0.6m (-6.1)
- Profit after tax amounted to SEK -3.5m (-6.8) equivalent to SEK -0.47 (-1.08) per share
- Cash flow from operations amounted to SEK -1.4m (-4.4)

FIRST HALF (1 January - 30 June 2015)

- Net sales amounted to SEK 566.9m (507.5)
- Operating profit from the operational business areas amounted to SEK -0.7m (5.8) operating profit in the Group amounted to SEK -4.0m (-5.9)
- Profit after tax amounted to SEK -11.1m (-10.8) equivalent to SEK -1.52 (-1.71) per share
- Cash flow from operations amounted to SEK -16.7m (6.7)

Erik Stenfors, HANZA's CEO, comments on the the report:

"Sales exceeded SEK 300m for the first time in a single quarter. There are additional sales successes that are not yet visible in the figures. In the spring, several companies started cooperation under the so-called MIG concept and we believe we can announce the first results in autumn 2015."

"The comprehensive restructuring, combined with new sales successes, means we can report positive operating results already in the second quarter, despite one-off costs in the period. We continue to focus on increased profitability."

"On 1 July we announced the acquisition of Metalliset, the international manufacturing group, with sales of around SEK 375m and EBITDA of over SEK 45m. The acquisition is strategically important and entails, among other things, synergies for increased profitability in Finland. The transaction is entirely financed by HANZA's owners, which is a financial show of strength."

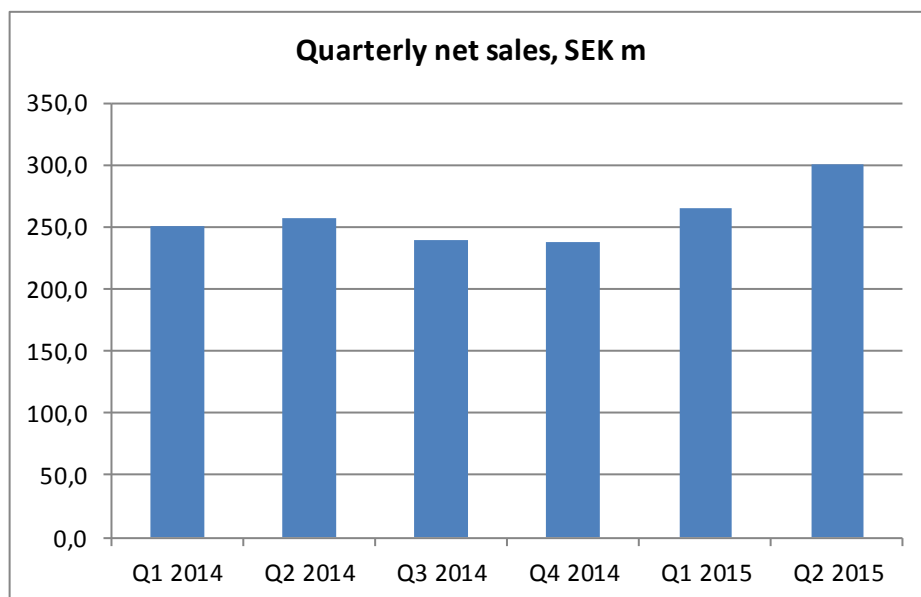
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SIGNIFICANT EVENTS IN APRIL - JUNE 2015

- In May, an extraordinary General Meeting approved the board's decision to implement a share issue of SEK 13m, equivalent to a holding ownership of around 15.2%, to an investor group headed by Francesco Franzé, Håkan Halén and Per Holmberg. The meeting also elected Francesco Franzé as board member and Håkan Halén as deputy board member. Francesco Franzé has experience in HANZA's customer market, and is vice president and member of Husqvarna's group management. Until recently, Håkan Halén was CFO of Hexagon and has expertise in acquisitions and financing. HANZA thus gains a clear principal owner and at the same time strengthens its financial position.
- In May HANZA signed a multi-year manufacturing agreement worth over SEK 25m with an international industrial customer regarding the manufacture of check rails. The order enables investment in advanced pipe bending new technology.
- In June HANZA signed a multi-year strategic agreement initially worth over SEK 10m with Chargestorm for the manufacture of complete electric vehicle charging station solutions.

SIGNIFICANT EVENTS AFTER THE PERIOD

- In July, HANZA signed an agreement to acquire all shares in Metalliset Oy, an international manufacturing group with sales of around SEK 375m and EBITDA of over SEK 45m. The total purchase price amounts to around SEK 70m, of which a significant part consists of shares. Closing is planned on 1 September 2015. The acquisition creates a significantly larger group, with sales of around SEK 1.5 billion and profitability that is significantly higher than the current level - in both absolute and relative terms.
- To finance the acquisition and capitalise the larger group, an extraordinary general meeting held on 30 July approved a fully guaranteed rights issue of SEK 50m. The meeting also resolved to extend the board and elect Pauli Pöllänen. Pauli Pöllänen was on the board of the acquired company and has extensive knowledge of developing the international manufacturing industry.
- HANZA brought forward this interim report to 3 August to provide the market with information before the subscription period for the rights issue. The subscription period is estimated to run from 4-18 August, further information is available on HANZA's website.



SEK m	Apr-jun 2015	Apr-jun 2014	Jan-jun 2015	Jan-jun 2014	Full year 2014
Net sales	300,9	257,0	566,9	507,5	984,6
Operative business area EBIT	2,0	0,3	-0,7	5,8	-5,2
Business development ^{*)}	-1,4	-6,4	-3,3	-11,7	-18,1
EBIT	0,6	-6,1	-4,0	-5,9	-23,3
Cash flow from operating activities	-1,4	-4,4	-16,7	6,7	23,0
Interestbearing net debt			193,0	147,2	185,9
Solidity			24%	28%	25%

Note: During the year, operating results were hit by over SEK 5.1m (-) in non-recurring expenses related to factory mergers and redundancies.

CEO COMMENT

In 2014 there was an unexpected and rapid decline in volume from some of HANZA's largest customers. The main reason was the Russian crisis and the fall in oil prices. In several reports, we were thus forced to report negative performance as well as describe the measures taken to meet the lower demand. However, I am today pleased to be able to report a positive trend and in addition an offensive investment through our acquisition of Metalliset.

Sales successes

Despite its short history, HANZA has a number of renowned customers such as ABB, Ericsson, Saab Defense, Siemens and Atlas Copco. Sales have enjoyed success due to all-you-need-is-ONE™, the Group's strong manufacturing offering.

HANZA has not lost any customers, however the products that fell last year, have unfortunately continued at low volumes. On the other hand, new products and customers compensated for the decline. For the first time ever, turnover surpassed SEK 300m in a single quarter.

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Sales also include other successes that are not yet visible in the figures. HANZA's strategy is to broaden and become a knowledge company in manufacturing. At the end of 2014, the service product MIG™ was launched. This is an advisory service that increases customers' growth and profitability by developing new production chains. In the spring, several companies started cooperation under the MIG concept and we believe we can announce the first results in autumn 2015.

Operations and profitability

The rapid volume decline during the second half of 2014 created both liquidity and profitability - problems in HANZA's production plants. An extensive restructuring programme for the Swedish units was decided upon in late 2014, and was implemented during the first half of 2015.

The result of the programme, combined with new sales successes, means we can report positive operating results already in the second quarter - despite one-off restructuring expenses in the period. We will continue efficiency improvements to underpin continued profitability, particularly in Finland, which continued to negatively affect the Mechanics Division.

Financial situation and acquisition

In the second quarter a previously-announced capital increase was completed. Interest in HANZA has been significant and we could therefore compile several good financing options. The board decided on a way forward that, in addition to the capital, provided crucial competence to the company. In June, HANZA gained a new principal owner through a share issue of SEK 13m. Francesco Franzé, with significant customer experience among other things as vice president and member of Husqvarna's group management, and Håkan Halén, who was CFO of Hexagon in the 2000s and thus has significant experience in growth companies were elected to the board.

The broader ownership meant the next step could be taken - the acquisition of Metalliset, an international manufacturing group, with sales of approximately SEK 375m and EBITDA of over SEK 45m. The transaction was financed without borrowing i.e. entirely by HANZA's owners; A financial show of strength.

In addition to the financial gain that the actual acquisition and ongoing rights issue provide, this deal provides new opportunities to further strengthen HANZA's financial ratios. For example, by focusing on the working capital and reducing fixed assets.

Future

HANZA is one of the newest companies in the manufacturing industry and is already one of the largest - thanks to an innovative business model. To become established as a new player and lead developments in such a short time is hard work, particularly in an uncertain business cycle. I am therefore pleased to say that HANZA, despite the challenges, is much stronger today than before the downturn a year ago. We are seeing significantly higher sales, but above all we are regaining profitability. Furthermore, we now have completely new opportunities with the acquisition of Metalliset which will support us in our work to create increasingly profitable growth in the future.

Erik Stenfors, CEO

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INCOME STATEMENT HANZA GROUP

Amount in SEK m	Note	Jan - jun 2015	Jan - jun 2014	Apr - jun 2015	Apr - jun 2014	Jan - dec 2014
Net sales	5	566,9	507,5	300,9	257,0	984,6
Change in inventories to production, finished goods and work in progress		-0,6	-4,9	-1,8	-1,6	-5,8
Other operating income		2,4	2,0	1,9	1,9	2,2
Total revenue		568,7	504,6	301,0	257,3	981,0
Operating costs						
Raw material and supplies		-342,5	-305,4	-183,5	-155,6	-589,8
Other external costs		-71,7	-67,2	-36,8	-35,9	-134,3
Personnel costs		-140,3	-120,7	-70,7	-63,4	-244,7
Depreciation		-15,5	-16,7	-8,1	-8,2	-33,5
Other operating costs		-2,7	-0,5	-1,3	-0,3	-2,0
Total operating costs		-572,7	-510,5	-300,4	-263,4	-1 004,3
EBIT	5	-4,0	-5,9	0,6	-6,1	-23,3
Result from financial items						
Financial income	6	0,0	2,9	0,0	2,9	3,0
Financial costs	6	-7,0	-6,7	-4,0	-2,9	-16,6
Financial items - net		-7,0	-3,8	-4,0	0,0	-13,6
Result before taxes		-11,0	-9,7	-3,4	-6,1	-36,9
Income taxes		-0,1	-1,1	-0,1	-0,7	3,3
Result after taxes		-11,1	-10,8	-3,5	-6,8	-33,6
Other comprehensive income						
Items that later can be brought back to income statement						
Currency differences		-4,4	2,6	-2,1	2,9	6,9
Other comprehensive income		-4,4	2,6	-2,1	2,9	6,9
Total comprehensive income		-15,5	-8,2	-5,6	-3,9	-26,7

Total comprehensive income is fully related to parent companys shareholders.

Result per share, calculated on result relating to parent companys shareholders during the period (expressed in Swedish kronor per share).

Result per share before dilution	-1,52	-1,71	-0,47	-1,08	-5,08
Result per share after dilution	-1,52	-1,71	-0,47	-1,08	-5,08
Weighted average number of shares	7 305 120	6 308 739	7 403 951	6 301 157	6 611 934

Calculated on number of shares adjusted for possession of own shares.

In case of any differences, the Swedish version shall take precedence.

BALANCE SHEET HANZA GROUP

Amount in SEK m	Not	2015-06-30	2014-06-30	2014-12-31
ASSETS				
Fixed assets				
Intangible assets				
Goodwill		142,2	128,0	144,8
Other intangible assets		0,6	1,0	0,7
Sum intangible assets		142,8	129,0	145,5
Tangible assets		115,6	124,1	129,1
Financial assets				
Other securities held as fixed assets		0,1	0,0	0,2
Deferred tax assets		13,1	6,8	13,3
Sum fixed assets		13,2	6,8	13,5
Current assets				
Inventory		210,6	192,0	202,3
Accounts receivables		55,8	56,4	38,7
Other current assets		24,9	6,6	7,5
Prepaid expenses and accrued income		11,8	11,4	9,6
Cash and bank		30,8	36,4	31,8
Sum current assets		333,9	302,8	289,9
SUM ASSETS		605,5	562,7	578,0

In case of any differences, the Swedish version shall take precedence.

BALANCE SHEET HANZA GROUP

Amounts in SEK m	Note	2015-06-30	2014-06-30	2014-12-31
EQUITY				
Equity related to parent companys shareholders		143,5	158,5	146,3
LIABILITIES				
Long term liabilities				
Liabilities to credit institutes	4	20,0	62,0	22,0
Other long term interest bearing liabilities		22,9	17,4	32,3
Long term non interest bearing liabilities		7,6	7,9	7,3
Sum long term liabilities		50,5	87,3	61,6
Short term liabilities				
Bank overdraft	4	74,0	53,1	71,1
Liabilities to credit institutes		49,8	29,8	53,5
Convertible loan		14,0	8,8	9,0
Other interest bearing liabilities		43,1	12,4	29,8
Accounts payable		155,5	135,1	138,6
Other short term liabilities		20,6	29,5	21,6
Accrued expenses and deferred income		54,5	48,2	46,5
Sum short term liabilities		411,5	316,9	370,1
SUM EQUITY AND LIABILITIES		605,5	562,7	578,0
Equity per share at the end of the period		16,74	23,29	20,30
Number of shares at the end of the period		8 574 711	6 805 870	7 206 290

NOTES
Note 1 General information

All amounts are shown in millions of kronor (SEK m) unless otherwise stated. Amounts in brackets denote the same period in the previous year.

Note 2 Basis for reports

HANZA Holding AB (publ) applies IFRS (International Reporting Standards) as adopted by the EU. The interim report is prepared in accordance with IAS 34, Interim reporting. The parent company's interim report was prepared in accordance with chapter 9 of the Annual Accounts Act and RFR 2 Accounting for legal entities. The interim report should be read together with the annual report that ended on 31 December 2014.

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Note 3 Accounting policies

The accounting policies are in accordance with the policies adopted in the previous financial year.

Note 4 Financial instruments - fair value of financial liabilities at amortised cost

The Group's borrowings consist of a larger number of contracts of different dates and of different durations. The majority of loans have variable interest rates. Against this background, the carrying amounts are assumed to provide a good approximation of fair value.

The fair value of short-term borrowing corresponds to its carrying amount, since the effect of discounting is not significant.

Note 5 Segment information
Net sales

Sales between segments take place on competitive terms.

	Jan – jun 2015			Jan – jun 2014		
Business area	Less net sales between net sales business areas	Net sales external customers	Business area	Less net sales between net sales business areas	Net sales external customers	
Mekanik	315,7	-4,6	311,1	308,0	-3,0	305,0
Elektronik	276,3	-20,5	255,8	217,6	-15,1	202,5
SUM	592,0	-25,1	566,9	525,6	-18,1	507,5

	Apr – jun 2015			Apr – jun 2014		
Business area	Less net sales between net sales business areas	Net sales external customers	Business area	Less net sales between net sales business areas	Net sales external customers	
Mekanik	166,3	-1,9	164,4	153,6	-1,4	152,2
Elektronik	145,5	-9,0	136,5	113,5	-8,7	104,8
SUM	311,8	-10,9	300,9	267,1	-10,1	257,0

EBIT is reconciled as income before tax as follows:

EBIT	Jan – jun 2015	Jan – jun 2014	Apr – jun 2015	Apr – jun 2014	Jan – dec 2014
SEK m					
Mekanik	-8,7	0,8	-4,2	-0,8	-12,1
Elektronik	8,0	5,0	6,2	1,1	6,9
Business development	-3,3	-11,7	-1,4	-6,4	-18,1
SUM	-4,0	-5,9	0,6	-6,1	-23,3
Financial items - net	-7,0	-3,8	-4,0	0,0	-13,6
Result before tax	-11,0	-9,7	-3,4	-6,1	-36,9

In case of any differences, the Swedish version shall take precedence.

Note 6 Financial income and expenses - net financial income

	Jan – jun 2015	Jan – jun 2014	Apr – jun 2015	Apr – jun 2014	Apr – jun 2014
Financial income					
Interest income	0,0	0,0	0,0	0,0	0,1
Capital gain convertible	-	2,9	-	2,9	2,9
	0,0	2,9	0,0	2,9	3,0
Financial cost					
Interest costs	-7,8	-7,3	-4,1	-3,7	-13,8
Other financial items	0,8	0,6	0,1	0,8	-2,8
	-7,0	-6,7	-4,0	-2,9	-16,6
Sum financial items - net	-7,0	-3,8	-4,0	0,0	-13,6

Note 7 Events after the balance sheet date

- On 1 July 2015, HANZA signed an agreement to acquire all shares in Metalliset Oy ("Metalliset"), an international manufacturing group with sales of around SEK 375m and EBITDA of over SEK 45m. The total purchase price amounts to around SEK 70m, of which a significant part consists of HANZA shares. Completion is expected to take place on 1 September 2015. On 30 July, an extraordinary meeting approved a new share issue to the current owners of Metalliset equivalent to around 15% of HANZA shares. To finance the acquisition and capitalise the larger group, the meeting also approved the board's decision on a fully guaranteed rights issue of SEK 50m. The meeting also voted Pauli Pöllänen to the board. Pauli was on the board of the acquired company and has expert knowledge in the development of the international manufacturing industry.
- HANZA brought forward the Q2 report to 3 August due to the Metalliset acquisition. The acquisition creates a significantly larger group, with sales of around SEK 1.5 billion and profitability that is significantly higher than the current level - in both absolute and relative terms. The aim is to enable the market gain access to HANZA's interim report during the subscription period estimated to run from 4-18 August 2015.
- In the dispute regarding termination of lease that HANZA is party in via subsidiary in Estonia, the Estonian highest court has announced a decision. The court decided that the claim against HANZA is not current. Further the court decided to return the case to first instance if the property company can have right to damages, which means that a hearing will take place in first instance regarding this new issue.

In case of any differences, the Swedish version shall take precedence.



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FINANCIAL CALENDAR

Interim report January-September 2015 - 3 November 2015

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This extract of interim report has not been reviewed by the auditors.

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