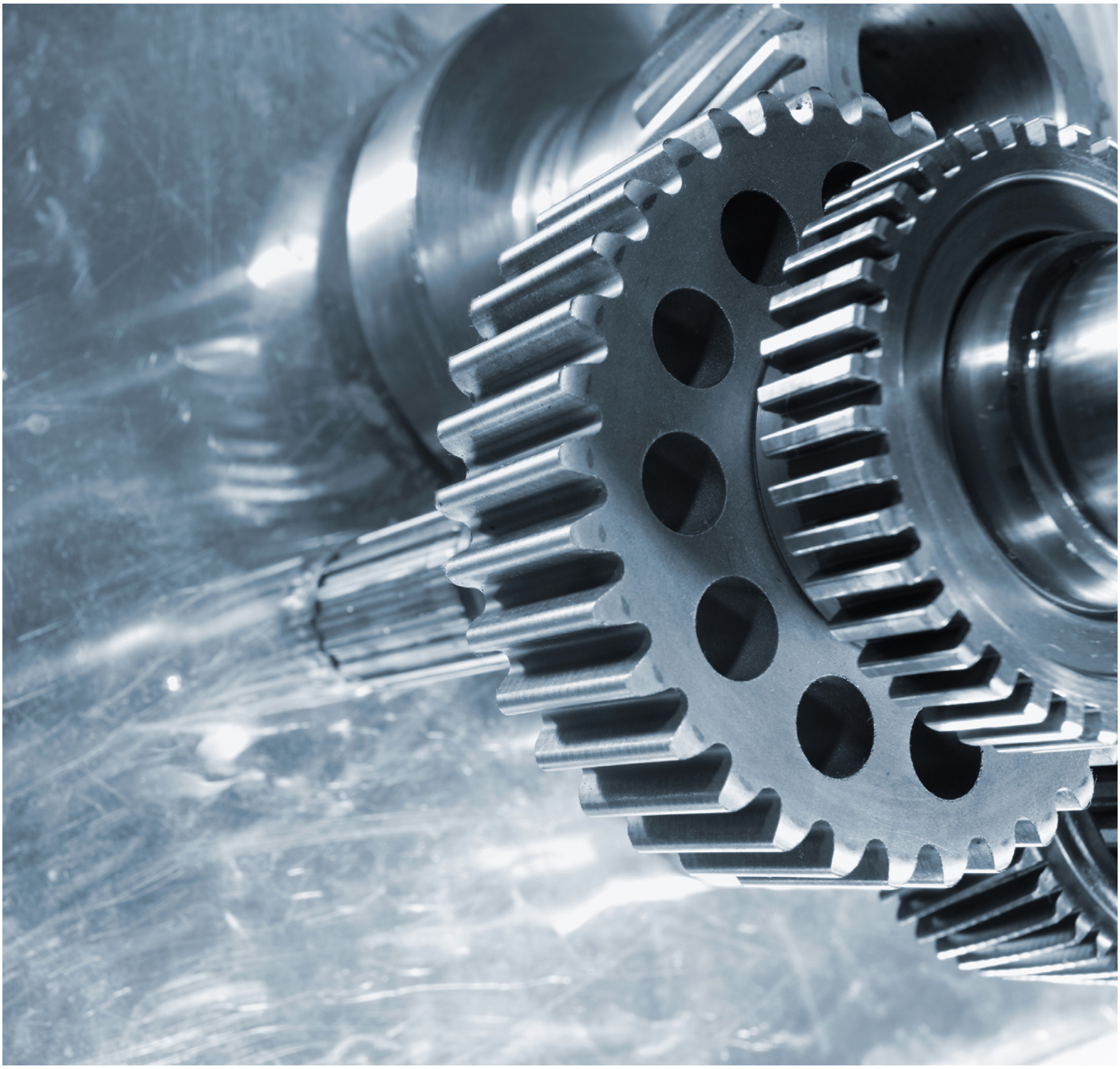

Annual Report 2012/2013

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The Year in Brief

The 2012/2013 financial year

- Net sales rose by 4 percent and reached SEK 5,403 million.
- Operating profit fell by 7 percent to SEK 437 million.
- Profit after tax fell 1 percent to SEK 323 million, corresponding to earnings per share of SEK 14.60.
- Return on equity totalled 30 percent and the equity ratio was 37 percent.
- Eight acquisitions were made, adding sales of around SEK 590 million on an annual basis.
- The Board of Directors proposes a dividend of SEK 8.00 per share.
- The business climate on many of the Group's markets was hesitant and uneven during the year. The market is still fragmented, with business climate variations between different geographic markets, customer segments and product niches.
- Overall, sales and earnings for comparable units declined for the full year. Through the acquisitions, the Group demonstrated higher net sales and lower operating profit than the previous year.

	2012/2013	2011/2012	Change, percent
Net sales, SEKm	5,403	5,200	4
Operating profit, SEKm	437	470	-7
Return on working capital (P/WC), %	45	53	-15
Earnings per share, SEK	14.60	14.65	0
Shareholders' equity per share, SEK	51.20	46.20	11
Return on equity, %	30	34	-12
Average number of employees	1,815	1,612	13

For definitions, see page 100.

This document is in all respects a translation of the Swedish original Annual Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.

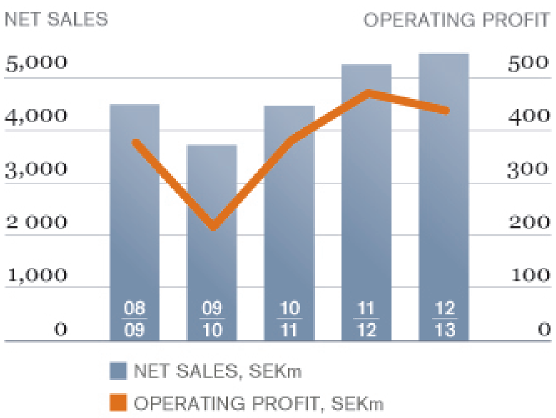
This is Addtech

Technology trading under many brands

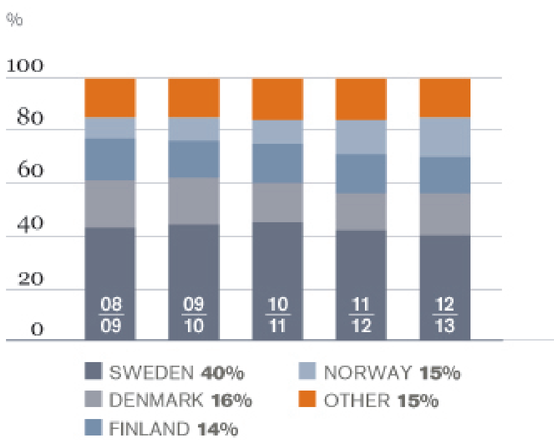
Addtech is a technology trading group that provides technological and economic value added in the link between manufacturers and customers. Addtech operates in selected niches in the market for advanced technology products and solutions. Its customers primarily operate in the manufacturing industry and public sector. The Group has about 2,000 employees and achieves annual sales of about SEK 5 billion to more than 30 countries.

Addtech consists of approximately 130 operating companies that all strive to be market leaders in their niches. The companies, which are divided into four business areas, are bound together by one corporate culture, in which business skills and technical competence are central concepts and in which the flexibility of a small company is combined with the broad networks, resources and financial strength of the Group.

Net sales and operating profit

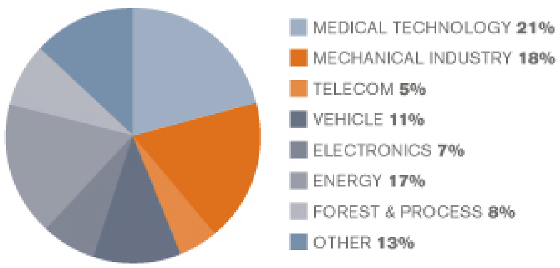


Sales by geographic market



Sales and trading in standard products form the foundation of the business, but advanced technical competence, long-term customer relationships and understanding of customers' operations often lead to more in-depth cooperation and development of customised products, solutions and services.

Sales by customer segment



Addtech adds value

Addtech owns and develops technology trading companies with the objective of generating sustainable profitability exceeding 45 percent in terms of return on working capital.

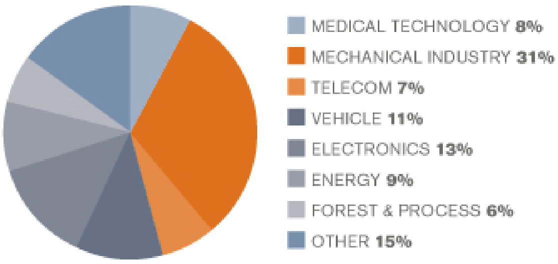
Addtech creates value for its owners by supplying its subsidiaries with knowledge, networks and security and by continually acquiring niched technology trading companies within selected market segments.

Addtech Components

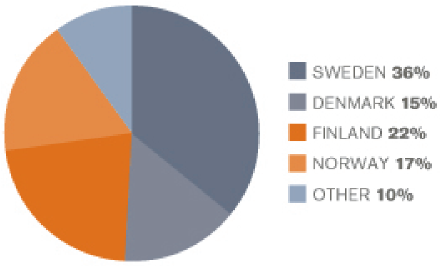
Addtech Components markets and sells components and sub-systems in mechanics, electromechanics, hydraulics and electronics as well as automation solutions to customers in the manufacturing industry. Examples of products: linear units, ball screws, electric motors, switches, sensors and transducers. The hydraulics section, which also includes pneumatics, vacuums and compressed air products, sells components and solutions such as valves, pumps, installations and filters. The automation section provides industrial communication solutions as well as sensor and vision products.

Addtech Components	2012/2013	2011/2012
Net sales	1,542	1,568
Operating profit	98	125
Average number of employees	420	376

Sales by customer segment



Sales by geographic market

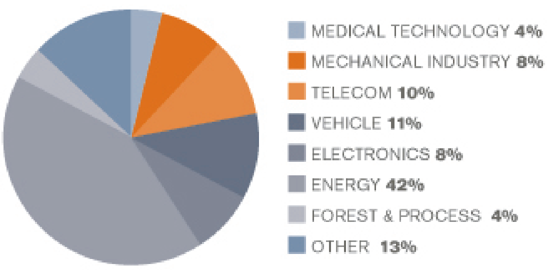


Addtech Energy

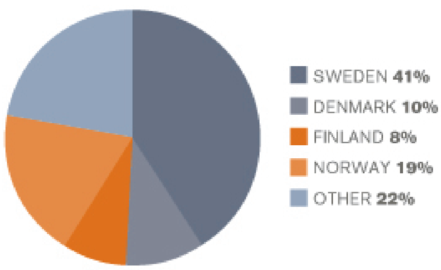
Addtech Energy markets and sells battery solutions, power distribution products, and products in electrical safety, electrical installation and connection technology. Its customers mainly operate in the energy and telecom sectors and in the electrical installation market through prescribing channels and electricity wholesalers. Examples of products: stationary batteries for UPS systems, batteries for electric vehicles and defibrillators, disconnectors for the medium voltage distribution network, transformers, cable cabinets, carbon brushes, fuses and measuring transducers. In addition to trading, this area's companies also manufacture niche products under their own brands.

Addtech Energy	2012/2013	2011/2012
Net sales	1,576	1,392
Operating profit	152	151
Average number of employees	477	379

Sales by customer segment



Sales by geographic market

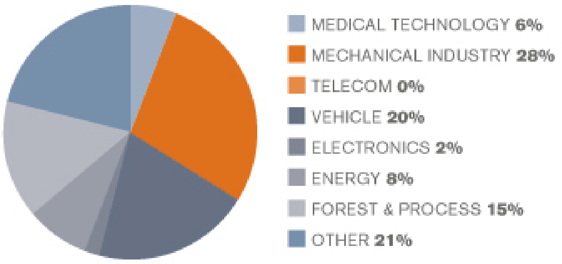


Addtech Industrial Solutions

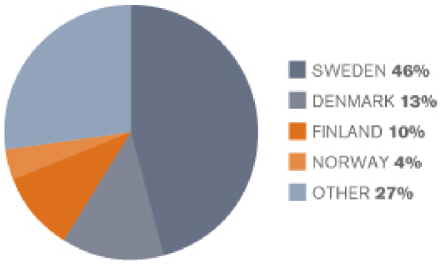
Addtech Industrial Solutions markets and sells products made of polymeric materials, electric motors and transmissions, customer-specific products in electromechanics as well as machine components, equipment and consumables for the manufacturing industry. Products under own brands are marketed and sold to local and global industrial customers. Examples of products: gaskets, seals, moulded components, vibration dampers, chains, roller bearings and components for electrical motor solutions such as electric motors and electronic speed control as well as equipment and materials in blasting, tumbling and industrial washing. Other products include joysticks and pedals for equipment such as forest machinery and forklift trucks.

Addtech Industrial Solutions	2012/2013	2011/2012
Net sales	1,150	1,245
Operating profit	93	112
Average number of employees	524	518

Sales by customer segment



Sales by geographic market

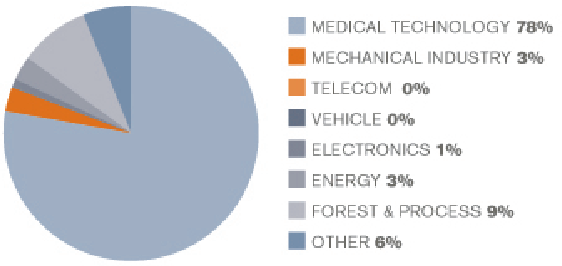


Addtech Life Science

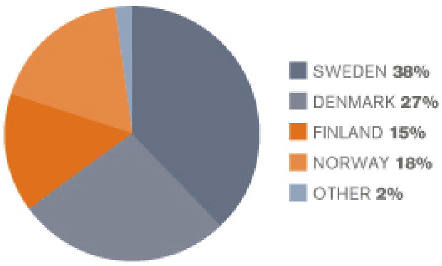
Addtech Life Science markets and sells instruments, consumable supplies and services to laboratories in healthcare and research, diagnostic equipment for the healthcare sector, and process and analysis equipment to industry. Examples of products: blood-gas equipment for the healthcare sector, chromatography instruments for research and chemical analysis equipment for the process industry, consultation, training, support and servicing.

Addtech Life Science	2012/2013	2011/2012
Net sales	1,141	1,002
Operating profit	108	98
Average number of employees	347	299

Revenue by customer segment



Revenue by geographic market



Comments by the President and CEO

Overall, Addtech continued to show solid growth and high profitability in the 2012/2013 financial year. However, the year featured sustained unease on most of the Group's markets. The Group nevertheless delivered solid earnings, thanks to the fact that Addtech is a stable group with sound risk diversification among customers, suppliers and geographic markets alike.

In my comments last year, I wrote that the market would not do us any favours as we entered the new year. I was right. The general market climate is the same. It is still up to us to do a good job in order to grow and maintain profitability.

About half of the Group's operations contended with a poorer business climate, while the other half operated on stable and, in some cases, growing markets. Sweden and Denmark were generally weaker than the previous year, while the Norwegian, Finnish and non-Nordic markets were more favourable.

The market climate varied for our subsidiaries depending on their customer segments and product niches. For instance, Nordic healthcare, medical technology and energy enjoyed strong demand during the year. Conversely, a number of manufacturing customers, mainly in the vehicle and engineering industry, curbed their production rate in the autumn, which in turn affected the Group's outcome for the financial year.

Overall, Group sales increased, mainly because of the contribution through acquisitions. Our organic volumes declined slightly, but in the final quarter at a lower rate than in previous quarters, which is positive. In order to ensure that our subsidiaries are well prepared to contend with the challenges and benefit from the opportunities that the future will bring, we are continuously taking the measures necessary to maximise the long-term profitability of the operations.

Efficiency gives freedom of action

On an uneasy market, managing working capital efficiently is always challenging. The lesson we learned from the 2008-2009 crisis was that improving capital efficiency takes time. Since a year back, we therefore increased focus on reducing working capital, particularly on keeping inventory levels low at our subsidiaries in order to avoid tying up capital unnecessarily. Thanks to these measures, during the year we continued to enjoy a solid cash flow.

In parallel with this, we have reviewed our costs at the subsidiaries that experienced a tougher business climate. Subsidiaries that demonstrated profitable growth, however, could continue to work according to their targets and strategies. To sum up, our efforts have been successful, providing us with good opportunities to continue to strengthen the Group's positions in the coming years, both organically and through acquisitions.

Acquisitions complement our operational progress

Through acquiring a total of eight companies during the year, with combined annual sales of about SEK 590 million, the Group has strengthened its positions in a number of market segments. One example is the acquisition of Necks Electric Group, which has provided the Energy business area with a better comprehensive approach to the electricity distribution and transmission network market.

There are still plenty of acquisition opportunities and we will continue to acquire companies that fit in with our strategy in attractive market segments. The number of companies we will acquire each year is hard to say, and not very important. Over time, however, we will carry out the acquisitions needed to reach our goals. The acquisitions will be in well-defined niche markets, and always firmly in line with our growth strategies. In some cases, the Group has also stepped into new market niches where we saw substantial opportunities and a complement to our other operations. There will be more opportunities of this kind in the future, providing further long-term profitable growth opportunities for the Group.

Roots dating back 100 years - a solid basis for further growth and profitability

Addtech was listed in 2001, when it consisted of around 50 subsidiaries, 1,100 employees and had sales of around SEK 2.5 billion. Today, we have around 130 operating subsidiaries, 2,000 employees and sales of about SEK 5.5 billion with sustained sound profitability. The positive operational performance has led to a solid shareholder value trend since Addtech was listed.

A reason for our successes is the strong corporate culture created by the founders of Bergman & Beving over 100 years ago, which still flourishes and lives on today. Technical expertise combined with business acumen is key to this corporate culture. We believe in a small-scale approach for maintaining this crucial culture at our subsidiaries, so that each company can independently strive to become a market leader in its niche and offer technological and economic value added to customers and suppliers.

Opportunities whatever the state of the market

Our approach at Addtech is that there are opportunities whatever the state of the market - you just have to take them. With the current state of the market, our subsidiaries are focusing on gaining further market shares which can provide good leverage when the market turns upwards again.

The Group subsidiaries are agile, which is possible thanks to our decentralised organisation. They combine good market knowledge with close relationships with customers and suppliers. This makes them quick in responding to changes and new requirements, based on which they can develop their business and even develop new, durable business concepts which replace part of the lost ground. In times like these, this is naturally extremely valuable.

Finally, I would like to thank all employees for the past year. It is your commitment which enables the subsidiaries, and hence the Group, to continue to develop. I would also like to extend my thanks to our customers and suppliers. Over the coming year, we will continue to provide technological and economic value added in your operations. Together, we can and will face a future that holds many opportunities.

Stockholm, June 2013

Johan Sjö

President and CEO

Vision, Business Concept, Goals and Strategies

Vision

Addtech shall be the leading value adding tech provider.

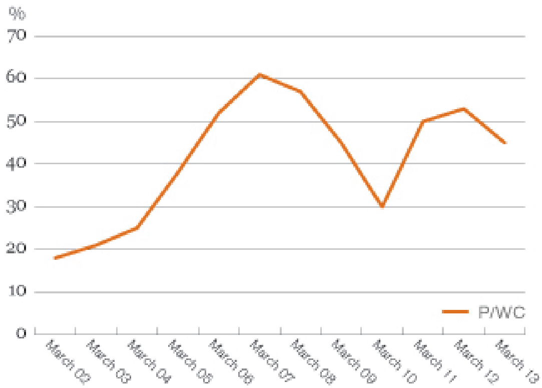
Business concept

Addtech offers high-tech products and solutions to industrial companies and the public sector. Addtech creates both technological and economic value added by being a skilled and professional partner in its cooperation with customers and manufacturers.

Financial goals

Addtech's overarching goal is to achieve growth combined with profitability. The Group's objective is earnings growth of at least 15 percent per year over the course of a business cycle. The profitability target for each subsidiary is a minimum of 45 percent, measured using the relationship between operating profit (P) and working capital (WC). This P/WC ratio encourages high operating profit and low levels of tied-up capital. When combined with the growth target of 15 percent, this creates the possibility of positive cash flow and conditions for profitable growth.

P/WC



Operating goals

The Addtech Group is to be the leader in value-adding technology trading and be perceived by our customers, suppliers and employees as the most competent and long-term partner.

Strategies

Profitable growth is achieved through continuous business and organisational development. Addtech has three core strategies for reaching its goals:

Market-leading positions

Addtech sets out to be the market leader and to build positions in selected and clearly defined niches with a high knowledge and technology content and where customers demand carefully selected products, solutions and subsystems - often in small and medium-sized volumes. The market-leading position is a significant factor for achieving stable growth and sustainable profitability.

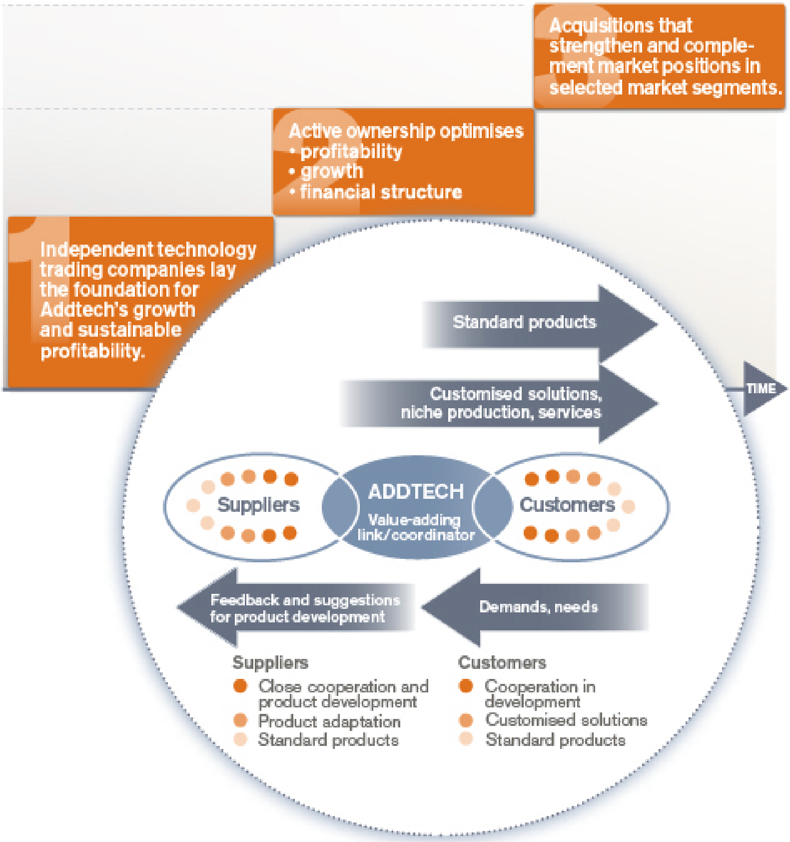
Operating mobility

Addtech is to be noted for its flexible organisational structure with quick-thinking, innovative employees who recognise new business opportunities. Addtech is to capitalise on the growth potential of each of its subsidiaries and product areas by dividing or merging operations, either in whole or in part. Operating mobility also involves having effective processes for integrating new operations into the Group.

Acquisitions

Addtech is to work at all times to strengthen its operations through small bolt-on acquisitions as well as build and expand positions in chosen niches. Business operations are also to be acquired in new niches where the Group has the possibility of becoming the market leader. The ability to apply the Group's business model is a common success factor in all acquisitions.

Addtech drives shareholder value



Shareholder value in three steps

Addtech's earnings and shareholder value are created in three cooperating and mutually-dependent steps.

1. The value-adding base. Approximately 130 subsidiaries lay the foundation for Addtech's earnings and shareholder value. Their operations and business model are based on the need for a link between customer and manufacturer that helps the customer choose a supplier and technology from an increasingly complex supplier market. Sales of products and solutions build on close relationships with customers, manufacturers and suppliers, combined with high levels of technological know-how and business skills.

2. Active ownership and industrial development. Addtech works actively to increase the profitability of its subsidiaries, but the role of owner is exercised with care. Addtech seeks to combine the advantageous flexibility, personal touch and efficiency of a small enterprise with the resources, networks and industrial competence of a large corporation. Addtech believes that long-term growth and profitability are optimised by taking a small-scale approach on a large scale.

3. Acquisitions for growth and development. Acquisitions of new subsidiaries are necessary to create long-term profit growth and value for shareholders. New companies increase the value-adding base. They add sales volume, agency companies, customers, competence and - at least equally important - motivated leaders and entrepreneurs. New companies also bring opportunities for efficiency enhancements and development.

Market Drivers

Addtech operates in the international technology trading market, where players buy, adapt and sell technical products and solutions. The Group focuses on carefully selected niches with a high technology and knowledge content. Addtech's subsidiaries are key partners for industrial companies as well as for technology-intensive service companies in the private and public sectors in Northern Europe.

The Northern European market

Addtech's operational focus is on the Nordic countries, although markets outside the region have grown in importance in recent years. Besides having its own operations in 12 countries outside the Nordic region, it also exports to approximately a further 20 countries.

Driving forces

The long-term growth and profitability of the technology trading market depend on the size and diversity of the industrial and service sectors. Northern Europe's relatively high costs have spurred the development of knowledge-intensive, automated and specialised industrial and service sectors. This has also contributed to differentiation of the value chain, increased trade and greater reliance on external partners for product development and component modifications as well as for maintenance and other aftermarket services. Addtech cooperates with manufacturers who, via their in-house product development, supply market-leading, high-quality products with an advanced technological content. Cooperation with our companies should be the most profitable way for suppliers to sell their products in the geographic markets where we operate.

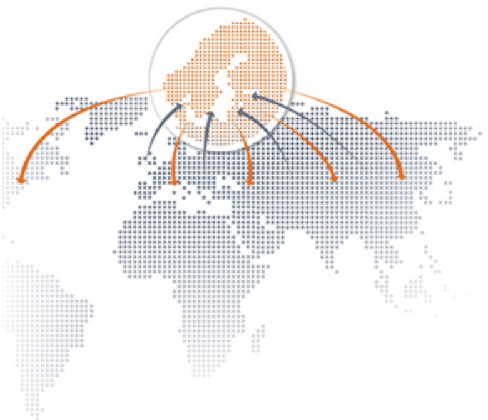
Customers need a partner who helps them select the right supplier and technology from an increasingly complex supplier market. When we can provide a range of market-leading products, combined with our own technological and market knowledge alongside flexible customisation options, we also become an attractive partner for customers. Our range of products and services is aimed at both end users and OEM customers (Original Equipment Manufacturers, who integrate Addtech's products into their own products).

Growth and profitability

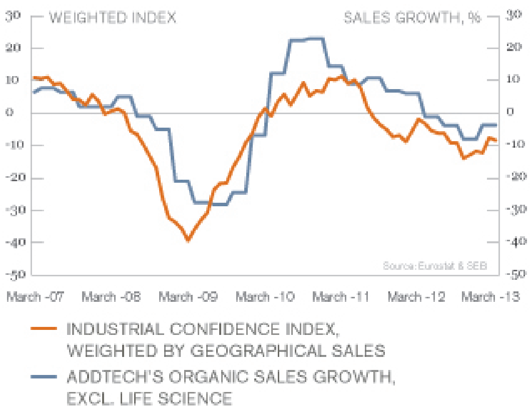
In the short term, growth and profitability are closely tied to the state of the economy in industry and the economic conditions prevailing in the Group's markets.

Addtech's focus on infrastructure, the public sector and narrow market niches reduces sensitivity to economic volatility. However, growth and profitability are highly dependent on the state of competition among our customers and their possibilities of performing well domestically and/or globally. As a result, it is crucial when selecting customers that resources are invested in niche markets offering long-term sustainability. Addtech therefore evaluates each of its markets on an ongoing basis to ensure that they offer the Group scope for reaching its financial targets.

Addtech around the world



Industrial production determines demand



Addtech is based in Nordic industry, but operates internationally

The subsidiaries find and represent market-leading manufacturers from all over the world. In addition, many of Addtech's products are incorporated into the end products of globally exporting customers. Addtech often continues to supply its parts to these customers when they relocate their manufacturing operations abroad.

Industrial production determines demand for Addtech's products

There is a close connection between Addtech's sales, excluding the Life Science business area, and industrial production.

Organisation and Corporate Culture

Addtech's subsidiaries are run using the 'freedom with responsibility' principle, and this independence is highly significant to Addtech's ability to retain and recruit business-driven employees and entrepreneurs. Freedom with responsibility means that the companies are free to run and develop their operating activities provided that they follow Addtech's business model and Group-wide rules. The Parent Company does not govern the details of the operating activities, but provides an array of tools that support efficiency and optimisation. The tools are used in areas such as law, accounting and finance, training, quality and IT systems as well as in framework agreements (master contracts) for purchase of services and consumables.

Business units create synergies

Addtech has grouped its subsidiaries with similar products and solutions into 16 business units under the four business areas to harness the benefits of the Group's network of suppliers, customers and competence. Each business unit is led by a manager who often doubles as managing director of one of the constituent companies. The business unit manager and business area management support the subsidiaries through board work and in matters of a more operational nature.

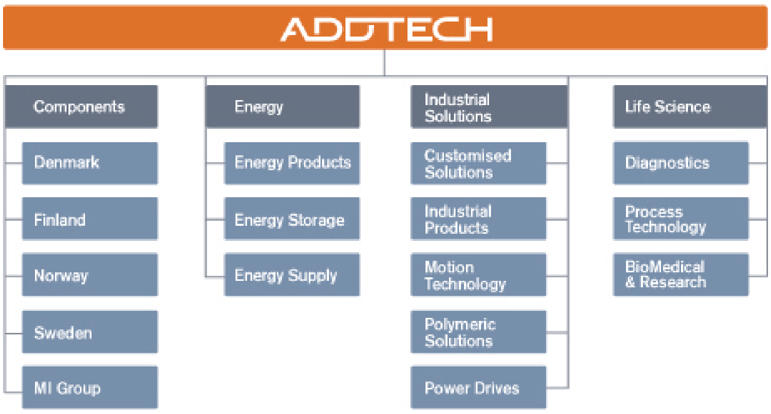
The main task of each business unit is to create exchanges between the subsidiaries to identify and capitalise on business opportunities in their respective market segments. Each unit has formulated its own vision for its market area or area of technology, and cooperation in the business units reinforces a broader and more customer-oriented business focus among the subsidiaries. The decentralised organisational model is dynamic and ready to accept new companies that contribute to growth and development. The business units help to further strengthen Addtech's positions in its selected market segments.

On 1 April 2013, a minor reorganisation of the Life Science business area took place, with the companies in BioNordika Group being moved from the Diagnostics business unit to the Research business unit, which thereby also changed names to BioMedical & Research. The reorganisation is the result of the operational development of recent years in the Life Science business area, where acquired companies have created new contacts between the companies, providing new cooperation opportunities.

Organisation for individual development

Addtech depends on skilled, highly proactive employees, and its operations are designed to give these people scope to flourish. The decentralised organisation safeguards employees' interest in developing their capacity to assume increased responsibility in their own subsidiary or other parts of the Group. Further career opportunities in a listed company may also be important to motivated entrepreneurs who are considering selling their business operation, but want to continue leading their companies within the framework of a larger company.

Organisation



Business-driven corporate culture

Addtech's long established corporate culture and shared core values serve as a good source of guidance for employees in their work. The corporate culture is rooted in business skills and high levels of technical expertise, combined with individual freedom and a willingness to take personal responsibility.

The attitude and approach of Addtech employees are decisive factors when customers and suppliers choose to do business with Addtech. The Group's employees are known among customers for their ability to create innovative solutions that meet customers' needs.

Employees' business skills also include an ability to see to their company's long-term profitability and growth based on doing business that benefits all parties.

Investing in skills development

The Group takes a long-term approach on several levels aimed at increasing internal knowledge transfer, furthering the growth of employees and refining the corporate culture. The Addtech Business School and various internal Group projects are key tools in this context. All employees attend the Vision & Corporate Philosophy course.

Addtech's CSR Work

Addtech runs long-term Corporate Social Responsibility (CSR) work that covers all subsidiaries in the Group. Addtech's overarching goal is to fulfil the requirements and expectations of customers, shareholders and employees regarding sustainable enterprise. CSR therefore means that Addtech takes long-term responsibility for the sustainable development of employees, the environment and profitability. Our CSR works strengthens us in this area, making us a better choice than our competitors.

In recent years, the Addtech Group has increased its ambitions in matters regarding working terms and conditions, the environment and ethics. We have had a Code of Conduct for several years that covers all subsidiaries, and each year a sustainability report is produced to present the results of our CSR work. Our reporting complies with the guidelines for Application Level C of the Global Reporting Initiative (GRI).

Addtech's corporate structure and operations, with about 130 companies, is a challenge when it comes to achieving rapid results in CSR work, and many units will introduce completely or partly new processes. At the same time, this work paves the way for creating greater value, for example through more attractive customer offerings, larger cost reductions and improved quality and HR work.

Sustainable development at Addtech

At Addtech we aim to continue to create value for our shareholders, employees, society and the environment. We summarise it into three categories - economic, social and environmental value creation.

- **Added economic value.** Economic strength is a cornerstone for investing in sustainable development, and Addtech is dedicated to ensuring that we are both competitive and cost-efficient.

- **Added social value.** A fundamental factor in Addtech's sustainable development is taking account of all the people affected by our operations. This includes our customers, suppliers, employees, collaboration partners and the communities in which we operate. Addtech's Code of Conduct acts as a compass for each employee and our suppliers are encouraged to work in line with it.
- **Added environmental value.** More than half of the electricity used in the Group comes from renewable sources. Our goal is to constantly increase this proportion. The Group's companies are primarily involved in technology trading, so our operations have a limited direct environmental impact. The Group continuously works on improvement measures in the areas where we can make a difference.

Code of Conduct

Addtech's CSR strategy is based on the Group's Code of Conduct. The central concepts of CSR are the environment, ethics and morality and they have long been part of the Group's operations. The Code applies not only to all employees in our own operations but also to our relationship with our suppliers of products and services. Our ambition is that our subsidiaries will work with suppliers towards achieving positive change. The Addtech Group's Code of Conduct is based on the UN's Global Compact, ILO's Core Conventions, and the OECD Guidelines for Multinational Enterprises. Read more at http://www.addtech.com/code-of-conduct

Sustainability report

The Addtech Group publishes a sustainability report that provides customers, employees, owners and other stakeholders with the opportunity to read about the development of our CSR work. The Group published its first sustainability report in 2011. The reports form the basis of the Group's further development in CSR. Reported topics include the Group's use of energy, climate impact, employee turnover and occupational health and safety.

Key events during the year

- Addtech conducted its annual employee survey covering all employees. The aim of the survey is to identify areas in which the Group and subsidiaries currently perform well as an employer and areas in which we can improve. This year's results were compared to those of the previous year and form an important indicator for Addtech's long-term and strategic staff development work in the Group.
- Addtech's CSR Council was established during the year. The Council includes representatives from Addtech's four business areas who, together with external experts, are to pursue CSR efforts in the Group and prepare proposals for guidelines and policies to govern sustainability work throughout the Group. In other words, it is to work to create value for our subsidiaries.
- Work on Addtech's supplier survey commenced during the previous financial year. This year, we took the matter one step further and evaluated the survey method. The aim is to perform a structured evaluation of Addtech's suppliers with the aim of ensuring that they comply with decent standards with respect to their employees and the environment. Addtech wishes to actively encourage suppliers to integrate CSR work into their business models so that we are heading in the same direction together in terms of value creation. We hope to implement a thorough supplier survey which is both relevant to Addtech's objectives and to the industry as a whole.

Read more in the sustainability report for 2012/2013 on www.addtech.com/addtechs-hallbarhetsarbete

GRI Index

Each year, the Addtech Group reports on its CSR work by producing a sustainability report that follows the guidelines of the Global Reporting Initiatives (GRI). This index shows which questions that have been answered and where you can find the answers. Source AR = Annual Report, SR = Sustainability Report. The report complies with the guidelines of the Global Reporting Initiative (GRI), application level C.

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Administration Report

1 April 2012 - 31 March 2013

The Board of Directors and the CEO of Addtech AB, company ID number 556302-9726, hereby submit the annual accounts and consolidated financial statements for the 2012/2013 financial year.

Market trend during the year

The business climate on many of the Group's markets was hesitant and uneven during the year. Demand varied between the months, but on the whole sales and profit for comparable units fell for the full year. Including the sales and profit contribution from the acquired companies, the Group's net sales increased by a total of 4 percent. Operating profit fell slightly from the previous year, however. During the course of the year, the market was fragmented, with business climate variations between different geographic markets, customer segments and product niches. In particular, sales to customers in the vehicle, paper and pulp, and engineering industries fell during the financial year. The Group's operations focusing on medical technology and energy-related market segments, and on Nordic healthcare, continued to perform well. In the production components market for Nordic manufacturing companies, the operations in Sweden and Denmark in particular were affected by a weaker business climate during the year. The Group's operations in Norway and Finland, and on non-Nordic markets, generally performed more strongly during the year.

Performance by quarter

- **First quarter.** The financial year started with relatively stable demand, despite the unease prevailing on many of the Group's markets. On the whole, the Group did not show any underlying growth in the quarter, and the 8 percent sales increase was mainly attributable to acquisitions. The market was fragmented, and the business climate varied between different geographic markets, customer segments and product niches. Demand in many product and market areas remained stable, but the market for production components from Nordic manufacturing companies featured greater caution. The Industrial Solutions business area in particular was affected by customer restraint during the quarter. For the Components business area, demand was relatively stable, but the trend was fragmented between the different geographic markets. The Energy and Life Science business areas enjoyed robust demand despite a more hesitant market in individual niches.

- **Second quarter.** In the second quarter, sales fell by 2 percent. There was a drop in production component sales to several of the Group's manufacturing customers. We saw greater caution among customers, resulting in delayed delivery plans. The Group's sales for comparable units declined in the quarter, while the contribution of acquired companies to sales and profit was as expected. The market was unchanged from the first quarter, with business climate variations between different geographic markets, customer segments and product niches. Both the Components and Industrial Solutions business areas experienced sustained subdued demand from Nordic manufacturing companies, particularly in the vehicle and engineering industry segments during the quarter. Demand was relatively stable for the Energy business area, although greater customer caution was noted here too, with delays in deliveries in certain segments. For the Life Science business area, demand remained robust for both diagnostic equipment and measuring and analysis instruments for the Nordic process industry.

- **Third quarter.** The unease prevailing on most of the Group's markets in the first two quarters continued into the third quarter. Sales increased by 2 percent. Demand varied between the months, but on the whole sales for comparable units fell in the quarter. In particular, sales of production components for manufacturing customers in the vehicle, paper and pulp and engineering industry fell. Several customers in manufacturing chose to shut down their production for a longer period in December this year than in previous years. During the quarter, the Group initiated activities to address the cost and working capital situation in the operations experiencing a poorer business climate. Sustained market weakness affected the Components operations, chiefly in Sweden and Denmark. For Industrial Solutions, the weakening trend seen in previous quarters continued into the third quarter and was noted in more market segments than before. New projects were delayed and demand for electromechanical components declined from several large customers in the special vehicles industry. The operations of the Energy business area showed overall stable demand, with many operations being affected by a weaker market, while others continued to enjoy a positive business climate. The robust demand for Life Science continued for diagnostic equipment and reagents.

- **Fourth quarter.** In the final quarter of the year, net sales rose by 7 percent. Comparable units fell by 2 percent and acquired growth totalled 11 percent. In the fourth quarter, the business climate in certain areas stabilised slightly and the decrease for comparable units was lower in the fourth quarter than in the second and third quarters. During the quarter, work continued on measures to adapt costs and working capital in selected operations. On the whole, the adaptations affected around 100 employees. For the Components and Industrial Solutions business areas, demand was relatively weak, chiefly from Nordic manufacturing companies in the vehicle and engineering industry segments. On the whole, the Energy business area enjoyed sound business activity in the quarter, although we noted variations between the different operations here too. Demand remained solid mainly for niche products in electrical power distribution. Life Science ended the year on a strong note, recording its highest ever sales. The sales and profit growth was generated both by its own operations and successful acquisitions. The market remained upbeat for diagnostic equipment. Sales of measuring and analysis instruments to the Nordic process industry were slightly weaker in the quarter due to shifts in deliveries in certain projects, while the sale of laboratory equipment ended on a strong note with several substantial instrument sales.

Key events during the year

To sum up, the 2012/2013 financial year featured a hesitant and uneven business climate with major variations between the months. The market is fragmented, with business climate variations between different geographic markets, customer segments and product niches. Focus during the year has been on enhancing the various operations and carrying out acquisitions in selected segments and niches. Eight companies were acquired in three of our business areas. The acquired companies have performed well, making a positive contribution to both sales and profit, and compensating for the overall weaker organic trend. During the year the Group has worked more actively on measures that affect the cost and working capital situation of the operations that are experiencing a less favourable business climate. The activities continue, and on the whole the adjustments have affected around 100 employees so far.

Financially, the Group's position was strong during the year. The equity/assets ratio remains high, and the net debt/equity ratio is low. The Group's profitability measured as P/WC came down from 53 percent to 45 percent during the year. The measures being taken in the various operations will lead to a better adapted cost level and reduced working capital which, combined with a strong financial position, give solid future opportunities. The Group is well-equipped for further expansion of its business.

Acquisitions and disposals

Addtech is constantly on the lookout for companies to acquire and is engaged in discussions with several possible companies. During this financial year Addtech made eight acquisitions that came into effect during the year. Six companies were acquired in the previous year. The past year's acquisitions were implemented in the Components, Energy and Life Science business areas and are diverse in terms of both markets and products.

Our three main reasons for acquisitions are so that our:

- Subsidiaries can make small-scale bolt-on acquisitions in order to reinforce existing operations in their niche.
- Business units can expand and build market and/or product positions in selected market segments.
- Business areas can add new market segments in the areas where we see the right conditions for being able to become market leaders.

Since becoming a listed company in 2001, Addtech has acquired around 70 companies. The following companies were acquired during the year:

- **Staubo Elektro Maskin.** On 1 July, Staubo Elektro Maskin AS was acquired and became part of the Addtech Energy business area. Staubo Elektro Maskin is a technology trading company that supplies comprehensive solutions in battery and power supply, electric motors and signalling systems. Staubo Elektro Maskin has 15 employees and sales of about NOK 65 million.
- **ASI Automatikk.** On 1 July, ASI Automatikk AS was acquired and became part of the Addtech Components business area. ASI Automatikk AS is a technology trading company that offers electromechanical components for machinery manufacturers and for the marine and offshore sector. ASI Automatikk has seven employees and sales of some NOK 40 million.

- **Leica Nilomark.** On 1 October Leica Nilomark Oy was acquired and became part of the Addtech Life Science business area. Leica Nilomark offers consumables and instruments for laboratories for healthcare and medical research. Leica Nilomark has ten employees and sales of around EUR 3 million.
- **Active Care.** On 8 October Active Care Sverup AB was acquired and became part of the Addtech Life Science business area. Active Care sells medical technology products with related consumables. Active Care has eight employees and sales of about SEK 25 million.
- **Quality Documentation.** On 1 November, the acquisition of Quality Documentation Scandinavia AB ("QDOC") took effect, with the company becoming part of the Addtech Components business area. QDOC is a technology trading company in the area of fibre and copper instruments, and network measuring, monitoring and documentation. The company has five employees and sales of about SEK 11 million.
- **Necks Electric.** On 1 November, the acquisition of the Necks Electric group took effect, with it becoming part of the Addtech Energy business area. The Necks Electric group is a supplier of holistic customised power line systems. The Necks Electric group has subsidiaries in Sweden, Poland, Norway and Finland. The group has approximately 175 employees and sales of around SEK 220 million.
- **Vallin Baltic.** On 30 November Vallin Baltic AS and Vallin Baltic SIA were acquired and became part of the Addtech Energy business area. The Vallinn Baltic companies are technology trading companies that provide electrical installation products with related measuring systems and telecom equipment in the Baltic countries. The companies have around 20 employees and sales of about SEK 50 million.
- **Norsk Analyse.** On 7 January the Norsk Analyse group was acquired and became part of the Addtech Life Science business area. The Norske Analyse group sells system solutions and analysers for gas and fluid analysis, and performs service and maintenance on delivered equipment. The Norsk Analyse group has subsidiaries in Sweden, Denmark, Finland, Trinidad/Tobago and Turkey. The group has around 60 employees and total sales of about NOK 120 million.

The total purchase consideration for the year's eight acquisitions was SEK 346 million.

The acquisitions had a combined effect of SEK 303 million on the Addtech Group's net sales, SEK 13 million on operating profit and SEK 7 million on profit after tax for the year. If the acquisitions had taken place at 1 April 2012, they would have had an effect of an estimated SEK 630 million on consolidated net sales, about SEK 45 million on operating profit and about SEK 25 million on profit after tax for the year. The acquisitions were made using an average EV/EBIT multiple of about 5. The number of Addtech employees increased by 300 people through the year's acquisitions.

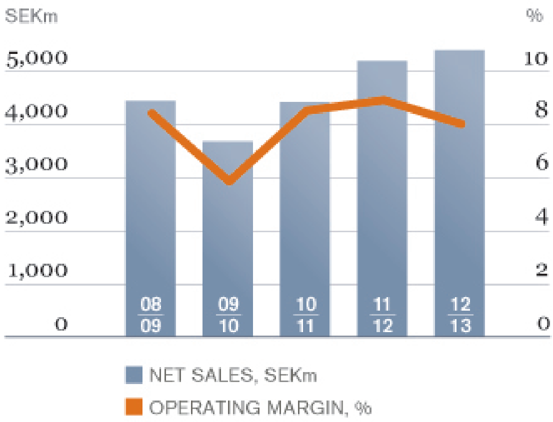
Net sales and profit

The Addtech Group's net sales rose by 4 percent during the financial year to SEK 5,403 million (5,200). Comparable units fell 4 percent and acquired growth was 9 percent. Exchange rate changes had an adverse effect of 1 percent on net sales, corresponding to SEK 79 million, and an adverse effect of 1 percent on operating profit, corresponding to SEK 5 million during the year.

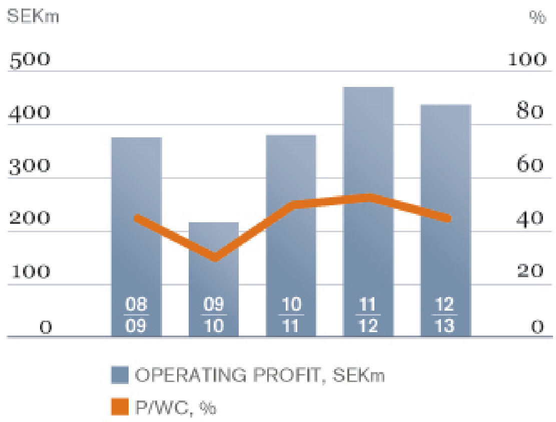
During the financial year, operating profit fell by 7 percent to SEK 437 million (470) and the operating margin reached 8.1 percent (9.0). The operating margin before amortisation of intangible non-current assets equalled 9.2 percent (10.1). Net financial items were SEK -29 million (-23) and profit after financial items decreased by 9 percent to SEK 408 million (447).

Profit after tax for the financial year declined by 1 percent to SEK 323 million (327) and EPS fell to SEK 14.60 (14.65). The effective tax rate was 21 percent (27). Following a changed tax rate in Sweden in 2013 from 26.3 to 22 percent, deferred tax fell by a net amount of SEK 25 million, which entailed tax revenue in the same amount. Excluding this change, the effective tax rate was 27 percent.

Net sales and operating margin



Operating profit and return on working capital (P/WC)



Profitability, financial position and cash flow

At the end of the financial year, the return on equity was 30 percent (34) and the return on capital employed was 25 percent (32).

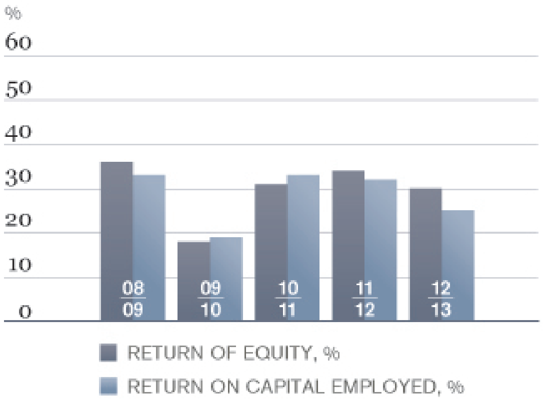
Return on working capital, P/WC (operating profit in relation to working capital), amounted to 45 percent (53). The long-term target for P/WC in the Group and all units is 45 percent. The P/WC profitability ratio encourages high operating profit and low levels of tied-up capital. When combined with the growth target of 15 percent, this provides conditions for profitable growth in the companies and Group. Average working capital, which comprises inventories plus net accounts receivable and accounts payable for the calculation of P/WC, reached SEK 969 million (890) at the end of the financial year.

At the end of the financial year the equity ratio stood at 37 percent (37). Equity per share, excluding non-controlling interest, totalled SEK 51.20 (46.20). Consolidated financial net debt at the end of the year stood at SEK 726 million (534) and included pension liabilities of SEK 201 million (195). Net debt in relation to operating profit with reversed depreciation/amortisation (EBITDA) amounted to 1.3 (0.9), and the net debt/equity ratio was 0.6 (0.5).

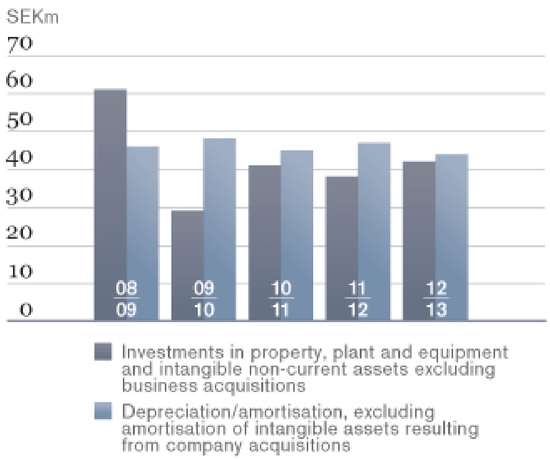
Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, totalled SEK 668 million (717) at 31 March 2013. The Group's available credit facilities totalled SEK 1,132 million (955) at 31 March 2013.

Cash flow from operating activities reached SEK 339 million (415) in the financial year. The separate transition rules in the new Tax Procedures Act for companies with split financial years gave rise to extra tax payments in the fourth quarter referable to the 2011/2012 taxation year. Investments in non-current assets were SEK 42 million (38) and company acquisitions, including settlement of additional purchase consideration for acquisitions implemented in previous years, totalled SEK 311 million (260). Disposals of non-current assets amounted to SEK 2 million (2). Dividend for the year amounted to SEK 174 million (156), repurchase of treasury shares to SEK 0 million (71) and exercised and issued call options totalled SEK 24 million (1).

Return on equity and capital employed



Investments, depreciation and amortisation



Trends and earnings of the business areas

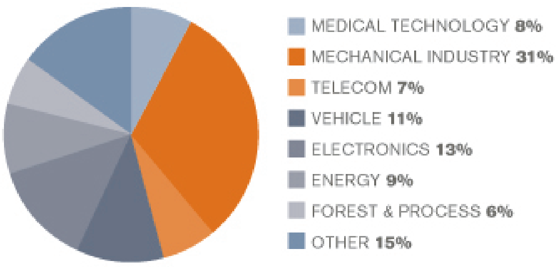
Addtech Components

Addtech Components' net sales decreased by 2 percent to SEK 1,542 million (1,568). Operating profit declined to SEK 98 million (125). Demand for the business area's production components has been weak on the whole since the second quarter, with major variations between different customer segments and geographic regions. Nordic manufacturers, particularly those in the vehicle and engineering industry segments and in electronics production, reduced their production rate during the year. Customer segments such as energy and medical technology enjoyed the most stable demand, and so did large machinery manufacturers with sales to markets other than the vehicle and engineering industry segments. The trend on Nordic markets varied, with sustained unease on the Swedish and Danish markets, while our operations in Norway and Finland performed well.

During the year, two companies were acquired which became part of the business area - ASI Automatikk AS and Quality Documentation Scandinavia AB.

	Addtech Components	
	2012/2013	2011/2012
Net sales, SEKm	1,542	1,568
Operating profit, SEKm	98	125
Operating margin, %	6.4	8.0
Working capital year average, SEKm	298	274
Return on working capital (P/WC), %	33	46
Investments in property, plant and equipment, SEKm	10	5
Average number of employees	420	376

Addtech Components sales by customer segment



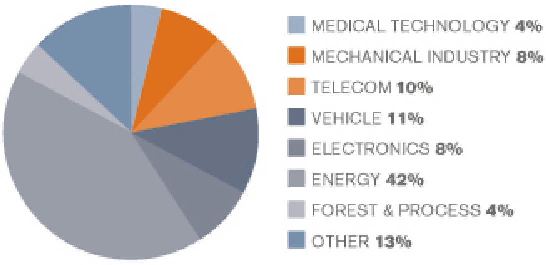
Addtech Energy

Addtech Energy's net sales totalled SEK 1,576 million (1,392), an increase of 13 percent. Operating profit amounted to SEK 152 million (151). On the whole, the business area's market was relatively stable during the year, starting and ending on a solid note, but with a weaker period during the second and third quarters. The business climate remained favourable for niche products in electrical power distribution. For electrical safety and electrical installation products, and aftermarket products for the energy sector, demand was stable overall during the year, although some manufacturing customers were more hesitant during the second half of the year. The market for new types of battery technology was subdued, while there was relatively sound demand for traditional battery solutions.

During the year the business area carried out three acquisitions, of Staubo Elektro Maskin AS, Necks Electric Holding AB and Vallin Baltic AS.

	Addtech Energy	
	2012/2013	2011/2012
Net sales, SEKm	1,576	1,392
Operating profit, SEKm	152	151
Operating margin, %	9.7	10.8
Working capital year average, SEKm	274	246
Return on working capital (P/WC), %	56	62
Investments in property, plant and equipment, SEKm	8	6
Average number of employees	477	379

Addtech Energy sales by customer segment

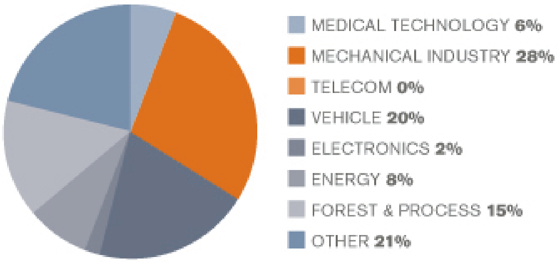


Addtech Industrial Solutions

Addtech Industrial Solutions' net sales fell by 8 percent to SEK 1,150 million (1,245). Operating profit declined to SEK 93 million (112). The business climate was relatively weak throughout the entire financial year, although it stabilised to a certain extent in the fourth quarter compared to the third. Demand for products made of polymeric materials was lacklustre on the Danish market, and many large clients in the special vehicles industry gradually reduced their demand for electromechanical components during the year. The weak business climate for electric motor solutions in the first half of the year improved, however, in the second half, and the machinery components and production equipment market was relatively stable.

	Addtech Industrial Solutions	
	2012/2013	2011/2012
Net sales, SEKm	1,150	1,245
Operating profit, SEKm	93	112
Operating margin, %	8.1	9.0
Working capital year average, SEKm	256	253
Return on working capital (P/WC), %	36	44
Investments in property, plant and equipment, SEKm	6	5
Average number of employees	524	518

Addtech Industrial Solutions sales by customer segment



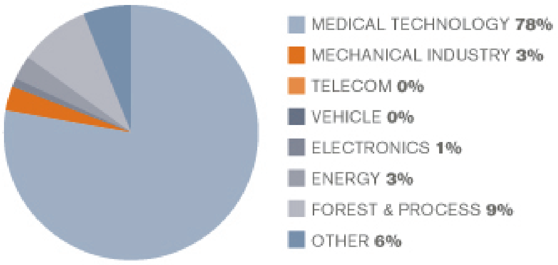
Addtech Life Science

Addtech Life Science's net sales were SEK 1,141 million (1,002), a 14 percent increase. Operating profit amounted to SEK 108 million (98). With a good final quarter, the business area for the first time achieved a full-year operating profit in excess of SEK 100 million. The growth in sales and profit came from a combination of solid organic growth and strategic acquisitions. Demand for diagnostic equipment and reagents from the Nordic healthcare sector was upbeat throughout the entire financial year. The market for measuring and analysis instruments for the Nordic process industry remained unchanged during the year, although the fourth quarter was weaker because of shifts in deliveries in certain projects. The market for equipment for Nordic healthcare and research laboratories, which was stable during the year, ended with a strong final quarter with several substantial instrument sales.

During the year the business area carried out three acquisitions, of Leica Nilomark OY, Active Care Sverup AB and Norsk Analyse AS.

	Addtech Life Science	
	2012/2013	2011/2012
Net sales, SEKm	1,141	1,002
Operating profit, SEKm	108	98
Operating margin, %	9.5	9.8
Working capital year average, SEKm	147	121
Return on working capital (P/WC), %	74	81
Investments in property, plant and equipment, SEKm	9	14
Average number of employees	347	299

Addtech Life Science sales by customer segment



Risks and uncertainties

Exposure to risks is part of the business. This is reflected in Addtech's ongoing risk management work, which aims to identify and measure risks and prevent them from occurring, and to continually make improvements, thus reducing potential risks. Our risk management focuses on business risks, financial risks and other potential material risks, such as legal risks. Assessments of the operation's risk take place in all units. The Addtech Group has internal rules in the form of policies and instructions that give the responsible managers tools with which to identify and follow up the progress of the operation and to detect deviations that could become risks. Monthly reports, in which the managers describe developments in their respective units, are a systematic way of following up the situation in our operations. In these monthly reports, 'warning flags' about negative deviations are raised or risks are identified.

Addtech's profit and financial position, as well as its strategic position, are affected by various internal factors within Addtech's control and various external factors over which Addtech has limited influence. Addtech's most significant risks are the state of the economy combined with structural changes and competition.

In addition, Addtech is affected by financial risks such as transaction exposure, translation exposure, financing risk, interest rate risk and credit and counterparty risk. See Note 3 for a more detailed description of how Addtech manages financial risks.

State of the economy

The markets in which Addtech is active largely follow general industry trends. The past year was a turbulent one in large parts of Europe, and the general state of the economy in industry was uneasy and relatively weak on many of our markets. Through the Life Science business area, trends in the national economy in general are important to the Group, because these trends partly govern the scope for investments and consumption in healthcare and research. In the Energy business area, public investments in infrastructure - primarily in electricity distribution - have certain significance to the development of the Group. Addtech's sensitivity to the economy is reduced through geographic spread and industry diversity, in that the customers of Addtech's 130 or so operating subsidiaries work in different phases of the business cycle, and through a focus on multiple niche markets. Addtech's significant sales of technical service, support and consumables to the aftermarket, as well as to healthcare and laboratories, reduce the risk of fluctuations in the economy in individual industries having a major impact on the Group.

Structural changes in customers' operations

Structural changes and consolidation in customer channels constantly accentuate demand for value added in offerings from suppliers. Companies active in the market must be of sufficient size in terms of financial strength, service content and product offerings. In many industries, parts of production have been subcontracted. This involves risks as well as opportunities for Addtech, because a contract manufacturer could choose other suppliers, or new business opportunities could materialise.

Heightened internationalisation in the past ten years has brought about the relocation of high-volume production in particular from the Nordic countries to Asia. Addtech's companies normally focus on the low and medium-sized volume segment, and such operations therefore often remain in the Nordic countries and Europe. The Group's exposure to a large number of industries and the fact that no single customer accounts for more than 2 percent of consolidated sales also reduce the impact of individual companies potentially deciding to relocate abroad. Clear value added and the uniqueness of Addtech's offering to customers generate opportunities to deliver beyond the immediate geographic area as well.

Competitive situation

Change and consolidation among companies in the technology trading industry are constantly altering the competitive situation. Economies of scale may pressure prices, but Addtech's strategy includes achieving market-leading positions in specific niches by offering products and services for which price is not the sole deciding factor. Many of the niches in which we operate are experiencing rapid technological development, involving a change in competition over time. Our companies have to be innovative and active in this movement in order to remain competitive on their markets.

Seasonal variations

Overall, Addtech's business has limited vulnerability to seasonal variations. Business activities normally follow the seasonal pattern of production industry operations, which means lower sales during the summer months. Based on historical results, just under half of the earnings are normally generated in the first two quarters of

Addtech's financial year (April-September), and just over half in the last two quarters (October- March). Major divergences from this pattern may occur if conditions in the economy change rapidly during the course of a financial year or in the event of substantial acquisitions. In individual operations in Addtech Life Science and Addtech Energy, seasonal variations are more substantial.

Employee risks

The companies in the Addtech Group strive to be attractive employers and provide their employees with sound opportunities for personal growth. Internal recruitment is Addtech's most important tool for the supply of managers, and our employees are our most important competitive advantage. Our skilled employees are business professionals with high technological expertise. Understanding of customers' businesses is crucial and often leads to more in-depth cooperation and development. It is therefore important for Addtech to constantly attract new employees and be able to retain our skilled employees. The Group therefore works long-term on several levels to increase knowledge transfer internally, help its employees to continue growing and refine its corporate culture.

For many years, the Group has been running its own Business School. It covers all employees and constitutes a key platform from which to convey corporate culture, enhance business acumen and raise the degree of professionalism among employees. The Business School creates scope for both personal and professional growth. The Group's deeply rooted decentralised corporate culture and entrepreneurship are additional important success factors for us.

The Group conducted its second employee survey during the financial year. This forms part of our heightened focus on conducting operations that are sustainable in the long term. The purpose of the survey is to find out how employees view the subsidiaries as employers, their work situation and what might potentially require further improvement and development in the individual companies and at Group level.

In conjunction with acquisitions, the Group places particular emphasis on motivating and ensuring long-term commitment from key people in the acquired company.

Changes in sales volumes

A small increase in volume in the Group's various operations can be expected to boost operating profit in line with the gross margin in that business. However, after a certain increase, the operation reaches a level of resource utilisation at which resources must be expanded. Incremental effects arise and tend to reduce the increase in earnings from additional volume to a level that eventually approaches the operating margin. When volumes decline, the negative effect on operating profit in the short term may be assumed to be greater than the corresponding positive effect of greater volumes. Action must be taken to deal with this negative effect so that, in the slightly longer term, it approaches the operating margin. It should also be noted that the Group's different businesses operate under varying conditions with respect to gross margins and resource utilisation, for instance. This leads to different possibilities of coping with volume growth within the framework of existing resources, or of reducing resources in the event of decreasing volumes. The effects shown should be seen as indications of more short-term effects only and do not include any effects of offsetting actions that the Group would take in such eventualities. The calculation below of effects of factors such as changed sales volume has therefore only taken into account a higher or lower contribution margin, not whether adaptation of the number of employees or other overheads needs to be adjusted accordingly.

Profit/loss items	Change	Effect on operating profit
Sales volume	+/-5%	+/-88 SEKm
Cost of sales	+/-1%	-/+32 SEKm
Payroll expenses	+/-1%	-/+9 SEKm
Overheads, not including payroll expenses	+/-1%	-/+5 SEKm

Acquisition risks

Addtech's overriding goal is to achieve growth combined with profitability. The Group's objective is earnings growth of at least 15 percent per year over the course of a business cycle. To achieve this we require a combination of organic growth and acquisitions. To ensure the success of our acquisitions, Addtech has a well-established process and structure for implementing the deals and integrating acquired companies into the Group effectively. All acquisitions involve a risk and it is not always certain that all acquisitions will prove favourable. Costs attributable to acquisitions may therefore be higher than expected and positive effects of acquisitions may sometimes take longer time to realise than expected. Acquired goodwill is tested annually for impairment. Goodwill testing takes place for each business unit. If goodwill is not deemed to have been correctly valued in such assessment, this may result in an impairment loss that would affect the Addtech Group's results.

Employees, environment and development

Employees

At the end of the period, the number of employees was 2,011, compared to 1,700 at the beginning of the financial year. The year's acquisitions increased the number of employees by 300 (155). The average number of employees in the latest 12-month period was 1,815 (1,612).

	2012/2013	2011/2012	2010/2011
Average number of employees	1,815	1,612	1,445
proportion of men	74%	72%	72%
proportion of women	26%	28%	28%
Age distribution			
-up to 29 years old	9%	7%	8%
30-49 years	58%	60%	60%
50 and older	34%	33%	32%
Average age	45 years	45 years	44 years
Personnel turnover (adjusted as a result of programmes of measures and disposals)	10%	10%	13%
Average length of employment	about 10 years	about 11 years	about 11 years

Environment and sustainable development

Active environmental efforts are made in the Group with the aim of reducing the Group's impact on the environment. The main business of Group companies consists of technology trading, so the environmental footprint of our own operations is limited. The combined environmental impact of the products that our companies provide also includes production operations at our suppliers, the transport of products and the way in which our customers use the products. We therefore take the entire lifecycle of our operations into account in the improvement work performed on a continual basis in the Group. Each company performs this work locally based on its specific circumstances.

In the Group, 45 companies (41) have earned ISO 14001 or equivalent certification. The Group conducts operations requiring notification under the Swedish Environmental Code in five subsidiaries and operations requiring a permit under this Code in three subsidiaries. Together these businesses account for about seven (9) percent of consolidated net sales.

No Group companies have been fined for environmental offences or are involved in any environment-related disputes.

During the financial year the Group continued to conduct more active sustainability work than in the past. This work started in 2010/2011 and we are now publishing our third sustainability report. This reporting complies with Application Level C of the Global Reporting Initiative (GRI). The Group's Code of Conduct includes all important issues in the environment, human rights, working terms and conditions, and corruption. The code is based on the UN's Global Compact, ILO's Core Conventions, and the OECD's Guidelines for Multinational Enterprises, and it is aimed at our operations and those of our suppliers.

Research and development

The Addtech Group conducts limited research and development. The Group's business model includes continuous dialogue with and feedback to the Group's suppliers, who conduct most of the R&D that is relevant to the Group's product range.

Principles for remuneration to senior management

The Board intends to propose that the Annual General Meeting in August 2013 approves the same guidelines as in the preceding year:

The guidelines are to relate to remuneration of the CEO and other members of Addtech Group management ('Group management').

Addtech seeks to offer a reasonable and competitive total remuneration package capable of attracting and retaining skilled individuals. The size of the overall package varies in relation to the performance of the employee and the Group and may comprise the different elements stated below.

A fixed salary forms the foundation of the total remuneration. The salary should be competitive and reflect the responsibilities of the position. Fixed salaries are reviewed annually.

Variable pay can be based on factors such as the Group's earnings growth, profitability and cash flow. Annual variable remuneration can be at most 40 percent of the fixed salary.

The Board of Directors will evaluate on an annual basis whether or not a long-term incentive programme shall be proposed to the Annual General Meeting and, if such is the case, whether or not the proposed long-term incentive programme shall include a transfer of shares in the Company.

Retirement pension and sickness and healthcare benefits should be structured in accordance with applicable rules and market norms. The pensions should be based on defined contribution plans where possible.

Other benefits may be provided to individual or all members of Group management and are structured to reflect market norms. These benefits may not account for a material portion of an individual's total remuneration package.

A notice period of 6 months applies to termination of own employment by members of Group management. They are entitled to a maximum notice period of 12 months if the Company terminates their employment contracts. Members of Group management whose contracts are terminated by the Company are entitled to severance pay of up to 12 months' salary, in addition to salary and other employment benefits during the notice period. No severance pay is payable if the employee initiates termination.

The Board of Directors is entitled to waive the above guidelines for remuneration in individual cases and if there are special reasons for doing so. In the event of any such deviation, information about this and the reasons for the deviation shall be reported at the next Annual General Meeting.

The remuneration committee appointed by the Board prepares and submits proposals for the remuneration of the CEO to the Board, which decides on the matter. The remuneration committee sets the remuneration of other members of Group management based on proposals from the CEO. The Board is informed of the remuneration committee's decisions.

See Note 6 Employees and employee benefits expense for more details.

Parent Company

Operations of the Parent Company, Addtech AB, include Group management, Group reporting and financial management.

Parent Company net sales totalled SEK 45 million (35) and profit after financial items was SEK 243 million (233). Income from interests in Group companies is included and totals SEK 234 million (227). At the end of the financial year the Parent Company's financial net debt stood at SEK 44 million (69).

Share capital, repurchase of treasury shares, incentive programmes and dividend

At 31 March 2013, Parent Company share capital stood at SEK 51,148,872, distributed over the following number of shares with a quotient value of SEK 2.25 per share.

Share class	Number of shares	Number of votes	Percentage of capital	Percentage of votes
A 10 votes	1,086,380	10,863,800	4.8	33.4
B 1 vote	21,646,452	21,646,452	95.2	66.6
Total	**22,732,832**	**32,510,252**	**100.0**	**100.0**

The total number of shareholders on 31 March 2013 was 3,379 (3,715). Two shareholders each control 10 percent or more of the votes: Anders Borjesson (with family interests) owns shares corresponding to 15.4 percent of the votes and Tom Hedelius (with family interests) owns shares corresponding to 14.8 percent of the votes.

Chapter 6, Section 2a of the Swedish Annual Accounts Act requires listed companies to disclose specific circumstances that may affect the prospects for acquiring the Company via a public share offer. In the event of the Company being delisted from NASDAQ OMX Stockholm or a party other than the present principal shareholder attaining an ownership holding exceeding 50 percent of the capital or votes, the granted credit line of SEK 300 million can be terminated.

Repurchase of treasury shares and incentive programmes

The Annual General Meeting in August 2012 authorised the Board of Directors to repurchase a maximum of ten percent of all shares in the Company during the period until the Annual General Meeting in 2013.

No treasury shares were repurchased during the financial year. At 31 March 2013, Addtech's holding of treasury shares was 811,400 Class B shares, with an average purchase price of SEK 124. These shares correspond to 3.6 percent of the number of shares issued and 2.5 percent of the votes. Of the shares repurchased, 682,300 shares secure the Company's undertakings to holders of call options, issued by the Company, on repurchased Class B shares. The average number of treasury shares held during the year was 934,801 (788,713).

The Board of Directors will recommend that the Annual General Meeting in August 2013 approves renewal of the mandate to repurchase treasury shares. The mandate would empower the Board to acquire Company shares during the period until the next Annual General Meeting, provided that the Company's holding does not exceed 10 percent of all shares in the Company at any time. Repurchases shall be made in the stock market. The proposed mandate would also allow use of repurchased shares as payment for acquisitions or disposal of the repurchased shares outside the stock market to finance acquisitions.

In accordance with a resolution of the August 2012 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed. If fully exercised, the number of B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the total number of shares and 0.6 percent of the votes. The call options were transferred at a price of SEK 11.60 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price of issued call options attributable to the share-based incentive programme for 2012 is SEK 214.50; the redemption period is 14 September 2015 until 3 June 2016.

In accordance with a resolution of the August 2011 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the number of shares outstanding and 0.6 percent of the votes. The redemption price of issued call options attributable to the share-based incentive programme for 2011 is SEK 179.40; the redemption period is 15 September 2014 until 29 May 2015.

In accordance with a resolution of the August 2010 AGM, 24 members of management were offered the opportunity to acquire 236,000 call options on repurchased Class B shares. Employees subscribed for 221,700 call options in the programme. If the options are fully exercised, the number of B shares outstanding will increase by 221,700, equivalent to 1.0 percent of the number of shares outstanding and 0.7 percent of the votes. The redemption price of issued call options attributable to the share-based incentive programme for 2010 is SEK 164.70; the redemption period is 16 September 2013 until 30 May 2014.

The redemption price of issued call options attributable to the share-based incentive programme for 2009 is SEK 127.70; the redemption period is 3 September 2012 until 14 June 2013. During the period 3 September 2012 until 31 March 2013, 175,400 options out of a total of 236,000 were redeemed to shares. The remaining 60,600 have been redeemed since the end of the financial year.

The Board has decided to propose that the Annual General Meeting in August 2013 approves an incentive programme according to the same, or an essentially similar, model as decided at the 2009-2012 AGMs.

Dividend

The Board of Directors proposes a dividend of SEK 8.00 (8.00) per share. The total dividend amounts to SEK 175 million (174). Addtech's dividend policy is to pay as a dividend more than 50 percent of average Group profit after tax over a business cycle. The proposed dividend represents a payout ratio of 55 percent (55).

Future prospects and events after the reporting period

Future prospects

The hesitant and uneven business climate that prevailed throughout most of the financial year looks set to continue for a while longer on most of our markets. We therefore generally expect a more modest growth rate in the coming year too. The market remains fragmented, with variations between different geographic markets, customer segments and product niches. While there are some signs of an upturn in certain segments, others feature uncertainty. Many of our customers state that they expect the autumn to be better, but that this remains to be seen.

During the year, the Group has conducted activities to adjust the cost and working capital situation in some of its operations. The adaptations continue, and have affected around 100 employees so far. These measures will lead to a better adapted cost level which, combined with a strong financial position, gives solid future opportunities. The Group stands well-equipped ahead of the opportunities that may arise with respect to both organic growth and acquisitions. The Group's goal is earnings growth of at least 15 percent per year over a business cycle, combined with profitability.

Events after the reporting period

One company has been acquired after the reporting period:

On 2 April, 80 percent of the shares in the Rutab group were acquired, forming part of the Energy business area. Rutab is a supplier of electrotechnical materials and components for automation technology, focusing on cable glands, conduits, cable guards and machinery cable. Rutab has around 40 employees and sales of about SEK 150 million.

Proposed allocation of earnings

See further under "Financial Statements".

Corporate governance

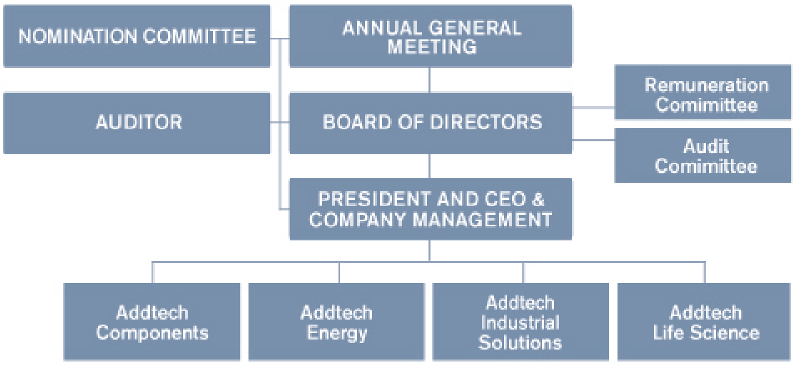
Principles for corporate governance

In addition to requirements stipulated by law or other ordinances, Addtech applies the Swedish Code of Corporate Governance (the Code). The Code is part of self-regulation in Swedish trade and industry and is based on the 'comply or explain' principle. This means that a company that applies the Code may deviate from certain rules but, if so, must provide an explanation and reason for each deviation.

Deviations from aspects of the Code and justification for such deviations are stated where applicable throughout the text. The Company deviates on three points, two of which are included in the section on the Nomination committee and one in the section on Quarterly review by auditors. The Company's auditor has examined this corporate governance report. The Company's website is: www.addtech.com.

Distribution of responsibilities

The aim of corporate governance is to create a clear distribution of roles and responsibilities between owners, the Board of Directors, the Board's committees and executive management. Corporate governance at Addtech is based on applicable legislation, mainly the Swedish Companies Act, the stock exchange listing agreement with NASDAQ OMX Stockholm, the Swedish Code of Corporate Governance (the Code) and internal guidelines and regulations.



System for internal control and risk management in financial reporting

Internal control

The Board of Directors has overall responsibility for ensuring that the Group has an effective system for management and internal control. This responsibility includes annually evaluating the financial reports it receives and stipulating the content and format of these reports to ensure their quality. This requirement means that the financial reporting must fulfil its purpose and comply with applicable accounting rules and other requirements incumbent on listed companies. The CFO annually reports on the Group's internal control work to the Board.

Control environment

Addtech builds and organises its business on the basis of decentralised responsibility for profitability and earnings. Internal control in a decentralised operation is founded on a firmly established process for defining goals and strategies for each operation. Internal directives and Board-approved policies convey defined decision-making channels, powers of authority and responsibilities. The financial and currency policy, reporting manual, treasury manual and instructions for each annual/quarterly accounts are the Group's primary financial policy documents. A Group-wide reporting system with related analysis tools is used in the Group's annual/quarterly accounts process. At a more comprehensive level, all operations in the Addtech Group must comply with the Group's Code of Conduct.

Risk assessment

Addtech has set procedures for managing the risks that the Board and Company management deem pertinent to internal control of financial reporting. The Group's exposure to several market and customer segments and the fact that operations are run in approximately 130 companies constitute a substantial distribution of risks. Risk assessments begin with the Group's income statement and balance sheet to identify the risk of material errors. For the Addtech Group as a whole, the greatest risks are linked to inventories and carrying amounts of intangible non-current assets related to business acquisitions, as well as revenue recognition.

Control activities

Control activities include transaction-related controls such as authorisation and investment rules and clear payment procedures, but also analytical controls performed by the Group controller function and the central finance and accounting function. Controllers and financial managers at all levels of the Group play a key role in creating the right environment for transparent and true financial reporting. This role places great demands on integrity, expertise and the capabilities of individuals.

Regular finance conferences are held to discuss current issues and safeguard effective sharing of knowledge and experience within the finance and accounting functions. The monthly review of results that is performed via the internal reporting system and is analysed and commented on internally by the Board is a key overall control activity. The review includes an evaluation of results compared to targets set and previous performance as well as a follow-up of key indicators.

A 'self-evaluation' of internal control issues is performed in all Group companies each year. The companies comment on how important issues were handled, such as business terms and conditions in customer contracts, assessments of customers' credit ratings, valuation and documentation of inventories, payment procedures, documentation and analysis of financial statements/closing accounts, and compliance with internal policies and procedures. An accepted minimum level has been set for critical issues and processes, and all companies are expected to meet this level. The responses of each company are validated and commented on by that company's external auditor in conjunction with the ordinary audit. The responses are then compiled and analysed, after which they are presented to business area management and Group management. The results of self-evaluation are taken into consideration in planning the self-evaluation and external auditing for the coming year.

In addition to the 'self-evaluation' work, a more in-depth analysis of the internal control in about 20 operating companies takes place each year. This is classed as 'internal auditing' and is performed at the companies by business area controllers and employees from the Parent Company's central finance and accounting function. This audit work involves charting and testing the companies' key processes and control points in such processes. The external auditors study the records kept of the internal audits in conjunction with their audit of the companies. The process provides a good foundation on which to chart and assess the internal control in the Group. KPMG also performs an annual review and assessment of the Group's internal control process.

Follow-up, information and communication

The Board receives monthly comments from the CEO regarding the business situation and development of operations. The Board reviews all quarterly reports and the annual report before their publication. The Board is updated annually about the internal control work and its results. The Board also examines the assessment made by KPMG of the Group's internal control processes.

The Group CFO, Group controller and business area controllers analyse the outcome of the internal control each year. An assessment is made of the improvement measures that are to be implemented in the various companies. The boards in the Group companies are informed of the outcome of the internal control in each company and the improvement measures that should be implemented. The business area controllers and company boards subsequently follow up this work on a continual basis during the following year.

Governance guidelines, policies and instructions are available on the Group intranet. The documents are regularly updated as needed. Changes are communicated separately via email and at meetings for controllers and financial managers.

Access to the documents for internal information on the intranet is governed via levels of authorisation. The Group's employees are divided into different groups and the groups have various levels of access to information. All financial guidelines, policies and instructions are available for each company's managing director and financial manager, business unit managers, business area managers, business area controllers and the central finance and accounting function. Access to financial data for the Group is also governed centrally via levels of authorisation.

Internal auditing

In light of the above risk assessment and structure of control activities, including self-evaluation and a more in-depth analysis of internal control, the Board has chosen not to have a separate internal auditing function.

Auditor

The Articles of Association stipulate that a registered auditing firm be selected as auditor.

The Company's auditor works according to an audit plan that includes comments from the Board and reports his or her findings to company managements and business area managements, Group management and the Board of Addtech AB. This takes place during the audit and when establishing the annual accounts. The Company's auditor also takes part in the Annual General Meeting, describing and commenting on his or her audit work.

The independence of the external auditor is regulated in a special directive decided on by the Board. It states the areas in which the services of the external auditor may be used regarding issues that are not part of regular auditing. KPMG continually assesses its independence of the Company and submits written affirmation to the Board each year stating that the auditing firm is independent of Addtech. In the past year, the auditors performed advisory assignments, mainly concerning accounting and taxation issues. The total fee for KPMG's non-auditing services totalled SEK 1.5 million during the 2012/2013 financial year and SEK 0.9 million during the preceding year.

The 2009 Annual General Meeting elected KPMG to serve as the Company's auditor until the close of the 2013 Annual General Meeting. Joakim Thilstedt is the Auditor in charge. KPMG audits Addtech AB and practically all its subsidiaries.

Quarterly review by auditors

Addtech's six-month or nine-month reports were not reviewed by Addtech's external auditors during the 2012/2013 financial year, which deviates from the rules of the Code. Among other things, after consultation with the Company's external auditors, the Board has so far judged that the additional cost to the Company of extended quarterly reviewing by the auditors cannot be justified.

Ownership and shareholdings

Addtech is a public limited liability company and was listed on NASDAQ OMX Stockholm on 3 September 2001. The Company was previously part of the listed Bergman & Beving group. Data on owners and shareholdings are provided in the section on the Addtech share in the annual report. Anders Borjesson (with family interests) and Tom Hedelius (with family interests) are the only shareholders who have a direct or indirect shareholding in the Company that represents at least a tenth of the number of votes for all shares in the Company.

Limitations to voting rights

The Company's Articles of Association do not limit the number of votes that each shareholder may cast at an Annual General Meeting.

Articles of Association

According to the Articles of Association, the Company's name is Addtech Aktiebolag. Addtech is a public company. Share capital amounts to SEK 51,148,872 and the number of shares is 22,732,832, of which 1,086,380 are Class A shares, entitling holders to 10 votes per share, and 21,646,452 are Class B shares, with one vote per share.

The Company's financial year is from 1 April to 31 March and the AGM is to be held in Stockholm.

The Company's Articles of Association have no special provisions about the appointment and dismissal of Board members and about amendments to the Articles.

For the full Articles of Association, which the AGM on 24 August 2009 adopted in their present form, see the Company's website under Investors/Corporate governance/Articles of association of Addtech.

Annual General Meeting

The Annual General Meeting (AGM) is the highest decision-making body at which shareholders exercise their voting rights. The AGM makes decisions on the annual report, dividend, election of the Board (and auditor where applicable), remuneration to Board members and the auditor and other issues as per the Swedish Companies Act and the Articles of Association. More information about the AGM and the minutes are available on the Company's website.

No special arrangements regarding the function of the AGM, due to any provisions in the Articles of Association or as far as is known to the Company due to shareholder agreements, apply in the Company.

The 2012 Annual General Meeting

Shareholders representing 61.4 percent of the share capital and 71.3 percent of the votes took part in the AGM on 29 August 2012. Anders Borjesson was elected Chairman of the meeting. The meeting's decisions included approving a dividend of SEK 8.00 per share and a share-based incentive programme. Johan Sjö, the Company's President and CEO, commented on the Group's operations, the 2011/2012 financial year, developments during the first quarter of the new financial year and the Group's outlook for the future.

Board members Anders Borjesson, Eva Elmstedt, Tom Hedelius, Johan Sjö and Lars Spongberg were re-elected, and Ulf Mattsson was newly elected. Anders Borjesson was elected Chairman of the Board. At the subsequent first meeting of the new Board following its election, Tom Hedelius was re-appointed Vice Chairman of the Board.

In accordance with the Board's proposal, the AGM authorised the Board of Directors to purchase and dispose of shares in the Company on one or more occasions during the period until the next AGM. The objective of repurchases is to allow for adaptation of the Group's capital structure, and also to enable the Company to pay for future acquisitions of companies or operations using the Company's own (treasury) shares. Holdings of treasury shares also enable the Company to fulfil its commitments in the share-based incentive programmes decided on at the AGMs in 2009, 2010, 2011 and 2012. Purchases shall be made on the NASDAQ OMX Exchange in Stockholm at a price within the range registered at any given time, which is the interval between the highest purchase price and the lowest sale price. Purchases of treasury shares are limited by the stipulation that the Company's total holding of treasury shares shall not exceed 10 percent of all shares in the Company at any time.

Disposal of the Company's treasury shares should be possible with or without preferential rights for shareholders, although not via NASDAQ OMX Stockholm. Disposals may take place to finance acquisitions of companies or operations.

At the first meeting of the new Board following its election, the Board of Directors of Addtech AB decided to utilise the authorisation that the AGM on 29 August 2012 granted to the Board to repurchase shares in the Company.

The 2012 AGM was held in Swedish and, in light of the ownership structure, simultaneous interpretation to other languages was not deemed necessary. All material for the meeting was available in Swedish and English. Due to the ownership structure, the minutes of the AGM are only available in Swedish.

Information about the 2013 AGM is available in the Shareholder information section of the annual report and on the Company's website.

Board of Directors

Board structure

According to the Company's Articles of Association, the Board of Directors is to consist of at least three and at most nine members.

Since 2012, the Board of Directors has comprised the following members elected by the AGM: Anders Borjesson (Chairman), Eva Elmstedt, Tom Hedelius (Vice Chairman), Ulf Mattsson, Johan Sjö and Lars Spongberg. The members of the Board of Directors are presented in the Board and management section of the annual report and on the Company's website. All Board members are independent of the Company, apart from Johan Sjö, who is employed in the Company as the CEO. In addition to being independent of the Company, Eva Elmstedt, Ulf Mattsson and Lars Spongberg are also independent of the Company's major shareholders. The Board thus complies with the requirement that at least two of the members who are independent of the Company are also independent of major shareholders.

Board fees

In accordance with the AGM's decision, the fee to each of the external Board members elected by the AGM amounts to SEK 225,000. The Chairman receives SEK 450,000 and the Vice Chairman receives SEK 350,000. Total Board fees amount to SEK 1,475,000, as decided on by the AGM.

Chairman of the Board

The task of the Board Chairman is to ensure that Board work is well organised and efficiently run and that the Board performs its duties. In particular, the Chairman is to organise and lead the work of the Board to create the best possible conditions for the Board's work. The Chairman shall also ensure that any new Board member undergoes requisite introductory training, as well as other training that the Chairman and member jointly deem suitable, that the Board members continually update and deepen their knowledge of the Company, that the Board meets when required and that it receives satisfactory information and background material for making decisions in its work. Additionally, the Chairman shall establish proposals for Board meeting agendas after consulting with the CEO, check that Board decisions are implemented and ensure that Board work is evaluated annually. The Chairman is responsible for contacts with the owners about ownership issues and for conveying owners' opinions to the Board.

Board duties

The Board of Directors annually establishes written procedural rules governing its work and internal delegation of Board duties, including Board committees, Board decision-making processes, Board meeting procedures and the work of the Chairman. The Board has also issued a directive to the CEO and a directive regarding financial reporting to the Board. The Board has adopted various policies for the Group's operations such as a Financial Policy, Investment Policy and Addtech's Code of Conduct.

The Board oversees the work of the CEO through continuous monitoring of operations during the year and is responsible for ensuring that the organisation, the management and the guidelines for managing Company affairs are appropriate, and that the Company has good internal control and effective systems for following up and controlling the Company's operations as well as for ensuring compliance with laws and regulations that apply to the Company's operations. The Board is also responsible for establishing, developing and following up the Company's goals and strategy, decisions on acquisitions and disposals of operations, major investments and the appointment and remuneration of Group management. The Board and the CEO are responsible for submitting the annual accounts to the AGM.

Board work is evaluated annually in a process led by the Board Chairman, and the nomination committee is informed of the result of the evaluation. The Board continually evaluates the CEO's work. This issue is specially addressed annually, and no one from Company management attends this evaluation. The Board also evaluates and decides on material assignments held by the CEO outside the Company if he has any such assignments.

Board work

According to the Board's procedural rules, the Board is to meet in conjunction with presentation of the interim reports, at an annual strategy meeting and at the first post-election meeting of the new Board per year as well as on other occasions if required. The Board held seven meetings during the financial year, of which four preceded the 2012 AGM and three followed it. The next table shows attendance at Board meetings.

Board member	Elected	Board	Remuneration committee	Audit committee	Independent in relation to the Company	Independent in relation to major shareholders
Number of meetings		7	1	1		
Anders Börjesson (Chairman of the Board)	2001	6	1	1	Yes	No
Eva Elmstedt	2005	7		1	Yes	Yes
Tom Hedelius (Vice Chairman of the Board)	2001	7	1	1	Yes	No
Ulf Mattsson	2012	4			Yes	Yes
Johan Sjö	2008	7			No	Yes
Lars Spongberg	2001	7		1	Yes	Yes

The Company's CFO is the Board Secretary and the secretary of the nomination committee. Other salaried employees in the Company take part in Board meetings to present certain issues or when otherwise judged suitable. The Board's work during the year addressed various issues, for example concerning the Group's strategic development, day-to-day operations, the earnings trend, the profitability trend, business acquisitions, organisation, and the Group's financial position.

Remuneration committee

The remuneration committee elected by the Board of Directors consists of: Anders Borjesson (Board Chairman) and Tom Hedelius (Vice Chairman), and Johan Sjö as the reporting member. The remuneration committee draws up the 'Board's proposal for principles regarding remuneration to senior management'. The Board discusses the proposal, which is then presented to the AGM to decide on. The Board sets the remuneration of the CEO based on the AGM's decision. The CEO does not report on his own remuneration and does not take part in making the Board decision. The remuneration committee sets the remuneration of other members of Group management based on proposals from the CEO. The Board is informed of the remuneration committee's decisions. The remuneration committee then has the task of monitoring and evaluating application of the guidelines for remuneration to senior management as decided on by the AGM. In addition, the remuneration committee must monitor and evaluate ongoing programmes, and those completed during the year, for variable remuneration to the Company management.

The remuneration committee had one meeting during the financial year.

Audit committee

The Board has appointed an audit committee consisting of the Board members who are not employed by the Company, in other words, Anders Borjesson, Tom Hedelius, Eva Elmstedt, Ulf Mattsson and Lars Spongberg. The audit committee's tasks were integrated into Board work at the Board's regular meetings, so the Board Chairman also acted as Chair of the audit committee. The committee Chair has accounting and auditing knowledge.

Eva Elmstedt, Ulf Mattsson and Lars Spongberg are also independent of the Company's major shareholders and have accounting knowledge.

Without affecting the Board's responsibility and tasks in other respects, the audit committee shall monitor the Company's financial reporting; monitor the effectiveness of the Company's internal control and risk management regarding the financial reporting; stay informed about the audit of the annual accounts and the consolidated financial statements; assess and monitor the impartiality and independence of the auditor and in doing so shall pay particular attention to whether the auditor provides the Company with other services besides auditing services; and assist in drawing up proposals for the AGM's decision on selection of an auditor.

In conjunction with the adoption of the 2011/2012 annual accounts at the May 2012 Board meeting, the Board held discussions with the Company's external auditors and received their reporting. At this meeting, the Board also discussed matters with the auditors without the CEO or other members of Company management being present. A corresponding meeting was held in May 2013 for the 2012/2013 financial year.

Chief Executive Officer

Johan Sjö is the CEO of Addtech. He is presented in the Board and management section and on the Company's website.

The CEO heads the operations as per the requirements of the Swedish Companies Act and the frameworks set by the Board. In consultation with the Board Chairman, the CEO prepares requisite documentation for information and decisions prior to Board meetings, gives presentations and explains proposals for decisions. The CEO leads the work of Group management and makes decisions in consultation with other members of the management. Group management consists of Johan Sjö, Artur Aira, Anders Claeson, Ake Darfeldt, Hakan Franzen and Kristina Willgard. Group management regularly reviews operations in meetings chaired by the CEO. The members of Group management are presented in more detail in the Board and management section of the annual report and on the Company's website.

Operating organisation

The Group's operations are organised in four business areas: Addtech Components, Addtech Energy, Addtech Industrial Solutions and Addtech Life Science. The business is conducted through subsidiaries in Sweden, Denmark, Finland, Norway, the United Kingdom, Austria, Germany, Poland, Estonia, Latvia, Lithuania, Japan, China, Taiwan, Trinidad/Tobego and Turkey. Each operating company has a board of directors, in which the company's managing director and employees in managerial positions from business areas or business units are represented. Within each business area the companies are organised in business units linked to product or market concepts. Each company's managing director reports to a business unit manager, who in turn reports to the business area manager. Each business area manager reports to the CEO of Addtech AB. The business areas and business units hold internal board meetings chaired by the CEO of Addtech AB and the managers of the business areas, respectively.

Acquisition of companies

Acquisitions are a key part of the Group's growth strategy, and since its listing in 2001 Addtech has acquired more than 70 companies. From a governance perspective it is important, in certain issues of significance to the Group, to integrate the acquired company directly in conjunction with the acquisition. This work starts before the takeover date, during the negotiation and analysis period. Immediately after the new ownership commences, the company's employees receive training in matters such as the Group's financial reporting, which enables consolidation in the Group's accounts right from the acquisition date. Other areas may consist of drawing up administrative routines to comply with the Group's established working methods, integration in the Group's insurance programmes, or training titled Vision and Corporate Philosophy, in which all employees receive the opportunity to learn about the Group's core values.

Nomination committee

The Annual General Meeting in August 2011 authorised the Board Chairman to establish a nomination committee for the 2012 AGM. The members were to be selected from representatives of the five shareholders known to the Company who controlled the largest number of votes at 31 December 2011, to serve with the Chairman on the nomination committee. The following were thus chosen: Marianne Nilsson (representing Swedbank Robur), Martin Wallin (representing Lannebo Fonder), Johan Strandberg (representing SEB fonder), Tom Hedelius, and Anders Börjesson (Chairman of the Board). For the AGM in August 2012, the nomination committee presented proposals for AGM Chairman, number of Board members, fees to Board members and auditors, candidates for Board members and Board Chair, and proposals for how to appoint the nomination committee in preparation for the AGM in 2013 and its tasks.

The committee had two meetings at which minutes were taken prior to the 2012 AGM. Addtech's Board Chairman provided the nomination committee with information on the Board's own evaluation. In its evaluation, the nomination committee stated that the Board was effective and that the competence required was represented on the Board. The Board was reduced by one member in 2009 and the nomination committee and Board agreed that adding a new Board member would complement the present Board. The proposal of the nomination committee thus involves the re-election of all members plus the election of a new member.

The Board is responsible for costs linked to performance of the nomination committee's assignments. The members of the nomination committee receive no remuneration from the Company for their work on the committee. During the year the Company paid no costs linked to the nomination committee's assignments.

In August 2012, the AGM resolved that selection criteria and policies for appointing the nomination committee and its assignments shall not be decided annually by the AGM. Rather, the selection criteria and the procedure applicable in previous years shall apply until further notice unless changes need to be made.

The nomination committee comprises: Marianne Nilsson (representing Swedbank Robur), Martin Wallin (representing Lannebo Fonder), Johan Strandberg (representing SEB fonder), Tom Hedelius, and Anders Börjesson (Chairman of the Board). Two nomination committee members are Board members and are not independent of the Company's major shareholders, which deviates from the Code's rules on composition of the nomination committee. If more than one Board member is included on the nomination committee, no more than one of them may be in a position of dependence in relation to the Company's major shareholders. The composition of the committee follows the principles set by the AGM. Anders Borjesson is chairman of the nomination committee and Board Chairman. This deviates from the Code's rules which state that the chairperson of the nomination committee shall not, without an explanation, be a Board member of the Company. However, the Chairman knows the Company and other shareholders well. In conjunction with its first meeting, the nomination committee also deemed it suitable that the committee chairperson should be the member who represents the largest group of shareholders. The composition of the nomination committee was disclosed in conjunction with presentation of the interim report on 12 February 2013.

The nomination committee is to present proposals for selection of an AGM Chairman, the number of Board members, fees to each of the Board members, candidates for Board members and the Board Chair, as well as choice of registered auditing firm and auditing fees. The proposals of the nomination committee to the AGM will be presented in the notice to attend the meeting and on the Company's website.

Contraventions

The Company has not contravened any regulations that apply to the stock exchange on which the Company's shares are listed for trading, nor has it contravened fair practice in the stock market.

Financial Statements

Consolidated Income Statement

SEKm	Notes	2012/2013	2011/2012
Net sales	4, 5	5,403	5,200
Cost of sales		-3,639	-3,495
Gross profit		**1,764**	**1,705**
Selling expenses		-1,001	-921
Administrative expenses		-339	-316
Other operating income	9	21	13
Other operating expenses	9	-8	-11
Operating profit	**3-10,16**	**437**	**470**
Finance income	11	4	7
Finance costs	11	-33	-30
Net financial items		**-29**	**-23**
Profit before tax		**408**	**447**
Income tax expense	13	-85	-120
PROFIT FOR THE YEAR		**323**	**327**
Attributable to:			
Equity holders of the Parent Company		318	322
Non-controlling interests		5	5
Earnings per share (EPS), (SEK)	30	14.60	14.65
Diluted EPS (SEK)	30	14.60	14.60
Average number of shares after repurchases (’000s)		21,798	21,944
Number of shares at end of period after repurchases (’000s)		21,921	21,746

Consolidated Statement of Comprehensive Income

SEKm	2012/2013	2011/2012
Profit for the year	323	327
Cash flow hedges	0	1
Foreign currency translation differences for the period	-49	-1
Tax attributable to other comprehensive income	0	0
Other comprehensive income	**-49**	**0**
Comprehensive income for the year	**274**	**327**
Attributable to:		
Equity holders of the Parent Company	270	322
Non-controlling interests	4	5

Consolidated Balance Sheet

SEKm	Notes	31 Mar 13	31 Mar 12
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	1,192	1,012
Property, plant and equipment	15	166	156
Financial assets	17	10	11
Non-current receivables	17	4	3
Deferred tax assets	13	0	0
Total non-current assets		**1,372**	**1,182**
CURRENT ASSETS			
Inventories	18	675	650
Tax assets		33	0
Accounts receivable	3	793	760
Prepaid expenses and accrued income	19	67	49
Other receivables		50	41
Cash and cash equivalents		72	50
Total current assets		**1,690**	**1,550**
TOTAL ASSETS		**3,062**	**2,732**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	**20**		
Share capital		51	51
Other contributed capital		344	344
Reserves		-68	-20
Retained earnings, including profit for the year		795	629
Equity attributable to equity holders of the Parent Company		**1,122**	**1,004**
Non-controlling interests		16	13
Total shareholders' equity		**1,138**	**1,017**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current interest-bearing liabilities	24	11	27
Provisions for pensions	22	201	195
Deferred tax liabilities	13	194	193
Total non-current liabilities		**406**	**415**
CURRENT LIABILITIES			
Current interest-bearing liabilities	25	586	362
Accounts payable		480	489
Tax liabilities		33	42
Other liabilities		153	141
Accrued expenses and deferred income	26	257	253
Provisions	23	9	13
Total current liabilities		**1,518**	**1,300**
Total liabilities		**1,924**	**1,715**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,062**	**2,732**

For information about contingent liabilities and pledged assets, see Note 27

Consolidated Cash Flow Statement

SEKm	Notes	2012/2013	2011/2012
OPERATING ACTIVITIES			
Profit after financial items		408	447
Adjustment for items not included in cash flow	28	101	102
Income tax paid		-166	-112
Cash flow from operating activities before changes in working capital		343	437
Cash flow from changes in working capital			
Changes in inventories		20	-26
Changes in operating receivables		49	-51
Changes in operating liabilities		-73	55
Cash flow from operating activities		**339**	**415**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-35	-32
Disposal of property, plant and equipment		2	2
Acquisition of intangible non-current assets		-7	-6
Acquisition of operations, net liquidity effect	28	-311	-260
Disposal of operations, net liquidity effect	28	-	0
Cash flow from investing activities		**-351**	**-296**
FINANCING ACTIVITIES			
Repurchase of own shares		-	-71
Exercised and issued call options		24	1
Borrowings		310	396
Repayments on loans		-110	-284
Other financing		-1	-2
Dividend paid to equity holders of the Parent Company		-174	-156
Dividend paid to non-controlling interests		-4	-3
Cash flow from financing activities		**45**	**-119**
Cash flow for the year		**33**	**0**
Cash and cash equivalents at beginning of year		50	50
Exchange differences on cash and cash equivalents		-11	0
Cash and cash equivalents at year-end		**72**	**50**

Consolidated Statement of Changes in Equity

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Total, equity holders of the Parent Company	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE							
1 Apr 12	**51**	**344**	**-20**	**629**	**1,004**	**13**	**1,017**
Comprehensive income for the year	**–**	**–**	**–**	**318**	**318**	**5**	**323**
Cash flow hedges	–	–	0	–	0	–	0
Foreign currency translation differences for the period	–	–	-48	–	-48	-1	-49
Tax attributable to other comprehensive income	–	–	0	–	0	–	0
Other comprehensive income	**–**	**–**	**0**	**–**	**0**	**–**	**0**
Total comprehensive income	**–**	**–**	**-48**	**318**	**270**	**4**	**274**
Call options issued	–	–	–	2	2	–	2
Call options exercised	–	–	–	22	22	–	22
Dividend	–	–	–	-174	-174	-4	-178
Change in non-controlling interests	–	–	–	-2	-2	3	1
EQUITY, CLOSING BALANCE							
31 Mar 13	**51**	**344**	**-68**	**795**	**1,122**	**16**	**1,138**

SEKm	Share capital	Other contributed capital	Reserves	Retained earnings, including profit for the year	Total, equity holders of the Parent Company	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE							
1 Apr 11	**51**	**344**	**-20**	**532**	**907**	**15**	**922**
Comprehensive income for the year	**–**	**–**	**–**	**322**	**322**	**5**	**327**
Cash flow hedges	–	–	1	–	1	–	1
Foreign currency translation differences for the period	–	–	-1	–	-1	0	-1
Tax attributable to other comprehensive income	–	–	0	–	0	–	0
Other comprehensive income	**–**	**–**	**0**	**–**	**0**	**0**	**0**
Total comprehensive income	**–**	**–**	**0**	**322**	**322**	**5**	**327**
Call options issued	–	–	–	1	1	–	1
Repurchase of own shares	–	–	–	-71	-71	–	-71
Dividend	–	–	–	-156	-156	-3	-159
Change in non-controlling interests	–	–	–	1	1	-4	-3
EQUITY, CLOSING BALANCE							
31 Mar 12	**51**	**344**	**-20**	**629**	**1,004**	**13**	**1,017**

For comments on shareholders' equity, refer to Note 20.

SEK	2012/2013	2011/2012
Dividend per share	8,00 [1)]	8,00

1) As proposed by the Board of Directors.

Parent Company Income Statement

SEKm	Notes	2012/2013	2011/2012
Net sales		45	35
Administrative expenses		-50	-41
Operating profit/loss	**6–9, 16**	**-5**	**-6**
Profit from interests in Group companies	11	234	227
Profit from non-current financial assets	11	35	34
Interest income and similar items	11	6	3
Interest expense and similar items	11	-27	-25
Profit after financial items		**243**	**233**
Year-end appropriations	12	-25	-37
Profit before tax		**218**	**196**
Income tax expense	13	-53	-48
Profit for the year		**165**	**148**
Other comprehensive income		–	–
Total comprehensive income for the year		**165**	**148**

Parent Company Balance Sheet

SEKm	Notes	31 Mar 13	31 Mar 12
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	1	1
Property, plant and equipment	15	0	0
Non-current financial assets			
Interests in Group companies	17	1,151	1,151
Receivables from Group companies	17	1,174	1,000
Total non-current financial assets		**2,325**	**2,151**
Total non-current assets		**2,326**	**2,152**
CURRENT ASSETS			
Receivables from Group companies		299	279
Other receivables		3	1
Prepaid expenses and accrued income	19	5	4
Total current receivables		**307**	**284**
Cash and bank balances		1	0
Total current assets		**308**	**284**
TOTAL ASSETS		**2,634**	**2,436**
EQUITY AND LIABILITIES	**20**		
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital		51	51
Legal reserve		18	18
Unrestricted equity			
Retained earnings		742	743
Profit for the year		165	148
TOTAL SHAREHOLDERS' EQUITY		**976**	**960**
UNTAXED RESERVES	**21**	**327**	**302**
PROVISIONS			
Provisions for pensions and similar obligations	22	17	18
LIABILITIES			
Liabilities to Group companies	24	354	428
Total non-current liabilities		**354**	**428**
Liabilities to credit institutions	25	504	284
Accounts payable		2	2
Liabilities to Group companies		434	409
Tax liabilities		4	20
Other liabilities		3	2
Accrued expenses and deferred income	26	13	11
Total current liabilities		**960**	**728**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,634**	**2,436**
Pledged assets	27	–	–
Contingent liabilities	27	144	147

Parent Company Cash Flow Statement

SEKm	Notes	2012/2013	2011/2012
OPERATING ACTIVITIES			
Profit after financial items		243	233
Adjustment for items not included in cash flow	28	-215	-208
Income tax paid		-69	-27
Cash flow from operating activities before changes in working capital		-41	-2
Cash flow from changes in working capital			
Changes in operating receivables		-1	-1
Changes in operating liabilities		3	1
Cash flow from operating activities		**-39**	**-2**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible non-current assets		0	0
Cash flow from investing activities		**0**	**0**
FINANCING ACTIVITIES			
Repurchase of own shares		–	-71
Exercised and issued call options		24	1
Change in loans		219	149
Change in receivables from and liabilities to Group companies		-239	-82
Dividend paid		-174	-156
Group contributions received		210	160
Cash flow from financing activities		**40**	**1**
Cash flow for the year		**1**	**-1**
Cash and cash equivalents at beginning of year		0	1
Cash and cash equivalents at year-end		**1**	**0**

Parent Company Statement of Changes in Equity

	Restricted equity		Unrestricted equity	
SEKm	Share capital	Legal reserve	Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE 1 APR 12	**51**	**18**	**891**	**960**
Profit for the year	–	–	165	165
Other comprehensive income	–	–	–	–
Comprehensive income for the year	**–**	**–**	**165**	**165**
Dividend	–	–	-174	-174
Call options issued	–	–	2	2
Call options exercised	–	–	22	22
EQUITY, CLOSING BALANCE 31 MAR 13	**51**	**18**	**907**	**976**

	Restricted equity		Unrestricted equity	
SEKm	Share capital	Legal reserve	Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE 1 APR 11	**51**	**18**	**969**	**1,038**
Profit for the year	–	–	148	148
Other comprehensive income	–	–	–	–
Comprehensive income for the year	**–**	**–**	**148**	**148**
Dividend	–	–	-156	-156
Call options issued	–	–	1	1
Repurchase of own shares	–	–	-71	-71
EQUITY, CLOSING BALANCE 31 MAR 12	**51**	**18**	**891**	**960**

For comments on shareholders’ equity, refer to Note 20.

Note 1 Accounting and valuation policies

General accounting policies

The consolidated annual accounts were prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the European Union (EU). Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, was also applied.

The annual accounts of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board.

The Parent Company's and the Group's accounting policies are consistent with each other, except in the case of reporting pensions, untaxed reserves and appropriations. See also "Accounting policies of the Parent Company".

The Board approved the Parent Company's annual report and the Group's consolidated financial statements for publication on 19 June 2013. The Parent Company's and Group's respective income statements and balance sheets will be submitted for adoption to the Annual General Meeting on 28 August 2013.

Presentation of the annual report

The financial reports are stated in million Swedish kronor (SEK million) unless otherwise specified. The Parent Company's functional currency is the Swedish krona, as is the presentation currency for the Parent Company and the Group. Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value. Assets held for sale are recognised at the lower of the previous carrying amount and fair value, less selling expenses.

Preparing financial reports according to IFRS requires that management makes judgements and estimates as well as assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and numerous other factors deemed reasonable under the circumstances at the time. Estimates and assumptions are reviewed periodically.

The annual accounts were prepared in compliance with IAS 1 Presentation of Financial Statements, such that separate income statements and balance sheets, as well as statements of other comprehensive income, financial position, changes in shareholders' equity and cash flow, are prepared and notes are provided that detail the accounting policies and disclosures applied.

Assets are divided into current assets and non-current assets. An asset is considered current if it is expected to be realised within 12 months of the end of the reporting period or within the Company's operating cycle. 'Operating cycle' refers to the time elapsed from the start of production until the Company receives payment for goods or services delivered. The Group's operating cycle is judged to be less than one year.

If an asset does not fulfil the current asset criterion, it is classified as a non-current asset.

Receivables and liabilities, as well as income and expenses, are offset only if required or if expressly permitted under IFRS.

Liabilities are divided into current liabilities and non-current liabilities. Current liabilities are liabilities to be paid within 12 months of the end of the reporting period or, in the case of operating liabilities only, that are expected to be paid within the operating cycle. As this takes into account the operating cycle, no non-interest-bearing liabilities, such as accounts payable or accrued staff costs, are recognised as non-current liabilities.

Early application of IFRSs and interpretations issued or revised during Addtech's 2012/2013 financial year

No newly issued IFRSs or interpretations were applied early.

New or revised IFRSs applied during the 2012/2013 financial year

Revised IFRSs and interpretations issued by the IFRS Interpretations Committee have not had any effect on the financial statements of the Group or Parent Company.

New or revised IFRSs that will be applied during periods ahead

The revised IAS 19, Employee benefits, is applicable as of 1 April 2013. The change involves the disappearance of the alternative of deferring actuarial gains and losses according to the corridor method. The standard also contains new rules regarding the recognition of special employer's contribution. As of 1 April 2013, Addtech's pension liabilities, which are recognised in the balance sheet, will thus increase by around SEK 39 million. Equity will decrease by around SEK 26 million.

As of 2013/2014, the new IFRS 13 standard, Fair Value Measurement, and amendments to IFRS 7 Financial Instruments: disclosures, will be applied. The changes involve the addition of further disclosures.

Other new or revised IFRSs or interpretations issued that come into force during or after the coming 2013/2014 financial year are not judged to have any material effect on Addtech's financial statements besides the increased disclosure requirements.

Consolidated financial statements

The consolidated financial statements comply with IAS 27 Consolidated and Separate Financial Statements and IFRS 3 Business Combinations and include the annual accounts for the Parent Company and those companies in which the Parent Company directly or indirectly has a controlling interest. Such controlling interest exists when the Parent Company, directly or indirectly, is entitled to determine a company's financial and operative strategies to obtain economic benefits. Normally this means that the Parent Company holds more than 50 percent of the voting rights of the interests. Shareholdings in Group companies are eliminated using the acquisition method. In brief, this means that identifiable assets, liabilities and contingent liabilities in the company acquired are measured and recognised in the consolidated financial statements as if they had been acquired directly by purchase and not indirectly by acquisition of the company's shares. The valuation is based on fair values. If the value of the net assets is less than the acquisition price, consolidated goodwill arises. If the opposite occurs, the difference is recognised directly in profit or loss. Goodwill is determined in local currency and is recognised at cost, less any impairment losses. Consolidated equity includes the Parent Company's equity and the portion of subsidiaries' equity earned after the time of acquisition. Companies acquired or disposed of are consolidated or deconsolidated, respectively, from the date of acquisition or disposal.

Contingent considerations are measured at fair value at the time of the transaction and are subsequently revalued on each reporting occasion. Effects of the revaluation are recognised as income or expense in consolidated profit or loss. In the Parent Company, a change in liability for an additional consideration affects the value of interests in subsidiaries. Transaction costs in conjunction with acquisitions are expensed; capitalisation only takes place in the Parent Company. It is now possible for a holding that is not a controlling interest to be measured at fair value upon acquisition, which means that goodwill is included in non-controlling interests. Alternatively, non-controlling interests constitute part of net assets. The choice is determined individually for each acquisition.

Intra-Group receivables and liabilities and transactions between companies in the Group, as well as related unrealised gains, are wholly eliminated. Unrealised losses are eliminated in the same way as unrealised gains, except in the case of impairment.

Exchange rate effects

Translation of the financial reports of foreign Group companies

Assets and liabilities in foreign operations, including goodwill and other surpluses and deficits on consolidation, are converted to Swedish kronor using the exchange rate prevailing at the end of the reporting period. Income and expenses in foreign businesses are converted to Swedish kronor using the average rate, which is an approximation of the rates prevailing at the time of each transaction. Translation differences resulting from the conversion of foreign operations' accounts are recognised through other comprehensive income in the foreign currency translation reserve in equity. This reserve contains translation differences accumulated from 1 April 2004, when IFRS were adopted.

Transactions denominated in foreign currencies

A transaction denominated in a foreign currency is converted to the functional currency at the rate of exchange on the transaction date. Monetary assets and liabilities in foreign currency are converted to the functional currency using the rate prevailing at the end of the reporting period. Non-monetary assets and liabilities recognised at historical cost are converted using the exchange rate at the time of the transaction. Exchange differences that arise in conversion are recognised in profit or loss. Exchange differences on operating receivables and operating liabilities are included in operating profit or loss, while exchange differences on financial receivables and liabilities are recognised among financial items. The Group uses forward foreign exchange contracts to a certain extent to reduce its exposure to exchange rate fluctuations. Forward foreign exchange contracts are recognised at fair value at the end of the reporting period.

Financial assets and liabilities, recognition and derecognition

Financial instruments recognised among assets in the balance sheet include cash and cash equivalents, loan receivables, accounts receivable, financial investments and derivatives. The liabilities include accounts payable, loans payable, contingent considerations and derivatives. A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the terms and conditions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the rights in the contract are realised or expire or the Company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or in some other way ceases to exist. A financial asset and a financial liability are only offset and recognised at the net amount in the balance sheet when the Company is legally entitled to offset their amounts and the Company intends to settle the items with a net amount or simultaneously realise the asset and settle the liability.

Financial assets and liabilities, measurement and classification

Financial instruments are measured and recognised in the Group as per IAS 39.

A financial instrument that is not a derivative is initially recognised at cost, equivalent to the instrument's fair value plus transaction costs; this applies to all financial instruments except those in the category of financial assets measured at fair value through profit or loss. At initial recognition, a financial instrument is classified based on the purpose for which it was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below.

Financial instruments measured at fair value are classified in a hierarchy based on the origin of the inputs used in the evaluation. At level 1 are financial instruments with a price quoted in an active market. Level 2 comprises financial instruments whose value is determined based on observable market data, though not prices quoted in an active market. Level 3 includes using inputs, such as cash-flow analyses, not based on observable market data.

Financial assets and liabilities measured at fair value through profit or loss

This category consists of two subgroups: financial assets and liabilities held for trading, and other financial assets and liabilities that the Company initially chose to place in this category. The first group includes derivatives unless they are designated hedging instruments. The other group contains contingent considerations in conjunction with acquisitions of subsidiaries.

Accounts receivable and loan receivables

Loan receivables and accounts receivable are financial assets that are not derivatives, with fixed payments or with payments that can be determined, and that are not quoted on an active market. Assets in this category are measured at amortised cost.

Accounts receivable are recognised at the amount expected to be recovered, after deduction for doubtful receivables, assessed individually. The expected maturities of accounts receivable are short, so they are recognised at nominal amounts without discounting. Impairment losses on accounts receivable are recognised in operating expenses.

Available-for-sale financial assets

This category comprises financial assets not classified in any other category or financial assets that the Company initially chose to classify in this category. Shares and interests not recognised as subsidiaries, associates or joint ventures are recognised here. Assets in this category are measured on a current basis at fair value, with changes in value recognised directly in other comprehensive income, except for changes attributable to impairment losses. However, holdings that are unquoted and of which the fair value cannot be calculated reliably are recognised at cost.

Other financial liabilities

Loans and other financial liabilities, such as accounts payable, are included in this category. These liabilities are measured at amortised cost. Accounts payable are measured at nominal amounts without discounting.

Derivatives and hedge accounting

Derivative instruments include currency clauses, forward foreign exchange contracts, currency options, currency swaps and interest rate caps used to cover the risk of foreign exchange rate fluctuations and exposure to interest rate risk. An embedded derivative, for example a currency clause, is disclosed separately unless closely related to its host contract. Derivatives are initially recognised at fair value, so transaction costs are charged to profit or loss for the period. After the initial recognition, the derivative instrument is measured at fair value according to the following: changes in value of derivative instruments are recognised in profit or loss based on purpose of the holding. When a derivative is used in hedge accounting, changes in a derivative's value are recognised in profit or loss on the same line and at the same time as the item it is hedging.

Even if hedge accounting does not apply, increases and decreases in the value of a derivative are recognised as income and expense, respectively, in operating profit or loss or in net financial items, based on the intended use of the derivative and whether or not its use is related to an operating item or a financial item.

In hedge accounting, the ineffective portion is recognised in the same way as changes in the value of derivatives not used for hedge accounting.

Transaction exposure - cash flow hedges

Foreign currency exposure related to future contractual and forecasted flows is hedged either with currency clauses in customer and supplier contracts or by forward foreign exchange contracts or currency options. These derivatives, which protect the forecasted flow, are recognised in the balance sheet at fair value. Where hedge accounting applies, changes in value are recognised through other comprehensive income in the hedging reserve until the hedged flow enters the income statement, whereupon the accumulated changes in value of the hedging instrument are transferred to the income statement, where they will meet and match the impact of the hedged transaction on earnings.

Net investments in foreign subsidiaries

Investments in foreign subsidiaries (net assets including goodwill) are currently not hedged.

Financial assets and liabilities, classification

Cash and cash equivalents

Cash and cash equivalents consists of cash and funds immediately available in banks and equivalent institutions, as well as short-term liquid investments that mature within three months of the time of acquisition and are subject to only a negligible risk of fluctuation in value.

Financial assets and investments

Financial assets are classified either as non-current financial assets or current investments, depending on the purpose of the holding. If the maturity or the anticipated holding period is longer than one year, such financial assets are considered non-current assets; if shorter than one year, current investments.

Non-current receivables and other current receivables

Non-current receivables and other current receivables are receivables that arise when the Company provides funds without intending to trade in the resulting receivable. If the anticipated holding period is longer than one year, the receivable is a non-current receivable; if shorter, an other current receivable.

Liabilities

Non-current liabilities have an anticipated term exceeding one year, while current liabilities have a term of less than one year.

Property, plant and equipment

Property, plant and equipment are recognised in accordance with IAS 16 Property, Plant and Equipment at cost, less accumulated depreciation and any impairment losses. The cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in such condition that it can be used as intended by the acquisition. Discounts and the like are deducted from the purchase price. Examples of directly attributable costs included in the cost are shipping and handling, installation, legal ratification and consulting services.

Borrowing costs are also capitalised in the cost of qualifying assets. The Group does not normally have qualifying assets.

Additional expenditure for an item of property, plant and equipment is only added to the cost if it increases the future economic benefits. All other expenditure, such as expenditure for repair and maintenance, is expensed on a current basis. A decisive factor as to when an incremental expenditure should be added to the cost is whether the expenditure refers to the replacement of identified components or parts thereof, in which case the expenditure is capitalised. Also, if a new component has been created, the expenditure is added to the cost. Any undepreciated carrying amounts for replaced components, or parts of components, are retired and expensed in conjunction with the replacement.

Any impairment is reported as per IAS 36 Impairment of Assets.

Depreciation is effected on a straight-line basis over the estimated useful life and taking account of any residual value at the end of that period.

Property, plant and equipment comprising parts that have different useful lives are treated as separate components.

The carrying amount of an item of property, plant and equipment is removed from the balance sheet upon retirement or disposal of the asset, or when no future economic benefits are expected to be derived from its use. Gains or losses realised upon the disposal or retirement of an asset consist of the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains or losses are recognised as other operating income or other operating expense.

Property, plant and equipment	Useful life
Buildings	15–100 years
Leasehold improvements	3–5 years
Equipment	3–5 years
Land improvements	20 years
Machinery	3–10 years

Leases

IAS 17 Leases differentiates between finance and operating leases. A finance lease is characterised by the lessee assuming, in all essential respects, the economic benefits and risks associated with ownership of the asset. If that is not the case, the lease is regarded as an operating lease.

Significant finance leases are recognised as non-current assets, initially valued at the present value of the minimum lease payments when the agreement was entered into. On the liabilities side, the present value of remaining future lease payments is recognised as interest-bearing non-current and current liabilities. The asset is depreciated over its useful life, usually corresponding to the lease period, taking into account any residual value at the end of the period. Impairment is tested in accordance with IAS 36 Impairment of Assets.

Lease payments are divided into interest and amortisation of the liability. Other lease obligations are recognised as per rules for operating leases, such that lease payments are charged as an operating expense on a straight-line basis during the lease period.

Intangible non-current assets

Intangible non-current assets are recognised in accordance with IAS 38 Intangible Assets at cost, less accumulated amortisation, and are divided between goodwill and other intangible non-current assets. Any impairment of intangible assets is recognised as per IAS 36 Impairment of Assets.

An intangible asset is an identifiable non-monetary asset, without physical substance, that is used for marketing, producing or supplying goods or services, or for rental and administration. To be recognised as an asset, it must be probable that the future economic benefits attributable to the asset will benefit the Company and that the (acquisition) cost can be calculated reliably.

Additional expenditure for an intangible asset is only added to the cost if it increases future economic benefits beyond the original assessment and if the expenditure can be calculated reliably. All other expenditure is expensed as it is incurred.

Goodwill represents the difference between the cost, in connection with a business combination, and the fair value of acquired assets, assumed liabilities and contingent liabilities.

For acquisitions completed before 1 April 2004, goodwill has been recognised, after testing for impairment, at a cost corresponding to the carrying amount as per previous accounting policies. The classification and accounting treatment of business combinations that occurred before 1 April 2004 were not reassessed based on IFRS 3 when the Group's opening balance as of 1 April 2004 was calculated in accordance with IFRS.

Goodwill and intangible non-current assets with indefinable useful lives are measured at cost, less any accumulated impairment losses. Goodwill and intangible non-current assets with indefinable useful lives are allocated among cash-generating units and are not amortised but are tested for impairment on an annual basis.

Intangible assets aside from goodwill are recognised at their original cost, less accumulated amortisation and impairment losses.

Borrowing costs are also capitalised in the cost of qualifying assets. The Group does not normally have qualifying assets.

Amortisation is charged primarily on a straight-line basis and is based on the useful lives of the assets, which are reviewed on an annual basis. An asset's useful life is based on historical experience of use of similar assets, areas of application and other specific features of the asset.

Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

Expenditure for development, in which the results of research or other knowledge are applied to achieve new or improved products or processes, is recognised as an asset in the balance sheet if the product is technically and commercially viable and the Company has sufficient resources to complete development and subsequently use or sell the intangible asset. Other development expenditure is expensed as it is incurred.

Expenditure for internally generated goodwill and trademarks is recognised in profit or loss as an expense as it is incurred.

Intangible non-current assets	Useful life
Capitalised development projects	3 years
Customer relationships	5–10 years
Supplier relationships	10–33 years
Software for IT operations	3–5 years
Technology	5–15 years
Trademarks	indeterminable

Impairment losses

Property, plant and equipment, intangible assets and interests in subsidiaries and associates

The carrying amounts of Group assets are tested as soon as there is indication that the asset in question has decreased in value. If such indication exists, impairment is determined after calculating the recoverable amount of the asset, which is the higher of an asset's value in use and its fair value. Impairment loss is recognised if the recoverable amount is less than the carrying amount. The value in use is calculated as the present value of future payments that the Company is expected to receive by using the asset. The estimated residual value at the end of the useful life is included in the value in use. If the recoverable amount of an individual asset cannot be determined, the recoverable amount is set at the recoverable amount for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that give rise to continuous payment surpluses independent of other assets or groups of assets. Goodwill on consolidation is attributable to the cash-generating unit to which the goodwill is linked. Impairment losses are reversed when the impairment, wholly or partly, no longer exists. However, this does not apply to goodwill or intangible non-current assets with indefinable useful lives.

For goodwill and other intangible assets with indefinable useful lives and for intangible assets not yet ready for use, the recoverable amount is calculated annually.

Financial assets

When accounts are prepared for reporting, the Company assesses whether there is objective evidence that any financial asset or group of assets is impaired. The recoverable amount of loan receivables and accounts receivable recognised at amortised cost is calculated as the present value of future cash flows discounted by the effective interest rate prevailing when the asset was first recognised. Assets with short maturities are not discounted. Impairment losses are charged to the income statement.

Inventories

Inventories, that is, raw materials and finished goods for resale, are carried at the lower of cost and net realisable value, hence taking into account the risk of obsolescence. The cost is calculated using the first-in, first-out (FIFO) principle or weighted average prices.

In the case of finished and semi-finished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Normal capacity utilisation is taken into account in valuation.

Capital

Addtech's overriding goal is to achieve growth combined with profitability. Addtech's objective is earnings growth of at least 15 percent annually over the course of a business cycle. The profitability of each individual unit, the relationship between operating profit and working capital (P/WC), shall amount to at least 45 percent. P/WC encourages high operating profit and low levels of tied-up capital. When combined with the growth target of 15 percent, this provides conditions for profitable growth. Working capital is defined as the average of inventories and accounts receivable, less accounts payable.

Shareholders' equity

No expressed measure related to shareholders' equity is used internally. Externally, Addtech's objective is to have a robust equity ratio.

Addtech's dividend policy involves a payout ratio exceeding 50 percent of consolidated average profit after tax over a business cycle.

Repurchasing treasury shares occurs, and the Board normally proposes obtaining a mandate to repurchase treasury shares, which involves acquiring an amount of shares such that Addtech's own holding at no time exceeds 10 percent of all shares in the Company. The purpose of the repurchase is to provide the Board with increased scope for action in its work with the Company's capital structure, to enable the use of repurchased shares as payment in acquisitions, and to secure the Company's commitments in existing incentive programmes.

When treasury shares are repurchased, the entire consideration reduces retained earnings. Proceeds from the disposal of equity instruments are recognised as an increase in retained earnings, as are any transaction costs.

Employee benefits

Employee benefits are recognised in the consolidated financial statements as per IAS 19 Employee Benefits.

Employee benefits after termination of employment, pension obligations

Addtech has defined benefit pension plans in Sweden and Norway. In these plans, a pension is determined mainly by the salary received at the time of retirement. The plans cover many employees, but some defined contribution plans also apply. Subsidiaries in other countries in the Group mainly have defined contribution pension plans.

The recommendation differentiates between defined contribution pension plans and defined benefit pension plans. In defined contribution plans, the Company pays stipulated fees to a separate legal entity and has no obligation to pay additional fees. Costs are charged to the Group's profit or loss at the rate at which the benefits are earned. In defined benefit pension plans, benefits are paid to current and former employees based on their salary upon retirement and the number of years of service. The Group bears the risk for payment of promised benefits.

The Group's net obligation to defined benefit plans is calculated individually for each plan by estimating future benefits that employees have earned through employment in current and previous periods. These benefits are discounted to a present value, and any unreported costs related to service in previous periods and the fair value of any plan assets are deducted.

Defined-benefit pension plans are both funded and unfunded. When a plan is funded, its assets have been separated into plan assets. These plan assets can only be used for payments of benefits as per the pension agreements. The net value of the estimated present value of the obligations and the fair value of plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the Company can recover through reduced future fees or repayments is recognised. A surplus in one plan is only offset by a deficit in another plan if the Company is entitled to utilise a surplus in one plan to settle a deficit in another plan, or if the obligations are intended to be settled on a net basis.

The pension cost and pension obligation for defined benefit pension plans are calculated using the Projected Unit Credit Method. This method distributes the cost of pensions at the rate at which employees perform services for the Company that increase their rights to future benefits. The aim is to expense expected future pension payouts in a manner that provides an even cost over the employee's period of employment. This calculation takes into account anticipated future salary increases and anticipated inflation. The Company's obligation is calculated annually by independent actuaries. The discount rate used is equivalent to the interest rate on high-quality corporate bonds or government bonds with a maturity equivalent to the average maturity of the obligation and currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for Norwegian pension liabilities, the interest rate for Norwegian corporate bonds is used.

Actuarial gains and losses may arise when establishing the obligation's present value and fair value on plan assets. These may arise either because the actual outcome differs from previously made assumptions, or because assumptions were changed. To avoid major changes in pension costs between years, changes within certain limits (the 'corridor') are disregarded in the income statement and balance sheet. With the corridor, actuarial gains and losses affect consolidated profit/loss only to the extent they exceed the higher of 10 percent of the present value of the pension obligation and 10 percent of the fair value of the plan assets. The portion of the accumulated actuarial gains and losses, at the end of the previous year, that exceeds 10 percent of the greater of the present value of the obligations and the fair value of plan assets is recognised in profit/loss during the expected average remaining service period of the employees covered by the plan. The reported return on plan assets refers to the return estimated at the start of the year and therefore normally differs from the actual return during the year. The difference is an actuarial gain or loss.

A portion of the Group's defined benefit pension obligations has been financed through premiums to Alecta. The required information cannot be obtained from Alecta, so these pension obligations are reported as a defined contribution pension plan.

When the cost of a pension is determined differently in a legal entity than in the Group, a provision or claim for taxes on pension costs is recognised, such as a special employer's contribution for Swedish companies based on this difference. The present value for the provision or claim is not calculated.

Benefits upon termination of employment

A cost for benefits in conjunction with termination of employment is recognised only if there is a formal, detailed plan to terminate employment prior to the normal date.

Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognised as an expense when the related services are performed.

A provision for the expected costs of bonus disbursements is recognised when the Group has a valid legal or informal obligation to make such payments as a result of services received from employees and where the obligation can be calculated reliably.

Share-based incentive programmes

The Group's share-based incentive programmes make it possible for senior management to purchase shares in the Company. The employees have paid a market premium for call options on Class B shares. The programme includes a subsidy so that the employee receives the same sum as the option premium paid in the form of cash payment, i.e. salary. This subsidy shall be paid two years after the issue decision, providing that the option holder is still employed in the Group and owns call options at that time. The subsidy, and related social security costs, is distributed as employee benefits expense over the vesting period. Addtech has no obligation to repurchase the options when an employee terminates employment. The holder can redeem the options irrespective of future employment at the Group. See also Note 6.

Provisions and contingent liabilities

A provision is recognised in the balance sheet when the Company has a formal or informal obligation as a result of a transpired event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. If the effect is material, the provision is based on a present value calculation.

Provisions are made for future costs resulting from warranty undertakings. The calculation is based on expenditure during the financial year for similar undertakings or the estimated costs for each undertaking.

Provisions for restructuring costs are recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been announced.

Contingent liabilities are recognised when a possible undertaking exists stemming from past events and the existence of the undertaking is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the Company's control. Other obligations are also recognised as contingent liabilities if they result from past events but are not recognised as a liability or provision because it is unlikely that an outflow of resources will be required to settle the undertaking or because the size of the undertaking cannot be determined with sufficient accuracy.

Revenue recognition

Sales revenue and revenue from projects in progress are recognised as per IAS 18 Revenue. The fair value of what has been received, or what will be received, is recognised as sales revenue. Deductions are made for value-added tax, returns, discounts and price reductions. Revenue from sales of goods is recognised when certain requirements have been met. These requirements are that material risks and benefits associated with ownership of the goods have been transferred to the purchaser, that the selling company does not retain any involvement in ongoing administration nor does it exert any real control over the goods sold, that the revenue can be calculated reliably, that it is likely that the economic benefits that the Company will obtain from the transaction will accrue to the Company, and that the expenses that have arisen or are expected to arise as a result of the transaction can be calculated reliably.

Revenue from projects in progress is recognised in increments as projects are completed. The degree of completion is determined on the basis of accumulated project expenses at the end of the period as a proportion of estimated total project expenses. If future costs to complete a project are estimated to exceed remaining revenue, a provision is made for estimated losses.

Lease revenue is recognised on a straight-line basis in profit or loss based on the terms of the lease.

Finance income and costs

Interest income on receivables and interest expense on liabilities are computed using the effective interest method. The effective rate is the interest rate that makes the present value of all future receipts and payments during the period of fixed interest equal to the carrying amount of the receivable or liability. Interest income includes accrued rebates, premiums and other differences between the original value of the receivable and the amount received upon maturity. Interest and dividends are recognised as income when it is probable that the economic benefits associated with the transaction will accrue to the Company and that the income can be calculated reliably.

Income taxes

Income tax is recognised as per IAS 12 Income Taxes. Tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or directly in equity, in which case the associated tax effect is also recognised in other comprehensive income or equity. Current tax refers to tax that is to be paid or refunded for the current year. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated using the liability method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The amounts are calculated depending on how the temporary differences are expected to be settled and by applying the tax rates and tax rules enacted or announced at the end of the reporting period. Temporary differences are not taken into account in Group goodwill, nor in differences attributable to interests in subsidiaries or associates owned by Group companies outside Sweden that are not expected to be taxed in the foreseeable future. In the consolidated financial statements, untaxed reserves are allocated to deferred tax liability and equity. Deferred tax assets related to deductible temporary differences and tax loss carry-forwards are only recognised to the extent it is likely they will reduce tax payments in the future.

Segment reporting

The Group's operations are described in accordance with IFRS 8 Operating Segments. Assets and liabilities as well as income and expenses are attributed to the segment where they are used, earned and consumed, respectively. The operating segment's earnings are monitored by the highest executive decision-maker, i.e. the CEO of Addtech.

The division into operating segments is based on the business area organisation, by which the Group's operations are managed and monitored. These are Addtech Components, Addtech Energy, Addtech Industrial Solutions and Addtech Life Science. Operations that do not belong to these areas of operation are included under the heading Parent Company and Group items.

As of 1 April 2012, a minor reorganisation has been implemented in the Group. A number of subsidiaries have been moved between the business areas Addtech Components, Addtech Energy and Addtech Industrial Solutions. The Addtech Life Science business area has not been affected by the reorganisation. The business area that was formerly Addtech Energy & Equipment changed names to Addtech Energy in connection thereto.

Earnings per share

Addtech discloses earnings per share (EPS) in direct connection with the income statement.

Calculation of EPS is based on consolidated profit or loss for the year attributable to Parent Company shareholders and on the weighted average number of shares outstanding during the year. To calculate diluted EPS, the average number of shares is adjusted to take into account the effect of potentially dilutive ordinary shares that, during the periods reported, result from options awarded to employees.

Cash flow statement

In preparing the cash flow statement, the indirect method was applied as per IAS 7 Statement of Cash Flows. In addition to flows of cash and bank funds, current investments maturing within three months of the acquisition date that can be converted into bank deposits at an amount known beforehand are classified as cash and cash equivalents.

Events after the reporting period

Events that occurred after the reporting period but whose circumstances were identifiable at the end of the reporting period are included in the reporting. If significant events occurred after the reporting period but did not affect the recognised results of operations or financial position, the event is disclosed under a separate heading in the administration report and in a note.

Related party disclosures

Information about transactions and agreements with closely related companies and natural persons is disclosed in accordance with IAS 24 Related Party Disclosures. In the consolidated financial statements, intra-Group transactions fall outside this reporting requirement.

Changes in accounting policies

When there is a change in accounting policy, the current period, previous period and accumulated amount per the opening of the comparative period are restated, unless otherwise prescribed by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. If a change in accounting policy affects equity, the effect is recognised on a separate line in the statement of changes in equity.

Government grants

Government grants refers to support from the government in the form of transfers of resources to a company in exchange for the company fulfilling (in the past or future) certain conditions regarding its operations.

The Group is active in areas where government grants are insignificant in scope.

Personnel information

The Swedish Annual Accounts Act requires more information than IFRS, including information about the gender of the Board of Directors and management.

Data on gender distribution refer to the situation at the end of the reporting period. 'Members of the Board of Directors' are directors, elected by a general meeting of shareholders, in the Parent Company and in Group companies. 'Members of senior management' are people in Group management, Managing Directors and vice MDs at Group companies.

Accounting policies of the Parent Company

The Parent Company applies the same accounting policies as the Group does, except where the Swedish Annual Accounts Act and the Swedish Act on Safeguarding Pension Obligations prescribe different procedures for the Parent Company.

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities, from the Swedish Financial Reporting Board. RFR 2 prescribes that, in the annual accounts for its legal entity, the Parent Company shall apply all EU-approved IFRSs and standard interpretations to the greatest extent possible within the scope of the Annual Accounts Act and taking account of the relationship between reporting and taxation. The recommendation specifies which exceptions from and additions to IFRSs must be made.

Interests in Group companies are recognised in the Parent Company using the cost method, which means that transaction costs are included in the carrying amount for holdings in subsidiaries. Any changes in liabilities for contingent consideration are added to or reduce the (acquisition) cost. In the Group, transaction costs are expensed and changes in liabilities for contingent considerations are entered as income or expense.

Dividends received are recognised as income.

Instead of IAS 19, the Swedish Act on Safeguarding Pension Obligations is applied in the Parent Company when calculating defined benefit pension plans. The most significant differences compared to IAS 19 are the method for determining the discount rate, that the defined benefit obligation is calculated based on current salaries without assuming future salary increases and that all actuarial gains and losses are recognised in profit or loss as they occur.

The Parent Company recognises untaxed reserves including deferred tax liabilities, rather than dividing them into deferred tax liabilities and equity as is done for the Group.

A Group contribution received from a subsidiary is recognised in the Parent Company according to the same principles as a received dividend, i.e. as financial income. A Group contribution paid from a Parent Company to a subsidiary is recognised as an increase in interests in subsidiaries, or the Group contribution paid can be recognised in the Parent Company income statement. Shareholder contributions are recognised directly in the equity of the recipient and are capitalised in the contributor's shares and interests, insofar as no impairment is required. Because the Parent Company Addtech AB already recognised received Group contributions in the same way as dividends, this does not involve any change from the existing application.

Recommendation RFR 2 from the Swedish Financial Reporting Board was applied to financial guarantee contracts, so rules in IAS 39 for recognising and measuring financial guarantee contracts benefiting subsidiaries were not applied.

Note 2 Critical estimates and assumptions

The carrying amounts of certain assets and liabilities are based in part on estimates and assumptions. This applies particularly to impairment testing of goodwill (Note 14) and to defined benefit pension obligations (Note 22). Assumptions and estimates are continually evaluated and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances.

Tests are performed each year to determine if goodwill is impaired. The recoverable amount for cash-generating units has been determined by calculating values in use. For these calculations, certain estimates must be made.

A large part of the Group's pension obligations for salaried employees is on a defined benefit basis and is covered by collective policies with Alecta. Currently, it is impossible to obtain data from Alecta on the

Group's share of obligations and plan assets, so the pension plan with Alecta must be recognised as a defined contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, but it is not possible to obtain detailed information from Alecta about the size of the pension obligation.

The present value of pension obligations recognised as defined benefit plans depends on multiple factors determined on an actuarial basis using a number of assumptions. In establishing these assumptions, Addtech consults with actuaries, and for the Norwegian pension liabilities Addtech complies with the guidelines issued by The Norwegian Accounting Standards Board. The assumptions used to determine the present value of the obligation include the discount rate and salary increases. Each change in these assumptions will affect the carrying amount of pension obligations. See also Note 22.

Note 3 Financial risks and risk management

Goals and policy for risk management

Addtech strives for structured and efficient management of the financial risks that arise in operations, which is manifest in the financial policy adopted by the Board of Directors. The financial operations are not conducted as a separate line of the business; they are merely intended to constitute support for the business and reduce risks in the financial operations. The policy stipulates goals and risks in the financial operations, and how they are to be managed. The financial policy expresses the goal of minimising and controlling financial risks. The policy defines and identifies the financial risks that arise at Addtech and how responsibility for managing these risks is distributed in the organisation. The financial risks defined in the financial policy are transaction exposure, translation exposure, refinancing risk, interest rate risk, margin risk, liquidity risk and issuer/borrower risk. Operational risks, that is, financial risks related to operating activities, are managed by each subsidiary's management according to principles in the financial policy and subordinate process descriptions approved by the Group's Board of Directors and management. Risks such as translation exposure, refinancing risk and interest rate risk are managed by the Parent Company, Addtech AB. Financial derivatives with external counterparties may only be entered by Addtech AB. The subsidiaries hedge their risk with Addtech AB which, in turn, hedges the net risk on the external market.

Currency risks

The Addtech Group conducts extensive trade abroad and a material currency exposure therefore arises in the Group, which must be managed in such a way as to minimise the impact on earnings ensuing from exchange rate fluctuations.

The Group applies decentralised responsibility for currency risk management. This involves risk identification and risk hedging occurring at subsidiary level. It is important to capitalise on the size of the Group and natural circumstances to match flows, and the subsidiaries shall therefore hedge their risk with the Parent Company which, in turn, hedges the net risk of the Group on the external market. Currency risk is defined as the risk of a negative effect on profit resulting from changes in foreign exchange rates. For Addtech, currency risk arises 1) as a result of future payment flows in foreign currency, known as transaction exposure, and 2) because parts of the Group's equity comprise net assets in foreign subsidiaries, known as translation exposure.

Transaction exposure

Transaction exposure comprises all future contracted and forecast ingoing and outgoing payments in foreign currency. The Group's currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances. During the year, the Group's payment flows in foreign currencies were distributed as follows:

	Currency flows, gross 2012/2013		Currency flows, net	
SEKm	Inflows	Outflows	2012/2013	2011/2012
EUR	1,054	1,580	-526	-515
USD	240	384	-144	-150
JPY	67	125	-58	-50
GBP	32	65	-33	-40
CHF	9	95	-86	-75

The effects of exchange rate fluctuations are reduced by buying and selling in the same currency, through currency clauses in customer contracts and, to a certain degree, by forward purchases or sales of foreign currency. Currency clauses are a common method in the industry for handling uncertainty associated with future cash flows. A currency clause means that compensation will be paid for any changes in the exchange rate that exceed a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than two percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrically designed, which means that compensation is charged or credited when the exchange rate rises or declines beyond the predefined thresholds.

Of Group net sales, currency clauses cover about 15 percent and sales in the purchasing currency make up about 35 percent. In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these measures. The subsidiaries have reduced their currency exposure by using forward foreign exchange contracts. At the end of the financial year, there were outstanding forward foreign exchange contracts in a net amount of SEK 101 million, of which EUR equalled SEK 61 million, JPY SEK 6 million and USD SEK 33 million. Out of the total contracts, SEK 72 million matures within six months and SEK 29 million within 12 months. Hedge accounting does not apply to forward foreign exchange contracts and they are classified as a financial asset measured at fair value - held for trading. Hedge accounting applies to embedded derivatives consisting of currency clauses, and they are classified as derivatives used in hedge accounting. The cash flow effect from embedded derivatives normally occurs within six months.

The Group has a net exposure in several currencies. If each separate currency pair changes by 5 percent, the aggregate effect on profit would total about SEK 17 million (18), all else being equal. Inflows and outflows in the same currency mean that the Group's exposure is relatively limited. Currency flows in the Parent Company are mainly in Swedish kronor (SEK). To the extent that internal and external loans and investments in the Parent Company are in foreign currency, 100 percent of the capital amount is hedged.

Translation exposure

The translation exposure of the Addtech Group is currently not hedged. The Group's net assets are divided among foreign currencies as follows:

	31 Mar 13		31 Mar 12	
Net investments	SEKm	Sensitivity analysis [1]	SEKm	Sensitivity analysis [2]
NOK	469.8	23.5	284.1	14.2
EUR	295.7	14.8	340.4	17.0
DKK	188.4	9.4	200.8	10.0
PLZ	32.1	1.6	24.1	1.2
TTD	15.7	0.8	–	–
GBP	9.3	0.5	6.8	0.3
HKD	7.1	0.4	8.7	0.4
LVL	1.5	0.1	–	–

1) Impact of +/–5% in exchange rate on Group equity

2) Circumstances in the previous year

When translating the income statement of units with a functional currency other than SEK, a translation effect arises when exchange rates vary. With the present distribution of Group companies' different functional currencies, a change of 1 percentage point in the exchange rates would have an effect of SEK +/- 27 million (25) on net sales and SEK +/-2 million (2) on operating profit.

The exchange rates used in the financial statements are shown in the following table:

	Average rate		Closing day rate	
Exchange rate	2012/2013	2011/2012	31 Mar 13	31 Mar 12
CHF 1	7.12	7.45	6.85	7.35
CNY 100	106.50	102.68	104.97	105.19
DKK 100	115.64	121.23	112.07	118.89
EUR 1	8.62	9.03	8.36	8.85
GBP 1	10.58	10.46	9.88	10.61
HKD 1	0.86	0.84	0.84	0.85
JPY 1000	81.30	83.20	69.10	80.70
LTL 1	2.50	2.61	2.42	2.56
LVL 1	12.17	–	11.91	–
NOK 100	115.86	116.72	111.23	116.33
PLZ 1	2.07	2.16	2.00	2.13
TRY 1	3.61	–	3.60	–
TTD 1	1.02	–	1.03	–
TWD 1	0.23	0.23	0.22	0.23
USD 1	6.70	6.56	6.53	6.62

Financing and liquidity

The overall objective of Addtech's financing and debt management is to secure financing for the operations in both the long and short term, and to minimise borrowing costs. The capital requirement shall be secured through an active and professional borrowing procedure comprising overdraft and credit facilities. Raising external financing is centralised at Addtech AB. Satisfactory payment capacity shall be achieved through contractual credit facilities. Surplus liquidity is primarily used to pay down outstanding loans. Temporary surpluses in liquid funds are invested at optimum return. Credit, interest rate and liquidity risks shall be minimised when investing liquid funds. The fixed interest term and the period during which capital is tied up may not exceed six months. Only counterparties with high credit ratings are permitted. At 31 March 2013 there were current investments of SEK 0.4 million (-). The Parent Company is responsible for the Group's long-term financing as well as its supply of liquidity. The Parent Company provides an internal bank which lends to and borrows from the subsidiaries. The Group's and Parent Company's non-current and current interest-bearing liabilities are shown in Notes 24 and 25.

To manage surpluses and deficits in different currencies, Addtech uses currency swaps from time to time. This allows the Group to reduce its financing costs and the Company's liquid funds to be used in an efficient manner.

With the current net financial debt, the impact on the Group's net financial items is SEK +/-5 million if interest rates change by one percentage point.

Refinancing risk

The refinancing risk is the risk of Addtech not having access to sufficient financing on each occasion. The refinancing risk increases if Addtech's credit rating deteriorates or if Addtech becomes too dependent on one source of financing. If all or a large part of the debt portfolio matures on a single or a few occasions, this could involve the turnover or refinancing of a large proportion of the loan volume having to occur on disadvantageous interest and borrowing terms.

In order to limit the refinancing risk, the procurement of long-term credit facilities commences nine months at the latest before the credit facility matures. At 31 March 2013, the Group's bank overdraft facilities amounted to SEK 832 million (655) and contractual credit facilities to SEK 300 million (300). Bank overdraft facilities increased by SEK 177 million in the financial year. At 31 March 2013, the Group had utilised SEK 536 million of the bank overdraft facilities. Unutilised bank overdraft facilities and credit facilities amounted to SEK 596 million. Contractually binding credit facilities are contingent upon loan covenants. For covenants, Addtech uses two ratios: EBITDA/net financial items and equity/assets. Addtech meets its present covenants by a margin.

Interest rate risk

The interest rate risk is defined as the risk of changes in interest rates having a negative effect on net financial items due to increased borrowing costs. The interest rate risk is regulated by ensuring that the average fixed interest term of the debt portfolio varies between zero and three years. The debt portfolio consists of bank overdraft facilities, outstanding external loans and interest rate derivatives. At 31 March 2013, the fixed interest term was variable, i.e. 0-3 months. Addtech's main exposure to interest rate risk is in its debt portfolio. Aside from the pension liability, interest-bearing external debt totals SEK 596 million (389).

Issuer/borrower risk and credit risk

Issuer/borrower risk and credit risk are defined as the risk of Addtech's counterparties failing to fulfil their contractual obligations. Addtech is exposed to credit risk in its financial transactions, that is, in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers.

Addtech's financial function at the Parent Company is responsible for assessing and managing issuer/borrower risk. The financial policy prescribes that surplus liquidity only be invested with counterparties that have a very high credit rating. As in prior years, in 2012/2013 surplus funds were not invested with any counterparties other than Swedish banks, aside from the Group's normal bank contacts.

To utilise its subsidiaries' detailed knowledge of Addtech's customers and suppliers, Addtech has each company assess the credit risk in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are the goal, and avoiding excessive concentration of business with individual customers and with specific sectors helps minimise risks. No individual customer accounts for more than 2 percent (3) of total credit exposure during a one-year period. The equivalent figure for the ten largest customers is about 12 percent (12). Exposure per customer segment and geographic market is presented in Note 5. Bad debt losses totalled SEK 3.2 million (1.9) during the year, equal to 0.1 percent (0.0) of net sales.

Accounts receivable, SEKm	31 Mar 13	31 Mar 12
Carrying amount	793.2	759.5
Impairment losses	4.1	4.4
Cost	**797.3**	**763.9**

Change in impaired accounts receivable	2012/2013	2011/2012
Amount at start of year	-4.4	-4.5
Corporate acquisitions	-0.1	-0.3
Year’s impairment losses/reversals	-0.5	0.1
Settled impairment losses	0.7	0.3
Translation effects	0.2	0.0
Total	**-4.1**	**-4.4**

Time analysis of accounts receivable that are overdue but not impaired	31 Mar 13	31 Mar 12
< = 30 days	106.3	67.0
31–60 days	12.8	8.3
> 60 days	6.6	3.8
Total	**125.7**	**79.1**

Measurement of financial assets and liabilities at fair value

The fair value of a listed security is determined based on the publicly quoted price for the asset in an active market (level 1). At the end of the reporting period, the Group had no items in this category. The fair value of foreign exchange contracts and embedded derivatives is determined based on observed market data (level 2). Current and non-current loans are carried at amortised cost. The difference between carrying amount and fair value is marginal for these items. As regards contingent considerations, a cash flow-based valuation is performed that is not based on observable market data (level 3). Fair value and carrying amount are recognised in the balance sheet according to the following tables.

SEKm	31 Mar 13 Financial assets and liabilities measured at fair value through profit or loss	Derivatives used in hedge accounting	Accounts receivable and loan receivables	Available-forsale financial assets	Other liabilities	Total carrying amount	Fair value
Financial assets	–	–	–	10 [3]	–	10	10
Non-current receivables	–	–	4	–	–	4	4
Accounts receivable	–	–	793	–	–	793	793
Other receivables [1]	3 [4]	0	–	–	–	3	3
Cash and cash equivalents	–	–	72	–	–	72	72
Total	**3**	**0**	**869**	**10**	**–**	**882**	**882**
Non-current interest-bearing liabilities	10 [5]	–	–	–	1	11	11
Current interest-bearing liabilities	51 [5]	–	–	–	535	586	586
Accounts payable	–	–	–	–	480	480	480
Other liabilities [2]	1 [4]	1	–	–	–	2	2
Total	**62**	**1**	**–**	**–**	**1,016**	**1,079**	**1,079**

SEKm	31 Mar 12 Financial assets and liabilities measured at fair value through profit or loss	Derivatives used in hedge accounting	Accounts receivable and loan receivables	Available-forsale financial assets	Other liabilities	Total carrying amount	Fair value
Financial assets	–	–	–	11 [3]	–	11	11
Non-current receivables	–	–	3	–	–	3	3
Accounts receivable	–	–	760	–	–	760	760
Other receivables [1]	1 [4]	0	–	–	–	1	1
Cash and cash equivalents	–	–	50	–	–	50	50
Total	**1**	**0**	**813**	**11**	**–**	**825**	**825**
Non-current interest-bearing liabilities	26 [5]	–	–	–	1	27	27
Current interest-bearing liabilities	60 [5]	–	–	–	302	362	362
Accounts payable	–	–	–	–	489	489	489
Other liabilities [2]	1 [4]	1	–	–	–	2	2
Total	**87**	**1**	**–**	**–**	**792**	**880**	**880**

[1] Part of other receivables in the consolidated balance sheet.

[2] Part of other liabilities in the consolidated balance sheet.

[3] Valued at amortised cost. The difference between amortised cost and fair value is marginal for the Group.

[4] Held for trading. Consist of derivatives in the Parent Company.

[5] Valued according to the fair value option. Consist of contingent considerations.

Impact of financial instruments on net earnings	2012/2013	2011/2012
Assets and liabilities measured at fair value through profit or loss	-3	-3
Derivatives used in hedge accounting	0	1
Accounts receivable and loan receivables	-3	-2
Available-for-sale financial assets	0	0
Other liabilities	-12	-13
Total	**-18**	**-17**

Note 4 Net sales by revenue type

Group	2012/2013	2011/2012
OEM		
Components	2,801	2,808
Products for end users		
Components	1,456	1,302
Machinery/Instruments	314	314
Materials	709	649
Services	123	127
Total	**5,403**	**5,200**

OEM components are built into the products that Addtech's customers produce. OEM stands for 'original equipment manufacturer'. Products for end users comprise all other uses. As regards other revenue types, dividends and interest income are recognised in financial items, see Note 11.

Addtech Components	2012/2013	2011/2012
OEM		
Components	1,169	1,201
Products for end users		
Components	266	244
Machinery/Instruments	49	65
Materials	54	53
Services	4	5
Total	**1,542**	**1,568**

Addtech Energy	2012/2013	2011/2012
OEM		
Components	854	767
Products for end users		
Components	658	547
Machinery/Instruments	31	38
Materials	26	24
Services	7	16
Total	**1,576**	**1,392**

Addtech Industrial Solutions	2012/2013	2011/2012
OEM		
Components	729	803
Products for end users		
Components	331	344
Machinery/Instruments	33	36
Materials	44	51
Services	13	11
Total	**1,150**	**1,245**

Addtech Life Science	2012/2013	2011/2012
OEM		
Components	42	42
Products for end users		
Components	207	167
Machinery/Instruments	202	175
Materials	589	523
Services	101	95
Total	**1,141**	**1,002**

Note 5 Segment reporting

The division into business areas reflects Addtech's internal organisation and reporting system. Addtech reports its business areas as operating segments. The four business areas are Addtech Components, Addtech Energy, Addtech Industrial Solutions and Addtech Life Science. This market grouping reflects a natural division of markets in the Group. Intra-Group sales are based on the same prices that an independent party would pay for the product.

Addtech Components

Addtech Components markets and sells components and subsystems in mechanics, electromechanics, hydraulics and electronics as well as automation solutions to customers in manufacturing.

Addtech Energy

Addtech Energy markets and sells battery solutions, electric power distribution products and products for electrical safety, electrical installations and connection technology. Its customers are in the energy and telecom sectors and the commercial vehicle industry.

Addtech Industrial Solutions

Addtech Industrial Solutions markets and sells machinery components, polymer products, electric motors and transmissions, customised products in electromechanics and equipment and consumables for customers in manufacturing. Products under own brands are marketed and sold to industrial customers locally and globally.

Addtech Life Science

Addtech Life Science markets and sells instruments, consumable supplies and services to laboratories in healthcare and research, diagnostic equipment for the healthcare sector and process and analysis equipment for industry.

Data by operating segment	2012/2013			2011/2012		
Net sales	External	Internal	Total	External	Internal	Total
Components	1,542	0	1,542	1,567	1	1,568
Energy	1,575	1	1,576	1,392	0	1,392
Industrial Solutions	1,145	5	1,150	1,239	6	1,245
Life Science	1,141	0	1,141	1,002	0	1,002
Parent Company and Group items	–	-6	-6	0	-7	-7
Total	**5,403**	**0**	**5,403**	**5,200**	**0**	**5,200**

	2012/2013			2011/2012		
Operating profit/loss, assets and liabilities	Operating profit /loss	Assets [1)]	Liabilities [1)]	Operating profit /loss	Assets [1)]	Liabilities [1)]
Components	98	777	210	125	815	266
Energy	152	931	279	151	720	247
Industrial Solutions	93	503	177	112	534	193
Life Science	108	713	189	98	589	168
Parent Company and Group items	-14	138	1,069	-16	74	841
Operating profit/loss, assets and liabilities	**437**	**3,062**	**1,924**	**470**	**2,732**	**1,715**
Finance income and expenses	-29			-23		
Profit after financial items	**408**			**447**		

[1)] Does not include balances in Group accounts or financial transactions with Group companies.

Investments in non-current assets	2012/2013 Intangible	Property, plant and equipment	Total	2011/2012 Intangible	Property, plant and equipment	Total
Components	–	10	10	–	5	5
Energy	1	8	9	0	7	7
Industrial Solutions	1	6	7	1	5	6
Life Science	0	10	10	1	14	15
Parent Company and Group Items	1	1	2	4	1	5
Total	**3**	**35**	**38**	**6**	**32**	**38**

Depreciation/amortisation of non-current assets	2012/2013 Intangible	Property, plant and equipment	Total	2011/2012 Intangible	Property, plant and equipment	Total
Components	-22	-6	-28	-17	-5	-22
Energy	-19	-7	-26	-15	-6	-21
Industrial Solutions	-5	-10	-15	-6	-12	-18
Life Science	-14	-15	-29	-10	-16	-26
Parent Company and Group Items	-2	-1	-3	-5	-1	-6
Total	**-62**	**-39**	**-101**	**-53**	**-40**	**-93**

Significant profit or loss items, other than depreciation or amortisation, not matched by payments in 2012/2013	Capital gains	Change in pension liability	Other items	Total
Components	0	2	0	2
Energy	0	3	-5	-2
Industrial Solutions	0	0	-4	-4
Life Science	-1	2	0	1
Parent Company and Group Items	0	0	2	2
Total	**-1**	**7**	**-7**	**-1**

Data by country	2012/2013 Net sales, external	Assets [1]	Of which non-current assets	2011/2012 Net sales, external	Assets [1]	Of which non-current assets
Sweden	2,166	1,605	749	2,148	1,508	705
Denmark	841	326	102	742	350	115
Finland	758	355	150	779	369	163
Norway	810	549	311	681	338	156
Other countries	828	140	36	850	122	18
Parent Company, Group items and unallocated assets	–	87	10	–	45	11
Total	**5,403**	**3,062**	**1,358**	**5,200**	**2,732**	**1,168**

[1] Does not include Group account balances and financial assets. External net sales are based on the customers' location, and the carrying amounts of assets are based on where the assets are located.

Investments in non-current assets	2012/2013 Intangible	Property, plant and equipment	Total	2011/2012 Intangible	Property, plant and equipment	Total
Sweden	3	23	26	5	20	25
Denmark	0	4	4	1	4	5
Finland	0	2	2	0	3	3
Norway	–	2	2	–	3	3
Other countries	0	4	4	0	2	2
Total	**3**	**35**	**38**	**6**	**32**	**38**

Note 6 Employees and employee benefits expense

	2012/2013			2011/2012		
Average number of employees	Men	Women	Total	Men	Women	Total
Sweden						
Parent Company	5	5	10	3	5	8
Other companies	538	168	706	547	177	724
Denmark	179	102	281	194	103	297
Finland	161	78	239	164	77	241
Norway	159	44	203	127	39	166
Other countries	309	67	376	129	47	176
Total	**1,351**	**464**	**1,815**	**1,164**	**448**	**1,612**

	2012/2013			2011/2012		
Salaries and remuneration	Senior management	of which profit-related remune-ration	Other employees	Senior management	of which profit-related remune-ration	Other employees
Sweden						
Parent Company	17.6	2.6	2.6	13.0	2.5	2.9
Other companies	45.5	3.5	322.6	46.2	6.7	292.7
Denmark	20.9	1.8	154.2	18.9	1.7	155.3
Finland	19.6	1.7	93.3	18.7	2.0	91.7
Norway	20.1	3.7	116.1	13.2	1.5	89.2
Other countries	8.2	1.6	32.7	8.8	1.5	26.3
Total	**131.9**	**14.9**	**721.5**	**118.8**	**15.9**	**658.1**

Senior management is defined as Group management, Managing Directors and vice MD’s in Group subsidiaries.

	Group		Parent Company	
Salaries, remuneration and social security costs	2012/2013	2011/2012	2012/2013	2011/2012
Salaries and other remuneration	853.5	776.9	20.2	15.9
Contractually agreed pensions for senior management	19.7	19.1	4.2	2.5
Contractual pensions to others	68.6	58.4	0.3	1.7
Other social security costs	172.3	153.6	7.7	6.3
Total	**1,114.1**	**1,008.0**	**32.4**	**26.4**

At year-end, outstanding pension commitments to senior management totalled SEK 9.6 million (9.5) for the Group and SEK 2.3 million (2.3) for the Parent Company. Different accounting policies are applied to pension costs in the Parent Company and the Group (see Note 1 Accounting Policies).

	Group		Parent Company	
Proportion of women	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Board of Directors (not including alternates)	4%	3%	17%	20%
Other members of senior management	17%	17%	17%	17%

Preparation and decision-making process for remuneration to the Board of Directors, CEO and Group management

The guidelines applied in the 2012/2013 financial year for remuneration to senior management correspond to those in the proposal for the coming year included in the administration report. The principle for remuneration to the Board of Directors, Chief Executive Officer (CEO) and Group management is that remuneration should be competitive. The nomination committee proposes Board fees to the Annual General Meeting (AGM). Board fees are paid based on a resolution of the AGM. No separate fees are paid for committee work. For remuneration to the CEO, members of Group management and other members of senior management in the Group, the Board of Directors has appointed a remuneration committee consisting of the Chairman and Vice Chairman of the Board, with the CEO as the reporting member. A fixed salary, variable remuneration and conventional employment benefits are paid to the CEO, Group management and other members of senior management. In addition, pension benefits and incentive programmes apply, as described below. The remuneration committee adheres to the guidelines for remuneration to senior management approved by Addtech AB's AGM.

Personnel options for members of senior management

The Group's share-based incentive programmes enable senior management to purchase shares in the Company. The employees have paid a market premium for call options on Class B shares. The option premium in the different programmes was calculated by Nordea Bank using the Black & Scholes valuation method. The calculations presupposed that the redemption price was set at 120 percent of the volume-weighted average of the price paid during the measurement period, volatility was based on statistical source material based on historical data, the risk-free rate was based on the government bond rate, maturity and redemption period according to the terms of the programmes, and dividend according to the estimates available based on the Group's dividend policy.

The programmes include a subsidy so that the employee receives the same sum as the option premium paid in the form of cash payment, i.e. salary. This subsidy shall be paid two years after the acquisition of the call options, provided that the option holder is still employed in the Group and still owns call options at that time. The subsidy, and related social security costs, is distributed as employee benefits expense over the vesting period. Addtech has no obligation to repurchase the options when an employee terminates employment. The holder can redeem the options irrespective of future employment at the Group. The calculation of the dilution effect below is based on the number of outstanding shares on subscription to the programmes.

The call option programme referable to the 2009 share-based incentive programme has a redemption period running from 3 September 2012 until 14 June 2013. Until 31 March 2013, 175,400 options out of a total of 236,000 were redeemed to shares. The remaining 60,600 options were redeemed after the end of the financial year.

In accordance with a resolution of the August 2010 AGM, 24 members of management were offered the opportunity to acquire 236,000 call options on repurchased Class B shares. Employees subscribed for 221,700 call options in the programme. If the options are fully exercised, the number of B shares outstanding will increase by 221,700, equivalent to 1.0 percent of the number of shares outstanding and 0.7 percent of the votes. The redemption period is from 16 September 2013 to 30 May 2014 inclusive.

The call options were transferred at a price of SEK 11.00 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price of the call options is SEK 164.70, corresponding to 120 percent of the average share price during the measurement period 30 August-10 September 2010.

In accordance with a resolution of the August 2011 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the total number of shares outstanding and 0.6 percent of the votes. The redemption period is from 15 September 2014 to 29 May 2015 inclusive.

The call options were transferred at a price of SEK 8.00 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price of the call options is SEK 179.40, corresponding to 120 percent of the average share price during the measurement period 26 August-8 September 2011.

In accordance with a resolution of the August 2012 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the number of shares outstanding and 0.6 percent of the votes. The redemption period runs from 14 September 2015 until 3 June 2016.

The call options were transferred at a price of SEK 11.60 per option, equivalent to the fair (market) value of the options based on an independent valuation. The redemption price of the call options is SEK 214.50, corresponding to 120 percent of the average share price during the measurement period 31 August-13 September 2012.

Board of Directors

The Board fees of SEK 1,475 thousand (1,250) set by the AGM are distributed, as per the AGM's decision, among those Board Directors who are not employed by the Parent Company.

Parent Company's CEO

Johan Sjö, Parent Company CEO, received a fixed salary of SEK 4,509 thousand (3,866) and SEK 766 thousand (972) in variable pay. SEK 300 thousand (600) of the fixed salary refers to the long-term incentive programme detailed below. Taxable benefits totalling SEK 188 thousand (186) are additional. From age 65, the CEO is covered by a defined contribution pension, the size of which depends on the outcome of pension insurance agreements. During 2012/2013, a total of SEK 1,000 thousand (847) in pension premiums, determined annually by the remuneration committee, were paid for the CEO. Variable salary is not pensionable income.

When the Company recruited Johan Sjö as CEO, the Board offered him a long-term incentive programme (LTI), which entitles the CEO to receive annually during a five-year period the equivalent of 20 percent of amounts invested in Addtech shares up to SEK 3,000 thousand. As a result, Johan Sjö received SEK 300 thousand (600) during the financial year. The LTI remuneration is not pensionable income. Variable remuneration based on Group earnings may be payable in an amount up to 30 percent of fixed salary. In addition, a further premium of 20 percent may be payable of the variable remuneration received used in acquisition of shares in Addtech AB.

The period of notice is of 12 months when the Company terminates the employment contract and six months when the CEO does so. In the case of termination on the initiative of the Company, the CEO is entitled to a severance payment equivalent to one year's salary in addition to salary during the period of notice. No severance package is payable if the employee terminates the employment contract.

Other members of Group management

Other members of Group management were paid a total of SEK 9,000 thousand (8,221) in fixed salaries and SEK 1,827 thousand (2,411) in variable remuneration. This variable remuneration was expensed during the 2012/2013 financial year and was paid during 2013/2014. Taxable benefits totalling SEK 589 thousand (476) are additional. Persons in Group management are covered from age 65 by pension entitlements based on individual agreements. Existing pension schemes consist of defined contribution schemes, in which the pension amount depends on the outcome of pension insurance agreements, as well as defined benefit schemes. The cost of the defined benefit pensions and the defined contribution schemes is basically equivalent to the ITP plan (supplementary pension scheme for salaried employees). During 2012/2013, a total of SEK 3,197 thousand (2,597) in pension premiums was paid for the group 'Other members of Group management'.

Variable remuneration based on Group earnings may be payable in an amount up to 30 percent of fixed salary. In addition, a further premium of 20 percent may be payable of the variable remuneration received used in acquisition of shares in Addtech AB.

The period of notice is 12 months when the Company terminates the employment contract and six months when the employee does so. Severance pay is payable upon termination of employment equivalent to no more than one year's salary. No severance package is payable if the employee terminates the employment contract.

Remuneration and other benefits during the year	Basic salary/ Board fees	Variable remuneration	Long-term incentive programme	Other benefits	Pension costs	Total
Chairman of the Board	0.5	–	–	–	–	0.5
Other members of the Board	1.0	–	–	–	–	1.0
Chief Executive Officer	4.2	0.8	0.3	0.2	1.0	6.5
Other members of Group management (5 persons)	9.0	1.8	-	0.6	3.2	14.6
Total	**14.7**	**2.6**	**0.3**	**0.8**	**4.2**	**22.6**

There has been no remuneration for financial instruments or personnel options.

Board fees for 2012/2013, SEK ’000s		
Name	Position	Fee
Anders Börjesson	Chairman of the Board	450
Tom Hedelius	Vice Chairman of the Board	350
Eva Elmstedt	Director	225
Ulf Mattsson	Director	225
Johan Sjö	Director	–
Lars Spongberg	Director	225
Totalt		**1,475**

Note 7 Remuneration to auditors

	Group		Parent Company	
	2012/2013	2011/2012	2012/2013	2011/2012
KPMG				
Audit assignment	6.7	5.8	0.7	0.7
Tax consultation	0.5	0.3	0.1	0.1
Other assignments	1.0	0.6	0.1	0.1
Total remuneration to KPMG	**8.2**	**6.7**	**0.9**	**0.9**
Other auditors				
Audit assignment	0.9	1.0	–	–
Tax consultation	0.2	0.1	–	–
Other assignments	0.2	0.1	–	–
Total remuneration to other auditors	**1.3**	**1.2**	**–**	**–**
Total remuneration to auditors	**9.5**	**7.9**	**0.9**	**0.9**

Note 8 Depreciation and amortisation

	Group		Parent Company	
Depreciation and amortisation, by function	2012/2013	2011/2012	2012/2013	2011/2012
Cost of sales	-25.3	-25.2	-	–
Selling expenses	-67.9	-56.8	-	–
Administrative expenses	-8.7	-10.8	-0.8	-0.8
Total	**-101.9**	**-92.8**	**-0.8**	**-0.8**

	Group		Parent Company	
Depreciation and amortisation, by type of asset	2012/2013	2011/2012	2012/2013	2011/2012
Intangible assets	-62.4	-52.6	-0.5	-0.5
Buildings and land	-3.0	-2.9	-	–
Leasehold improvements	-1.1	-1.0	-	–
Machinery	-10.2	-9.9	-	–
Equipment	-25.2	-26.4	-0.3	-0.3
Total	**-101.9**	**-92.8**	**-0.8**	**-0.8**

Note 9 Other operating income and expenses

Group	2012/2013	2011/2012
Other operating income		
Rental revenue	2.3	2.5
Gain on sale of operations and non-current assets	2.0	1.1
Change in value of share option	–	0.4
Exchange gains, net	0.5	0.7
Change in loans for contingent considerations	7.3	–
Other	8.6	8.1
Total	**20.7**	**12.8**
Other operating expenses		
Property costs	-4.4	-3.2
Loss on sale of operations and non-current assets	-0.1	-0.1
Change in value of share option	-0.4	–
Change in loans for contingent considerations	-1.3	-2.4
Other	-1.4	-5.5
Total	**-7.6**	**-11.2**

In the Parent Company, there is no other operating income or operating expences.

Note 10 Operating expenses

Group	2012/2013	2011/2012
Inventories, raw materials and consumables	3,231.5	3,135.8
Employee benefits expense	1,151.7	1,044.5
Depreciation and amortisation	101.9	92.8
Impairment of inventories	17.4	16.5
Impairment of doubtful accounts receivable	3.2	1.9
Other operating expenses	486.8	450.8
Total	**4,992.5**	**4,742.3**

Note 11 Finance income and costs

Group	2012/2013	2011/2012
Interest income on bank balances	2.0	3.0
Dividends	0.0	0.1
Exchange rate changes, net	–	0.0
Changes in value from revaluation of financial assets/liabilities, net	–	0.3
Other finance income	2.2	3.3
Finance income	**4.2**	**6.7**
Interest expense on financial liabilities measured at amortised cost	-11.7	-13.2
Interest expense on financial liabilities measured at fair value	-3.0	-3.3
Interest expense on pension liability	-9.6	-9.7
Exchange rate changes, net	-2.3	–
Changes in value from revaluation of financial assets/liabilities, net	-0.1	–
Other finance costs	-6.7	-4.0
Finance costs	**-33.4**	**-30.2**
Net financial items	**-29.2**	**-23.5**

Parent Company	2012/2013	2011/2012
Dividend income	19.8	16.5
Group contribution received	274.2	210.0
Group contribution paid	-60.2	–
Profit from interests in Group companies	**233.8**	**226.5**
Interest income, etc:		
Group companies	35.3	34.4
Profit from non–current financial assets	**35.3**	**34.4**
Interest income, etc:		
Group companies	1.1	2.1
Other interest income, change in value of derivatives and exchange rate differences	4.8	1.4
Interest income and similar items	**5.9**	**3.5**
Interest expense, etc:		
Group companies	-7.5	-10.8
Other interest expense, change in value of derivatives and banking fees	-18.9	-14.6
Interest expense and similar items	**-26.4**	**-25.4**
Finance income and costs	**248.6**	**239.0**

Note 12 Year-end appropriations - parent company

	2012/2013	2011/2012
Reversal of tax allocation reserve	42.5	23.8
Provision made to tax allocation reserve	-67.3	-60.7
Excess amortisation/depreciation	0.3	0.0
Total	**-24.5**	**-36.9**

Had the Parent Company reported deferred tax on year-end appropriations as per the policies applied in the consolidated financial statements, the deferred tax expense would have totalled SEK 5.4 million (9.7).

Note 13 Taxes

	Group		Parent Company	
	2012/2013	2011/2012	2012/2013	2011/2012
Current tax for the period	-122.1	-124.7	-53.2	-48.1
Adjustment from previous years	0.5	-0.9	–	-0.3
Total current tax expense	**-121.6**	**-125.6**	**-53.2**	**-48.4**
Deferred tax	37.1	5.6	-0.2	-0.1
Total recognised tax expense	**-84.5**	**-120.0**	**-53.4**	**-48.5**

Group	2012/2013	%	2011/2012	%
Profit before tax	408.2		446.9	
Weighted average tax based on national tax rates	-105.9	25.9	-115.7	25.9
Tax effects of				
Non-deductible costs/non-taxable income	-0.1	0.0	-3.2	0.7
Transaction costs, revaluation contingent considerations acquisitions	-3.0	0.7	-1.8	0.4
Standard interest on tax allocation reserves	-1.1	0.3	-0.9	0.2
Changed tax rate	25.5	-6.2	1.2	-0.3
Adjustments from previous years	0.2	0.0	0.2	0.0
Other	0.0	0.0	0.2	0.0
Recognised tax expense	**-84.4**	**20.7**	**-120.0**	**26.9**

Parent Company	2012/2013	%	2011/2012	%
Profit before tax	218.9		196.2	
Weighted average tax based on national tax rates	-57.6	26.3	-51.6	26.3
Tax effects of				
Standard interest on tax allocation reserves	-0.8	0.4	-0.8	0.4
Non-deductible costs				
Other	-0.3	0.1	-0.2	0.1
Non-taxable income				
Dividends from subsidiaries	5.2	-2.4	4.3	-2.2
Other	0.1	0.0	0.1	-0.1
Adjustments from previous years	0.0	0.0	-0.3	0.2
Recognised tax expense	**-53.4**	**24.4**	**-48.5**	**24.7**

Deferred tax assets/liabilities, net, at year-end	31 Mar 13			31 Mar 12		
Group	Assets	Liabilities	Net	Assets	Liabilities	Net
Non-current assets	1.4	-127.7	-126.3	1.0	-116.4	-115.4
Untaxed reserves	–	-86.4	-86.4	–	-97.4	-97.4
Pension provisions	11.9	-1.1	10.8	13.1	-2.1	11.0
Other	7.7	0.2	7.9	9.9	-0.4	9.5
Net recognised	-20.6	20.6	–	-23.8	23.8	–
Deferred taxes, net, at year–end	**0.4**	**-194.4**	**194.0**	**0.2**	**-192.5**	**-192.3**

Group	2012/2013 Amount at start of year	Recognised in profit or loss	Acquisitions and disposals	Recognised in other comprehensive income	Translation effects	Amount at year-end
Non-current assets	-115.4	25.1	-38.0	-0.1	2.1	-126.3
Untaxed reserves	-97.4	12.0	-1.0	–	–	-86.4
Pension provisions	11.0	0.0	–	0.0	-0.2	10.8
Other	9.5	0.1	0.1	-1.6	-0.2	7.9
Deferred taxes, net	**-192.3**	**37.2**	**-38.9**	**-1.7**	**1.7**	**-194.0**

Group	2011/2012 Amount at start of year	Recognised in profit or loss	Acquisitions and disposals	Recognised in other comprehensive income	Translation effects	Amount at year-end
Non-current assets	-95.3	13.7	-33.9	0.1	0.0	-115.4
Untaxed reserves	-89.0	-6.1	-2.3	–	–	-97.4
Pension provisions	11.4	-2.2	1.8	–	0.0	11.0
Other	9.9	0.2	-0.2	-0.4	0.0	9.5
Deferred taxes, net	**-163.0**	**5.6**	**-34.6**	**-0.3**	**0.0**	**-192.3**

	2012/2013			2011/2012		
Parent Company	Amount at start of year	Recognised in profit or loss	Amount at year-end	Amount at start of year	Recognised in profit or loss	Amount at year-end
Financial instruments	-0.2	-0.2	-0.4	-0.1	-0.1	-0.2
Deferred taxes, net	**-0.2**	**-0.2**	**-0.4**	**-0.1**	**-0.1**	**-0.2**

There are no non-capitalised tax loss carry-forwards in the Group (-).

Note 14 Intangible non-current assets

	2012/2013							
	Intangible assets acquired						Intangible assets developed in the Group	
Group	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Capitalised R&D expenses	Leases (rental) and similar rights	Software	Software	Total
Accumulated cost								
Opening balance	600.5	533.2	22.9	9.9	0.9	51.3	3.7	1,222.4
Acquisition of companies	107.6	150.3	–	–	–	0.4	–	258.3
Investments	–	–	–	–	–	2.4	–	2.4
Reclassifications	–	–	–	0.0	–	5.1	–	5.1
Translation effect for the year	-11.9	-11.2	–	–	-0.1	-0.6	–	-23.8
Closing balance	**696.2**	**672.3**	**22.9**	**9.9**	**0.8**	**58.6**	**3.7**	**1,464.4**
Accumulated amortisation								
Opening balance	–	-156.8	-0.1	-7.8	-0.1	-42.3	-3.5	-210.6
Acquisition of companies	–	–	–	–	–	-0.3	–	-0.3
Amortisation	–	-58.0	-0.1	-0.6	-0.1	-3.4	-0.2	-62.4
Reclassifications	–	–	–	–	–	-5.1	–	-5.1
Translation effect for the year	–	4.2	–	1.0	0.0	0.6	0.0	5.8
Closing balance	**–**	**-210.6**	**-0.2**	**-7.4**	**-0.2**	**-50.5**	**-3.7**	**-272.6**
Carrying amount at year-end	**696.2**	**461.7**	**22.7**	**2.5**	**0.6**	**8.1**	**0.0**	**1,191.8**
Carrying amount at start of year	**600.5**	**376.4**	**22.8**	**2.1**	**0.8**	**9.0**	**0.2**	**1,011.8**

Group	2011/2012							
	Intangible assets acquired						Intangible assets developed in the Group	
	Goodwill	Supplier relationships, customer relationships and technology	Trademarks	Capitalised R&D expenses	Leases (rental) and similar rights	Software	Software	Total
Accumulated cost								
Opening balance	463.1	406.6	21.9	8.9	0.2	46.9	3.7	951.3
Acquisition of companies	138.3	127.0	1.0	–	–	–	–	266.3
Investments	–	–	–	0.8	0.7	4.5	–	6.0
Change in additional consideration	-0.4	–	–	–	–	–	–	-0.4
Reclassifications	–	–	–	0.2	–	–	–	0.2
Translation effect for the year	-0.5	-0.4	–	–	0.0	-0.1	–	-1.0
Closing balance	**600.5**	**533.2**	**22.9**	**9.9**	**0.9**	**51.3**	**3.7**	**1,222.4**
Accumulated amortisation								
Opening balance	–	-111.7	-0.1	-6.6	0.0	-37.3	-2.8	-158.5
Amortisation	–	-45.5	0.0	-1.2	-0.1	-5.1	-0.7	-52.6
Translation effect for the year	–	0.4	–	–	0.0	0.1	–	0.5
Closing balance	**–**	**-156.8**	**-0.1**	**-7.8**	**-0.1**	**-42.3**	**-3.5**	**-210.6**
Carrying amount at year-end	**600.5**	**376.4**	**22.8**	**2.1**	**0.8**	**9.0**	**0.2**	**1,011.8**
Carrying amount at start of year	**463.1**	**294.9**	**21.8**	**2.3**	**0.2**	**9.6**	**0.9**	**792.8**

Parent Company	2012/2013		2011/2012	
	Software	Total	Software	Total
Accumulated cost				
Opening balance	2.6	2.6	2.6	2.6
Investments	0.2	0.2	–	–
Closing balance	**2.8**	**2.8**	**2.6**	**2.6**
Accumulated amortisation				
Opening balance	-1.9	-1.9	-1.4	-1.4
Amortisation	-0.4	-0.4	-0.5	-0.5
Closing balance	**-2.3**	**-2.3**	**-1.9**	**-1.9**
Carrying amount at year-end	**0.5**	**0.5**	**0.7**	**0.7**
Carrying amount at start of year	**0.7**	**0.7**	**1.2**	**1.2**

Goodwill distributed by business area	Group	
	31 Mar 13	31 Mar 12
Addtech Components	189	173
Addtech Energy	225	174
Addtech Industrial Solutions	49	50
Addtech Life Science	233	204
Total	**696**	**601**

Impairment testing of goodwill

The Group's recognised goodwill amounts to SEK 696 million (601). Having adopted IFRS, the Company no longer amortises goodwill but rather tests goodwill annually in accordance with IAS 36. The latest test took place in March 2013.

The Group has carried out over 70 acquisitions since 2001. Goodwill in each individual acquisition is not material for the Group. Goodwill is therefore allocated among cash-generating units, which usually correspond to the business units. Impairment testing takes place at business unit level, because the acquired business is also integrated with another Addtech business to such an extent that it is not possible to separate assets and cash flows attributable to the acquired company. Goodwill is not assessed at a higher level than segment level.

The recoverable amount was calculated based on value in use and applies a current estimate of cash flows for the coming five-year period. Assumptions were made concerning gross margin, overhead costs, working capital required and investments required based on previous experiences. As the norm, these parameters were set to correspond to the profit forecast for the next financial year 2013/2014. An annual growth rate of 2 percent (2) was assumed for the remainder of the five-year period. Where major changes are expected, the parameters were adjusted to better reflect such expectations. For cash flows beyond the five-year period, the growth rate was assumed to correspond to growth during the fifth year. Cash flows were discounted using a weighted cost of capital corresponding to roughly 12 percent (12) before tax. These calculations show that value in use significantly exceeds the carrying amount. Consequently, impairment testing indicated no impairment. The sensitivity of these calculations means that the value of goodwill will continue to be justified even if the discount rate increases by 1 percentage point or if the long-term growth rate decreases by 1 percentage point.

Other impairment testing

Each year, trademarks are tested for impairment applying the same policies as with goodwill. No events or changes in circumstances were identified that would motivate impairment testing for other intangible non-current assets that are amortised.

Note 15 Property, plant and equipment

	2012/2013					
Group	Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated cost						
Opening balance	112.3	12.6	180.6	288.1	0.9	594.5
Acquisition of companies	2.5	3.1	13.0	14.9	0.1	33.6
Investments	0.1	0.3	11.0	22.0	1.4	34.8
Disposals and retirement of assets	-0.1	–	-8.3	-17.2	–	-25.6
Reclassifications	0.1	-0.2	4.4	-3.7	-0.6	0.0
Translation effect for the year	-3.3	-0.5	-6.5	-6.9	0.0	-17.2
Closing balance	**111.6**	**15.3**	**194.2**	**297.2**	**1.8**	**620.1**
Accumulated depreciation and impairment losses						
Opening balance	-50.0	-9.5	-147.0	-231.8	-0.3	-438.6
Acquisition of companies	-0.9	-0.5	-4.9	-7.3	0.0	-13.6
Depreciation	-3.0	-1.0	-10.1	-25.2	-0.1	-39.4
Disposals and retirement of assets	0.1	–	8.0	15.4	–	23.5
Reclassifications	–	–	-2.6	2.6	–	0.0
Translation effect for the year	1.5	0.4	5.8	6.1	0.0	13.8
Closing balance	**-52.3**	**-10.6**	**-150.8**	**-240.2**	**-0.4**	**-454.3**
Carrying amount at year-end	**59.3**	**4.7**	**43.4**	**57.0**	**1.4**	**165.8**
Carrying amount at start of year	**62.3**	**3.1**	**33.6**	**56.3**	**0.6**	**155.9**

Group	2011/2012 Buildings and land	Leasehold improvements	Machinery	Equipment	Construction in progress	Total
Accumulated cost						
Opening balance	113.1	13.1	178.4	249.5	1.2	555.3
Acquisition of companies	–	0.8	0.8	22.7	–	24.3
Investments	0.0	0.9	4.5	25.5	0.7	31.6
Disposals and retirement of assets	-0.1	-2.1	-4.0	-9.0	–	-15.2
Reclassifications	–	–	1.0	–	-1.1	-0.1
Translation effect for the year	-0.7	-0.1	-0.1	-0.6	0.1	-1.4
Closing balance	**112.3**	**12.6**	**180.6**	**288.1**	**0.9**	**594.5**
Accumulated depreciation and impairment losses						
Opening balance	-47.4	-10.5	-138.9	-196.2	-0.2	-393.2
Acquisition of companies	–	-0.3	-0.6	-16.9	–	-17.8
Depreciation	-2.9	-0.9	-9.9	-26.4	-0.1	-40.2
Disposals and retirement of assets	0.0	2.1	1.8	7.1	–	11.0
Reclassifications	–	–	–	–	–	0.0
Translation effect for the year	0.3	0.1	0.6	0.6	0.0	1.6
Closing balance	**-50.0**	**-9.5**	**-147.0**	**-231.8**	**-0.3**	**-438.6**
Carrying amount at year-end	**62.3**	**3.1**	**33.6**	**56.3**	**0.6**	**155.9**
Carrying amount at start of year	**65.7**	**2.6**	**39.5**	**53.3**	**1.0**	**162.1**

	Parent Company	
Equipment	2012/2013	2011/2012
Accumulated cost		
Opening balance	2.3	2.5
Investments	–	0.0
Disposals and retirement of assets	-0.4	-0.2
Closing balance	**1.9**	**2.3**
Accumulated depreciation according to plan		
Opening balance	-1.7	-1.7
Depreciation	-0.3	-0.3
Disposals and retirement of assets	0.4	0.2
Closing balance	**-1.6**	**-1.8**
Carrying amount at year-end	**0.3**	**0.5**
Carrying amount at start of year	**0.5**	**0.8**

Note 16 Leasing

Operating leases	Group		Parent Company	
Addtech as leasee	2012/2013	2011/2012	2012/2013	2011/2012
Lease payments				
Lease payments made during the financial year	103.9	102.8	3.1	2.7
of which variable payments	0.9	0.8	–	–
Future minimum lease payments under non-cancellable contracts fall due as follows:				
Within one year	87.3	90.1	–	–
Later than one year and within five years	135.6	159.7	3.9	4.6
Five years or later	3.9	6.5	–	–
Total	**226.8**	**256.3**	**3.9**	**4.6**

Significant operating leases primarily constitute rental contracts for premises in which the Group conducts business.

Addtech as lessor

Addtech received a total of SEK 1.9 million (1.9) in lease revenue during the financial year. SEK 2.3 million (2.1) remains to be received within one year, and thereafter a total of SEK 2.4 million (2.4) is receivable within five years. Most operating leases for which Group companies are lessors concern the rental of technical equipment to customers.

Finance leases

At present there are no significant finance leases in the Group.

Note 17 Non-current financial assets

Group	2012/2013 Financial assets [1)]	Non-current receivables	Total	2011/2012 Financial assets	Non-current receivables	Total
Accumulated cost						
Opening balance	10.6	3.6	14.2	10.7	2.0	12.7
Acquisition of companies	0.1	0.2	0.3	–	1.9	1.9
Deductions of assets	–	0.0	0.0	–	-0.4	-0.4
Additions of assets	0.2	0.3	0.5	0.1	0.1	0.2
Translation effect for the year	-0.5	-0.2	-0.7	-0.2	0.0	-0.2
Closing balance	**10.4**	**3.9**	**14.3**	**10.6**	**3.6**	**14.2**
Accumulated impairment losses						
Opening balance	0.0	-0.1	-0.1	0.0	-0.1	-0.1
Closing balance	**0.0**	**-0.1**	**-0.1**	**0.0**	**-0.1**	**-0.1**
Carrying amount at year-end	**10.4**	**3.8**	**14.2**	**10.6**	**3.5**	**14.1**

[1)] Financial assets primarily consist of shares in housing corporations.

Receivables from Group companies	Parent Company 2012/2013	2011/2012
Opening balance	1,000.5	673.9
Increase during the year	507.5	350.3
Decrease during the year	-333.3	-23.7
Carrying amount at year-end	**1,174.7**	**1,000.5**

Specification of interests in Group companies	Country	Number of shares	Quotient value	Holding %	Carrying amount 31 Mar 13	31 Mar 12
Addtech Equipment AB, 556199-7866, Järfälla	Sweden	–	–	–	–	205.0
Addtech Nordic AB, 556236-3076, Stockholm	Sweden	1,750.0	100.0	100.0	1,003.7	798.7
Betech Seals A/S, 10611342, Herlev	Denmark	20,000.0	100.0	100.0	91.6	91.6
Metric Industrial OY, 0200580-9, Espoo	Finland	31,000.0	16.8	100.0	27.5	27.5
Metric Industrial AB, 556093-6998, Sollentuna	Sweden	10,000.0	100.0	100.0	17.1	17.1
Metric Industrial AS, 987209976, Trollåsen	Norway	8,500.0	100.0	100.0	10.9	10.9
Total					**1,150.8**	**1,150.8**

(Parent Company)

A complete statutory specification is included as an annex to the annual accounts submitted to the Swedish Companies Registration Office. The specification can be obtained from Addtech AB. During the year, Addtech Equipment AB was merged into Addtech Nordic AB, which increased the value of the shares in Addtech Nordic AB by SEK 205.0 million.

Interests in Group companies	Parent Company 2012/2013	2011/2012
Accumulated cost		
Opening balance	1,265.8	1,296.1
Intra-Group restructuring (disposal of subsidiaries)	–	-30.3
Closing balance	**1,265.8**	**1,265.8**
Accumulated impairment losses		
Opening balance	-115.0	-115.0
Closing balance	**-115.0**	**-115.0**
Carrying amount at year-end	**1,150.8**	**1,150.8**
Carrying amount at start of year	**1,150.8**	**1,181.1**

Note 18 Inventories

Group	31 Mar 13	31 Mar 12
Raw materials and consumables	58.1	48.6
Work in progress	40.1	15.6
Finished goods	577.0	586.3
Total	**675.2**	**650.5**

The cost of sales for the Group includes impairment losses of SEK 17.4 million (16.5) on inventories. No significant reversals of prior impairment losses were made in 2012/2013 or 2011/2012.

Note 19 Prepaid expenses and accrued income

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Rent	14.8	13.3	0.7	0.6
Insurance premiums	6.4	5.8	0.1	0.1
Pension costs	2.6	2.8	0.5	0.4
Lease payments	2.8	2.8	0.1	0.0
Other prepaid expenses	36.4	22.0	3.2	2.4
Other accrued income	3.9	2.2	–	0.1
Total	**66.9**	**48.9**	**4.6**	**3.6**

Note 20 Shareholders' equity

Group

Other contributed capital

Refers to equity contributed by shareholders.

	Group	
Reserves [1]	2012/2013	2011/2012
Foreign currency translation reserve		
Opening translation reserve	-19.0	-18.3
Translation effect for the year	-48.2	-0.7
Closing translation reserve	**-67.2**	**-19.0**
Hedging reserve [2]		
Opening hedging reserve	-0.5	-1.2
Revaluations recognised via other comprehensive income	0.3	1.5
Recognised in profit or loss upon disposal (other operating income/expenses)	-1.2	-0.6
Taxes attributable to the year’s revaluations	-0.1	-0.4
Taxes attributable to disposals	0.3	0.2
Closing hedging reserve	**-1.2**	**-0.5**
Total reserves	**-68.4**	**-19.5**

[1] Refers to reserves attributable to equity holders of the Parent Company.

[2] Relates to cash flow hedges, consisting of currency clauses in customer contacts

Foreign currency translation reserve

The translation reserve includes all exchange differences that arise in translating financial reports of foreign operations prepared in a currency other than the Group's presentation currency for financial reports. The Parent Company and Group present their financial reports in Swedish kronor (SEK).

Hedging reserve

The hedging reserve includes the effective portion of the accumulated net change in fair value for a cash-flow hedging instrument attributable to hedge transactions that have not yet occurred.

Retained earnings, including profit for the year

Retained earnings including profit for the year include earnings in the Parent Company and its subsidiaries.

Prior provisions to the legal reserve are included in this equity item.

Repurchased shares

Repurchased shares includes the acquisition cost of own shares held in treasury by the Parent Company (known as treasury shares). At the end of the reporting period, the Group's holding of treasury shares was 811,400 (986,800).

Dividend

After the reporting period, the Board of Directors proposed a dividend of SEK 8.00 per share. The dividend is subject to approval by the Annual General Meeting on 28 August 2013.

Parent Company

Restricted reserves

Restricted reserves are funds that cannot be paid out as dividends.

Statutory reserve

The purpose of the statutory reserve is to save a portion of net profit that will not be used to cover a loss carried forward.

Retained earnings

Retained earnings comprises the previous year's unrestricted equity, less any provision to the statutory reserve and less any dividend paid. Together with profit for the year and any fair value reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Number of shares

The number of shares at 31 March 2013 consisted of 1,086,380 Class A shares, entitling the holders to 10 votes per share, and 21,646,452 Class B shares, entitling the holders to one vote per share. The quotient value of the share is SEK 2.25. The Company has repurchased 811,400 Class B shares, in the framework of the Company's ongoing repurchase programme. After subtracting repurchased shares, the number of Class B shares is 20,835,052 net.

Number of shares outstanding	Class A shares	Class B shares	All share classes
At start of year	1,090,848	20,655,184	21,746,032
Redemption of personnel options	–	175,400	175,400
Conversion of Class A shares to Class B shares	-4,468	4,468	–
At year-end	**1,086,380**	**20,835,052**	**21,921,432**

Note 21 Untaxed reserves

Parent Company	31 Mar 13	31 Mar 12
Tax allocation reserve, allocation for tax assessment 2008	–	42.5
Tax allocation reserve, allocation for tax assessment 2009	57.9	57.9
Tax allocation reserve, allocation for tax assessment 2010	56.5	56.5
Tax allocation reserve, allocation for tax assessment 2011	35.7	35.7
Tax allocation reserve, allocation for tax assessment 2012	48.7	48.7
Tax allocation reserve, allocation for tax assessment 2013	60.7	60.7
Tax allocation reserve, allocation for tax assessment 2014	67.3	–
Accumulated excess depreciation/amortisation	0.2	0.5
Closing balance	**327.0**	**302.5**

SEK 71.9 million of the Parent Company's total untaxed reserves of SEK 327 million represent deferred tax included in the deferred tax line item in the consolidated balance sheet.

Note 22 Provisions for pensions and similar obligations

Addtech has defined benefit pension plans in Sweden and Norway. In these plans, a pension is determined mainly by the salary received at the time of retirement. The plans cover many employees, but some defined contribution plans also apply. Subsidiaries in other countries in the Group mainly have defined contribution pension plans.

The Parent Company's data on pensions are reported in accordance with the Swedish Act on Safeguarding Pension Obligations.

Defined benefit plans

These pension plans primarily comprise retirement pensions. Each employer generally has an obligation to pay a lifelong pension. Vesting is based on the number of years of employment. The employee must subscribe to the plan for a certain number of years to be fully entitled to retirement benefits. Each year increases the employee's entitlement to retirement benefits, which is recognised as pension earned during the period and as an increase in pension obligations. Some funded pension plans apply in Norway and Sweden. These pension obligations are secured by plan assets. Addtech applies the 'corridor' method. Corridor rules stipulate that part of the actuarial gains and losses be recognised in profit or loss and the balance sheet in the next period if they exceed the higher of:
-10 percent of the present value of the pension obligation, and
-10 percent of the fair value of plan assets.

At the end of the year the actuarial losses equalled about 9 percent (13) of the present value of the pension obligations.

The revised IAS 19, Employee benefits, is applicable as of 1 April 2013. The change involves the disappearance of the alternative of deferring actuarial gains and losses according to the corridor method. The standard also contains new rules regarding the recognition of special employer's contribution. As of 1 April 2013, Addtech's pension liabilities, which are recognised in the balance sheet, will thus increase by around SEK 39 million including special employer's contribution of around SEK 13 million.

Obligations for retirement pensions and family pensions for salaried employees in Sweden are secured by insurance in Alecta. According to statement UFR 6 of the Swedish Financial Reporting Board, this is a defined benefit plan covering multiple employers. For the 2012/2013 financial year, the Company did not have access to information enabling it to report this plan as a defined benefit plan. Thus the pension plan according to ITP and secured by insurance in Alecta is recognised as a defined contribution plan. The year's fees for pension insurance with Alecta totalled SEK 16.5 million (13.6).

Defined contributions

These plans are mainly retirement pension plans, disability pensions and family pensions. Premiums are paid on an ongoing basis during the year by each Group company to separate legal entities, such as insurance companies. The size of the premium is based on the salary. The pension cost for the period is included in profit or loss.

	Group		Parent Company	
Pension liability as per balance sheet	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Pension liability PRI	179.9	175.3	17.1	17.6
Other pension obligations	21.3	19.8	–	–
Total	**201.2**	**195.1**	**17.1**	**17.6**

	Group		Parent Company	
Reconciliation of net amount for pensions in the balance sheet	2012/2013	2011/2012	2012/2013	2011/2012
Opening balance	195.1	186.2	17.6	16.6
Change in accounting for pensions	18.0	14.6	0.7	2.1
Payment of pension benefits	-6.9	-6.3	-1.2	-1.1
Funds contributed by employer	-6.0	-5.4	–	–
Acquisitions of companies	–	6.1	–	–
Translation effects	-0.7	0.3	–	–
Other	1.7	-0.4	–	–
Net amount in balance sheet (obligation +, asset -)	**201.2**	**195.1**	**17.1**	**17.6**

Return on plan assets	Group 2012/2013	2011/2012
Actual return on plan assets	0.8	1.7
Expected return on plan assets	2.0	2.3
Actuarial gains/losses on plan assets during the period	**-1.2**	**-0.6**

Obligations for employee benefits, defined benefit pension plans

	Group		Parent Company	
Obligations for defined benefits and the value of plan assets	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Wholly or partly funded obligations:				
Present value of defined benefit obligations	70.3	78.3	–	–
Fair value of plan assets	-51.5	-49.5	–	–
Wholly or partly funded obligations, net	**18.8**	**28.8**	**–**	**–**
Present value of unfunded defined benefit obligations	206.9	202.8	17.1	17.6
Net obligations before adjustments	**225.7**	**231.6**	**17.1**	**17.6**
Adjustments:				
Accumulated unrecognised actuarial gains (+) and losses (–)	-24.5	-36.5	–	–
Net amount in the balance sheet (obligation +, asset –)	**201.2**	**195.1**	**17.1**	**17.6**
The net amount is recognised in the following items in the balance sheet:				
Provisions for pensions and similar obligations	201.2	195.1	17.1	17.6
Net amount in the balance sheet (obligation +, asset –)	**201.2**	**195.1**	**17.1**	**17.6**
The net amount is divided among plans in the following countries:				
Sweden	186.3	182.7	17.1	17.6
Norway	14.9	12.4	–	–
Net amount in the balance sheet (obligation +, asset –)	**201.2**	**195.1**	**17.1**	**17.6**

Changes in the obligation for defined benefit plans recognised in the balance sheet	Group 2012/2013	2011/2012
Opening balance	281.1	242.9
Pensions earned during the period	9.2	7.1
Interest on obligations	9.6	9.7
Benefits paid	-7.7	-7.7
Actuarial gain or loss	-12.1	13.7
Acquisitions of companies	–	13.4
Translation effects	-2.9	2.0
Other	0.0	0.0
Present value of pension obligations	**277.2**	**281.1**

Changes in plan assets	Group 2012/2013	2011/2012
Opening balance	49.5	34.2
Funds contributed by employer	6.0	5.4
Benefits paid	-1.0	-1.6
Expected return on plan assets	2.0	2.3
Acquisitions of companies	–	7.0
Actuarial gain or loss	-1.2	-0.6
Translation effects	-2.0	1.3
Other	-1.8	1.5
Fair value of plan assets	**51.5**	**49.5**

	Group				
The year's change in unrecognised actuarial gains (+) and losses (–) with regard to obligations	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Changes in actuarial assumptions	3.8	-3.8	8.1	6.1	-21.9
Experience-based changes	8.2	-9.9	5.2	4.2	-3.2
Total	**12.0**	**-13.7**	**13.3**	**10.3**	**-25.1**

Pension costs	Group 2012/2013	Group 2011/2012	Parent Company 2012/2013	Parent Company 2011/2012
Defined-benefit pension plans				
Cost for pensions earned during the year	9.2	7.1	–	–
Interest expense	9.6	9.7	0.7	0.8
Expected return on plan assets	-2.0	-2.3	–	–
Recognised actuarial gains (–) and losses (+)	1.2	0.1	–	–
Total cost of defined benefit plans	**18.0**	**14.6**	**0.7**	**0.8**
Total cost of defined contribution plans	78.0	70.3	4.6	2.9
Social security costs on pension costs	13.0	12.2	1.2	0.8
Total cost of benefits after termination of employment	**109.0**	**97.1**	**6.5**	**4.5**

Allocation of pension costs in the income statement	Group 2012/2013	Group 2011/2012
Cost of sales	14.6	14.8
Selling and administrative expenses	86.8	74.9
Net financial items	7.6	7.4
Total pension costs	**109.0**	**97.1**

Actuarial assumptions	2012/2013 Sweden	2012/2013 Norway	2011/2012 Sweden	2011/2012 Norway
The following material actuarial assumptions were applied in calculating obligations:				
Discount rate, 1 April, %	3.70	2.60	3.80	4.00
Discount rate, 31 March, %	3.60	3.85	3.70	2.60
Expected return on plan assets, %	3.60	3.85	3.70	4.10
Future salary increases, %	2,00-3,50	3.50	2,00 - 3,50	3.50
Future increases in pensions (change in income base amount), %	3.00	–	3.00	–
Employee turnover, %	10.00	2,00 - 5,00	10.00	2,00 - 5,00
Expected ‘G regulation’, %	–	3.25	–	3.25
Mortality table	FFFS 2007:31	K2005	FFFS 2007:31	K2005

The discount rate used is equivalent to the interest rate on high-quality corporate bonds or government bonds with a maturity equivalent to the average maturity of the obligation and the currency. For Swedish pension liabilities, the interest rate for Swedish housing bonds is used as a basis and for Norwegian pension liabilities, the interest rate for Norwegian corporate bonds is used. In the preceding year, the interest rate on government bonds was used as a basis for Norwegian pension liabilities. Future increases in pensions are based on inflation assumptions. Remaining period of employment (life expectancy) is based on statistical tables prepared by Finansinspektionen (Sweden's Financial Supervisory Authority) and the Insurance Society, in Sweden FFFS 2007:31 and in Norway K2005. Expected G regulation is used in the calculations in Norway and corresponds to Sweden's base amount.

Note 23 Provisions

Group 2012/2013	Premises	Personnel	Warranties	Other	Total
Carrying amount at start of period	2.0	0.0	3.8	7.7	13.5
Acquisitions of companies	–	–	–	0.0	0.0
Provisions made during the period	–	–	4.9	2.5	7.4
Amounts utilised during the period	-1.8	–	-1.3	-6.6	-9.7
Unutilised amounts reversed	–	–	-0.1	–	-0.1
Translation effects	0.0	–	0.0	0.0	0.0
Other	–	–	–	-2.0	-2.0
Carrying amount at end of period	**0.2**	**0.0**	**7.3**	**1.6**	**9.1**

Premises

The provision for premises refers to premises that the Group has vacated and cannot sublet or use during the remainder of the lease.

Personnel

The provision refers to costs of personnel, including estimated remuneration upon termination of employment in connection with changes in operations. A provision is made when there is an approved restructuring plan and the restructuring has been announced.

Warranties

Recognised provisions for warranties associated with products and services rest on calculations performed based on historical data or, in specific cases, on an individual opinion.

Other

Other includes provisions not classified under premises, personnel or warranties, such as equipment that cannot be used due to changes in operations. All provisions are classified as short-term and are expected to lead to an outflow of resources within 12 months of the end of the reporting period.

Note 24 Non-current interest-bearing liabilities

	Group	
	31 Mar 13	31 Mar 12
Liabilities to credit institutions:		
Maturing within 2 years	0.3	0.1
Maturing within 3 years	0.1	0.1
Maturing within 4 years	0.1	0.2
Maturing within 5 years	–	–
Maturing in five years or later	–	–
Total non-current liabilities to credit institutions	**0.5**	**0.4**
Other interest-bearing liabilities:		
Maturing within 2 years	10.0	26.5
Maturing within 3 years	–	0.2
Maturing within 4 years	–	–
Maturing within 5 years	–	–
Maturing in five years or later	–	–
Total other non-current interest-bearing liabilities	**10.0**	**26.7**
Total	**10.5**	**27.1**

There were no non-current interest-bearing liabilities in the Parent Company at 31 March 2013 (-). Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 5.0 percent.

The Addtech Group’s non-current liabilities to credit institutions are divided among currencies as follows:

	31 Mar 13		31 Mar 12	
Currency	Local currency	SEKm	Local currency	SEKm
EUR	0.0	0.3	0.0	0.4
PLN	0.1	0.2	–	–
Total		**0.5**		**0.4**

	Parent Company	
	31 Mar 13	31 Mar 12
Liabilities to Group companies	353.9	428.3
Total	**353.9**	**428.3**

The Parent Company's liabilities to Group companies have no fixed maturity dates.

Note 25 Current interest-bearing liabilities

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Bank overdraft facility				
Approved credit limit	832.2	655.0	800.0	650.0
Unutilised portion	-614.9	-367.6	-596.4	-365.9
Credit amount utilised	**217.3**	**287.4**	**203.6**	**284.1**
Other liabilities to credit institutions	24.8	14.3	–	–
Other interest-bearing liabilities	51.1	59.9	–	–
Total	**293.2**	**361.6**	**203.6**	**284.1**

Other interest-bearing liabilities largely consist of additional contingent considerations with estimated interest of 5.0 percent.

The Addtech Group's current liabilities to credit institutions are divided among currencies as follows:

	31 Mar 13		31 Mar 12	
Currency	Local currency	SEKm	Local currency	SEKm
SEK	1.9	1.9	–	–
EUR	0.0	0.2	0.0	0.2
NOK	0.6	0.7	1.3	1.5
DKK	0.2	0.2	–	–
PLN	3.8	7.7	–	–
CNY	13.4	14.1	12.0	12.6
Total		**24.8**		**14.3**

The Group's financing is primarily managed by the Parent Company Addtech AB.
The Parent Company's bank overdraft facility carried 1.4 percent interest per 31 March 2013.
Loans in CNY carry a variable interest rate, which was 7.2 percent on 31 March 2013.

Note 26 Accrued expenses and deferred income

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Rental revenue	0.4	0.7	–	–
Other deferred income	2.6	2.5	–	–
Salaries and holiday pay	151.9	144.1	5.8	4.9
Social security costs and pensions	70.7	71.6	4.6	3.9
Other accrued expenses [1]	31.4	34.3	2.4	2.3
Total	**257.0**	**253.2**	**12.8**	**11.1**

[1] Other accrued expenses mainly consist of overhead accruals.

Note 27 Pledged assets and contingent liabilities

	Group		Parent Company	
	31 Mar 13	31 Mar 12	31 Mar 13	31 Mar 12
Pledged assets for liabilities to credit institutions				
Real estate and site leasehold mortgages	16.8	14.6	–	–
Floating charges	62.1	27.3	–	–
Other pledged assets	20.7	29.1	–	–
Total	**99.6**	**71.0**	**–**	**–**
Contingent liabilities				
Guarantees and other contingent liabilities	12.2	13.3	0.3	0.4
Guarantees for subsidiaries [1]	–	–	143.9	146.4
Total	**12.2**	**13.3**	**144.2**	**146.8**

[1] Relates to PRI liabilities.

Note 28 Cash flow statement

	Group		Parent Company	
Adjustment for items not included in cash flow	2012/2013	2011/2012	2012/2013	2011/2012
Depreciation/amortisation	101.9	92.8	0.8	0.8
Gain/loss on sale of operations and non-current assets	-0.6	-1.0	–	–
Change in pension liability	6.8	2.3	-0.5	1.0
Group contributions/dividends not paid	–	–	-214.0	-210.0
Change in other provisions and accrued items	4.0	2.8	–	–
Other	-11.4	5.1	-1.1	–
Total	**100.7**	**102.0**	**-214.8**	**-208.2**

For the Group, interest received during the year totalled SEK 3.9 million (5.4), and interest paid was SEK 11.7 million (13.2). For the Parent Company, interest received during the year was SEK 36.4 million (37.0), and interest paid was SEK 16.9 million (21.5).

The following adjustments were made as a result of the value of assets and liabilities in companies acquired during the year, together with adjustments such as contingent considerations paid for acquisitions made in previous years:

	2012/2013	2011/2012
Non-current assets	289.2	273.5
Inventories	65.9	70.6
Receivables	136.7	65.7
Cash and cash equivalents	44.0	33.8
Total	**535.8**	**443.6**
Interest-bearing liabilities and provisions	-39.1	-47.4
Non-interest-bearing liabilities and provisions	-107.1	-107.0
Total	**-146.2**	**-154.4**
Consideration paid [1)]	-355.5	-293.8
Cash and cash equivalents in acquired companies	44.3	33.9
Effect on the Group's cash and cash equivalents	**-311.2**	**-259.9**

[1)] The consideration paid includes a contingent consideration charged to the income statement in the amount of SEK -6.0 million and the purchase of non-controlling interests of SEK -2.9 million.

The following adjustments were made as a result of the value of assets and liabilities in companies disposed of during the year:

	2012/2013	2011/2012
Non-current assets	–	–
Inventories	–	-0.1
Receivables	–	-0.8
Cash and cash equivalents	–	-1.2
Total	**–**	**-2.1**
Non-controlling interests	–	0.7
Capital gain on sold companies	–	–
Non-interest-bearing liabilities and provisions	–	0.7
Total	**–**	**1.4**
Consideration received	–	0.7
Cash and cash equivalents in companies disposed of	–	-1.2
Effect on the Group's cash and cash equivalents	**–**	**-0.5**

In the previous financial year, Electra-Box Pharma AB, a subsidiary of Electra-Box Diagnostica AB, which is included in the Addtech Life Science business area, was disposed of.

Year's acquisitions of operations				
Company	Country	Acquisition date	Ownership, %	Acquisition price
Staubo Elektro Maskin AS	Norway	2012-07-01	100	65.8
ASI Automatikk AS	Norway	2012-07-01	100	52.5
CEO Mekanik (assets and liabilities)	Sweden	2012-07-01	–	5.4
Leica Nilomark Oy	Finland	2012-10-01	100	10.6
Active Care Sverup AB	Sweden	2012-10-08	100	13.5
Quality Documentation Scandinavia AB [1)]	Sweden	2012-11-01	100	3.8
Necks Electric Holding AB	Sweden	2012-11-01	100	75.0
Vallin Baltic AS	Estonia	2012-11-30	100	17.2
Norsk Analyse AS	Norway	2013-01-07	100	97.0
Precima Production (assets and liabilities)	Sweden	2013-02-01	–	4.7

1) After the acquisition date, the company changed names to Quality Documentation Miopics AB.

All businesses acquired during the year were consolidated in the accounts using the acquisition method.

Cash and cash equivalents in the cash flow statement consist of cash and bank balances. The same definition applied to determine cash and cash equivalents in the balance sheet was applied in the cash flow statement.

Note 29 Acquisitions of companies

Eight companies were acquired during the year (see Note 28). The acquisitions had combined annual sales of about SEK 590 million. Assets and liabilities included in the acquisitions were as follows:

	Carrying amount at acquisition date	Adjustment to fair value	Fair value
Intangible non-current assets	0	156	156
Other non-current assets	23	–	23
Inventories	66	–	66
Other current assets	180	–	180
Deferred tax liability/tax asset	-1	-39	-40
Other liabilities	-147	–	-147
Acquired net assets	**121**	**117**	**238**
Goodwill			111
Non-controlling interests			-3
Consideration [1)]			**346**
Less: cash and cash equivalents in acquired businesses			-44
Less: consideration not yet paid			-23
Effect on the Group's cash and cash equivalents			**279**

[1)] The consideration is stated excluding acquisition expenses.

The combined consideration for the acquisitions was SEK 346 million, of which SEK 266 million, according to preliminary acquisition analyses, was allocated to goodwill and other intangible assets. Several of the acquisitions took place recently, which is why the acquisitions analyses are preliminary. In addition, the remaining participations in three existing companies were acquired: 20 percent in i Rollco Norge AS, 15 percent in Rollco Oy and 10 percent in Svensk Miljö- och Processanalys, to a total of SEK 3 million.The combined effect of the acquisitions on the Addtech Group's net sales was SEK 303 million, on operating profit SEK 13 million and on profit after tax for the period SEK 7 million.

Had the acquisitions been completed on 1 April 2012, their impact would have been an estimated SEK 630 million on net sales, about SEK 45 million on operating profit and some SEK 25 million on profit after tax for the period. The transaction costs for acquisitions with a takeover date during the financial year amount to SEK 3 million and are recognised in the selling expenses item. Of the consideration not yet paid, estimated contingent consideration amounts to SEK 21 million, which constitutes about 84 percent of the maximum outcome. The outcome depends on the results achieved in the companies and has a set maximum level.

During the period, SEK 7 million was recognised in other operating income because calculated contingent considerations regarding earlier acquisitions differed from the actual outcome. Revaluation of liabilities for contingent, not yet paid considerations led to an expense of SEK 1 million in the financial year, recognised in other operating expenses. No material changes in acquisition analyses were made in the financial year with regard to acquisitions carried out in the year or in previous years.

The values allocated to intangible non-current assets, such as supplier relationships, customer relationships, technology and trademarks, were assessed at the discounted value of future cash flows. The amortisation period is determined by estimating the annual decrease in sales attributable to each asset. Supplier relationships are generally amortised over a period of 5-33 years; customer relationships and technology are amortised over 5-15 years. Trademarks are not amortised but are tested annually (for impairment) as per IAS 36. Annual calculated amortisation regarding intangible non-current assets for the year's acquisitions amounts to about SEK 15 million.

The goodwill resulting from the acquisitions is attributable to expectations that the Group's position in the market in question for each acquisition will grow stronger and to the knowledge accumulated in the companies acquired.

Note 30 Earnings per share (eps) before and after dilution

	2012/2013	2011/2012
Basic EPS (SEK)	14.60	14.65
Diluted EPS (SEK)	14.60	14.60

See Note 1 for the method of calculation.

The numerators and denominators used to calculate the above EPS are derived as stated below.

Earnings per share, basic

The calculation of earnings per share for 2012/2013 is based on profit for the year attributable to Parent Company shareholders, totalling SEK 318 million (322) , and a weighted average number of shares outstanding during 2012/2013 of 21,798 thousand (21,944). The two components were calculated in the following manner:

	2012/2013	2011/2012
Profit for the year attributable to the equity holders of the Parent Company, before dilution (SEKm)	318	322

Weighted average number of shares outstanding, before dilution

In thousands of shares	2012/2013	2011/2012
Total number of shares 1 April	21,746	22,246
Effect of treasury shares held	52	-302
Weighted average number of shares during the year, before dilution	**21,798**	**21,944**

Earnings per share, diluted

The calculation of diluted EPS for 2012/2013 is based on profit attributable to Parent Company shareholders, totalling SEK 318 million (322), and a weighted average number of shares outstanding during 2012/2013 of 21,844 thousand (22,000). The two components were calculated in the following manner:

	2012/2013	2011/2012
Profit for the year attributable to the equity holders of the Parent Company, after dilution (SEKm)	318	322

Weighted average number of shares outstanding, after dilution

In thousands of shares	2012/2013	2011/2012
Weighted average number of shares during the year, before dilution	21,798	21,944
Effect of share options issued	46	56
Weighted average number of shares during the year, after dilution	**21,844**	**22,000**

Not 31 Additional disclosures

Addtech AB, corporate ID number 556302-9726, is the Parent Company of the Group. The Company's registered office is in Stockholm, Stockholm County, and according to Swedish law Addtech AB is a limited liability company.

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Note 32 Related party disclosures

For the Addtech Group, related parties mainly comprise members of senior management. Information about personnel costs is provided in Note 6 Employees and employee benefits expense.

Note 33 Events after the reporting period

On 2 April, 80 percent of the shares in the Rutab group were acquired, forming part of the Energy business area. Rutab is a supplier of electrotechnical materials and components for automation technology, focusing on cable glands, conduits, cable guards and machinery cable. Rutab has around 40 employees and sales of about SEK 150 million.

The combined consideration and allocations to goodwill and other intangible assets for the acquisition completed after the end of the financial year will be presented in the next interim report.

No other events of significance to the Group occurred after the end of the financial year.

Proposed Allocation of Earnings

Dividend

The Board of Directors proposes a dividend of SEK 8.00 (8.00) per share. The total dividend amounts to SEK 175 million (174). Addtech's dividend policy is to pay as a dividend more than 50 percent of average Group profit after tax over a business cycle. The proposed dividend represents a payout ratio of 55 percent (55).

Proposed allocation of earnings

The following amounts are available for distribution by the Annual General Meeting of Addtech AB:	
Retained earnings	742 SEKm
Profit for the year	165 SEKm
	907 SEKm

The Board of Directors and the CEO propose that the funds available for distribution be allocated as follows:	
A dividend paid to shareholders of SEK 8.00 per share [1)]	175 SEKm
To be carried forward	732 SEKm
	907 SEKm

[1)] Based on the number of shares outstanding at 31 May 2013. The total dividend payout may change if the number of treasury shares repurchased changes prior to the proposed dividend record date of 2 September 2013.

The Board of Directors deems the proposed dividend justifiable in the context of the demands on Group equity made by the Group's operations, size and risks, and in the context of the Group's need for a strong balance sheet, liquidity and overall financial position.

At the end of the reporting period, equity in the Parent Company included SEK 1 million (0) resulting from financial assets and liabilities being measured at fair value in accordance with the Swedish Annual Accounts Act (Chapter 4, Section 14a).

Assurance of the Board of Directors

The Board of Directors and the Chief Executive Officer deem the consolidated financial statements and annual accounts to be prepared in accordance with IFRS, as adopted by the EU, and with generally accepted accounting principles, and that they provide a true and fair overview of the financial position and results of operations of the Group and the Parent Company. The administration report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operating activities, financial position and results of operations and describes significant risks and uncertainties to which the Parent Company and the companies that comprise the Group are exposed. The other aspects of the results of operations and financial position of the Group and the Parent Company are shown in the income statements, balance sheets, cash flow statements and notes to the financial statements.

Stockholm, 19 June 2013

Anders Börjesson
Chairman of the Board

Tom Hedelius
Vice Chairman of the Board

Eva Elmstedt
Board member

Ulf Mattsson
Board member

Lars Spongberg
Styrelseledamot

Johan Sjö
Board member and CEO

We submitted our auditor's report on 20 June 2013

KPMG AB
Joakim Thilstedt
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of Addtech AB (publ.), corp. id. 556302-9726

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Addtech AB (publ.) for the financial year 2012-04-01 – 2013-03-31. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 17-88.

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

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

Auditor's responsibility

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

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

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

Opinions

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

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

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Addtech AB (publ.) for the financial year 2012-04-01 – 2013-03-31.

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

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

Opinions

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

Stockholm 20 June 2013
KPMG AB

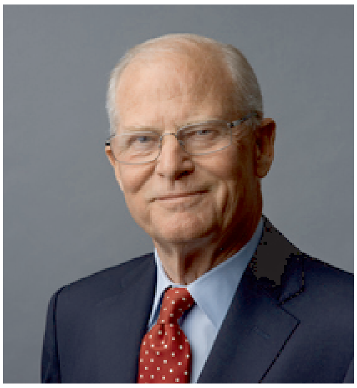
Joakim Thilstedt
Authorised Public Accountant

Board of Directors

The information about shareholdings and call options is as per 31 May 2013.

Anders Börjesson
M.Sc. Econ.
Born in 1948. Board Chairman since 2001. Other board assignments: Chairman of B&B TOOLS, Cibenon and Lagercrantz Group. Director of Bostad Direkt, Futuraskolan, Inomec and Ventilationsgrossisten Nordic. Professional experience: President and CEO of Bergman & Beving. Ownership (family): 496,920 Class A shares and 40,350 Class B shares.

Eva Elmstedt
BA.
Born in 1960. Director since 2005. Executive Vice President and Head of Global Services Nokia Siemens Networks. Other board assignments: Director of Proact. Professional experience: Senior management at Ericsson, Hi3G Access AB '3', IBM and Semcon. Ownership: 2,300 Class B shares.



Tom Hedelius
M.Sc. Econ., Hon. Dr. of Economics.
Born in 1939. Vice Chairman since 2001. Other board assignments: Honorary Chairman of Svenska Handelsbanken. Chairman of Anders Sandrews Stiftelse, Jan Wallanders and Tom Hedelius Stiftelse. Vice Chairman of B&B TOOLS and Lagercrantz Group. Professional experience: Chairman, CEO and managerial positions at Svenska Handelsbanken and Chairman at Industrivärden. Ownership (family): 481,920 Class A shares and 5,400 Class B shares.

Ulf Mattsson
M.Sc. Econ.
Born in 1964. Director since 2012. Industrial advisor at EQT. Other board assignments: Chairman of AcadeMedia, itslearning, Crem International and Mackmyra Svensk Whisky. Director of Sanitec and Bactiguard Holding. Professional experience: Senior management at Tarkett, CEO of Domco, Mölnycke Health Care, Capio and Gambro. Ownership: 0.

Lars Spongberg

M.Sc. Econ., LL M.

Born in 1945. Director since 2001. Other board assignments: Director of Bikuben and Valedo Capital Partners fund. Professional experience: Senior management at Spectra Physics, Autoliv, Svenska Handelsbanken, Electrolux and Swedish Match. Ownership: 1,500 Class B shares.

Johan Sjö

M.Sc. Econ.

Born in 1967. President and CEO. Director since 2008. Employed in the Group since 2007. Professional experience: Senior management at B&B TOOLS, prior to that Alfred Berg ABN Amro. Ownership: 2,016 Class A shares. Call options: 60,900.

Group Management

The information about shareholdings and call options is as per 31 May 2013.

Johan Sjö

M.Sc. Econ.

Born in 1967. President and CEO. Director since 2008. Employed in the Group since 2007. Professional experience: Senior management at B&B TOOLS, prior to that Alfred Berg ABN Amro. Ownership: 2,016 Class A shares. Call options: 60,900.

Kristina Willgård

M.Sc. Econ.

Born in 1965. Chief Financial Officer. Employed in the Group since 2010. Professional experience: Finance Director Ericsson, CFO Netwise, CFO Frontec, Business controller Spendrups and Auditor at Arthur Andersen. Call options: 47,500.

Artur Aira

Medical Technologist Engineer and MBA.

Born in 1967. Business Area Manager, Addtech Life Science. Employed in the Group since 2010. Professional experience: Self-employed business owner, Nordic CEO Organon Teknika, Nordic CEO bioMérieux, Global Program Director bioMérieux. Ownership: 100 Class B shares. Call options: 33,000.

Anders Claeson

M.Eng.

Born in 1956. Executive Vice President and Business Area Manager, Addtech Components. Employed in the Group since 1982. Professional experience: Various managerial positions at Bergman & Beving. Ownership: 67,676 Class B shares. Call options: 54,450.

Åke Darfeldt
Economics at the University of Gothenburg.
Born in 1954. Business Area Manager, Addtech Energy. Employed in the Group since 1984. Professional experience: Sales manager Singer Products, CEO and owner of CellTech AB and various managerial positions at Bergman & Beving. Ownership (family): 25,850 Class B shares. Call options: 46,500.

Håkan Franzén
M.Eng.
Born in 1951. Vice President and Business Area Manager, Addtech Industrial Solutions. Employed in the Group since 1982. Professional experience: Various managerial positions at Bergman & Beving. Ownership: 32,900 Class B shares. Call options: 54,450.

Auditor

Auditor
KPMG AB
Auditor in charge: Joakim Thilstedt, Authorised Public Accountant, Stockholm. Born in 1967. Joakim Thilstedt has had main responsibility for auditing the Addtech Group since 2008/2009 and his work also includes the audits of Lagercrantz Group, Skanska, Sandvik and Ahlsell.

Addtech share

The Addtech share is listed on NASDAQ OMX Stockholm. Since its listing in September 2001 until 30 April 2013, the total return on the share has averaged 20 percent per year.

Market performance of the share and turnover

The highest price paid during the year was SEK 222.00 and was quoted on 14 March 2013. The lowest was SEK 164.50 on 28 June 2012. The final price paid before the end of the financial year was SEK 217.00 on 28 March 2013. The value of the Addtech share increased 19 percent (decrease of 4) during the financial year. The OMX Stockholm index on the NASDAQ OMX Stockholm Exchange increased 10 percent (decrease of 8) in the corresponding period.

During the period 1 April 2012-31 March 2013, 2.7 million (3.7) shares were traded with an aggregate value of approximately SEK 508 million (613). Relative to the average number of Class B shares outstanding, this is equivalent to a turnover rate of 12 percent (17). Broken down by trading day, an average of 11,000 (15,000) Addtech shares were traded at an average value of about SEK 2,000 thousand (2,400).

Share capital

The share capital in Addtech amounts to SEK 51,148,872 and the number of shares amounts to 22,732,832 divided into 1,086,380 Class A shares and 21,646,452 Class B shares. The quotient value of each share is SEK 2.25. Each Class A share entitles its holder to 10 votes, each Class B share one vote. All shares give the same right to dividends. Only the Class B share is listed on NASDAQ OMX Stockholm.

Repurchase of treasury shares

The Annual General Meeting in August 2012 authorised the Board of Directors to repurchase a maximum of ten percent of all shares in the Company during the period until the Annual General Meeting in 2013. During the year, no treasury shares were repurchased by the Company.

At 31 March 2013, Addtech's holding of treasury B shares was 811,400, with an average purchase price of SEK 124. These shares correspond to 3.6 percent of the number of shares issued and 2.5 percent of the votes. Of the shares repurchased, 682,300 shares secure the Company's undertakings to holders of call options, issued by the Company, on repurchased Class B shares. The average number of treasury shares held during the year was 934,801 (788,713).

Incentive programmes

At 31 March Addtech had four ongoing incentive programmes:

Ongoing incentive programmes			
Year	Number of options	Percentage of total number of shares, %	Redemption price, SEK
2012	200,000	0.9%	214.50
2011	200,000	0.9%	179.40
2010	221,700	1.0%	164.70
2009	60,600	0.3%	127.70
	682,300	**3.2%**	
Total number of B shares	21,646,452		

The program from 2009 was fully redeemed in June 2013.

The calculation of the dilution effect below is based on the number of outstanding shares on subscription to the programmes.

In accordance with a resolution of the August 2012 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the total number of shares outstanding and 0.6 percent of the votes.

In accordance with a resolution of the August 2011 AGM, 25 members of management were offered the opportunity to acquire 200,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the total number of shares outstanding and 0.6 percent of the votes.

In accordance with a resolution of the August 2010 AGM, 24 members of management were offered the opportunity to acquire 236,000 call options on repurchased Class B shares. Employees have subscribed for 221,700 call options in the programme. If the options are fully exercised, the number of B shares outstanding will increase by 221,700, equivalent to 1.0 percent of the number of shares outstanding and 0.7 percent of the votes.

In accordance with a resolution of the August 2009 AGM, 22 members of management were offered the opportunity to acquire 236,000 call options on repurchased Class B shares. The programme was fully subscribed, and if all options are exercised, the number of Class B shares outstanding will increase by 236,000, equivalent to 1.1 percent of the total number of shares outstanding and 0.7 percent of the votes.

The redemption price of issued call options attributable to the share-based incentive programme for 2009 is SEK 127.70; the redemption period is 3 September 2012 until 14 June 2013. Until 31 March 2013, 175,400 options out of a total of 236,000 were redeemed to shares. The remaining 60,600 options were redeemed after the end of the financial year. The redemption price of issued call options attributable to the share-based incentive programme for 2010 is SEK 164.70; the redemption period is 16 September 2013 until 30 May 2014. The redemption price of issued call options attributable to the share-based incentive programme for 2011 is SEK 179.40; the redemption period is 15 September 2014 until 29 May 2015.The redemption price of issued call options attributable to the share-based incentive programme for 2012 is SEK 214.50; the redemption period is 14 September 2015 until 3 June 2016.

The Board has decided to propose that the Annual General Meeting in August 2013 approves an incentive programme according to the same, or an essentially similar, model as decided at the previous AGMs.

Dividend policy

The ambition of the Board of Directors is a payout ratio exceeding 50 percent of consolidated average profit after tax over a business cycle. Since the share was listed, the payout ratio, including the dividend proposed for the year, has averaged around 60 percent.

Proposals to the Annual General Meeting

- **Dividend.** The Board of Directors proposes a dividend of SEK 8.00 per share (8.00), equivalent to a payout ratio of 55 percent (55). The total dividend amounts to SEK 175 million (174).

- **Incentive programme.** The Board of Directors has decided to propose that the Annual General Meeting should pass a resolution to adopt a long-term incentive programme. The programme, which it is proposed will include 25 members of management within the Addtech Group, involves the participants being given the opportunity to acquire, at market price, call options relating to Class B shares in Addtech AB ('the Company') repurchased by the Company, with the participants receiving a certain subsidy on premiums paid for the options after two years. The proposal also involves the Annual General Meeting approving that the Company - in deviation from the shareholders' preferential rights - transfers up to 200,000 of the Company's repurchased Class B shares to the option holders at the agreed redemption price in connection with any exercise of the call options. If the options are fully exercised, the number of B shares outstanding will increase by 200,000, equivalent to 0.9 percent of the number of shares outstanding and 0.6 percent of the votes.

- **Extension of repurchase mandate.** The Board of Directors has decided to propose to the AGM that the mandate to repurchase treasury shares be renewed. The proposed mandate would entitle the Board of Directors, during the period until the next AGM, to purchase shares such that the Company's holding at no time exceeds 10 percent of the total number of shares in the Company. Repurchases shall be carried out on the stock market. The proposed mandate would also allow use of repurchased shares as payment for acquisitions or disposal of the repurchased shares outside the stock market to finance acquisitions.

Additional information

Addtech's website www.addtech.com is updated continuously with information about shareholder changes and share price performance. The site also has information about which analysts follow Addtech.

Key Indicators

	2013/2012		2011/2012	2010/2011
Earnings per share (EPS), SEK	14.60		14.65	11.80
Shareholders' equity per share, SEK	51.20		46.20	40.80
Price/earnings ratio	15		12	16
Dividend per share, SEK	8.00	1)	8.00	7.00
Payout ratio, %	55		55	59
Dividend yield, %	3.7		4.4	3.7
Last price paid, SEK	217.00		182.00	189.00
Price/equity, multiple	4.2		3.9	4.6
Market capitalisation, SEKm	4,757		3,958	4,205
Average number of shares outstanding	21,798,031		21,944,119	22,252,881
Number of shares outstanding at year-end	21,921,432	2)	21,746,032	22,246,032
Number of shareholders at year-end	3,379		3,715	3,832

1) Dividend proposed by the Board of Directors

2) The difference between the total number of shares and shares outstanding equals the shares repurchased by Addtech: 811,400 Class B shares at 31 mars 2013.

Addtech's largest shareholders, 31 March 2013

			Proportion of	
Shareholder	Class A shares	Class B shares	capital, %	votes, %
Anders Börjesson (family)	496,920	40,350	2.3	15.4
Tom Hedelius (family)	481,920	5,400	2.1	14.8
Lannebo Fonder		2,585,000	11.4	8.0
Swedbank Robur Fonder		1,911,334	8.4	5.9
Livförsäkringsbolaget Skandia		1,624,852	7.2	5.0
SEB Investment Management		1,211,203	5.3	3.7
Odin Fonder		1,156,349	5.1	3.6
SEB Asset Management		1,013,300	4.5	3.1
Handelsbanken fonder		752,204	3.3	2.3
Familjen Säve	20,000	426,773	2.0	1.9
Sandrew AB		600,000	2.6	1.8
Fidelity Low-Priced Stock FD		500,000	2.2	1.5
Nordea Investment Funds		476,983	2.1	1.5
Christina Mörner	10,000	346,411	1.6	1.4
Didner & Gerge Fonder AB		422,808	1.9	1.3
Total 15 largest owners 3)	**1,008,840**	**13,072,967**	**62.0**	**71.2**

3) The proportion of capital and votes excludes the shares held in treasury by Addtech AB.

Size classes

Number of shares	Proportion of share capital, %	Number of shareholders	Proportion of number of shareholders, %
1 - 500	1	2,333	69
501 - 1 000	2	465	14
1 001 - 5 000	4	411	12
5 001 - 10 000	2	60	2
10 001 - 20 000	2	30	1
20 001 -	89	80	2
	100	**3,379**	**100**

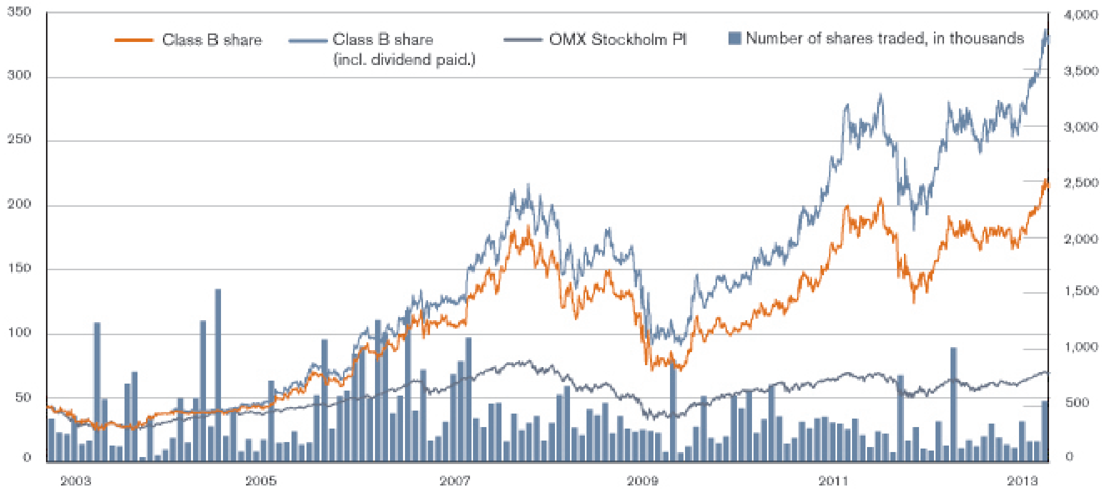
Holdings by category

	2012/2013		2011/2012	
	Number of shareholders	Proportion of capital, %	Number of shareholders	Proportion of capital, %
Swedish owners	3,197	79	3,539	77
Foreign owners	182	21	176	23
Total	**3,379**	**100**	**3,715**	**100**
Legal entities	402	76	465	75
Natural persons	2,977	24	3,250	25
Total	**3,379**	**100**	**3,715**	**100**

Share capital development

	Class A					Class B				
Event	Change in number	Number of shares	Proportion of capital, %	Number of votes	Proportion of votes, %	Change in number	Number of shares	Proportion of capital, %	Number of votes	Proportion of votes, %
At time of listing		1,840,286	7	18,402,860	41		26,023,946	93	26,023,946	59
2001/2002										
Conversion of Class A shares to Class B shares	-726,808	1,113,478	4	11,134,780	29	726,808	26,750,754	96	26,750,754	71
2002/2003										
Conversion of Class A shares to Class B shares	-6,976	1,106,502	4	11,065,020	29	6,976	26,757,730	96	26,757,730	71
2003/2004										
Cancellation of Class B shares		1,106,502	4	11,065,020	30	-1,350,000	24,407,730	96	25,407,730	70
2004/2005										
Cancellation of Class B shares		1,106,502	4	11,065,020	31	-1,181,400	24,226,330	96	24,226,330	69
Conversion of Class A shares to Class B shares	-2,688	1,103,814	4	11,038,140	31	2,688	24,229,018	96	24,229,018	69
2006/2007										
Cancellation of Class B shares		1,103,814	5	11,038,140	33	-1,700,000	22,529,018	95	22,529,018	67
2008/2009										
Cancellation of Class B shares		1,103,814	5	11,038,140	34	-900,000	21,629,018	95	21,629,018	66
Conversion of Class A shares to Class B shares	-1,344	1,102,470	5	11,024,700	34	1,344	21,630,362	95	21,630,362	66
2009/2010										
Conversion of Class A shares to Class B shares	-2,688	1,099,782	5	10,997,820	34	2,688	21,633,050	95	21,633,050	66
2010/2011										
Cancellation of Class B shares		1,099,782	5	10,997,820	34	-20,000	21,613,050	95	21,613,050	66
Conversion of Class A shares to Class B shares	-5,376	1,094,406	5	10,944,060	34	5,376	21,638,426	95	21,638,426	66
2011/2012										
Conversion of Class A shares to Class B shares	-3,558	1,090,848	5	10,908,480	34	3,558	21,641,984	95	21,641,984	66
2012/2013										
Conversion of Class A shares to Class B shares	-4,468	1,086,380	5	10,863,800	33	4,468	21,646,452	95	21,646,452	67
Total number of shares				22,732,832						
Total number of votes				32,510,252						

Addtech B share price



Multi-year Summary

SEKm, unless stated otherwise	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Net sales	5,403	5,200	4,418	3,680	4,445
Operating profit [1]	437	470	380	216	376
Finance income and costs	-29	-23	-16	-14	-10
Profit after financial items	408	447	364	202	366
Profit for the year	323	327	265	150	271
[1] For the purpose of comparison, data are provided on the following items included in the above operating profit:					
Sale of businesses	0	0	10	0	1
Sale of property	–	–	–	0	24
Redeployment costs	–	–	-8	–	-35
Total	**0**	**0**	**2**	**0**	**-10**
Intangible non-current assets	1,192	1,012	793	554	606
Property, plant and equipment	166	156	162	141	170
Non-current financial assets	14	14	13	8	8
Inventories	675	650	556	465	589
Current receivables	943	850	735	584	663
Cash and cash equivalents	72	50	50	50	84
Total assets	**3,062**	**2,732**	**2,309**	**1,802**	**2,120**
Shareholders' equity	1,122	1,004	907	803	822
Non-controlling interests	16	13	15	11	11
Interest-bearing liabilities and provisions	797	584	408	218	406
Non-interest-bearing liabilities and provisions	1,127	1,131	979	770	881
Total shareholders' equity and liabilities	**3,062**	**2,732**	**2,309**	**1,802**	**2,120**
Capital employed	1,936	1,601	1,330	1,032	1,239
Working capital, year average	969	890	753	732	838
Financial net liabilities	726	534	358	168	322
Operating margin, %	8.1	9.0	8.6	5.9	8.5
Profit margin, %	7.6	8.6	8.2	5.5	8.2
Return on equity, %	30	34	31	18	36
Return on working capital (P/WC), %	25	32	33	19	33
Return on capital employed, %	45	53	50	30	45
Equity ratio, %	37	37	40	45	39
Debt/equity ratio, multiple	0.7	0.6	0.4	0.3	0.5
Interest coverage ratio, multiple	14.2	15.8	19.5	12.4	14.7
Net debt/EBITDA, multiple	1.3	0.9	0.8	0.6	0.7
Earnings per share (EPS), SEK	14.60	14.65	11.80	6.60	12.05
EPS, after dilution, SEK	14.60	14.60	11.75	6.60	11.95
Cash flow per share, SEK	15.55	18.90	13.50	13.20	13.90
Shareholders' equity per share, SEK	51.20	46.20	40.80	36.10	37.20
Dividend per share, SEK	8,00 [2]	8.00	7.00	5.00	5.00
Average number of shares after repurchases, '000s	21,798	21,944	22,253	22,204	22,112
Average number of shares adjusted for dilution, '000s	21,844	22,000	22,293	22,249	22,276
Market price of share at 31 March, SEK	217.00	182.00	189.00	121.75	74.75
Turnover rate of the share, %	12	17	17	21	18
Cash flow from operating activities	339	415	300	293	307
Cash flow from investing activities	-351	-296	-302	-43	-85
Cash flow from financing activities	45	-119	5	-284	-217
Cash flow for the year	33	0	3	-34	5
Average number of employees	1,815	1,612	1,445	1,335	1,532
Number of employees at year-end	2,011	1,700	1,512	1,323	1,426

[2] As proposed by the Board of Directors.

Definitions

Capital employed
Total assets, less non-interest-bearing liabilities and provisions.

Cash flow per share
Cash flow from operating activities, divided by the average number of shares.

Debt/equity ratio
Interest-bearing liabilities and interest-bearing provisions in relation to equity.

Earnings per share (EPS)
Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding.

Earnings per share (EPS), diluted
Shareholders' proportion of profit/loss for the year in relation to the average number of shares outstanding, adjusted for the additional shares resulting from the exercise of outstanding personnel options or similar programmes.

EBITDA
Operating profit before depreciation and amortisation of intangible assets and property, plant and equipment.

Employee turnover
Number of employees who left during the year, in relation to the average number of employees.

Equity per share
Shareholders' proportion of equity divided by the number of shares outstanding at the end of the reporting period.

Equity ratio
Equity as a percentage of total assets.

Financial net liabilities
Interest-bearing liabilities and interest-bearing provisions, less cash and cash equivalents.

Interest coverage ratio
Profit /loss after net financial items, plus interest expense, plus/minus exchange differences in relation to interest expense.

Net debt/EBITDA
Financial net liabilities divided by EBITDA.

Operating margin
Operating profit/loss as a percentage of net sales.

Outstanding shares
Total number of shares less treasury shares repurchased by the Company.

Profit margin
Profit/loss after net financial items as a percentage of net sales.

Return on capital employed
Profit/loss after net financial items, plus interest expenses plus/minus exchange differences, as a percentage of average capital employed.

Return on equity
Profit/loss after tax attributable to shareholders, as a percentage of shareholders' proportion of average equity.

Return on working capital (P/WC)
Operating profit/loss in relation to average working capital.

Share turnover rate
Total trading volume divided by the average number of Class B shares outstanding during the financial year.

Working capital
Sum of inventories and accounts receivable, less accounts payable. Average working capital for the year is used to calculate return on working capital (P/WC).

Welcome to the Annual General Meeting

The Annual General Meeting (AGM) of Addtech AB (publ.) will be held at 4.00 p.m. on 28 August 2013 på IVA, Grev Turegatan 16, Stockholm.

Notice of participation

Shareholders who wish to participate in the Annual General Meeting must

- be entered in the shareholders' register held by Euroclear Sweden AB on Thursday, 22 August 2013.

- provide the Company with notification of their attendance by 3.00 p.m. Thursday, 22 August 2013 at the latest: by contacting Addtech AB (publ), Box 5112, 102 43 Stockholm, Sweden; by calling +46 (0)8-470 49 00; by faxing +46 (0)8-470 49 01; through the Company's website www.addtech.com/investerare; or by e-mailinginfo@addtech.com. Such notice must contain the shareholder's name, personal identification number (or corporate ID number), address, telephone number and the number of shares represented as well as advisors/assistance (a maximum of two). The data submitted in such notification will be processed and used for the 2013 AGM.

Shareholders whose shares are held in trust must temporarily register their shares in their own name in order to exercise their voting rights at the AGM. Such changes in registration must be completed no later than Thursday, 22 August 2013.

If a shareholder intends to participate by representation through a proxy, the original of the proxy notice as well as any documents for authorisation must be sent to the Company well before the AGM. Representatives of a legal entity must also submit a certified copy of the registration certificate or equivalent documents for authorisation that demonstrate that they are entitled to represent the legal entity. The Company provides a proxy form for shareholders which is available from the head office or from the Company's website www.addtech.com/arsstamma as of 18 July 2013.

Payment of dividend

The dividend resolution adopted by the AGM will specify the date on which shareholders must be recorded in the share register maintained by Euroclear Sweden AB to be entitled to receive the dividend. The record date proposed by the Board is Monday, 2 September 2013 for dividend payment. Provided the AGM adopts the proposal, the dividend is expected to be paid through Euroclear Sweden AB on Thursday, 5 September 2013, to shareholders entered in the share register at the record date.

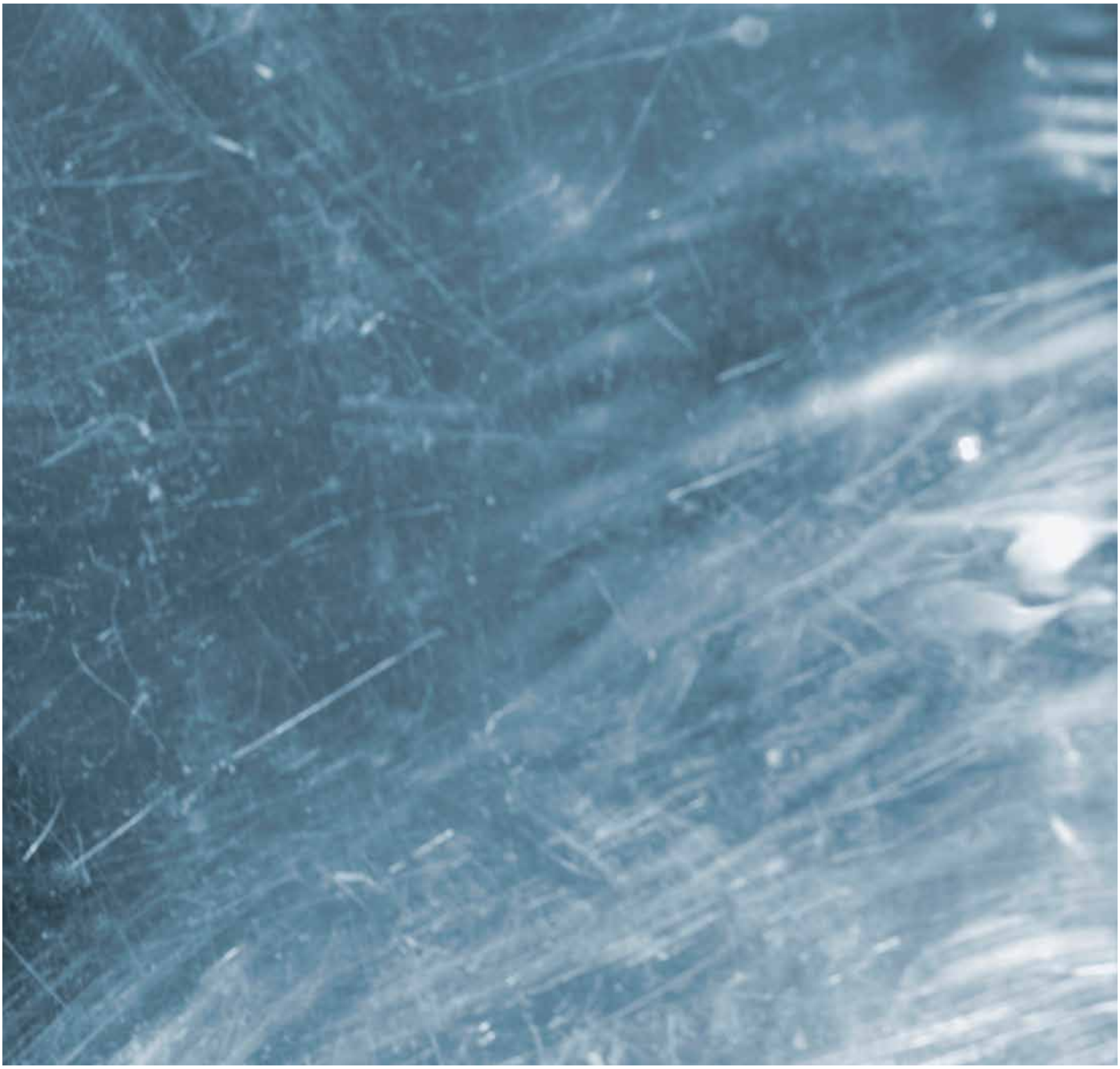
Change of address or bank account

Shareholders who have changed their name, address or account number should inform their trustee or account operator (bank) of any such change as soon as possible. A special form for this purpose is available from banks.

About this annual report

Addtech's annual report is published and distributed online on our website. However, you can download all or parts of the annual report in PDF format.

For more information about the Company, go to www.addtech.com.



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