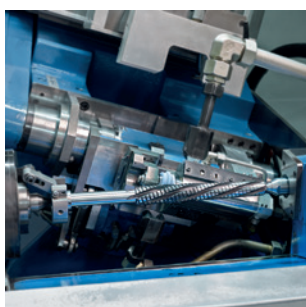




# Year-end report 2014



## Year-end report 2014

### THE FULL YEAR

#### *Continuing operations*

- Net revenue totalled SEK 974 million (989)
- Profit before tax amounted to SEK 52 million (72)
- Profit after tax amounted to SEK 40 million (55)
- Earnings per share were SEK 5.85 (8.00)

#### *Group total*

- Net revenue totalled SEK 1,219 million (1,593)
- Profit before tax amounted to SEK 76 million (150) and includes non-recurring items totalling SEK 0 million (16)
- Profit after tax amounted to SEK 58 million (118)
- Earnings per share were SEK 8.55 (17.40)

- The spin-off and separate listing of AGES took place in May
- A change in CEO took place on 1 July

### THE FOURTH QUARTER

#### *Continuing operations*

- Net revenue totalled SEK 268 million (274)
- Profit before tax amounted to SEK 6 million (21)
- Profit after tax amounted to SEK 4 million (15)
- Earnings per share were SEK 0.55 (2.20)

#### *Group total*

- Net revenue totalled SEK 268 million (439)
- Profit before tax amounted to SEK 6 million (34)
- Profit after tax amounted to SEK 4 million (24)
- Earnings per share were SEK 0.55 (3.60)

*This report states whether the information provided refers to the entire Group or continuing operations, i.e. the Group excluding AGES (the spun-off Precision Components business unit). AGES is included as part of the Group as a whole up to and including 30 April 2014 and the full year 2013.*

### CEO's comments

Following a decision taken at the AGM in May 2014, the Precision Components business unit has been spun off from XANO to form an independent group of companies. The spin-off of Precision Components, which used to account for around half of all operations, is having a considerable effect on the Group's profits and financial position.

#### *Continuing operations*

The two business units Precision Technology and Rotational Moulding have progressed well during the year. In a cautious market, the companies have strengthened their positions and taken a number of important steps to ensure continued profitable growth. The only exception is Rotational Moulding's operations in Poland, which show poor profitability. Compared to the robust previous year, Industrial Solutions has experienced a challenging period. Some major customers have suffered from a difficult business cycle and sales to the packaging industry have not reached the level seen in the previous year. Measures have been

put in place to adjust the costs, and these will start to take effect from the turn of the year.

The end of 2014 generated a slightly weaker outcome than expected. However, the project-related sale to the packaging industry has produced strong orders.

#### *Future development*

In the immediate future the customer segments of all the business units are judged to continue to show caution. Despite this, the level of incoming orders stabilised in the latter part of 2014 and at the start of this year. The market situation is expected to gradually improve over the course of the year.

### Revenue

#### *The full year*

Net revenue for continuing operations totalled SEK 974 million (989). Net revenue was SEK 245 million (608) for spin-off operations and SEK 1,219 million (1,593) for the Group as a whole.

#### *The fourth quarter*

Net revenue for continuing operations totalled SEK 268 million (274). Net revenue was SEK 0 million (167) for spin-off operations and SEK 268 million (439) for the Group as a whole.

## Profit

### *The full year*

Operating profit for continuing operations amounted to SEK 65 million (85), corresponding to an operating margin of 6.7 per cent (8.6). Profit before tax was SEK 52 million (72). Profit before tax for spin-off operations amounted to SEK 24 million (64) and includes non-recurring items totalling SEK 0 million (2). Profit before tax for discontinued operations amounted to SEK 0 million (14). The Group as a whole reported profit before tax amounting to SEK 76 million (150) including non-recurring items totalling SEK 0 million (16).

### *The fourth quarter*

Operating profit for continuing operations amounted to SEK 10 million (23). Profit before tax was SEK 6 million (21). Profit before tax for spin-off operations amounted to SEK 0 million (13). The Group as a whole reported profit before tax amounting to SEK 6 million (34).

## Share data and key figures

### *The full year*

Earnings per share for continuing operations were SEK 5.85 (8.00). Earnings per share for the Group as a whole amounted to SEK 8.55 (17.40). Equity per share was SEK 51.45 (94.80). The average number of outstanding shares was 6,788,974 during the year. The equity/assets ratio was 40 per cent (41) at the end of the year. The average number of employees was 675 (664) for continuing operations.

## Important events during the year

Solna Pressgjuteri AB and ADC of Sweden AB were acquired in April. Consolidation in XANO was effective as of 1 April 2014 and has had a negligible impact on the Group's results and financial position. The companies were initially a part of XANO's Precision Components business unit. The acquisitions will have no impact on revenue or profit for continuing operations.

Following a decision taken at the AGM on 8 May 2014, the Precision Components business unit has been spun off from XANO to form an independent group of companies. The parent company of the new group, AGES Industri AB, has been listed on NASDAQ OMX First North Premier.

On 1 July 2014, former Deputy CEO Lennart Persson took over as CEO. He succeeded Sune Lantz, who has taken on a number of board positions, including at XANO.

## Events after the end of the year

There are no individual events of major significance to report after the balance sheet date.

## Activities and organisation

XANO comprises industrial companies with operations in Sweden, Estonia, Finland, Norway, China and Poland. The companies all operate within well-defined niches and possess a high level of expertise within their respective technical areas. The Group's operations are divided into three business units: Industrial Solutions, Precision Technology and Rotational Moulding.

### Industrial Solutions

*Industrial Solutions supplies automation solutions to the food and medical technology industries, in addition to packaging machines for beverage and other food packaging. The unit also supplies manufacturers of furniture and fittings with parts such as hand wheels, handles and adjustable feet.*

	2014	2013
Sales, SEK m	581	623
Operating profit, SEK m	48	71
Operating margin, %	8.2	11.3

Revenue fell by 7 per cent and operating profit by 32 per cent compared to the previous year. Lower volumes due to fewer project deliveries to the packaging industry and a difficult business cycle for some key customers explain the weaker results in 2014. Measures have been implemented to counteract the reduced demand at Fredriksons' Swedish unit. Several new projects for the packaging industry were agreed in the autumn, with delivery due to take place in the first half of 2015. Sales of parts for furniture and fittings have continued to develop positively, primarily on the export markets.

### Precision Technology

*Precision Technology comprises component and system manufacture through advanced cutting machining of metal and plastic for the production of components with stringent requirements for quality and precision.*

	2014	2013
Sales, SEK m	196	190
Operating profit, SEK m	17	12
Operating margin, %	8.8	6.6

Compared to the previous year, revenue was 3 per cent higher, while operating profit improved by 37 per cent. Structural measures and work focusing on improving margins have resulted in the companies strengthening their market positions. The second half of the year was characterised by customers demonstrating some reluctance to place orders. However, the companies have taken on several new projects that will start successively.

## Rotational Moulding

*Rotational Moulding manufactures plastic products in the form of components and systems through rotational moulding. Deliverables include both customer-specific and in-house developed products.*

	2014	2013
Sales, SEK m	199	173
Operating profit, SEK m	18	16
Operating margin, %	8.8	9.0

Invoicing was 15 per cent higher, with operating profit rising by 12 per cent, compared to the previous year. The business unit shows good growth in sales in the Nordic markets. All units have managed to acquire market shares in a cautious market. The unit in Poland did not match expectations in the second half of the year, leading to extra costs. Steps have been taken to further develop the business concept and strengthen the organisation.

## Spin-off operations

*Precision Components (AGES Group)*

The Precision Components business unit was spun off and listed separately during the second quarter. The business unit is included in the Group figures up to and including 30 April 2014. See specification on page 9.

## Investments

During the year, the Group's net investments in non-current assets amounted to SEK -437 million (16), of which SEK 31 million related to corporate transactions, SEK 6 million to real estate, SEK 62 million to machinery and equipment and SEK -536 million to the spin-off of AGES.

Net investments during the fourth quarter came to SEK 12 million (36) and related to machinery and equipment.

## Cash flow and liquidity

Cash flow from operating activities for the Group as a whole totalled SEK 92 million (161) for the year. Lower profit, mainly due to the spin-off of AGES, has contributed to the reduced cash flow.

The Group's liquid assets, including lines of credit granted but not utilised, totalled SEK 254 million on the balance sheet date.

## Convertible bond programme

Due to the distribution of the shares in AGES Industri AB to the XANO shareholders, the conversion rate for XANO convertible 2012/2016 has been recalculated in accordance with section 8E of the terms and conditions. The recalculated conversion rate is SEK 51. The original conversion rate was SEK 109.

If all convertibles are converted to shares, share capital

will be increased by a maximum of SEK 2,941,170. The dilution will then be approx. 8 per cent of the share capital and approx. 2 per cent of the number of votes.

## Risks and uncertainty factors

The Group's main risk and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

A statement on the Group's main financial and operational risks can be found on pages 73 and 74 of the annual report for 2013. No additional significant risks are deemed to have arisen.

## Accounting policies

As with the annual financial statements for 2013, the consolidated financial statements for 2014 are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the recommendations and statements of the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34.

The Group applies the same accounting policies as described in the annual report for 2013 with the following exceptions as a result of new or revised standards, interpretations and improvements, which are applied as of 1 January 2014:

- » IFRS 10 Consolidated Financial Statements
- » IFRS 11 Joint Arrangements
- » IFRS 12 Disclosure of Interests in Other Entities
- » Amendments to IAS 27, IAS 28, IAS 32, IAS 36 and IAS 39

Their application has not had any effect on the Group's financial performance or position.

The spinning off of the Precision Components business unit with the parent company AGES Industri AB was decided on and executed in 2014. Profit from the operating activities of spun-off entities is recognised in accordance with IFRS 5 as spin-off/discontinued operations.

In addition to this, a capital gain from the 2013 sale of a property in Tallinn has been reclassified to profit from discontinued operations.

## Proposed dividend

The Board of Directors proposes that the Annual General Meeting allocate a dividend of SEK 2.50 (4.00) per share, totalling SEK 17 million (27) based on the number of outstanding shares at year-end. The proposal is for a lower dividend compared to the previous year. The reduction is due to the altered group structure through the distribution of AGES, which accounted for around half of all operations.

### Repurchase of own shares

The Board of Directors proposes that the Annual General Meeting renew the Board's authorisation to approve the repurchase of the company's own shares. Such a mandate would authorise the Board to make decisions regarding the repurchase of the company's shares during the period until the next Annual General Meeting.

Any such repurchase could be effected both via the stock market and by offers to the shareholders. The proposal is that the mandate to the Board should also include the scope for assigning repurchased shares within the constraints of relevant legislation.

### Authorisation for a new share issue

XANO's Board of Directors proposes that the Annual General Meeting renew the Board's authorisation to decide on a new issue of Class B shares corresponding to a maximum of one tenth of the company's issued shares. Such a mandate would entail the Board being able to make a decision on a new share issue during the period until the next Annual General Meeting. The terms of the issue, including the issue price, must be based on a market assessment in which the issue price is on every occasion set as closely to the market value as possible, less the discount which may be necessary to obtain interest in the subscription.

### Nomination committee

A nomination committee was appointed at the 2014 Annual General Meeting consisting of Ulf Hedlundh (chairman), Fredrik Rapp and Anders Rudgård.

The committee's task prior to the 2015 AGM is to nominate a chairman of the board and other board members, auditors, a chairman for the AGM and fees for the board, committees and auditors.

### Annual General Meeting

The Annual General Meeting will be held on Wednesday 6 May at 3 pm at XANO's premises at Industrigatan 14 B in Jönköping, Sweden.

The annual report for 2014 (in Swedish) will be available in week 15, as a printed version from the head office and in digital format on the website [www.xano.se](http://www.xano.se). Ahead of the AGM, the annual report will be distributed to the shareholders along with information concerning the AGM.

### Next report date

The interim report for the period 1 January to 31 March 2015 will be presented on Wednesday 6 May 2015.

The undersigned declare that the year-end report provides an accurate summary of the Parent Company's and the Group's activities, position and results. It also describes significant risks and uncertainty factors faced by the Parent Company and the companies that form the Group.

Jönköping, 5 February 2015

Tord Johansson  
*Chairman of the Board*

Fredrik Rapp  
*Vice Chairman of the Board*

Stig-Olof Simonsson  
*Board member*

Petter Fägersten  
*Board member*

Eva-Lotta Kraft  
*Board member*

Per Rodert  
*Board member*

Sune Lantz  
*Board member*

Lennart Persson  
*CEO*

*This report has not been reviewed by the company's auditors.*

Consolidated statement of comprehensive income	2014 3 mths Oct-Dec	2013 3 mths Oct-Dec	2014 12 mths Jan-Dec	2013 12 mths Jan-Dec
(SEK million)				
Net revenue	268	274	974	989
Cost of goods sold	-222	-215	-773	-774
<b>Gross profit</b>	<b>46</b>	<b>59</b>	<b>201</b>	<b>215</b>
Other operating income	2	2	6	8
Selling expenses	-24	-25	-93	-89
Administrative expenses	-12	-12	-44	-44
Other operating expenses	-2	-1	-5	-5
<b>Operating profit</b>	<b>10</b>	<b>23</b>	<b>65</b>	<b>85</b>
Financial items	-4	-2	-13	-13
<b>Profit before tax</b>	<b>6</b>	<b>21</b>	<b>52</b>	<b>72</b>
Tax	-2	-6	-12	-17
<b>Net profit for continuing operations</b>	<b>4</b>	<b>15</b>	<b>40</b>	<b>55</b>
Profit from spin-off/discontinued operations <sup>1, 2)</sup>	—	9	18	63
<b>Net profit for the period</b>	<b>4</b>	<b>24</b>	<b>58</b>	<b>118</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that may be reclassified to net profit</i>				
Change in hedging reserve including tax <sup>3)</sup>	-3	0	-10	6
Translation differences <sup>4)</sup>	7	3	15	4
<b>Other comprehensive income for the period</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>10</b>
<b>Comprehensive income for the period</b>	<b>8</b>	<b>27</b>	<b>63</b>	<b>128</b>
Depreciation for continuing operations constitutes	-11	-10	-43	-41
Depreciation for the Group as a whole constitutes	-11	-17	-52	-68

Tax for continuing operations amounts to 23 per cent (24).

<sup>1)</sup> Profit from discontinued operations relates to capital gain from the sale of a property in Tallinn and constitutes non-recurring items totalling SEK 0 million (14) in the full year. See specification on page 9.

<sup>2)</sup> Profit from spin-off operations relates to the Precision Components business unit (AGES). The business unit is included in Group profits up to and including 30 April 2014. The amounts include non-recurring items attributable to capital gains from the sale of real estate totalling SEK 0 million (2) for the full year. See specification on page 9.

<sup>3)</sup> Refers to the effective component of the change in value of derivative instruments used for hedge accounting.

<sup>4)</sup> Refers to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts. ADC of Sweden AB and Solna Pressgjuteri AB were consolidated as of 1 April 2014. See specification on page 9.

Share data	2014 3 mths Oct-Dec	2013 3 mths Oct-Dec	2014 12 mths Jan-Dec	2013 12 mths Jan-Dec
Average number of outstanding shares, thousands	6,789	6,789	6,789	6,789
Average number of outstanding shares after dilution, thousands	7,377	7,064	7,274	7,064
Average number of shares in own custody, thousands	140	140	140	140
Basic earnings per share for continuing operations, SEK <sup>1)</sup>	0.55	2.20	5.85	8.00
Basic earnings per share for the Group as a whole, SEK <sup>1)</sup>	0.55	3.60	8.55	17.40
Diluted earnings per share for continuing operations, SEK <sup>1)</sup>	0.55	2.15	5.65	7.90
Diluted earnings per share for the Group as a whole, SEK <sup>1)</sup>	0.55	3.50	8.20	16.90
Cash flow from operating activities per share for the Group as a whole, SEK	5.75	2.75	13.50	23.70
Total number of shares on balance sheet date, thousands			6,929	6,929
Number of shares in own custody on balance sheet date, thousands			140	140
Equity per share on balance sheet date, SEK			51.45	94.80
Share price on balance sheet date, SEK			104.00	238.00

After deduction for the company's own holding, 140,000 Class B shares, the number of outstanding shares is 6,788,974.

On 1 July 2012, convertibles for a nominal value of SEK 29,999,961 were issued. The convertibles accrue interest corresponding to STIBOR 3M plus 2.7 per cent and are due for payment on 30 June 2016. The conversion rate was originally SEK 109. Due to the distribution of the shares in AGES Industri AB to the XANO shareholders, the conversion rate has been recalculated in accordance with section 8E of the terms and conditions. The recalculated conversion rate is SEK 51. After recalculation, the convertible loan corresponds to 588,234 Class B shares in the event of full conversion. From 1 May 2014, the average number of outstanding shares after dilution has increased by the number of shares which will exist on full conversion as a result of a recalculated conversion rate.

<sup>1)</sup> Based on net profit for the period.

Consolidated statement of financial position (SEK million)	2014 31 Dec	2013 31 Dec
<b>ASSETS</b>		
Goodwill	170	499
Other intangible non-current assets	7	9
Property, plant and equipment	337	490
Other non-current assets	5	6
<b>Total non-current assets</b>	<b>519</b>	<b>1,004</b>
Inventories	166	247
Current receivables	161	278
Cash and cash equivalents	33	28
<b>Total current assets</b>	<b>360</b>	<b>553</b>
<b>TOTAL ASSETS</b>	<b>879</b>	<b>1,557</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	349	643
Non-current liabilities	251	440
Current liabilities <sup>1)</sup>	279	474
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>879</b>	<b>1,557</b>
Interest-bearing liabilities for the Group as a whole constitute	319	577
Deferred tax liabilities for the Group as a whole constitute	33	83

The Precision Components business unit (AGES) was spun off in May. Distributed assets and liabilities are specified on page 9.

<sup>1)</sup> Current liabilities include derivatives valued at fair value of SEK 17 million (5). The derivatives are used for hedging purposes and belong to value level two under IFRS 13. The fair value valuation is based on, among other factors, forward interest rates produced on the basis of observable yield curves.

Statement of changes in equity (SEK million)	2014 31 Dec	2013 31 Dec
<b>Opening balance</b>	<b>643</b>	<b>539</b>
Comprehensive income for the year	63	128
Dividend paid in cash	-27	-24
Dividend paid by distribution of shares in subsidiary	-330	–
<b>Closing balance</b>	<b>349</b>	<b>643</b>

Cash flow statement (SEK million)	2014 12 mths Jan-Dec	2013 12 mths Jan-Dec
Operating profit	92	175
Interest and income tax paid/received and adjustments for non-cash items	15	-1
Change in working capital	-15	-13
<b>Cash flow from operating activities</b>	<b>92</b>	<b>161</b>
Investments	-84	25
<b>Cash flow after investments</b>	<b>8</b>	<b>186</b>
Financing	-8	-223
<b>Cash flow for the year</b>	<b>0</b>	<b>-37</b>
Cash and cash equivalents at the start of the year	28	64
Exchange rate differences in cash and cash equivalents	5	1
<b>Cash and cash equivalents at the end of the year</b>	<b>33</b>	<b>28</b>

The cash flow statement refers to the whole Group.

2014 saw the acquisition of ADC of Sweden AB and Solna Pressgjuteri AB, while the Precision Components business unit has been spun off to the shareholders. See specification on page 9.

In the cash flow statement, SEK 28 million (72) of the cash flow from operating activities, SEK -50 million (-440) of the cash flow from investing activities and SEK 23 million (368) of the cash flow from financing activities related to spun-off entities. Of the investments made in 2013, SEK -420 million concerned intra-Group transactions. In addition to this, SEK 0 million (59) of the cash flow from investing activities related to a sold property recognised as discontinued operations.



Key ratios	2014 12 mths Jan-Dec	2013 12 mths Jan-Dec
Operating margin for continuing operations, %	6.7	8.6
Operating margin for the Group as a whole, %	7.5	11.0
Profit margin for continuing operations, %	5.3	7.2
Profit margin for the Group as a whole, %	6.2	9.4
Return on equity, % <sup>1)</sup>	12.5	19.8
Return on capital employed, % <sup>1)</sup>	10.5	14.7
Return on total capital, % <sup>1)</sup>	8.0	11.2
Interest coverage ratio, multiple <sup>1)</sup>	4.9	6.4
Equity, SEK m <sup>1)</sup>	349	643
Equity/assets ratio, % <sup>1)</sup>	40	41
Proportion of risk-bearing capital, % <sup>1)</sup>	44	47
Net investments for continuing operations, SEK m <sup>2)</sup>	49	-462
Net investments for the Group as a whole, SEK m <sup>3)</sup>	-437	16
Average number of employees for continuing operations	675	664
Average number of employees for the Group as a whole	793	998

For definitions, see page 87 of the 2013 annual report.

<sup>1)</sup> Refers to the Group as a whole.

<sup>2)</sup> Of the investments made in 2013, SEK -500 million concerned intra-Group transactions.

<sup>3)</sup> Of the investments made in 2014, SEK -536 million concerned the spin-off of AGES.

Quarterly summary	2014 Q4	2013 Q4	2014 Q3	2013 Q3	2014 Q2	2013 Q2	2014 Q1	2013 Q1
Net revenue for continuing operations, SEK m	268	274	205	204	271	266	230	245
Gross profit for continuing operations, SEK m	46	59	43	41	60	66	52	49
Operating profit for continuing operations, SEK m	10	23	15	13	22	30	18	19
Profit before tax for continuing operations, SEK m	6	21	12	11	19	28	15	12
Net profit for the period for continuing operations, SEK m	4	15	9	9	15	22	12	9
Net profit for the period for the Group as a whole, SEK m	4	24	9	21	19	35	26	38
Comprehensive income for the period, SEK m	8	27	13	18	20	44	22	39
Operating margin for continuing operations, %	3.8	8.3	7.2	6.6	8.3	11.5	7.7	7.3
Equity/assets ratio, % <sup>1)</sup>	40	41	37	40	36	38	40	37
Earnings per share for continuing operations, SEK <sup>2)</sup>	0.55	2.20	1.40	1.30	2.15	3.15	1.75	1.35
Earnings per share for the Group as a whole, SEK <sup>1)</sup>	0.55	3.60	1.40	3.00	2.80	5.15	3.80	5.65
Cash flow from operating activities per share, SEK <sup>1)</sup>	5.75	2.75	1.95	6.75	6.15	6.60	-0.35	7.60

<sup>1)</sup> Refers to the Group as a whole.

<sup>2)</sup> Based on net profit for the period for continuing operations.

Net revenue and profit/loss by segment	Q1-Q4 2014				Q1-Q4 2013			
(SEK million)	External	Net revenue Internal	Total	Profit/loss before tax <sup>1)</sup>	External	Net revenue Internal	Total	Profit/loss before tax <sup>1)</sup>
Industrial Solutions	581	0	581	45	623	0	623	67
Precision Technology	194	2	196	15	189	1	190	9
Rotational Moulding	199	0	199	14	173	0	173	12
Eliminations	–	-2	-2	–	–	-1	-1	–
Undistributed items	–	–	–	-22	4	–	4	-16
<b>Continuing operations</b>	<b>974</b>	<b>–</b>	<b>974</b>	<b>52</b>	<b>989</b>	<b>–</b>	<b>989</b>	<b>72</b>

The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Solutions, Precision Technology and Rotational Moulding. The operations within each segment are described on pages 3 and 4. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments.

In 2014, all segments have boosted their total operating assets, such as inventories and trade receivables.

In May 2014, the Precision Components segment was separated from the Group by means of a spin-off. Revenue and profit for this segment can be seen in the specification on page 9.

<sup>1)</sup> The profit/loss figure refers to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items mainly refer to the Parent Company.



Income statement	Continuing operations		Profit from spin-off operations <sup>1)</sup>		Profit from discontinued operations <sup>2)</sup>		Internal revenue		Total	
(SEK million)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net revenue	974	989	245	608	–	–	0	-4	1,219	1,593
Cost of goods sold	-773	-774	-202	-498	–	–	0	1	-975	-1,271
<b>Gross profit/loss</b>	<b>201</b>	<b>215</b>	<b>43</b>	<b>110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>244</b>	<b>322</b>
Other operating income <sup>3)</sup>	6	8	0	5	–	14	–	–	6	27
Selling expenses	-93	-89	-10	-23	–	–	0	0	-103	-112
Administrative expenses	-44	-44	-6	-12	–	–	0	0	-50	-56
Other operating expenses	-5	-5	0	-1	–	–	–	–	-5	-6
<b>Operating profit/loss</b>	<b>65</b>	<b>85</b>	<b>27</b>	<b>79</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>-3</b>	<b>92</b>	<b>175</b>
Financial items	-13	-13	-3	-12	–	–	–	–	-16	-25
<b>Profit/loss after financial items</b>	<b>52</b>	<b>72</b>	<b>24</b>	<b>67</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>-3</b>	<b>76</b>	<b>150</b>
Group-wide costs	–	–	–	-3	–	–	–	3	–	–
<b>Profit before tax</b>	<b>52</b>	<b>72</b>	<b>24</b>	<b>64</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>76</b>	<b>150</b>
Tax	-12	-17	-6	-15	–	–	–	–	-18	-32
<b>Net profit for the period</b>	<b>40</b>	<b>55</b>	<b>18</b>	<b>49</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>58</b>	<b>118</b>
Basic earnings per share, SEK <sup>4)</sup>	5.84	8.02	2.71	7.21	–	2.15	–	–	8.55	17.38
Diluted earnings per share, SEK <sup>4)</sup>	5.63	7.92	2.54	6.93	–	2.06	–	–	8.17	16.91

<sup>1)</sup> Spin-off operations refer to the Precision Components business unit (AGES). The business unit was consolidated up to and including 30 April 2014.

<sup>2)</sup> Profit from discontinued operations relates to the sale of a property in Tallinn. This sale, which was completed in February 2013, led to a capital gain that was reclassified in 2014 to profit from discontinued operations. Profit from the operating property activities is negligible and has therefore not been reclassified.

<sup>3)</sup> For 2013, non-recurring items amounted to SEK 2 million in profit from spin-off operations and SEK 14 million in profit from discontinued operations, totalling SEK 16 million.

<sup>4)</sup> Based on net profit for the period.

ADC of Sweden AB and Solna Pressgjuteri AB were acquired in April 2014. Solna Pressgjuteri is a system supplier of processed aluminium and zinc castings. Deliverables comprise moulded, machined and assembled components and systems for sectors such as automotive, defence and marine. ADC of Sweden in Kulltorp is a full-scale system supplier of processed aluminium castings. Together, the operations have 55 employees. Total revenue amounts to approx. SEK 80 million with an operating margin of approx. 10 per cent. The purchase price, paid in cash, amounted to SEK 40 million. The balance sheet total of the acquired companies amounted to approx. SEK 35 million, of which approx. SEK 15 million constituted equity. Solna Pressgjuteri and ADC of Sweden were initially a part of XANO's Precision Components business unit and provided existing operations in die casting with additional competence and access to new market segments. Consolidation of the acquired entities in XANO was effective as of 1 April 2014. These businesses have contributed SEK 6 million in net revenue and SEK 0 million in net profit after the deduction of write-offs from surplus values and financial costs attributable to the acquisition. If the acquired entities had been included in the Group during the whole period, revenue for spin-off operations would have amounted to SEK 268 million, while the net profit for the period for spin-off operations would have been SEK 19 million after the financial costs attributable to the acquisitions. The acquisitions will have no impact on revenue or profit for continuing operations.

The total value of acquired assets and liabilities, purchase prices and the effect on the Group's liquid assets was as follows:

(SEK million)	ACQUISITIONS			DISTRIBUTION
	Reported values in subsidiaries	Fair value adjustment	Consolidated fair value	
Intangible non-current assets	0	23	23	352
Property, plant and equipment	5	2	7	183
Financial assets	1	0	1	1
Current assets	28	0	28	288
Non-current liabilities	-2	-1	-3	-185
Current liabilities	-16	0	-16	-309
<b>Net assets/purchase price</b>	<b>16</b>	<b>24</b>	<b>40</b>	<b>330</b>
Liquid assets in acquired businesses			0	–
<b>Total cash flow attributable to acquired businesses</b>			<b>40</b>	<b>–</b>
Dividend paid by distribution of shares in subsidiary			–	-330
<b>Total cash flow attributable to spin-off operations</b>			<b>–</b>	<b>0</b>

The acquisitions bring surplus values totalling SEK 25 million distributed amongst buildings (SEK 2 million) and goodwill, relating to customer relations and synergies (SEK 23 million). The transaction costs amount to approx. SEK 0.3 million.

Income statement, Parent Company	2014	2013
(SEK million)	12 mths Jan-Dec	12 mths Jan-Dec
Net revenue	7.4	11.3
Selling and administrative expenses	-16.6	-16.8
<b>Operating profit/loss</b>	<b>-9.2</b>	<b>-5.5</b>
Profit from participations in Group companies	95.0	66.1
Other financial items	-17.6	5.6
<b>Profit after financial items</b>	<b>68.2</b>	<b>66.2</b>
Appropriations	-5.8	-14.9
Tax	-5.9	-9.9
<b>Net profit for the period</b>	<b>56.5</b>	<b>41.4</b>
<i>Statement of comprehensive income</i>		
Net profit for the period	56.5	41.4
Other comprehensive income	–	–
<b>Comprehensive income for the period</b>	<b>56.5</b>	<b>41.4</b>

Income tax amounts to 10 per cent (19). A tax-exempt dividend from subsidiaries has contributed to the reduced tax expense for the year.

100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

Balance sheet, Parent Company	2014	2013
(SEK million)	31 Dec	31 Dec
<b>ASSETS</b>		
Non-current assets	63.8	310.6
Current assets	402.2	567.9
<b>EQUITY AND LIABILITIES</b>		
Equity	112.8	341.1
Untaxed reserves	69.3	63.5
Non-current liabilities	145.4	143.3
Current liabilities	138.5	330.6
<b>BALANCE SHEET TOTAL</b>	<b>466.0</b>	<b>878.5</b>

Statement of changes in equity, Parent Company	2014	2013
(SEK million)	31 Dec	31 Dec
<b>Opening balance</b>	<b>341.1</b>	<b>323.4</b>
Comprehensive income for the period	56.5	41.4
Dividend paid in cash	-27.2	-23.7
Dividend paid by distribution of shares in subsidiary	-257.6	–
<b>Closing balance</b>	<b>112.8</b>	<b>341.1</b>

Cash flow statement, Parent Company	2014	2013
(SEK million)	12 mths Jan-Dec	12 mths Jan-Dec
Operating profit/loss	-9.2	-5.5
Interest and income tax paid/received and adjustments for non-cash items	80.3	51.1
Change in working capital	26.8	72.9
<b>Cash flow from operating activities</b>	<b>97.9</b>	<b>118.5</b>
Investments	-0.2	218.2
<b>Cash flow after investments</b>	<b>97.7</b>	<b>336.7</b>
Financing	-100.3	-331.8
<b>Cash flow for the period</b>	<b>-2.6</b>	<b>4.9</b>
Cash and cash equivalents at the start of the period	5.2	0.0
Exchange rate differences in cash and cash equivalents	0.1	0.3
<b>Cash and cash equivalents at the end of the period</b>	<b>2.7</b>	<b>5.2</b>

Of the investments made in 2013, SEK 466.0 million concerned intra-Group transactions, while SEK -247.8 million related to the increase in participations in Group companies through a new share issue.





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